REPORT

OF THE

WORKING GROUP TO REVIEW

THE WORKING OF

THE LEAD BANK SCHEME

RESERVE BANK OF INDIA

DECEMBER 1982

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RURAL PLANNING AND CREDIT DEPARTMENT

CENTRAL OFFICE

BOMBAY 400 023.

ABBREVIATIONS

AAP	Annual Action Plan
ALB	Allahabad Bank
ANB	Andhra Bank
ARDC	Agricultural Refinance and Development Corporation
BDO	Block Development Officer
BOB	Bank of Baroda
BOI	Bank of India
BOM	Bank of Maharashtra
CALCOB	The Committee on Agricultural Loans through Commercial Banks
CBI	Central Bank of India
CDR	Credit Deposit Ratio
CNB	Canara Bank
CRAFICARD	The Committee to Review Arrangements for Institutional Credit for Agriculture and Rural Development
DB	Dena Bank
DBOD	Department of Banking Operations and Development (Reserve Bank of India)
DCC	District Consultative Committee
DCCB	District Central Co-operative Bank
DCP	District Credit Plan
DIC	District Industries Centre
DLCC	District Level Co-ordination Committee
DLRM	District Level Review Meeting
DLW	District Level Workshop
DPAP	Drought Prone Area Programme
DRDA	District Rural Development Agency
DRIS	Differential Rate of Interest Scheme
HPC	High Power Committee on the working of the Lead Bank Scheme
IB	Indian Bank
IDBI	Industrial Development Bank of India
IOB	Indian Overseas Bank

IRD	Integrated Rural Development
IRDP	Integrated Rural Development Programme
LBO	Lead Bank Officer
LDO	Lead District Officer
MFAL	Marginal Farmers and Agricultural Labourers
NABARD	National Bank for Agriculture and Rural Development
NIBM	National Institute of Bank Management
NIS	New Information System
PLDB	Primary Land Development Bank
PNB	Punjab National Bank
PSB	Punjab & Sind Bank
RBI	Reserve Bank of India
RPCD	Rural Planning and Credit Department (RBI)
RRB	Regional Rural Bank
SBBJ	State Bank of Bikaner and Jaipur
SBI	State Bank of India
SBIn.	State Bank of Indore
SBM	State Bank of Mysore
SBP	State Bank of Patiala
SBS	State Bank of Saurashtra
SBT	State Bank of Travancore
SCB	State Co-operative Bank
Sy. B.	Syndicate Bank
SFDA	Small Farmers Development Agency
SLBC	State Level Bankers' Committee
SLCC	State Level Co-ordination Committee
SLDB	State Land Development Bank
SLRM	State Level Review Meeting
TPEP	Twenty Point Economic Programme
UBI	United Bank of India
UCO	United Commercial Bank
UNB	Union Bank

CONTENTS

CHAPTER-1

INTRODUCTORY

Genesis of the Working Group

1.1 The Committee to Review Arrangements for Institutional Credit for Agriculture and Rural Development (CRAFICARD) set up by the Reserve Bank of India (RBI) at the instance of Government of India, had, inter alia, made a comprehensive review of the existing field level arrangements for planning and implementing credit based development programmes in the context of the multiagency system for rural financing and for ensuring effective co-operation and co-ordination among the various agencies concerned with rural development. In this regard, the Committee made the following recommendation:

"In view of the fact that the lead bank scheme has completed a decade of working, the Committee suggests that a review of its working may be undertaken by RBI" (Para 6.9 of the summary of conclusions and recommendations).

Composition of the Group

1.2 In pursuance of this recommendation, RBI set up the Working Group in November 1981 to review the working of the lead bank scheme in all its aspects. The composition of the Working Group is as follows:

Chairman

1. Shri U. K. Sarma, @
Chief Officer,
Department of Banking Operations and Development,
Reserve Bank of India,
Central Office,
BOMBAY.

Members

2. Shri S. S. Hasurkar,
Deputy Secretary,
Ministry of Finance,
Department of Economic Affairs.
(Banking Division),
Government of India,
NEW DELHI.

3. Dr. D. P. Khankhoje,
Faculty Member,
National Institute of Bank Management,
BOMBAY.

4. Shri T. K. Kasiviswanathan, *
Deputy General Manager,
National Bank for Agriculture and Rural Development,
Head Office,
BOMBAY.

5. Dr. M. R. Kotdawala,
Chief Officer,
Rural Planning & Credit Department,
Reserve Bank of India,
Central Office,
BOMBAY.

6. Kum. I. T. Vaz,
Additional Chief Officer,
Department of Banking Operations & Development,
(Urban Banks Division),
Reserve Bank of India,
Central Office,
BOMBAY.

7. Shri M. G. Gaitonde, £
Director,
Department of Economic Analysis and Policy,
Reserve Bank of India,
Central Office,
BOMBAY.

Member Secretary

8. Shri P. K. Parthasarathy,
Joint Chief Officer,
Rural Planning & Credit Department,
Reserve Bank of India,
Central Office,
BOMBAY.

@ Shri U. K. Sarma became the Chairman of the Working Group in March 1982 in place of Shri R. C. Mody.

*£ Sarvashri M. G. Gaitonde and T. K. Kasiviswanathan became members of the Working Group in March and July 1982 in place

of Dr. (Kum.) M. Tyagarajan and Shri Y. S. Borgaonkar respectively.

Terms of Reference

1.3 The terms of reference of the Working Group were as follows :

i) To review the working of the lead bank scheme in regard to the preparation and implementation of the District Credit Plans and to suggest improvements for proper and effective co-ordination of activities among the various participating organisations, in the light of the recommendations of CRAFICARD.

ii) To review the role of lead banks and to suggest measures to make them more effective and also to suggst measures to improve the organisational set-up of lead and non-lead banks at the district and other levels.

iii) To examine the role of the District Consultative Committees and Standing Committees and make suggestions for their more effective functioning.

iv) To review the role of the Lead District Officers of Reserve Bank of India.

v) To consider the question of allocation of lead bank responsibility, particularly to banks which have been recently nationalised.

vi) To consider measures to improve the flow of data under the information system prescribed under the lead bank scheme.

vii) To examine and review the existing arrangements for training of all officials concerned with work relating to the lead bank scheme, with particular reference to the District Credit Plans, and consider what improvements would be necessary in this regard.

viii) Any other matter germane to the aforesaid aspects.

A copy of the memorandum setting up the Working Group is given in Annexure I.

The Group was also subsequently advised to consider and offer its views on CRAFICARD's recommendations regarding swapping of isolated rural branches by commercial banks and transfer of rural business of sponsor banks to RRBs.

The various recommendations of CRAFICARD having a bearing on the lead bank scheme are furnished in Annexure II.

Work of the Group

1.4 At the inaugural meeting of the Group held on December 1, 1981, Shri W. S. Tambe, Executive Director, RBI, referred to the comprehensive terms of reference and hoped that the Group would address itself in depth to the wide range of subjects relating to the working of the lead bank scheme and make specific recommendations.

With a view to obtaining feedback from the various agencies involved in the implementation of the lead back scheme, the Group decided to issue five questionnaires to (i) lead banks (ii) other commercial banks. (iii) State Governments .iv) regional offices of the RBI (DBOD) and (v) regional rural banks (RRBs) and co-operatives. The relevant questionnaires were addressed to 26 lead banks. 38 other banks, 31 State Governments/Union Territory administrations, all Regional Offices of DBOD, 47 RRBs and 151 co-operatives which included DCCBs. SCBs. PLDBs and SLDBs. Out of these, replies were received from 24 lead banks, 26 other banks, 12 state governments, all regional offices of DBOD and 39 RRBs. As regards co-operatives, replies were furnished by 72 DCCBs, 5 SCBs, 41 PLDBs and 8 SLDBs.

Field Visits

1.5 In order to supplement the information received in reply to the questionnaires as also to have discussions with the field level functionaries, the Group undertook field visits and held discussions with members of the District Consultative Committee (DCC) at the district level and representatives of government departments and bankers at the state level as also Lead Bank Officers and Lead District Officers. Such visits were made to Tamil Nadu (District Ramanathapuram), Andhra Pradesh (District Nalgonda), Uttar Pradesh (District Barabanki), Punjab and Haryana.

The Group also had the benefit of discussions with senior officials in charge of lead bank scheme in certain major public sector banks in Bombay.

Scheme of the Report

1.6 The Report is not patterned strictly on the lines of the terms of reference. It is divided into eleven chapters dealing with the various aspects as indicated below:

Chapter N	Subject
1.	Introductory.
2.	Lead Bank Scheme — a retrospect.

3. District Credit Plans and Annual Action Plans.

4. Organisational set-up for implemention of Lead Bank Scheme.

5. Forums of Co-ordination.

6. Lead Bank Scheme and Reserve Bank of India.

7. Monitoring and evaluation of credit plans.

8. Reallocation of lead responsibility.

9. Training needs under Lead Bank Scheme.

10. Other related aspects.

11. Summary of conclusions and recommendations.

Acknowledgements

1.7 The Group is extremely thankful to the various banks and State Governments for providing valuable feedback through the replies to the questionnaires and during the discussions which the Group had on its visits to state and district headquarters. The Group is greatly indebted to the Deputy Governors and Executive Directors of RBI for their valuable guidance and suggestions. The Group wishes to thank Sarvashri R. C. Mody and Y. S. Borgaonkar and Dr. (Kum.) M. Tyagarajan for the valuable contribution made by them during their association with the Group. The Group wishes to place on record its appreciation of the devotion and zeal with which the staff of RBI, constituting the secretariat, in particular Sarvashri M. K. Desai, Jt. Chief Officer and S. Sankar, Asstt. Chief Officer assisted it in the various stages of its work. Finally, the Group wishes to place on record its high appreciation of the excellent work done by Shri P. K. Parthasarathy, Member-Secretary.

CHAPTER 2

LEAD BANK SCHEME — A RETROSPECT

Commercial Banks and Rural Development — Background

2.1 Social control over banks and the subsequent nationalisation of 14 major commercial banks in first stage and six more banks recently had the main objective of channelising bank credit to various sectors of the economy in accordance with the socio-economic policies of the nation. The concept of social banking envisaged increased lending to sectors like agriculture, small-scale industries and services with emphasis on borrowers of small means. Borrowers in these sectors had traditionally not been assisted through institutional credit and, in order to achieve the objectives of nationalisation, these groups were classified as priority sectors i.e. sectors of the economy requiring priority treatment in the matter of provision of bank credit.

Successive Five Year Plans have brought into focus programmes aimed at alleviation of poverty and economic upliftment of poorer sections of the society. The new Twenty-Point Programme of the Prime Minister provides further momentum in this direction. Over the years the role envisaged of the commercial banks in assisting poorer sections by financing various bankable schemes intended for them has become more and more significant. The priority sector concept which originally embraced broad sectors like agriculture and small industry has come to be reshaped with greater orientation towards assisting beneficiaries from the poorer sections of the society. With a view to ensuring that a substantial share of such credit goes to these sections, the concept of "weaker sections" in the main components of priority sectors with separate sub-targets for lending to such identified groups was introduced by the Krishnaswamy Working Group on the "Role of banks in the implementation of the Twenty Point Programme". Developmental assistance to be provided by financial institutions has come to be organised in a more systematic manner at the district level. The lead bank scheme was evolved to provide an appropriate organisational framework for ensuring participation in a co-ordinated manner by the various financial institutions alongwith the concerned governmental agencies in assisting developmental efforts undertaken on an area basis with the district as the unit and needing credit support. A co-ordinating machinery comprising lead bank and Lead Bank Officer, other (non-lead) banks and their District Co-ordinators, Lead District Officer (RBI), District Consultative Committee and its

Standing Committee, State Level Bankers Committee and State Level Co-ordination Committee, emerged for effective implementation of the scheme.

Genesis of Lead Bank Scheme

2.2 The concept of lead bank scheme was first mooted by the Study Group (Gadgil Study Group) on the Organisational Framework for the Implementation of the Social Objectives, which submitted its report in October 1969. The Study Group drew attention to the fact that commercial banks did not have adequate presence in rural areas and also lacked the required rural orientation. As a result, the banking needs of the rural areas in general and the backward regions in particular, could not be adequately taken care of by commercial banks and the credit needs of rural sectors of the economy such as agriculture, small-scale industry and allied services remained virtually neglected. The Study Group, therefore, recommended the adoption of an area approach to evolve plans and programmes for the development of an adequate banking and credit structure in the rural areas. This idea was endorsed by the Committee of Bankers on Branch Expansion Programmes of Public Sector Banks (Nariman Committee) which submitted its report in November 1969. It recommended that in order to enable public sector banks to discharge their social responsibilities, each bank should concentrate on certain districts where it should act as a lead bank.

Allotment of Lead Responsibility

2.3 On the basis of the recommendations of both the Gadgil Study Group and the Bankers' Committee, RBI introduced the "Lead Bank Scheme" towards the end of 1969. To enable banks to assume their lead role in an effective and systematic manner, all districts in the country (excepting the metropolitan cities of Bombay, Calcutta and Madras and certain Union Territories) were allotted among public sector banks and a few private sector banks.

The lead bank scheme did not envisage a monopoly of banking business to the lead bank in the district. The lead bank was to act as a consortium leader for co-ordinating the efforts of all credit institutions in each of the allotted districts for expansion of branch banking facilities and for meeting the credit needs of the rural economy.

Impressionistic Surveys and Branch Expansion — Initial Phase of Lead Bank Scheme

2.4 In the initial stage, the task before lead banks was to make impressionistic surveys in the districts, identify the potential for branch expansion and invoke the co-operation of other banks operating in the district for opening branches and financing the various activities. This primary task of ensuring a swift branch expansion of commercial banks in rural areas which were unexposed or underexposed to commercial banking, has been fulfilled substantially over the years.

Formation of District Consultative Committees

2.5 The constitution of DCCs in all the districts in the country in the early seventies was the next important development in the evolution of the lead bank scheme as this marked a significant step towards co-ordination of activities of all commercial banks and other financing agencies on the one hand and the financial agencies and Government departments on the other.

Study Groups on Lead Bank Scheme in Gujarat and Maharashtra

2.6 At the meeting of the Regional Consultative Committee (Western Region) held in August 1975, under the chairmanship of the Union Finance Minister, it was decided that the working of the lead bank scheme in the states of Gujarat and Maharashtra should be studied in its various aspects. Accordingly, RBI constituted two study groups, comprising representatives of the two State Governments, Ministry of Finance (Department of Banking), RBI and banks with lead responsibility in the two states. Because of the close similarity of the problems relating to the operation of lead bank scheme in both the states, the two study groups submitted a common report, in December 1975. The report contained several important recommendations relating to the composition and functioning of DCCs, training needs of the staff of banks and state governments, constitution of a standing committee in RBI for reviewing the overall progress of the lead bank scheme, etc. As these recommendations were relevant to all districts, RBI desired that they should be implemented in all districts. In pursuance of one of the major recommendations of the Study Groups, a standing committee, designated as 'High Power Committee on the working of the Lead Bank Scheme' (HPC) was constituted by RBI in 1976 to review the overall progress of the scheme on a continuing basis.

With the basic infrastructure for banking development having been established with the rapid expansion of banks in rural areas, the Study Groups recommended that the next phase of the lead bank scheme, namely, formulation and implementation of area development programmes, covering activities in priority sectors should be taken up. This marked the beginning of a more difficult phase of lead bank scheme.

District Credit Plans

2.7 Although some lead banks had made a beginning, in a few districts, even as early as in 1973, to prepare credit plans and to implement the same, the efforts in this direction gained momentum after the Study Groups' endorsement of the programme. By July 1978, credit plans for most of the districts were prepared by lead banks and launched for implementation.

The district credit plans (DCPs) so prepared in the first round were based on different methodologies and there was no uniformity either in the period covered by the credit plans or their presentation. In order to set right these deficiencies and to ensure alignment of the plans with Government developmental programmes, the lead banks were advised to terminate these plans as at the end of December 1979 and to prepare fresh credit plans for the period 1980-82. RBI issued a set of guidelines for the preparation of the new credit plans. The guidelines also envisaged the preparation of Annual Action Plans (AAPs) for each calendar year.

Standing Committee of DCC

2.8 The preparation of an operationally meaningful DCP implies study of a number of potentially bankable schemes in the district and this was a task which the lead bank could not undertake by itself. Besides, it was recognised that the quality of DCPs and also their implementation could be improved only with the active involvement of all the concerned agencies and, in particular, the major commercial banks operating in the district. The RBI guidelines, therefore, introduced the concept of participative planning by all agencies concerned by setting up a Task Force comprising representatives of DCCB, commercial banks having a good number of branches in the district and the district planning official, to assist the lead bank in the preparation of DCP and AAP. With a view to ensuring that this agency was also associated with the implementation of the plans formulated by it, RBI subsequently advised that the Task Force should be converted into a Standing Committee of the DCC and its composition enlarged marginally so as to include the Lead District Officer of RBI, representative of ARDC (now NABARD), the Chief Executive of DRDA and official from the Co-operative Department, etc.

Lead Bank Officers

2.9 In order to ensure that the lead banks have an adequate organisational base in their lead districts for the preparation of DCPs and monitoring their implementation, RBI advised lead banks in 1979 to appoint, in each lead district, an officer designated as "Lead Bank Officer" (LBO) for the purpose. Simultaneously, RBI appointed its officers designated as Lead District Officers (LDOs) who were allotted 4 or 5 districts each and were entrusted with the responsibility of overseeing the preparation and implementation of DCPs in the allotted districts.

Guidelines for Third Round of DCPs

2.10 Since the second round of DCPs would terminate at the end of the year 1982, RBI has issued revised guidelines for preparation of the next round of DCPs covering the period January 1983 to March 1985. These guidelines have introduced further refinements in the plan formulation and presentation.

Training

2.11 The importance of training the staff of banks as well as state governments in the various aspects of lead bank scheme was highlighted by the Study Groups on Maharashtra and Gujarat, referred to earlier. At the instance of HPC the National Institute of Bank Management (NIBM) initiated a programme of organising workshops at the district and state levels with a view to bringing about better awareness of lead bank scheme among the officials of the concerned agencies. A regular system of holding annual review meetings at both the district and state levels was introduced in 1981.

Mention may also be made of the seminars on technical contents of DCP organised by NIBM in 1981 to discuss the nature of improvements which could be introduced in the preparation, implementation and monitoring of DCPs. This was followed by a series of training programmes organised jointly by RBI, NIBM and lead banks for the preparation of the third round of DCPs.

2.12 Since its introduction in 1969, the lead bank scheme has come a long way and acquired new dimensions. From its initial concern with the extension of banking network into rural areas devoid of banking facilities, the scheme has moved on to the realm of district credit planning which has now become its main focus. With the large scale expansion of bank branches and the multi-agency approach to rural lending, the role of the lead bank has assumed great significance as a co-ordinator in the process of deployment of resources by institutional agencies in a planned manner in financing viable schemes of rural development in the district, in collaboration with Government development agencies. The lead bank scheme has recorded fairly good success in some districts but not performed so well in others. The positive features and deficiencies have to be identified and remedial measures as necessary taken so that the performance is upgraded to an adequate level in all districts. While the important developments regarding the lead bank scheme are enumerated briefly in the above paragraphs, the following chapters deal in detail with the various aspects of its working.

CHAPTER 3

DISTRICT CREDIT PLANS AND ANNUAL ACTION PLANS

Evolution of DCP

3.1 The concept of planning at the district level for credit and banking development can be traced to the Gadgil Study Group's report which advocated an area approach to the development of banking and credit structure. It also recommended the adoption of district which constituted the main administrative unit as the base unit for the purpose. That statistical and other data are not available at sub-district levels, the co-operative structure functions mainly with the district as the base and the total number of districts is operationally manageable also weighed as factors favouring the district-wise approach.

The Banking Commission in its Report (1972) pointed out the difficulties inherent in the preparation of credit plans by lead banks, in the absence of proper development plans. The Commission also emphasised that the realm of development planning belonged properly to government and that carrying out techno-economic surveys, district by district, could not be the legitimate responsibility of commercial banks.

DCP Formulation by Lead Banks

3.2 Some of the lead banks had on their own, commenced the work of preparation of DCPs in 1973. The earliest DCPs were those for Gorakhpur-U. P. (SBI), Rae Bareili-U. P. (Bank of Baroda), Seoni-M. P. (Central Bank of India) and Ujjain-M. P. (Bank of India). The pace of preparation of DCPs was slow in the beginning since the lead banks were new to this type of work. The report of the Study Groups on the Working of the lead bank scheme in Gujarat and Maharashtra recommended that with the establishment of adequate branch network of banks, the stage was set for the formulation and implementation of district credit plans covering activities in the priority sectors. RBI accordingly advised the lead banks to prepare credit plans for all lead districts. By July 1978, credit plans had been prepared for most of the districts.

Suggestions of Gujarat and Maharashtra Study Groups

3.3 The report of the Maharashtra and Gujarat Study Groups made detailed suggestions in regard to the nature and scope of DCPs to be prepared by lead banks. These suggestions may be summarised as under :-

(i) Elaborate surveys or in-depth studies may not necessarily be suitable to the stage of development of all districts in the country. The emphasis should be not so much on methodological excellence in the academic sense, but on the expeditious preparation of technologically feasible and economically viable schemes and their collective implementation by all financial institutions.

(ii) The credit plan should cover only activities for which bankable schemes can be evolved. The schemes which constitute the plan will have to be drawn up with a sense of realism, taking account of the overall resources of the financial system.

(iii) To start with, banks should set about the task of formulating viable and bankable schemes which can be immediately implemented and completed over a reasonable time span of 3 to 5 years. The schemes should be in the broad area of priority sectors and, to the extent possible, these should be fitted into the major schemes in operation such as MFAL, SFDA, DPAP, etc.

(iv) Schemes should be based, as far as possible, on existing infrastructural facilities. In some cases, extra facilities of a secondary nature may be found necessary.

(v) Lead banks need not necessarily await the progress of planning for the formulation of bankable schemes. A credit plan is not, however, a substitute for the district development plan.

(vi) Each lead bank may follow the method best suited to its own resources and the conditions in the district concerned. Reliance on outside agencies for formulating the credit plan should be avoided so that the banks could gain a real feel of the area of operation.

(vii) Although availability of resources would be an important criterion for determining the overall size of the schemes, this need not be an overriding constraint especially in backward districts where the deposit levels might be low.

Guidelines of RBI

3.4 A study of the first round of DCPs prepared by the lead banks revealed certain major deficiencies such as lack of uniformity in coverage, contents and period, failure to align the plans with the development programmes of government, and inadequate attention to agricultural and allied activities. The need was, therefore, felt that RBI should give a direction to district credit planning so that institutional credit flowed smoothly to priority sectors, in accordance with national priorities.

Accordingly, RBI advised the lead banks to terminate the existing credit plans as of December 1979 and formulate new DCPs for the years 1980-82 and action plans for each calendar year. Detailed guidelines were issued by it in March 1979 which, inter alia, covered the objectives, contents, methodology and modalities of preparation of plans. It was emphasised in the guidelines that the main objectives of bank lending under DCP should be (a) to finance labour intensive schemes which generate employment, (b) to assist weaker sections of the population for productive purposes to the maximum extent possible and (c) to help increase productivity of land and other allied sectors so as to reduce unemployment and increase income levels. The essential features introduced by the guidelines were as follows :-

(i) The lead banks should ensure alignment of the credit plan with credit based development schemes, both ongoing and potential, of government and other development agencies operating in the district.

(ii) With the shift in emphasis to the block as the unit of planning, DCPs should be prepared on a blockwise basis.

(iii) Credit planning should be participative, involving all concerned agencies through the mechanism of the district level Task Force.

(iv) While DCP would serve as an indicative plan and a broad framework for credit programmes for the period covered by it, a separate action-oriented plan should be drawn up annually delineating concrete credit schemes to be taken up for implementation during the year. The preparation of such an Annual Action Plan (AAP) would also impart a degree of flexibility in as much as, if and when new development schemes were to be introduced in a district or any schemes were modified, these could be taken care of in AAP.

In connection with the preparation of the third round of DCPs for the period January 1983 to March 1985, the guidelines issued earlier have been further revised. In revising these guidelines, the feedback received regarding the formulation/implementation of the earlier DCPs/AAPs from various sources including the studies conducted by RBI, the deliberations at DLRMs/SLRMs and the seminars conducted by NIBM in 1981 were taken into account. The revised guidelines are intended to help the lead banks in making the DCP exercise more realistic and meaningful. Some noteworthy features incorporated in the new guidelines for the preparation of the third round of DCPs are as follows :-

(i) Since the availability of district development plans was not certain, RBI devised certain formats in which essential data for the purposes of DCP could be provided by state governments. The Planning Commission has also advised state governments to furnish information in these formats to the lead banks.

(ii) Only those programmes requiring bank assistance which are considered technically feasible and bankable should figure in DCPs.

(iii) To ensure participative nature of the exercise, the need for active involvement of the Standing Committee of the DCC, DRDA, DIC, etc. in the formulation process has been emphasised.

(iv) Not only are the states required to indicate specifically the infrastructural support and other assistance they would provide for making various development programmes indicated by them feasible but banks are also required to specify in DCP documents the implementing agencies in each case so as to facilitate monitoring of the progress.

(v) Emphasis has been laid on special programmes viz. 20-Point Programme including IRDP, Special Component Plan for SC/ST etc. In respect of IRDP, the physical and financial outlays are to be indicated separately to facilitate monitoring of this important programme.

The guidelines have imparted a broader perspective to DCP which is expected to cover all feasible schemes in the priority sectors for the period. While DCP is virtually a perspective document regarding the direction to be given to the lending activities of the financial institutions in the district, AAP indicates the short-term annual operational goals to be achieved.

Present Position of Credit Plans

3.5 Uniformity has been achieved to a large extent in the presentation of DCP and AAP. The parameters laid down in the guidelines for measurement of credit outlays envisaged and credit to be provided thereunder have helped in bringing about a large amount of homogeneity in the plans. In regard to block level planning, however, not much progress has been achieved. Though the Sixth Five Year Plan emphasises the need for creation of a planning machinery at the block level, it is understood that implementation thereof, being a gigantic task, would take quite some time. Formulation of district development plans has also not made much headway except in isolated districts and district-wise disaggregations of sectoral allocations of public outlays made at the state level are also available after considerable delay. Lead banks, in the circumstances have had to proceed on an inadequate data base in preparing DCPs/AAPs.

RBI Study of DCPs

3.6 A study of a sample number of DCPs was conducted by RBI in 1981 with special emphasis on the estimation of outlays for crop loans, term loans for agriculture and other allied activities and for the decentralised sector. The study brought out a number of deficiencies in the estimation of outlays under the above heads, the more important of which are summarised below :-

(i) Methodology suggested in the guidelines for estimation of crop loan outlays was not followed properly with the result that uniformity was lacking in estimating the credit demand for crop cultivation.

(ii) Due to defective methods followed in arriving at the total cost of cultivation, estimated credit demand was unrealistic.

(iii) In the case of term loans for activities allied to agriculture, the main thrust was on financing for the acquisition of milch animals.

(iv) Financial outlays in respect of schemes sanctioned by ARDC were not taken into account. Likewise, IRD Programme was not fully taken into account.

(v) Variations were observed in the unit costs as given in the DCPs and those adopted by ARDC in their banking plan for IRD blocks.

(vi) Allocation of shares among the participating banks was made without taking into account their past performance particularly in the case of DCCBs and RRBs.

(vii) In the absence of district development plan data, DCP exercise in respect of the tertiary sector continued to be unsatisfactory.

(viii) By and large, coverage of village and cottage industries in the plans was not adequate.

(ix) Lead banks had not spelt out in detail the infrastructural arrangements by way of securing basic raw materials, adequate power, trained man power or marketing arrangements essential for the successful implementation of the programmes of small scale, cottage and village industries.

Perception About DCP/AAP

3.7 The various agencies concerned with the DCP mechanism do not seem to share the same perspective. The Working Group's discussions and other feed back showed that DCP/AAP meant different things to different functionaries. Government officials perceived DCP/AAP as commitments on the part of the credit institutions to disburse finance essentially, if not exclusively, under government sponsored schemes without due regard to genuine limiting factors. Regarding lead banks, DCP/AAP for their lead districts appeared to be of some relevance at the level of regional/controlling offices in getting an idea of the level of lending they would have to undertake in the coming years. This was not so in the case of DCPs for non-lead districts. At the Head Office level of lead banks, DCP exercise was limited generally to timely preparation of the document and a system of reporting to the Board of Directors on the performance vis-a-vis DCP/AAP targets. In some of the banks, such reporting related to the lead districts only. Even in these aspects, there was scope for improvement. Other functional departments were guided more by the corporate budget. The situation in non-lead banks (i.e. banks having no lead responsibility) was even less satisfactory. At the branch level, both in lead banks and non-lead banks, the branch manager was often not aware of the targets for the branch under DCP/AAP, and even in those cases in which he had such information, his lending was governed by the performance budget which was not linked to the commitment under AAP.

Review of Implementation of AAP

3.8 The Group has attempted a review of the performance in implementation of AAPs. Since the system of preparing plans on a uniform basis commenced with the second round of DCPs from 1980 only, it did not go into the performance under the first round of DCPs. The Group could not undertake the review of the entire DCP for 1980-82 as the period of the current DCPs (1980-82) is not yet over. The review relates to AAP for 1980 in respect of which performance data were available for a fairly large number of districts. The targets and achievements under AAP 1980 in 177 districts, covering 19 states and 3 union territories are presented in Annexure III. The following observations emerge from an analysis of the data.

Distribution of the number of districts based on achievement in relation to sectoral and total targets is given in the following table.

TABLE-I

% of achievement	Agriculture	Small-scale industries	Services	Total
0 — 50	16	25	3	4
51 — 75	40	28	7	24
76 — 100	46	30	19	39
101 — 125	35	22	20	45
Over — 125	40	72	128	65
	177	177	177	177

Ordinarily, if the performance is within a range of variation of 10% on either side of the target, it could be considered as reflecting realistic achievement. On this basis, aggregate performance could be considered realistic only in the case of 43 districts. However, considering that the district credit planning exercise is still in its initial stages, performance in the range of 76% — 125% of the target may be taken to reflect a realistic situation. On this basis 84 districts or 47% of the plans can be considered realistic in so far as aggregate credit is concerned. In 16% of the districts, achievement fell below 75% of the target while in the remaining 37%, implementation overshot the plan beyond 125%.

Sector-wise, the picture which emerges is different from that relating to the aggregate position. Agriculture which is the largest sector, corresponded to the aggregate position with 46% of the districts in the realistic range of 76-125%; but the deficit range was much larger accounting for 32% as against 22% of the districts showing overperformance beyond 125%. SSI sector came next with only one-third of the districts recording realistic achievement; the proportion of districts exceeding the mark was much higher at 41% compared to the deficit districts accounting for 14%. The services sector corresponded least to the aggregate position, accounting for only 15% of the districts in the realistic range, while as many as 72% of the districts recorded achievement beyond 125%-in many cases higher than 300%; shortfall in achievement was only in 6% of the districts.

Even though the overall performance in 84 districts would appear to be realistic, the sectoral performance in these districts showed considerable variations as indicated in the following table.

TABLE — 2

% of achievement	Agriculture	SSI	Services
0 — 50	5	13	0
51 — 75	23	11	4
76 — 100	36	16	8
101 — 125	19	15	12
Over 125	1	29	60
	84	84	84

It is observed that in 65% of the districts, the performance in the agricultural sector was in the realistic range while the percentages for SSI sector and services sector were only 37 and 24 respectively. Only in 5 of the 84 districts (6%), the performance in each of the 3 sectors was in the range of 76% — 125%. The distortion was noticeable particularly in the services sector where in 75% of the districts the achievements were beyond 125% of the targets.

From the above analysis, it is clear that the near achievement of overall targets in 47% of the districts was more a matter of accident than due to realistic planning and conscious implementation of the plans as such.

Operative Efficacy of DCP/AAP

3.9 A plan is only as good as its implementation. CRAFICARD has also observed "For all its importance, the DCP is a broad framework. It becomes operational only to the extent that it is translated into technically feasible and economically viable schemes with reference to location-specific realities or, in the popular phrase, bankable schemes". The feed back received by the Group corroborated the conclusions arrived at in the previous paragraph. Lending operations were carried out without reference to the plans but at the end of the plan period actual lendings were juxtaposed with the plan allocations and shown as 'achievements' under the plan. This had resulted in a situation where actual lending had little relation to the sectoral, sub-sectoral or scheme-wise targets under DCP/AAP. Greater realism has to be imparted to both formulation and implementation of the plans.

Reasons for Inefficacy of DCP/AAP

3.10 Many factors have contributed to DCP/AAP not having attained the status of perspective/operative document respectively for the lending operations of financial agencies. CRAFICARD, which made a review of some of the DCPs prepared for 1980-82, pinpointed many of these. In the opinion of the Working Group, the following are the more important reasons affecting the utility of DCP/AAP :

(i) Non-availability or difficulty in getting data on district development plans resulted in many plans turning out to be unrealistic.

(ii) Identification and fixation of responsibilities of different agencies, institutional and governmental, was not done with due care.

(iii) It was not possible to derive a set of operationally meaningful targets from DCP/AAP for the individual branches in their lending activities to the priority sectors. This stemmed mainly from the fact that a satisfactory system of integrating the AAP shares with the branch performance budgets could not be evolved.

Integration of Performance Budgets and AAPs

3.11 A distinction has necessarily to be made between DCP and AAP. The financial institutions, including co-operative banks, have a system of corporate planning which is generally with an annual time-frame and which, therefore, can be harmonised with AAPs. There is however, no medium range planning in banks in general, for periods of 3 years or so, to correspond to DCPs. Though the desirability, or rather essentiality, of integrating the branch-wise allocations of the AAP outlay and the performance budgets of branches has been repeatedly brought to the notice of banks, it appears that no real progress has been recorded. The exercise is beset with certain difficulties. A recent study conducted by RBI in this regard brought out the following findings :-

(i) There was hardly any alignment between the levels of performance fixed for branches under their performance budgets and commitments under AAPs.

(ii) These two exercises were being conducted in a parallel and independent manner.

(iii) These two items of work were being attended to by different departments at the regional office level in many banks and there was no proper co-ordination between them.

(iv) Even in the case of banks where the same department was looking after both items of work, the concerned officials had not exercised due care in ensuring proper alignment.

(v) Aligning these two sets of goals was further complicated by the fact that while the performance budget was presented in terms of outstandings, the commitments under AAP were made in terms of disbursal.

Another difficulty expressed during the field level discussions of the Group was that the time sequence of performance budgeting and formulation of AAPs was not uniform. AAP share allocations of banks in different districts were not available well in time for the preparation of performance budgets.

DCP-Refinements

3.12 The Group has given considerable thought to the foregoing aspects with a view to suggesting such refinements in the DCP/AAP exercise as would make it more realistic in regard to both formulation and implementation. Ideally, DCP should indicate the levels envisaged for credit deployment to the priority sectors and the period of DCP should broadly correspond to that of the national plan. DCP should reflect credit demand and the resource availability in a balanced manner. Although DCP should be framed taking into account the available resources, efforts should be made to allocate adequate additional resources, wherever necessary for undertaking genuine developmental programmes especially in the backward districts/areas. One of the aims of the credit planning exercise is to reduce regional imbalances in the availability of credit for productive purposes and towards this end, areas having low deposit potential should get adequate support from the participating banks' overall resources. Mere achievement of an apparently satisfactory credit-deposit ratio in such areas will not ensure the fulfilment of the objective in view. Thus, resource availability should not be viewed in the narrow context of what could be raised within the district, and there should be flow of resources to backward areas in need of and having the potential for higher levels of investment. It will be a distinct advantage if the financial agencies could indicate the likely deployment of resources for priority sector lending in the districts over the plan period, keeping in view the national goals for priority sector lending, credit-deposit ratio at rural and semi-urban branches, their branch network, etc. Such an exercise would impart greater realism to the DCP outlays.

The Group is of the view that DCPs should indicate the broad sectoral and sub-sectoral outlays and also the major activities for which institutional credit would be required. DCPs comprise programmes which are already in the process of implementation (i.e., ongoing programmes) as well as those identified for being taken up. In regard to some of these programmes, the requisite governmental support by way of infrastructure, input supplies, extension services, marketing facilities, etc. may not be available at the time of their inclusion in the credit plan. For a better appreciation of the credit plan and its implementation by all concerned agencies, the Group feels that it would be desirable to indicate in DCPs, separately, the various programmes under two broad categories viz. (i) ongoing programmes for which necessary infrastructure, inputs, etc. are available and credit alone is to be provided, and (ii) other programmes. The description of all activities included in DCP should indicate the physical programme, the economic size of the unit, the unit costs and related particulars and the areas within the district where such activities are to be undertaken; additionally, for the programmes in category (ii) the potential for such activities, the infrastructural facilities, extension services, inputs, marketing facilities etc. required as also the expected response to the activity should be spelt out.

The Group has not used the word "scheme" in the above discussion because, a schematic approach would mean something more than what has been stated above. It may not be necessary to indicate block-wise disaggregation of the outlays in DCP which the Group feels is more relevant for AAP. Annual phasing of the total credit plan outlay should be indicated in the DCP document. The financing agency-wise allocation may be given for the entire DCP period so that a measure of flexibility is available to each agency in regard to the phasing of its total share over the DCP period. The annual phasing of DCP is thus expected to be indicative only.

AAP-Contents

3.13 It is desirable to furnish branch-wise credit outlays of AAP for effective implementation and monitoring. This objective will be achieved, more or less, by adopting the block-wise, institution-wise disaggregation as indicated in RBI guidelines for the third round of DCPs. The Group considers that there is no distinct advantage, in terms of operational efficacy of AAP, in attempting to list out, exhaustively, all the activities possible and envisaged in the district. This will only contribute to the AAP document becoming academically excellent but operationally less helpful due to the following reasons :-

(i) it will not be feasible to estimate the credit demand and/or projected optimum levels of number of units under each of the various activities,

(ii) by including too large a number of possible activities, emphasis on the more important programmes is likely to be diluted, and

(iii) while potential may exist for diverse types of activities, the beneficiary response may not be adequate due to lack of skills or other reasons. leading to a situation in which a number of schemes included in AAP may not take off.

The Group, therefore, suggests that the more important activities which have immediate relevance to the district in the context of government programmes and the potential otherwise available, taking into account available skills for new activities, should be depicted separately under each sector/sub-sector giving the physical as well as financial break-up. The extent of financing of activities not listed may be shown as "other activities" under each of the sectors/sub-sectors as the case may be.

Government Programmes and DCP/AAP

3.14 We next come to the question of alignment of the various government development programmes with DCPs. In the case of IRDP, which is one of the important programmes of the Government of India, separate arrangements have been made for preparation of block plans by DRDAs and inclusion of the outlays in DCP/AAP.

In regard to inclusion of other developmental programmes of the governments in DCP, we have already referred to the difficulty in obtaining the necessary data and the fact that the quality of the second round of DCPs suffered for want of adequate data base. With a view to overcoming this difficulty, the guidelines for the third round of DCPs have prescribed certain formats in which district-wise data on development programmes should be furnished by state governments. Lead banks are required to supplement the data so made available by the district authorities by collecting block-wise data from DRDAs/BDOs. These formats have been designed keeping in view the basic data needed to make DCPs aligned with the governmental programmes. RBI, as also the Planning Commission, have advised state governments to furnish the information in the prescribed formats. The Planning Commission has also requested state governments that one official at the district level should be designated to maintain liaison with the lead bank for the purpose of providing information. The official level conference held in March 1982 to consider the recommendations of CRAFICARD has also endorsed the above steps.

Data for DCP

3.15 It was, however, represented to the Working Group by a few state governments that detailed information as per the data frame prescribed in the guidelines, (e.g. district-wise and block-wise allocation of budgetary resources for crops, irrigation, farm equipment, etc.) would be difficult to furnish. The difficulty reportedly is due to the fact that the items listed in the formats do not follow the heads of development adopted by the Planning Commission or the heads of account and budgetary classification adopted by state governments. The Group has considered this aspect and would suggest that RBI may keep it in view while revising the guidelines for the next round of DCPs. The Group is. however, quite clear that the exercise of converting the budgetary figures to conform to the prescribed formats is unavoidable. It is of the view that government departments are better equipped than lead banks for translating the data from the form in which they are readily available with the government to that of the formats. The Group understands that the progress so far made in obtaining such data by lead banks has not been satisfactory. Unless the position improves, the third round of DCPs and AAPs thereunder are also likely to be formulated on inadequate data base and it would not be surprising if many of them turn out to be no better than those prepared so far.

District-Wise Disaggregation of Outlays on Government Programmes

3.16 It is pertinent to recall in this connection that the Ghosh Working Group on the role of banks in the implementation of new Twenty Point Programme emphasized that bank assistance under the various points should form an integral part of DCP/AAP and that the estimates of institutional finance for the various government sponsored developmental programmes/schemes to be undertaken in each state should be discussed by government officials and banks at state level, before-hand, giving district-wise disaggregations, so that all such programmes/schemes could be incorporated in DCP/AAP for implementation by banks at district level. This Group also stressed the importance of availability of adequate support from governmental agencies in extending institutional financial assistance to the schemes, by way of provision of linkages, infrastructural support. supply and marketing facilities, extension services. etc. These aspects should be adequately taken care of in the preparation of DCP/AAP as well as their implementation and monitoring. As stated earlier, if state governments build up the requisite planning expertise and finalise the district-wise disaggregations of the Five Year Plan outlays as also annual outlays and make such data available well in time to lead banks, DCPs/AAPs will be able to attain a better level of integration with government programmes than what exists at present. The institutional credit resources will then flow more harmoniously with the national and state plans. The Group emphasises that the state governments should make necessary organisational arrangements to provide the data as required. Data regarding any schemes contemplated by specialised agencies like KVIC, Handloom Board and Scheduled Castes/Scheduled Tribes Corporation should also be made available in a similar manner.

Government Programmes and AAP

3.17 The situation in regard to inclusion of government development programmes in AAP is more or less similar to what has been stated above in the context of DCP. However. while it is the Five Year Plan data which are relevant to DCP formulation, what is important for AAP is the data on annual plans of state governments. The district-wise disaggregations of sectoral allocations made at the state level are usually available only by about August/September of the relevant year. If the formulation of AAP were to proceed strictly on the basis of such data, there would be hardly any time left for the implementation of AAP. One suggestion made in this regard was to formulate AAPs on financial year basis. The guidelines of RBI also envisage such a shift from calendar year to financial year, commencing from AAP for 1984-85. Even in this case, the data for the preparation of AAP will have to be available by November of the preceding year which is hardly likely. The Group is, therefore, of the view that such a change may not contribute to better integration of government developmental programmes in AAP. This aspect is further discussed in paragraph 3.20 below.

Corporate Plans and DCP

3.18 At present there is no system of medium term corporate planning in most of the banks and other financial agencies; such planning is limited to a calendar year. As such. estimation of resources for DCP is done on whatever data are made available by the district level functionaries. The Group would reiterate its recommendation vide paragraph 3.12 above that if the individual financial agencies themselves could indicate in advance the district-wise estimate for the DCP period, at the State Level meeting where district-wise disaggregations are to be considered, it would pave the way for more realistic estimation of resources for DCPs.

Suggestions for Integration of Performance Budgets and AAP

3.19 It has not so far been possible to bring about the integration of APP shares with performance budgets of bank branches.

We have already discussed the reasons therefor (vide paragraph 3.11). As per RBI guidelines, the allocation of AAP shares is to be done by the first week of December of the preceding year (AAP being on calendar year basis). With the change of AAP to the financial year, allocation of shares is expected to be completed by February of the preceding financial year. The performance budget exercise in banks commences around October and the regional picture is usually clearly known by December. It will, therefore, not be possible for banks to base their performance budgets on their shares in the AAPs for various districts which may not be available to them at that point of time. It will, however, be possible for banks to ensure that performance budgets take into account DCP allocations which are accepted by them at the time of finalisation of DCP and for which the annual phasing is to be done by the banks. Having based the performance budgets on the DCP shares, banks could indicate the district-wise projections, arising from such performance budgets, to the lead bank, at the time of formulation of the draft AAP. If AAP outlays are based on the estimates so indicated by each bank, it would make AAP more meaningful. In short, the DCP shares would be the basis of performance budgets in so far as they relate to priority sector lending during the years covered by the DCP and, AAP outlays would reflect performance budgets. Thus, DCP allocations, AAP outlays and branch performance budgets would be aligned to a large extent.

The AAP may be revised, if necessary, on the basis of aggregate projections of all financing agencies obtained as above. While the performance budgets or the district perspectives should form the basis for estimation of aggregate outlays of AAP, the latter, in turn, should be the guide to the financial agencies in so far as the pattern of credit deployment as between various sub-sectors and activities are concerned. Banks follow the system of expressing their performance budgets in terms of various sectors (i.e., agriculture, small-scale industry, services, etc.). The Group expects that banks would take steps to also indicate in the performance budgets of their branches estimated disbursals under priority sector lendings. Once the aggregate level of the AAP share is aligned with performance budgets, the actual lendings should be guided by AAP. Within the overall estimates contained in performance budgets, banks should adhere to the sub-sectoral and activity-wise allocations of AAPs. Wherever necessary, marginal adjustments within the performance budgets may be made to achieve the above objective.

AAP to be for Calendar Year

3.20 An allied issue is the need for synchronisation in the time spans of the two exercises. Performance budgets are prepared in almost all banks for their accounting period which is the calendar year. AAPs are also being drawn up now on a calendar year basis primarily on account of the need to ensure dovetailing of AAP shares with branch performance budgets. Even so, the present position is that information regarding AAP share allocations is not available to banks while finalising the performance budgets. The change in the period of AAP to financial year from 1984 onwards as indicated in RBI guidelines will mean that the two exercises will be for different periods thereafter. The Group has, in the previous paragraph, detailed the manner in which alignment should be secured between the two exercises. It apprehends that if these are for different periods, meaningful linkage between the two cannot be ensured and this could cut at the root of implementation of AAP by banks.

Two suggestions made in this regard have been considered by the Group. The first of these is that banks could prepare their corporate plans (from which branch budgets are derived) for financial year instead of calendar year. Corporate plans of banks set goals for achievement of a wide range of activities during the accounting period. As priority sector lending targets are only a part of the corporate goals, the Group feels that it would be too much to require the banks to shift the corporate plan period from their accounting year. The other suggestion is that if the AAP share is broken up into quarterly modules. it would not be difficult to ensure its alignment with the branch performance budget (although for a different period) which has a quarterly break-up. While this is theoretically possible, the Group is convinced that quarterly phasing of AAP will be a complicated exercise and that, considering the present operational status of AAP, what is necessary is to have simple arrangements of relating AAP and performance budget for meaningful implementation of the former.

The Group is, therefore, unable to recommend either of the alternatives. On the other hand, as pointed out in paragraph 3.17, the shift in the period of AAP to financial year may not serve the purpose for which it is intended. It is also relevant to note that while government development programmes for which institutional credit support is envisaged form an important part of the priority sector lendings of financial institutions, such programmes do not constitute the whole of it. The Group, therefore, recommends that it is necessary to have a uniform period for AAPs and performance budgets of banks which should be the calendar year. It suggests that RBI may re-examine the question of change of the period of AAP before it is actually made effective.

DCP/AAP Serving Common Interest of Government and Financial Institutions

3.21 DCPs and AAPs are documents intended to relate delivery of credit from various institutional sources for different purposes in accordance with national priorities, taking into account the governmental programmes and policies, subsidies available, public investments in infrastructure development etc. The exercise of DCP/AAP should be such as to enable the financial agencies and state governments to come together so that the expectations of the state government could be met by banks by finding matching resources for the purpose and, likewise, for fulfilling their commitments, the financial agencies could obtain the necessary support by way of infrastructure, extension services, etc. from the government. The Group expects that the various suggestions given in the foregoing paragraphs would take the DCP/AAP exercise nearer the above goal.

CHAPTER 4

ORGANISATIONAL SET UP FOR LEAD BANK SCHEME

Lead Bank

4.1 When the lead bank scheme was first introduced, no specifi organisational set-up was envisaged for the lead bank or other bank either at the district level or other levels. With the increasing impor tance of lead bank scheme, it was found necessary to have a certai minimum organisational set-up for the lead bank at the district level RBI accordingly advised lead banks to position, at the headquarters o each lead district, one officer designated as Lead Bank Officer (LBO who would exclusively look after the work relating to the lead respon sibilities and to extend necessary support to this officer.

The replies received from lead banks to the Group's questionnair present a varied picture regarding LBOs and support provided to them Almost all lead banks have made arrangements to post LBOs in thei lead districts although their cadre and the relationship with the imme diate superior authority varied from bank to bank. In some banks junior officers who did not have adequate experience even as branc managers have been posted as LBOs and attached to the district head quarters branches without any staff or other support. This has resulte in a situation where LBOs have not been able to function effectivel even in regard to the bank's own branches. In the case of one bank, th tenure as LBO is not counted for the purpose of minimum service eligi bility for promotion. While this is probably the most unsatisfactor set-up, the Group also notes that a few banks posted officers belongin to middle management cadre in each district to function as LBO, wit adequate support of another officer and suitable technical and clerica staff and other amenities like telephone, conveyance, etc. The Workin Group has found that the latter type of set-up helped the concerned lea bank to perform better in liaising with other financial agencies and th district administration. If the lead bank has to perform its duties effec tively as the team leader of all financial institutions in the lead district it is absolutely essential to provide a proper and adequate set-up at th district level.

Lead Bank Officer

4.2 For effective functioning, certain minimum organisational re quirements are a must for the lead bank as mentioned below :-

a) Lead Bank Officer — He should preferably be of Middle Management III category and in any case, senior enough to ensure that his bank's branches in the district discharge their functions effectively under the lead bank scheme under his guidance and supervision. He should have had adequate experience as branch manager, with particular reference to rural financing and also possess the necessary aptitude for the work. He should have received orientation in the lead bank scheme.

b) Supporting staff — At least one junior officer, field officer (agriculture), and necessary clerical and other support should be provided to LBO.

c) Establishment — Separate office and where this is not possible, a separate establishment should be provided to LBO in case his office is situated in the district headquarters branch or some other office.

d) Other facilities — Telephone, conveyance (jeep), and some discretionary allowance to take care of incidental expenses, etc. should be provided to LBO.

LBO should ideally be of a rank not lower than that of the manager of the district headquarters branch. It will be advantageous if LBO reports directly to the controlling authority who supervises the branches in the district. Such an arrangement will ensure that LBO has an adequate status and can deal with the other branch managers of his bank effectively as a representative of the controlling authority. In the case of one bank, the officers in charge of each lead district were vested with certain developmental functions such as opening of new branches; they were also enabled to help the rural branches by deputing staff in times of need. These circumstances have created an atmosphere in which these officers could function quite effectively. The Group is clear that the involvement of LBO in developmental activities would be conducive to his effectiveness. Towards this end, it recommends that matters having a direct bearing on his area of responsibility such as opening of new branches, additional staff requirements of branches to cope with their increased lending for development, performance budgets, etc., should be routed through LBO. It should, however, be noted that LBO should not be burdened with other unconnected functions of an administrative and operational nature such as business development, supervision and control, sanction of credit proposals, staff discipline, etc. It should also be ensured that the tenure of LBO in a particular district is for a reasonable period, say, three years, to have a degree of continuity.

Non-Lead Banks

4.3 In each district, apart from the lead bank, there are other banks, some of which are lead banks in other districts. For the sake of convenience, all these banks are termed as non-lead banks without in any way signifying a diminished role for them under the lead bank scheme. Till recently, not much attention was paid to the set-up provided by non-lead banks in the various districts. In most of the districts, the manager of the district headquarters branch was the official designated to attend DCC meetings. As he was generally busy with the branch work, a junior official used to deputise for him. In many cases, the attendance of non-lead banks at the meetings was irregular. Even when there was representation, the official representing the bank had practically no back-ground about the functioning of the other branches of his bank in the district and further, he had no direct control or authority over the other branches. The participation of non-lead banks in DCC meetings and the lead bank scheme was thus not adequate. With the introduction of New Information System (NIS), under which the consolidation of data was to be done by the controlling/regional offices of banks, it became apparent that the officials representing the non-lead banks were not able to effectively perform their functions and were neither aware of the progress made by other branches in the submission of returns nor were they in a position to ensure that the branches expedited the matter.

District Co-ordinator

4.4 Prior to the introduction of NIS, the lead bank itself used to consolidate the returns prescribed for monitoring the implementation of DCPs. Other banks generally designated one of their officials (usually, the branch manager at the district headquarters) as "District Co-ordinator" who was entrusted with the task of collection, consolidation and submission of data regarding his bank. In course of time, the district co-ordinator came to be regarded as the agency for representing the bank in all matters relating to lead bank scheme in the district. However, the district co-ordinator by himself was unable to perform the job without necessary staff support, especially when there was a sizeable branch network in the district. RBI, therefore, advised the banks to nominate one officer in each district as the district co-ordinator and also to constitute a lead bank cell to assist the district co-ordinator in those districts where the bank had more than five branches. Banks accordingly designated district co-ordinators, but the pace of constituting the lead bank cells was tardy. The feedback received by the Group also indicates that the district co-ordinator was not able to function in an effective manner in the absence of authority over other branches of his bank. The situation was akin to the one obtaining in regard to LBOs discussed earlier. In a few districts, the position could not be considered happy with the district co-ordinator being either junior to or of a lower cadre than other branch managers. However much one would like that notions of seniority or rank should not affect official dealings, the reality is that in a hierarchical structure it is the control and authority which are effective in producing the desired results rather than an egalitarian approach. The Group is of the view that a proper organisational set-up for non-lead banks is as necessary as it is for lead banks.

District Co-ordinator and Functions

4.5 The Group suggests that the district co-ordinator should be a separate officer rather than the branch manager, reporting directly to the Regional/Divisional office which controls the branches in the district. Where the bank has ten or more branches in the district, there should be separate district co-ordinator for that district. In other cases one district co-ordinator may be in charge of two adjoining districts. If the total number of branches in the two districts together is less than ten, the existing arrangement of nominating the district headquarters branch manager as district co-ordinator may continue. The district co-ordinator should have necessary supporting staff and minimum facilities of telephone and if possible conveyance also. The district co-ordinator's role should be to ensure effective participation of the branches of his bank in the lead bank scheme, DCP/AAP and to liaise with the lead bank and district administration. The Group recommends that the pattern referred to earlier should be followed by all banks on a uniform basis. This will require a certain amount of additional manpower and their training etc. Any investment in additional manpower and their training for the purpose will be beneficial to the bank as well as the entire set-up.

Role of Zonal Offices of Banks

4.6 In many banks there are zonal offices which control several regional/divisional offices, but they have not been adequately involved in overseeing the performance of the branches in their jurisdiction under the lead bank scheme. The Group suggests that the organisational set-up at the zonal offices to look after the bank's role under the lead bank scheme should be strengthened suitably and the zonal offices should review, by periodical visits by senior executives as well as returns, the actual performance of the branches of the bank in the whole area and report to the Head Office. Such visits and reviews are likely to go a long way in improving the performance of the bank by removing bottlenecks and ensuring field level implementation of various instructions.

Role of Head Offices

4.7 Banks should review the organisational set-up in their Head Offices to deal with all aspects of the lead bank scheme and DCP/AAP. The Group understands that in many banks review of the bank's performance under DCP/AAP is limited to the performance in their lead districts. It is necessary that the performance in all the districts vis-a-vis the shares in DCP/AAP accepted by the bank is reviewed. In order to ensure that due attention is paid to the role played by the bank under the lead bank scheme, the Group recommends that this function should be under the charge of a very senior executive preferably General Manager.

Regional Rural Banks

4.8 In the case of RRBs, it should be possible to create a small cell or department at the Head Office under the charge of an officer having requisite experience and aptitude for the type of work envisaged. This department/cell should be in overall charge of the branches in all aspects relating to lead bank scheme such as representing the RRB in DCC, Standing Committee and DLRM, active participation in the formulation of DCP and AAP, allocation of AAP shares to and overseeing the implementation of AAP by the branches, liaising with the lead bank, RBI, other financial agencies and government departments, etc. Where an RRB covers more than one district, it will be necessary to provide a separate district co-ordinator for each district. Such district co-ordinators should work as part of the cell in the Head Office of the RRB.

Co-operatives

4.9 Apart from commercial banks and RRBs, the major financial agencies which participate in the implementation of DCP are co-operatives. There has been an increasing appreciation of the role of co-operative banks in financing agriculture and village/cottage industries. Accordingly, they are being consulted and involved more and more in the various stages of formulation of DCP/AAP. In order that the co-operatives play an active role vis-a-vis the lead bank scheme, it is necessary to have some organisational set-up for the purpose. This will also help the co-operative banks in better appreciating the lead bank scheme. It should be possible for DCCBs to create a set-up in their Head Offices analogous to the one visualised for RRBs.

In the case of land development banks, PLDBs/branches of SLDBs have jurisdiction not synchronous with the district and in some districts more than one PLDB/SLDB branch operate. SLDBs in most states have established regional offices covering a few districts. These regional offices will be the most suitable for representing LDBs. In view of the importance of investment lending for agriculture, the regional office of SLDB should have a set-up for lead bank scheme work as in the case of non-lead banks. Both SCBs and SLDBs should have adequate arrangements at their headquarters to oversee the performance of DCCBs and PLDBs respectively in DCP/AAP as well as to participate in state level forums and also furnish the data to them. SCB and SLDB should be supplied with copies of DCPs and AAPs, agenda and minutes of DCC meetings, etc. They may also attend, to the extent possible, DLRMs, besides holding periodical discussions with problem DCCBs/ PLDBs to ensure their effective participation in DCP/AAP.

Providing Lead Bank's Technical Expertise to Other Banks

4.10 Related to the organisational set-up in the banks is the recommendation of CRAFICARD that the lead bank may provide an adequate technical set-up in its lead districts and make available the services of such staff to the other financing agencies on payment basis for specific items of work. This recommendation was made by CRAFICARD in the context of the question as to whether elaborate technical set-up for each bank in each district was necessary and, if so, whether it was feasible. CRAFICARD envisaged a gradual change in the role of lead bank from one of competition with other lending agencies in the district to that of servicing in the form of formulating area-specific credit schemes in collaboration with the district administration and other banks and preparing banking plans for each scheme. The requirements of technical services for schemes to be financed by banks may be broadly classified under the following categories:

i) Identification and formulation of bankable schemes.

ii) Internal review/appraisal, where necessary, of viability of schemes.

iii) Scrutiny of individual applications.

iv) Follow-up and supervision of the advances given, including recovery.

Based on this classification, the technical staff in banks can broadly be classified as field officers servicing one or more branches and primarily connected with items (iii) & (iv) and higher level technical staff concerned with items (i) & (ii) as also overseeing the work of the former. For the sake of better customer service, the field officers are generally posted in branches situated in potential areas (i.e., areas where there is a lot of loaning to these sectors) to serve the needs of a cluster of branches, and not always at the district headquarters.

The feedback received by the Working Group highlighted certain difficulties in regard to the utilisation of the services of lead bank's technical staff/field officers by other financial agencies. As CRAFICARD itself has observed: "Pre-sanction appraisal and post-sanction supervision are duties that can hardly be delegated by a lending institution to an outside authority." A large number of schemes coming up at district level will be of a repetitive nature, with some standardised drill for technical appraisal. In all such cases, detailed technical scrutiny by each individual bank may not be needed. In case any specialised schemes, out of the normal run, come up, the concerned government agencies should be able to help in most cases. The Committee on Agricultural Loans of Commercial Banks (CALCOB) constituted by ARDC (now NABARD) has come to the conclusion that "there should be one agricultural field officer qualified or trained in agricultural financing at each branch and it should be the endeavour of all the banks to achieve this ideal in a phased manner; in the transitional stage, however, one officer might have to cover more than one branch due to paucity of required number of officers." This was an endorsement of CRAFICARD's observation that there was really no alternative to banks from building up their own technical cadres. In regard to higher level technical services, CALCOB is considering a suggestion as to whether NABARD singly or jointly with other banks could provide a pool of subject matter specialists on a cost sharing basis since it was felt that the lead bank might not be able to shoulder this responsibility alone. It does not seem practicable for lead banks to strengthen their technical set-up to the level necessary to meet the requirements of other banks as well. Further, it is envisaged that the services of technical specialists with the government at the district level, as part of DRDA, DIC as well as technical departments, would be available in the matter of identification and formulation of schemes. In the light of the foregoing, the Group does not consider it feasible for the lead bank to provide a technical set-up adequate to service other banks in the district.

Supporting Arrangements in District Administration

4.11 The organisational set-up on the part of the district administration for dealing with matters relating to lead bank scheme is of equal, if not more, importance as that of other agencies. Though different state governments have envisaged officials like Additional District Magistrate, Deputy Commissioner, District Planning Officer, Project

Officer of DRDA/DPAP, to serve as the focal point in the district for the financial institutions, the feedback received by the Working Group showed that the arrangements so far made in this regard could not be considered adequte. The lead bank, at the time of formulation of DCP/AAP was unable to obtain all the necessary data from this focal point officer. The LBO had invariably to approach the different departments and constantly pursue the matter with them. Even then full data were seldom available. The difficulty seems to emanate from the fact that there is no proper system of collection, dissemination and continuous updating of data. The focal point officer did not also seem to be in a position to effectively co-ordinate the various Government departments and concerned developmental agencies in implementing AAP, particularly in regard to their responsibility in providing necessary linkages. The Sixth Plan document contains the following observations regarding rural development programmes and co-ordination among all connected agencies:

"The rural development programme during the Sixth Plan period will cover all the blocks of the country so that every block can develop its potential for growth according to the genius and efforts of the people and the resources of the block. The IRDP envisages a household approach to the alleviation of poverty. This will involve a considerable restructuring of input delivery systems .... This calls for horizontal co-ordination among the agencies dealing with agriculture and village industries, education and other minimum needs, health and family welfare. The block level administration will have to be so structured that the desired degree of horizontal co-ordination is achieved. Obviously, this task is a difficult one; fortunately, however, the necessary infrastructure for successfully implementing this programme already exists. What is needed is a determined effort to put all the pieces together and to measure the progress made in rural development, among other things, by the extent of reduction in poverty and in the drain of resources from the village to the city."

District credit planning broadly envisages a plan for financing of priority sectors with particular emphasis on development of weaker sections through credit based schemes. It is expected that the financing agencies as well as the state government administration will have the necessary organisational framework to make adequate arrangements for a proper implementation of the plans formulated. It is of utmost importance for the successful implementation of the credit plans that the district administration should be so organised as to ensure that the required support for the credit programme is forthcoming from all concerned Government departments in a smooth way. The state governments will have to take necessary steps towards this end. The Group would reiterate that the system of posting additional Collectors to relieve the Collector of his routine functions as suggested by CRAFICARD, should be implemented urgently and a separate section or cell should be created in each district administration for looking after all aspects of lead bank scheme and priority sector lending. This cell should act as the focal point for liaison with banks and should, for this purpose, be charged with the responsibility of co-ordinating with all the concerned government departments in matters relating to DCP/AAP and ensuring that the expected support is forthcoming from them.

CHAPTER 5

FORUMS OF CO-ORDINATION

Genesis of DCC

5.1 The Gadgil Study Group envisaged setting up of district or zonal committees which would serve as the apparatus to evolve an action programme for the succeeding one or two years in respect of a district or a zone consisting of one or more districts. It was suggested that these committees might be constituted, preferably at the initiative of the state governments concerned and consisting, among others, of representatives of nationalised commercial banks, co-operative banks and concerned state government departments such as agriculture, co-operation and small industries. The committees were expected to have appropriate liaison with marketing, processing and other agencies of the central and state governments operating in the area.

The Banking Commission also found that there was need for such a forum and since the formation of such committees had not generally taken place in all the districts, it recommended as under:

"The Commission feels that it is very necessary to have a regular machinery at the district level in all the States which will take a co-ordinated view of the credit problems of the various productive activities in a district. The Commission recommends the formation of a co-ordination committee at the district level with representatives of the lending agencies as members and the seniormost officer of the State Government in charge of development of the district as the Chairman".

DCCs came to be constituted in the various districts in the country out of the felt need for such a common forum for consultations among the financial institutions and concerned government departments. No explicit guidelines were issued either by RBI or the Government of India in regard to the constitution of these committees. However, after these forums came into existence, certain guidelines regarding their functioning were issued.

Composition of DCCs

5.2 Since there were no set rules for DCCs, their composition was influenced by the specific needs of each district. The district level forum is also termed 'District Level Co-ordination Committee' in some states.

Almost all DCCs follow certain general pattern such as the District Collector being the Chairman and all commercial banks, co-operative banks, RRBs and most of the concerned government departments and allied agencies being members of the committee. The Report of the Study Groups on the working of the Lead Bank Scheme in Gujarat and Maharashtra recommended that DCC should meet at regular intervals, at least once a quarter, to review the progress of the individual schemes. The practice of holding quarterly meetings has been adopted in most districts, save in exceptional circumstances such as where districts were cut off due to heavy snowfall, landslides, floods etc.

Standing Committee of the DCC

5.3 The guidelines issued by RBI for formulation of DCPs for 1980-82 on a uniform pattern envisaged the constitution of a district level task force comprising representatives of DCCB, commercial banks having large number of branches in the district and district planning official, to assist the credit planning team/LBO. Subsequently, this Task Force was made permanent as a 'Standing Committee' of DCC so that the same body which was associated with the formulation of the credit plan could also continuously monitor the progress in its implementation.

The membership of the Standing Committee was enlarged subsequently to include the representatives of RBI, ARDC, DRDA, co-operative department, LDB etc. In some districts the District Collector himself has been the chairman of the Standing Committee too. RBI had not stipulated any rigid formula regarding the composition of the Standing Committee except that it should be a compact forum which could meet as frequently as might be necessary. The periodicity of the Standing Committee meetings was also left to the exigencies of work but it was recommended that the meetings should be held at least twice in a quarter. With the extension of the IRD Programme to all the blocks in the country, review of implementation of the Programme had to be undertaken at frequent intervals and accordingly, RBI issued instructions for convening the meetings of the Standing Committees once in a month.

Working of DCCs

5.4 A comparative study of the functioning of selected DCCs during the years 1978 and 1980 carried out by RBI has shown that while there had been gradual improvement in the awareness among the concerned officials of the role of DCC and its functioning, it was necessary to take steps to make DCCs really effective. A recent analysis made by the regional offices of RBI (DBOD) in response to the Group's questionnaire has further confirmed the results of the earlier study viz., that while the working of DCCs improved in terms of regularity of meetings and attendance by members in many districts, the quality of deliberations and coverage of issues at DCC meetings and their contribution to the implementation of credit plan programmes continued to be indifferent due to various reasons, as listed below.

i) Unwieldy size of DCCs.

ii) Representation by junior level officials.

iii) Inadequate involvement of members resulting in absence of in-depth deliberations.

iv) Unsatisfactory follow up which resulted in some cases, in the same issues coming up again and again before DCC.

v) Inadequate secretariat for DCC.

vi) Lack of proper attitudinal orientation on the part of the various participants.

Unwieldy Size of DCCs

5.5 The first aspect is the unduly large number of participants in DCC meetings. Since 20 or more commercial banks generally operate in a district on an average and since all banks are represented in DCC, the number of bank representatives itself has been high. The position is made acute by certain banks sending more than one representative. In some districts, banks have been insisting that the managers of their ADBs should also attend DCC meetings. It is also reported that senior officials of some banks have most often been accompanied by a fairly big entourage. From the government side, the membership usually consists of the representatives of the various concerned departments. However, there have been instances where all BDOs in the district also attended the DCC meetings. Similarly, PLDBs, Urban Co-operative Banks, other agencies like KVIC, SISI, SIDC, etc., are all members of DCC. The total number of participants has been as high as 80 to 90 in some districts.

Obviously, this was caused by the attitude of the various agencies concerned that unless each of them was represented in DCC, its involvement and participation in the lead bank scheme would be diluted or not recognised. It is pertinent to state here that in many DCCs the membership has been systematically enlarged in the past from this point of view. The result has been a gradual erosion in the effectiveness of the DCC itself. This was naturally to be expected, for, a forum of 80 people sitting for 2 or 3 hours could hardly be expected to deliberate adequately and in depth on the subjects coming before the forum.

Participation by Members

5.6 Quite often, it was the same few who took part in the discussions, with a large number of other members remaining mostly spectators. The fact that some of the members were irregular in attendance and junior level officials were deputed to attend the meetings, made effective participation from their side yet more difficult. Problems/matters to be discussed in the meetings were not generally intimated to the convener in advance by banks or government departments and hence the system of circulating detailed agenda notes had not stabilized. Even on agenda notes circulated, the participation was generally limited.

Deliberations at DCC and Follow up of Decisions

5.7 The feedback received by the Working Group showed that the deliberations of DCCs in many districts left scope for improvement in their quality and coverage of issues discussed. The proceedings did not also spell out clearly the various decisions arrived at and the agencies responsible for further action, with the time frame therefor. This was due to the lack of necessary attitudinal orientation in the various participating agencies and, to some extent, to the inadequate secretarial assistance available to LBO.

Attitudinal Orientation

5.8 Among the non-lead banks, there was lack of appreciation of their role and the lead bank scheme was more a "lead bank's scheme" for them. Even in the case of lead bank, the position in many districts was reportedly unsatisfactory when it came to the role of the various branches of the bank functioning in the district. Neither the LBO nor the district co-ordinators of non-lead banks appeared to have been effective in ensuring that the branches of their banks were duly informed of DCC's decisions, for compliance and giving feedback to DCC.

Review of the Role of District Administration

5.9 Review and monitoring of the role of the various government departments in providing the necessary support by way of linkages, infrastructure or extension services as envisaged at the time of formulation of the credit plan left much room for improvement. The discussions, wherever held, in this regard seemed peripheral. CRAFICARD, which considered in detail the role of government administration in providing supporting measures by way of extension services, supply of inputs, marketing and storage facilities, roads, communication, power, and general administrative support, observed that the availability of facilities from the state government should be reviewed from time to time in DCC meeting for their improvement.

RBI had issued instructions that a system of regular feedback from the government side to DCC on the various steps taken for implementing the tasks expected of them under DCP/AAP should be evolved. These instructions have yet to be implemented effectively.

Chairman of DCC

5.10 Last, but not least, the success of DCC depends largely upon the interest evinced by the Chairman and his aptitude for development and co-ordination. In many cases, the Collectors did not seem to have sufficient time to give this work the attention it needed and even could not attend the meetings regularly. As the District Collector is the leader of government administration at the district level it is necessary that he takes active interest in DCC as well as implementation of DCP/AAP in the district in order that concerned government departments/agencies and credit institutions are positively motivated. Implementation of the recommendation of CRAFICARD that the system of appointing a senior officer of the rank of Collector to relieve the Collector of his routine work, followed in some states, should be examined and adopted with suitable modifications in all states, is likely to give the required relief to the Collectors and enable them to participate in larger measure than hitherto in developmental activities.

Functioning of Standing Committee

5.11 The Standing Committee which was intended to be a more compact forum than DCC so as to meet often, discuss various issues and take quick decisions, has not proved quite effective. District Collectors have not been associated with the Standing Committees in many districts. It was also reported that many government departments were irregular in their attendance or were represented by junior level officials. The financial institutions also did not seem to have ensured that the Standing Committee meetings were attended by their district co-ordinators. There seemed to be a general feeling that the decisions of the Standing Committee were not final in themselves and needed to be ratified by DCC, thus reducing the effectiveness of the forum.

Reorganised Compact DCC

5.12 Since their unwieldy size has been one of the major factors impairing the efficacy of DCCs, the Group feels that it is necessary to consider reconstituting this forum into a very compact one, which should meet once in two months.

Only banks and other financial institutions, having a sizeable share in AAP and the district level officials of the departments important from the point of view of AAP, should be members of DCC. Each member should be represented only by one official of an appropriate level at DCC meetings.

In the Group's view, membership of DCC as indicated below should be adequate :-

1. District Collector (Chairman)
2. LBO (Convener)
3. LDO
4. District Planning Officer

Representatives of :-

5. NABARD
6. DCCB
7. SLDB
8. RRB
9. 5/6 Commercial banks having a large allocation of AAP.
10. DRDA
11. DIC
12. 5/6 government departments say agriculture, animal husbandry minor irrigation, industries, co-operatives, tribal development.

Other government departments and banks, which are not permanent members, may be invited to specific meetings, whenever considered necessary, on the basis of agenda items. The overall strength of DCC should be maintained at a compact level of 20 to 25 members so that the discussions at this forum are meaningful and result-oriented.

Functions of DCC

5.13 The functions of DCC are listed below :-

(i) Identification of potential for and formulation of bankable schemes for inclusion in DCP/AAP.

(ii) Finalisation of DCP/AAP/IRDP block plan.

(iii) Allocation of shares of DCP/AAP outlays.

(iv) Monitoring overall progress in physical and financial terms of the implementation of AAP, IRDP, TPEP, etc.

(v) Review/monitoring of the support forthcoming from government departments.

(vi) Identifying problems/bottlenecks in provision of credit as also of infrastructure, inputs, etc. and taking steps to overcome these.

(vii) Review of bank-wise position of credit disbursement under AAP, IRDP, etc.

(viii) Reviewing the progress in disposal of loan applications and ensuring that applications are sent in a phased manner and not bunched in the last quarter of the financial year.

(ix) Overseeing and ensuring smooth release of subsidies.

(x) Monitoring the recovery position of financial agencies and rendering necessary help for recovery of overdues.

(xi) Taking up with state government/SLBC/SLCC, items/issues which cannot be tackled at the district level and ensuring proper follow-up thereof.

(xii) Consideration of security arrangements and other infrastructural facilities for rural branches.

(xiii) Identification of unbanked centres for opening of branches and reviewing the progress in the opening of branches.

(xiv) Evaluation of the ground level implementation of various schemes and benefits accruing thereunder to the identified beneficiaries.

Systematic Agenda and Follow up of Decisions

5.14 The system of obtaining necessary background notes from financial institutions and government departments to prepare comprehensive agenda notes was not followed in many districts. It should be ensured that the concerned agencies furnish to LBO, beforehand, suitable background notes on the subjects proposed for discussion at DCC. The agenda and notice of meeting should be sent sufficiently in advance, say, 15 days. The proceedings should bring out clearly, the discussions and decisions arrived at. The agencies responsible for taking further action on the decisions, together with the time schedule for such action, should be indicated in the proceedings. The concerned agencies should provide necessary feedback to DCC regarding the action taken on the decisions. While LBO should follow-up issues requiring action by banks and other financial agencies, the focal point officer of state government should do likewise in so far as the government departments are concerned.

Bank managements should make it clear to all their branches that it is part of the duty of LBO and district co-ordinator to oversee the performance of branches under lead bank scheme. Likewise, the state governments should instruct concerned departments that the focal point officer and the lead bank cell (vide our recommendation at paragraph 4.11 above) would be responsible for co-ordination among all government departments in respect of credit based programmes. The LBO and the focal point officer should work with close rapport and have frequent consultations.

Co-ordination with Financing Agencies not represented on DCC

5.15 While ensuring that DCC becomes a compact forum for meaningful discussions, it is necessary to secure an arrangement for adequate rapport between DCC and those institutions which are not represented on it on a permanent basis. The Group feels that LBO should function as the focal point of such co-ordination by convening regularly, meetings with the district co-ordinators of all non-lead banks and other financial institutions. These meetings could be held well in advance of DCC meetings so that the problems thrown up could be taken up at the DCC forum. LDOs of RBI should also be invited for such meetings. The special meeting of bankers convened for finalising the allocation of shares in DCP/AAP should also be attended by all participating financial agencies.

Functional Sub-Committee of DCC

5.16 In view of the recommendation to reconstitute DCC into a very compact forum to meet once in two months, the Group is of the view that the Standing Committee in its present form need not continue. However, in view of the critical importance of regular monitoring of IRDP which is an important element of the Prime Minister's revised 20-Point Programme, the Group considers it necessary that a small functional Sub-Committee of DCC should be constituted for the purpose in all districts and that it should meet every month. This sub-committee should be chaired by the District Collector and have as its members the Chief Executive of DRDA, focal point officer of the district, LBO, LDO, representative of NABARD and another bank having major share in IRDP lending. The proceedings of this sub-committee should be placed before DCC. Any other important matter concerning DCC requiring urgent attention may also be considered by this sub-committee.

Accountability and Performance Appraisal

5.17 The branch managers of banks, as has been explained earlier, are guided by their branch performance budgets and their performance under AAP does not seem to be taken seriously even within the institution. We have already made suggestions with a view to ensuring proper alignment of AAPs with performance budgets. Banks/financial agencies should include, in the internal assessment of bank personnel, their performance vis-a-vis the lead bank scheme, so as to inculcate the required sense of accountability on their part.

The District Collector does not seem to have administrative control over the officials of certain development departments at the district level like PWD, irrigation, animal husbandry, etc. There is an urgent need to make these officials accountable to the District Collector in so far as their responsibilities under DCP/AAP are concerned. The District Collector himself has to evince interest in ensuring that all governmental agencies perform the roles expected of them for efficient implementation of AAP. The Director of Institutional Finance, wherever such an arrangement exists, or his counterpart at the state level should regularly monitor the performance of various DCCs with particular reference to the participation of the concerned government agencies. The Group would also recommend that a separate Directorate for Institutional Finance, with a senior official of the rank of Secretary as in charge, may be set up in the states where such arrangement does not exist at present.

District Level Review Meetings

5.18 As per RBI instructions, one meeting of DCC every year is being held as a DLRM with a view to evaluating the progress made in the implementation of schemes included in DCP/AAP, identifying problem areas and devising suitable remedial steps. These DLRMs are referred to in paragraph 9.2 below in connection with their role as forums of training. The Group notes that DLRMs have not only served as useful forums for bringing together various organisations participating in the lead bank scheme and non-official agencies connected with rural development but also evolved, in a way, into forums for a general review of performance under DCP/AAP so as to ensure regular participation of all concerned agencies including non-officials in the developmental programmes under implementation in the district. The Group recommends that these meetings may be held half-yearly. It will be appropriate to designate this forum as District Level Review Committee (DLRC) to reflect the nature of its function. Since DLRC will be a separate forum, it will not be necessary to combine DCC and DLRC meetings. The follow up of DLRC's decisions could be discussed in DCC. Association of non-officials with DLRCs would be useful in getting feedback of well informed public response to the various programmes, the pace and quality of their implementation by both financial institutions and government agencies.

Association of Non-Officials

5.19 In the initial stages when DCCs were being set up in the various districts and the lead banks were preoccupied with surveying the districts for identifying potential centres for opening of branches, a demand arose that prominent non-officials should also be associated in the task so that their views regarding the banking needs in the different pockets of the district could be taken into account.

The Estimates Committee of the fifth Lok Sabha in its 62nd report, recommended that DCCs set up under the lead bank scheme should be broad-based by including persons who are active in industry, commerce, education, social upliftment etc., as also representatives of Zilla Parishads and the weaker sections of the society. In pursuance of this recommendation and having regard to the fact that association of non-officials with DCCs had already been initiated in a few districts, RBI advised the lead banks to associate, on an experimental basis, two non-officials with DCCs in certain specified districts. The selection of the non-officials was required to be made on the basis of their close or intimate association with critical sectors of development like agriculture, small-scale industry, tribal development and harijan welfare, so that DCCs would be enabled to get an insight into the problems of these sectors. Further, in making the selection, the lead banks were advised to avoid controversies arising out of association of persons identified with certain groups such as active workers of political parties including those holding elective offices or office bearers of bodies other than professional ones. Such screening and selectivity in the choice of non-officials was considered necessary to ensure smooth functioning of these committees. The system was put into effect in the 50 districts in which non-officials were being associated even earlier and also extended to 17 new districts.

This practice continued, more or less unchanged, till the end of 1978. At the fifth meeting of the Regional Consultative Committee, Central Region, held in September 1978, the question of associating non-officials with DCC came up for discussion. While recognising that the knowledge and expertise of non-officials in specific areas of development should be available to DCCs, the RCC also appreciated the need to maintain the functional character of DCCs. Accordingly, Government of India issued instructions that while non-officials need not be made permanent members of these committees, expert non-officials might be invited to the meetings depending on the agenda items.

Subsequently, these instructions were modified and it was decided that a regular representation might be given to principal groups of beneficiaries of bank credit in activities/occupations considered central to the district economy and requiring special attention from credit institutions. It is learnt that arrangements on these lines have been made in a few districts in the country. As the reorganised DCCs are intended to be purely functional forums, the Group does not consider it necessary to associate non-officials with this forum. The Group is of the view that a cross section of non-officials could be advantageously associated with DLRCs where a general review of the progress in implementation of DCP/AAP will take place.

Forums of Co-ordination at State Level

5.20 At the state level, the pattern of forums available for co-ordination of activities among the financial institutions and government departments is not uniform in all the states. Broadly, there are two types of forums known as State Level Bankers' Committees (SLBCs) and State Level Co-ordination Committees (SLCCs). Both SLBC and SLCC are in existence in all states except Maharashtra, where only SLBC is functioning in which both financial institutions and government departments are represented. In Andhra Pradesh and Uttar Pradesh the forum analogous to SLCC is known as State Level Committee on Institutional Finance and State Level Advisory Committee on Institutional Finance, respectively.

State Level Bankers' Committee

5.21 SLBC originated, following instructions of Government of India, as an inter-institutional forum for co-ordination and joint implementation of development programmes by all financial institutions operating in a state. The functioning of these committees has been more or less on the lines of detailed guidelines issued by Government of India in April 1977. Although SLBC was envisaged as a bankers' forum, government officials are also included in it in some states, such representation being even at Secretary's level. However, by and large, SLBCs consist of representatives of commercial banks, RRBs, SCBs and SLDBs. RBI and ARDC (now NABARD) also participate by invitation. In some states, representative of IDBI is also invited. Meetings of SLBC are convened by the lead bank designated as Convener Bank and in most states such meetings are held regularly. SLBCs discuss matters of common interest to banks like review of branch expansion, implementation of AAP/DCP, support available from government agencies, inter-bank differences, problems raised in DCC meetings but requiring attention at state level, etc. In some states, sub-groups have been constituted by SLBC to look into specific areas like agriculture, small industries, handloom finance, etc. The functioning of SLBCs seems to have stabilised to a large extent, although there is scope for further improvement.

State Level Co-ordination Committee

5.22 The SLCCs which started functioning from the mid-seventies were intended to serve as the main forum for co-ordination between the state government and financial institutions and for review of the performance of banks particularly in assisting credit based development programmes taken up by the state government. However, there is neither uniformity in the constitution of SLCCs in the various states nor has there been regularity in the meetings, save in the case of a few states like Andhra Pradesh, Assam, Maghalaya and Tripura. Meetings of SLCC are convened by a designated government official, Chief Secretary, Director of Institutional Finance, Registrar of Co-operative Societies, etc. They are generally presided over by the Chief Minister/Finance Minister of the State.

Items usually included in the agenda for SLCC meetings are (i) legislative and administrative steps taken by state governments to facilitate bank lending for developmental schemes, (ii) infrastructure and extension facilities, (iii) problems of banking development in the state, (iv) deployment of resources of banks, (v) review of banks' performance in the implementation of the various credit based development programmes of government and (vi) special problems of the state. Meetings of SLCC are held annually or even less frequently in most states. In January 1978, Government of India asked the state governments to reactivate the working of this forum but there has not been any significant improvement in the matter. In the meetings, emphasis is given more to credit-deposit ratio and performance of banks in disbursing finance under various government sponsored schemes. Hardly any attention is paid to qualitative aspects of bank lending under various schemes, proper phasing of the schemes evolved by state government and optimal levels for their implementation, evaluation of the schemes, etc. The SLCCs have also not bestowed adequate attention to the forward and backward linkages, marketing and infrastructural facilities and extension services required for effective implementation of developmental programmes and the performance of various government departments in providing them. There seems to be a general feeling that SLCCs in most states have emerged as forums where mainly bankers are found fault with for comparatively poor lending. The SLCCs have thus had a somewhat limited role in the lead bank scheme as a whole.

Reorganised SLBC

5.23 The Group suggests that the forums at the state level may be reorganised on the lines indicated below on a uniform basis in all states. The SLBC should be a forum of financial institutions. Besides the convener bank, SLBC should have regular representation from RBI, NABARD, IDBI, other lead banks in the state, other banks having a fair network of branches in the rural and semi-urban areas of the state, SCB, SLDB, SFC and convener bank of the state level committee of RRBs. Other banks may be invited to specific meetings of SLBC whenever considered necessary. While the functions of SLBC do not seem to need any change with reference to the range of topics covered, the follow-up of its decisions needs toning up. The Group would expect SLBCs to do the necessary spadework for formulation of DCP/AAP by getting in time district-wise resource allocation by banks and disaggregations of the various governmental programmes, undertake critical analysis of the progress of implementation of AAPs in the various districts, review the assistance required and provided by Government agencies, consider problems referred by the district level forums and take necessary follow-up action, oversee the implementation of branch expansion programme, review the recovery performance and ensure arrangements for training of both bank and government staff as well as evaluation of the programmes implemented. The importance of the convener bank of SLBC providing adequate secretarial assistance at its concerned office in the state headquarters for effectively handling the work relating to SLBC hardly needs to be emphasised.

Standing Committee of SLCC

5.24 Efforts may be made to improve the functioning of SLCC. Having regard to the fact that SLCCs are, in many states, presided over by Chief Minister/Finance Minister, who are hard pressed for time on account of their multifarious responsibilities, the Group feels that it may be difficult to hold meetings of SLCC more frequently than annually. It, therefore, recommends that a standing committee of SLCC be constituted to provide a compact forum of co-ordination between financial agencies and government departments. This standing committee should preferably be chaired by the Chief Secretary/Finance Secretary/ Development Commissioner with the Director of Institutional Finance, as convener, providing necessary secretarial assistance. Other members of the standing committee should be all lead banks in the state, convener bank of state level committee of RRBs, RBI, NABARD, IDBI, SCB, SLDB and concerned development departments of the government. The total strength should be around 20, with balanced representation from financial institutions and government departments.

The Standing Committee of SLCC will attend to all problems of co-ordination between the state government and financial agencies on an on-going basis. For this purpose, it will be necessary for the committee to meet quarterly. The representation on the committee should be at very senior levels.

Functions of SLCC Standing Committee

5.25 Efforts should be made to cover at the meetings of the Standing Committee of SLCC items such as (i) spadework for DCP/AAP formulation by furnishing well in time estimates of district-wise disaggregations of governmental development programmes needing credit support, with financial outlays regarding subsidies etc., (ii) proper phasing of such schemes taking into account availability of necessary linkages, and optimal levels of implementation, (iii) infrastructural and extension facilities and other supporting measures required from governmental agencies, (iv) qualitative aspects of bank lending under the various schemes, (v) trend in the growth of deposits, advances, sectoral flow of credit, (vi) functioning of various levels of co-ordination machinery, (vii) training arrangements for bank and government staff, (viii) review of recovery performance including legislative and administrative support required from government, (ix) arrangements for evaluation area-wise, activity-wise and institution-wise, etc. It will be a distinct advantage from the point of view of preparation of DCP/AAP if all credit-linked developmental schemes of the state government are discussed, in the beginning, by the Standing Committee of SLCC so as to understand clearly the implications of the schemes from the point of view of bank assistance. A broad district-wise break-up of the institutional credit support required for the various government sponsored schemes should also be made available to the state level Standing Committee so that the same could be taken into account in formulating DCP/AAP of the districts as well as performance budgets of banks. The Group notes that a beginning in this direction has been made by some Governments, e.g. Andhra Pradesh and Punjab and would recommend the same for all states.

Taluka/Block Level Committees

5.26 Block level committees comprising representatives from financial institutions and block level officials have been set up in several states. As per the information available, such block level forums are functioning in all/most of the blocks of Andhra Pradesh, Arunachal Pradesh, Karnataka, Kerala, Madhya Pradesh, Orissa and Rajasthan; in Gujarat, Maharashtra, Jammu & Kashmir and Tamil Nadu, block level committees have been formed in some blocks while in Punjab there are sub-divisional committees instead of block level committees. In Uttar Pradesh and Bihar, block level committees have yet to get proper shape.

The block level committees, as described above, appear to have been constituted mainly in the context of the IRD Programme with a view to monitoring the progress in identification of beneficiaries, provision of credit to these beneficiaries and the implementation of the various schemes. Such committees have been set up at the instance of the concerned state governments. In the initial stages, the government notifications in almost all the states prescribed that the block level committees should be convened by the lead bank's branch in the block or, if there is no branch of the lead bank in the block, by one of the other banks functioning in the block. Some of the lead banks expressed difficulties in taking up the convenership of these committees on account of the fact that the rural branches often did not have the necessary man power and other facilities, nor were the rural branch managers in a position to attend to such items of work over and above the multifarious duties devolving on them in the usual course. HPC considered this issue and was of the view that the stage had not yet arrived for contemplating block level forums under lead bank scheme as such, that the first task was to see that the district level set-up was strengthened and made effective and that proliferation of committees might only add to confusion. HPC, therefore, decided that block level forums were not envisaged under lead bank scheme and hence banks need not act as conveners of such forums. Wherever such forums were constituted by the state government for monitoring IRDP or similar programmes for rural upliftment, banks were advised to send their representatives to the meetings and give adequate co-operation.

The Group endorses HPC's views.

Enlightened Co-operation

5.27 In the foregoing paragraphs, we have referred to the various forums of co-ordination. With the multi-agency system for development — commercial banks, RRBs and co-operative credit agencies on the banking side and government development departments, state level and all India development corporations and bodies like KVIC on the other — there is no alternative to having effective co-ordination machinery to formulate and implement adequately schemes for development. However, the efficacy of any co-ordinating mechanism can only be as good as the enlightened co-operation extended by the participating agencies. The individual identities and ethos, be they of financial institutions or government departments, need to be attuned to the required extent in subserving and achieving the common goal.

CHAPTER 6

LEAD BANK SCHEME AND RESERVE BANK OF INDIA

Lead District Officers

6.1 The Reserve Bank of India has been associated at the field level with the DCCs from the beginning. Prior to 1979, officers from the regional offices of RBI (DBOD) used to attend DCC meetings. However, there was no specific arrangement and any of the available officers used to attend the meetings and at times some meetings were not attended at all. It was considered necessary to streamline the position so that the same officer could be associated with a district on a continuous basis to facilitate better appreciation of the developments in the district and more useful feedback to RBI. In connection with the second round of DCPs launched from January 1980, the need for closer involvement of RBI in monitoring both preparation and implementation of DCPs was felt. In order to achieve these objectives, RBI designated its officers as Lead District Officers and each of them was entrusted with monitoring of 4 or 5 districts. Apart from attending DCC and Standing Committee meetings, LDOs were required to function in close co-ordination with LBOs appointed by the lead banks and oversee the preparation and implementation of DCPs/AAPs. In this connection, LDOs of RBI were required to be on the lookout for areas in which supporting measures were necessary for successful implementation of the various schemes included in credit plans and to ensure that the concerned agencies were motivated properly. Besides, LDOs were expected to watch the progress made by banks in discharging their social responsibilities such as lending to priority sectors and weaker sections, advances under DRI scheme, credit-deposit ratio in rural and semi-urban branches, generation of self-employment, improved customer service, etc.

Role of LDO

6.2 The LDO is essentially a liaison officer without any formal powers of command over the participating agencies. The performance of LDOs does not lend itself to quantitative judgement as it depends upon the responsiveness of the various institutions/agencies connected with the implementation of credit plans. The views expressed by lead banks as well as state governments in their replies to the questionnaire indicate that LDOs have, by and large, a useful role to play. At the same time certain deficiencies perceived in the system of LDOs and suggestions to rectify these have also been indicated by various quarters, as mentioned below.

Aptitude and Experience of LDO

6.3 There is a feeling in general that LDO is not in a position to play a dynamic role and serve as an arbiter in view of the fact that he is a junior level functionary. His role and its effectiveness depend upon, not only his experience, exposure to field work, individual aptitude and capability but also the extent of rapport that he is able to maintain with DCC, and in particular it's Chairman, the District Collector. Suggestions have, therefore, been made for posting officers with sufficient seniority and experience as LDOs. The Working Group is in general agreement with the suggestion. The aim should, however, be to find suitable persons, as mere upgradation of the posts by itself may not prove adequate. RBI is making efforts to ensure that the officers posted as LDOs are suitable from the above points of view. It should take steps to create a pool of such staff by a combined process of screening and training.

Area of Coverage

6.4 LDOs have been assigned 4 or 5 districts each and they were not able to tour the allotted districts adequately. It was stated that these two factors hampered the LDOs from being effective. Since the same LDO had to attend the various meetings of DCC and Standing Committee in 4 or 5 districts, the dates of which sometimes coincided, LDOs were not able to attend all the meetings regularly. The position was acute in the case of backward districts which did not have proper communication or transport facilities. As a result, LDOs generally confined their visits to district headquarters and that too for a day or two in connection with the meetings of DCC and Standing Committee.

The LDO, as the representative of RBI, has to play a more dynamic and positive role in activating the lead bank scheme. He should certainly establish wider and closer contacts with the district administration as well as banks in the allotted districts, serve as a guide and support to LBO in various aspects of the lead bank scheme and promote co-ordination between banks and district administration on the one side and between lead bank and non-lead banks on the other. He should serve both as problem solver as well as monitor for the operation of lead bank scheme in the district.

Functions of LDO

6.5 The Group would suggest that the major responsibilities of LDO should include the following :-

(i) Effective participation in the meetings of DCC and other forums and lending support to LBO.

(ii) Discussions with LBO, district co-ordinators, concerned government developmental agencies/departments to identify problem areas and help in finding solutions.

(iii) Monitoring implementation of AAP by various financial agencies and government departments with special reference to IRDP.

(iv) Visits to bank branches in the district.

(v) Monitoring ground level implementation of simplified procedures and instructions of RBI.

(vi) The LDO should act as a link between the district and state levels in regard to various matters connected with the lead bank scheme. In this respect, the regional office of RBI (RPCD) will act as the point of liaison with the state government and help in finding speedy solutions to problems requiring attention at the state level.

In order to discharge the above responsibilities effectively, the Group feels that it would be necessary for LDO to spend about a week in each of the allotted districts every month. The LDO should visit the branches in the district and look into aspects like performance under AAP, priority sector lending and lending to 20-Point Programme beneficiaries with special attention to IRDP and compliance with RBI instructions regarding simplified procedures and security aspects. Such visits should be phased so that all rural and semi-urban branches in the district are covered over the DCP period. The LBO and district co-ordinators should extend necessary assistance to LDO in this regard. Problems identified at the field level during the course of these visits should be taken up at the appropriate levels with the financial agencies and/or government departments. Taking into account all the above aspects, the Group would suggest that not more than 3 districts may be allotted to one LDO in general, restricting it to 2 in case the districts are geographically vast, inaccessible, hilly or backward.

Location of LDO

6.6 There is a demand from state governments as well as banks for stationing LDOs in the district instead of at the regional office of RBI. The continuous presence of LDO in the district, it is said, would enable him to get a proper perspective and act in a more effective manner. The suggestion is intended to ensure more active involvement of LDO in the lead bank scheme. So long as this is ensured, the place of location of LDO is not of consequence. We have already recommended that LDO should spend about a week every month in each of his allotted districts.

Besides, there are advantages in LDO being part of the regional office, from the points of view of getting briefing, interaction with other LDOs, giving feedback to the regional office and liaising with state level agencies. We, therefore, do not consider it essential or advantageous to locate LDO at the district level.

Tenure of LDO

6.7 Another aspect in regard to LDOs is their tenure and familiarity with allotted districts. In order to derive optimum results, the Group recommends that LDO should be familiar with the local language and that his tenure be generally allowed upto a reasonable period, say, not less than 3 years.

Rural Planning and Credit Department of RBI

6.8 RBI has recently constituted a new department named Rural Planning & Credit Department (RPCD) which will look after lead bank scheme, priority sector lending, etc. The Group would envisage that the Officer in charge of this department at the state level should function more or less as the Chief LDO for the state as a whole. Thus, problems in the districts reported to him by LDOs which require attention at higher level, would be taken up by him with the state government and banks. Besides regular consultations with LDOs, he should be able to visit all the districts and attend a few DCC meetings every year and problem districts more frequently. He will have close contacts with the state level committees and the concerned functionaries of both government and banks.

High Power Committee on the Working of Lead Bank Scheme

6.9 At the all India level, HPC has been constituted in RBI in pursuance of a recommendation to this effect by the Study Groups on the working of Lead Bank Scheme in Gujarat and Maharashtra. HPC consists of representatives of a few major lead banks, Government of India and NIBM and is presided over by a Deputy Governor of RBI. The first meeting of HPC was held in March 1976 and till now the committee has met 11 times — on an average, twice a year.

HPC has provided necessary guidance in various matters and played an important role in the progress of lead bank scheme. The Working Group feels that the role played by HPC could be improved by bringing about certain changes as indicated below.

The membership of HPC has remained unchanged. The four banks which were inducted in 1976 continue to be members and other banks have not had an opportunity of associating themselves with the committee. The Group notes that an effort was made at one time to invite suggestions from other (non-member) lead banks but this was not followed up. It would be desirable to enlarge the membership of HPC by including representatives of NABARD, All India Federations of SCBs and SLDBs, Directorates of Institutional Finance from two or three states, besides six lead banks. The membership of lead banks and state governments should be rotated periodically, say every two years, in order that different view points and approaches towards problems could be presented before HPC. The meetings of HPC could be held regularly once in six months. The minutes of HPC meetings together with agenda notes might be sent to all lead banks and state governments. HPC has not monitored, so far, the implementation of credit plans in the various districts/states. While it is not necessary for HPC to review district-wise performance under DCP/AAP, as this is done at DCC level, it may review qualitative aspects of functioning of lead bank scheme and implementation of credit plans with a view to giving a positive direction to the lead bank scheme. For this purpose, reviews of the performance in different states may be placed before HPC periodically.

For a quicker and better feedback of the more important problems/difficulties faced by different banks and state governments in implementing lead bank scheme and DCP/AAP, HPC may have periodical exchange of views with the concerned officials of state governments and lead banks and to enable this, hold its meetings in different regions.

CHAPTER 7

MONITORING OF CREDIT PLANS

Information System

7.1 A proper system of monitoring the implementation of DCPs/AAPs is a sine qua non for the attainment of the objective of such plans. Such monitoring was expected to be achieved by making use of the data furnished through Information System of lead bank scheme. The system of feedback from the field level to the various forums and/or authorities in regard to the progress in implementation of the credit plans consists, at present, of a set of 4 returns. These returns were brought into use with effect from the quarter ended December 1980. The flow of data through these returns has been very unsatisfactory despite vigorous action taken by RBI to follow up defaults. Obviously, therefore, the Information System requires a close look in order to identify the factors responsible for the poor performance. In order to appreciate such an analysis better, it will be helpful to dwell upon the genesis and evolution of the system of feedback under lead bank scheme.

Earlier Formats

7.2 With the advent of DCPs in the latter half of the seventies, DCCs started the practice of monitoring the progress in implementation of credit plans. Even prior to this, DCCs in many districts were regularly monitoring the flow of credit to priority sectors and, in a general way, discussing ways and means to increase credit flow to these sectors. The mechanism of DCP provided a systematised approach to this exercise. When HPC was set up in February 1976, one of the first tasks it took up was to devise a return to be submitted by lead banks indicating, inter alia, the progress made and difficulties encountered in the implementation of lead bank scheme. This progress report, referred to as HPC format, was to be submitted half-yearly, in June and December. In order to watch the progress in the implementation of credit plans, Government of India also advised all lead banks in November 1976 to collect and furnish to them as at the end of June and December every year, data regarding performance of the credit institutions vis-a-vis their shares of credit plan outlays. There were two statements in this system which was over and above the HPC format; the first related to the position of each institution in the district, while the second gave the consolidated position of all the participating institutions. Subsequently, in December 1976, Government of India constituted a study group (commonly known as Gutta Committee) which devised a third return for supply of statistical data at quarterly intervals at the district and state levels.

Though the three returns had certain common aspects, they were not identical either in their contents or in the purpose for which they were introduced. The submission of these returns was, on the whole, unsatisfactory and this was mainly attributed to the multiplicity of returns on the same aspect.

Procedure Followed for Data Collection and Consolidation

7.3 It may be relevant to mention in this context that the system of collection of data from each bank and consolidation thereof, district-wise, was initially entrusted to the lead banks themselves. The responsibility for consolidating the data was taken over by RBI in December 1975 since lead banks complained of the unwillingness of other banks to furnish data to them and persistently pleaded for RBI's intervention in the matter. Data on priority sector advances of banks, district-wise, was collected by the regional offices of RBI from the Head/Zonal/Controlling Offices of various banks and, after consolidation, furnished to the various authorities including DCC. When the Gutta Committee formats were introduced, in June 1977, the individual bank branches were required to submit the returns to district co-ordinators designated by each bank and these district co-ordinators were required to furnish the bank's consolidated position in the district to the lead bank. The lead banks were to consolidate and make available the consolidated district-wise and bank-wise data for purposes of DCC and also to the concerned regional office of RBI, which in turn, would consolidate the data for the state as a whole showing district-wise and bank-wise details and would furnish such data to State and Central Governments and Central Office of RBI.

New Information System of Lead Bank Scheme

7.4 The question of rationalisation of the three formats and evolving a simplified return started engaging the attention of HPC towards the end of 1978 when it became obvious that there was no worthwhile improvement in data flow. At its fifth meeting held on the 12th December 1978, HPC decided that an attempt might be made to evolve a simplified system of return/s which could replace the then existing formats. As the task of evolving a set of returns which would adequately serve the data needs at the various levels such as DCC, State Governments, RBI and Central Government was intricate, a sub-committee consisting of representatives of a few lead banks, Government of India and RBI was constituted by HPC. The formats devised by this sub-committee, referred to as New Information System under lead bank scheme (NIS), were introduced with effect from March 1980 discontinuing simultaneously the formats prescribed by HPC and Gutta Committee. The half-yearly returns prescribed by Government of India were subsequently discontinued so that a measure of relief could be afforded to banks.

The formats under NIS attempted unification of several returns called for from banks. They incorporated data covered by

(a) Quarterly returns on priority sector advances

(b) Half-yearly returns on agricultural advances

(c) Annual return on recovery of agricultural advances

(d) Half-yearly returns on implementation of District Credit Plans

(e) Quarterly returns on disposal of loan applications

(f) Quarterly returns on Differential Rate of Interest Scheme.

Consolidation of data for all branches of a bank in a district was to be done by the controlling office of the bank and further consolidation for all banks at the district and state levels was entrusted to RBI.

With the revitalisation of the Twenty Point Programme by the Government of India in January 1980 and the recommendations of Krishnaswamy Working Group on bank lending to priority sectors and under the Programme, the scope of priority sectors was enlarged and weaker sections were defined. This necessitated a corresponding revision of the reporting system which was done by a committee appointed by RBI. The revised system, comprised a total of four returns of which the individual branches were to submit two returns every quarter and two additional returns annually. The returns were to be consolidated by each bank for its branches in the district, the procedure for consolidating the data further for all banks at the district and state levels remaining unchanged.

Steps Taken for Stabilising NIS

7.5 Despite rationalisation of the returns, the information system continued to be the weakest link in the lead bank scheme and had, in turn, come in for constant criticism. Concerned with the poor progress in the receipt of returns under NIS, HPC at its meeting held in August 1981, directed that all banks be asked to launch a 'crash programme' for submission of the returns within a time frame by organising special squads for the purpose, agreeing in the process, to waive some of the earlier returns in arrears. It was evident by the middle of June 1982 that even the crash programme had not produced satisfactory results.

According to the data received upto June 1982, out a total number of 5818 schedules in Form 2A/2B to be received from all banks for all the 411 districts, 1282 (24%) were still to be submitted for December 1980, 1302 for March 1981, 1442 for June 1981, 1790 for September 1981 and 2967 for December 1981. Data excluding those from co-operatives and banks having small share (less than 15% in aggregate) in AAP had been received for 227 districts relating to December 1980, 106 districts for March 1981, 46 districts for June 1981 and 19 districts for September 1981 as against a total of 411 districts. To some extent, delay in scrutiny of the schedules at the regional offices of RBI added to the problem. The position of receipt of data upto September 1981 was better in respect of Andhra Pradesh, Gujarat, Jammu & Kashmir, Himachal Pradesh , Karnataka, Kerala, Orissa, Punjab, Rajasthan and Tamil Nadu, while in other states it was extremely unsatisfactory. As regards the quarter ended December 1981, data to a reasonable extent was received only for 3 states — Jammu & Kashmir, Himachal Pradesh and Orissa.

Reasons for Poor Data Flow

7.6 While the design and content of the NIS schedules are wide ranging and capable of meeting the data requirements of various authority levels at one stroke, it is complex and divorced from operating systems and existing realities with reference to the book-keeping at the branch level, the inability of bank managements to provide adequate trained manpower at the branch and controlling office levels to look after the statistical requirements and the absence or near-absence of recourse to computer facilities on a dispersed basis. Coping with the requirements of NIS without any change in the system of record keeping or without recourse to mechanisation has been a laborious process. At RBI level also, consolidation at regional offices has not been found feasible and at present there is a complicated system of district-wise/bank-wise schedules being brought from all over the country to the Central Office at Bombay, to be consolidated and sent back to district level. This has inevitably involved further delays.

Back-up Registers

7.7 Data on banking were expressed traditionally in relation to outstanding levels (whether of deposits or lendings). The quantum of disbursement of credit as a measure of performance was a comparatively recent introduction. When lead banks commenced formulation of DCPs, the need for reliance on the more appropriate yardstick of disbursements became evident as, otherwise, the credit plans would have to make hypothetical estimates of increase in the level of outstanding advances taking into account envisaged disbursements. The Gutta Committee formats as also those prescribed by Government of India had provided for data on disbursements which alone could be compared with the plan outlays. That banks did not express any difficulty in furnishing disbursement figures in those two formats would show that there were no insurmountable problems in this regard. However, with the introduction of NIS, almost all banks highlighted the difficulty in culling out, from the existing books of accounts, figures relating to disbursements. Some of the banks made a study of the problem and evolved suitable back-up registers. The SLBC of Tamil Nadu constituted a sub-committee to design a set of back-up registers which would enable easy culling out of data at branch level. The Goiporia Working Group, constituted by RBI to study the accounting procedure and maintenance of records at bank branches with particular reference to the task of furnishing various types of statistical data, recommended the continuance of NIS. This Working Group suggested certain back-up registers to facilitate filling in of data regarding disbursements under various categories of advances. The Ghosh Working Group on the role of banks in the implementation of new 20-Point Economic Programme suggested a simplified quarterly statement in place of the two existing returns (one quarterly and one annual) on advances under the 20-Point Programme and further added that there was scope for simplification of the other returns prescribed under NIS.

Feasibility of Simplifying NIS

7.8 On a suggestion made by HPC, Reserve Bank of India (RPCD) held discussions with representatives of Government of India, a few state governments and certain banks to consider the need for and desirability of simplification of NIS Schedules. The consensus was that as considerable efforts had been put in to make NIS operational, there were reasonable chances of the system stabilising in the not too distant future and that any simplification at this juncture would destabilise the system. It was also felt that large scale sacrifice of data requirement for the sake of more prompt data would not be advisable from the long term point of view. Although a view was expressed that it might be advantageous to have separate formats for the more elaborate data requirement at district level as distinct from state and national levels, the Group did not formulate any recommendation in the matter in view of the consensus that emerged at the recent RBI discussions to stabilise NIS.

Short-term Measures

7.9 Against this backdrop, the Group considered the short-term and long-term measures necessary to improve the information system. The following recommendations may be considered as short-term measures to improve the compilation and consolidation of data :-

(i) There seems to be no purpose in taking the process of district-wise consolidation of NIS Schedules beyond the district level. The lead bank has to actively monitor the implementation of AAP for which purpose it should have data as quickly as possible. The Group feels that transmitting data to the state level and beyond for consolidation and feed back only adds to the delay. The Group, therefore, recommends that the task of consolidation of district data for all banks should appropriately be done at the district level itself. The lead bank would be the most appropriate agency for this purpose. It is pertinent to note in this connection that even at present, copies of consolidated district-wise returns of each bank are made available to the lead bank which in turn furnishes data on key indicators to DCC. It is, however, necessary that Reserve Bank's full weight is thrown behind the lead bank so as to ensure timely submission of data by all banks to the lead bank. With the new role envisaged for LDO and the reorganised DCC set-up, it should be possible to achieve this. The state-wise consolidation of data may continue to be done by RBI, if necessary by hiring computer time at the state head quarters.

(ii) The banks also on their part should take more seriously the task of making their information system work. Each zonal/regional office should have a small statistical cell to monitor the position and train and guide branch-level staff in timely completion of various returns. At the regional as well as branch level, submission of various returns should be made an integral part of the annual assessment of the performance of concerned staff.

(iii) It is recognised that there is considerable load of data reporting at branch level. However, a sizeable portion thereof is due to overlapping and duplication or introduction of new returns without discontinuing the old ones or absence of regulatory system within the banks to decide the need for any new return proposed. Each bank should constitute a small working group to examine their management reporting systems, weed out unnecessary or outdated returns and bring others, as far as possible, in line with Reserve Bank's returns so that branches do not have to furnish the same information again and again. Each of the banks also needs to develop some internal mechanism to prevent new returns being prescribed without specific approval of a central authority in-charge of its entire management information system.

(iv) To facilitate timely compilation of NIS returns by branches, banks should introduce appropriate back-up registers on the lines recommended by Goiporia Working Group, in case such arrangements do not exist already.

Data Availability — Long Term View

7.10 From the long range point of view, there seems no escape, if timely management information covering a vast net work of branches is to be available as aid for policy formulation and correction, from banks having greater access to mechanical aids, including minicomputers, on a dispersed basis. The framework of such a system can be worked out by expert computer scientists and statisticians and it is recommended that RBI may take steps to constitute a group for the purpose. However, broadly speaking, it can be envisaged that a system should be developed whereunder computer accessibility is assured to every regional/zonal office of each bank, besides Head/Central Office.

Monitoring by DCC

7.11 As stated above, NIS could not so far generate timely data. Further, as discussed in Chapter 3 there was really no schematic approach in DCP/AAP and lendings to a particular activity were being considered as lendings under the scheme though the same might be scattered and not on a project basis as such. In the circumstances, monitoring came to be equated with the exercise of finding out whether the disbursement of finance kept pace with the targets laid down. Monitoring at DCCs had not been adequately objective as the data availability was unsatisfactory. Whatever data were collected and made use of related only to financial aspects and hardly any attention was paid to physical achievements. So as to gauge the actual development efforts made, an assessment of the physical achievements as well as assistance rendered by government in that regard should also be introduced at the district level. If these aspects are continuously monitored by DCCs, alongside financial achievements, in an objective manner and prompt remedial steps taken to overcome difficulties, if any, the operational efficiency of DCP/AAP could be improved significantly. The Standing Committee of SLCC should also monitor on the above lines the performance of AAP in all districts on an annual basis and take necessary follow-up action.

Evaluation of DCP/AAP Performance

7.12 The Working Group called for details of evaluation studies conducted by lead banks. In response thereto, reports of 14 such studies were received. Of these, 8 reports claimed to be only studies of implementation of credit plans based primarily on data furnished by the participating financial agencies regarding disbursement of finance, supplemented by information gathered and/or impressions gained through discussions with branch managers and government officials. The remaining 6 reports attempted evaluation of the impact of the DCP. Barring one study which analysed the impact of a special development programme in a group of villages, the other studies had surveyed a very limited number of beneficiaries. The surveys were of limited significance in bringing to light the progress made in assisting the various sectors covered by DCP/AAP.

7.13 The Krishnaswamy Working Group had gone into the modalities of evaluation of bank lending to priority sectors, particularly under the 20-Point Programme and the machinery for monitoring of the progress. The Ghosh Working Group on the role of banks in implementation of new 20-Point Programme endorsed the views of the Krishnaswamy Working Group in this regard and recommended as under :

"Apart from evaluation studies by banks, arrangements for having a permanent machinery at state level for undertaking such studies, area-specific, activity-specific or organisation-specific, as appropriate may be considered. RBI may consider publishing a review of all such studies annually".

7.14 Under the IRD Programme, the state governments are expected to undertake evaluation studies from time to time to ascertain the impact of the programme and to measure the extent to which the beneficiaries derived additional incomes and employment directly attributable to the investments made. Such evaluation studies are to be undertaken by the Directorate of Evaluation of the state government through their own personnel and resources. Where the state government machinery is not in a position to undertake such studies, selected non-official agencies like universities and educational/research institutions could be utilised for the purpose. Similar arrangements may be made for an on-going evaluation under DCP.

7.15 The HPC initiated steps to have surveys of a few districts conducted by RBI for evaluating the credit plans in those districts. The Group recommends that the arrangements envisaged in RBI in this connection may be put on an on-going basis. Assessment of the benefits accruing to beneficiaries of DCP/AAP programmes and the Twenty Point Programme in various districts is very important and it is absolutely essential that the Standing Committee of SLCC should evolve appropriate standing arrangements in this regard. The studies envisaged by RBI should be co-ordinated properly with state level arrangements. Such studies may be organised in a few districts in each state every year in such a manner that conclusions may be drawn area-wise, activity-wise as well as institution-wise. We reiterate the recommendation of Ghosh Working Group that an all-India annual review of such evaluation studies may be published by RBI.

CHAPTER 8

REALLOCATION OF LEAD RESPONSIBILITY

Original Allocation of Lead Districts

8.1 CRAFICARD had suggested a fresh look into the pattern of distribution of districts among the various banks under the lead bank scheme with a view to assigning lead responsibility to newly nationalised banks. The criteria followed at the time of allocation of districts in 1969 were the resources and size of the bank, the ability to undertake lead responsibilities, the desirability to form clusters of lead districts of the same bank and the presence of more than one bank as the lead bank in a particular state. It will be appropriate to see how far the objectives with which the original allocation of districts was made, have been fulfilled.

Size and Resources of Lead Banks

8.2 The size and resources of a bank was one aspect in deciding the extent of lead responsibility to be allocated, since it involved the creation of adequate capability in the form of special staff, organisational set-up and provision of adequate facilities for the staff to discharge their functions in an efficient manner. Due to the wide disparity in the size and resources even among the public sector banks, distribution of districts was not equal. The distribution of lead districts among the various banks as at end September 1982 is given in Annexure IV.

Some banks have, however, stated that a disproportionately large number of more difficult and relatively backward districts have been assigned to them and that since the lead banks were encouraged to expand their branch net work in the districts, they had to open more and more branches in the less developed districts while opportunity for branch expansion in the developed districts was not available. The present branch licensing policy of RBI has taken this aspects into consideration by omitting the emphasis on lead bank in allocating branches. As regards the observation of certain banks that they were loaded with a large number of difficult districts for lead responsibility, Annexure IV would reveal that there is a reasonable mix of districts allocated to all major banks. Further, it is not correct to say that backward districts do not have potential for viable functioning of bank branches. Banks should appreciate that lead responsibility is closely linked to the obligation to implement the socio-economic policies of the government through institutional credit mechanism. The larger the resources and capabilities of a bank, the greater should be its willingness to accept larger number of lead districts, particularly in backward areas, instead of the traditional preference for operation in developed districts. While the lead role cast some additional responsibilities of co-ordination on the lead bank, non-lead banks also share responsibility and partake substantially in implementing the credit plan. The complaint of concentration of certain districts in the lead responsibility of certain banks is, in the Group's view, without much force.

Formation of Clusters of Lead Districts

8.3 The second criterion in the allocation of lead districts was the need for emergence of clusters of lead districts of the same bank. It was envisaged that the formation of such clusters would enable the lead bank to obtain detailed and intimate knowledge of the area, its potential, etc. and also facilitate optimum use of personnel and better supervision and control. Some of the state governments have, in reply to the Working Group's questionnaire stated that banks having a large number of lead districts in a state could not devote adequate attention to all the districts. They have, therefore, suggested that the number of lead districts for any bank in a state should not be too large. This suggestion could be implemented by (i) bringing more banks under the lead bank group and (ii) by suitable reallocation of lead districts among the existing lead banks. However, there is obviously a limitation to the number of additional banks which could be entrusted with lead responsibility since almost all the public sector banks are already in the lead bank group. At best, what could be thought of is to induct those newly nationalised banks which do not at present have lead responsibility, into the group. The second alternative will result in each lead bank having smaller clusters than at present but it is also likely to diffuse the lead responsibility over a larger number of states. Further, in such a case the concerned banks would also have to improve their branch network in the short-run in the newly allocated districts, with the concomitant problems. Further, any large scale reallocation of lead responsibility at this stage when banks have already established a good net-work of branches and organisational set-up in their lead districts, is bound to have a destabilising effect on the lead bank scheme. It would, therefore, be preferable not to disturb the existing size of clusters except marginally and to strive for better organisational arrangements, as recommended elsewhere in the report.

More than one Lead Bank in a State

8.4 The presence of more than one bank as the lead bank in a particular state has, by and large, been helpful to the banks concerned in reducing the number of districts and the area which they would otherwise have had to service and also to the state governments with the opportunity to benefit from the experience and resources of different banks.

Performance Judgement

8.5 The criticism of poor performance levelled against lead banks in some districts does not seem to have been based on an objective evaluation of the total environment which affects the role that can be played by a lead bank. All lead banks have same goals and orientation and are expected to perform equally well, the culture and personal attitudes of the local leadership of both banks and governmental agencies presenting some unavoidable variables. The desirable thing will be to identify the causes for any under-performance and take steps to remedy them. The Group would like to emphasize the need for an alround spirit of co-operation and helpful attitude to one another for efficiently implementing the lead bank scheme.

Newly Nationalised Banks

8.6 Four of the six newly nationalised banks, viz., Corporation Bank, New Bank of India, Oriental Bank of Commerce and Vijaya Bank, do not at present have any lead responsibility. Punjab & Sind Bank is lead bank for one district. While these banks have fairly good presence in their traditional areas of operation which are comparatively better developed, their branch network in other areas is sparse. They have expressed willingness to take up lead responsibility in the states/districts in which they have adequate branch network. The state governments have also expressed a similar view. The Group feels that while allocation of districts to these banks merits consideration, change merely for the sake of change should be strictly avoided. Andhra Bank has 5 lead districts in two states and the Group has not considered it necessary to increase its lead responsibility.

The Group has analysed the position of the five banks with a view to assessing the most suitable district/s which could be assigned to them. Considering the fact that these banks have been recently nationalised, the Group felt that the primary consideration in selecting the districts for allotment to them should be their having a good branch network. It was also considered desirable that each bank could be given two nearby lead districts so that it could make necessary organisational arrangements for discharging the lead responsibility. The Group, therefore, recommends allocation of lead responsibility to these banks as indicated below:

Name of bank	Names of districts	Name of state
1. Corporation Bank	(i) Kodagu	Karnataka
	(ii) Chickmagalur	,,
2. Vijaya Bank	(i) Dharwar	,,
	(ii) Mandya	,,
3. New Bank of India	(i) Mohindergarh	Haryana
	(ii) Alwar	Rajasthan
4. Oriental Bank of Commerce	(i) Ferozepur	Punjab
	(ii) Sriganganagar	Rajasthan
5. Punjab & Sind Bank*	Ludhiana	Punjab

* In addition to the existing lead district of Faridkot.

The Bank of Rajasthan Ltd.

8.7 The Bank of Rajasthan Ltd., has joint lead responsibility with State Bank of Bikaner & Jaipur for Udaipur district and has a fair network of branches in the state. It has requested for independent lead responsibility in respect of Udaipur and adjoining districts. We have perused the relevant facts and are of the view that independent lead responsibility could be assigned to Bank of Rajasthan Ltd., in respect of Udaipur or the new district of Rajasmund which is proposed to be carved out of it.

Timing of Change of Lead Responsibility

8.8 The reallotment of lead responsibility on the lines indicated above should be completed early so that the proposed lead bank could function jointly with the existing lead bank till the end of the 3rd credit plan and take over the lead role completely at the time of launching of the 4th credit plan after gaining adequate experience.

CHAPTER 9

TRAINING NEEDS UNDER LEAD BANK SCHEME

9.1 The need for a proper understanding of the concepts underlining the lead bank scheme was evident right from the initial stages. The Report of the Study Groups on Working of Lead Bank Scheme in Maharashtra and Gujarat pointed out the need for adequate appreciation on the part of bankers and government officials of their roles in the lead bank scheme. The High Power Committee (HPC) also felt that there was an immediate need to create better understanding about the scheme among the various agencies. The issue was referred to NIBM for evolving a systematic strategy in this regard. NIBM proposed a programme of workshops at district and state levels. The District Level Workshops (DLWs) were intended to bring together various financing and government agencies involved in the implementation of credit plans to promote better understanding amongst themselves and greater co-ordination in their activities towards resolving the grass-root level problems. Broader issues of policy and action requiring consideration of higher level authorities and which would be outside the purview of district level functionaries were proposed to be dealt with at the state level workshops (SLWs).

NIBM conducted seven DLWs in U. P. and three in West Bengal. In order to equip the lead banks to organise DLWs on their own, NIBM conducted in December 1978 four workshops for trainers and officials in lead bank departments. The workshops mainly concentrated on the modus operandi of organising DLWs.

Similarly, NIBM conducted a few SLWs. By the end of March 1980, DLWs had been held in most of the districts; SLWs were organised in 20 out of 21 states.

Review Meetings

9.2 Since training and motivation have to be continuous activities in a developmental strategy like the lead bank scheme, HPC in its meeting held in February 1981 decided that further steps should be taken for evolving a system which would ensure, on an on-going basis, training inputs to all the functionaries connected with the lead bank scheme. Accordingly, lead banks were advised to organise one meeting of DCC every year as a two-day District Level Review Meeting (DLRM). On the first day the participants form separate sectoral groups to evaluate the progress made in the implementation of schemes under each sector, identify the problems and evolve remedial steps. These suggestions are discussed on the second day in the plenary session comprising all the members and conclusions are arrived at for being followed up for their implementation. Similar meetings were visualised at State Level. The State Level Review Meeting (SLRM) was to be organised after DLRMs were held in all or most of the districts in the State. The proceedings of DLRMs formed the basis of discussions at SLRM. DLRMs and SLRMs, which were intended to focus the attention of all concerned on identifying the problems in implementation of DCPs and fixing the responsibility for resolving the problems, were expected to provide a proper perspective to the participants and thus serve the purpose of training. DLRMs were held in all the districts in the country (except in Sikkim and in Kameng and Siang districts of Arunachal Pradesh) by end September 1981 and SLRMs were organised in 16 out of the 21 States.

Seminars

9.3 At the instance of HPC, NIBM conducted a series of eight seminars, each covering three or four states, at different centres during April-May 1981. These seminars, attended by bankers and state level government officials, were organised for identifying the areas requiring improvement in the technical contents of DCP and implementation and monitoring of DCP. Conclusions arrived at in these seminars provided useful material to RBI in formulating guidelines for the third round of DCPs.

Training Programmes for Third Round of DCPs

9.4 With a view to improving the quality of DCPs in the third round, RBI took the initiative in conducting another series of training programmes. Each programme was of 6 days' duration and was aimed at imparting necessary familiarisation to LBOs, LDOs, government officials particularly at the district level and also officials from Controlling/Regional Offices of lead banks. Four lead banks (viz. State Bank of India, Bank of Baroda, Bank of India and Syndicate Bank) organised programmes for their LBOs — in which LDOs and Government officials also participated. NIBM organised 13 such training programmes all over the country. These training programmes numbering 27 in all were conducted in various centres and had common course content and course material developed jointly by RBI, ARDC, SBI and NIBM covering all aspects relating to the formulation, implementation and monitoring of DCPs. RBI has also organised a few programmes on the lead bank scheme at the Bankers' Training College in which the Regional Managers of banks also participated. Besides, at its Staff College, Madras, RBI organised programmes for its Lead District Officers.

Training Programmes Organised by Different Lead Banks

9.5 The Working Group obtained feed back from lead banks, state governments and non-lead banks regarding the training inputs provided to their staff in regard to lead bank scheme. During the last six years or so various commercial banks initiated training activities relating to the scheme at their own staff training institutions. While some banks introduced a few sessions on relevant aspects of the scheme in the syllabus of the appropriate training programmes, others organised specific programmes dealing with the various facets of the scheme. Coverage of the former normally included the concept of the scheme, role of branch managers and information system, etc. Some of the lead banks conducted special programmes to familiarise their concerned officials with the preparation of the second round of DCPs. Three banks also trained their staff particularly in respect of new information system. Different aspects of the scheme were dealt with by three banks in their seminars on Lead Bank Scheme. Needless to say, course contents, duration and level of participation varied from programme to programme. Generally the training colleges did not repeat the same programme for the benefit of more staff. Prospective LBOs and officers connected with the scheme at the regional office level were offered on-the-job training for two weeks by one of the banks in its lead bank department at head office. None of the 12 State Governments which replied, had any regular programme for training its officers at the State headquarters or at the district level in the various aspects of the lead bank scheme and their role in it. It was, however, reported that at the instance of the Government of U. P., the lead banks in the State had initiated training programmes of seven days' duration for the government officials in each district.

Attitudinal Changes and Training Strategies

9.6 It will be evident from a reading of the earlier chapters, that many of the deficiencies in the implementation of the lead bank scheme are attributable, to a large extent, to the lack of awareness of their role and proper attitudinal orientation of the participants. This has led to a failure on the part of some of them to appreciate that the lead bank scheme envisages combined efforts and that for any positive results all the participating agencies should work as one team. The required level of understanding and ability for team work can only be brought about through proper training inputs at various levels.

Coverage of Personnel

9.7 The Group elicited views on training needs and methods of training from different quarters. The state governments were in agreement with the view that considerable training efforts would be needed for their officials. The banks also expressed similar views in regard to both their own staff as well as government personnel. However, there is no clear consensus as to the level/cadre upto which such training should be directed or as to whether joint training for the two streams (Government officials and bank personnel) is preferable to separate programmes. The Krishnaswamy Working Group on the Role of Banks in Priority Sector Lending and the 20-Point Economic Programme recommended that Government officials, particularly at the district and block levels, should have a better appreciation of and training in preparation of bankable schemes and in financial/cost-benefit analysis. Tentative estimates made in RBI have shown that roughly 30,000 persons (including about 800 officers from lead banks for providing a certain amount of interaction) would require to be covered in order to reach the block level. The Ghosh Working Group on the Role of Banks in implementation of new 20-Point Programme has, inter alia, suggested that the state level forums (SLCCs) should consider making adequate arrangements for on-going training of government and bank officials so as to bring about required orientation in them for purposeful extension of institutional credit support to the beneficiaries of the 20-Point Programme and other weaker sections.

Proposed Training Strategy

9.8 Considering the vast size of the country and the large number of personnel (from banks/financial agencies and government administration) to be covered, the training needs would be immense and also diverse in view of the heterogeneous nature of the personnel to be covered. The Group has given considerable thought to these aspects and is of the view that a multi-pronged strategy would be essential to tackle the problem. It is considered necessary to have arrangements for training on an ongoing basis because there is a continuous flux of persons dealing with the scheme both in government departments and banks. It will also be definitely advantageous to have some joint training programmes for banks and government since it will provide for better interaction among the participants and afford them an opportunity to understand and appreciate each other's role and constraints. Accordingly, the Group makes the following recommendations :-

(i) Training inputs on lead bank scheme should be provided to all officials down to the block level in government and officers of rural branches of financing agencies.

(ii) Banks and other financing agencies including the co-operative training institutions should include inputs relating to lead bank scheme in the general training programmes conducted by them. This is particularly necessary as bank officers, especially those in rural and semi-urban areas as also those working in co-operative institutions, have to develop a proper appreciation of the scheme.

(iii) (a) Banks should organise separate programmes on lead bank scheme and district credit planning for their personnel connected with this work. District Co-ordinators in non-lead districts should also be exposed to such programmes. Government functionaries could be invited to attend such special programmes. (b) Banks which are unable to organise such programmes on their own (e.g. those with limited or no lead responsibility) could participate in the programmes conducted by other banks and BTC. The feasibility of organising the programmes jointly among themselves may also be explored. RBI, NABARD and lead banks conducting their own programmes may assist these banks in organising such joint programmes.

(iv) Training programmes arranged by the state governments at their administrative training institutions for their officers down to the block level should include sessions on lead bank scheme. The lead banks may be invited to explain the concepts of the scheme at these sessions.

(v) The convener of SLBC, in collaboration with the Director of Institutional Finance, should organise joint training programmes for bank officers and government functionaries at the state level. Such programmes may also be organised in the districts by banks so that all the districts are covered during a DCP period.

CHAPTER 10

OTHER RELATED ASPECTS

Swapping of Isolated Branches

10.1 CRAFICARD has observed that in some districts, particularly in the southern states, there was not much scope for opening new branches, and, as a result, it might not be possible for the lead banks in those districts to improve their branch network in the near future. It has, therefore, recommended that in such districts, if a non-lead bank operating with a few branches therein was desirous of moving out of the district for its own reasons, it might be allowed to do so by swapping its branches with those of the lead bank which might have similar problems elsewhere, where the former bank had the lead role. Thus, CRAFICARD envisaged the system of swapping of branches in the following circumstances :-

(i) Both the banks involved are lead banks.

(ii) The scope for opening of new branches was limited in one of the districts involved on account of the fact that the district was adequately banked.

(iii) The lead bank which is to take over the branch/es in the district of the type referred to in (ii) above does not have adequate branch network in that district.

(iv) Both banks have stray branches in the respective districts concerned and are desirous of shedding such branches.

The position of branch distribution of the public sector banks as at end March 1982 was perused. The Group considered it appropriate to take into account only those cases where a bank had a single rural or semi-urban branch in a district as the feedback during the discussions which the Group held with bankers at the field level showed that banks were generally not inclined to swap their branches. The total number of single branches (rural/semi-urban) in the districts considered as adequately banked according to the branch licensing policy of RBI, stood at 238. Out of these, 35 branches were of SBI which has adequate presence almost all over the country and 43 others related to the four public sector banks not having lead responsibility. Of the remaining 160 lone branches, more than 50% pertained to banks which had good presence in the state as a whole; in many cases, the lone branches were situated at the district headquarters itself which banks would not like to surrender. The probable number of stray branches not falling in the above categories worked out roughly to 35 for the entire country; in the case of the four southern states (viz., Andhra Pradesh, Karnataka, Kerala and Tamil Nadu) referred to by CRAFICARD, the corresponding figure was less than 5.

It will, thus, be evident that the number of instances where swapping could be thought of as a device for the purpose of increasing the presence of the lead bank is negligible. It is pertinent to state in this context that under the current branch licencing policy of RBI, there is a provision to allow marginal expansion to the extent of 5% to 10% of the existing number of branches on a selective basis in the case of non-deficit districts as well and the lead bank would benefit by this on account of its presence in the district. Hence, even in the case of such districts it is not essential to resort to swapping of branches for increasing the branch network of the lead bank. Further, swapping of branches would present certain operational problems in matters like transfer of assets and liabilities and absorption of staff of such branches. In the light of the foregoing, the Group does not consider it necessary to adopt the system of swapping of branches as a deliberate policy. However, each individual bank may examine the appropriateness from the point of view of control and economics of continuing its lone branches in far flung areas and the feasibility of swapping such branches with other banks. When mutually agreed cases for swapping are presented before RBI, it may assist the process by cancelling existing licences and issuing fresh ones. RBI may advise the banks accordingly so that they may come up with proposals for swapping in cases where it is feasible.

Transfer of Rural Business to RRBs.

10.2 After considering the pros and cons, the Dantwala Committee recommended transfer of eligible business of commercial banks to RRBs in a phased manner. CRAFICARD also considered the matter and observed that some of the commercial banks preferred to sponsor RRBs rather than open their own rural branches on account of the high cost of operation of their own branches and also the difficulties experienced in posting their urban-oriented staff to rural centres. CRAFICARD has suggested that (i) rural branches with predominance of loans to weaker sections and those which have not been able to develop adequate business even after a reasonable period, so as to break even, should be given priority for such transfer, (ii) the transfer should be selective, (iii) it should cover only the eligible business and not of the staff, (iv) to start with, such transfers should be confined to the sponsor bank's branches only

2. The sponsor bank should examine to what extent the rural branches opened by it in the preceding two years could be transferred to RRB being set up and take steps to transfer as many of them as possible.

3. Other commercial banks in a RRB district may also examine the feasibility of transferring to RRB rural branches opened by them during the 2 years preceding the setting up of RRB. Solitary rural branches should be specially considered for the purpose.

4. RBI may facilitate transfer of agreed rural branches of commercial banks to RRBs by cancelling the existing licences and issuing fresh licence to RRB.

5. The operational aspects regarding transfer of assets and liabilities should be settled by the transferer bank and RRB before the application for fresh licence is made.

6. The legal aspects regarding transfer of rural branches may be examined expeditiously by both RBI and NABARD.

CHAPTER 11

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

District Credit Plans and Annual Action Plans.

1. Formulation of district development plans has not made much headway and district-wise disaggregations of sectoral allocations of public outlays made at State level are available after considerable delay. Lead banks, in the circumstances, have had to proceed on an inadequate data base in preparing DCPs/AAPs. (3.5)

2. The various agencies concerned with DCP mechanism do not seem to share the same perspective. At the branch level, both in lead banks and non-lead banks, the branch manager was often not aware of the targets for the branch under DCP/AAP and, even in those cases in which he had such information, his lending was governed by performance budget which was not linked to the commitment under AAP (3.7)

3. An analysis of the targets and achievements under the Annual Action Plan for 1980 in 177 districts revealed that only in 47% of the districts, the overall achievements could be considered realistic. Even in these 47% districts, it is clear from the sectoral performance that near achievement of overall targets was more a matter of accident than due to realistic planning and conscious implementation of the plans as such. Only in 5 districts, the performance under each of the sectors could be considered realistic. (3.8).

4. Lending operations were carried out without reference to the plans but at the end of the plan period, the actual lendings were juxtaposed with the plan allocations and shown as achievements under the plan. Greater realism has to be imparted to both formulation and implementation of the plans. (3.9).

5. The following are the more important reasons affecting the utility of DCP/AAP :-

i) Non-availability or difficulty in getting data on district development plans had resulted in many plans turning out to be unrealistic.

ii) Identification and fixation of responsibilities of different agencies, institutional and governmental, had not been done with due care.

financial agencies in so far as the pattern of credit deployment as between various sub-sectors and activities are concerned. Marginal adjustments within the performance budgets may be necessary to achieve the above objectives. (3.19).

Organisational Set-up for Lead Bank Scheme

12. Almost all lead banks have made arrangements to post Lead Bank Officers (LBOs) in their lead districts although their cadre and distribution of responsibilities between LBO and his immediate superior authority varied from bank to bank. If the lead bank has to perform its duties effectively, it is absolutely essential to provide a proper and adequate set-up at the district level. (4.1).

13. (i) LBO should ideally be of a rank not lower than that of the manager of the district headquarters branch and he should report directly to the controlling authority who supervises the branches in the district. The tenure of LBO in a particular district should be for a reasonable period, say, three years, to have a degree of continuity.

(ii) Involvement of LBO in developmental activities would be conducive to his effectiveness. It should, however, be noted that LBO should not be burdened with other unconnected functions of administrative and operational nature. (4.2).

14. The district co-ordinator has not been able to function in an effective manner in the absence of authority over other branches of his bank. (4.4).

15. The district co-ordinator should be a separate officer other than the branch manager, reporting directly to the Regional/Divisional office which controls the branches in the district. Where the bank has 10 or more branches in the district, there should be a separate district co-ordinator. In other cases one district co-ordinator may be in charge of two adjoining districts. The district co-ordinator's duty should be to look after the bank's role under the lead bank scheme in the district. He could be conceived as a district officer of the bank. (4.5).

16. The organisational set-up at the Zonal Offices of banks to look after the bank's role under the lead bank scheme should be strengthened suitably and the Zonal Offices should report to Head Offices in regard to the actual performance of the banks' branches in their area under the lead bank scheme. (4.6).

17. It is necessary that banks review the performance of their branches vis-a-vis the shares in DCP/AAP accepted by them not only

in their lead districts but also in other districts in which they operate. (4.7).

18. In the case of RRBs it should be possible to create a small cell or department at the Head Office to be in overall charge of the branches in all aspects relating to lead bank scheme. Where the RRB covers more than one district it will be necessary to provide a separate district co-ordinator for each district who should work as part of the cell in the Head Office. (4.8).

19. (i) It should be possible for DCCBs to create a set-up analogous to the one visualised for RRBs.

(ii) In the case of LDBs, the Regional Office of SLDBs should create a set-up for lead bank scheme work as in the case of non-lead banks and to represent the PLDBs in various forums. (4.9).

20. The Group does not consider it feasible for the lead bank to provide a technical set-up adequate enough to serve other banks in the district. (4.10).

21. (i) The organisational set-up on the part of the district administration for dealing with matters relating to lead bank scheme is of equal importance.

(ii) The district administration should be organised to extend all necessary support for the credit programmes. The Group would reiterate that the system of posting additional Collectors to relieve the Collector of his routine functions, as suggested by CRAFICARD should be implemented urgently and a separate Section or Cell should be created in each district for looking after all the aspects of lead bank scheme and priority sector lending. This Cell should act as the focal point for liaison with banks and should, for this purpose be charged with the responsibility of co-ordinating with the concerned government functionaries in all matters relating to DCP/AAP. (4.11)

Forums of Co-ordination

22. With the unwieldy size of DCCs there has been a gradual erosion in the effectiveness of the DCC itself. (5.5).

23. Problems/matters to be discussed in the DCC meetings were not generally intimated to the convener in advance by banks or Government departments and hence the system of circulating detailed agenda notes had not stabilised. (5.6).

24. The deliberations of DCCs in many districts left scope for improvement in their quality and coverage of issues discussed. The proceedings did not also spell out clearly the various decisions arrived at, and the agencies responsible for further action and the time frame therefor. This was due to the lack of necessary attitudinal orientation in the various participating agencies and to some extent, to the inadequate secretarial assistance available to LBOs in some districts. (5.7).

25. There was lack of appreciation of their role among the non-lead banks. Neither LBOs nor District Co-ordinators of the non-lead banks appeared to have been effective in ensuring that the branches of their banks were duly informed of the DCC's decisions, that these decisions were complied with and that the DCC was kept apprised of the developments. (5.8).

26. Review and monitoring by DCC of the role of the various government departments in providing the necessary support by way of linkages, infrastructure or extension services as envisaged at the time of formulation of the credit plan left much room for improvement. RBI's instructions regarding feed-back from government's side to DCC have yet to be implemented effectively to obtain tangible results. (5.9).

27. Standing Committees have not proved quite effective. In many districts, District Collectors have not been associated with the Standing Committees. Government departments have been irregular in attendance or represented by junior level officials. There seemed to be a general feeling that the decisions of the Standing Committee were not binding by themselves and needed to be ratified by the DCC, thus reducing the effectiveness of the forums. (5.11).

28. Since their unwieldy size has been one of the major factors impairing the efficacy of DCCs, the Group feels that it is necessary to consider reconstituting this forum into a very compact one, which should meet once in two months. (5.12).

29. Only banks and other financial institutions, having a sizeable share in the AAP and the district level officials of the departments important from the point of view of AAP should be members of DCC. Each member should be represented only by one official of an appropriate level at DCC meetings. The overall strength of DCC should be maintained at a compact level of 20 to 25 members so that the discussions at this forum are meaningful and result-oriented. (5.12).

80. (i) It will be useful to list out separately in the proceedings items not advised to LBO beforehand but raised in the meeting so that there will be improvement in the matter. The agenda and notice of the meeting should be sent sufficiently in advance, say, 15 days. The proceedings should bring out the discussions and decisions arrived at clearly.

(ii) The LBO should follow up issues requiring action from banks and other financial agencies while the focal point officer of state government should do like-wise in so far as the government departments are concerned. Bank managements should make it clear to all their branches that it is part of the duty of LBOs and district co-ordinators to oversee the performance of branches under lead bank scheme. Like-wise the state governments should instruct the concerned departments that the focal point officer and the lead bank cell will be responsible for co-ordination among all government departments in respect of credit-based programmes. (5.14).

31. While ensuring that DCC becomes a compact forum for meaningful discussions, it is necessary to secure an arrangement for adequate rapport between the DCC and those institutions which are not represented on it on a permanent basis. LBO should function as the focal point of such co-ordination by convening regularly, meetings with the district co-ordinators of non-lead banks. These meetings could be held well in advance of the DCC meetings so that the problems thrown up could be taken up at DCC forum. LDOs of RBI should also be invited for such meetings. The special meeting of bankers convened for finalising the allocation of shares in DCP/AAP should also be attended by all participating financial agencies. (5.15).

32. The Group considers it necessary to constitute a small functional Sub-Committee of DCC for close and intensive monitoring of IRDP at the district level. This sub-committee should meet every month. It should be chaired by District Collector and have as its members the Chief Executive of DRDA, focal point officer of the district, LBO, LDO and representatives of NABARD and another bank having major share in IRDP lending. (5.16).

33. (i) A major deficiency in regard to the functioning of the forums like DCC is that there is no accountability. Banks/financial agencies should include, in the internal assessment of their personnel, their performances vis-a-vis the lead bank scheme.

(ii) There is an urgent need to make officials of development departments at district level accountable to the District Collector in so far as their responsibilities under DCP/AAP are concerned. The District Collector himself should evince interest in ensuring that all governmental agencies perform the roles expected of them for efficient implementation of AAP.

(iii) The Director of Institutional Finance wherever such arrangement exists, or his counterpart at the state level should regularly monitor the performance of various DCCs with particular reference to the participation of the concerned government agencies.

(iv) A separate Directorate of Institutional Finance with a senior official of the rank of Secretary in charge, may be set up in the states where such arrangement does not exist at present. (5.17).

34. As a general review of performance under DCP/AAP is undertaken in DLRMs they should be held at half-year intervals. It would be appropriate to designate this forum as District Level Review Committee to reflect the nature of its functions. Since DLRC will be a separate forum, it will not be necessary to combine the DCC and DLRC meetings. A cross section of non-officials could be advantageously associated with DLRCs. (5.18).

35. As the reorganised DCCs are intended to be functional forums, the Group does not consider it necessary to associate non-officials with this forum. (5.19).

36. The functioning of SLBCs seems to have stabilised to a large extent, although there is scope for further improvement. (5.21).

37. (i) There is neither uniformity in the constitution of SLCCs in the various states nor has there been regularity in the meetings, save in the case of a few states.

(ii) There seems to be a general feeling that SLCCs in most of the states have emerged as forums where mainly the bankers are found fault with for comparatively poor lending. The role of SLCCs in the lead bank scheme as such has been rather limited. (5.22).

38. There should be uniformity in the forums at State level in all states. The SLBC should be a forum of financial institutions. It should do the necessary spadework for formulation of DCP/AAP by getting in time district-wise resource allocation by banks and disaggregations of

the various governmental programmes, undertake critical analysis of the progress of implementation of AAPs in the various districts, review the assistance required and provided by government agencies, consider problems referred by the district level forums and take necessary follow-up action, oversee the implementation of branch expansion programme, review recovery performance and ensure arrangements for training and evaluation of programmes. (5.23).

39. A Standing Committee of SLCC may be constituted to provide a compact forum of co-ordination for financial agencies and government departments. This Standing Committee should preferably be chaired by the Chief Secretary/Finance Secretary/Development Commissioner and the Director of Institutional Finance should be the convener and provide secretarial assistance. Other members of the Standing Committee of SLCC should be all lead banks in the state, RBI, NABARD, IDBI, SCB, SLDB, convener bank of the state level committee of RRBs and major government departments. The total strength should be around 20, with balanced representation from financial institutions and government departments. The representation in the Committee should be at very senior levels. Th committee should meet every quarter. (5.24).

40. It will be a distinct advantage from the point of view of preparation of AAPs if all credit linked developmental schemes of state government are discussed before being launched, by the Standing Committee of SLCC so as to understand clearly the implications of the schemes from the point of view of bank assistance. A broad district-wise allocation of the likely institutional credit support required for the government sponsored schemes should also be made available at the Standing Committee so that the same could be taken into account in formulating the district-wise AAPs as well as performance budgets. (5.25)

41. With the multi-agency system for development, there is no alternative but to have common forums and co-ordinating machinery to formulate and implement schemes for development. The individual identities and ethos, be they of financial institutions or government departments, may need to be attuned to the required extent in subserving and achieving the common goal. (5.27).

Lead Bank Scheme and Reserve Bank of India

42. Lead Banks as well as state governments have expressed that LDOs of RBI have a useful role to play but at the same time, certain steps are necessary to make them play a more positive role. (6.2 and 6.4).

43. LDOs should be of sufficient seniority and experience and the aim should be to find suitable persons. RBI should take steps to create a pool of such expert staff by a combined process of screening and training. (6.3).

44. (i) The major responsibilities of LDO should include the following :

(a) Effective participation in the meetings of DCC and other forums and lending support to LBO.

(b) Discussions with LBO, district co-ordinators, concerned government developmental agencies/departments to identify problem areas and help in finding solutions.

(c) Monitoring implementation of AAP by various financial agencies and government departments with special reference to IRDP.

(d) Visits to bank branches in the district.

(e) Monitoring ground level implementation of simplified procedures and other instructions of RBI.

(f) The LDO should act as a link between the district and state levels in regard to various matters connected with the lead bank scheme.

(ii) In order to discharge their responsibilities effectively, LDOs should spend about a week in each of the allotted districts every month. LDOs should visit bank branches in the district and look into various aspects of priority sector lending, in particular IRDP and compliance with the various instructions of RBI and Government of India on the subject. The visits should be phased so that he will be in a position to cover all the rural and semi-urban branches over a period of 3 years.

(iii) Not more than 3 districts may be allotted to one LDO in general, restricting it to 2 in case the districts are geographically vast, inaccessible, hilly or backward. (6.5).

45. The Group does not consider it essential or advantageous to locate LDO at the district level. (6.6).

46. In order to derive optimum results, the Group recommends that LDO should be famillar with the local language and that his tenure be generally allowed upto a reasonable period, say not less than 3 years. (6.7).

47. Officer-in-charge of RPCD of RBI at the regional level should function more or less as the Chief LDO for the state as whole. Besides

regular consultation with LDOs, he should visit all the districts and attend a few DCC meetings every year and problem districts more frequently.

48. Role of HPC could be improved by enlarging its membership, rotation of its members, and its considering a review of performance in different states. (6.9).

Monitoring of Credit Plans

49. The flow of data through the Information System of the lead bank scheme has been very unsatisfactory despite vigorous action initiated by RBI to follow up defaults. (7.5).

50. NIS is complex and divorced from operating systems and existing realities with reference to the book-keeping at the branch level, the inability of bank managements to provide adequate trained manpower at the branch and controlling office levels to look after the statistical requirements and the absence or near absence of recourse to computer facilities on a dispersed basis. At RBI level also the system of district-wise bank-wise schedules being brought to Bombay from all over the country to be consolidated and sent back to district-level has involved further delays. (7.5).

51. As a short-term measure to improve the flow of data under NIS, the Group makes the following recommendations :

(i) The lead bank has to actively monitor the implementation of AAP for which purpose it should have data as quickly as possible. The Group feels that transmitting the data to the state level and beyond for consolidation by RBI adds to the delay. It, therefore, recommends that the task of consolidation of all banks' data should appropriately be done at the district level and that the lead bank is the most suitable agency for the purpose. It is, however, necessary that RBI's full weight is thrown behind the lead bank in this regard. The state-wise consolidation of data may continue to be done by RBI, if necessary by hiring computer time at the state head quarters.

(ii) Each Zonal/Regional Office of banks should have a small statistical cell which could train, guide and supervise branch level staff in the early completion of various returns. At the branch as well as regional level, submission of various returns should be made an integral part of the annual assessment of the performance of the concerned staff.

(iii) The banks should constitute internal working groups to examine their management reporting system, weed out unnecessary or outdated returns and to bring others in line with RBI returns so that branches do not have to furnish the same information again and again.

(iv) To facilitate compilation of the returns by the branches, banks should introduce back-up registers on the lines recommended by the Goiporia Working Group. (7.9).

52. A long-term solution to the problem can be found only by banks having greater degree of access to mechanical aids including mini-computers, on a dispersed basis. The framework of such a system can be worked out by experts in the field and it is recommended that RBI may take steps to constitute a group for the purpose. (7.10).

53. Monitoring at the DCCs has not been objective. The data availability had been unsatisfactory and whatever data were collected and made use of had also been on the financial part; hardly any attention was paid to the physical targets. An assessment of achievement of the physical targets as also the assistance rendered by government in this regard should also be introduced at the district level. In the Group's view, if the aforesaid twin aspects are continually monitored by DCCs in a dispassionate manner and prompt remedial steps taken to overcome difficulties, if any, the operational efficiency of DCP/AAP could be improved significantly. The Standing Committee of SLCC should also monitor the performance under AAP in all districts on an annual basis and take necessary follow-up action. (7.11).

54. Under the IRD Programme, the State Governments are expected to undertake evaluation studies from time to time to ascertain the impact of the programme and to measure the extent to which the beneficiaries have derived additional incomes and employment directly attributable to the investments made. The Group suggests that similar arrangements may be made for an ongoing evaluation under DCP. (7.14).

55. The HPC had initiated steps to have surveys of a few districts conducted by RBI for evaluating the Credit Plans in these districts. The Group recommends that the arrangement envisaged in RBI in this regard may be put on ongoing basis. Assessment of the benefits accruing to the areas and beneficiaries of DCP/AAP programmes and the 20-Point Programme is very important. Standing Committee of SLCC should evolve appropriate arrangements in this regard. The studies envisaged by RBI should be co-ordinated properly with state level arrangements. The Group reiterates the recommendation of Ghosh Working Group that an all-India annual review of such evaluation studies may be published by RBI. (7.15).

Reallocation of Lead Responsibility

56. There is a reasonable mix of districts allocated to all major banks for lead responsibility. (8.2).

57. Any large scale reallocation of lead responsibility at this stage when banks have already established a good network of branches and organisational set-up in their lead districts, is bound to have a destabilising effect on the lead bank scheme. It would, therefore, be preferable not to disturb the existing size of clusters, except marginally and to strive for better organisational arrangements. (8.3).

58. Reserve Bank may consider allocation of lead responsibility in 2 nearby districts each to four newly nationalised banks which are not lead banks now (New Bank of India, Oriental Bank of Commerce, Vijaya Bank and Corporation Bank). Punjab & Sind Bank which is the lead bank for one district now may be assigned the responsibility in another district. (8.6).

59. Independent lead responsibility may be assigned to the Bank of Rajasthan Ltd. in respect of Udaipur or the new district of Rajasmund which is proposed to be carved out. (8.7).

60. The re-allotment of lead responsibility should be completed early so that the proposed lead bank could function jointly with the existing lead bank till the end of the 3rd credit plan; the switch over could be effected at the time of launching of the 4th credit plan by which time the new lead bank would have gained adequate experience. (8.8).

Training Needs Under Lead Bank Scheme

61. Many of the deficiencies in the implementation of the lead bank scheme are attributable to a large extent to the lack of awareness of their role and proper attitudinal orientation of the participants. The required level of understanding and ability for team-work can only be brought through proper training inputs at various levels. (9.6)

62. Considering the vast size of the country and the large number of personnel (from banks/financial agencies and government administration) to be covered, the training needs would be immense and also diverse. A multi-pronged strategy would be essential to tackle the problem. It is considered necessary to have arrangements for training on an ongoing basis because there is continuous flux in the persons actually holding charge of various posts in government departments and banks. It will also be definitely advantageous to have some joint training programmes

for banks and government since it will provide for better inter-action among the participants and afford them an opportunity to understand and appreciate each other's role and constraints. Accordingly, the Group makes the following recommendations :-

(i) Training inputs on lead bank scheme should be provided to all officials down to the block level in government and officers of rural branches of the financing agencies.

(ii) Banks and other financing agencies including the co-operative training institutions should include inputs relating to lead bank scheme in the general training programmes conducted by them.

(iii) (a) Banks should organise separate programmes on Lead Bank Scheme and district credit planning for their personnel connected with this work. District Co-ordinators in non-lead districts should also be exposed to such programmes. Government functionaries could also be invited to attend such programmes.

(b) Banks which are unable to organise such programmes on their own (e.g. those with limited or no lead responsibility) could participate in the programmes conducted by other banks and BTC or consider organising the programmes jointly. RBI, NABARD and other lead banks conducting their own programmes should assist these banks in organising joint programmes.

(iv) Training programmes arranged by the State governments at their administrative training institutions for their officers down to the block level should include sessions on lead bank scheme. The lead bank may be invited to explain the concepts of the scheme at these sessions.

(v) The convener of SLBC in collaboration with the Director of Institutional Finance should organise joint training programmes at the state level or in important district headquarters for bank officers and government functionaries concerned. (9.8).

Other Related Aspects

63. The number of instances where swapping of stray branches of lead banks could be thought of is negligible. The Group does not consider it necessary to adopt the system of swapping as a deliberate policy. However, when mutually agreed cases for swapping are presented before RBI, it may assist the process. (10.1).

64. Considering the present levels of rural business of commercial bank branches and RRBs, it is inconceivable that RRBs would be in a

position to take over the entire rural business of commercial banks. It does not appear desirable to take away weaker sector business from lead banks while non-lead banks continue to participate in it. The Group is of the view that transfer of eligible business to RRB should be considered from the point of view of transfer of an entire rural branch and not part of its business. In the Group's view, transfer of rural branches of commercial banks to RRBs could be only on a very selective basis and it makes the following suggestions in this regard.

(i) All pending licences for rural centres with sponsor banks should be transferred to RRBs at the time of their establishment, without exception.

(ii) The sponsor bank should examine to what extent the rural branches opened by it in the preceding two years could be transferred to RRB being set up and take steps to transfer as many of them as possible.

(iii) Other commercial banks in a RRB district may also examine the feasibility of transferring to RRB rural branches opened by them during the two years preceding the setting up of RRB. Solitary rural branches should be specially considered for the purpose.

(iv) RBI may facilitate transfer of agreed rural branches of commercial banks to RRBs by cancelling the existing licences and issuing fresh licence to RRB.

(v) The operational aspects regarding transfer of assets and liabilities should be settled by the transferer bank and RRB before the application for fresh licence is made.

(vi) The legal aspects regarding transfer of rural branches may be examined expeditiously by both RBI and NABARD. (10.2).

Sd/-
U. K. Sarma
(Chairman)

Sd/-
M. R. Kotdawala
(Member)

Sd/-
I. T. Vaz
(Member)

Sd/-
S. S. Hasurkar
(Member)

Sd/-
T. K. Kasiviswanathan
(Member)

Sd/-
M. G. Gaitonde
(Member)

Sd/-
D. P. Khankhoje
(Member)

Sd/-
P. K. Parthasarathy
(Member-Secretary)

Bombay,
December 9, 198[illegible]

ANNEXURE I

RESERVE BANK OF INDIA
CENTRAL OFFICE
BOMBAY

MEMORANDUM

The Reserve Bank of India appoints the following Working Group to review the working of the Lead Bank Scheme consequent upon a recommendation to this effect by the Committee to Review Arrangements for Institutional Credit for Agriculture and Rural Development (CRAFICARD) :

1.	Shri R. C. Mody, Chief Officer, Department of Banking Operations and Development, Reserve Bank of India, Central Office, Bombay.	Chairman
2.	Shri S. S. Hasurkar, Deputy Secretary, Ministry of Finance, Department of Economic Affairs, (Banking Division), Government of India, New Delhi.	Member
3.	Dr. D. P. Khankhoje, Faculty-Member, National Institute of Bank Management, Bombay.	Member
4.	Dr. (Kum.) Meenakshi Tyagarajan, Director, Economic Department, Reserve Bank of India, Bombay.	Member

5. Shri Y. S. Borgaonkar, — Member

General Manager,
Agricultural Refinance and
Development Corporation,
Central Office,
Bombay.

6. Dr. M. R. Kotdawala, — Member

Additional Chief Officer,
Agricultural Credit Department,
Reserve Bank of India,
Central Office,
Bombay.

7. Kum. I. T. Vaz, — Member

Joint Chief Officer,
Rural Planning & Credit Cell,
Reserve Bank of India.
Central Office,
Bombay.

8. Shri P. K. Parthasarathy, — Member-Secretary

Joint Chief Officer,
Department of Banking
Operations & Development.
Reserve Bank of India,
Central Office,
Bombay.

2. The terms of reference of the Working Group are as given below :-

(i) To review the working of the Lead Bank Scheme in regard to the preparation and implementation of the District Credit Plans and to suggest improvements for proper and effective co-ordination of activities among the various participating organisations, in the light of the recommendations of CRAFICARD.

(ii) To review the role of lead banks and to suggest measures to make them more effective and also to suggest measures to improve the organisational set-up of lead and non-lead banks at the district and other levels.

(iii) To examine the role of the District Consultative Committees and Standing Committees and make suggestions for their more effective functioning.

(iv) To review the role of the Lead District Officers of Reserve Bank of India.

(v) To consider the question of allocation of lead bank responsibility, particularly to banks which have been recently nationalised.

(vi) To consider measures to improve the flow of data under the information system prescribed under the Lead Bank Scheme.

(vii) To examine and review the existing arrangements for training of all officials concerned with work relating to the Lead Bank Scheme, with particular reference to the District Credit Plans, and consider what improvements would be necessary in this regard.

(viii) Any other matter germane to the aforesaid aspects.

3. The Group is expected to submit its report within a period of nine months.

4. The Secretariat of the Working Group will be provided by the Department of Banking Operations and Development.

Sd/-
(P. R. Nangia)
Deputy Governor.

ANNEXURE II

Recommendations of the CRAFICARD relating to the Working of the Lead Bank Scheme

1. The lending operations of commercial and co-operative banks have tended, by and large, to be mere money-lending, institutional only in form, but without satisfactory organisational, procedural and operational arrangements for planned and systematic dovetailing with the overall national development policies and objectives. The Committee emphasises the need for imparting development orientation to banking in the rural sector. (3.2).

2. Though there is a forum where governmental agencies and credit institutions meet, co-ordination in programming and in implementing the programme is generally lacking. (3.7).

3. Under fragmented approach to lending (individual, adhoc or scattered) without dovetailing it into an overall area plan, the danger of credit becoming a burden, instead of an instrument of uplift, is greater in the case of loans to vulnerable sections of the rural community. (3.12).

4. The Committee's discussions at the state level revealed that there was a broad agreement among the state governments and the credit institutions. It was accepted that the major role for initiating and ensuring the development process in the rural sector is that of the state administration and the role of credit institutions is to support viable programmes without too meticulous a concern for the security that the individuals participating in the programme can put up. (3.20).

5. Depending on the stage of development of and administrative capacities available in the states, credit institutions have to modulate their role. Where the development machinery of the state, particularly at the field level, is not adequate, the credit institutions may have to play a wider role to shoulder the task of planning rural development. Following from this, they will have to arrange for staffing pattern and lending procedure differently for different areas. (3.25 and 3.26).

6. Commercial banks can play a significant role in providing systematic support to ensure forward and backward linkages in the programmes of rural development and help not only in the formulation of DCP but also in its fulfilment. (6.2).

7. We recommend that while it is desirable to enable a lead bank to establish adequate presence in its lead district, it should be ensured that

between development programmes and credit programmes in the context its role. (6.4).

8. In districts where the scope for opening new branches is limited a non-lead bank operating therein with a few branches and desirous of moving out of the district, for its own reasons, may be allowed to do so by swapping its branches with those of lead bank which may have similar problems elsewhere where the former bank has the lead role. (6.5).

9. We are aware that the application of this principle is beset with serious problems and practical difficulties. It can, therefore be applied only by mutual agreement. Where such agreement is forthcoming, such swapping may be facilitated by the RBI. (6.9).

10. In view of the fact that the Lead Bank Scheme has completed a decade of working, the committee suggests that a review of its working may be undertaken by the Reserve Bank of India. (6.9).

11. Though commercial banks have, within a decade of their entry in agricultural credit, reached a large number of borrowers in agriculture and also deployed a sizeable part of their credit to this sector, there is great scope for improving the coverage of the target groups and the links of the integrated approach to rural development. (6.10).
the lead bank does in fact build up planning capacities appropriate for

12. There is need for identifying programmes suited to local circumstances which could be done only by greater interaction between bank officials and government official. Such interaction will also facilitate appreciation by banks and government officials of their respective points of view. (6.12).

13. In regard to non-land-based activities, state governments will have to play a more direct and active role in devising suitable policies for inputs, services and marketing and in building suitable supporting organisations for all the three items. In these cases, identification of beneficiaries may better be done by government's own agencies. (6.14).

14. Field experience indicates that village adoption scheme has not meant comprehensive programming in the adopted villages. We do not, therefore, recommend the continuance of village adoption scheme in its present form. In our view. nothing should be done to give a monopoly to a bank in an area or a village contrary to the spirit of the multi-agency system. (6.19).

15. There is really no alternative for the banks but to build up their own technical cadres. (6.29).

16. We have reasons to think that the main cause for delays in sanctions at the branch level is the absence of proper motivation among managers. One remedial step could be to impress on managers that their performance will be assessed not merely on the growth of deposits but mainly on the progress of credit to weaker sections in all its aspects including recovery. (6.38).

17. The District Credit Plan is a broad framework. It becomes operational only to the extent that it is translated into technically feasible and economically viable schemes with reference to location-specific realities or in the popular phrase 'bankable schemes'. A scheme becomes bankable when its forward and backward linkages are ensured. We suggest that the experience of the ARDC in the preparation of banking plans may be analysed closely for drawing suitable lessons for the future. (8.10).

18. It is desirable to make the District Rural Development Agency/Society, now being set up in each district, an agency for comprehensive planning and implementation of all the programmes under integrated rural development. (8.22).

19. Some States have appointed senior officers of the rank of Collector in each district to relieve the head of the district of his routine work. The experience of such arrangements in practice may be carefully examined and adopted with suitable modifications. (8.23).

20. The personnel involved in district planning should be given appropriate training. (8.24).

21. We appreciate constitution of a Standing Committee of the DCC. We recommend the setting up of sub-groups of experts for selected subjects according to potential and the programmes of the district. These sub-groups will be suitable forums for detailed discussion on technical matters for reaching agreements on crucial aspects such as inputs supplies and extension. (8.26).

22. It is advantageous not to make DCC statutory and vest it with special powers. The basic problem of DCC is how to induce certain changes in the attitudes of its participants. (8.28).

23. If some problems cannot be solved at the district level, they can be referred to the State level or taken up by higher echelons in the banks and the administration. The higher echelons by their action should encourage, support and guide evolution of a culture under which every institution finds itself accountable for its actions. (8.28).

24. We visualise the DCC to shoulder the responsibilities of identifying the potential for assistance in formulation of new credit schemes, preparation and monitoring the implementation of the credit plans, allocation of responsibilities among various agencies and securing their acceptance, examining the factors impeding the flow and recovery of credit etc. (8.29).

25. We recommend that the Secretariat of the DCC should continue with the lead bank, as its convener. The convener should work closely with the district administration in the matter of preparing the agenda and highlighting the issues for consideration. The District Collector should designate one official to work in close liaison with the lead bank. When the Committee's recommendation to make the 'District Rural Develolpment Agency' and agency for comprehensive planning and implementation, is acted upon, the officer-in-charge of this agency would be the obvious choice. (8.30).

26. The DCC should deliberate on broad planning and operational aspects and individual cases should not be dealt with in this forum. (8.30).

27. We do not find it feasible to recommend at this stage, formation of block-level committees as a general rule. (8.31).

28. In addition to what the State Governments must deploy by way of infrastructural support for extension, transfer of technology, etc., the credit institutions need to have at their command technical personnel for scrutiny of applications, follow-up and evaluation of schemes. (8.32).

29. We consider it feasible for the lead bank to arrange for adequate technical expertise of its own in its lead districts. Norms laid down by the lead bank could be accepted by other institutions more or less in the same manner as those of the ARDC are accepted by all participating banks, and it is possible to envisage an arrangement by which a financing agency utilises the services of technical personnel of lead bank on payment basis for specific items of work. Such an arrangement could be temporary till the agency builds up its own staff. (8.35).

30. The aim should be to change the role of Lead Bank gradually from one of competition with other lending agencies in the district to that of servicing in the form of preparing area specific credit schemes in collaboration with district administration and other banks and prepare banking plan for each scheme providing for participation of concerned banks/local credit institutions in its implementation. (8.35).

31. The availability of facilities from the State Governments should be reviewed from time to time in DCC meetings for their improvement. (8.36).

32. We recommend that the functions currently performed by the Reserve Bank of India in regard to DCP and DCC should continue with the Reserve Bank of India itself. NABARD, on its part, may appoint officers who should, besides their other responsibilities, be members of DCC and provide feed back to NABARD on implementation of rural development programmes. (8.37).

ANNEXURE III
PERFORMANCE UNDER ANNUAL ACTION PLAN - 1980 IN SELECTED DISTRICTS

ANDHRA PRADESH

(Amounts in lakhs of Rupees)

Sr. No.	Name of district	Performance data											
		Agriculture			Small Scale Industry			Services			Total		
		Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Adilabad (SBH)	856.00	435.99	50.9	48.40	30.97	64.0	28.40	40.56	142.8	932.80	507.52	54.4
2.	Guntur (Andhra Bank)	3730.57	2362.00	63.3	411.56	424.00	103.0	88.76	48.00	54.1	4230.89	2834.00	67.0
3.	Medak (SBI)	541.50	899.78	166.2	137.65	351.43	255.3	47.15	260.44	552.4	726.30	1511.65	208.1
4.	Nalgonda (SBH)	1520.09	1362.86	89.7	258.10	202.77	78.6	47.39	118.44	249.9	1825.58	1684.07	92.2
5.	Nellore (Syndicate Bank)	1461.77	1772.35	121.2	275.65	218.78	79.4	63.16	119.49	189.2	1800.58	2110.62	117.2
6.	Prakasam (Syndicate Bank)	2769.29	2880.98	104.0	173.15	196.27	113.4	89.13	92.24	103.5	3031.57	3169.49	104.5

ANDHRA PRADESH (Contd.)

1	2	3	4	5	6	7	8	9	10	11	12	13	14
7.	Visakha-patnam (SBI)	1025.26	1483.69	144.7	230.97	229.90	99.5	143.29	432.68	302.0	1399.52	2146.27	153.4
8.	Warangal (SBI)	1578.46	1948.10	123.4	127.15	340.57	267.8	38.71	140.86	363.9	1744.32	2429.53	139.3
9.	Vizianagaram (SBI)	874.49	916.38	104.8	89.23	90.64	101.6	48.62	135.28	278.2	1012.34	1142.30	112.8
10.	Rangareddy (SBH)	1172.79	675.00	57.6	144.09	1054.00	731,5	27.75	226.00	814.4	1344.63	1955.00	145.4

BIHAR

(Amounts in lakhs of Rupees)

Sr. No.	Name of district	Performance data											
		Agriculture			Small Scale Industry			Services			Total		
		Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Aurangabad (PNB)	168.60	127.13	75.4	12.49	10.37	83.0	23.00	44.17	192.0	204.09	181.67	89.0
2.	Begusarai (UCO)	398.18	210.07	52.8	20.74	10.83	52.2	36.17	52.06	143.9	455.09	272.96	60.0
3.	Bhagalpur (UCO)	806.20	256.51	31.8	96.33	57.49	59.7	56.08	77.48	138.2	958.61	391.48	40.8
4.	Bhojpur (PNB)	459.99	343.18	74.6	51.59	45.53	88,3	100.74	110.23	109.4	612.32	498.94	81.5
5.	Darbhanga (CBI)	339.47	166.74	49.1	134.98	10.59	7.8	116.66	55.40	47.5	591.11	232.73	39.4
6,	Dhanbad (Bank of India)	185.96	86.48	46.5	100.97	161.82	160.3	206.84	285.97	138.3	493.77	534.27	108.2
7.	Gaya (PNB)	772.38	237.43	30.7	98.77	79.24	80.2	168.26	169.22	100.6	1039.41	485.89	46.7

BIHAR (Contd.)

1	2	3	4	5	6	7	8	9	10	11	12	13	14
8.	Giridh (Bank of India)	136.74	107.71	78.8	60.36	53.99	89.4	107.49	79.71	74.2	304.59	241.41	79.3
9.	Gopalganj (CBI)	470.96	406.34	86.3	49.78	8.89	17.9	22.92	22.98	100.3	543.66	438.21	80.6
10.	Hazaribagh (Bank of India)	291.74	157.12	53.9	98.65	84.18	85.3	149.89	264.40	176.4	540.28	505.70	93.6
11,	Katihar (CBI)	261.81	210.82	80.5	71.76	9.25	12.9	18.66	26.39	141.4	352.23	246.46	70.0
12.	Madhubani (CBI)	479.08	205.32	42.9	113.89	66.52	58.4	33.75	68.50	203.0	626.72	340.34	54.3

GUJARAT

(Amounts in lakhs of Rupees)

Sr. No.	Name of district	Performance data											
		Agriculture			Small Scale Industry			Services			Total		
		Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Amreli (SBS)	1350.58	979.63	72.5	58.40	37.23	63.8	44.25	49.69	112.3	1453.23	1066.55	73.4
2.	Baroda (Bank of Baroda)	1471.04	963.62	65.5	808.22	578.63	71.6	265.02	955.27	360.5	2544.28	2497.52	98.2
3.	Dangs (Bank of Baroda)	16.75	14.80	88.4	0.29	—	—	23.71	38.41	162.0	40.75	53.21	130.6
4.	Kaira (Bank of Baroda)	2821.18	3197.00	113.3	233.20	128.00	54.9	185.00	181.00	97.8	3239.38	3506.00	108.2
5.	Mehsana (Dena Bank)	1122.21	1008.33	89.9	259.83	106.74	41.1	235.34	278.91	118.5	1617.38	1393.98	86.2

HARYANA

(Amounts in lakhs of Rupees)

Sr. No.	Name of district	Performance data											
		Agriculture			Small Scale Industry			Services			Total		
		Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Ambala (PNB)	1584.41	2523.11	159.2	175.41	927.48	528.7	124.22	605.48	487.4	1884.04	4056.07	215.3
2.	Bhiwani (PNB)	605.66	915.06	151.1	39.73	38.77	97.6	47.34	83.87	177.2	692.73	1037.70	149.8
3.	Gurgaon (Syndicate Bank)	570.86	872.37	152.8	73.14	117.25	160.3	87.51	227.03	259.4	731.51	1216.65	166.3
4.	Hissar (PNB)	2079.09	2146.92	103.3	34.69	218.63	630.2	72.09	206.70	286.7	2185.87	2572.25	117.7
5.	Jind (PNB)	1105.73	1103.08	99.8	75.74	177.53	234.4	64.01	131.16	204.9	1245.48	1411.77	113.4
6.	Karnal (PNB)	2055.07	2658.76	129.4	219.47	1192.16	543.2	152.81	244.25	159.8	2427.35	4095.17	168.7
7.	Rohtak (PNB)	1374.10	1025.13	74.6	115.00	160.97	140.0	136.00	444.57	326.9	1625.10	1630.67	100.3
8.	Sonepat (PNB)	1147.40	786.07	68.5	124.16	212.40	171.1	92.15	83.79	90.9	1363.71	1082.26	79.4

HIMACHAL PRADESH

(Amounts in lakhs of Rupees)

Sr. No.	Name of district	Performance data: Agriculture Outlay	Agriculture Achievement	Agriculture Percentage	Small Scale Industry Outlay	Small Scale Industry Achievement	Small Scale Industry Percentage	Services Outlay	Services Achievement	Services Percentage	Total Outlay	Total Achievement	Total Percentage
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Bilaspur (UCO)	45.17	23.54	52.1	32.12	9.63	30.0	53.45	82.41	154.2	130.74	115.58	88.4
2.	Chamba (SBI)	17.65	22.69	128.6	7.21	6.08	84.3	23.40	88.74	379.2	48.26	117.51	243.5
3.	Hamirpur (PNB)	67.05	47.18	70.4	21.53	14.41	66.9	33.75	49.16	145.7	122.33	110.75	90.5
4.	Kangra (PNB)	554.38	298.39	53.8	173.33	90.54	52.2	146.53	137.59	93.9	874.24	526.52	60.2
5.	Kinnaur (PNB)	16.19	34.34	212.1	2.37	1.31	55.3	8.15	1.73	21.2	26.71	37.38	140.0
6.	Kulu (PNB)	32.37	92.79	286.7	11.74	27.79	236.7	18.11	72.85	402.3	62.22	193.43	310.9
7.	Mandi (PNB)	123.30	145.68	118.2	16.25	44.20	272.0	53.00	127.67	240.9	192.55	317.55	164.9
8.	Simla (UCO)	351.65	309.34	88.0	45.46	63.83	140.4	127.27	189.43	148.8	524.38	562.60	107.3

JAMMU & KASHMIR

(Amounts in lakhs of Rupees)

Sr. No.	Name of district	Performance data											
		Agriculture			Small Scale Industry			Services			Total		
		Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Anantnag (SBI)	102.11	141.24	138.3	26.46	55.40	209.4	47.43	204.14	430.4	176.00	400.78	227.7
2.	Doda (SBI)	17.03	27.56	161.8	6.84	9.45	138.2	43.71	129.39	296.0	67.58	166.40	246.2
3.	Jammu (SBI)	205.71	359.83	174.9	79..28	196.50	247.9	302.92	686.32	226.6	587.91	1242.65	211.4
4.	Kathua (SBI)	63.53	77.69	122.3	27.58	21.48	77.9	42.60	102.23	240.0	133.71	201.40	150.6
5.	Ladakh (SBI)	6.79	1.13	16.6	2.68	3.61	134.7	3.81	17.80	467.2	13.28	22.54	169.7
6.	Poonch (SBI)	25.67	4.21	16.4	4.18	1.67	40.0	12.59	10.68	84.8	42.44	16.56	39.0
7.	Rajouri (SBI)	34.90	15.71	45.0	7.92	2.28	28.8	16.36	15.27	93.3	59.18	33.28	56.2
8.	Udhampur	36.36	34.50	94.9	8.03	3.14	39.1	34.98	103.58	296.1	79.37	141.22	177.9

KARNATAKA

(Amounts in lakhs of Rupees)

Sr. No.	Name of district	Performance data: Agriculture Outlay	Agriculture Achievement	Agriculture Percentage	Small Scale Industry Outlay	Small Scale Industry Achievement	Small Scale Industry Percentage	Services Outlay	Services Achievement	Services Percentage	Total Outlay	Total Achievement	Total Percentage
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Bangalore (Canara Bank)	730.05	765.48	104.9	406.63	996.52	245.1	112.47	233.33	207.5	1249.15	1995.33	159.7
2.	Bidar (SBI)	587.83	598.34	101.8	26.22	9.73	37.1	44.71	76.07	170.1	658.76	684.14	103.9
3.	Bijapur (Syndicate Bank)	1694.10	1479.57	87.3	50.05	126.74	253.2	88.05	226.98	257.8	1832.20	1833.29	100.1
4.	Chickmaglur (Canara Bank)	1228.85	2397.81	195.1	98.00	68.14	69.5	203.00	352.50	173.7	1529.85	2818.45	184.2
5	Hassan (Canara Bank)	1073.00	1099.73	102.5	79.00	91.50	115.8	159.00	470.25	295.8	1311.00	1661.48	126.7
6.	Kolar (Canara Bank)	466.70	589.13	126.2	73.65	134.11	182.1	122.49	196.04	160.1	662.84	919.28	138.7
7.	North Kanara (Syndicate Bank)	699.03	593.43	84.9	125.00	126.52	101.2	288.26	474.68	164.7	1112.29	1194.63	107.4
8.	Shimoga (Canara Bank)	874.75	1135.00	129.8	138.25	250.00	180.8	192.00	336.75	175.4	1205.00	1721.75	142.9
9.	South Kanara (Syndicate Bank)	2571.20	2121.16	82.5	1987.68	2131.41	107.2	637.16	1644.18	258.1	5196.04	5896.75	113.5

KERALA

(Amounts in lakhs of Rupees)

Sr. No.	Name of district	Performance data											
		Agriculture			Small Scale Industry			Services			Total		
		Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Alleppey (SBT)	1432.50	1563.00	109.1	547.24	658.00	120.2	420.95	1525.00	362.3	2400.69	3746.00	156.0
2.	Cannanore (Syndicate Bank)	1873.00	2059.00	109.9	339.79	372.00	109.5	298.04	1154.00	387.2	2510.83	3585.00	142.8
3.	Ernakulam (UBI)	1400.00	1045.00	74.6	755.00	1091.00	144.5	687.00	899.00	130.9	2842.00	3035.00	106.8
4,	Idukki (UBI)	1184.37	985.74	83.2	163.36	54.03	33.1	123.56	127.70	103.4	1471.29	1167.47	79.4
5.	Kottayam (SBI)	1558.67	962.00	61.7	715.69	849.00	118 6	440.42	597.00	135.6	2714.78	2408.00	88.7
6.	Kozhikode (Canara Bank)	1251.63	1535.48	122.7	555.86	533.07	95.9	823.91	1431.30	173.7	2631.40	3499.85	133.0
7.	Malappuram (Canara Bank)	1299.21	1217.08	93.7	189.01	130.56	69.1	315.87	574.27	181.8	1804.09	1921.91	106.5

1	2	3	4	5	6	7	8	9	10	11	12	13	14
8.	Palghat (Canara Bank)	975.00	881.00	90.4	75.00	181.00	241.3	167.00	478.00	286.2	1217.00	1540.00	126.5
9.	Quilon (Indian Bank)	1342.20	1657.61	123.5	31.03	20.31	65.5	899.41	827.63	92.0	2272.64	2505.55	110.3
10.	Trichur (Canara Bank)	1253.24	1092.00	87.1	284.00	640.00	225.4	478.27	896.00	187.3	2015.51	2628.00	130.4
11.	Trivandrum (IOB)	1962.26	1218.00	62.1	235.02	175.00	74.5	135.19	300.00	221.9	2332.47	1693.00	72.6
12.	Wynad (Canara Bank)	801.97	1121.39	139.8	36.66	21.03	57.4	154.91	306.74	198.0	993.54	1449.16	145.9

MADHYA PRADESH

(Amounts in lakhs of Rupees)

Sr. No.	Name of district	Performance data											
		Agriculture			Small Scale Industry			Services			Total		
		Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Balaghat (CBI)	482.55	350.41	72.6	20.30	23.95	118.0	11.81	148.27	1255.5	514.66	522.63	101.6
2.	Bastar (SBI)	281.15	263.59	93.8	19.96	38.43	192.5	74.66	179.69	240.7	375.77	481.71	128.2
3.	Betul (CBI)	185.57	230.32	124.1	12.90	18.74	145.3	14.50	49.59	342.0	212.97	298.65	140.2
4.	Bhind (CBI)	450.95	502.06	111.3	40.85	15.45	37.8	24.45	40.63	166.2	516.25	558.14	108.1
5.	Bhopal (BOI)	321.62	319.70	99.4	92.22	220.04	238.6	86.00	305.10	354.8	499.84	844.84	169.0
6.	Bilaspur (SBI)	662.71	594.87	89.8	60.65	293.77	484.4	45.35	373.10	822.7	768.71	1261.74	164.1
7.	Chhatarpur (SBI)	341.59	421.59	123.4	19.56	25.26	129.1	32.35	108.97	336.9	393.50	555.82	141.3
8.	Chhindwara (CBI)	339.07	501.39	147.9	35.94	30.36	84.5	42.40	62.90	148.4	417.41	594.65	142.5

MADHYA PRADESH (Contd.)

1	2	3	4	5	6	7	8	9	10	11	12	13	14
9.	Damoh (SBI)	279.05	248.70	89.1	5.63	10.03	178.2	21.15	15.20	71.9	305.83	273.93	89.6
10.	Datia (PNB)	145.40	235.27	161.8	8.60	4.99	58.0	6.00	9.63	160.5	160.00	249.89	156.2
11.	Dewas (BOI)	860.89	665.86	77.4	37.44	129.24	345.2	23.74	45.69	192.5	922.07	840.79	91.2
12.	Dhar (BOI)	736.00	764.15	103.8	24.00	26.04	108.5	91.00	112.68	123.8	851.00	902.87	106.1
13.	Durg (Dena Bank)	978.30	527.62	53.9	92.97	120.84	130.0	192.58	97.32	50.5	1263.85	745.78	59.0
14.	East Nimar (BOI)	538.10	869.45	161.6	54.25	217.82	401.5	55.80	185.06	331.7	648.15	1272 33	196.3
15.	Guna (SB Indore)	466.08	221.74	47.6	13.66	11.40	83.5	49.24	58.11	118.0	528.98	291.25	55.1
16.	Gwalior (CBI)	508.21	348.20	68.5	139.00	133.43	96.0	108.00	167.90	155.5	755.21	649.53	86.0
17.	Indore (BOI)	301.34	740.51	245.7	48.26	643.03	1332.4	156.59	721.89	461.0	506.19	2105.43	415.9

MADHYA PRADESH (Contd.)

1	2	3	4	5	6	7	8	9	10	11	12	13	14
18.	Jabalpur (CBI)	432.57	345.00	79.8	43.14.	85.08	197.2	32.26	95.46	295.9	507.97	525.54	103.5
19.	Jhabua (BOB)	225.87	161.13	71.3	21.40	17.35	81.1	31.86	84.85	266.3	279.13	263.33	94.3
20.	Mandla (CBI)	145.09	245.80	169.4	33.35	18.28	54.8	13.38	31.93	238.6	191.82	296.01	154.3
21.	Mandsaur (CBI)	858.60	828.05	96.4	79.20	44.61	56.3	32.72	102.49	313.2	970.52	975.15	100.5
22.	Morena (CBI)	496.00	627.48	126.5	26.50	85.69	323.4	43.50	98.60	226.7	566.00	811.77	143.4
23.	Narsinghpur (CBI)	376.29	405.82	107.9	30.20	23.81	78.8	14.76	23.87	161.7	421.25	453.50	107.7

MAHARASHTRA

(Amounts in lakhs of Rupees)

Sr. No.	Name of district	Performance data: Agriculture Outlay	Agriculture Achievement	Agriculture Percentage	Small Scale Industry Outlay	Small Scale Industry Achievement	Small Scale Industry Percentage	Services Outlay	Services Achievement	Services Percentage	Total Outlay	Total Achievement	Total Percentage
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Bhandara (BOI)	302.80	477.35	157.7	47.41	29.46	62.1	33.10	107.71	325.4	383.31	614.52	160.3
2.	Chandrapur (BOI)	736.60	432.25	58.7	48.67	84.91	174.5	87.27	171.95	197.0	872.54	689.11	79.0
3.	Kulaba (BOI)	539.21	324.00	60.1	212.50	253.00	119.1	69.59	111.00	159.5	821.30	688.00	83.8
4.	Kolhapur (BOI)	3695.03	2600.08	70.4	626.44	274.86	43.9	428.34	753.91	176.0	4749.81	3628.85	76.4
5.	Ratnagiri (BOI)	290.00	99.17	34.2	53.45	180.16	337.1	39.73	101.96	256.6	383.18	381.29	99.5
6.	Sangli (BOI)	796.12	1395.64	175.3	72.89	199.45	273.6	58.98	312.86	530.5	927.99	1907.95	205.6
7.	Wardha (BOI)	807.49	822.77	101.9	34.34	13.25	38.6	42.81	35.78	83.6	884.64	871.80	98.6
8.	Beed (SBI)	637.98	509.84	79.9	99.55	42.31	42.5	119.47	364.52	305.1	857.00	916.67	107.0

MAHARASHTRA (Contd.)

1	2	3	4	5	6	7	8	9	10	11	12	13	14
9.	Nanded (SBI)	1101.67	919.55	83.5	147.62	107.09	72.5	84.56	223.37	264.2	1333.85	1250.01	93.7
10.	Osmanabad (SBI)	876.04	876.45	100.1	142.87	133.30	93.3	145.93	283.77	194.5	1164.84	1293.52	111.1
11.	Parbhani (SBI)	1140.00	1103.78	96.8	50.00	89.56	179.1	57.00	215.78	378.6	1247.00	1409.12	113.0
12.	Aurangabad (BOM)	1253.88	1167.89	93.1	383.48	409.59	106.8	159.07	226.84	142.6	1796.43	1804.32	100.4
13.	Nasik (BOM)	1090.55	2603.90	238.8	460.17	409.02	88.9	642.77	864.47	134.5	2193.49	3877.39	176.8
14.	Pune (BOM)	1252.43	3086.47	246.4	1042.96	1114.37	106.9	1226.62	1487.16	121.2	3522.01	5688.00	161.5
15.	Satara (BOM)	1410.56	1255.00	89.0	77.70	69.00	88.8	110.73	334.00	301.6	1598.99	1658.00	103.7
16.	Thane (BOM)	252.77	267.02	105.6	921.76	1873.61	203.3	515.49	775.96	150.5	1690.02	2916.59	172.6

MEGHALAYA

(Amounts in lakhs of Rupees)

Sr. No.	Name of district	Performance data: Agriculture Outlay	Agriculture Achievement	Agriculture Percentage	Small Scale Industry Outlay	Small Scale Industry Achievement	Small Scale Industry Percentage	Services Outlay	Services Achievement	Services Percentage	Total Outlay	Total Achievement	Total Percentage
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	West Khasi Hills (SBI)	30.35	61.04	201.1	2.87	1.52	53.0	4.38	6.71	153.2	37.60	69.27	184.2
2.	East Garo Hills (SBI)	6.53	3.81	58.4	0.34	0.05	14.7	0.46	0.44	95.7	7.33	4.30	58.7
3.	West Garo Hills (SBI)	33.97	22.94	67.5	4.24	2.17	51.2	9.39	21.52	229.2	47.60	46.63	98.0
4.	Jaintia Hills (SBI)	5.67	12.90	227.5	0.49	1.38	281.6	8.24	5.81	70.5	14.40	20.09	139.5

ORISSA

(Amounts in lakhs of Rupees)

Sr. No.	Name of district	Performance data											
		Agriculture			Small Scale Industry			Services			Total		
		Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Bolangir (SBI)	1018.08	986.86	96.9	75.47	108.88	144.3	17.83	87.55	491.0	1111.38	1193.29	107.4
2.	Boudh-khondmals (SBI)	446.99	360.85	80.7	17.74	23.18	130.7	39.44	23.75	60.2	504.17	407.78	80.9
3.	Kalahandi (SBI)	529.50	558.70	105.5	36.61	18.97	51.8	58.78	52.58	89.5	624.89	630.25	100.9
4.	Keonjhar (BOI)	321.20	235.79	73.4	91.60	63.09	68.9	180.08	143.71	79.8	592.88	442.59	74.7
5.	Ganjam (ALB)	1671.05	1352.76	81.0	360.29	157.02	43.6	197.68	182.87	92.5	2229.02	1692.65	75.9
6.	Balasore (UCO)	1072.92	835.82	77.9	197.20	318.90	161.7	106.27	116.01	109.2	1376.39	1270.73	92.3
7.	Cuttack (UCO)	1908.62	1476.93	77.6	320.82	998.28	311.2	218.46	528.45	241.9	2447.90	3003.66	122.7
8.	Puri (UCO)	1350.74	2046.62	151.5	138.10	450.44	326.2	85.80	525.26	612.2	1574.64	3022.32	191.9

PUNJAB

(Amounts in lakhs of Rupees)

Sr. No.	Name of district	Performance data: Agriculture			Small Scale Industry			Services			Total		
		Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Amritsar (PNB)	1012.60	2226.00	219.8	1519.49	1310.00	86.2	134.37	297.00	221.0	2666.46	3833.00	143.7
2.	Bhatinda (SBP)	1398.01	2371.89	169.7	274.40	315.98	115.2	142.17	246.22	173.2	1814.58	2934.09	161.7
3.	Gurdaspur (PNB)	983.79	1029.93	104.7	767.77	607.39	79.1	133.82	371.75	277.8	1885.38	2009.07	106.6
4.	Kapurthala (PNB)	766.09	952.09	124.3	238.90	85.49	35.8	84.70	89.25	105.4	1089.69	1126.83	103.4
5.	Ludhiana (UCO)	3516.24	4841.59	137.7	1036.45	1416.78	136.7	278.14	608.69	218.8	4830.83	6867.06	142.2
6.	Patiala (SBP)	2175.50	4123.57	189.5	210.39	855.39	406.6	74.75	384.73	514.7	2460.64	5363.69	218.0
7.	Ropar (UCO)	1001.65	955.33	95.4	33.98	72.23	212.6	98.29	230.83	234.8	1133.92	1258.39	111.0
8.	Sangrur (SBP)	2408.07	3263.10	135.5	238.41	349.88	146.8	97.72	181.85	186.1	2744.20	3794.83	138.3

RAJASTHAN

(Amounts in lakhs of Rupees)

Sr. No.	Name of district	Performance data											
		Agriculture			Small Scale Industry			Services			Total		
		Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Ajmer (BOB)	474.12	572.19	120.7	158.75	306.19	192.9	76.58	169.49	221.3	709.45	1047.87	147.7
2.	Banswara (BOB)	180.76	243.98	135.0	130.83	48.47	37.0	23.69	54.88	231.7	385.28	347.33	103.6
3.	Bhilwara (BOB)	540.58	504.09	93.2	79.69	181.53	227.8	45.78	156.79	342.5	666.05	842.41	126.5
4.	Bikaner (SBBJ)	373.10	386.85	103.7	134.20	434.55	323.8	81.27	246.75	303.6	588.57	1068.15	181.5
5.	Ganganagar (SBBJ)	2483.94	1871.40	75.3	113.31	215.58	190.3	160.84	200.81	124.9	2758.09	2287.79	82.9
6.	Jaipur (UCO)	957.21	1299.68	135.8	578.82	982.61	169.8	484.32	640.58	132.3	2020.35	2922.87	144.7
7.	Sikar (PNB)	460.10	501.11	108.9	85.89	221.05	257.4	68.95	164.88	239.1	614.94	887.04	144.2

TAMIL NADU

(Amounts in lakhs of Rupees)

Sr. No.	Name of district	Performance data											
		Agriculture			Small Scale Industry			Services			Total		
		Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Coimbatore (CNB)	1704.00	1053.48	61.8	765.00	786.95	102.9	381.00	534.17	140.2	2850.00	2374.60	83.3
2.	Dharmapuri (IB)	1021.36	1138.97	111.5	220.81	222.37	100.7	121.62	229.45	188.7	1363.79	1590.79	116.6
3.	Madurai (CNB)	2183.30	2741.55	125.6	535.75	1035.26	193.2	380.95	443.61	116.4	3100.00	4220.42	136.1
4.	North Arcot (IB)	2201.94	1994.00	90.6	203.46	521.00	256.1	124.20	276.00	222.2	2529.60	2791.00	110.3
5.	Ramanathapuram (IOB)	1184.14	1913.75	161.6	392.60	865.67	220.5	85.17	278.78	327.3	1661.91	3058.20	184.0
6.	South Arcot (IB)	2419.01	1694.25	70.0	358.06	139.52	39.0	214.42	235.67	109.9	2991.49	2069.44	69.2
7.	Tiruchirapalli (IOB)	1924.90	2281.06	118.5	203.96	357.60	175.3	131.87	470.63	356.9	2260.73	3109.29	137.5

TRIPURA

(Amounts in lakhs of Rupees)

Sr. No.	Name of district	Performance data											
		Agriculture			Small Scale Industry			Services			Total		
		Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	North Tripura (UBI)	103.69	86.00	82.9	24.87	22.89	92.0	43.25	45.01	104.1	171.81	153.90	89.6
2.	South Tripura (UBI)	152.93	102.38	66.9	25.46	9.49	37.3	46.52	45.70	98.2	224.91	157.57	70.1
3.	West Tripura (UBI)	193.38	185.73	96.0	39.67	82.61	208.2	171.60	217.19	126.6	404.65	485.53	120.0

UTTAR PRADESH

(Amounts in lakhs of Rupees)

Sr. No.	Name of district	Performance data											
		Agriculture			Small Scale Industry			Services			Total		
		Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Agra (CNB)	695.28	436.74	62.8	187.46	252.75	134.8	185.33	232.93	125.7	1068.07	922.42	86.4
2.	Almora (SBI)	198.80	78.81	39.6	14.13	25.49	180.4	48.70	53.97	110.8	261.63	158.27	60.5
3.	Bahraich (ALB)	656.59	498.83	76.0	97.66	102.64	105.1	52.75	49.25	93.4	806.98	650.72	80.6
4.	Ballia (CBI)	544.34	543.70	99.9	92.24	23.67	25.7	44.90	151.47	337.3	681.48	718.84	105.5
5.	Banda (ALB)	679.70	525.67	77.3	38.58	22.17	57.5	57.30	54.05	94.3	775.58	601.89	77.6
6.	Budaun (PNB)	1089.85	584.87	53.7	79.04	66.60	84.3	79.01	109.92	139.1	1247.90	761.39	61.0
7.	Bulandshahr (PNB)	1350.04	943.28	69.9	121.50	74.84	61.6	41.49	282.43	680.7	1513.03	1300.55	86.0
8.	Chamoli (SBI)	153.32	154.41	100.7	14.71	19.75	134.3	43.95	32.59	74.2	211.98	206.75	97.5

UTTAR PRADESH (Contd.)

1	2	3	4	5	6	7	8	9	10	11	12	13	14
9.	Dehra Dun (PNB)	360.91	178.60	49.5	184.40	197.53	107.1	267.99	279.72	104.4	813.30	655.85	80.6
10.	Deoria (CBI)	1310.22	1055.02	80.5	53.17	23.12	43.5	102.86	137.16	133.3	1466.25	1215.30	82.9
11.	Etawah (CBI)	822.18	793.24	96.5	129.42	176.77	136.6	77.90	101.68	130.5	1029.50	1071.69	104.1
12.	Garhwal (SBI)	81.44	123.07	151.1	9.62	13.12	136.4	98.94	146.42	148.0	190.00	282.61	148.7
13.	Gonda (ALB)	494.49	425.57	86.1	31.39	25.10	80.0	32.81	58.59	178.6	558.69	509.26	91.2
14.	Gorakhpur (SBI)	1196.10	1243.73	104.0	440.02	767.95	174.5	221.10	307.39	139.0	1857.22	2319.07	124.9
15.	Jalaun (ALB)	407.51	520.55	127.7	16.99	10.73	63.2	25.77	43.17	167.5	450.27	574.45	127.6

WEST BENGAL

(Amounts in lakhs of Rupees)

Sr. No.	Name of district	Performance data: Agriculture Outlay	Agriculture Achievement	Agriculture Percentage	Small Scale Industry Outlay	Small Scale Industry Achievement	Small Scale Industry Percentage	Services Outlay	Services Achievement	Services Percentage	Total Outlay	Total Achievement	Total Percentage
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Malda (UBI)	365.60	187.78	51.4	20.00	25.69	128.5	40.00	57.44	143.6	425.60	270.91	63.7
2.	Midnapore (UBI)	2089.09	2120.84	101.5	89.00	81.72	91.8	196.00	200.48	102.3	2374.09	2403.04	101.2
3.	Nadia (UBI)	1327.87	683.28	51.5	129.05	101.31	78.5	65.02	93.38	143.6	1521.94	877.97	57.7
4.	Birbhum (UCO)	789.20	567.68	71.9	136.20	143.25	105.2	87.49	988.56	1129.9	1012.89	1699.49	167.8
5.	Burdwan (UCO)	2300.17	1018.59	44.3	496.68	111.16	22.4	475.00	587.75	123.7	3271.85	1717.50	52.5
6.	Cooch Behar (CBI)	275.25	183.31	66.6	43.08	33.50	77.8	112.61	105.69	93.9	430.94	322.50	74.8
7.	Darjeeling (CBI)	240.20	150.67	62.7	977.68	493.78	50.5	262.42	207.78	79.2	1480.30	852.23	57.6

UNION TERRITORY — ARUNACHAL PRADESH

(Amounts in lakhs of Rupees)

Sr. No.	Name of district	Performance data											
		Agriculture			Small Scale Industry			Services			Total		
		Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Kameng (SBI)	1.10	1.02	92.7	0.09	0.08	88.9	4.70	2.34	49.8	5.89	3.44	58.4
2.	Lohit (SBI)	3.69	1.43	38.8	0.73	0.14	19.2	6.72	5.81	86.5	11.14	7.38	66.2
3.	Siang (SBI)	3.05	1.45	47.5	0.39	0.36	92.3	2.32	4.79	206.5	5.76	6.60	114.6
4.	Subansiri (SBI)	1.39	0.15	10.8	3.49	4.21	120.6	5.95	4.95	83.2	10.83	9.31	86.0
5.	Tirap (SBI)	16.65	11.95	71.8	0.43	0.63	146.5	5.30	10.17	191.9	22.38	22.75	101.7

UNION TERRITORY — DELHI AND CHANDIGARH

(Amounts in lakhs of Rupees)

Sr. No.	Name of district	Performance data											
		Agriculture			Small Scale Industry			Services			Total		
		Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage	Outlay	Achievement	Percentage
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Delhi (SBI)	227.09	177.16	78.0	63.45	122.14	192.5	87.53	128.90	147.3	378.07	428.20	113.3
2.	Chandigarh (PNB)	18.00	43.58	242.1	5.00	8.11	162.2	15.35	31.20	203.3	38.35	82.89	216.1

ANNEXURE IV

STATE-WISE AND LEAD BANK-WISE DISTRIBUTION OF THE LEAD DISTRICTS

(Position as on 30th September 1982)

Sr. No.	Name of the Lead Bank	Andhra Pradesh	Assam	Bihar	Gujarat	Haryana	Himachal Pradesh	Jammu & Kashmir	Karnataka	Kerala	Madhya Pradesh	Maharashtra	Meghalaya	Manipur	Nagaland	Orissa	Punjab	Rajasthan	Tamil Nadu	Tripura	Uttar Pradesh	West Bengal	Sikkim	Goa, Daman and Diu	Andaman and Nicobar Islands	Delhi (Rural)	Mizoram	Dadra and Nagar Haveli	Laksha-dweep	Pondicherry	Chandigarh (Rural)	Arunachal Pradesh	Total
		Name of the States																						Name of the Union Territories									
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.	29.	30.	31.	32.	33.	34
'A'	State Bank of India & Associate Banks																																
1.	State Bank of India	5	2	2			2	10	2		7	4	5		7	6					8			2	2	1	3					9	77
2.	State Bank of Indore										3																						3
3.	State Bank of Hyderabad	7							1																								8
4.	State Bank of Saurashtra				6																			1									7
5.	State Bank of Mysore								3																								3
6.	State Bank of Patiala																3																3
7.	State Bank of Bikaner & Jaipur																	8@															8
8.	State Bank of Travancore									2																							2
	Total:	12	2	2	6		2	10	6	2	10	4	5		7	6	3	8			8			3	2	1	3					9	111
'B'	Nationalised Banks																																
1.	Allahabad Bank										1										8												9
2.	Bank of Baroda				7						1							10			13												31
3.	Bank of India			5							10	10				2					6												33
4.	Bank of Maharashtra											6																					6
5.	Canara Bank								7	5									4		3												19
6.	Central Bank of India			15							17	7						2			3	3											47
7.	Dena Bank				6						3																	1					10
8.	Indian Bank	2								1									5											1			9
9.	Indian Overseas Bank									1									6														7
10.	Punjab National Bank			7		10	6				1						5	4			8										1		42
11.	Syndicate Bank	5				2			6	1											4								1				19
12.	Union Bank of India									2	2										4												8
13.	United Bank of India		5											6						3		8											22
14.	United Commercial Bank		3	4			4									4	3	3				4											25
15.	Andhra Bank	4														1																	5
16.	Punjab & Sind Bank																1																1
'C'	Other Banks																																
1.	Jammu & Kashmir Bank Ltd.							4																									4
2.	State Bank of Sikkim																						4										4
	Grand Total:	23	10	33	19	12	12	14	19	12	45	27	5	6	7	13	12	27	15	3	57	15	4	3	2	1	3	1	1	1	1	9	412

@ Jointly with Bank of Rajasthan Ltd. for Udaipur District.