

## CHAPTER - V

### EVALUATION OF LEAD BANK SCHEME

5.1 INTRODUCTION

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CHAPTER - VEVALUATION OF LEAD BANK SCHEME5.1 INTRODUCTION :

As has been mentioned in previous chapter we know that the Lead Bank designated for a district is entrusted with the responsibility of overall economic development of the particular district and in order to fulfil this responsibility it is expected to prepare a credit plan for the concerned district. In this Giant task it can ask other banks working in the region to share some of the task. Accordingly, Bank of India as a Lead Bank took initiative and prepared first the Annual Plan for Sindhudurg District in the year 1985, starting from January and ending in December.

In this chapter an attempt has been made to evaluate the performance of Bank of India, in its capacity as a Lead Bank. These efforts expect to throw light on plus and minus points of both the plans and performance. Credit plan of the district is implemented mainly by the concerned lead bank of the district. The credit plan is the commitment of the Lead Bank to meet the credit requirement of the district as a whole. It is an exercise in credit rationing and monitoring mainly discharge by the lead bank. Though it is an attempt of financial planning since

stock taking of the available natural and physical resources is taken before financing credit plans.

A brief scrutiny of credit plans for the district will help to know whether priorities accorded and financial resources allocated for different sect<sup>or</sup> centres are in proper lines or not.

With this view in mind an attempt has been made to elaborate the nature of credit plans from 1985 to 1988, in the first part of this chapter and then, in the second part, the performance of Lead Bank with reference to credit plan is examined on the basis of some criteria such as branch expansion, bank advances etc.

#### 4.2 NATURE OF CREDIT PLANS :

With this view in mind, we have collected data in this respect from the concerned bank for the period extending from 1985 to 1988. i.e. four calendar years in all. Hence we cannot claim that the data and period used for the study is quite sufficient to say something conclusively about the scheme and performance of the bank, but we were constrained by the fact that the Lead Bank Scheme was separately operated only from 1985 onwards for the newly formed ( from 1st May, 1981) Sindhudurg district. In fact this scheme was in operation since 1982 in the old unbifurcated

Ratnagiri District, which then included even the part known now as Sindhudurg district. The composite plan related to 1982-84 period and hence a separate data is not available in respect of Sindjudurg District. This has forced us to collect and use data only for above mentioned four years i.e. 1985 to 1988.

Even then we can claim that the trend revealed from the study cannot be insignificant. In some way or the other, it will be of help in unfolding the nature of shortcomings and some praiseworthy features of the scheme. So<sup>in</sup> the following paragraphs tried to take account of performance of each calender year separately.

#### CREDIT PLAN \*('8 (1985)

It is clear from the perusal of the Table No. 5.1 for the year 1985<sup>1</sup> that out of total amount of Rs. 962.36 lakhs were spent on various schemes of development, comprising mainly agriculture sector small scale sector and other priority sector covering all Talukas of the district. Out of the total targeted amount of Rs. 962.36 lakhs. Rs. 414.27 lakhs i.e. 43.04 per cent amount was allocated to the Agriculture sector, Rs. 164.49 lakhs i.e. 17.09 per cent was allocated to small scale industry and remaining amount of Rs. 383.60 lakhs, i.e. 39.86 per cent was allocated to other priority sector.

TABLE NO.5.1

## FINANCIAL TARGETS AND ACHIEVEMENT UNDER ANNUAL ACTION PLAN 1985

## PERFORMANCE

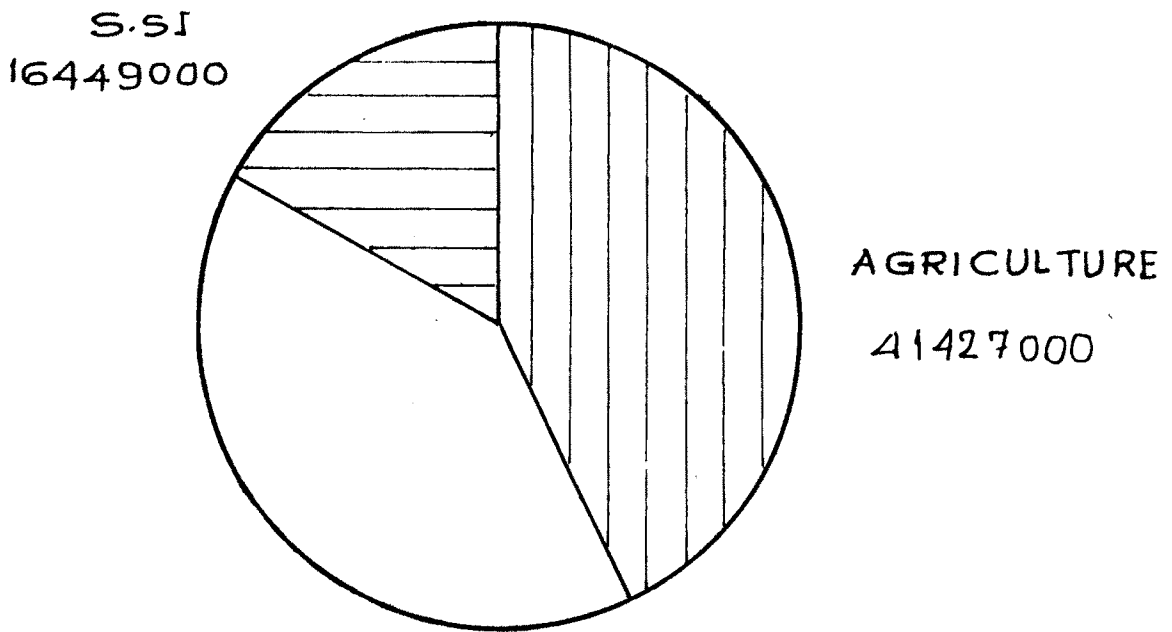
(Amount in Thousand)

Sector Scheme Activity	Bank of India		Bank of Maharashtra		State Bank of India		Union Bank of India		Syndicate Bank of India		Dena Bank		Central Bank of India		R.S.G. Bank		Land Development		S.D.C.C. Bank		Total for District		Achievement % of	
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement		Total Credit
<b>AGRICULTURE</b>																								
Crop Loan	1908	5439	440	3254	72	604	400	1069	80	604	8	73	16	81	28	582	-	2603	15200	18360	18152	18,87	32669	179.97
Irrigation	196	553	153	216	92	274	54	35	121	135	18	39	33	26	90	122	558	607	247	488	1562	1.62	2495	159.73
Farm Equipment	130	255	116	187	94	-	74	21	154	179	118	30	22	17	120	253	58	-	246	1254	1046	1.08	2206	210.89
Horticulture	136	234	172	510	148	-	100	396	40	-	8	4	32	11	64	-	1360	230	500	1996	2560	2.67	3281	128.16
Others	144	298	306	372	258	243	60	74	39	257	12	-	-	22	45	-	54	-	63	622	981	1.01	1888	192.25
Dairy	780	588	590	690	540	250	255	51	235	233	95	-	55	44	450	501	350	-	1850	2357	5200	5.40	4614	88.73
Poultry	276	279	210	42	144	22	84	53	60	27	12	120	24	44	66	27	54	-	120	30	1050	1.09	578	55.04
Fisheries	381	528	394	223	616	656	264	211	509	827	-	9	10	1	70	1016	187	1029	3447	3447	3.59	3484	101.07	
Goatery	140	159	92	-	36	-	27	-	40	30	20	51	6	365	60	205	30	145	132	596	0.61	577	96.81	
Biogas	972	1723	822	1222	588	561	372	174	294	54	120	152	108	365	765	190	882	21	1086	571	6000	6.23	5033	83.88
Others	70	14	51	309	130	184	25	69	115	203	50	-	30	16	150	631	157	37	37	833	0.87	1426	171.18	
Total	5133	10070	3346	7025	2818	2772	1715	2153	1687	7449	361	478	336	583	1905	2511	4537	3361	19689	16649	41427	58251	14061	
<b>S.S. INDUSTRIES</b>																								
Kath Manufacturing	1450	2215	550	12	300	-	850	980	-	-	-	-	-	-	-	-	-	-	-	2076	3050	3.16	5283	173.21
Food Processing	350	103	260	137	600	28	300	55	210	-	50	25	50	116	30	-	-	-	-	-	1850	1.93	664	25.08
Engg. Unit	1050	155	850	216	950	117	350	40	300	-	50	-	50	-	-	-	-	-	-	-	4300	4.47	528	22.27
Rural & Cottage Industries	-	190	-	-	-	-	-	-	-	86	-	-	-	-	-	-	-	-	-	1620	-	-	1896	-
Others	1601	1349	1928	598	1198	1289	482	189	229	8610	59	43	-	71	250	97	-	-	1502	599	7249	7.56	12845	177.19
Total	5151	4012	3588	963	3048	1434	1882	1264	739	8696	159	68	100	187	280	97	-	-	1502	4295	16449	21016	58251	127.76
<b>OTHER PRIORITY SECTORS</b>																								
S.R.W. Transport	1414	3656	740	1293	932	1897	378	196	316	1207	12	-	154	505	60	251	-	-	124	-	4130	4.29	8605	208.35
Trucks	600	2605	300	936	300	-	-	-	150	342	-	-	-	236	-	-	-	-	-	-	1350	1.40	4121	305.25
Rickshaw	-	304	-	163	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	814	430	440	355	632	1526	378	426	266	-	12	-	154	269	60	251	-	124	124	-	2780	2.89	467	121.61
Retail Rtraders	1035	2459	651	661	1202	545	351	498	648	72	50	67	151	310	281	603	-	-	383	14842	4752	4.93	19957	419.97
Small Business	684	1165	433	1562	342	203	78	288	579	324	60	128	36	397	201	545	-	-	279	1145	2712	2.81	5757	212.27
P & S. Employment	970	1362	638	925	330	209	206	440	660	360	60	67	108	-	192	1015	-	-	98	-	3262	3.39	4378	134.21
Education	55	18	45	10	50	9	-	-	-	-	10	-	-	-	-	-	-	-	-	-	160	0.17	37	23.12
Others	1280	991	524	925	166	-	104	-	350	113	40	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	6852	12990	3791	6733	3956	3989	1495	1848	2869	2418	244	262	603	1717	982	2665	-	-	16560	-	19214	19.96	2029	10.56
Grand Total	17136	27027	10725	14725	9722	8195	5092	5265	5295	13563	764	808	1039	2487	3167	5273	4537	3485	38759	47129	96236	100.00	17999	133.00

SOURCE : Credit Plan of 1985 prepared by Lead Bank of District and its ledger.

GRAPH NO:- 5.1

P.I.E DIAGRAM: SECTOR WISE  
CREDIT ALLOCATION BY LEAD BANK.  
OF SINDHUDURG DISTRICT OF 1985  
BASED ON TABLE NO: 5.1



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O.P.S. 38360000

S.S. INDUSTRIES

AGRICULTURE.

O.P. SECTOR

From the scrutiny of the plan it is evident that the planners have attached highest importance to the development of Agriculture Sector and as such have allocated almost 43.04 per cent amount to this sector. What criteria were adopted for allocation of credit to various sector is not clear but a large allocation to Agriculture sector does not appear realistic. Again in Agriculture Sector, it self, crop loan consumes 18.86 per cent allocation to total credit. On the contrary Horticulture, Fisheries and Food processing which are considered to be the main pillars of Konkan economy have a very negligible allocation of 2.66 per cent, 3.58 per cent and 1.92 per cent respectively. In Agriculture sector provision of 6.23 per cent credit has been made for Bio-gas plants, this is in keeping with the Government policy of energy development. In this sector provision has also been made for subsidiary industries such as dairy, poultry, Goatory etc. this means that while preparing the credit plan the lead bank has taken into account all possible avenues of a agriculture development with the only defect that a very high proportion of allotment is given to this sector though agriculture dosen't command so much importance in this district.

So far as the nature of credit allocation to small scale industries concerned, one may be surprised to note that the Rural

and cottage industries do not have any provision. In fact, agriculture in this district being very poor, the people have to fall back upon Rural and Small Scale Industry as a supplementary source of livelihood. The allotment in this sector is not so much clear cut because a clear mention of only Kath manufacturing industry, food processing and Engineering units is noticeable, all other industries if any in existence are included in others. Second noticeable feature of allocation of credit to this sector is that only 17.09% of total credit is allotted to this sector, this provision on its face appears to be very small of the requirement.

The allocation for the third sector i.e. other priority sector is 39.86% to total credit, but here again the 'other sub sector has been allotted almost 20 per cent of the total credit. This other provision is of miscellaneous nature, which in a sense possesses elasticity of the credit plan. In this sector Retail Trading has been allotted nearly 5 per cent and 4.29 per cent allotted for Transport development.

It is obvious from the above discussion of the nature of the credit plan, that the lead Bank has touched almost all important sectors and sub sectors, which are important from development point of view in the economy. Though we do not know the criteria of



credit devolution in between various sectors it is noteworthy that no sector has been completely neglected the allotment may not be commensurate.

CREDIT PLAN IN PHYSICAL TERMS :

It is a praiseworthy feature of the credit plan prepared by Lead Bank of Sindhudurg District that the plan is prepared not only in the financial terms but also in physical terms as well. In fact, planners do regard and attach more weightage to physical planning as is done in some of the socialist countries. It is said that

PHYSICAL TARGETS AND ACHIEVEMENTS UNDER ANNUAL ACTION PLAN 1985

Activity	B.O.I		S.B.I		U.B.I		S.Y.BANK		C.B.I		L.D.B.		R.S.G.B		Total for Dist.							
	T	A	T	A	T	A	T	A	T	A	T	A	T	A								
<b>AGRICULTURE</b>	477	432	110	116	18	57	100	42	20	4	2	4	4	3800	19946	-	-	7	65	4538	20666	
Crop Loan	26	72	22	37	14	51	8	6	17	30	2	7	5	4	38	110	80	68	14	26	226	411
Irrigation	65	142	58	57	47	47	37	3	35	51	9	18	6	4	130	559	29	60	60	102	476	936
Farm Equip.	34	29	43	6	37	6	25	25	10	2	2	8	3	125	34	340	189	16	16	640	288	
Horticulture	48	27	102	71	86	66	20	14	13	59	4	12	21	162	18	15	327	411				
Others	156	246	118	192	108	69	51	8	47	57	19	11	15	370	601	70	90	84	90	84	1046	1272
<b>ALLIED TO AGRICULTURE</b>	46	12	35	6	24	6	14	9	10	3	2	50	4	20	4	9	11	5	11	5	175	89
Dairy	105	80	110	48	152	163	79	62	126	93	1	2	1	80	223	223	35	455	35	455	912	903
Poultry	140	83	93	36	36	27	40	24	40	24	20	32	6	145	68	30	87	60	60	294	597	588
Fisheries	162	366	137	241	98	118	62	33	49	16	20	31	18	80	126	147	41	127	1040	1000	2077	2077
Goatery	70	6	51	89	130	62	25	30	114	45	50	30	6	38	294	175	133	150	371	832	1036	1036
Bio Gas	1329	1495	879	863	750	586	448	232	481	382	130	141	94	114	4946	21904	1121	518	585	2442	10763	28777
Others	29	39	11	2	5	2	15	22	-	-	-	-	-	-	-	-	-	-	-	-	61	63
<b>S.S.I.</b>	7	8	6	7	12	3	6	3	7	7	1	1	1	5	-	-	-	-	1	-	41	27
Kath Mfg.	35	7	17	3	19	8	7	2	10	-	1	1	-	-	-	-	-	-	-	-	90	20
Food Processing	221	230	201	135	152	149	105	12	79	152	10	11	21	4	185	1164	-	127	12	127	1101	1869
Engg. Unit	292	284	235	147	189	160	133	39	96	152	12	12	23	9	185	1164	128	12	128	12	1293	1979
Others	35	142	20	43	22	420	14	28	8	13	3	4	18	31	54	-	-	15	-	-	152	778
Total	1361	1859	816	1174	629	442	259	209	809	833	90	248	105	214	8485	981	-	328	10	-	12882	6270
<b>O.P.S.</b>	35	142	20	43	22	420	14	28	8	13	3	4	18	31	54	-	-	15	-	-	152	778
Transport	282	544	186	253	276	202	90	72	147	243	25	24	35	63	122	313	-	103	-	£	1266	1714
Retail Trade	351	151	410	114	62	26	72	193	201	20	89	12	129	93	144	-	-	67	10	-	904	1468
Small Business	485	569	319	302	165	47	103	37	330	134	30	135	54	4	49	395	-	96	-	-	1631	1723
P. & S. Empl.	11	5	8	2	10	9	-	-	-	-	2	-	-	-	-	-	-	-	-	-	32	16
Education	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
Housing	-	27	-	137	-	2	-	-	75	191	-	-	-	8100	18	-	-	-	-	-	8175	375
Consumption	320	120	131	27	82	-	26	-	56	51	10	-	-	90	57	-	47	-	-	-	722	255
Others	1361	1859	816	1174	629	442	259	209	809	833	90	248	105	214	8485	981	-	328	10	-	12882	6270
<b>Grand Total</b>	2982	3688	1930	2184	1568	1488	840	480	1380	1367	401	337	13616	24049	1121	518	1041	2468	24938	24938	36926	36926

SOURCE : Credit plan of 1985 prepared by Led Bank and its ledger.

financial planning can be deceptive due to price rise or corruption etc. So physical planning is more realistic. It shows increment in goods and services.

Table No. 5.2 indicates the nature of physical plan for the year 1985. This just shows the counter part of the financial plan. Physical plan express the number of physical targets or achievements at a certain financial price.

Table No. 5.2 shows that in all 24,938 accounts opening was the target kept by the Lead Bank out of this 10763 Accounts were to be introduced in agriculture 1293 accounts in small scale industries sector and 12882 accounts in other priority sector. It is evident from this table that the number of accounts targeted is almost equal in both agricultural sector and other priority sector. Extension of crop loan accounts occupies important place in this physical plan.

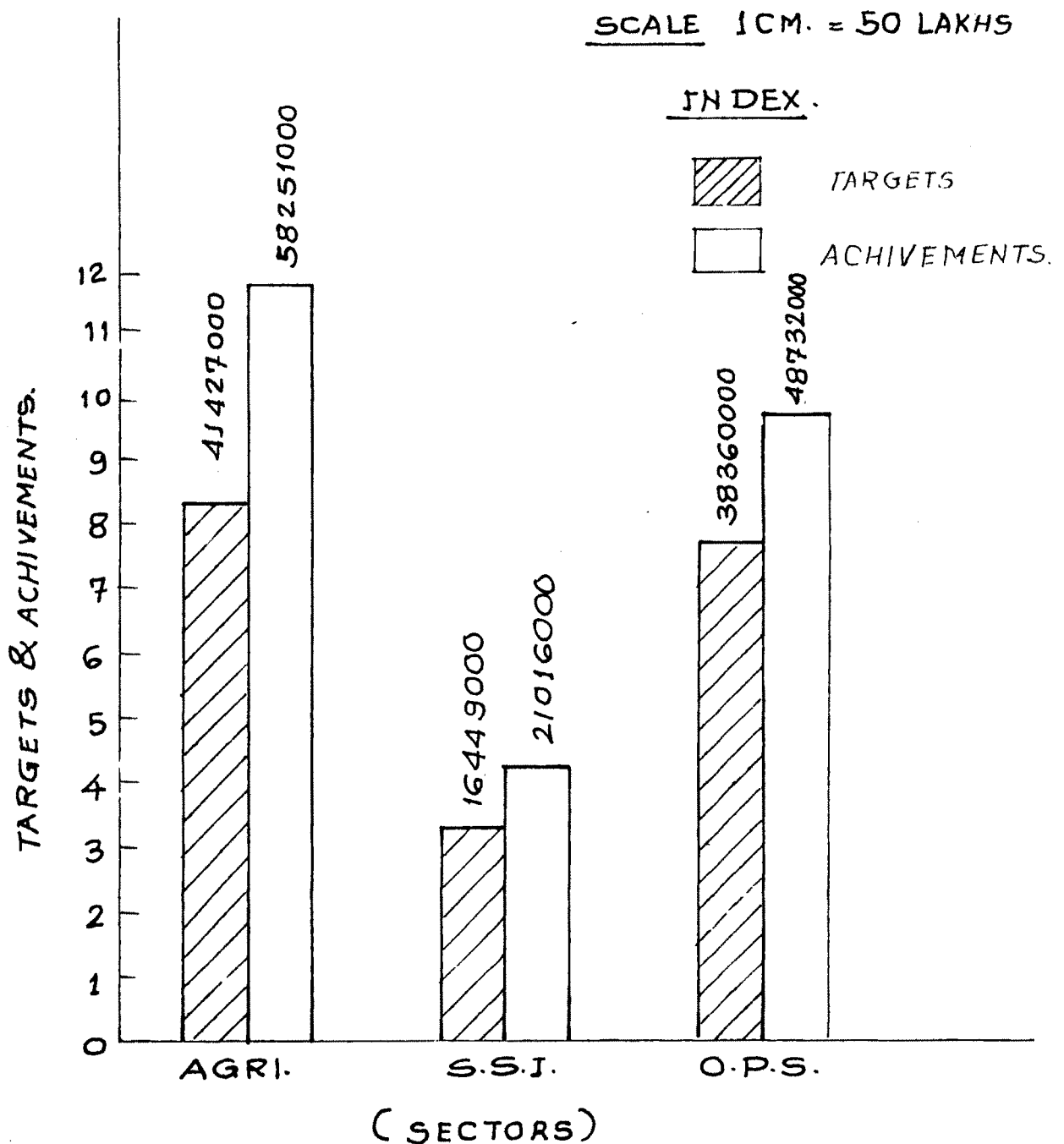
#### ACHIEVEMENTS OF 1985 CREDIT PLAN :

Bank of India as a Lead Bank of Sindhudurg District in consultation and cooperation with other banks in the region decided to sanction a total credit of Rs. 962.00 crores in the year 1985. In this situation it is impertative that we should take note of the achievements. The last two columns of Tablr No. 5.1 show achievements in absolute and relative terms respectively. At the

end of year as against the target of 962.36 lakhs total amount Rs. 1279.99 lakhs was disbursed as credit to various sectors. The numbers speak for themselves and need no comment, even then we cannot restrain ourselves to say that the achievements of Lead Bank were far above the target. In numerical terms the performance was 133 per cent above the target. This is quite satisfactory thing.

BAR DIAGRAM: TARGETS OF  
ACHIVEMENTS OF VARIOUS SECTORS  
UNDER A.A.P.: 1985.

BASED ON TABLE NO:-



If we evaluate the sectorwise performance it appears that the achievement of agriculture sector was the highest. This sector achievement 40 per cent above the target. Though the performance of this sector was above the target, we can say that the target allotted to this sector was not decided after careful consideration of the probable requirement. In case of small scale industry sector the achievement is 27 per cent above the target. The achievement of other priority sector is again, 27 per cent above the target. Thus so far as the achievements is concerned it is strangely spectacular and above the target, a rate experience on an average the achievement is above 27 per cent in all above the target. This leads us to opine that the performance of lead bank was praiseworthy and impressive.

If we take into consideration the scheme wise performance it appears that the achievement of agriculture sector was higher than the average achievement. The average achievement of all sector is 133 per cent ( last column) above the targets. Where as the achievement of agriculture sector is 140.61 per cent. There is no difference between achievement percentage of small scale industry and other priority sector both being 127 per cent i.e. above the target. The performance of poultry was the lowest in agriculture. Perhaps due to climetic conditions and deficiency of veterinary facility and marketing facilities. The performance

under small scale industry is satisfactory except Food processing and Engineering units. Food processing units have more importance in this district but the performance was poor. In this respect it was asked why this happens the field officer of the bank answered that, there is low response from the prospective beneficiaries he further said that certainly there was wide scope for Horticulture and food processing industry based on it in this district. The Government and the Lead Bank have extended a number of facilities to the beneficiaries, but even then the growth of food processing unit is not up to the mark.

Performance under other priority sector except education is quite satisfactory.

If we review the bankwise performance, it appears from the Table No. 5.1 that, except Land development Bank, all Banks have fulfilled their targets. This means that, the lead bank has been successful in getting full hearted cooperation from the associate while determining the bank wise credit responsibility, the Lead Bank takes into account the number of bank branches, its deposits and previous credit disbursement. Therefore, each of the bank working in this district is given different responsibility. Land Development bank achieved only 42 per cent of target allotted to it. This shows that, the farmers in this district have not realised the importance of land development bank in the development of

agriculture on long term basis. The failure of land development bank cannot be said to <sup>be</sup> the failure of land development bank, it is the failure of the people in this district. In case of small scale industries all other banks except Syndicate Bank, Central Bank and D.C.C. Bank have been unable to fulfil their target. It is interesting to note, that the performance of Bank of India. The Lead Bank of the District is less than the target. In particular Bank of Maharashtra, Dena Bank and Ratnagiri Sindhudurg Gramin Bank show very poor performance i.e. 26 per cent, 42 percent and 34 per cent of target respectively. While considering the Bankwise aggregate performance all Banks have already crossed their targets except State Bank of India, Land Development Bank.

If we try to evaluate the performance in physical terms, we are surprised to note that the achievement in terms of physical goods and services is 33 per cent above the physical targets in aggregate. The physical performance is more impressive in case of agriculture sector, particularly crop loan availability, increasing 5 times of the targets. The physical achievements in agriculture as a whole, have surpassed 2-5 times of the physical target.

On the contrary, the physical targets of other priority sector, were high but achievement was only 50 per cent of the target. Even in case of small scale industry sector, the physical



achievement exceeds by 33 per cent of the original targets.

In short, the performance of Lead Bank is upto the mark.

CREDIT PLAN : 1986 :

Now let us turn our attention to the credit plan prepared by Lead Bank for the year 1986, on the basis of experience gained in the previous year, Bank of India was better placed for the task of preparing Annual Action Plan. Even then we can not miss to note that, as compared to the credit plan of 1985. The current plan was not very ambitious. The Table No. 5.3 represents the targets, as well as, the achievements simultaneously. The credit plan for the 1986 aimed at providing a total credit of Rs. 10.77 crores in all. The plan allocated Rs. 4.92 crores for agriculture sector, Rs. 2.02 crores for small scale industry sector and Rs. 3.83 crores for other priority sector. The total comes to 10.77 crores in aggregate. This target cannot be claimed as more dynamic and ambitious one, because the achievement of the previous year was Rs. 12.80 crores. So it would have been more appropriate that the target had been kept at atleast above Rs. 12.80 crores i.e. where the previous performance extended.

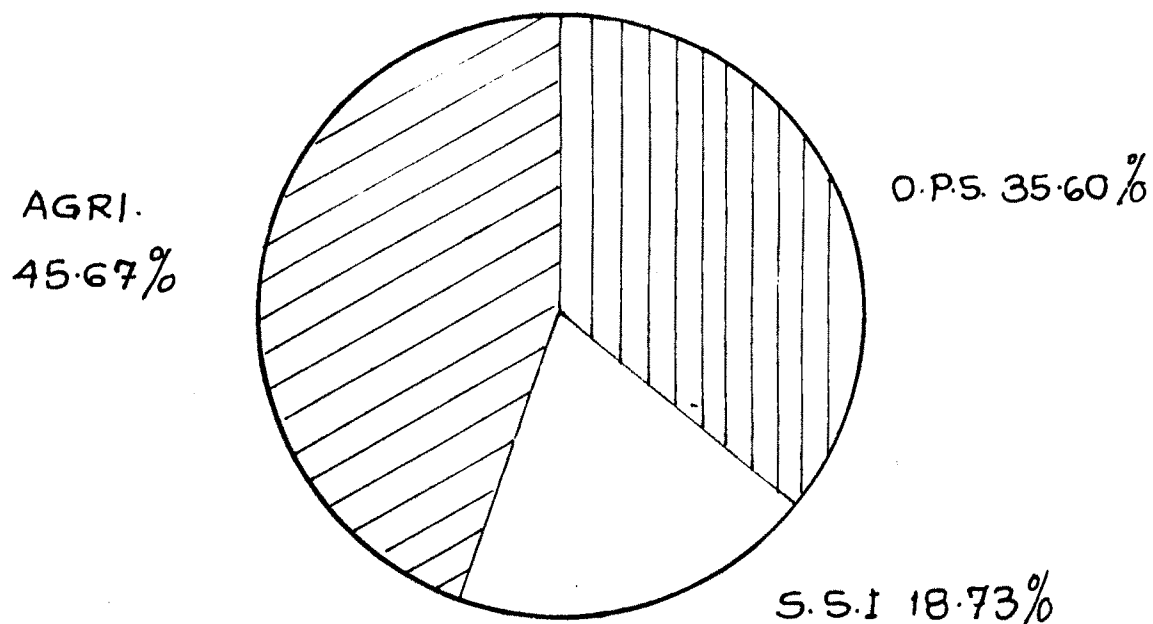
	Target	Achieve-	Target	Achieve-	Target	Achieve-	Target	Achieve-	Target	Achieve-	Target	Achieve-	Target	Achieve-	Target	Achieve-	Target	Achieve-	Target	Achieve-	Target	Achieve-	Target	Achieve-
<b>Agriculture &amp; Allied:</b>																								
Crop loan	3000	5469	300	3739	200	966	500	1094	20	36	40	109	100	760	17600	22763	21860	20.29	32419	148.30				
Irrigation	304	544	446	365	272	550	120	55	37	14	45	50	218	149	540	460	2180	2.60	2812	97.61				
Farm Equip.	250	374	210	446	63	-	95	26	42	9	31	27	158	363	1470	1469	2413	2.24	2871	118.98				
Horticulture	329	251	239	86	279	-	188	326	26	5	59	-	219	-	992	276	3778	3.51	2361	62.49				
Other Agri.	-	123	375	140	300	344	75	26	112	7	-	-	4	-	-	-	1002	0.94	781	77.94				
Dairy	675	598	675	598	540	266	252	16	112	194	68	209	517	761	2700	2917	5858	5.43	5766	98.42				
Poultry	300	457	102	457	144	-	84	40	30	-	12	12	90	-	-	-	822	0.77	1031	125.42				
Fisheries	452	782	220	782	753	618	120	314	625	2	12	-	80	35	240	-	2535	2.35	3244	127.96				
Coatery	168	160	143	85	63	-	24	16	35	-	14	22	140	315	245	177	888	0.83	812	91.44				
Bio-gas	1423	2338	1095	1463	949	716	657	74	146	146	187	153	657	704	365	157	5844	5.42	5977	102.27				
Other Allied	-	246	700	246	150	306	30	552	10	21	-	-	200	15	-	-	1290	1.19	1685	130.62				
	6901	6419	4505	8487	3713	3766	2145	2539	458	434	468	582	2379	3104	24160	28419	49170	45.67	59759	121.53				
<b>Small Scale Indust.</b>																								
Kath Mfg.	3600	7431	600	415	480	-	780	-	-	-	-	45	-	-	1020	1467	6480	6.01	9358	144.41				
Food Processing	350	403	400	183	750	76	400	65	50	-	100	60	-	-	-	-	2550	2.36	799	31.33				
Engineering Unit	250	1122	-	255	1250	673	250	-	-	49	-	-	-	-	-	-	1750	1.63	2099	119.94				
Rural & Cottage Ind.	477	574	279	-	193	-	201	-	14	-	29	29	254	-	1400	2440	2973	2.77	3166	106.49				
Other Industries	1601	1272	1020	1379	1350	1682	320	558	70	18	59	339	-	117	1000	-	6420	5.97	2460	101.65				
	6278	10802	2299	2232	4023	2431	1951	623	134	67	188	473	254	117	3420	3916	20173	18.75	23882	118.28				
<b>O.P.Sector :-</b>																								
Transport Opern.	680	10139	1100	1766	680	1411	160	292	80	44	260	97	80	404	-	2076	3360	1.12	16107	485.32				
Retail Traders	2000	2329	1620	2714	1725	1724	400	545	150	55	200	192	475	1374	1700	2102	25070	23.28	11881	47.39				
Small Business	810	1526	1200	3571	450	701	300	519	150	185	102	571	420	442	1076	-	5622	5.22	9131	162.41				
P. & S.Employment	1200	1568	760	1112	400	745	500	660	70	19	200	55	400	917	-	-	4190	3.90	5364	128.00				
Education	15	7	25	8	50	-	-	-	10	-	-	-	-	-	-	-	100	0.09	15	15.00				
Others	-	257	-	-	-	1226	-	54	-	-	-	10	-	256	-	-	-	-	1803	-				
	4705	15826	4705	9171	3305	5807	1360	2070	460	303	762	925	1175	3413	18500	5254	38342	35.60	44501	116.06				
	17884	33047	11509	19810	11041	12004	5456	5232	1032	804	1418	1980	4008	6634	46080	17589	107665	100.00	120142	110.99				

SOURCE : Credit Plan of 1986 prepared by Lead Bank of District. i.e. Bank of India and its ledger.

GRAPH NO: 53

P.I.E. DIAGRAM: SECTORWISE  
PERCENTAGE OF CREDIT DISTRIBUTION: 1986

BASED ON TABLE NO: 53

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O.P.S.



S.S.I.



AGRICULTURE.

The pie Diagram and the Table No. 5.3 shows that, out of Rs. 10.77 crores 45.67 per amount was allocated to Agriculture sector, there by indicating that almost 50 per cent of the credit was given to this sectors further, it is clear from the pie diagram that 18.73 per cent of the total credit was appointed for small scale industry sector and remaining 35.60 per cent credit was provided for other priority sector. In short, this shows thus, there is no change in percentage allocation for the sector, the importance of various sectors remain unchanged.

If we analyse the credit plan at some length it, appears that, the credit plan has laid emphasis on agriculture and allied sector much more. Among the Agriculture sector crop loan continues to be the item of highest importance. As compare to crop loan, the other two important items fisheries 2.67 per cent and Horticulture 3.51 per cent were allocated Meagre amount Bio-Gas appears to have received more importance, as it has received 5.42 per cent credit of the total. In the same manner the provision was made for the Dairy activity which received 5.43 per cent of the total credit. Credit provision for individual irrigation projects is on increasement.

In respect of small scale industry, the provision has been slightly increased by 0.75% to 18.74% in 1986, as compared to the provision in 1985. In this sector major portion is provided

for kash Manufacturing (6.01%) other industry (5.97%) cottage industry and food processing units have been provided a credit of 2.77% and 2.36% respectively. In absolute terms the provision for small scale industry sector is enhanced by roughly 38 lacs.

*but* The lead bank appears as slow but increasing credit requirement of this sector and has made a provision in consonance with the changing situation.

Other priority sector has been allocated Rs. 3.83 crores in all, out of which a big portion, i.e. Rs. 2.51 crores is marked for Retail Trade, this occupies 23.28% of the total credit.

*Must* We must not fail to notice that the retail trading is having larger provision even than crop loan activity. This again points to the greater importance of the trading activity in the region. Small business ventures have been allotted 5.22 percent of the total credit and self employment scheme a meagre i.e. 3.93 per cent of the total credit. Transport operations have been given 3.12% of total credit. A credit plan allocated some what more than 1/3 of total credit to other priority sector, but as compare to previous years percentage the provision appears to be decreased by 4%, of course in absolute terms the provision for this sector remains unchanged at 3.83 crores.

	T.	A.	T.	A.	T.	A.	T.	A.	T.	A.	T.	A.	T.	A.	T.	A.	T.	A.	T.	A.	Target	Actual
<b>Agriculture :</b>																						
Crop loan	300	151	80	134	20	33	50	37	10	13	2	1	4	3	17600	22563	-	-	10	-	18076	231
Term Loan	234	367	341	245	227	208	126	38	175	115	30	15	34	19	986	494	162	169	151	154	2666	18
Irrigation	51	91	69	54	43	114	19	9	26	20	5	3	7	9	106	90	109	30	33	42	468	4
Farm Equip.	119	181	100	166	30	-	45	6	45	66	20	4	15	10	700	379	43	38	75	-	1192	8
Horticulture	64	21	47	4	54	-	37	16	20	-	5	-	12	-	180	14	253	138	43	90	715	2
Others	-	48	125	21	100	86	25	7	84	31	-	4	-	-	-	-	-	-	-	-	334	1
<b>Allied Act.</b>																						
Dairy	150	183	150	162	120	103	56	6	71	85	25	85	15	47	600	700	-	47	115	-	1302	14
Poultry	50	17	17	13	24	-	14	3	10	5	5	-	2	2	-	-	-	2	15	-	137	-
Fisheries	142	139	50	69	193	190	80	62	108	79	-	2	2	-	40	-	75	-	20	-	710	5
Goatery	120	85	102	146	45	-	17	7	40	20	25	-	10	8	175	86	-	26	100	-	634	3
Bio-gas	195	445	150	267	130	161	90	73	50	68	20	45	25	26	365	320	-	-	90	5	1115	14
Others	-	41	700	-	150	103	30	14	200	-	10	14	-	-	-	-	-	8	200	-	1290	1
<hr/>																						
1425	1969	1931	1281	1136	988	589	278	839	502	147	173	126	124	20752	24646	842	458	852	292	28639	307	
<hr/>																						
<b>Small Scale Industries</b>																						
Kath Mfg.	60	118	10	5	8	-	13	-	-	-	-	-	-	-2	120	90	-	-	-	-	211	2
Food Processing	14	21	16	4	30	4	16	13	20	2	2	2	4	2	-	-	-	-	-	-	102	-
Engineering Unit	10	11	-	3	50	8	10	-	-	-	-	-	-	-	-	-	-	-	-	-	70	-
Rural & Cottage	205	148	127	227	96	-	95	-	60	36	8	2	15	37	400	342	-	116	-	-	1122	7
Others	252	45	51	45	180	237	46	19	140	14	11	2	10	9	-	22	-	-	-	-	690	3
<hr/>																						
541	343	204	284	364	249	180	32	220	52	21	6	29	50	520	454	-	116	-	2195	-	14	
<hr/>																						
<b>Other Priority Sector :</b>																						
Trucks	2	28	4	16	2	-	-2	1	-	-	-	-	1	-	-	-	-	-	-	-	10	-
Rickshaw	10	18	10	24	10	11	8	3	5	3	3	1	2	2	-	-	-	-	-	-	48	-
Other Transport	20	12	25	50	20	22	-	-	5	5	5	1	5	12	-	-	-	20	61	100	1	
Retail Trade	400	584	324	277	345	534	80	74	300	204	30	8	40	18	-	-	-	95	232	1614	19	
Small Business	270	253	400	690	150	226	100	96	230	104	50	127	34	187	-	-	-	140	132	1374	18	
P. & S. Employ.	600	790	380	359	200	139	250	186	330	127	35	9	100	15	-	-	-	200	487	2095	21	
Education	3	7	5	4	10	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	20	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<hr/>																						
1305	1692	1148	1420	737	932	438	361	871	443	125	146	182	234	-	-	-	-	455	912	5261	61	
<hr/>																						
3271	3318	3283	2985	2237	2179	1207	671	1930	997	293	325	337	408	21272	25100	842	458	1423	1204	36095	383	

SOURCE : Credit Plan of 1986, Prepared by Lead Bank of District  
i.e. Bank of India and ICS ledger.

NATURE OF CREDIT PLAN IN PHYSICAL TERMS :

In keeping with the tradition of preparing credit plan in terms of financial and physical terms, the 1986 credit plan also is available in both the terms. Table No. 5.4 shows the physical targets and achievements in physical terms. The Table clearly shows that, in all the credit plan aims to open 38,331 accounts in aggregate. Here we should note that, the credit plan has provided 33% more target in physical term as compared to previous year. This means though the credit plan is not ambitious in financial terms. It is certainly so in physical terms. The Table further shows that 28,639 accounts will be opened in agriculture sector, 2,195 accounts in small scale industry sector and 5,261 accounts in other priority sector. In comparison with the previous year the no. of accounts in the agriculture, sector is trebled where as the no. of accounts in small scale industry and other priority sector is reduced by 50% in short this points out to the fact that, though the target is increased by 33% the increase is not balanced so far as the there sector is concerned the target is increased greatly on case of agriculture only.

ACHIEVEMENTS OF 1986 CREDIT PLAN :

As explained in previous paragraph it is quite clear that the credit plan for 1986 was more ambitious at least in case of physical targets. The financial targets were kept not so

higher than the previous plan therefore let us analyse with the available data the achievements in physical as well as financial targets in 1986.



BAR DIAGRAM: TARGETS &  
ACHIVEMENTS UNDER A.A.P. 1986.

BASED ON TABLE NO: 5.3

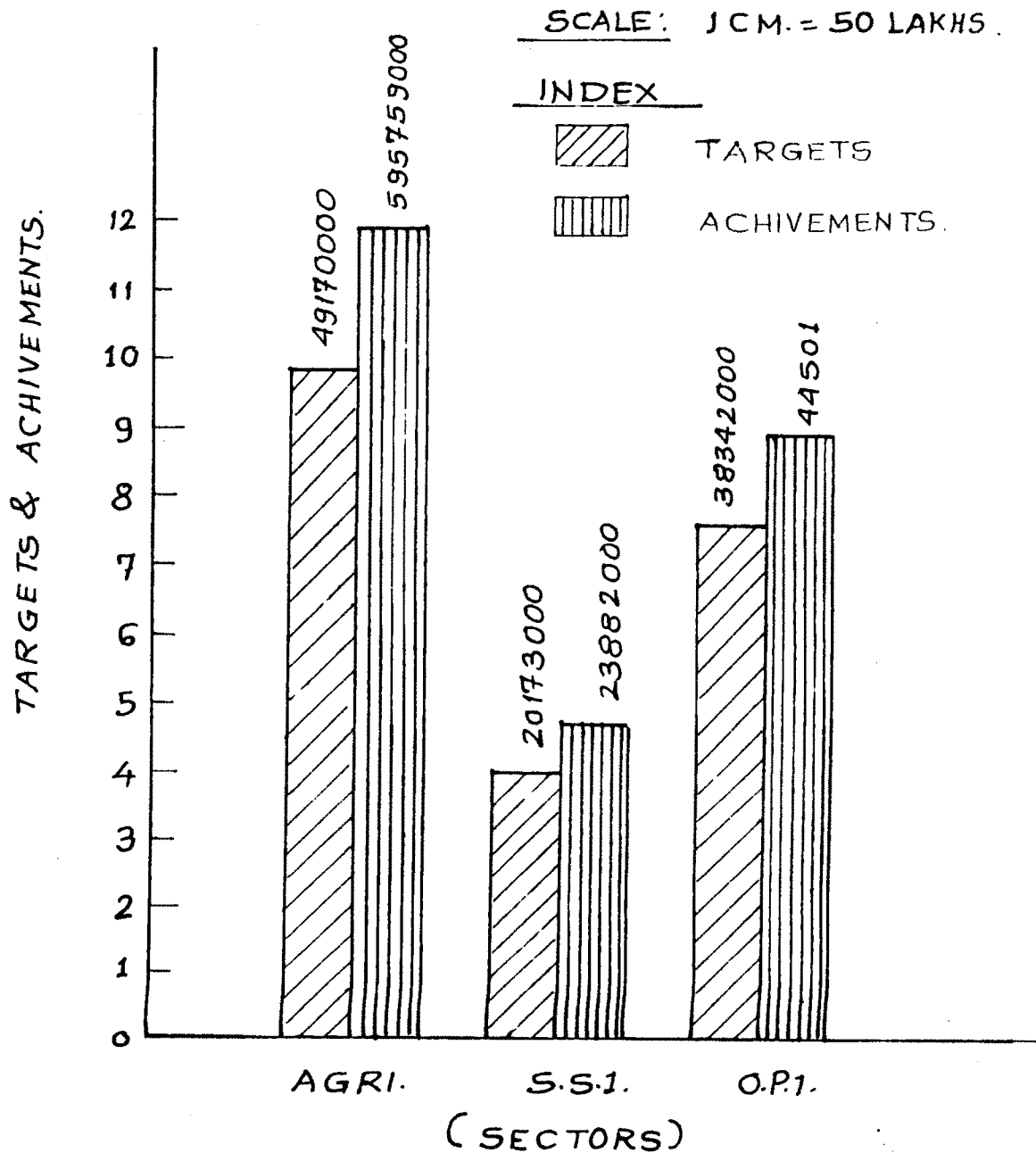


Table No. 5.3 and graph No. 3 shows that in financial terms the achievements were greater than the targeted amount a total amount of Rs. 10.77 crores was targeted to be spent in 1986 but actually 12.81 cores were spent. This means that, the achievements surpassed by 18.99 i.e. 19%. The overall performance appears to be satisfactory. The performance of all the sector is above the target but that of agriculture is more pronounced. In agriculture sector the achievement in crop loan activity is almost 50% above the target. So also is the case of small scale industry sector in kath infg. which exceeds by 44% what is more striking is that in case of other priority sector the performance <sup>of Transport</sup> is 485% quite impressive and increasing achievement.

If we take into consideration bankwise and sector wise performance we come to know that the performance of bank of Maharashtra is highest (186%) in agriculture sector. The performance of Bank of India i.e. Lead Bank is the lowest (93%) in agriculture sector. In small scale industry sector, the performance of central Bank of India is quite interesting (251%) as compared to other banks. In this sector. The performance of Union Bank of India is lowest (31%) one. In case of other priority sector the performance of Ratnagiri, Sindhudurg Gramin Bank is remarkable higher (248%) compared to other banks in district. here the performance of D.C.C. (28%) is the lowest. Taking into

account the overall performance it appears that the performance of Bank of India is more satisfactory 184.78%. Dena Bank lags behind<sup>in</sup> overall performance i.e. 78.42% only except Union Bank Dena Bank and D.C.C.Banks all other banks have performed more than 100% of the targets set for them.

NATURE OF PHYSICAL ACHIEVEMENTS :

We have already discussed the nature of targets in physical terms in above paragraph. It is clear from the discussion that the credit plan is very ambitious in physical terms, 33% more targets were fixed. In regard to physical, achievements it is clear from the Table No. 5.4 that the achievements were more than the target. In absolute terms 2,336 more accounts were opened than the original target. The achievement is more impressive in agriculture sector. In this sector 30,721 accounts were opened instead of 28,639. This goes to prove that the major extra achievement was made in agriculture sector only. Particularly more than 50 00 additional accounts were opened than the targets. As compared to this the physical achievements failed short of the target by 33% in case of small scale industry. Physical achievements in other priority sector were slightly higher than the target. All of this points to the fact that the major thrust is in Agriculture sector. The performance of other two sectors as compared to agriculture sector is not so encouraging. This requires to be rectified.

CREDIT PLAN 1987 :

The credit plan of 1987 is modeled on the various same items adopted in previous year, no change either in schemes of sectors has been made. The Lead Bank has made an attempt to deploy the available resources among various schemes which were already in operation. This is to be the case for no change can come through in such a short period of time and abruptly. It will takes its own time.

The Lead Bank prepared its credit plan for the year 1987 for the district of Sindhudurg in the month of December 1986. The Table No. 5.5 is prepared from data available in this report and Lead Bank report 1988. Table No. 5.5 represents credit plan and achievements at the same time.

Going through the table, we come to know that, the Lead Bank prepared a credit plan amounting to Rs. 14.66 crores in all. Out of this Rs. 2.68 crores were allocated to agriculture sector, Rs. 2.68 crores for small scale industry sector, and Rs. 4.26 crores to the other priority sector. In financial terms this plan aimed to invest an average 10% more amount as compared to previous years credit plan.



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Table No. 5-5

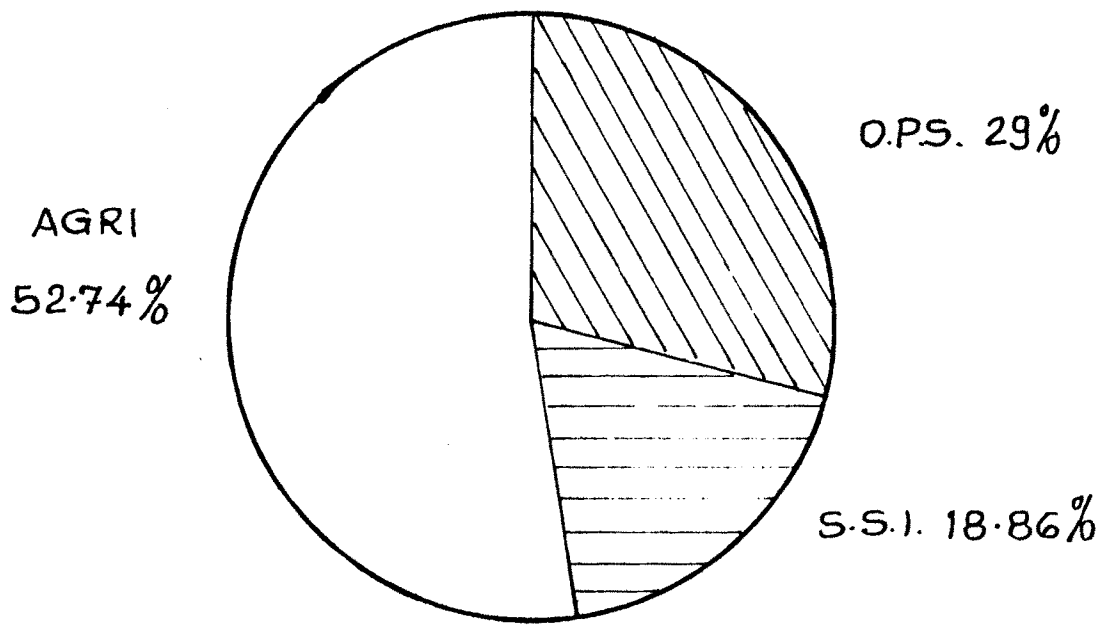
Financial Targets and Achievement under A.A.P. 1987 (A mt. in Rs., 000)

92 B

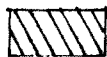
GRAPH NO:- 5.5

PIE DIAGRAM: SECTORWISE  
DISTRIBUTION OF CREDIT; 1987

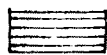
BASED ON TABLE NO: 5.5



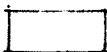
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O.P.S.



S.S.I



AGRICULTURE.



Agriculture sector obtained 52.71% allocation, small scale Industry was allotted 18.26% resources and the remaining sector, i.e. other priority sector was given 29% allocation. A striking feature of this allocation is that, the percentage share of other priority sector has decreased by 6.60% and the share of agriculture sector increased by 7.04% as compared to the allocation of 1986 credit plan. The share of small scale industry sector has increased by 0.57% a very small increase, indicating unchanged importance of Small Scale Industry Sector. We must say from this, that the demand for credit from Agriculture Sector was anticipated to increase at a greater pace. In contrast, one is baffled to note the decreasing demand or in other words decreased anticipation of credit from other priority sector. However, on the whole the credit plan for 1987 in financial terms appears to be larger than previous credit plan.

Agriculture sector appears to be received more importance because 52.71% of the resources were earmarked for this single sector in the credit plan of 1987. Among this sector once again as in the previous year crop loan appears to have absorbed 28.57% of the total credit, The Bio-Gas scheme appears to have become attractive and popular and, hence 6.93% of the total credit has been reserved for this activity. The provision for irrigation, Horticulture, Dairy and Fisheries etc. appears to be kept constant.

In the small scale industry sector Kath Manufacturing activity appears to have maintained its progress and hence provision of 5.92% of total credit is reserved for it. Food processing activity appears to have increase to some extent, though the increase is not so conspicuous. In this sector no other avenue of credit is introduced. The no of projects/schemes is unchanged to Kath Manufacturing, Food processing Engineering Units, Rural and Cottage Industry and others.

The other priority sector has received a setback in this credit plan loosing 6.67% of its allocation. The provision for the Retail Trade has been cut down to larger extent and so the share of other priority sector has dwindled down appreciably.

CREDIT PLAN IN PHYSICAL TERMS :

The Lead Bank has prepared Credit Plan in terms of Physical targets( Table No. 5.6) alongwith financial targets.

Activity	Bank of India		B.O.M.		S.B.I.		Union Bank		Syndicate Bank		Dena Bank		C.I.I.		R.S.C. Bank		D.C.C. Bank		L.C.B.		Total for District			
	T.	A.	T.	A.	T.	A.	T.	A.	T.	A.	T.	A.	T.	A.	T.	A.	T.	A.	T.	A.	Target	Achievements		
<b>Agri. &amp; Allied:</b>																								
Crop Loan	187	263	67	69	19	34	39	38	7	52	2	1	3	01	8	52	232	35	221	10	-	23567	22648	
Term Loan	317	311	363	208	363	163	132	35	194	158	30	22	36	19	172	160	1000	964	401	225	3028	2265		
Irrigation	74	121	62	59	70	28	21	2	27	-	6	-	8	5	36	49	111	-	115	95	530	359		
Farm Equip.	144	105	126	-	42	74	44	-	48	120	18	-	14	4	99	105	676	949	-	-	1211	1357		
Horticulture	64	41	48	87	87	-	42	7	23	-	4	12	14	3	37	2	200	11	286	129	805	292		
Others	55	15	127	62	164	51	25	26	96	30	2	10	-	5	-	4	13	-	-	-	482	203		
<b>Allied:</b>																								
Dairy	126	110	172	126	196	66	64	50	82	137	30	60	15	28	132	81	690	476	-	-	1508	1134		
Poultry	55	15	11	9	24	-	10	1	7	11	3	-	2	-	10	6	-	-	-	-	122	42		
Fisheries	199	86	70	60	311	81	92	175	123	133	-	-	4	-	19	-	46	-	26	1	890	538		
Coatary	120	82	225	79	71	-	20	31	45	521	26	8	12	3	120	115	201	112	-	-	840	484		
Bio-gas	320	463	180	561	208	237	102	63	57	9	23	101	28	31	205	275	150	189	-	19	1473	1948		
Other allied	75	23	360	44	164	59	22	-	152	97	8	-	-	-	152	29	252	-	-	-	1185	252		
	1750	1637	1811	1364	1719	793	613	428	861	901	152	214	137	99	990	378	2677	4	248	39	828	469	35641	
<b>S.S.I.</b>																								
Kath Mfg.	70	78	10	5	13	-	15	-	-	-	-	-	-	2	-	-	-	-	-	-	-	198	85	
Food Processing	15	32	18	16	49	9	18	4	23	17	2	-	4	2	-	-	-	-	-	-	-	130	80	
Engineering Unit	12	22	8	4	82	9	12	1	-	-	2	-	2	-	-	-	-	-	-	-	-	118	36	
Rural & Cottage Industries	158	114	51	14	90	22	68	14	41	15	4	6	10	7	36	-	-	1007	-	-	-	458	1199	
Other Indt.	372	100	268	17	440	179	75	1	231	38	8	-	54	10	15	37	-	-	50	-	-	1513	382	
	628	346	355	56	674	219	188	20	295	70	16	6	70	21	51	37	-	1007	50	-	-	2327	1782	
<b>O.P.S. †</b>																								
Trucks	10	18	5	11	3	-	4	01	-	-	-	-	1	2	-	-	-	4	-	-	-	20	39	
Rickshaw	13	26	12	16	9	14	3	6	5	1	3	3	2	1	-	-	-	-	-	-	-	47	67	
Other trans.	100	35	29	12	81	30	31	2	17	12	8	1	16	-	25	65	-	-	-	-	-	307	157	
Retail Trade	475	449	374	797	563	325	82	89	345	261	34	23	52	23	115	338	-	291	-	-	-	2040	2596	
Small Business	312	187	588	385	183	59	86	103	198	196	44	55	56	77	105	126	-	-	-	-	-	1572	1188	
P. & S. Employed	712	376	414	288	325	147	288	145	380	192	40	6	99	17	243	283	-	-	-	-	-	2501	1454	
Education	3	7	5	2	17	-	-	-	-	1	2	-	1	-	-	-	-	-	-	-	-	28	10	
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	184	184	-	-	-	-	-	184	185	
	1625	1098	1427	1511	1181	575	490	349	945	663	131	88	227	120	672	997	-	295	-	-	-	6699	5696	
<b>GRAND TOTAL</b>	4009	3081	3593	2931	3574	1587	1291	797	2102	1534	299	308	434	240	1713	1912	2677	4	261	41	878	469	44667	32000

SOURCE : Credit Plan of 1987 prepared by Lead Bank of District and its ledger.

As noted earlier physical target is a better criteria for judging performance of the Lead Bank. It is possible that even, when financial targets have been completed the scheme might have been a failure to achieve its targets. Financial target is not a sure way towards a real achievements, in form of various amenity required to make life easy and comfortable. This is not the case with the physical plans hence we do attach more importance to plans both, in financial and physical terms.

Table No. 5.6 shows at a glance the targets and achievements for the year 1987 for the Sindhudurg District. In total the credit plan envisages to open 44,667 accounts i.e. 79.79% of total accounts were planned to be opened in agriculture and allied sector only. This, again, supports our observation that the Lead Bank has given very large weightage to agriculture sector in the distribution of credit. The remaining 20% accounts consisted 5.20% of Small Scale Industry Sector and 14.81% accounts of other priority sector. In physical terms the percentage target for the both latter sectors were very lower.

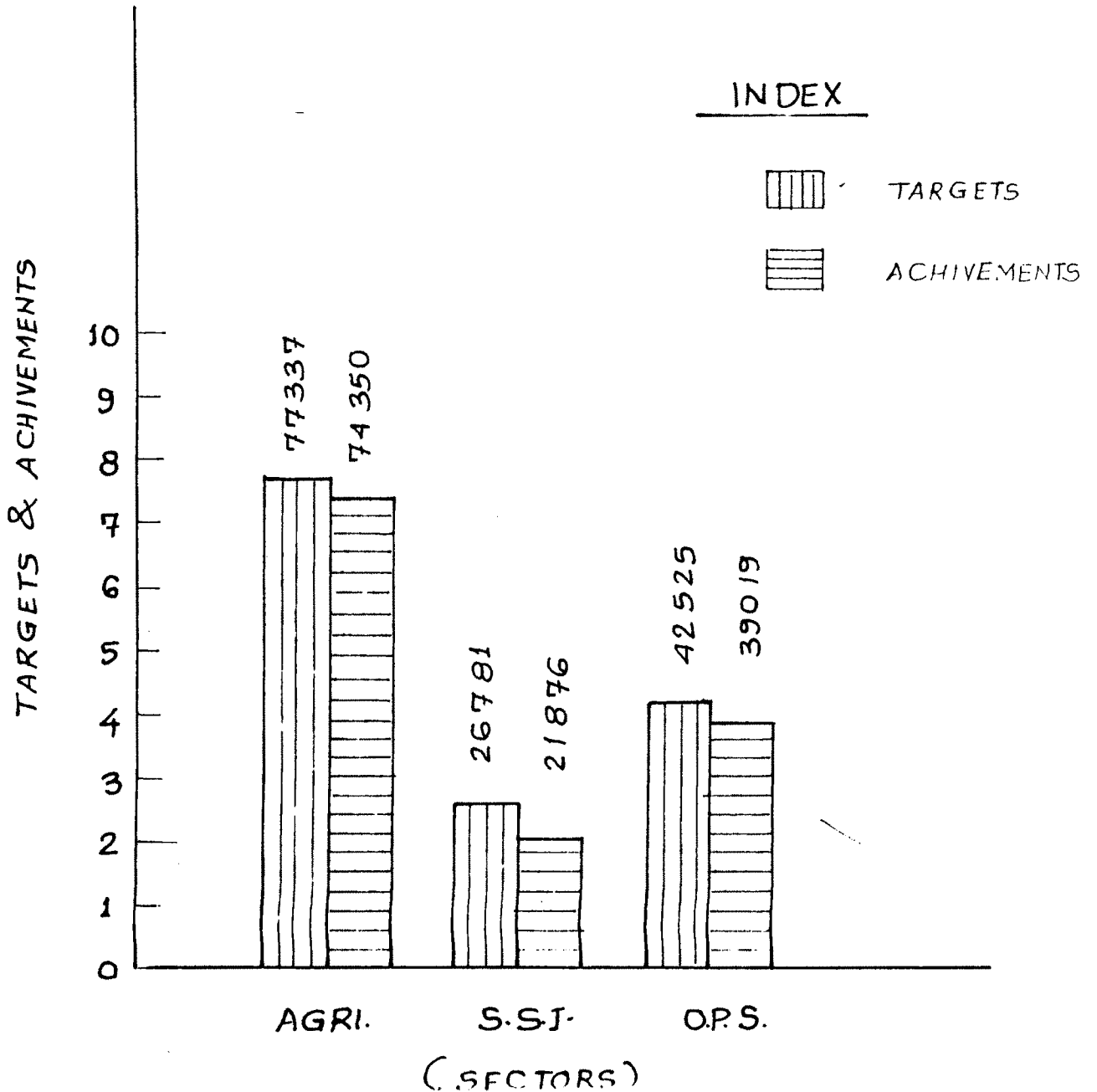
#### NATURE OF FINANCIAL ACHIEVEMENTS :

In respect of achievements of credit plan for the year 1987, it appears from Table No. 5.5 and Graph No. 6. that it fails short of the target.

BAR DIAGRAM: TARGETS AND ACHIVEMENTS UNDER A.A.P. 1987.

BASED ON TABLE NO: 55

SCALE: 1CM. = 1CRORES



The financial terms a total credit of Rs. 14.66 crores was provided, but actually Rs. 13.52 crores were disbursed during the year for all the schemes and sectors. Thus the achievements stood at 92.22% only, less by 7.78%. Though the achievement is short of target by 7.78% one cannot jump to the conclusion that the Lead Bank has failed in its mission. In fact as compared to the year 1985 and 1986 the credit disbursement in absolute terms is greater during the year under consideration. The targets, the Lead District Manager explained, were kept deliberately high so that more efforts for encouraging the people to avail of the credit can be made.

If we analyse the sectorwise performance, the table No. 5.5 shows that, unexceptionally the performance has been below the target for all the three major sectors. Performance being lowest (81%) in small scale industry sector and being higher (96%) in Agriculture Sector. In Agriculture Sector the performance of all schemes was not below the targets. The performance of Bio-Gas scheme (140.88%) farm Equipment (199.61%) other Agri. (111.89%) Fisheries (108.85%) and Goatery (109.48%) were above target and hence satisfactory. In remaining schemes of Agriculture, the performance was below the target, the performance being lowest (24.18%) in poultry scheme.

In case of the small scale industry sector the performance was lowest as noted earlier, but even in this sector the performance of Engineering Units (121.78%) and other Industries (131.37%) and Rural and Cottage Industries (100.05%) was above the target. The performance was unsatisfactory in case of Kath Manufacturing and Food processing actually. The performance in this latter sector had been always more impressive, but in this year it shows rather dismal picture.

In other priority sector 42,525 accounts were to be opened but actually 39019 accounts were opened. Thus the overall performance falling short by 8.25%. The performance of Retail Trade Scheme failed more sharply by 54.39%. The sector has achieved quite greatyng performance. But formerly Retail Trade Scheme occupied greates importance among various schemes among other priority sector and hence the perromance appears being lower.

If we review the Bankwise and Sector wise performance, we come to know that the perromance of Dena Bank(761.93%) was more remarkable followed by Land Development Bank (664.97%) leaving other banks far behind in case of credit disbursement to agriculture sector. It is rather interesting to note that, the performance of D.C.C.Bank, the main Agency supposed to provide Agricultural Credit in Rural areas was lowest (10.25%) pointing to changing attitude of farmers to avail of credit not only from

cooperative banks but also from commercial banks which are closer. The Bank wise performance in case of small scale industry sector cannot be said satisfactory because except land development Bank (1237.60%) Union Bank (144.91%) the performance of all banks is not so good. The performance of D.C.C. Bank is zero, is quite disappointing. In case of other priority sector the performance of Land Development Bank and D.C.C. Bank is zero and the performance of Gramin Bank is the highest (245.58%). Having a review of Bankwise performance it is quite apparent that D.C.C. Bank helps to develop only Agriculture sector and neglecting other priority sectors and small scale sectors. This can be said the very cause of D.C.C.'s failure, it requires a dynamic attitude to revitalise its, functioning. The aggregative performance supports this fact because the performance of D.C.C. in aggregate is only 6.68%. The aggregate performance of Dena Bank is 422.3% on an average and highest among all banks in the district. The aggregate performance of such a low level of 6.68% as is shown in case of D.C.C. is quite shocking. The performance of all other banks is upto the mark.

PHYSICAL ACHIEVEMENTS :

When we come to review the physical targets and achievements it is quite clear that the overall performance is less by 13% of



the target. The performance of all individual sectors is also below the mark. The performance being lowest in case of small scale industry sector (76.57%). The performance in physical terms is very encouraging in case of Bio-Gas scheme because while the target of constructing Bio-Gas scheme was only 1473, actually 1948 Bio-Gas scheme were implemented. So is the case of farm equipment, indicating the changing attitude of farmers to adopt labour saving and productivity improving farm equipment. Physical target of Rural and Cottage Industry scheme was surpassed by 741 accounts to 1199 accounts in total. In case of Retail Trade instead of 2040 accounts 2596 accounts were opened. Thus the physical performance in case of some important schemes was upto the mark. However, in majority of the schemes the performance was not so good.

CREDIT PLAN 1988 :

Now we come to the latest credit plan which is also the last credit plan in our study. The Lead Bank i.e. Bank of India prepare this credit plan in the month of December 1987. Table No. 5.7 indicates that the size of credit plan amounts to Rs. 15.46 crores in all. Out of this Rs. 7.05 crores were to be spent on agriculture and allied sector, Rs. 3.59 crores on Small Scale Industry sector and Rs 4.82 crores on other priority sector. A Casual glance over the table shows that this plan is greater by 10% over the last one.

FINANCIAL TARGETS AND ACHIEVEMENTS UNDER A.A.P. 88

TABLE NO. 5.7

(Amount in 000)

Scheme Category	Bank of India		Bank of Maha- rashtra		State Bank		Union Bank		Syndicate Bank		Dena Bank	
	Target	Achieve- ment	Target	Achieve- ment	Target	Achieve- ment	Target	Achieve- ment	Target	Achieve- ment	Target	Achieve- ment
<b>Agriculture and Allied</b>												
Loan	3490	3160	1760	3754	735	70	600	670	285	160	-	10
Regulation	526	454	415	580	730	215	83	54	145	30	27	130
Equipments	-	521	-	120	-	297	-	43	-	294	-	10
Development	-	526	-	20	-	28	-	54	-	172	-	-
Agriculture	460	320	380	229	484	-	121	75	74	31	-	-
Agri.	140	424	190	277	300	182	60	90	110	13	5	5
ry	630	421	675	477	495	245	167	105	315	437	171	119
etry	330	131	200	48	160	-	40	6	130	3	-	-
eries	936	433	673	1005	1238	965	820	399	466	398	6	6
ery	309	244	214	328	158	-	72	44	115	82	19	32
yas	1995	2511	1750	2603	1526	684	692	533	518	343	281	327
ers	175	206	280	66	564	265	105	5	263	16	-	-
	8991	9351	6537	9507	6390	2951	2760	2078	2421	1979	509	639
<b>Industry :-</b>												
Mafg.	4410	7913	840	535	1190	-	70	245	70	-	-	-
Processing	800	342	750	458	1500	6063	1050	1084	500	-	-	-
Minerary Units	1120	1066	640	158	2560	810	80	-	-	62	-	-
al & Cottage	717	2066	354	104	420	515	276	-	600	184	-	-
ers	1067	2462	450	1678	1840	7065	793	1045	887	1217	612	1369
	8114	13849	3034	2933	7510	14453	2269	2374	2057	1463	612	1369
<b>Other</b>												
Transport Operan.	3111	2267	2257	1067	1751	964	1074	582	773	56	2	2
ail Trade	2475	2374	2100	1446	1950	2006	443	660	1612	937	14	45
ll Business	1400	669	1690	1353	1200	1186	225	406	840	596	100	285
S. Employed	1488	1767	997	885	1107	1208	124	467	700	275	36	69
ocation	20	93	20	-	35	-	10	-	10	15	-	-
ers	-	-	10	55	5	10	-	-	75	118	-	-
	8494	7170	7074	4806	6048	5374	1876	2115	4010	1997	152	401
	25599	30370	16645	17246	19948	22778	6905	6567	8488	5439	1273	2409

SOURCE : Credit plan of 1988 prepared by Lead Bank of District i.e. Bank of India and its ledger.

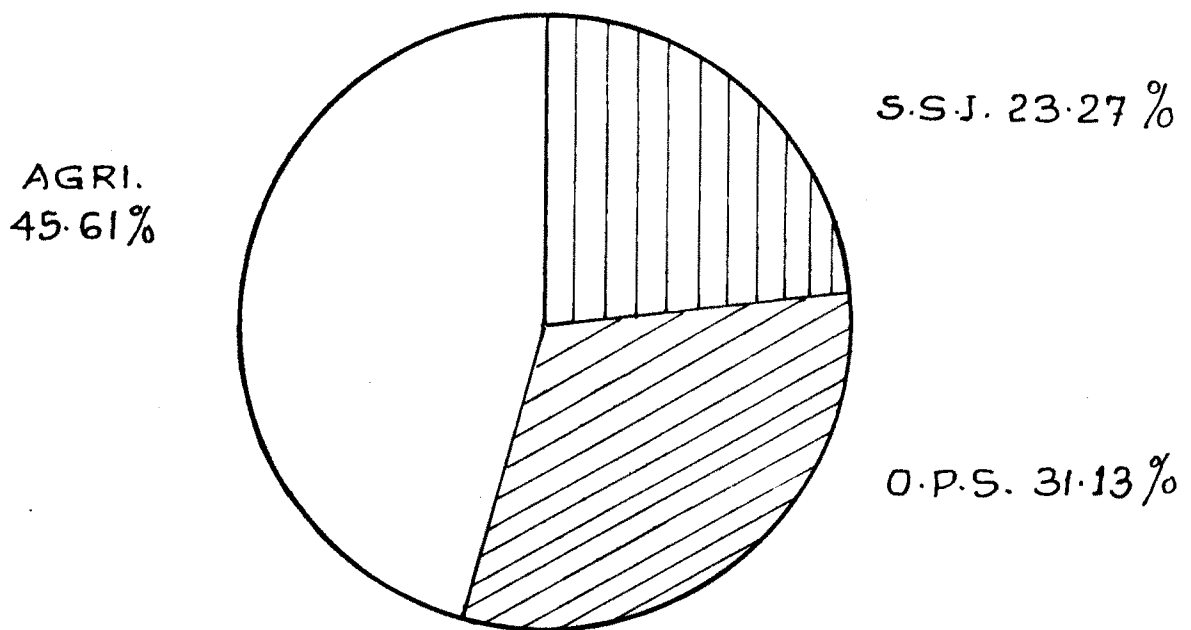
FINANCIAL TARGETS AND ACHIEVEMENTS UNDER A.A.P. 1988

Central Bank		R.S.Gramin Bank		D.C.C. Bank		L.D.B.		M.S.F.C.		Total for District			
Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	% to total target	Achievement	% of Achievement
153	56	255	408	25840	27083	-	-	-	-	33118	21.42	35371	106.80
54	56	165	321	1423	750	836	557	-	-	4404	2.85	3147	41.45
-	11	-	332	-	2752	-	-	-	-	-	-	4380	-
-	-	-	11	-	27	-	-	-	-	-	-	838	-
38	-	80	27	1117	256	996	1195	-	-	3750	2.42	2133	56.80
-	47	-	-	1145	1054	-	8	-	-	1950	1.27	2100	107.69
63	47	540	245	3582	1646	-	-	-	-	6638	4.30	3742	56.37
30	25	130	10	230	246	-	-	-	-	1250	0.81	469	37.52
-	-	67	67	500	705	-	201	-	-	4706	3.04	4179	88.80
15	6	264	271	544	391	-	-	-	-	1710	1.10	1398	81.75
301	168	1351	1466	2086	1368	875	59	-	-	11375	7.36	10062	88.45
18	-	18	-	192	1197	-	-	-	-	1615	1.04	1755	108.66
672	416	2870	3158	36659	37475	2707	2020	-	-	70516	45.61	69574	98.66
140	70	-	-	1190	513	-	-	-	-	7910	5.12	9276	117.26
150	-	-	-	-	-	-	-	630	1145	5380	3.48	9092	168.69
-	-	-	-	-	-	-	-	2850	3534	7250	4.69	5630	77.65
108	230	220	548	3225	2609	275	706	-	-	6195	4.00	6962	112.38
101	613	-	125	1011	30	-	-	2470	734	9231	5.97	16338	176.99
499	913	220	673	5426	3152	275	706	5950	5413	35966	23.26	47298	131.50
315	161	323	564	384	1063	-	-	1050	39	11040	7.13	6765	61.27
285	395	562	1996	6666	2390	-	-	-	-	16107	10.42	12249	76.04
375	705	265	589	3520	1680	-	-	-	-	9615	6.21	7469	77.68
105	84	605	340	503	-	-	-	-	-	5665	3.67	5095	89.13
10	-	-	-	-	-	-	-	-	-	105	0.06	108	102.85
75	-	85	1699	5375	9246	-	-	-	-	5625	3.64	11128	197.83
1165	1345	1840	5188	16448	14379	-	-	1050	39	48154	31.13	42814	88.91
2336	2674	4930	9019	58533	55006	2982	2726	7000	5452	154639	100.00	159686	103.26

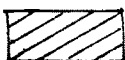
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GRAPH NO: 5.7

P.I.E. DIAGRAM : SECTOR WISE  
CREDIT ALLOCATION UNDER A.A.D : 1988  
BASED ON TABLE NO: 5.7

INDEX.

S.S.J.



O.P.S.



AGRICULTURE.

While reviewing percentage allocation among the three sectors, it appears from Graph No. 7 that there is noticeable change in allocation while 52.74% of total credit was allocated to agriculture in 1987, the present plan allocates only 45.61% of the total credit, indicating that, the allocation has decreased by 7.13%. Similarly, the percentage allocation to small scale industry sector was 18.26% in 1987 plan whereas the present plan provides 23.26% of total credit showing increase of full 5 points. So is the case of other priority sectors, where instead of 29% of total credit in 1987 plan, 31.13% are allocated. Thus here the amount increased by 2% the changing percentage is helpful understanding the changing demand and importance. It is quite heartening to note from the latest tendency that, a greater demand is coming from small scale industry and other priority sector. Which shows output of secondary and tertiary sector and more opportunities outside stagnant agriculture sector. This type of change is quite desirable from point of view of economic development.

In agriculture sector, crop loan scheme consists 21.42% of the credit provision other schemes do not have so much percentage provision. Bio gas is the only scheme among agriculture and allied sector which deserves to be noted. In the Small Scale Industry sector a total credit of Rs. 3.59 crores is provided which comes to

Rs. 23.26% of the total credit. It is devided among various schemes in Small Scale Industry Sector nearly in equal percentage, ranging from 3.48% to 5.97%. A credit plan of 1988 has provided Rs. 4.82 crores to other priority sector. Fifty percent amount of this <sup>is</sup> provided for transport operation and Retail Trade. Other four schemes i.e. professional and Self Employment, Small Business, Education and others are provided remaining 50% amount. In percentage terms out of the total 31.30% total credit apportioned for this sector, 10.42% credit is reserved for Retail Trading, showing its over wheliming importance in the District. Transport operations and Small Business Schemes also have been provided a satisfactory amount.

SCHEME/ACTIVITY	S.O.I.				S.S.I.				UNION BANK				S.Y. JANK				R.S.O.B.				S.O.C.C. LAND DEV.				TOTAL BR BANKING FIRST ACHIEVE -000-
	T	A	T	A	T	A	T	A	T	A	T	A	T	A	T	A	T	A	T	A					

SCHEME/ACTIVITY	T	A	T	A	T	A	T	A	T	A	T	A	T	A	T	A	T	A	T	A	TOTAL BR BANKING FIRST ACHIEVE -000-	
AGRI. & ALLIED :-																						
- Crop Loan	233	240	84	103	49	18	40	28	19	24	2	3	2	4	17	122	23404	25211	-	-	23950	25753
- Term Loan	312	303	258	205	337	140	90	88	112	202	24	23	27	18	93	218	1303	11087	286	172	2862	12456
- Irrigation	79	87	58	37	104	22	12	6	27	4	6	15	10	5	25	52	222	132	109	32	152	372
- Farm Equipment	123	75	95	60	87	54	45	7	50	139	11	5	10	2	51	154	816	258	-	-	1290	754
- Horticulture	82	31	67	40	85	-	21	30	13	7	5	-	7	-	15	8	237	14	177	140	710	270
- Other Agri.	28	108	38	45	50	55	12	29	22	6	2	3	-	11	-	-	28	175	-	-	190	433
- Dairy	140	135	150	110	110	85	37	38	70	181	38	52	14	12	120	112	796	361	-	-	1475	1087
- Poultry	24	9	12	19	8	-	4	1	9	1	2	-	3	1	9	3	13	15	-	-	85	49
- Fisheries	132	61	91	103	153	128	129	65	90	76	-	3	-	-	20	23	95	61	-	75	710	595
- Goatery	110	99	75	85	55	43	25	12	40	48	9	17	5	2	90	93	191	134	-	-	600	583
- Bio-Gas	285	395	250	283	219	109	109	109	74	81	30	70	43	31	193	254	298	193	125	24	1625	1539
- Other Allied	50	50	80	17	161	97	30	1	75	73	4	-	5	-	5	-	51	131	-	-	461	419
	1598	1573	1258	1108	1458	742	554	414	591	842	133	191	125	86	640	1039	27554	37872	697	443	34503	44310

SCHEME/ACTIVITY	T	A	T	A	T	A	T	A	T	A	T	A	T	A	T	A	TOTAL BR BANKING FIRST ACHIEVE -000-					
S.S.I. :-																						
- Kach Mfg.	62	170	12	9	17	-	1	6	1	-	1	-	2	3	-	-	17	-	-	-	113	188
- Food processing	16	8	15	12	24	23	25	7	10	-	2	-	3	-	-	-	-	-	-	-	95	50
- Engineering Units	14	13	8	3	32	15	1	-	-	5	-	-	-	-	-	-	-	-	-	-	55	36
- Rural & Cottage	205	141	101	67	120	15	79	-	171	31	-	-	31	65	61	265	822	1130	78	51	1770	1765
- Other Industries	107	107	45	203	184	168	79	23	89	14	-	8	10	10	-	29	101	3	-	-	615	565
	404	439	181	294	377	221	185	36	271	50	3	8	46	78	63	294	1040	1133	78	51	2648	2604

SCHEME/ACTIVITY	T	A	T	A	T	A	T	A	T	A	T	A	T	A	T	A	TOTAL BR BANKING FIRST ACHIEVE -000-					
O.P.S. :-																						
- Trucks	17	11	13	6	8	-	6	4	3	-	1	-	1	-	1	-	-	-	9	-	50	30
- Rickshaw	19	18	10	8	17	8	6	2	10	2	3	-	5	6	-	-	-	-	-	-	70	44
- Other Transport	14	11	9	7	19	17	4	11	11	9	4	-	6	-	23	54	18	-	-	-	108	109
- Retail Trade	330	519	280	280	250	387	245	81	215	186	16	8	38	27	75	429	889	198	-	-	2348	2085
- Small Business	280	144	338	320	240	225	35	56	168	115	30	88	75	74	-	110	704	-	-	-	1870	1143
- P. & S. Employed	425	459	285	230	284	100	35	108	200	128	14	-	30	11	173	100	144	-	-	-	1590	1136
- Education	4	13	4	-	5	-	2	-	2	1	2	-	2	-	-	-	-	-	-	-	21	14
- Others	-	6	20	110	10	20	-	-	150	239	-	-	-	-	170	345	10750	13932	-	-	11100	14642
	1089	1181	959	941	843	758	333	272	759	670	70	96	157	118	442	1038	12505	14129	-	-	17157	19203

SCHEME/ACTIVITY	T	A	T	A	T	A	T	A	T	A	T	A	T	A	T	A	TOTAL BR BANKING FIRST ACHIEVE -000-					
GRAND TOTAL :-	3091	3193	2398	2343	2678	1721	1072	722	1621	1562	206	295	329	292	1145	2371	40999	53134	775	494	54314	66117

SOURCE : Credit plan of 1988 of The Lead Bank Prepared by Bank of India and its ledger.

**NATURE OF CREDIT PLAN IN PHYSICAL TERMS :**

Table No. 5.8 represents the credit plan in physical terms. This plan shows the translation of financial targets into concrete physical targets. The Physical plan consists of targets and achievements simultaneously. It is clear from this table that 54,314 accounts were to be opened. Out of this total, 34,509 accounts were to be opened in agriculture and allied sector, 2,648 accounts in Small Scale Industry Sector and 17,157 accounts in other priority sector. This means that 63.53% of the accounts were to be opened in only agriculture sector. In small scale industry sector 4.87% accounts and in other priority sector 31.60% accounts were proposed to be opened.

**FINANCIAL ACHIEVEMENTS :**

The credit plan of 1988 was under implementation up to December 1988 and the results were available with the Lead Bank. It has been collected from the Ledger of the Lead Bank. It has been collected and incorporated in Table No. 5.7 and Graph No. 8.



GRAPH NO:- 58

BAR DIAGRAM: TARGETS &  
ACHIVEMENTS UNDER A.A.P. 1988

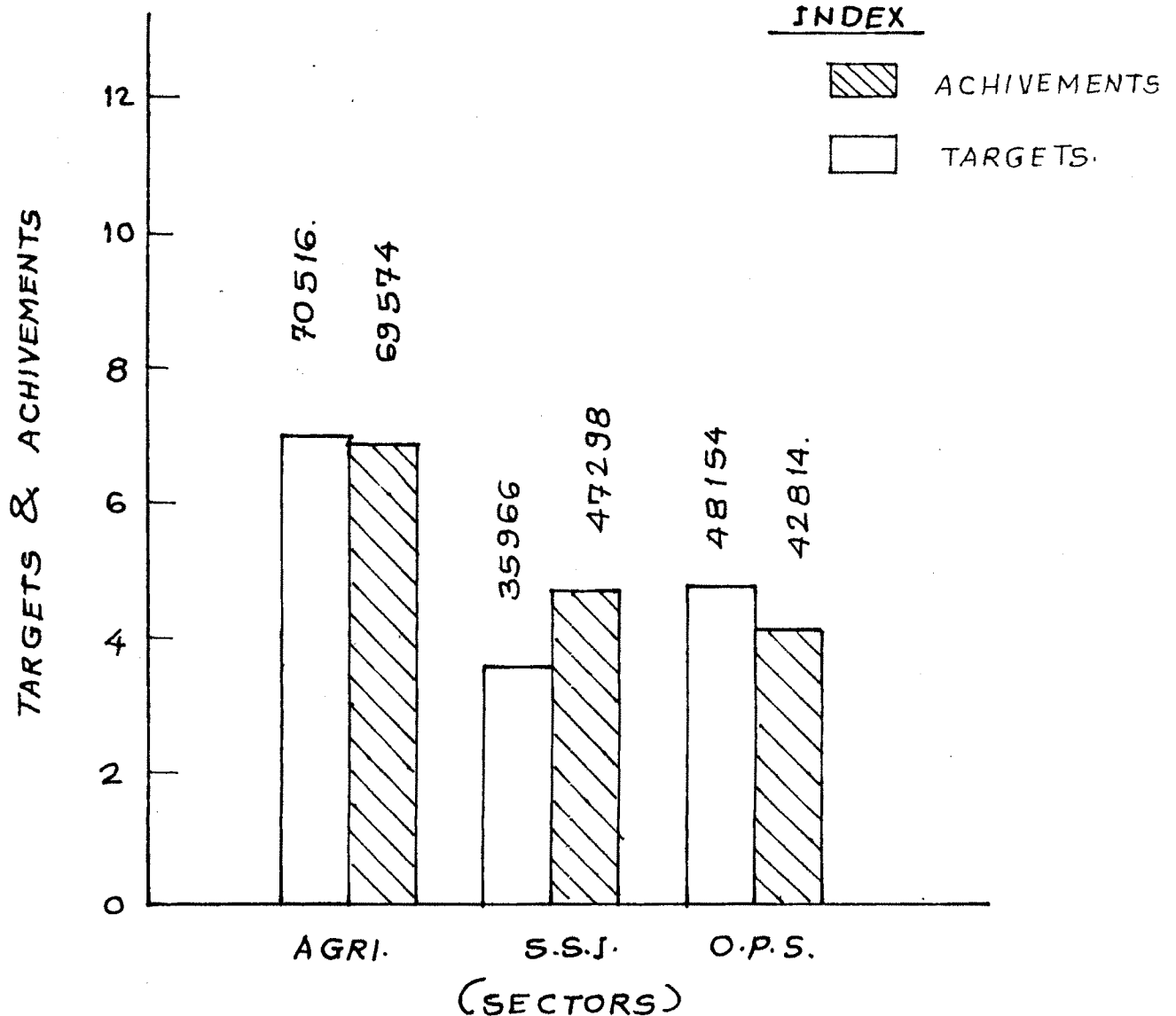
BASED ON TABLE NO: 57SCALE: 1CM- 1CRORES.

Table No.5.7 and Graph No. 8 shows that, total amount of Rs. 15.97 crores was actually disbursed for various schemes in the year for district of Sindhudurg, instead of Rs. 15.46 crores envisaged in credit plan, thus the Lead Bank surpassed its target and achieved once again more satisfactory performance at 103.26% in aggregate. The Table and Graph No. 8 also reveals that the targets were surpassed mainly because of the achievements of Small Scale Industry Sector, where the Target achievement stood at 131.50%. The performance of agriculture sector was less by 1.34% of the target and that of other priority sector less by 11.09% thus the credit of overall success deserves to be given to small scale industry sector. In case of agriculture sector the achievement surpassed the target in crop loan (106.80%) Horticulture (107.69%) and others (108.66%) the performance was less satisfying in remaining schemes. It is to be noted that farm Equipment and Land Development targets are not fixed in the plan. In respect of small scale industry sector except engineering unit (77.65) all other schemes showed very remarkable achievements all surpassing their targets. In total it can be said that the overall achievement in financial terms has been good one.

If we consider Bank wise and sector wise performance, we come to know that in agriculture sector the performance of Bank

of Maharashtra is highest one (145.43%) and lowest of State Bank of India (46.18%) the performance of Syndicate Bank (81.74%) Central Bank of India (61.96%) Land Development Bank (74.62%) is less satisfactory. In respect of small scale industry sector, the performance of Ratnagiri, Sindhudurg Gramin Bank is highest one (385.90%) followed by Land Development Bank (262.72%) Dena Bank (223.69%) The performance of Bank of India, State Bank of India and Union Bank of India is above the target, But the performance of D.C.C. Bank (28.09) lowest one followed by Syndicate Bank (71.12%) M.S.F.C. (90.97%) Bank of Maharashtra (96.67%) so far as the other priority sector is concerned the performance of Gramin Bank is highest one (281.95%) The performance of Dena Bank (283.18%) Central Bank of India (115.45%) Union Bank (112.73%) is above the target. The performance of Syndicate Bank (49.80%) is lowest one followed by Bank of Maharashtra (67.93%) State Bank of India (88.85%) The overall performance of Land Development Bank is below target. The performance of M.S.F.C. (77.88%) Though short of target, cannot be judged because this corporation is participating in credit plan only from 1988.

#### PHYSICAL ACHIEVEMENTS :

Turning our attention to review the achievements in physical terms, we come to know from table No. 5.8 (last two columns) that the overall performance has been quite satisfactory, As per the credit plan 54314 accounts were to be opened. But actually 66117 accounts were opened. Bank succeeded in opening 44310

accounts in agriculture sector. In percentage terms achievements comes to 128.40% as compared to overall performance the achievements in this sector exceeds by 7%. The performance in agriculture sector is more impressive in case of term loan. Originally 2862 accounts were to be opened under term loan scheme but actually 12456 accounts were opened. In crop loan scheme 25753 accounts were opened instead of planned 23850 accounts. Thus the achievements surpassed in both the schemes. So also is the case of other agriculture scheme where the performance exceeds the actual target. However, in case of allied activity Bio-Gas Gostery Fisheries, poultry, Dairy, Horticulture performance was below the target.

The small scale industry sector the plan envisaged to open 2648 accounts. However, actually 2604 accounts were opened thus the performance is slightly below the target. In this sector performance of only Kath Manufacturing schemes exceeds its target. The achievements of other priority sector exceeds its designed target. Instead of 17157 accounts 19203 accounts were actually opened. Thus the target was exceeded by 11.19% so we can say that the performance of this sector in physical terms is above the mark. More particularly was because of excess accounts opened in other schemes. In this sector the achievements of retail trade scheme failed short of their target. We can



alternatively say that except other scheme and other transport scheme the performance of all other schemes was unsatisfactory.

Upto this point, we have tried to present the nature, its main features and its implication for the economy, society of the district of Sindhudurg. It appears from the account that this scheme has been moved specific and concentrative from the time of division of old Ratnagiri District. From 1982 onwards, the lead bank prepared the credit plan for Sindhudurg district, taking into consideration the natural resources, Banking facilities and aspirations of the people and government directives.

The ever first, separate credit plan for Sindhudurg District was of a moderate size. It amounted to only Rs. 9.62 crores. But in every subsequent plan was designed on larger scale. The latest credit plan i.e. the credit plan for the year 1988 amounted to Rs. 15.46 crores. In about a period of five years the size of credit plan in financial terms has enhanced by 50%. This increase shows the changing nature credit requirements arising catalytic sectors of the economy of the Sindhudurg District.

These credit plans are transformed into physical plans and this had added a good aspect. This is very much useful for evaluation of the performance of Lead Bank.

In short, we can conclude that the nature of credit plans is suitable for the Sindhudurg District.

### 5.3 EVALUATION OF THE PERFORMANCE OF LEAD BANK :

A number of criteria used for evaluating the working of Lead Bank Scheme, most important of the criteria are as follows. :

- 1) Branch Expansion.
- 2) Deposit Mobilisation.
- 3) Total Advances
- 4) Advances to priority Sector.
- 5) Advances to weaker sections.

It is rather very difficult to claim exact number of employment generation and infrastructure facilities because of advent of lead bank scheme for other government scheme are also equally responsible for these things. Hence we have not used these criteria to judge the performance of lead bank scheme, However, some of the writers do take in to consideration these criteria as too.

Let us examine the success of Lead Bank of Sindhudurg District on these criteria one by one.

#### 1) BRANCH EXPANSION :

In order to enhanced the banking facilities to rural India as much as possible the Lead Bank Scheme designed on national level

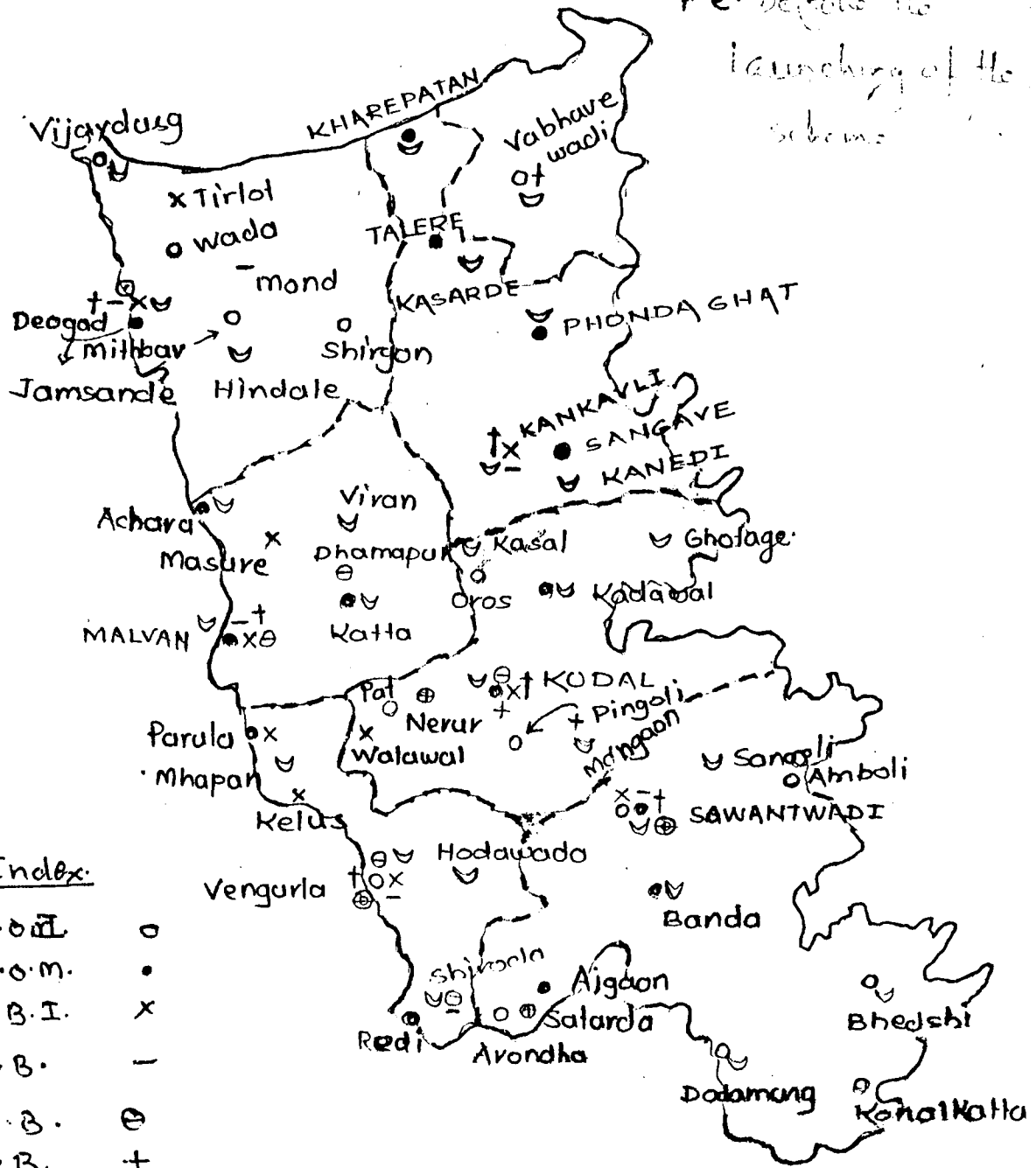
attached highest importance to branch expansion programme. The banks are regarded as the agent of development and hence attempt to go as near as possible to the people was aimed at to fulfil this objective Lead Bank of this District undertook a massive programme of branch expansion. This is clear from the fact that as on 31.12.82 there were only 95 banks in this district but, the number now jumped up to 121 banks as on 31.12.88 as per the note circulated by Lead Bank Office of the Sindhudurg District as on 28.3.89. The number of Banks has increased by 26 in all and this is not a small achievement in short period of 6 years. an under developed district as Sindhudurg. This amounts to a growth rate of 27.37%.

Out of these 121 banks mustering there resources for economic development of this District 61 are commercial banks, 42 district Central Cooperative including Lead Development Banks and 14 are gramin Banks, Ratnagiri Sindhudurg Gramin Banks has opened additional 14 branches, 3 branches have been opened by Bank of India and 19 of branches have been opened by District Central Cooperative Bank.

Map No. 5.1 and 5.2 shows the bank branches as on 31.12.82 and the additional new branches opened by the Lead Bank.

BANKS OPERATING IN DISTRICTS WITH NO. OF BRANCHES AS ON 31-12-1988

i.e. before the launching of the schemes



Index:

- B.O.I. ○
- B.O.M. ●
- S.B.I. x
- U.B. -
- Sy.B. ⊕
- D.B. †
- C.B.I. ⊕
- L.D.B. †
- R.D.C.C. ☾
- K.D.C.C. ⊙
- sawantwadi urban coop. ⊕
- Deogad urban B. ⊙



# INCREASE IN THE BANKS OPERATING IN DISTRICTS WITH NO. OF BRANCHES AS ON - 31.12.88

After launching the scheme



- Index
- Bank of India
  - △ D.C.C.
  - ⊗ Gramin Bank

If we consider bank branch and population ratio, it appears from the above mentioned note that there, one bank behind per 10551 population. The Indian average stands at 13000 and as compared to this the ratio of this district is satisfactory.

2) DEPOSIT MOBILISATION :

Credit expansion depends basically not only on the number of bank branches but also on the amount of deposit.

Larger the deposits larger the capacity of credit creation and hence in order to mobilize the scattered saving in rural area, deposit mobilization is given important place. In this scheme, judged on this criteria it appears from the record that as on 31.12.82 all the banks in this region had a total deposit of Rs. 83.62 crores where as these amounted to Rs. 135.89 crores as on 31.12.88. This means an additional deposits to Rs. 52.26 crores were collected by these banks. The rate of growth in deposit works to 62.50%. This ratio is very satisfactory. If this increased deposits are utilised for giving credit to various entrepreneur and their activities in this region, there will be no shortage of finance. So judge from this criteria the performance of Lead Bank is quite praiseworthy.

3) TOTAL ADVANCES :

The total advances sanctioned by the banks indicate the level of economic activities in a particular region. Obviously large

amounts are advanced in the region where bankable schemes are formed. The Lead Bank of Sindhudurg District disbursed a total amount of Rs. 12.80 crores as on 31.12.82. However, these advances jumped to a staggering amount of Rs. 45.92 crores as on 31.12.88 the increase in advances comes to Rs. 33.12 crores amount 400% of 1982 credit. The rate of growth in advances comes to 258.75% which is not unsatisfactory.

4) ADVANCES TO PRIORITY SECTOR :

In order to develop the region specially the advances are required to be channelised to particular sectors. Directed advances to develop oriented schemes achieves optimum use of available resources and hence the Lead Banks are expected to not only to increase the advances but also increase the advances to priority sector. Which include agriculture, small scale industry and other priority sector, looked from this angle, the Lead Bank is succeeded in diverting and reserving a large proportion of credit to these sector. This advances sanctioned to priority sector stood at Rs. 8.68 crores at the end of 31.12.82, as against this, advances to priority sector stood at Rs. 31.48% crores as on 31.12.88. This show that out of total credit of Rs. 45.92 crores almost 2/3 credit is reserved for public sector. Which is definitely going to increase production of various sectors in the region. We

know very well that the commercial banks were unwilling and unprepare to expand their area of operation to rural region and they did not give advances to any sector except trading. Now because of Lead Bank schene there has been total change in the attitude of these commercial banks and to agriculture sector has given more credit.

The Lead Bank gives advances to D.R.I. and even I.R.D.P. advances and advances to programme under 20th point.

Looking from this angle the wrking working of lead bank of Sindhudurg District may be marked as satisfactory.

#### 5) ADVANCES TO WEAKER SECTION :

In order to increase the living standard and per capita income of leather too neglected people in scheduled castes and scheduled tribes the Government has directed all banks to advance credit to this sector. On the basis of their caracter, honesty and bankable scheme.. The advances given to weaker section amounted to Rs. 12.49 lakhs as on 31.12.82, now as on 31.12.88 the advances stand tat 84.10 lakhs this showes an increase of 573.33%.

#### 5.4 CONCLUSIONS :

Thus using all the above mentioned criteria, we have to admit that the performance of Lead Bank of Sindhudurg District is quite laudable. Slowly but surely the attitudes of the people and the economic activities are changing in an affirmative and we are sure that, Lead Bank will be the most effective means for the development of District economy.

R E F E R E N C E S

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