

CHAPTER -VI.

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## CHAPTER-VI

### ANNUAL ACTION PLAN - 1985

#### 6.1 INTRODUCTION:

In this chapter an outline of Annual Action Plan 1985 for the participating banks for the year 1985 is given and also performance of Annual Action Plan 1985 has been given.

The Annual Action Plan 1985 had been prepared as per the Reserve Bank of India's guidelines received in the month of September, 1984. Technically ~~pr~~ feasible and economically ~~valuable~~ schemes that can be implemented in the district had been included in the plan. After the collecting data from the participating financial institutions and Government agencies departments a draft plan was prepared and placed before D.L.C.C. meeting held on 19th December, 1984. The sector-wise/scheme-wise allocations for all the banks were discussed and after certain modification in case of three banks Union Bank of India, Sangli District C.C. Bank, Maharashtra State Land D. Bank the plan was approved by the committee.

The financial allocation and various schemes, programmes proposed in the plan were based on -

- a) the banking net-work in the district, financial and manpower resources available with the participating banks.
- b) The performance of Annual Action Plan 1984.
- c) Government sponsored scheme for the district.
- d) The infrastructural development

## 6.2 OBJECTIVES:

The objective of Annual Action Plan 1985 had remained mostly identical to that of national goal which are as follows:-

- a) A level of 40 % net bank credit for priority sector
- b) A level of 16 % of net bank credit for agriculture.
- c) Advances to weaker sections to reach a level of 10 % of net bank credit i.e. 25 % of advances to all priority sectors.
- d) Credit deposit ratio should be 60 % in semi-urban and rural branches.
- e) Special attention should be paid to the credit needs of scheduled castes and scheduled tribes under Special Component Plan and Tribal Sub Plan and bankable schemes should be prepared for them.
- f) At least 1 % of the net bank credit as at the end of previous year should be disbursed under D.R.I. scheme , at an interest rate of 4 % and at least 40 % of such advances should be go to S.C./S.T. borrowers and that atleast 2/3 of D.R.I. advances should be made through rural and urban branches.

The Annual Action Plan 1985 , as advised by the Reserve Bank of India had been prepared on the basis that the above norms was continued to apply for the whole calender year., 1985.

6.3 TARGET:

The total credit outlay proposed under the plan was Rs. 42.20 crores covering 31466 beneficiaries in the district. The sector-wise credit allocation in a nut-shell are as follows:-

Table No.6.1.Sector-wise target under A.A.P. 1985.

(Rs. in '000' S)

<u>Sector</u>	<u>Credit outlay</u>	<u>Percentage</u>
1. Agriculture.	3105.54	73.59
2. Small Scale Industries.	473.30	11.21
3. Other Priority sectors.	641.32	15.20
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Total.	4220.16	100.00
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Source - Annual Action Plan 1985 Bank of India, Sangli.

6.4 PROGRAMME INCLUDED IN A.A.P. 1985 .

The details of new programmes to be implemented by the Government Department in the year 1985 which was the first year of the VIIth Five Year Plan could not be made available by State Government for preparation of A.A.P. 1985 as such schemes, programme likely to be implemented or on going programme had been also included in the A.A.P. 1985. These were also discussed details with District Level Agency , District Rural Development Agency, Zilla Parishad etc.

While preparing the plan scheme wise block wise achievement upto September, 1984 and also estimated achievements during the last quarter of the year called

for from all the banks in the district and those were given due weightage . For successful implementation of different Govt. sponsored scheme bank had provided sufficient institutional finance for the same. The projection to assess credit demand under various schemes had been worked out on the basis of information received from different department of the Government.

The different Government sponsored scheme and their subsidy provision in the plan period which had been included in the A.A.P. 1985 were as follows:-

Table No.6.2

Various Government schemes included in the AAP,85

Sr.No.	Scheme	Subsidy provision.	(Rs.in lacs) Bank credit provided.
1.	Integrated Rural Development Programme.	64.00	148.50
2.	Bio Gas Development. Z.P.	65.00 (2500 plants)	200.00
3.	Horticulture Development.	5.00	20.00
4.	Special Live Stock Production programme.	3.50 (300 Units)	14.00
5.	<u>Employment promotion programme</u>		
	a) Seed money scheme.	20.00	100.00
	b) Capital subsidy scheme.	55.00 (1100 cases)	220.00
6.	<u>M.P.B.C. D.C. Ltd..</u>		
	a) 50 % subsidy for Urban area.	8.00	8.00
	b) Tie-up arrangement.	9.00	Provision made under I.R.D.P.
	c) Seed money assistance.	3.20	13.00
7.	Special Component Programme.	10.00	10.00

8. K.V.I.B.

a) D.R.I. scheme.	250 beneficieries.	-
b) Bio-Gas.	200 plants.	16.00
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Source - A.A.P. 1985 Bank of India, Sangli.

a) Integrated rural Development programme:

The I.R.D.P. plan outlay was formulated on the basis of the last year subsidy available because the Govt. guidelines in respect of outlay and physical target were not received. Under the plan Rs. 8 lacs per block and institutional finance provision of Rs. 148.80 lacs had been made. In the D.L.C.C. & Meeting it was decided that ~~only~~ receiving the final instructions from the Govt. in respect of allocation and targets to be achieved the Lead Bank prepared revised block banking plan for I.R.D.P. A provision of Rs. 148.80 lacs had been made to cover 3049 beneficieries in primary sector, 571 beneficieries in secondary sector and 774 beneficieries under tertiary sector.

b) Bio Gas Development Programme:

The programme is being implemented by the Zilla Parishad Sangli and Khadi and Village Industries Board separately and the physical targets of 2500 plants and 200 plants had been fixed by the two agencies separately and respectively. Under the programme Bank of India fixed to give advance of Rs. 10000 against mortgage of land. The Govt. had also exempted farmers from payment of stamp duty and registration fees in respect of mortgage

deeds not exceeding Rs. 7500/- for construction of bio-gas plant. In view of these concessions subsidy available from Z.P., K.V.I.V. and Sugar factories in the area and also cost of latrine attachment to the extent of Rs. 1500/- by NABARD for refinancing purpose.

c) Employment Promotion Programme:

i) Seed/<sup>capital</sup>Scheme -

It was informed by District Industries Centre Sangli that they had submitted a proposal for provision of Rs. 25 lacs to D.P.D.C. for the year 1985-86 out of which it was expected that 20 lacs ~~only~~ would be spent in the year. Banks, Maharashtra State Finance Corporation had also made provision in the plan.

ii) Subsidy scheme(see up):

In the month of October, 1984 the scheme for self employment of ~~educated~~ unemployed youth was received by the Central Government and physical target of 1100 cases was fixed for Sangli District. Suitable provision of finance had been made to cover 1100 beneficiaries under various activities as expected by the Government - Industry 50 %, Business 30 % and services - 20 %.

d) Mahatma Phule Backward Class Development Corporation:

i) 50 % subsidy scheme in urban area:

Corporation had decided to grant Rs. 8 lacs subsidy in 400 cases in the plan 1985.

ii) 17 % subsidy -tie-up arrangements:

900 scheduled castes/scheduled tribes beneficiaries

financed under I.R.D.P. would be granted subsidy to the tune of Rs. 9 lacs.

iii) Margin money scheme:

A provision of Rs. 3.20 lacs had been made by Corporation for extending seed money assistance to 200 beneficieries under the scheme.

e) Horticulture Development Programme:

As no guidelines were issued from the Govt. last year plan remained the same in this year.

6.5 SECTOR WISE SCHEMES KN INCLUDED IN A.A.P.1985.

The sector-wise schemes and activities being financed by the banks were as follows:-

A) Agriculture:

1) Crop loan:

Out of the total financial outlay of the district 1/3rd portion was given to crop loan. Out of the total outlay of Rs. 4220.16 lacs a provision of Rs. 1584.85 lacs had been made for this activity, Out of which a major share of Rs. 1200 lacs had been allotted to the Sangli District Central Co-Operative Bank.

2) Minor Irrigation:

The provision made under this activity are as under:-

a) New wells, Repaired to old well.	...	Rs. lacs.	103.25
b) Electric motor/pump set.	...	Rs. lacs.	68.95
c) Lift irrigation.	...	Rs. lacs.	364.15
			-----
	Total.	Rs. lacs	536.35
			-----



For this activity there is good scope in the block Atpadi, Jath, Khanapur.

3) Farm mechanisation:

It has good scope in the district due to sugar factories. Bank had made provision of Rs. 81.06 lacs for purchase of tractors. For the purpose of power-tillers power sprayers, threshers, carts etc. a provision of Rs. 26.64 lacs had been made.

4) Horticulture:

Under this the term ~~for~~ loan for grape wine yards, plantation of accounts, custard apples, etc. had been provided and a provision of Rs. 139.76 lacs had been made

5) Forestry:

The forest department would be supplying 1600 sapplings per hectare free at cost and they have a programme of bringing 550 hectares under forestation during year.. The farmers would require finance towards digging of pits, watering, manaurse etc. and for this purpose a provision of Rs. 9.16 lacs had been made.

6) Dairy:

Majority of the I.R.D.P. are covered under this activity. There are six co-operative taluka sanghas out of which five are co-operative. They collect milk from the rural area. 390 milk societies at present functioning in various villages. In Jath and Shirala block new milk route have been started. There is very good scope for financing this activity and given due consideration while making

provision under Annual Action Plan 1985.

7) Gober Gas Plants:

Due to the national importance of the programme a separate provision had been made for this . A provision of Rs. 216 lacs. had been made for construction of Gober Gas Plants under the year 1985. The physical target 2700 gas plants were expected to be achieved by helping Zilla Parishad Sangli and K.V.I.B.

B) Small Scale Industries:

1) Rural and Cottage Industries:

This sector covers activities like leather, foot-wear , pottery, carpentry fibre and rope making cane and bamboo articles etc. carried at rural areas of the district and person doing such activities is eligible for finance under I.R.D.P. A provision of Rs. 51.65 lacs had been made.

2) Other Small Scale Industries:

Other Units such as brick manufacturing, stone crushing, fabrication, floor mills , power looms, readymade garmets, engineering workshps etc. are included under this sector. The units financed under SEEU scheme will also form a part of this category. A provision of Rs. 421.65 lacs has been made under the plan.

C) Other Priority Sector:

The activities such as retail traders, small business like hotels, pan shop, etc. persons with professional qualifications have included under this sector.

A financial outlay of Rs. 641.32 lacs. had been made under above various activities in A.A.P. 1985. (Road Transport - Rs. 251.14 lacs , Retail Traders - Rs. 182.65 lacs , Professional and self employer persons Rs. 106.20 lacs).

#### 6.6. PERFORMANCE UNDER ANNUAL ACTION PLAN 1985 .

As per the revised guidelines of Reserve Bank of India issued in August 1984 the Lead Bank in consultation with participating bank and other Government Department prepared annual action plan 1985 for Sangli District. The implementation of the plan was monitored through periodical meetings such as Standing Committee/D.L.C.C./D.L.R.C. under the Chairmanship of Collector. The performance of all the banks for the district from 1st January 1985 to 31st Dec.85 in nut-shell is as under:-

Table No.6.3

#### Sector-wise performance under A.A.P. 1985(Rs.in lacs)

<u>Secto-r</u>	<u>Target</u>	<u>Achievement</u>	<u>Percentage.</u>
1. Agriculture.	3105.54	3677.76	118.42
2. Small Scale Indust- -ries.	473.30	639.56	135.13
3. Other priority sect.	641.32	806.09	125.70
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Total.	4220.16	5123.41	121.40
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source - Annual Action Plan, Bank of India, 1986.

The above figures shows that the overall achievement under Annual Action Plan 1985 was 121 % . Sectorial performance in respect of all sector was over 100 %.

A) Schemewise and sector-wise performance:

The scheme-wise and sector-wise achievement under A.A.P. 1985 Upto 31st December, 1985 have been shown in table No. 6.4. It clearly reveals that the achievements ~~6/4~~ made by financial institutions in disbursing credit to different sectors of the economy~~x~~ had been reached only with the exception of those under educational loans, rural and cottage industries and purchase of improved buffalow under allied activities of agriculture.

A) Agriculture:

The overall achievement in the district under agriculture and allied activities by all banks as on 31st December, 1985 was 118.42 % . As against the target of Rs. 3105.54 lacs achievements was Rs. 3677.76 lacs. The following banks have shown their excellent performance by surpassing their ~~a~~ target above 100 %.

Bank of India	106.4 %	: Bank of Maharashtra	105.53 %
Syndicate Bank	144.26 %	: Vijaya Bank	400.00 %
Bank of Karad.	200.91 %	: Sangli Bank Ltd.	139.90 %
United Western Bank	422.40 %	: Sangli Dist.CC Bank.	132.65 %
Sangli Urban Bank	590.07 %	:	

The scheme-wise achievement is as under:-

1) Crop loans:

The total plan outlay under crop loan was Rs. 1584.85 lacs while the amount disbursed was Rs.1816.14 lacs. The overall achievements of all banks is quite good i.e. 115.86 %.

Table No.6.4

SCHEME WISE TARGETS/ACHIEVEMENTS OF ALL BANKS UNDER  
ANNUAL ACTION PLAN 1985 (AMOUNT IN RS.'000')

Se.No.	Sector/scheme.	Target.	Achievement.	Percentage.
<b>I. AGRICULTURE.</b>				
1.	Crop Loan.	158485	183614	115.86
2.	Irrigation Loans.	53635	51824	96.62
3.	Farm Equipment.	10777	18285	169.78
4.	Horticulture.	13970	29751	209.37
5.	Special Forestry.	960	128	13.33
6.	Others.	5423	11623	180.96
<b>ALLIED ACTIVITIES..</b>				
7.	Local buffalows.	16270	18731	115.13
8.	Improved buffalow.	5550	740	13.33
9.	Gross Breed cows.	7197	8475	117.76
10.	Gobar gas Plant.	21600	26331	121.90
11.	Others.	15694	18274	164.44
Sub-Total (I)		310554	367776	118.42
<b>II. SMALL SCALE INDUSTRIES :</b>				
1.	Rural cottage industry.	5165	4026	79.50
2.	Other S.S.I.	42165	59930	142.16
3.				
Sub-Total (II)		47330	63956	135.13
<b>III. OTHER PRIORITY SECTOR :</b>				
1.	Transport Operators.	25114	26137	104.07
2.	Retail traders.	18265	23351	127.84
3.	Small Business.	8905	11310	127.00
4.	Professional & self empl.	10620	12938	121.83
5.	Education loan.	1228	643	52.36
6.	Housing loan.-WKR Sect.	-	2701	-
7.	Consumption loan.	-	3629	.
Sub -Total(III)		64132	80609	125.70
<b>Grand total.</b>		<b>422016</b>	<b>512341</b>	<b>121.40</b>

Source - Annual action plan 1986 Bank of India, Angli.

2) Irrigation loan:

The overall achievement was 96.62 % , as against the target of Rs. 536.35 lacs achievement was Rs.518.24 lacs .

3) Farm equipment:

In the plan Rs. 107.70 lacs was provided while amount actually disbursed was Rs. 182.85 , resulting a very good performance of 169.78 %.

4) Horticulture:

The performance under horticulture of all banks was very excellent. As against the target of Rs.199.70 lacs the achievement was Rs. 297.51 % resulting 209.37 % . It was due to increased well construction and irrigation facilities .

5) Special forestry:

The performance under this scheme was very poor i.e. 13.33 % . As against the plan outlay of Rs.9.60 lacs credit given was 1.28 lacs . The social forestry department had sponsored very few loans applications to banks and as such achievement was very poor .

6) Others:

The performance under other activities was very much satisfactory. It was 180.96 % .

Allied activities:7) Local buffalows:

In case of local buffalow the performance was 115.13 % .

8) Improved buffalows:

The achievement under improved buffalows was very poor i.e. 13.33 % due to following reasons -

- a) Draught Condition ~~is~~ 3 to 4 blocks
- b) Animals were not readily available in the local market.
- c) That breed popular only in very few villages.

9) Cross breed cows:

The achievement under this was satisfactory i.e. 117.76, as against the target of Rs. 71,97 lacs disbursement was Rs.84.75 lacs.

10) Gober Gas Plant:

The plan outlay was Rs. 216.lacs while the credit disbursed was Rs. 363.31 lacs resulting an achievement of 121.90 %.

11) The target and achievement was Rs. 64.23 lacs and Rs. 116.23 lacs respectively showing good performance i.e. 164.44 %.

B) Small Scale Industries:

The overall performance was 135.13 % . As against the target of Rs. 473.30 lacs the disbursement was Rs.936.56 lacs. The performance of banks having major shares in the plan is as under:-

Bank of India	151.82 %	: Sangli Bank	613.84 %
Sangli Dist.C.C. Bank.	115.64 %	: M.S.F.C.	117.00 %.

The scheme.wise achievements are -

1) Rural and cottage industry:

The performance under R.C.I. had not been satisfactory i.e. 79.50 % . As against target of Rs. 51.65 lacs

The achievement was Rs. 40.26 lacs. None of the bank except Sangli District Central Co-Operative Bank had reached the target.

2) Other S.S.I.

Other S.S.I. performance was very good i.e. 142.16 %. As against the target of Rs. 421.65 lacs the allocation was Rs. 599.30 lacs.

C) Other priority sectors:

The overall performance by all the banks was 125.70 % . The target under A.A.P. was 641.32 lacs, as against this the disbursement was Rs. 806.09 lacs.

Except educational loan performance under this scheme had been very satisfactory. The following banks have achieved given target -

Bank of Baroda	119.03 %	:	Canara Bank	188.27 %
Central Bank of India	100.00 %	:	Ratnakar Bank	142.87 %
Sangli Bank	210.04 %	:	United West. Bank	137.38 %
Sangli Urban Bank	348.29 %	:		

The scheme wise achievement is as under:-

1) Transport operators:

As against the target of Rs. 251.14 lacs the achievement was Rs. 216.37 lacs, registering an achievement of 114.04 %.

2) Retail traders:

The plan outlay for 1985 was Rs. 182.65 lacs, but the disbursement was 233.51 lacs Rs. indicating 127.84 % performance.



3) Small business:

The performance of all banks was very good i.e. 127 %, as against target of Rs. 89.05 lacs allocation was Rs. 113.10 lacs.

4) Professional self employed:

The achievement under this scheme was satisfactory indicating 121.30 % .

5) Educational loan:

The performance of this scheme was not satisfactory as only 52.36 % target could ~~not~~ be achieved.

B) Bank-wise sector-wise achievements under A.A.P.1985:

The bank-wise achievement under A.A.P. 1985 upto 31st December 1985 have been given in table No.6.5. The analysis of performance of few banks having major shares under a plan is given as under:-

1) Bank of India:

Bank of India was given target of Rs.372.50 lacs , as against disbursement was Rs. 611.32 lacs resulting an achievement of 100.78 % . However the achievement under the priority sector was 95.50 % . Agriculture and S.S.I. achievement was 106.39 % and 151.82 % .

2) Bank of Maharashtra:

Bank of Maharashtra was given the target of Rs. 215.65 lacs while the disbursement was Rs. 88 lacs. showing 82.91 ~~lax~~ % achievement. The bank reached only agriculture target, but under S. S.I. and O.P.S. performance was poor i.e. 77.15 % and 42.72 % respectively.

3) Union Bank of India:

The overall performance was 93.74 % . The bank had fulfilled agriculture target i.e. 113.17 % , but SSI performance was poor i.e. 33.95 %.

4) State Bank of India:

The overall performance of this bank was 73.15 % . The bank had not fulfilled their target under all three sectors .

5) Sangli Bank.

The overall achievement of all three sectors was 193.90 % . The bank had shown excellent performance under financing of S.S.I. i.e. 613.84 % , O.P.S. 210.04 % , agriculture 139.90 %.

6) Sangli District Co-Operative Bank .

Sangli District C.C.Bank had given major shares in the total credit under the plan which comes to 48 % of the total plan . The bank was given total target of Rs. 1469.50 lacs , as against the disbursement was Rs. 1958.09 lacs , indicating 133.43 % over all achievement. The bank showed good performance in all sectors.

7) Sangli Urban Co-Operative Bank.

The over all performance was 258.79 % . The bank had surpassed the target in case of O.P.S. i.e. 348.29 % agriculture 590.07 %.

8) Maharashtra State Land Development Bank:

The bank was allotted only agriculture target of Rs. 327.22 lacs while disbursement was Rs. 314.64 lacs. showing 88.08 percentage performance.

AS regards the remaining participating banks-wise Syndicate Bank, Bank of Karad, Ratnakar Bank, Canara Bank, United Western Bank, having their share in the total plan had passed the target allotted to them.

Bank of Baroda , Central Bank of India, Vijaya Bank have reached performance above 80 % to 99 % .The following banks were somewhat lagging behind to their allotted target -

Corporation Bank.	60.93 %	:	Punjab National Bank	8.77 %
Dena Bank.	71.60 %	:	United Commercial bank	10.20 %.

In all except four to five banks the performance of the remaining banks was satisfactory.

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