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**“AN ECONOMIC ANALYSIS OF SATISFACTION OF LEAD BANK
BENEFICIARIES IN THOOTUKUDI DISTRICT”**

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An Economic Analysis of Satisfaction of Lead Bank Beneficiaries in Thoothukudi District

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ABSTRACT

Lead banks would help in efficient utilization of funds under priority lending scheme. The main focus of this paper is to analyse the satisfaction of lead bank beneficiaries in Thoothukudi district.

The study has the following objectives

1. To study the socio-economic outline of the lead bank beneficiaries.
2. To find out the reasons for choosing government sponsored programmes.
3. To know the types of loan from lead bank and monthly personal income of the sample beneficiaries
4. To understand the satisfaction of lead bank among the sample beneficiaries based on marital status.
5. To analyse the problems faced by the sample respondents in lead bank.

The primary data have been collected from 250 sample respondents through simple random sampling method. Secondary data collected from various Government reports, State Bank of India, Office of the Labour and Employment in Thoothukudi district, research reports, journals, libraries, magazines, books, newspapers, internet and various institutions. The data to be collected from primary and secondary sources is to be analysing with the help of some statistical tools like average, percentages, standard deviation, t test, Garrett's ranking techniques etc. It is found that out of 250 beneficiaries, 18.8 percent of the beneficiaries are selected in Prime minister employment generation programme, 15.6 percent of the beneficiaries are selected in Swaranjanthi Gram Sahari Rozgar Yojana, 16.4 percent of the beneficiaries are selected in Swaranjanthi Gram Swarozgar Yojana, 13.6 percent of the beneficiaries are selected in Poverty alleviation and income generation programme SC/ST/Others, 18.8 percent of the beneficiaries are selected in self-help group scheme and remaining 16.8 percent beneficiaries are selected in Kisan credit card scheme.

Keywords: Green Revolution, rural development, lead bank, small-scale industries, employment generation.

INTRODUCTION

The Banking industry in India has made considerable progress especially during the last 3 decades, to emerge as one of the accredited agencies of rural development. In the developing countries, and more predominantly in India, sustained efforts have been taken to upsurge the production of food as also of the other agricultural products. But Indian farmers, being poor in common, were in the ominous necessity of money to modernize agriculture. The implementation of the new agricultural technology more commonly known as the Green Revolution was also capital intensive in its environment.

Hence, in order to reorganize the agricultural undertakings to manage the implementation of contemporary technology for refining production as well as productivity, there was a great requirement for more and more of capital which could be acquired through agricultural credit. The lead banks play a significant role in helping the agricultural people by making credit facilities accessible to them with low interest at the suitable time.

Bank credit is available to the farmers in the form of short-term credit for financing crop production programmes and in the form of medium-term/ long-term credit for financing capital investment in agriculture and allied activities like land development including purchase of land, minor irrigation, farm mechanization, dairy development, poultry, animal husbandry, fisheries, plantation, and horticulture.

Loans are also available for storage, processing and marketing of agricultural produce (www.google.com/agricultural credit in India_ 2008). The lead bank acts as a leader for coordinating the efforts of all credit institutions in the allotted district to increase the flow of credit to agriculture, small-scale industries and other economic activities included in the priority sector in the rural and semi-urban areas, with the district being the basic unit in terms of geographical area.

Credit is also classified based on the purpose of loans e.g. crop loan, poultry/dairy/piggery loan, irrigation loan, machinery and equipment loan, forestry loan, fishery loan etc., (Gogula Parthasarathy, 2000). At the end of March 1951, 36 per cent of bank credit was absorbed by trade and 34 per cent by industry and at the end of March 1956, the share of industry and commerce in the total bank credit continued to be 37.10 per cent and 36.50 per cent respectively (Trend and Progress of Banking in India, 1967).

The Lead Bank Scheme has been based on the 'area approach' to banking. Its prime goal is to achieve 100 per cent balanced distribution of bank branches among the several towns and villages in a District. The so far unbanked or under banked areas particularly in rural areas will be brought into the network of banks (Reserve Bank of India, 2001). The Lead Bank scheme covers 526 Districts in the country (Ibid). Presently, the Lead Bank Scheme is in operation in all the Districts in the country (except the metropolitan cities of Mumbai, Delhi, Kolkata, Chennai and certain Union Territories) and covers 622 Districts as at the end of March 31, 2009 (www.rbi.org/publicationdivision/leadbankscheme).

The lead bank provides Micro Finance through Self Help Groups and loans through 30 regional rural banks. Loans are also available for storage, processing and marketing of agricultural produce (Ghosh S.N, 1999). It is a hard fact that finance is lacking in the small-scale sector (R.R. Azad and Usha Arora, 1998).

In Thoothukudi District, the State Bank of India is performing the role of the Lead Bank, for the whole district. In every district, one commercial bank gives the right to function as a Lead Bank. The Lead Bank Scheme aims at the intensive coverage of selected areas for meeting the priority sector credit needs, especially the agricultural credit requirements and ensuring effective supervision over the use of loans.

The Lead Bank provides directions and guidelines to all the commercial banks for granting financial assistance to the agricultural sector. Thoothukudi district has a number of villages and possesses large areas of agricultural lands. Agriculture and small-scale industries are the main occupation of the rural population in the district. Lead banks would also help in efficient utilization of funds under priority lending scheme. The main focus of this paper is to analyse the satisfaction of lead bank beneficiaries in Thoothukudi district.

OBJECTIVES OF THE STUDY

The study has the following objectives

1. To study the socio-economic outline of the lead bank beneficiaries.
2. To find out the reasons for choosing government sponsored programmes.
3. To know the types of loan from lead bank and monthly personal income of the sample beneficiaries
4. To understand the satisfaction of lead bank among the sample beneficiaries based on marital status.
5. To analyse the problems faced by the sample respondents in lead bank.

METHODOLOGY

The study confined to Thoothukudi district of Tamil Nadu. The primary data have been collected from 250 sample respondents through simple random sampling method. The personal interview method carried with a pre-tested schedule. The primary data collected about the year 2017-18. Secondary data collected from various Government reports, State Bank of India, Office of the Labour and Employment in Thoothukudi district, research reports, journals, libraries, magazines, books, newspapers internet and various institutions. The data to be collected from primary and secondary sources is to be analysing with the help of some statistical tools like average, percentages, standard deviation, t test, Garrett's ranking techniques etc.

ANALYSIS AND INTERPRETATION

TABLE 1
AGE-WISE ANALYSIS OF THE BENEFICIARIES

SL. No	Age (in years)	No. of Beneficiaries	Percentage
1	18-25	33	13.2
2	25-40	64	25.6
3	40-55	92	36.8
4	55-70	61	24.4
	Total	250	100

Source: survey data

From table 1 it has been revealed that among 250 sample beneficiaries, the majority of the beneficiaries are in the age group of 40-55 years. Only 33 (13.2%) of the head of the beneficiaries are in the age group of 18-25 years, 64(25.6%) of the beneficiaries fall under the age group of 25-40. 92(36.8) of the beneficiaries are from 40-55 age group and remaining 61(24.4%) of the beneficiaries are from 55-70 age group. The mean age of beneficiaries worked out to be 43.89 years.

TABLE 2
SEX-WISE ANALYSIS OF THE BENEFICIARIES

SL.No	Sex	No. of Beneficiaries	Percentage
1	Male	190	76.0
2	Female	60	24.0
	Total	250	100

Source: survey data

From Table 2 it has been inferred that out of 250 beneficiaries in the Thoothukudi district, the majority of 190 (76.0 percent) are male and rest 60 (24.0 percent) is female respectively.

TABLE - 3

EDUCATIONAL QUALIFICATION OF THE BENEFICIARIES

SL.NO	Education	No. of Beneficiaries	Percentage
1	Illiterate	29	11.6
2	Primary	43	17.2
3	High school	124	49.6
4	College	38	15.2
5	Technical	16	6.4
	Total	250	100

Source: survey data

Education plays an important role in the improvement of the society. The importance of education is keenly felt even in rural areas. It has been clearly brought out in table 3. Out of the 250 beneficiaries, 29 persons (11.6%) are illiterate, 43 beneficiaries (17.2%) are completed their primary school level, 124 persons (49.6%) have completed their high school education, 38 persons (15.2%) have finished a degree and 10 people (3.4%) have finished technical level education.

TABLE - 4
MARITAL STATUS OF THE BENEFICIARIES

SL No	Marital Status	No. of Beneficiaries	Percentage
1	Married	206	82.4
2	Unmarried	44	17.6
	Total	250	100

Source: survey data

Table 4 reveals that out of 250 beneficiaries, 206 (82.4%) beneficiaries are married 44 (17.6%) beneficiaries are unmarried.

TABLE 5
FAMILY SIZE OF BENEFICIARIES

SL No.	Family Size	Beneficiaries	Percentage
1	Below 2	57	22.8
2	2-3	114	45.6
3	3-4	60	24.0
4	4 and above	19	7.6
	Total	250	100

Source: Survey data.

A maximum of 114 (45.6 percent) of beneficiaries have a family size of 2- 3 members, followed by 60 (24.0 percent) having a family size of 3 - 4 members. 57 (22.8 percent) have a family size of below 2, and only nineteen (7.6 percent) having a family size of 4 and above. It is observed from Table 5 that majority of them have a family size of 2- 3 members. The average size of the family worked out to be 2.67.

TABLE 6
OCCUPATION OF THE BENEFICIARIES

SL No.	Occupation	No. of Beneficiaries	Percentage
1	Agriculture	174	69.6
2	Service	12	4.8
3	Member in Self-Help Groups	18	7.2
4	Small Business	22	8.8
5	Seasonal Labour	13	5.2
6	Others	11	4.4
	Total	250	100

Source: Survey data.

Table 6 shows the permanent family occupations of selected respondents. The table shows that out of 250 selected respondents 174 (69.6%) respondent's permanent family occupation was Agriculture, followed by 22 (8.8%) respondent's family occupation was small business, 18 (7.2%) respondent's family engaged in the Self-Help Groups, 13 (5.2%) respondent's family occupation was seasonal labours 12 (4.8%) respondent's family occupation was services and 11 (4.4%) respondent's family was engaged in other types of activities.

TABLE 7
MONTHLY PERSONAL INCOME OF THE BENEFICIARIES

Sl. No.	Monthly Personal Income (in Rs.)	No. of Beneficiaries	Percentage
1.	Less than Rs 5,000	39	15.6
2	Rs 5,001 – Rs 7,000	62	24.8
3	Rs 7,001 – Rs 9,000	112	44.8
4	Rs 9,001 and above	37	14.8
	Total	250	100.00

Source: Survey data.

Table 7 shows that out of 250 beneficiaries a majority of 112 (44.8 percent) earn a monthly income of Rs.7, 001 to Rs.9, 000 followed by 62 (24.8 percent) earning Rs.5001to Rs.7, 001. 39(15.6 percent) of the beneficiaries earn less than Rs.5000, 37 (14.8 percent) earn Rs.9001 and above. The mean monthly personal income worked out to be Rs.7176.5.

TABLE 8
TYPES OF LOAN

SLNo.	Types of Loan	No. of Beneficiaries	Percentage
1	Prime Minister Employment Generation Programme	47	18.8
2	Swaranjanthi Gram Sahari Rozgar Yojana	39	15.6
3	Swaranjanthi Gram Swarozgar Yojana	41	16.4
4	Poverty Alleviation and Income Generation Programme SC / ST / Others	34	13.6
5	Self Help Group Scheme	47	18.8
6	Kissan Credit Card Scheme	42	16.8
	Total	250	100

Source: survey data

From the above Table 8, it is found that out of 250 beneficiaries,18.8 percent of the beneficiaries are selected in Prime minister employment generation programme, 15.6 percent of the beneficiaries are selected in Swaranjanthi Gram Sahari Rozgar Yojana, 16.4 percent of the beneficiaries are selected in Swaranjanthi Gram Swarozgar Yojana ,13.6 percent of the beneficiaries are selected in Poverty alleviation and income generation programme SC/ST/Others,18.8 percent of the beneficiaries are selected in self-help group scheme and remaining 16.8 percent beneficiaries are selected in Kissan credit card scheme.

TABLE 9
REASONS FOR CHOOSING GOVERNMENT SPONSORED PROGRAMMES

SLNo.	Reasons	No. of Beneficiaries	Percentage
1.	Lack of employment opportunities	64	25.6
2.	Opportunity to use own skills	58	23.2
3.	Alternative of government subsidy	51	20.4
4.	Encouragement is given by others	41	16.4
5.	Any other reason	36	14.4
Total		250	100

Source: survey data

It is observed that the Table 9, 25.6 percent, of the beneficiaries, have selected in lack of employment opportunities, 23.2 percent of the beneficiaries have selected in opportunity to use in own skills, 20.4 percent of the beneficiaries are selected in alternative of government subsidy, 16.4 percent of the beneficiaries have selected in encouragement given by others and remaining 14.4 percent of the beneficiaries have selected for any other reason.

SIGNIFICANT DIFFERENCES IN SATISFACTION OF LEAD BANK AMONG THE SAMPLE BENEFICIARIES BASED ON MARITAL STATUS

Marital Status	N	Mean	SD	t'Value	Interpretation
Married	206	32.59	19.04	0.7241	Not Significant
Unmarried	44	16.82	8.24		

Source: Computed from Primary Data

In order to find out the significant difference in satisfaction of lead bank among the sample respondents based on marital status, the 't' value was calculated and the calculated 't' value was found to be 0.7241 which is lower than the table value 1.97 which is significant at 0.05 level. Therefore, the null hypothesis is accepted and concluded that there is no significant difference in satisfaction of lead bank among the beneficiaries between marital statuses.

TABLE 10
GARRETT'S SCORE FOR PROBLEMS FACED BY LEAD BANK BENEFICIARIES

SLNo.	Problems	Average Score	Rank
1.	Delayed in subsidies or direct benefits transfer	45.14	VII
2.	Delayed in sanction of loan	59.81	III
3.	Long distance of bank branches	48.02	VI
4.	Top up loan not sanctioned	62.24	II
5.	Behaviour of Bank officials	40.01	VIII
6.	Heavy rate of interest	67.55	I
7.	Very less amount of loan sanctioned	53.42	IV
8.	Saving deposits compulsory	31.46	X
9.	Training and information not provided by the bank	51.53	V
10.	Not benefited to other schemes	36.18	IX

Source: Computed from survey data

Table 10 records the priority problems faced by the sample respondents. In the case of lead bank beneficiaries by using Garrett's score the first rank assigned to the rate of interest charged by the bank is very high followed by the bank is not sanctioned top up loans under the government programmes. The third and fourth prioritised problems were the bank has sanctioned loan after a long time and the bank has sanctioned very less amount under the programmes; this amount is not sufficient for successfully running for income generating activity. The fifth rank was given the bank has sanctioned loan but not provided training or information about the programmes followed the distance of bank branches is very long, very delayed indirect benefit transfer to their bank account, respondents were disappearing from the bank officers or their behaviors, they were benefited one scheme of government that's why they did not permit to take the benefits of other government sponsored scheme and the bank forced them to deposit some money with the bank whether they participated under lead bank scheme.

CONCLUSION

This study pointed out the role of Lead Bank Scheme (LBS) is useful for the development of the economy especially in the backward area. The function of the lead banks is especially in the backward area to co-ordinate the efforts of all other commercial banks, financial institutions and other development agencies for bringing about the overall development of the districts. The Lead Bank, as a good corporate citizen, has stepped into the arena of counseling the common man to help them and lead a decent and honorable life in the future days to come. The Lead bank takes this as a privilege to shoulder the social responsibilities as a noble service of mankind. With all good social and economic welfare and upliftment activities, the Lead bank is helping the individual who is burdened with problems of debt.

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