CHAPTER - 5

FINDINGS, SUGGESTION & CONCLUSION
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SUMMARY OF FINDINGS, CONCLUSIONS AND SUGGESTIONS

The performance in every term is having a different connotation and depends in the framework and its applications. As varied Rural Regional Banks activities, there is a reason behind for their every performance. This study evaluated several parameters like growth pattern of RRBs; The credit distribution of RRBs; and the first generation and second generation’s reform periods of RRBs. This chapter 5 divided into two sections, first section describes about the findings of study and second section defines suggestions that improve RRB’s performance.

There are many commercial and co-operative banks are operating in rural areas before establishing the RRB’s. Due to the complexity of banks branches, the needs of credits in rural areas are in sufficient. The general element of commercial banks networks, RRB also has also reached great growth in number of banks and its branches accordingly. It also expanded their services for all corners. Additionally, RRB is also encouraging the less credit deposits ration that making big dent on the major function of RRB.

The central government is spread that many branches of RRB to gross root level to provide banking and credit services to the required people who are living in rural areas. In addition, it is the major responsibility of the bank management and the sponsored bank can take care about to raise the ratio of credits in the bank. The gap among C-D ratio of commercial banks and RRB’s are required to minimized because to gain benefits to the rural area. The merging process of RRB’s was started in September 2005 to provide strength and followed the merging during 2006-07. Hence, the total number of RRBs is decreased to 145 to 45 new RRBs due to the merging process. The total number RRBs are decreased from 196 to march 2005 to 133 at end march 2006 and finally 82 March 2012. According to “Financial performance” of “First generations reforms’ (1990 to 1998) and ‘Second generations reforms period’ (1999 to 2009) study points out following eye opening points and suggestions. As per First and Second Generation Reforms, the variables of “growth and variability “during concerned, and Coefficient of Variation (C.V) showing that, the changeability during ‘Second Generation Reforms’ will become lower while compared with the variability during ‘First
Generation Reforms’ across most of the variables. It is clearly shows that “second generation reforms, amalgamation were really working”.

An analysis of the “null hypothesis” that, the difference between two periods that measured on various variables a mean value of ‘0’ with the help of ‘T’ test has been used. This analysis suggests that second generation is become more effective than first generation. This data shows that profits details of during 1991 to 2009, to find that any collisions in the profits with an accurate indicators and values in the model. The “‘Outlier Summary” analysis is very useful to explain about the breaks and locations within duration. According to this method, collisions are happened in the year 1998.

There is other analysis which is better to know to consider in a shift from the year 1998 regress. The statistics would further address better significance in shift of profitability and other variables. There are other indications which are better profitability during end of first generation. This analysis clearly shows the break in seers of impact of generation forms and profitability of RRB’s. There are other outstanding deposits which will be mobilized through regional rural banks registered for an increase of 23.2 percent and has a annual rise of 2000-01 which has high demand deposits of 27.3 percent. The credit extended by these RRB’s has further increase in range of 23.0 and has tune up to 15,579 and has a range of 2000 -01 and have investment of 25.6 percent. The outstanding deposits can be mobilized through an regional rural bank which registers for an increase of 16.7 and quote up to Rs 43,220croe in the year 2001 -02. It is further compared that rise of these 23.2 percent can have a cash registers rising from the previous year. The demand for the time deposits has registered growth rates of 16.0 percent and has lower than those of registered previous years and extended it by RRB’s. There is also an increase in the percentage the approach of year 2001 -02, which compared to the other level of 23.0 percent. The outstanding deposits can be mobilized through registration of the increase in 11.9 percent and has a growth curve of more than 48,3846 in 2002 – 03.

In the year 2003 – 2004, there is slight change in trends which do make up a better profit through deposits and increase a better is of percentage from 17.9 from 11.9 percent. The change in demand deposits recorded has a stronger growth and has an increase of 25 percent from the year 2003 – 2004. To have a better time deposits which can further do extend through the year 2003 – 2004 and further extend it increase more than 11 percent for the year 2002 -03. There are other assists which do hold up a better monetary and also
address key credit policy from the year 2002 -03. There is clear change in the approach of the approved securities which do help in converting and helping out better existing deposits with a better sponsor investment process in the year 2003. As per the RRB’s there is an expansion of investment and other consideration for securities through which range from 334 percent. As per the further details, RRBs do increase and help in depositing a better liabilities and drawdown various assists of interbank and further expand their investment and range it further more than the 39 percent of the growth investment and regulate the securities further more than the 60.6 percent of the high base.

There are other deposits which do address RRB’s and further increase it to more than 90 percent of the total during the year 2004 -05. There is strong demand for the deposits recording a very stronger level of time deposits and decline very sharply and have a credit growth accelerate more than the 24.8 percent of the year 2004 – 05. It is further rated that change in the percentage of the approach can be rationalized from 17.0 to the change in present year of the approach. There is a clear outstanding process which does make almost all process of working on the methodology which is almost more of the outstanding credit of Rs 31,803 core in the year 2005. By further contemplating a better higher impact of the growth, there is a coupled growth which do provide and generate a better perspective in deriving a better deposits and liabilities. There are investments of RRB’s which do continue to growth and make an higher level of rate of 33.1 percent and further have an increase of 39.0 mainly due to the approved securities. There are other contrast preceding which do increase the investment mainly in securities of the government and assists of RRB increased more than 10.8 percent in the year 2004 -05. There are other approach of the agree grate deposits which do increase by 14.8 percent of the approximate Rs 71,329 cores and in the year has an effect of more than 9 in the year 2004 – 2005.

In the year 2000 – 01,there are other normal credits which do increase in the range of 42.1 percent and further has the investment ratio of the marginally increase to 20.4 percent. As per the period of 2001 – 02, the credit deposit ratio of the RRB’s will soon rise to more than 42.5 percent of the compare in the year as per the same period and has found out a decline in investment those in approved securities and has an investment deposit ratio witnessing a decline of 15.7. It is to be further noted that NPA’ of the RRB has further found out a better reduction in the considerable profit in the year 2000 – 01. There is also a rise in the share of the NPA which has total assets of the decline in the range of 23.2 percent in the year 200 to 19.2 percent. There is other large increase in the share of assets s in standard
category and further seen a contemplative reach in the year end of 2000 march to 80.8 percent till March 2001. There are the years which RRB’s need to prove better active agencies and strengthen a better rural based economy which do make a better purview in crediting and mobilizing a better deposits from rural areas and thorough network even in the remotest area of the country, by developing a better control over the rural banks. which do face a greater threat and initially introduce a better social reform and other clear policy initiatives through the government. Reserve Bank of India and other agencies concerned for strengthening the financial position of regional rural banks have resulted in perceptible improvement in the functioning of these banks. Evidence from the above, regional rural banks are thus required to devote utmost attention to their performances to meet global aspirations. This study is an attempt in this direction to analyze the performance of banks in terms of financial, performance and evaluation during the Pre and post-reforms period spanning from 1991 to 1998 and 1999 to 2009 by using Malmquist index.
5.1 CONCLUSIONS:

- Halt effects present in between the data were clearly seen when rebuilding, finally it is concluded based up on the results.

- During second era, production of the RRB’s has enhanced significantly.

- RRB’s effectiveness enhanced consistently due to the significant role of these factors

- During second reforms considerably positive change is seen in similar manner all other variables considered in the model.

- During 2\textsuperscript{nd} period, rise in consistence taken place.