CHAPTER – VIII

MAIN FINDINGS AND SUGGESTIONS.

8.1 INTRODUCTION:

In this Chapter, we propose to give a brief resume of the main findings presented in the earlier Chapters. This will be followed by detailed discussions of the recommendations based on the findings of the study.

8.2 BANKING AND ECONOMIC DEVELOPMENT:

The First Chapter of this study brought out the review of the theoretical strands on the relationship between banking and economic development.

The views of W.A. Lewis, R.R. Nelson, Regnar Nurkse, R. Prebisch and E. S. Shaw regarding the role of capital and credit in the process of economic development have been presented. All these economists point out that the single crucial variable in causing or hampering economic development of a nation is the high or low rate of investment.

Joseph Schumpeter has succinctly highlighted the vital role which an entrepreneur plays in the process of accelerating the pace of economic development. The entrepreneurs, however, depend critically on the supply of credit by the financial institutions, mainly the banks, which enables them to convert their innovative thinking into actual production activities.

Gunnar Myrdal has established the nexus between the emergence of regional imbalances and the operations of unequal backwash and spread effects. In his opinion, strong backwash effects and weak spread effects accelerate the regional inequalities. Such inequalities tend to increase further if the banking system in a country is not regulated properly in the special context. He points out that banks become an instrument for siphoning off savings from poorer regions to richer regions if they are not made to act differently. On the other hand, the regional inequalities may decrease with the proper spatial regulation of banking system.

The recent literature relating to the theoretical strands on the relationship between banking and economic growth mainly converges on the Gerschenkron hypothesis.
Gerschenkron does consider banking to be the only factor to be effective in fostering economic growth through industrialization, although he considers it as a key-factor playing an important role at certain stages of industrialization. In support of this view, Gerschenkron discusses the cases of England, Germany and Imperial Russia. His conclusions that the banks do play a vital role at certain stages of industrialization, has been supported by Prof. Patrick. He has given the empirical evidence emanating from Japanese experience to prove or rather substantiate they hypothesis laid down by Gerschenkron.

There are a few other economists like Prof. Gurley, who contradict this way of thinking. Gurley points out that some of the developed countries of today like Taiwan, Israel, Venezuela and most of the Communist countries for that matter, have never depended heavily on their banking systems. This opposite view, however, is not strong enough to refute the crucial role the banking does play in economic growth.

On the basic of this theoretical discussion, the first Chapter introduced the basic framework of the present study by taking the Indian case. With a cursory review of the Indian banking system, it concludes that the development functions become a prime responsibility of the banks only after their nationalization in 1969.

The Regional Rural Banks (RRBs) were introduced after nationalization (on 2nd October 1975, to be precise), which was an attempt towards developing a more systematic approach towards discharging the developmental functions by the banks. The First Chapter finally discusses the criteria, significance, scope, limitations and methodology of the study.

8.3 GAPS IN EARLIER RESEARCH:

The Second Chapter mainly gives the broad classification of literature and a critical review of the studies relating to the WKGBs, together with the gaps in the studies identified.

It is said in the Indian Subcontinent that, “a farmer is born in debt, lives in debt and dies in debt” 1

Most of the causes responsible for the low standard of living of the agriculturist and the continuous impoverishment of this class, are also the main problems that are faced by the borrowers from unorganized sources.

Firstly, high rate of interest and manipulation of accounts by money lenders lead to great increase in the burden of indebtedness.
Secondly, for non-payment of debts, the debtors would lose the land to the lender at low price.

Thirdly, when most of the indebted people could not pay up the accumulated debt, it was necessary to give them some relief by liquidating a part of it, if not the full.

In order to grapple with these problems, the then rulers, and after Independence, the welfare state, experimented with some approaches, e.g. by passing suitable legislation such as legislation for regulating money lenders, by starting new financial agencies, promoting cooperative societies and then nationalization of 14 commercial banks in 1969. It was found that there should be a small unit which would work at low cost profile in rural areas with an image as a “small man’s institution”.

Gaps in the studies identified –

1. Differential Rate of Interest Scheme:
The Government of India accepted and initiated the scheme in 1972, but in practice, the scheme did not get good response.

2. Cooperative Societies:
Out of the total member of 1,16,125 societies, 43% (49,455) were viable and 50% (61,583) societies had full-time paid secretaries, but their working was found unsatisfactory.

3. Weakness of the commercial banks:
No doubt, the commercial bank’s branch expansion took place, but it is observed that commercial banks appear to be more concerned with fulfilling physical targets assigned to them in credit plan. Banks generally are not willing to go into the interior areas.

Also many rural branches are starved off requisite staff which has come in the way of building up the necessary business potential.

4. Spread of banking in the economy:
Banking facilities are generally more developed in the states which are economically and socially advanced and less developed in the states which are relatively backward.
5. Deposit mobilization:

Moreover, commercial banks still separate their branches in rural areas for mopping up deposits rather than for development of their funds.

Thus, to meet the gaps, new but small-type financial institutions are required so as to develop the rural part of our nation.

8.4 APPROACH OF THE PRESENT STUDY:

Bank or Banks can play certain developmental functions of the banking system, such as –

1. PROCESS OF INVESTMENT:

Economic development is based on the process of investment. Both types of credit, i.e. long-term and short-term, are provided by the banks. The banking system acts as an intermediary for savers.

2. PROCESS OF STIMULATING AND ENHANCING MONEY SUPPLY:

Banks play a vital role in stimulating and enhancing the money-supply. This happens through deposit mobilization and through refinancing facilities provided by the Central Bank.

3. PROCESS OF DEVELOPING ENTREPRENEURS:

In recent years, banks have assumed the role of an agency for developing entrepreneurs. Money is now regarded as exercising an important influence on the level of production and accumulation in the economy. Commercial Banks as dealers of money, have thus been recognized at vital agents in the process of economic development. Rural banking / finance, in real sense of the term, includes, in addition to finance for agriculture, finance for rural entrepreneurs, rural transport and marketing, rural trade etc.

At the rural branch level, greater attention may be given to achieving the target rather than lending to the right persons for right type of activities.

The Regional Seminar for Asia Agricultural Credit for Small Farmers held in Bangkok suggested –
a. Credit system should generate adequate savings and mobilize them as deposits in order to accelerate the economic growth in a planned way;

b. The credit system should be able to satisfy all the credit needs of the rural people, in whatever nature (Short/medium/long-term) and in whatever form (cash or kind) it is necessary.

By rural credit, it is meant the credit for the economic activities being undertaken in the rural areas, such as raising crops, livestock, fisheries, rural industries, trade and transport pursued with private initiative; agriculture and related activities on input basis and other activities on income/value added basis.

For real development, the Government of India imposed social control on commercial banking but the response to attempts at channelizing increasing volumes of credit to these sectors was rather doubtful. This led the Government to think of bringing the ownership of banks under state control, which only culminated in the nationalization of the major banks on 19th July 1969. For further guidelines, the ‘Lead Bank Scheme’ was implemented and at last, to speed up the rural credit, specifically to the weaker sections (i.e. small farmers, etc.) of the rural community of India, Regional Rural Banking was accepted and implemented.

8.5 REGIONAL RURAL BANKS AT MACRO LEVEL:

A new era in the country’s banking system began on Gandhiji’s Birth Anniversary in 1975, with the inauguration of the first five Regional Rural Banks (RRBs), as part of the Prime Minister’s Economic Programme.

The RRB’s operations are limited to a particular region comprising one or more districts of any State. These RRB’s are manned by the local people having an intimate knowledge of the area in which they operate and a much simplified procedure for banking activities is followed.

The RRBs are sponsored by the scheduled banks, usually a public sector commercial bank.

The Government of India has also prescribed that the rate-of-interest charged by an RRBs on its direct loans to the persons belonging to the specified categories of the rural society would be on par with the rate charged by the PACs to their clients. RRBs are entitled to get concessional refinance from the National Bank for Agriculture and Rural Development (NABARD). Such refinance is higher during the
earlier years of their operations. Overall with these mandatory provisions, coupled with several concessions, the RRBs have emerged as a strong ‘third plank’ in the Indian multi-agency system of rural credit.4

The main objectives behind the establishment of the RRBs could be summarized as follows:
1. Taking the banking services to the doorsteps of the rural masses, particularly in the hitherto unbanked rural masses;
2. Make available institutional credit to the weaker sections of the society, who had by far little or no access to cheaper loans and had perforce been depending on the private moneylenders;
3. Mobilize rural savings;
4. Generate employment opportunities in the rural areas.

There has been a substantial increase in the number of RRBs and their branches during the period of last ten years.

The number of RRBs, as in December 1988, remained unchanged at 196, since no new banks were established during the year. However, the coverage of districts has gone up from 363 as on 31 December 1987 to 370 as on 31 December, 1988, on account of extension of area of operation as well as division/reorganization of the existing districts. These 370 districts covered by the RRBs are served by a network of 13,920 branches.

The deposits of RRBs grew by 28.62 per cent over the preceding year and stood at Rs. 2,965.88 crores as on 31st December 1988 in 254.91 lakh accounts. The outstanding advances of the RRBs increased by Rs. 572.03 crores during the year 1988 and stood at Rs. 2,804.29 crores as on 31st December 1988, showing an increase of 25.63 per cent over the preceding year. During the calendar year 1988, the WKGBs disbursed Rs. 958.52 crores.

**RRBs in Maharashtra:**

Maharashtra has been a pioneer in the development of modern financial sector in India and continues to hold its top ranking position in the financial field throughout all these years. The first commercial bank was started in Maharashtra in the last quarter of the previous Century and since then, the commercial banks in Maharashtra have never looked back, continuously growing in size and stature. At present,
nineteen banks – 18 scheduled and 1 non – scheduled are registered in the state, having a paid-up capital of Rs.220 crores, which accounts for one-third of the total paid up capital of all the scheduled commercial banks in India.5 commercial banks in Maharashtra account for 9.30 per cent of the total branches, 18 per cent of the total deposits and 21 per cent of the total advances of all the commercial banks in the country.6

Maharashtra is also a cradle of cooperative banking movement. The Maharashtra State Cooperative Bank was not only a model of initiative and innovation but also provided institutional leadership to the cooperative credit movement of the country.
The number of RRBs branches, deposits, outstandings and overdues as at the end of 2008 are shown in Table 8.1.

Table 8.1
Regional rural Banks in Maharashtra Number of Branches, Deposits, Outstanding and overdues
(As at end of December 2008)

<table>
<thead>
<tr>
<th>Number Of RRBs</th>
<th>Number of Depositors</th>
<th>Number of Borrowers</th>
<th>Deposits</th>
<th>Outstanding Advances</th>
<th>Total</th>
<th>Advances</th>
</tr>
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<tr>
<td></td>
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<td>Direct</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Accounts Amount</td>
<td>Accounts Amount</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>21</td>
<td>2210</td>
<td>1065077</td>
<td>90.18</td>
<td>305018</td>
<td>112.24</td>
</tr>
</tbody>
</table>

Non-viable Nature:

RRBs, by their very nature, are not viable due to the following main reasons:

a. They can come up mostly in areas which are unbanked or underbanked.
b. Their lending is confined to the target group consisting of small borrowers engaged in various economic activities in rural and semi-urban areas;
c. The interest rates charged by them are lower.

The CRAFICARD has suggested that financial viability cannot be the sole parameter for judging the performance of the RRBs but it should be judged on the basis of fulfillment of the basic objective of meeting the credit needs of small borrowers. Accordingly, these banks have done quite well. Working under fairly difficult conditions, these banks have managed to cultivate banking habit among the weaker sections of the society.

The RRBs have three shareholders, viz. the Government of India, the sponsor - Bank and the state Government, who play a vital role in the working of the RRBs at macro level. The role and the viability of the RRBs have been questioned since their inception. But the dantwala Committee, the Khusro Committee have all upheld the usefulness of the RRBs in credit dispensation in the rural areas, although they have differed in their prescriptions for improving their viability. Thus, the RRBs will continue to operate and given their mandate, probably remain viable.

The RRBs are largely catering to the financial needs of the weaker sections of the society. Thus, apart from their involvement in the implementation of the integrated Rural development Programme, the RRBs can rightly be said to be furthering the objectives of the 20-point programme of economic Development.

8.6 RRBs AT DISTRICT LEVEL:

The Ratnagiri – Sindhudurg Resources Region consisting of the two districts of the same names in Maharashtra and forming part of the area locally known as ‘Konkan’, is a rough terrain with interspersed hills off shooting from the Western Ghats (Sahyadri Hill Ranges). It is the least urbanized area in the State. Ratnagiri – Sindhudurg Resource Region is a narrow coastal strit on the western coast of Maharashtra State and is a part of larger coastal strip historically known as ‘Konakn’
With the intention of setting up branches in the remote rural areas, the local feel of its staff and its image as a “small man’s institution”, the bank of India the lead bank of Ratnagiri – Sindhudurg districts, became the sponsor bank of the “Vainganga Krishna Gramin Bank” (WKGB) on 15th Dec 2008. The WKGB’s head office with its first rural branch, commenced operation on the same day. Inspite of the constrains imposed by the typical geographical area (hilly and coastal land), the WKGB made satisfactory progress and as at the end of march 1990, had 39 branches (24 in Ratnagiri districts and 15 in Sindhudurg districts), working towards the objective of making credit available to the small / marginal farmers and rural artisans.

In the district of Ratnagiri, the WKGB is having its branch in every taluka; but in Sindhudurg district, an important taluka, Vengurla, does not any branch. In fact, there is a wide scope in both the districts to open new branches. Again, the number of branches is more in Ratnagiri district (24) than in Sindhudurg district (15).

The WKGB’s C:D ratio is far below than the desired level of 60 percent, due to the limited credit absorption capacity under the commercial sector (30.25 percent in Ratnagiri District and 34.44 percent in Sindhudurg district). This due to the fact that no big units which can absorb relatively high limits are coming up in the districts. There however, is a higher demand for credit from weaker sections as is evident from their share of advances (22.71 percent).

In short, there is a vast scope for the expansion of the RGB’s branches in these two districts as there are many small villages, including many remote wadis that are still far-away from the banking facilities and banking habits. In fact, due to the peculiar geographical features of the districts (hilly and coastal terrain), the banks have trended to stay away from these small villages and vice-versa.

8.7 CONTRIBUTION TO THE ECONOMIC DEVELOPMENT OF THE DISTRICT :

As at the end of the Branch Expansion Programme 2005-10, the WKGB had no Branch licences issued by the Reserve Bank of India pending for fulfillment. Most of the branches are in unbanked remote areas of the district, thus taking the banking service nearer to the rural population.

DEPOSIT MOBILIZATION:
Mobilization of deposits is vital for any bank as it ultimately determines the level of the bank’s operations. In fact, the WKGB is in a most disadvantageous situation for mobilizing the deposits. Despite the handicaps, however, the WKGB’s branches have done a commendable job by mobilizing Rs. 270 lakhs of the additional deposits during the year. The bank thereby increased its deposits from Rs. 620.80 lakhs to 790.99 lakhs at the end of March 2010.

**CREDIT ADVANCEMENT:**

A number of villages in the WKGB’s area of operations have to be approach on foot. Moreover, people from the rural area are traditionally reluctant to borrow, resulting in a very low credit; Deposit ratio for the WKGB ranging between 25 to 35 per cent. The bank is overcome all these limitations and has created its own image as a ‘Bank for the small man’. As a result of the sustained efforts the outstanding total advances of the bank increased from Rs.580.77 lakhs as at the end of March 2009 to Rs. 711.65 lakhs as at the end of March 2010. The number of the borrowal accounts has increased from 13,564 to 41,705. No doubt, the WKGB has contributed considerably towards the economic development of the districts of Ratnagiri and Sindhudurg.

**8.8 DIRECT IMPACT ON THE WEAKER SECTIONS:**

It is appreciable that the WKGB has overcome all these limitations and has created its own image as a bank for the small man. It has fulfilled its commitment under Annual Action Plan. The Bank can increase its depressing C:D ratio by changing the traditional reluctance to borrow and by acting as a catalyst for building a good industrial and commercial infrastructure in the area.

**CUSTOMER SERVICE:**

Most of the customers of the WKGB, either depositors or the debtors, are poor, illiterate and with agrarian background. The area is having hilly terrain and for many villages, the approach to the taluka place is on foot. It is observed that the customer service is of very high level in all the branches of the WKGB. Though the customers generally are illiterate and uneducated, they get all sorts of help from the Bank officials. If the loan documents are ready and up to date, the proposal is sanctioned expeditiously. Also, the working days of the branch are adjusted according to the local conditions, i.e. the weekly Bazar day, etc. The main difficulty of
the borrowers of the Bank, however, is that they do not get immediate loan as is available from the local moneylender.

Under the new ‘Service Area Approach’ to rural lending, the WKGB’s 24 branches in Ratnagiri district are allotted 327 villages and the 15 branches in Sindhudurg district 149 villages. Through this novel approach, the WKGB has been successful in creating its very favourable image within the area of its operation.

The preceding Chapter is devoted to the assessment of the district impact of the WKGB’s financial assistance on the weaker sections in both the districts in their income generation activities. Particularly, Table 7.13 gives a clear – cut idea about the total income impact of the WKGB’s loan assistance on its borrowers. It has also been brought out that except for the RT/SB/PSE/TO (Retail trade / Small business/ Professional self employed / Transport operator) category, all other categories have registered positive income impact on the borrowers. For the defaulting category mentioned above, the WKGB should specially gear up its monitoring set up and to turn the loss – making units into profit making ones.

On the whole, the WKGB has been successful in creating only a limited impact on region’s economy. But with more efforts on the WKGB in the planning and execution of its various schemes, it can play a vital role in improving the region’s economy and retard the migration tendencies of the younger generation.

8.9 PROBLEMS IN WORKING :

8.9.1 Problems in working of the RRBs :

The national –level statistics of the RRBs show that majority of them are incurring losses year after year. As at the end of 2005, out of the 173 RRBs in the country, as many as 130 showed losses.

These RRBs are heading for a massive deficit in their operations. In the first seven years, the total amount they lost was Rs. 5.61 crores. At the same time, the number of banks showing deficit has progressively increased from 28 in 2000 to 92 in 2007.

The financial institutions with a weak financial base cannot continue for long and fulfill social banking objectives assigned to them. Hence, the financial viability of institutions is one of the pre-quisites for their sustained growth and shouldering social responsibility. At present, the
RRBs have been placed in heavy losses. It has been further worsened on account of increase in overhead expenses consequent upon the revision of staff salary and other allowances.

Reduction in margin available to the RRBs on account of upward revision in interest rates on deposits with effect from 21st October 2005 and reduction in the lending rates from 1st April 2006.

Another major problem faced by the RRBs in about 12 years of their existence is that of late, the commercial banks have become competitors to the rural banks which they themselves have sponsored. In fact, the original idea was that the RRBs should serve as supplement to the cooperative banks and not supplant them. Evidently, however, it was not anticipated that the public sector banks would complete with the RRBs by charging lower rate of interest.

8.9.2 Problems in working of WKGB

The specific problems in the working of the WKGB could be cited as follows:

1. The Reserve Bank of India had issued comparatively less number of branch licences to the WKGB initially. Hence, for the rapid expansion of the WKGB’s branch network, more licences are required to be issued by the Reserve Bank of India.

2. Deposits held by the WKGB are less due to various reasons, for example, more attractive deposit schemes of other banks and postal saving schemes, less number of branches in the district, etc. Also, the people being poor, their capacity to generate savings is almost nil. Added to it is the lack of publicity about the various deposit schemes of the WKGB.

3. Advances are comparatively less as people are traditional in their thinking, illiterate and are not ready to take on any kind of risks.

4. A large number of young generation migrates to Bombay and the remainder is content to continue their traditional lifestyle on whatever meager income they can get from their fragmented land holdings.

5. People are conditioned to think negatively about the new economic endeavours.

6. Illiteracy and poverty both make the farmers afraid to visit a bank, seeking credit.

7. All the policy matters are decided upon the NABARD and the WKGB acts merely as an executive agency, leaving a very little scope for innovation.
8.10 SCOPE FOR IMPROVEMENT

It is heartening to note that all the types of economic activities were financed only after ascertaining their financial feasibility and the repayment capacity of the borrower. The most important aspect of the RRBs is the creation of entrepreneurial talent among the rural youth. In the long run, this may lead to faster growth of agro-based and other types of rural industries in the region. ‘Growth Centre Approach’ to planning, which is being adopted in the Eighth Plan (1990-95) might prove helpful for the rapid expansion of the RRBs loans to village artisans and SSI units.

The recovery position of the WKGB is not satisfactory. This might have happened because of the following factors:

(a) There is considerable misutilization of loans. These projects are not in working condition and hence, they are unable to repay their loans;
(b) There might be a few ‘wilful defaulters’ as they are likely to have been influenced by the loan waiver movement of the Shetkari Sangathana.

What is important is to allow a longer gestation period for the financially supported projects, in which the RRBs should be supported by the sponsor-banks, State Governments and the NABARD during such extended period. It is further necessary that in view of the increasing expectations from the RRBs to improve their operational efficiency, they should be allowed to broaden the base of their activities.

8.11 SUGGESTIONS FOR IMPROVEMENTS:

Attempts should be made to enable the RRBs to provide adequate and timely credit with the maximum possibility of simplicity in procedure. At the same time, consumption loans, on reasonable terms, should be made available to check the diversion of a large part of credit from the productive purposes.

Credit provided by the RRBs and other financial agencies must be adequate to enable rural masses to be free from the clutches of the ruthless moneylenders. A proper credit plan and concerted efforts by different agencies are required.

Deposits are the main source of the RRBs income from the long term point of view. The RRBs should introduce special deposit schemes for the poorer sections of the village community.
Through newspapers, radio, television, as also through dramas, puppet-shows, etc., appeals should be made to the villagers for deposit collection.

The RRBs should also plan to allocate funds for the development of the villages in their operational area.

The other steps that are to be taken by the RRBs include -
1. Gram – Sabhas should be conducted in every village at least twice a month, for the purpose of selecting rightly type of borrowers as well as to follow up with the existing borrowers for prompt loan repayment.
2. In order to avoid the employment turnover in the RRBs, the employees must be motivated by announcing suitable incentives like rural working allowance, promotions and by providing loans at subsidized interest rates for meeting their personal needs.

The RRBs should necessarily continue their activity of financing only the weaker sections in the rural areas and this consideration should never be diluted or compromised for the sake of making the RRBs viable in their operations. The RRBs can achieve the viability through other methods and means. It must also be remembered that the size of the weaker sections in the society is increasing at an alarming rate and there is a need to provide credit to these sections both for production and consumption and at the same time, to protect the borrowers from the moneylenders and exploitative traders. In the case of the RRBs, the term ‘viability’ is to be appreciated from the point of increased level of social gains accrued to those customers whose socio-economic upliftment and better standard of living should become the indices for judging the State’s efforts towards the commitment of growth with social justice.

The success of the RRBs will depend on the dedicated personnel appointed to run them and the organizational acumen and innovation which they bring to bear upon the operational problems, so as to tackle them more effectively than the other agencies have done.

In the final analysis, the role of the RRBs will have to be that of moneylender sans exploitation and the role of the bank-staff will have to be that of village teacher sans politics.

RRBs, as they exist and are administered today are neither a model of perfection nor a system of best virtues. Yet, they have demonstrated their utility, if not inevitability, already. The RRBs will have to prove as one of the most useful instruments of the rural credit. The RRBs also have a bright future if the union and State Governments, Reserve Bank of India, commercial and cooperative banks and NABARD all ensure for them a proper operational environment. The
RRBs may perhaps be the best answer to many of our present-day problems in the area of rural credit and rural development.

8.12 THE FINAL WORD:

A period of fifteen years may not be sufficient time for the RRBs to deliver the expected results because these Banks have to operate within serious constraints. With the keen interest of the Government as well as public in future, these Banks will become a strong institution to cater to the credit needs of the people on the lowest rung of the economic ladder.

The study of banking development in Maharashtra indicates the fact that banking is an intermediate intra-structural facility, in the sense that it cannot be effectively established and utilized unless certain primary infrastructural facilities of transport, communication and backward/forward linkages of production are established simultaneously or prior to the entry of banking services. State policy alone can help to establish such facilities for agricultural sector, for small scale industries sector and for backward regions. The task of banking would then be to tailor the schemes suitable to each functional/geographical area and implement, monitor and evaluate them to bring out maximum recycling of funds at its disposal for development. In this context, the recent changes in the agriculture policy of the State in favour of encouraging dryland farming, schemes of water management for small farmers, emphasis on activities allied to agriculture and increased incentives for industries in backward areas as well as the recently adopted ‘Service Area Approach’ in banks in which a local branch of a bank is made responsible for the development of a small compact area of 20-25 villages, are the encouraging signs of renewed efforts of dispersal of developmental activities evenly in the State.

Finally, we may conclude that the Wainganga Krishna Gramin Bank is playing a very crucial role in the economic development of the region in general and those belonging to the weaker sections of the society in particular. We feel that the major findings of this study will prove useful to the concerned authorities of the WKGBs situated in similar backward conditions as those prevailing in konkan region, in framing their loan policies. Likewise, the various suggestions which are based on our findings are expected to prove useful in solving the difficulties faced by the Ratnagiri-Sindhudurg Gramin Bank in the backward Konkan region.
In Sindhudurg district there are above two branches but in Vengurla Taluka nobody branch of WKGBs, so according my PHD Thesis starting to WKGBs branch in Vengurla Taluka of Sindhudurg District.

When I meet WKGBs branches that time, every branch managers opinion to this bank merging to another bank at three times in 30 years. Instead of Central Government and State Government given to status to national Bank in future.