CONCLUSIONS AND SUGGESTIONS
Among the four 'M's namely money, machine, material and manpower, money acts as a catalytic agent in the process of production. In other words, in activating the input factors; and fully utilisation of them depend upon the one input factor is capital namely credit. Healthy business transactions of banking institution pertaining to mobilisation of funds and deployment of funds on one hand; and recovery of lent loans on the other depends upon sound banking system with potent means and prudent mechanism. This is so particular in the case of banking institution, whose transactions are confined to the various productive programmes of the rural sector. The pace progress of economy, thus, depends upon the fortunes of the banking institution. Thus, the banking institution is an agent facilitating the achievement of defined socio-economic goals of the society.

Indian banking system has passed through distinct phases in the last decades. Transfer from class banking to mass banking, consolidation of banking institution and financial sector reforms are important events taken place in the evolutionary process of banking system. As a result of the prevailed warranted conditions, which were noticed by various Committees and Commissions, which recommended the formation of regional rural banks with low transaction cost.
The regional rural banks have distinct identity in owning them by the shareholders. The Central Government, State Government and the sponsoring bank are the only shareholders subscribing the entire capital of the regional rural bank in the ratio of 50:15:35 respectively. Further, the required funds for loaning transactions are to be equipped by the regional rural banks by tapping surplus income from myriad people; and if any shortage, can be availed refinance facility from the apex institutes like NABARD, sponsoring bank, and SIDBI.

The portfolio of regional rural banks comprises of financing to various schemes of rural development. Financing the target group i.e., small and marginal farmers, the tiny sectors of industry, small business and small transport operators, village and cottage industries, rural artisans and alike on the production basis involves high stake. Thus, regional rural banks fortify the business transactions by raising funds locally and deploying funds locally. Therefore, a regional rural bank is described as a small bank with more diversified portfolio.

To operate effectively and efficiently in the rural environment wherein varied economic programmes dealing with variety of clientele towards acceleration of rural economy calls for a banking institution with sound means of resources mix as well as healthy transaction of financing viable programmes. So, the regional rural banks, which confined their operational jurisdiction mostly
to the rural environment, would need to resort a strategic approach in its transactions dealing with finance. As is now, regional rural banks are a quarter century old; it is a right time to examine their financial management so as to arrive at pragmatic suggestions to the problems if any so as to peep into future with sound portfolio. This has been examined with reference to Sree Anantha Grameena Bank, which is located at Anantapur with its head quarters with jurisdiction of the entire Anantapur district in the Rayalaseema region of Andhra Pradesh. Anantapur district is one of the few chronic districts in the country.

**RESUME**

Development of rural economy is the motto of regional rural banks. A sense of local feel coupled with efficient management on professional line is specific feature of them. Rapid progress has been achieved, which is quantifiable but not coupled with quality. Quantifiable and quality performance certainly reflects a sound financial management with higher production. This specific objective has been spell out in terms of operative mechanism, funds mix and managerial performance. Under funds mix, two aspects has been examined. They are sources of funds-mix (inputs-mix) and credit deployment-mix (output-mix). The share capital, reserves deposits and borrowings constitute the former while credit deployment to various economic programmes, investments forms the latter. Further, recycling of funds and working results
are also covered in the study. A eleven years period from 1993 to 2003 is covered in the study. The study is empirical in nature.

CONCLUSIONS AND SUGGESTIONS

Right now the ownership of regional rural bank is confined to the Central Government, State Government and sponsoring bank without public subscription. A subscription of 20 per cent should be made to the public particularly to the rural people who are customers. This may create a sense of their own, which build up character, ensure credit worthiness and enlarge capacity. The Board composition should also be widened with local participation to 'ideal' entrepreneurs with apolitical. In the survey, it is noticed that some branches are unviable, which must be merged with near branches but continue to operate through mobile so that cost can be minimised without loosing business operations. A training programme should be arranged covering not only the aspects relating to business transactions but also creating esteemness, work ethics, etc., to the employees.

Saving habit of the people has increased resulting in mobilization of more deposits with composition of current, saving, term and recurring deposits. Further, to strengthen the deposits mobilisation, the Government has to provide a relief with 'no tax' on the interest of the deposits. In deployment of credit, Sree Anantha Grameena Bank provided sufficient amount. Still, deploying
more credit is required. The bank should extend this facility with preferential treatment to the more economic significant programmes with concession. Recovery of loans lent is satisfactory.

In order to make as effective measure in achieving the social goal of the country namely birth control, environmental pollution control (or other wise called eco-friendly), preservation of scarce natural resources and development of social forestry are linked with bank service facility. The regional rural bank should also undertake insurance scheme to the rural people entering the Memorandum of Association with national level insurance institutes. So that, it can enhance business operations and increase little more revenue; and brings under its umbrella many more people as clientele.

Under the pretext of social obligation the regional rural bank should not forget the better financial results. In other words, regional rural bank should not provide an umbrella to its inefficiency because of undertaking social objections. Both financial viability and social obligation is the ultimate goals of regional rural bank. Assessing the management of Sree Anantha Grameena Bank in terms of working results and thereupon augmenting the business through the managerial appraisal being carried out with regards to management of fund, management of productivity and profitability; and management of spread, burden and profit. Disclosed funds relation of Sree Anantha Grameena Bank is positive with sources of funds and use of funds; and better deposits source
effected in more lending; the earning position steadily increased as a result of more proportionate increase in income that the proportionate increase in expenditure due to Banking Reforms; and higher productivity.

The non-performing assets disclosed a trend of decline, which is also due to the Banking Reforms. However, it is heartening to note that the loss assets as well as doubtful assets are increased, which should be stopped. The management of the bank has to initiate a stern action against defaulter. If the default is due to natural calamities, then Sree Anantha Grameena Bank should be protected by the Government through its patronage in the form of drought relief.

To sum up the need based branch expansion with an in built mechanism should be undertaken for branch network as Sree Anantha Grameena Bank reached at a stage of more coverage of the area in the district. While entaining the loan application, the bank should apply SWOT analyses so that possible to determine the borrowing capacity as well as repaying capacity, which ensure every aspect of financial condition of the bank. Further, a provision of deposit link credit should deserve every encouragement, which safeguard the bank from non-performing assets and also motivates the borrower to develop deposits habit. The philosophy of banking toward the economic goal supplementing by social goal is required for the socio-economic progress of the society; for which undertake a fair but not foul transactions towards 'save' the
society and 'secure' the services to the intended ones. The financial soundness and operational viability of Sree Anantha Grameena Bank should need to adopt an approach of manning the organisation with business governance in different and diversified potential areas enforcing the integrated collaboration, coordination and cooperation towards the synergetic gains. This should ensure a strong and sound financial position with the managerial effectiveness to peep into future without confronting the chaotic conditions.