Regional Rural Banks in India are an integral part of the rural credit structure of the country. Since the very beginning, when the Regional Rural Banks in India (RRBs) were established on October 2, 1975, these banks played a pivotal role in the economic development of the rural India. The main goal of establishing regional rural banks in India was to provide credit to the rural people who are not economically strong enough, especially the small and marginal farmers, artisans, agricultural labourers, and even small entrepreneurs. Financial sector reform has been a major component of the structural adjustments being implemented in India since 1991. A key focus of these efforts has been on reforming the Regional Rural Banks (RRBs) - India’s state-owned development finance vehicles charged with serving the rural poor, especially micro entrepreneurs, in the agricultural and non-farm sectors. It needs no emphasis that today eradication of rural poverty prominently depends on the availability of optimum credit. The landless and agricultural labourers, rural artisans, self-employed persons and retail traders who generate income from agriculture and other activities in villages depend on monetary resources. The problem faced by the weaker sections is insufficiency of income to meet the minimum expenditure on production activities. Hence, credit plays a pivotal role in the life of the rural poor.

RRBs were set up with the avowed object of financing the credit requirements exclusively to the poorest of the poor sections in the countryside. The RRBs represent a novel experiment of the Indian banking laboratory. The foundation for institutional credit structure in rural India was laid with the organization of co-operatives. The credit needs of the agricultural sector, however, increased by leaps and bounds over the years and the co-operative credit structure, which was unevenly developed in different parts of the country, could not keep pace with the simmering demand for institutional credit. Commercial banks were, therefore, induced invariably into the field of agricultural credit. The policy of ‘Social control’ over the banks in 1968, and the subsequent nationalization of 14 major commercial banks in 1969, carried the process still further. Rural branches of commercial banks expanded sharply in the period following nationalisation. But these branches rarely went beyond district or sub-divisional towns.

Rural development in India is one of the most important factors for the growth of the Indian economy. India is primarily an agrarian country and agriculture
contributes mainly one-fifth of the gross domestic product. In order to increase the growth of agriculture, the government has planned several programmes pertaining to rural development in India. The Ministry of Rural Development in India is the apex body for formulating policies, regulations and acts pertaining to development of the rural sector. Agriculture, handicrafts, fisheries, poultry and dairy are the key contributors to the rural business and economy. Rural development programmes primarily depend on the mobilization of resources and flow of finance. A vast majority of the population in India comes under the classification of weaker sections, which lack finance to undertake productive activities. Moreover, the amassing capacity of these people is finite. In an agricultural economy, chiefly oriented towards subsistence, these expenses can never be financed without credit facilities. Credit is potential and quite powerful instrument in bringing about development, especially rural development and agricultural growth. The process of mobilization of internal resources and accumulation is often hindered by a number of factors which ultimately results in "vicious circle of low savings and low investments". The vicious circle of poverty when exists in third world countries can be dealt by channelling the credit to possess productive assets and functions as an income generating factor.

The rural economy is a part and parcel of the overall economy. As majority of the poor are in the rural areas, the prime goal of rural development is to improve the quality of life of the rural people by alleviating poverty through the instruments of self-employment and wage employment programmes, by providing community infrastructure facilities such as drinking water, electricity, road connectivity healthy facilities, rural housing and education and promotion of decentralization of powers to strengthen the Panchayat Raj institutions etc. To facilitate the credit needs of the farmers, it would be fruitful to break up the total demand for credit of cultivator households for the major purposes. Cultivators frequently seek credit for their personal consumption and unforeseen expenses, such as children's marriages, illness, children's education, death ceremonies etc. The low income of a large number of small cultivators forces them to borrow for subsistence and such consumption credit forms an important integral part of the economy of farmers in India as found in majority of the developing countries. Thus, the share of small farmers in the credit market cannot be improved without meeting at least a part of their requirements for pressing consumption and emergency outlays. In the estimates of credit requirements
of agricultural production, maintenance and emergency expenses need to be covered barring conspicuous consumption of short-term credit for seasonal agricultural operations is required to meet the expenditures on the purchase of seeds, pesticides, fertilizers, manures, fodder, insecticides, and fungicides; maintenance, repairs, running and hiring costs of machinery and equipment, payment of wages, rent, land revenue, irrigation and other changes with the breakthrough in agricultural technology and greater commercialization of farming the working capital requirements of farmers have gone up substantially. The original objective of the RRBs was to bring progress with social justice to the rural poor, who were generally denied access to financial services from rural co-operatives. The banks would combine the rural focus of the cooperatives with the business orientation of the commercial banks, to make credit widely available to rural India's disadvantaged communities.

The present study is based on the working of Sathagiri Grameena Bank(SGB) of Chittoor District for the upliftment of weaker sections of rural society. This study covered 13 branches and 400 borrowers of Sathagiri Grameena Bank in Chittoor district representing 3 revenue divisions, viz. Madanapalli, Chittoor and Tirupati. The villages comprising weaker sections have been considered for the present study. Moreover, the study covered randomly the SC (71), ST (100), BC (128) and OC (101) community borrowers who have taken loan from the Bank during 2009-2010.

The total number of Regional Rural Banks (RRBs) stands at 82 as at end-March 2010 following the process of their amalgamation initiated by the government in 2005, the RBI has said. "In order to strengthen and consolidate RRBs, the government in 2005 initiated the process of amalgamation of RRBs in a phased manner. Consequently, the total number of RRBs has reduced from 196 to 82 as on March 31, 2010". Twenty-one RRBs have already migrated fully to core banking solutions (CBS) and implementation of CBS is in progress in the remaining RRBs, the RBI said, citing status reports received from their sponsor banks. The apex bank said recommendations of the committee, constituted under deputy governor KC Chakrabarty to examined the finances of the RRBs and suggest a road-map to bring their capital to risk-weighted risk assets ratio (CRAR) to 9 per cent by March 2012, are under examination. The committee has recommended recapitalisation requirement
of Rs 2,200 crore for 40 of the 82 RRBs. The panel has also recommended, inter alia, increase in the authorised capital of RRBs, allowing RRBs with higher net worth to access the capital market, improving governance, management structure and efficiency of the rural lenders.

FINDINGS

- There are 28 public sector banks, 23 Indian private sector banks, 28 foreign banks in India apart from 79 total commercial banks. The public sector banks comprise 69.9 per cent branches with 78.8 per cent of employees followed by Indian private sector banks comprising 10.5 per cent of branches with 17.5 per cent of employees. The total commercial banks are 78666 with 908200 employees.

- The public sector banks have the investments of Rs.7,99,841 crores (67.9%), advances of Rs.1,79,400 crores (72.6%), assets of Rs.30,21,294 crores (69.9%) and deposits of Rs.24,53,867 crores (46.1%) while private sector banks have Rs.278578 crores (23.7%) of investments and Rs.5,18,402 crores (20.9%) of advances. The foreign banks in India have the investments of Rs.98910 crores (84%) advances of 1,61,133 (6.5%), assets of Rs.3,64,099 (8.41%) and deposits of Rs.1,91,161 crores (3.6%). The total commercial banks have Rs.11,77,330 crores of investments, Rs.24,76,396 crores of advances, Rs.4326166 crores of assets and Rs.53 20 062 crores of deposits.

- The owned funds vary from Rs.4,059 crores in 2000 to Rs.10,910 crores in 2008-09. The borrowed funds range between Rs.4,524 crores in 2000 and Rs.12,736 crores in 2010. The total funds increased from Rs.8,583 crores in 2000 to Rs.23,646 crores in 2010.

- The credit debit ratio is lowest at 41.8 per cent in 2001-02 and highest at 59.5 per cent in 2007-08 and later decreased sharply to 56.4 per cent in 2008-09.

- The number of RRBs decreased from 196 in 2004 to 133 in 2010 whereas districts covered increased from 518 in 2004 to 525 in 2010. Moreover, number of branches increased from 14446 in 2004 to 14494 branches and employees decreased from 69249 in 2004 to 68629. The owned funds range
from Rs.5438 crores in 2004 to Rs.6647 crores in 2006 and deposits range from Rs.56,350 crores in 2004 to Rs.71,327 crores in 2010.

The investments and borrowings also increased from Rs.4,595 to Rs.7303 and from 36135 crores in 2004 to Rs.41,182 crores in 2006. The loans outstanding increased rapidly from 26,114 crores in 2004 to Rs.39,713 crores in 2006. The credit deposit ratio also increased to 10 per cent. The loans issued skyrocketed from Rs.15579 crores to Rs.25427. The number of RRBs having accumulated losses gradually decreased from 90 to 58 as well as accumulated losses from 2725 to 2637. But the number of RRBs in profit decreased. It is significant that recovery increased optimally from 73 per cent to 80 per cent. The branch productivity increased from Rs.5.71 crores to Rs.7.66 crores and per staff productivity from Rs.1.19 crores to Rs.1.62 crores.

The deposits range between Rs.44,539 crores in 2001-02 and Rs.1,20,189 crores in 2008-09 and show an ever increasing steep trend. Similarly the loans also vary from Rs.18,629 crores in 2001-02 to Rs.67,802 crores in 2008-09 and show continued increase from starting to ending and in turn show the outstanding performance of RRBs.

The demand, time and aggregates of deposits continuously and steadily increased from Rs.72 crores to Rs.28710 crores, 72 crores to 107104 crores and Rs.145 crores to Rs 135814 crores respectively. Moreover, the bank credit on par with demand steadily increased from Rs.173 crores in 1979-80 to Rs.79086 crores in 2009-10. In case of investments in approved securities, the government as well as other securities also increased from nil initially to Rs.38201 crores and Rs.1029 crores with the total of Rs.39229 crores in 2009-10. The cash in hand was mere Rs.5 crores in 1979-80 and steeply increased to Rs.1434. It is concluded that all the banking indicators of deposits, securities and cash in hand show that the performance of RRBs is outstanding.

The amalgamation of banks is highest in Uttar Pradesh, Madhya Pradesh and Bihar. The highest number of banks (7) amalgamated into Uttar Bihar KGB under the umbrella of Central Bank of India and Baroda Eastern Uttar Pradesh GB under Bank of Baroda.
The RRBs have more branches than the DCCBs but the latter, with their primary agricultural cooperative societies (PACS) provide far more business outlet to rural and semi-urban clients. The 97,000 PACS in March 2007 constitute nearly one business outlet for every six villages in the country. At the end of March 2005, outstanding credit from formal sources in rural areas was estimated at Rs.454,200 crores with the commercial banks accounting for 53% the cooperative credit system for 38.5 per cent and RRBs for 8.5 per cent of the total rural credit constituted just 26 per cent of total bank credit.

Along with their 16.2 per cent contribution to the number of branches, RRBs hold just 15.7 per cent of the 85.4 million loan accounts held with the banking system in the country. However, in the credit categories of direct relevance of financial inclusion RRBs hold 26.2 per cent of agricultural credit accounts and as many as 55.0 per cent of all artisan/tiny industry loan accounts. This amounts to much lower properties of overall credits available under three stages-just 10.9 per cent and 11.0 per cent respectively. Since RRB loans sizes average just Rs.25,000 and Rs.13,000 for these two categories much smaller than those offered by the commercial banks.

The RRBs have a far higher proportion of small loan accounts than other types of banks. Compared to an all-India average under 41 per cent as many as 67 per cent of RRB loan accounts have credit limits less than Rs.25,000. Conversely, only 31 per cent of RRB loan account for 23.4 per cent of all small loan accounts, their share in the larger category is only 10.9%. This reinforces the impression of the RRBs substantial contribution to the provision of credit services for low income families.

The rural banking system accounts for just 8.6 per cent of the total value of deposits and 9.2 per cent of total credit outstanding. Taken together, the rural banks record a credit deposit ratio of 81.7 per cent in March 2007, somewhat higher than the average of 76.1 per cent for the entire banking system. The C-D ratio for RRBs along is, however much lower at 58.7 per cent. This does not make the RRBs any less valuable for financial inclusion, since not all low income families want to borrow. The C-D ratio of RRBs is lower partly
because a significant part of the low income population uses RRBs deposit savings for which the cooperative banks do not enjoy an equal level of trust.

The Chittoor district is situated between 12°-37" and 14°-8" of North latitude and 78°-33" to 79°-55" of the Eastern longitude. It is bounded on the East by Nellore district and Chengalpattu district of Tamil Nadu, on the West by Salem district of Tamil Nadu and Kolar district of Karnataka, on the South by North Arcot district of Tamil Nadu and on the north by Anantapur and Cuddapah district. The total area of the district is 15,152 sq.kms. comprising 1,540 villages out of which 1,489 are inhabited. The district comprises three revenue divisions, viz. Chittoor, Tirupati and Madanapalli and these divisions are divided into 66 revenue Mandals.

- The compound annual growth rate of population decreased from 1981 to 2011 but once again resumed to 1.82 in 2011 with the population density of 273 per/sqkm.

- The female population increased from 49.16 per cent to 49.54 per cent, whereas male population rises from 50.84 per cent to 50.46 per cent in the same period.

- The rural population decreased from 80.20 per cent to 78.36 per cent, whereas urban population increased from 19.80 per cent to 21.64 per cent during 1991-2001.

- The SC population in 1991 was 5.99 lakhs (46.04%) and increased to 7.03 lakhs (53.96%) with an increase of 1.04 lakhs. The ST population in 1991 was 1.05 lakhs (45.06%) and increased to 1.28 lakhs (54.94%) by registering an increase of 0.23 lakhs. It is concluded that both the SC and ST population increased during 1991-2001 but the increase is higher in SC population when compared to ST population.

- Among all kinds of workers, the marginal workers rapidly increased from 25 per cent to 75 per cent, there is negligible decrease in respect of cultivators. There is a fractional increase in case of main workers from 14.02 lakhs in 1991 to 14.63 lakhs in 2001 and also in respect of agricultural labourers from 4.90 lakhs in 1991 to 6.30 lakhs in 2001.
Saptagiri Grameena Bank (SGB) plays a key role in the development of rural economy of Chittoor district by providing credit for the purpose of agriculture, trade, commerce, rural industry and other productive activities. The SGB was the fifth Grameena bank in the state of Andhra Pradesh (AP), established on 22nd March, 1981. Its operation is extended to Chittoor district, for which the sponsor bank is Indian Bank. The SGB has its Head Office at Chittoor. The SGB has been striving hard to achieve the objectives of RRBs and to fulfill the expectations of the weaker sections in its operational area with utmost satisfactory level.

- The issued, subscribed and paid-up capital of the SGB is Rs.1,00,00,000 divided into 1,00,000 shares of Rs.100.

- The borrowings have gradually gone up from Rs.2860.20 lakhs during 2000 to Rs.13504.26 lakhs during 2010. The growth in borrowings is significant over the period.

- SGB opened 7 branches in the initial year of 1981. The number of branches rose to 66 at the end of 1985 to 71 by the end of 1988 and continued as such till 1996. By the end of 1999, total number of branches was 75 and ever since no branch was opened.

- Of the total branches, 81.7 per cent were rural, 12.7 per cent semi-urban and the rest urban during 1997. By 2006, 77.3 per cent were rural, 14.7 per cent were semi-urban and 8.00 per cent were urban. The bank had three extension counters as on March 2006. They are located at Aragonda, SGS Arts College and Srinivasam Complex, Tirupati. More than 77 per cent of branches are in rural areas and SGB has rural orientation and outlook.

- The number of officers increased from 191 in 2000 to 204 in 2006 with relative ups and downs. The clerk-cum-cashiers range between 81 and 78. There is no growth in the work force of the SGB during 2000-2010.

- The interest earned on the total income of the SGB gradually increased from Rs.253254 thousands (95.68) in 1997 to Rs.1397222 thousands (97.44) in 2010. The other income was Rs.11434 thousand (4.32) in 2000 while it was Rs.36654 thousands (2.56) in 2010. The total income increased from
Rs.264688 thousands in 2000 to Rs.1433876 thousands in 2010. The interest expended was Rs.159937 thousands (70.73) in 2000 whereas it was Rs.288795 thousands (54.59) in 2010. The share of interest expended in the total expenditure is in range of 55.57-73.31 per cent.

- The provisions and contingencies were maximum at Rs.69880 thousands in 2005 whilst the minimum at Rs.2167. thousands in 2000. The aggregate expenditure in the SGB has gradually increased from Rs.226115 thousands in 2000 to Rs.529047 thousands in 2010.

- In the SGB, income ranges from Rs.264688 thousands in 2000 to Rs.967082 thousands in 2010 and shows an ever increasing trend. The expenditure varies between Rs.226115 thousands in 2000 and Rs.875845 thousands in 2010 and shows a steep hike in the expenditure. The profit varies between Rs.16581 thousands in 2005 and Rs.91237 thousands in 2010.

- The profit per branch has increased from Rs.514.31 thousands in 2000 to Rs.2583.63 thousands in 2010 and shows an ever increasing trend of profit per branch. Similarly the profit per employee increased from Rs.91.41 thousands in 2000 to Rs.415.39 thousands in 2010 and shows an ever increasing trend of profit per employee.

- The expenditure, income and profit are Rs.5,10,00,393, Rs.11,05,383 and Rs.1,29,967 in 2011. The projections predicted for expenditure and income may reach Rs.1951243 thousands and Rs.2156550 thousands respectively by the end of 2016. As a result, profit can be computed at Rs.314834 thousands showing bright and prosperous future of RRBs.

- The percentage of gross income to outstanding loans has decreased from 21.05 in 2000 to 9.58 in 2010. The percentage of interest paid to outstanding advances has declined from 12.72 to 4.24 during 2000-2010. Consequently, gross margin has decreased from 8.33 to 5.10 per cent with to and fro charges and shows that the SGB has maintained margin on loan business in all the years without any exception.
- The deposits of the bank were just Rs.1703495 thousands in 2000. The deposits of the bank grew continuously during the period and increased to Rs.8251354 in 2010.

- The share of demand deposits in the SGB was 1.58 per cent in 2000 as compared to 6.32 per cent in 2010. Term deposits account for a major share. These deposits constituted 76.37 per cent in 2000 as against 19.73 per cent in 2010. They have recorded the highest share at 80.90 per cent in 2001. The share of savings bank deposits was in the range of 17.94 – 80.57 per cent.

- The deposits per branch were Rs.1703495 thousands whereas they were Rs.8251354 thousands in 2010. Deposits per employee, on an average, were Rs.4037 thousands during 2000 whilst they were Rs.9006 thousands during 2010.

**FINDINGS**

- There are 167 males and 233 females in the sample respondents. Pakala branch is the largest branch having highest number of respondents.

- About 200 respondents (50.7%) are in the productive age group of 20-40 years and 166 respondents (41.3%) are in the age group of 40-60 years.

- Above all 128(32%) are BCs, 101(25.3%) OCs, 100(25%) STs and 71(17.7%) SCs. It is concluded that majority of the respondents belong to BC.

- By and large, 152 respondents (38%) have higher secondary qualification and 136 respondents (34%) have college education.

- In a nutshell, 324 respondents (81%) are married and 76 respondents (19%) are unmarried. Moreover 257 respondents (64.3%) are living in nuclear family and 143 respondents (35.7%) are living in joint family.

- By and large, the sample consists of 237 small farmers (59.3%), 73 each cultivators and marginal farmers (18%) and 17 agricultural labourers (4.3%). Majority of the respondents, i.e. 223 (56%) have taken loan for crops and livestock.
Around 64 per cent respondents provided employment up to 4 members during the pre-loan period and about 45 per cent of respondents could employ up to 8 members during the post-loan period. The loan has substantial impact in increasing the number of members by the respondents in the activities of their occupation.

Majority of the respondents, 301(75.3%) have cultivated land worth gross value of up to Rs.500000 and 223 respondents (56%) have the income of up to Rs.75000.

Above all 85 respondents (28.3%) availed the credit facilities through bank officials, 69 respondents (23%) availed the credit facilities through former friends and bank officials and 41 respondents (13.7%) availed the credit facilities through Former friends, bank officials and social workers.

Number of respondents having higher secondary and college education have received credit through on their own, former friends and bank officials. The Chi-square value is significant at 5 per cent level and infers that there is a strong association between education and receipt of credit

Above all majority of the respondents have taken loan through bank officials and crop loan is the most prominent scheme

Number of the respondents, i.e.17 (54.7%) have the total capital expenditure of more than Rs.100000 and majority of the respondents, i.e.211 (52.7%) have pre-agricultural expenditure of Rs.30000-Rs.50000.

Majority of the respondents have the debt position of above Rs.1,00,000. Around 60 respondents have debt of up to Rs.50000, 87 respondents have the debt of Rs.50000-100000 and 253 respondents have the debt position of more than Rs.100000. The dept position is higher among the single family than joint family respondents. But majority of the respondents, i.e. 144 small farmers (56.8%), 49 marginal farmers (19.5%), 45 cultivators (17.9%) and 15 agricultural labors (5.8%) have debt of above Rs.100000.
Around 77 respondents (19.3%) utilized the credit obtained for repayment of loan, 81 respondents (20.3%) for other purposes and 63 respondents (15.7%) for family consumption expenditure. Moreover, 24 respondents (46.2%) of 20-40 years of age, 25 respondents (48.1%) of 40-60 years age and 3 respondents (5.8%) of above 60 years have taken loan for family consumption and ceremonies.

About 40 single family (63.8%) and 23 joint family (36.2%) respondents have availed the loan for family consumption expenditure, 50 single family (65.5%) and 27 joint family (34.5%) respondents have availed the loan for repayment of old loan and 42 single family (61.5%) and 27 joint family (38.5%) respondents for family functions and ceremonies.

Around 93.3 per cent of the respondents were growing local variety of paddy and only 6.7 per cent were growing high yielding variety of paddy during pre-loan period but during the post-loan period 90 per cent of the respondents are growing local variety of paddy only that 10 per cent are growing high yielding variety of paddy. In pre-loan period, 90 per cent respondents were growing local variety of sugarcane and 10 per cent respondents were growing high yielding variety of sugarcane and in the post-loan period 86.7 per cent of the respondents are growing local variety of sugarcane and 13.3 per cent of the respondent are growing high yielding variety of sugarcane.

Satisfaction with the financial assistance under SGB

Above all 381 respondents (95.3%) are beneficiaries of SGB credit and mere 19 respondents (4.7%) are non-beneficiaries of SGB credit. Nearly 50 per cent of the respondents satisfied with the financial assistance under SGB.

Among the beneficiaries, 88 male(44%) and 112 female (56%) respondents satisfied regarding financial assistance under SGB and 71 male (39%) and 110 female(61%) respondents satisfied regarding financial assistance under SGB.

About 63 respondents(31.3%) of crop loan holders, 24 respondents (12%) each of business and housing loan holders, 48 respondents(24%) of livestock loan holders and 41 respondents (20.7%) of other loan holders satisfied but 57
respondents (31.6%) of crop loan holders, 29 respondents (16.2%) of housing and other loan holders, 23 respondents (12.5%) of business loan holder and 43 respondents (24%) of livestock loan holders did not satisfy regarding the financial assistance under SGB.

- Around 7 respondent (3.3%) of below 20 years of age, 103 respondents (51.3%) of 20-40 years of age, 80 respondents (40%) of 40-60 years of age and 11 respondents (5.3%) of above 60 years of age satisfied whereas 4 respondent (2.2%) of below 20 years of age, 91 respondents (50%) of 20-40 years of age, 77 respondents (42.6%) of 40-60 years of age and 9 respondents (5.1%) of above 60 years of age dissatisfied regarding the financial assistance got under SGB.

- Among the beneficiaries, 21 illiterates (10.7%), 16 primary (8.0%), 25 upper primary (12.7%), 80 higher secondary (40%) and 58 college education (28.7%) respondents satisfied while 12 illiterates (6.6%), 17 each primary and upper primary (9.6%), 67 higher secondary (36.8%) and 56 college education (37.5%) respondents dissatisfied regarding the financial assistance under SGB.

- Among the beneficiaries, 39 cultivator (19.3%), 119 small farmers (59.3%), 33 marginal farmers (16.7%) and 9 agricultural laborers (4.7%) satisfied whereas 33 cultivators (18.4%), 109 small farmers (60.3%), 31 marginal farmers (16.9%) and 8 agricultural laborers (4.4%) dissatisfied regarding the financial assistance under SGB.

- Among the beneficiaries, 39 unmarried (19.3%) and 161 married (80.7%) respondents satisfied and 33 unmarried (18.4%) and 148 married (81.6%) respondents dissatisfied regarding financial assistance under SGB.

- Among the beneficiaries, 45 SC (22.7%), 53 ST (26%), 65 BC (32.7%) and 37 OC (18.7%) respondents satisfied whereas 23 SC (13.2%), 540 ST (22.1%), 59 BC (32.4%) and 59 OC (32.4%) respondents dissatisfied regarding the financial assistance under SGB. Chi-square value is significant and infers that there is substantial association between the caste and satisfaction of the respondents regarding financial assistance under SGB.

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Among the beneficiaries, 124 single family (62%) and 76 joint family (21.4%) respondents satisfied and 118 single family (65.4%) and 63 joint family (34.6%) respondents dissatisfied regarding financial assistance under SGB. Around 204 respondents (51%) satisfied and 177 respondents (44.3%) did not satisfy with the financial assistance under SGB.

About 111 respondents (27.7%) opined that Loan is adequate, Bank procedures are simple & Officials are helpful, 103 respondents (25.7%) opined that Bank Procedure is simple & Officials Approach is Helpful.

About 36 crop loan holders (62.8%), 7 business loan holders (11.6%), 2 livestock loan holders (4.7%) and 12 other loan holders (20.9%) opined that loan sanctioned is adequate and bank procedures are simple whereas 26 crop loan holders (82.6%) and 5 business loan holders (17.4%) opined that bank procedures are simple and time is low.

Above all 57 respondents opined that the loan sanctioned is adequate & Bank Procedures are simple and 31 respondents Opined that the bank procedures are simple and time low.

Above all, 25 respondents (6.3%) are non-beneficiaries and 61 respondents (15.3%) opined that the bank rate of interest is nominal and 313 respondents (78%) opined that time is sufficient and rate of interest is nominal.

Among the beneficiaries, 11 SC (19.6%), 16 ST (26.1%), 14 BC (21.7%) and 20 OC (32.6%) respondents opined that bank rate of interest is nominal whereas 58 SC (18.3%), 73 ST (23.4%), 109 BC (34.9%) and 73 OC (23.4%) respondents opined that time is sufficient & rate of interest is nominal.

Among the beneficiaries, 11 respondents of crop loan (19.6%), 4 respondents each of business and housing loan (6.5%), 23 respondents of livestock loan (37%) and 19 respondents of other loan (30.4%) have opined that the bank rate of interest is nominal whereas 103 respondents of crop loan (32.86%), 41 respondents each of business loan (13.2%), 49 respondents of housing loan (15.7%), 68 respondents of livestock loan (37%) and 52 respondents of other loan (16.6%) have opined that the time is sufficient and the bank rate of
interest is nominal. Chi-square value is very significant and infers that there is strong association between the scheme of the loan and borrowers response while repayment loan from SGB.

- Majority of the respondents (313) opined that time is sufficient and rate of interest is nominal.

- Among the borrowers of loan from private agencies before taking loan from SGB, 85 respondents (30%) taken crop loan, 33 respondents (11.7%) taken business loan, 32 respondents (11.3%) taken housing loan, 63 respondents (2.1%) taken livestock loan and 71 respondents (24.9%) taken other loans. The Chi-square value is very significant and infers that there is strong association between scheme of the loan and loan borrowed from private agencies before taking loan from SGB.

- There are 284 respondents (71%) taken loan and 116 respondents (29%) did not take loan from private agencies before taking loan from SGB.

- About 15 SC (13.8%), 39 ST (33.3%), 28 BC (24.1%) and 34 OC (28.7%) respondents have not borrowed loan from private agencies before taking loan from SGB whereas 55 SC (19.2%), 61 ST (21.6%), 100 BC (35.2%) and 68 OC (23.9%) respondents have borrowed loan from private agencies before taking loan from SGB. Chi-square value is significant and infers that there is association between the caste and loan borrowed from private agencies before taking loan from SGB.

- Above all 116 respondents have not borrowed loan from private agencies before taking loan from SGB and 284 respondents have borrowed loan from private agencies before taking loan from SGB. The Chi-square value is significant at 5 per cent level and infers that there is substantial association between marital status and loan taken.

- The loan amount required for males was 71354 and 120503 for females but on the contrary the loan amount sanctioned was 56985 and 107050 respectively.
REPAYMENT OF LOAN

▸ About 144 respondents (36%) partially paid and 131 respondents (32.7%) fully paid the loan they have taken from the private agencies. Among the respondents taken loan, 55 higher secondary (41.8%) and 43 college education (33.7%) have fully paid and 61 higher secondary (42.6%) and 43 college education (29.6%) have partially paid.

▸ But out of the respondents of loan taken, 131 have fully paid including 87 single (66.3%) and 44 (33.7%) joint family whereas 144 respondents have partially paid including 88(61.1%) single and 56 (38.9%) joint family. Moreover, 131 have fully paid including 24 unmarried (18.4%) and 107 (81.6%) married whereas 144 respondents have partially paid including 21(14.8%) unmarried and 123(85.2%) married. Among the respondents taken loan, 75 small farmers(57.1%), 31 cultivators(23.5%) and 17 marginal farmers(13.3%) respondents have fully paid and 88 small farmers(61.1%), 30 marginal farmers(20.4%) and 25 cultivators(17.6%) and respondents have partially paid.

▸ Among the loan receivers, 17 respondents(17.3%) of crop loan, 8 respondents (8.2%) of business loan, 13 respondents(13.3%) of housing loan, 22 respondents(22.4%) of livestock loan and 38 respondents(38.8%) of other loans have fully paid whereas 42 respondents(38.9%) of crop loan, 15 respondents (13.9%) of business loan, 11 respondents(10.2%) of housing loan, 25 respondents(23.1%) of livestock loan and 15 respondents(13.9%) of other loans have partially paid. Chi-square value is very significant and infers that there is strong association between the scheme of the loan and loan borrowed from private agencies before taking loan from SGB and payment.

▸ The pre-cultivated land for males was 1.84 and female was 2.48. The post cultivated land for males is 2.36 and 2.97 for females showing steep increase in the cultivated land. The pre-expenditure for males was 11708 and 91606 for females whereas it is 132392 for males and 112040 for females showing rapid increase in the expenditure.
The mean number of mandays in pre-loan period was 5 and 6.5 in post-loan period. The t value is significant at 1 per cent level and infers that there is significant increase in the number of mandays between pre and post loan period.

The mean total cultivated land in pre-loan period was 202161 and 2.7154 in post-loan period. The t value is significant at 1 per cent level and it can be inferred that there is significant increase in total cultivated land between pre and post loan period.

The mean annual income in pre-loan period was 114820.33 and 141774.33 in post-loan period. The t value is significant at 1 per cent level and infers that there is significant increase in the annual income between pre and post loan period.

The mean agricultural expenditure in pre-loan period was 1.8400 and 2.3067 in post-loan period. The t value is significant at 1 per cent level and it can be inferred that there is significant increase in the number of man days between pre and post loan period.

The mean non-agricultural expenditure in pre-loan period was 1.6800 and 1.9600 in post-loan period. The t value is significant at 1 per cent level and it can be inferred that there is significant increase in the non-agricultural expenditure between pre and post loan period.

The mean current expenditure in pre-loan period was 102190.0 and 120520.0 in post-loan period. The t value is significant at 1 per cent level and it can be inferred that there is significant increase in the current expenditure between pre and post loan period.

The mean growth in annual income in males is 28735.2 and is 25681.7 in females. The t value of 0.167 is not significant and infers that there is no significant growth in annual income between males and females. The mean growth in current expenditure in males is 15384.00 and is 20434.28 in females. The t value of -0.647 is not significant and infers that there is no significant growth in current expenditure between males and females.
The mean growth in annual income in single family respondents is 13060.6218 and is 52014.0187 in joint family respondents. The t value of 2.080 is significant at 5 per cent level and it can be inferred that there is significant growth in annual income between single family respondents and joint family respondents. The mean growth in current expenditure in single family respondents is 24212.4352 and is 7719.6262 in joint family respondents. The t value of 2.065 is significant at 5 per cent level and infers that there is significant growth in current expenditure between single and joint family respondents.

The mean growth in annual income from crop loan is 620. -15636.84 from business, 42029.26 from housing loan, 39888.23 from livestock with and 78920.75 from others. The t value of 3.185 is significant infers that there is significant growth in annual income from various schemes through which the respondents got loans. The mean growth in current expenditure from crop loan is 21200, 13578.94 from business, 13707.31 from housing loan, 19852.94 from livestock and 17943.39 from others. The t value of 0.152 is not significant and it infers that there is no significant growth in current expenditure.

The mean growth in annual income for the respondents of below 20 years of age is -82062.50, 37285.52 for the respondents of 20-40 age, 26687.90 for the respondents of 40-60 age and -14625.00 for the respondents of above 60 years. The t value of 1.915 is not significant and it can be inferred that there is no significant growth in annual income for the respondents of various age groups.

The mean annual income from non-agricultural activities for the respondents of below 20 years of age is 58750.00, 58453.95 for the respondents of 20-40 age, 75443.55 for the respondents of 40-60 age and 39062.50 for the respondents of above 60 years. The t value of 1.449 is not significant and it can be inferred that there is no significant annual income for non-agricultural activities for the respondents of various age groups.
Loan amount sanctioned is strongly and positively significant that means when compared to insufficient loan availed persons sufficient loan sanctioned persons have more satisfaction towards financial assistance of SGB. Current debt position of the respondent is proving highly significant with a negative direction indicating that possessing high debt significantly reduces the satisfaction level towards financial assistance of SGB. Similarly, 'difficulties faced with SGB in getting loan' is negatively significant. This means persons who faced difficulties while taking the loans from SGB have low satisfaction than that of persons who do not face any difficulty. Further repayment the loan amount is found negatively significant. Finally, Age and gender are found insignificant with almost same level of satisfaction regarding financial assistance of SGB.

RECOVERY PERFORMANCE

- Above all 293 respondents made repayment of loan installments regularly and only 107 respondents did not pay the loan installments regularly. It is concluded that 73.3 per cent respondents paid loan installments regularly.

- Around 293 respondents including 8 respondents of below 20 years of age (2.7%), 155 respondents of 20-40 years of age (52.7%), 112 respondents of 40-60 years of age (38.2%) and 18 respondents of above 60 years of age have paid loan installments regularly.

- About 56 SC (19.1%), 79 ST (26.8%), 83 BC (28.63%) and 75 OC (25.5%) respondents have paid loan installments regularly.

- Around 25 illiterate (8.6%), 27 primary (9.1%), 33 upper primary (11.4%), 107 higher secondary (36.4%) and 101 college education (34.5%) respondents have paid loan installments regularly.

- Majority of the respondents (293) taken loan for different purposes have paid loan installments regularly. The Chi-square value is very significant and infers that there is strong association between scheme of the loan and regular payment of loan installments.
• Around 19 unmarried (17.5%) and 88 married (82.5%) respondents have not paid loan installments regularly whereas 57 unmarried (19.5%) and 236 married (80.5%) respondents have paid loan installments regularly.

• About 67 single family (62.5%) and 40 joint family (37.5%) respondents have not paid loan installments regularly and 190 single family (65%) and 103 joint family (35%) respondents have paid loan installments regularly.

• About 15 cultivators (13.8%), 65 small farmers (61.3%), 25 marginal farmers (23.8%) and 2 agricultural labour (1.3%) have not paid loan installments regularly whereas 58 cultivators (20%), 172 small farmers (58.6%), 47 marginal farmers (15.9%) and 16 agricultural labour (5.5%) have paid loan installments regularly.

• About 27 SC (16.3%), 37 ST (22.8%), 57 BC (35%) and 43 OC (26%) respondents have made full payment, 4 SC (13%), 5 ST (17.4%), 11 BC and OC each (34.8%) respondents have paid more than 75 per cent whereas 8 SC (16.3%), 17 ST (22.8%), 12 BC (35%) and 11 OC (26%) respondents have paid more than 50 per cent of the loan.

• Around 64 male (39%) and 100 female (61%) respondents have fully paid the loan amount while 11 male (34.8%) and 20 female (65.2%) respondents have fully paid more than 75 per cent of the loan amount. But 23 male (47.2%) and 25 female (52.8%) respondents have paid more than 50 per cent of the loan amount.

• There are 104 single family (63.4%) and 60 joint family (36.6%) respondents fully paid the loan amount while 16 single (52.2%) and 15 joint family (47.8%) respondents have fully paid more than 75 per cent of the loan amount. But 33 single family (69.4%) and 15 joint family (30.6%) respondents have paid more than 50 per cent of the loan amount.

• There are 27 cultivators (16.3%), 97 small farmers (59.3%), 37 marginal farmers (22.8%) and 3 agricultural farmers (1.6%) fully repaid the loan amount while 8 cultivators (30.4%), 19 small farmers (56.5%), 3 marginal farmers (8.7%) and 1 agricultural laborer (4.3%) have paid more than 75 per cent of the loan amount. Moreover, 7 cultivators (13.9%), 31 small farmers
(63.9%), 9 marginal farmers (19.4%) and 1 agricultural laborer (2.8%) have paid more than 50 per cent of the loan amount.

- Field studies of RRB borrowers revealed that loans used for consumption purposes resulted in higher income gains than those used strictly for investment. This was because when borrowers took care of their consumption needs, it helped build their capacity to profitably commit resources to productive investments in the future.

MAJOR PROBLEMS OF THE RESPONDENTS

- The loan is not sanctioned to the respondents on time owing to illiteracy of the respondents on one hand and fulfilling the cumbersome and time consuming formalities on the other.
- Since the respondents have finite land they unable to receive required amount of loan.
- Due to vagaries of monsoons some of the respondents not paying the loan amount and hence they must be given ample time for repayment of loan.
- The landless people are taking land on lease from the landlords. These people are not getting any loan as there is no provision of sanctioning of loan on lease land. But if the Sapthagiri Grameena Bank makes the provision of sanctioning loans to the landless and leased landholders many a number of landless labourers will be benefited.
- The cost of agricultural expenditure is increasing and the loan amount is not commensuration of increasing agricultural expenditure. Hence the agricultural loan amount must be increase.

SUGGESTIONS

- The number of branches of Saptagiri Grameena Banks did not increase and hence to cope with the growing population there is a dire need to establish more number of bank branches in the district.
- The credit debit ratio is decreased and it must be increased to disburse more loans to the needy.
The RRBs have a far higher proportion of small loan accounts than other types of banks. The proportion of larger loan accounts must be increased.

There is no growth in the workforce of the SGB during 2000-2010. There is an imperative to increase the workforce of the SGB.

Majority of respondents having higher secondary and college education have received credit on their own, former friends and bank officials and respondents having lower education have not received loan. Hence education should not be the criteria for disbursement of loan.

Around 25 respondents are non-beneficiaries and hence they are to be made beneficial.

There are 284 respondents (71%) including 55 SC (19.2%), 61 ST (21.6%), 100 BC (35.2%) and 68 OC (23.9%) respondents have borrowed loan from private agencies before taking loan from SGB. About 144 respondents (36%) partially paid and 131 respondents (32.7%) fully paid the loan they have taken from the private agencies. If the RGB disburses more loan amount, these respondents can repay the loan taken from the private agencies.

There is no significant growth in annual income for the respondents of various age groups since the loan disbursement is rather delayed. Hence loan amount disbursement should be rather quick.

There is no significant growth in current expenditure and hence it is imperative to increase the current expenditure.

There is no significant annual income from non-agricultural activities for the respondents of various age groups and hence the loan amount is to be increased towards agricultural activities.

About 8 SC (16.3%), 17 ST (22.8%), 12 BC (35%) and 11 OC (26%) respondents have paid more than 50 per cent of the loan and hence they will be given some more time for the repayment of loan amount.

The RRBs personnel have no provision of pension scheme and hence they must be provided this provision in order to make them shouldering more responsibility and achieving the 100 per cent of the performance.