

ABSTRACT

Agricultural credit has played a vital role in supporting agricultural production in India. The Green Revolution is characterized by the greater use of inputs like fertilizers, seeds and others increased the credit requirements which were provided by the agricultural financial institutions. Though the outreach and the amount of agricultural credit have increased over the years, several weaknesses have crept in, which have affected the viability and sustainability of these institutions. Furthermore, antiquated legal framework and the outdated tenancy laws have hampered the flow of credit and development of strong and efficient agricultural credit institutions.

India continues to be primarily rural with nearly 70 per cent of its population seeking employment and living in the rural sector. Since the rural people were unable to meet their credit requirements from their financial sources there was a need for providing timely and adequate institutional credit to small and marginal farmers. Majority of the rural, especially weaker sections of the society including small farmers are not possible to investigating in other productive enterprises for improving their economic conditions.

Hence it is high time to make an empirical evaluation of the various Regional Rural Bank schemes aimed at generation of additional employment and income, and thus alleviation of the rural poverty so that various lacunae can be strengthened in the light of experience. It is observed that, to meet the credit requirements of rural people in Mysore district, Cauvery Grameena Bank (Cauvery Kalpatharu Grameens Bank) was established. Cauvery Grameena Bank has so far been able to achieve the objective of helping the weaker sections despite the constraints.

Here, we not only attempted to evaluate the performance of Cauvery Grameena Bank in terms of branch expansion, deposit mobilization, recovery performance and utilization of credit provided to the agriculture sector and also the RRBs in depth.

The objectives of the study were: To study the progress of Regional Rural Banks in India, to examine the origin and growth of RRBs in the state of Karnataka, to study the role of Regional Rural Banks in agricultural development and to assess the effectiveness of various schemes adopted by the Cauvery Grameena Bank for the development of farming community in Mysore district.

The Hypotheses framed for this study were: There is a positive correlation between Cauvery Grameena Bank credit and development of agricultural income, Cauvery Grameena Bank loan has positive impact on beneficiaries in terms of household expenditure in the study area and also that the repayment performance of non-farm borrowers is better than farm borrowers in the study area.

The present study pertains to only a particular district that is Mysore district. As such the study is region specific and generalizations are too limited to other districts of the state. The primary data for the study have been collected twice from the sample beneficiaries viz., pre-loan period, referring to the period of 2011-12. The

secondary data have been collected from 2001-02 to 2012-13.

The study has been presented in seven chapters. Based on the analysis and discussion of the study the following findings have been drawn:

1. The branch-wise data revealed that, backward classes were more in Hosahalli branch, when compared to other branches.
2. It was evident that out of the 350 sample respondents, 100 (51.19 percent) respondents were agriculturists whereas 70 respondents were agricultural labourers. Artisans and small business constitute only 113 and 25, respondents respectively. Scheduled caste (SC) and scheduled tribe (ST) respondents could not exceed 16.18 percent and 4.48 percent, respectively.
3. It was clear that out of the total beneficiaries 47.33 percent of the respondents had taken the loans under agri-cards and farm loans for their direct agricultural purposes.
4. About 75 percent of the total loans were received by the beneficiaries whose income was not exceeding Rs. 15,000.
5. It was revealed that out of the 350 respondents, 50 per cent of respondents had the knowledge and awareness on different kinds of loans issued by the bank.
6. About 35.71 percent of respondents were partly aware of the types of loans and 14.29 per cent of households were not aware of different types of loans issued by the CGB.
7. Out of 350 respondents, 49 per cent of the KCC borrowers had availed the credit limit of Rs.50, 000. Another 12 per cent were in the range of Rs.50 to 75 thousands and the remaining farmers were in the ranges of Rs.75, 000 and above.
8. It was noteworthy that as many as 85 per cent of the respondents were good enough in repaying loan.
9. Suitable suggestions have also been given in the study for a better performance of the banks.

Earlier to these days there was a discussion on the working of RRBs for the rural sector development. RRBs is a rural based financial institution which has been facing many problems like defective control, poor staffing, lack of trained staff, poor resources, rigid policies, inefficient management, non-cooperation of other development agencies etc. some suggestions have been presented to overcome these problems and to improve the working of RRBs. For overhauling the RRBs, concerned authorities should formulate suitable policy after taking into consideration, different studies and reports of committees and suggestions have been presented here. If, these measures are implemented, working of RRBs will certainly be improved, which can contribute to the agricultural development of Mysore district.