CHAPTER- VI
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Aligarh Gramin Bank, Aligarh

It was on 1\textsuperscript{st} July 1906 that the Bank was founded as the Canara Hindu Permanent Find Limited.

Shri Subba Rao Pai, was the founder of Bank at Mangalore a small fort of Karnataka state. The first balance sheet showed capital of Rs. 50,000/- deposits of Rs. 42000/- and advances of Rs. 84000/-. In 1910 the name was change to Canara Bank Limited. In 1926 the first Branch at Karkala was opened followed by Cochin. In 1928 the Bombay Branch was opened. In 1985 it was third among 20 Nationalized Banks. It has more than 2300 branches in the country, in addition to his overseas branch at London. The bank's credit card division secured in ISO 9002 certification and was awarded the Visa Banker of The Year during 1997-98 in recognition of its high quality service. Pursuing the market segmentation approach the bank today boasts of specialized branches for various clienteles segment such as NRIs, corporate, professionals, SSIS H-tech, agri-finances etc. In keeping with the needs of the changing environment the Bank has branch up and is implementing a comprehensive. It plans for providing Hi-tech services to its customers. The bank at present has 260 fully and 495 partially computerized branches. It also has 18 AT19s out of which 12 are network across Bangalore and New Delhi. Besides, the Bank offers other technology based
serviced like tele-banking, customer terminals, etc. at many centres. The bank to its credit largest number of subsidiaries and sponsored institutions among Indians Banks, marking its emphasis on service diversification.

The services provided by these institution includes leasing, merchant banking, venture capture, housing financed, factoring, software consultancy, asset management and dealing in government papers. Some fundamentals, on viable business a cum and unstirred commitment continues to provide the mines strength to the bank in order to make it a world class bank by the term of the century.

Canara’s Bank’s Founding Principles:

1. To remove superstitions and ignorance.

2. To spread education among all to subsine the first principle.

3. To inculcate the habit of thrift and saving.

4. To transform the financial institution not only as the financial heart of the community but social heart as well.

5. To assist the needy.

6. To work with a sense of service and dedication.

7. To develop a concern for fellow human beings and sensitively to the surroundings with a view to make change/remove harding a sufferings.

Canara Bank, As Lead Bank of Aligarh District: The Canara Bank started functioning in Aligarh District by opening its 1st branch on 24.9.1971 under
lead Bank Scheme this Bank was allotted 18 district through out the country including three districts in Uttar Pradesh viz, Agra, Etah and Aligarh.

Reserve Bank of India’s Rules and Regulation for Lead Bank Scheme:

1. Reserve Bank of India has appointed Lead District Officer to ensure that the District Consultative meeting/Standing Committee Meetings etc. are conducted at a regular intervals. One Lead District Officer has been allotted to 3 or 4 districts.

ii) Lead District officer should ensure his participation in all the DCC/standing Committee meetings. This creates a sense of awareness among participating agencies under Lead Bank Scheme.

iii) Lead District officer should ensure that all the policies/guidelines issued by RBI are properly understood and followed by various participating agencies.

iv) Should ensure that various returns introduced by RBI on implementation of District Credit Plan are submitted by participating banks well in time to RBI with copy to Lead Bank.

v) Keep a Liaison with banks and government functionaries in the district.

Responsibilities of Canara Bank as Lead Bank of the Aligarh District:

Canara Bank has to shoulder the following responsibilities as Lead Bank of the district:
1) Shall be responsible for carrying out all the responsibility entrusted to the bank under the Lead Bank Scheme.

2) Will function as a pivotal point between the bank branches functioning in the districts on one hand and government officials in the district and blocks on the other. Lead Bank should integrate the activities of different agencies engaged in the developmental task of the district.

3) To convene District Consultative Committee and Standing Committee meetings. To record minutes of these meetings and take proper follow up action on the decisions taken in the meetings.

4) To prepare periodically a review of performance of various participating institutions and present the same before DCC/Standing Committee meetings. This review will provide information on implementation of DCP, deposit, advances, priority sector advances, DRI advance and details of performance under various government sponsored scheme.

5) Will effectively monitor the implementation of District Credit Plan and take such steps as necessary to collect the required information from participating agencies. To resolve the problem in implementation of District credit plan by taking up the matter first at district level and if not solved then at the state level regional level etc.

6) To formulated district Credit Plan/annual action plans etc. as per the guidelines issued by RBI.
7) To conduct evaluation studies from time to time on progress of various schemes operating in the district when directed to do so.

ALIGARH GRAMIN BANK, ALIGARH

The Aligarh Gramin Bank was established on 22nd March 1981, under section 3(1) of regional rural banks Act, 1976 and sponsored by Canara Bank, the lead bank of Aligarh district. The bank covering two district Viz. Aligarh and Hathras, have been set up by the joint efforts of the centre and the state government and commercial bank. The bank is categorized a scheduled bank, authorized to undertake of all banking transaction under section 5(B) of the banking regulation act 1949. The bank was inaugurated by Mr. Braham Dutt, finance minister of U.P. Government, Mr. A.K.S. Rao was the 1st chairman of this bank. The first branch of the bank was opened on 9th April 1981 at Madra village. In the initial year there were 88 branches opened till 1985 during 1989, bank opened two area officer at Meetai and Goumat to strengthen the administrative power and increasing supervision of branches. The bank covered two districts comprising a network of 85 branches mostly in remote areas. In Aligarh district the bank has 59 branches and in Hathras district the bank has 26 branches. During the year 1999-2000 the bank has merged 6 unviable branches with the permission of R.B.I./NABARD.
### Classification of branches:

<table>
<thead>
<tr>
<th>Status</th>
<th>No. of branches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>64</td>
</tr>
<tr>
<td>Semi Urban</td>
<td>13</td>
</tr>
<tr>
<td>Urban</td>
<td>08</td>
</tr>
</tbody>
</table>

### A. Capital structure:

The bank was started with an authorized capital of Rs. 25,00,000/- subscribe by shareholder. The following shares were allotted which are given below:

- Government of India: 50%
- Canara Bank: 35%
- Government of U.P.: 15%

### Management and organization structure:

The chairman and G.M. are deposited from sponsored bank for a term of three years, other staff are recruited by the bank itself from the open market. Total staff strength bank is 480 excluding sponsor bank staff. In addition to providing services to its officers and experts to the sponsored bank (RRB), in training of such personals, some sponsoring banks have set up separate training arrangement of regional rural bank staff.

### C. Board of directors as on 31st March, 2001:

1. Mr. D.K. Manchanda  
   Chairman, Nominee of Reserve Bank of India.
2. Mr J.N. Sharma  
Manager  
Reserve Bank, Lucknow  
Nominee of NABARD  
3. Mr R.A. Mishra  
District Development Manager  
NABARD Aligarh  
Nominee of Sponsor Bank  
4. Mr N.R. Ramanujan  
District General Manager  
Canara Bank  
Regional Officer, Aligarh  
5. Mr M.G.A. Mallaya  
Divisional Manager  
Canara Bank  
Head Officer- Bangalore  
6. Mr G.C. Joshi  
Regional Officer  
D.I.F., Lucknow  
7. Mr S.N. Dubey  
Chief Development Officer, Aligarh.  
Chartered Account  
M/s Gupta Varshney and Company, Aligarh  
Area Manager.  
17. Mr Suresh Singh  
A.O. Hathras.  
9. Mr Anil Gupta  
A.O. Khair  
10. Mr Raj Pal  
A.O. Aligarh  

**Head officer Organization:**

1. Mr. D.K. Manchanda  
Chairman.  
2. Mr. R.K. Katyl  
General Manager.  
3. Mr. V.K. Jaiswal  
Senior Manager  
PM and HRD Section  
4. Mr. Rajesh Sharma  
Senior Manager, P and D Section cum CM’s Section
5. Mr. S.K. Gupta  
   Senior Manager  
   R and F Section  
6. Mr. R.B. Maheswari  
   Senior Manager  
   IC and IF Section TME Cell  
7. Mr G.K. Dixit  
   Senior Manager  
   CM and Section.

OBJECTIVES:

The main objectives of the Aligarh Gramin Bank:

i) To provide banking facility including credits at cheaper rate and easily to weaker section of the society viz. small and marginal farmers, landless laborers, rural artisans and small businessman so as to develop agriculture trade, commerce industry and other productive activities in the rural areas.

ii) To work with low cost and with local staff in local language.

iii) To participate in government sponsored development scheme for betterment of weaker section of society.

iv) To provide loans, equity or both to risky ventures using untreated technology and or companies, or existing companies for balancing, modernization or expansion.

v) To provide equity finance to the entrepreneurs without capacity to mobilize capital and collateral trying to set up innovative projects which holds promise for future growth and have direct or indirect
impact on poverty alleviation, with preference to business concentrating in information and communication technology and bio-engineering

vi) To assist in management buy in or by out of existing companies needing finance and management support provided that activities products of such companies are society desirable and bring benefits to the poor.

vii) To promote or develop enterprises having prospects for export or import substitution that with use indigenous raw materials, provide extensive employment to the rural poor and help up grade the skill of the rural or urban poor.

CREDIT SCHEME ELIGIBLE BORROWER:

The objective of the bank is to extend credit to small farmer, landless labourers, marginal farmer, rural artisans and small businessmen by meeting their credit needs for productive activities. A regional rural bank can finance only to the following category of borrowers before taking up any application to the manager should satisfy that the applicant is eligible to borrow from the bank.

i) Landless Laborer: Landless laborer are agriculturist without owing any land but have a home in the village daring more than 50% of wage income from agriculture operation.
ii) **Marginal Farmer:**

Cultivators having holding up to 2.5 acre of rained land and 1.25 acre of irrigated land are called marginal farmer. Small farmer and marginal farmer separately defined because the government offers subsidy to them at different rate.

iii) **Small Farmer:**

Small farmers shall means any farmer cultivating land period a predevelopment net return to family resources to such farmer any his family income is not exceeding Rs.11,000.

iv) **National Bank for Agriculture and Rural Development:**

National Bank for Agriculture and Rural Development has translated the income ceiling for farmer into acreage ceiling for Aligarh districts. According to them a small farmer is a farmer cultivating irrigated land upto 7.5 acres and rained land up to 8.5 acres.

v) **Others:** Retail traders small businessmen, rural artisans, professional and self-employed rural and cottage industries, unemployed comes under this category.

They are also category borrowers provided their pre-investment income does not exceed Rs. 6.500 per annum.

There are different types of loan sanctions for different purposes, they are

i) Consumption loans      ii) Crop loans
CONSUMPTION LOANS:

Small/marginal farmer, landless labourers, weavers and other rural artisan are eligible to avail consumption loans. They should be borrowers for productive activities.

i) Rate of interest shall be as advised by Head Officer time to time.

ii) Disbursement can be made by crediting to the accounts of the borrower.

iii) Repayment of the loan shall be in the monthly installment to be repaid within one year.

iv) Loan should be covered under DILGE Scheme.

CROP LOANS:

Crop loan can be granted to service all farmers, residing with in the service area of branch. The applicant should not be adopter to any financial agency.

Purpose: For meeting the cost of seasonal operation to raise crops, such as cost of seeds fertilizers, pesticides, irrigation etc.

Rate of Interest: As advised by R.B.I./Head Office time to time.

Security: upto Rs. 1000/-
Personal Security of borrower
(clean crop loan)

Above Rs. 1000/- up to
Rs.25,000/- security
Hypothecation of crop apart from personal of borrower.

Above Rs.25000/-
i) Mortgage of loan
ii) Coobligation of third party
iii) Hypothecation of crop.
F. Fund Management of Aligarh Gramin Bank (AGB)

Ample attention was given towards managing the funds in a judicious way. Keeping in mind the aspects of profitability and cost consciousness. No idle fund was allowed to be dumped at branches. Head officer of AGB follows above vigorously with branches to minimize idle fund. Some non-performing assets adversely affect the profitability on one hand and development activities of the bank on the other.

Poor recovery also affects the recycling of bank funds. Recovery is the need of the hour. In order to improve recovery and create awareness among the borrowers, branches. The bank are conducting recovery campaign every year during December-January and May-June.

Recovery campaign have not only proved to be useful in recovery but helped in creating awareness among the borrowers about credit discipline also. For the recovery of agriculture finds the harvesting and marketing season of Rabi crop is good.

INVESTMENT POLICY ADOPTED BY AGB:

A bank exist to make profit. It is investment policy is therefore, mainly governed by the profit income. But a bank is a very sensitive institution and must always keep in view its own security.

Profitability and safety are the two considerations governing a bank’s investment, although it is not easy to reconcile than. If the bank management
is more keen making profits, it may invest its finds in lines which are highly remunerative but which may not be converted into each quickly when the need arise.

On the other hand, if the bank is swayed only by safety considerations, it may not earn much profit because safe investments are generally not very remunerative.

Banking investment policy is also good, but it requires more expertise in investment portfolio. Due to downfall of share market the time has come, when bank has invest its surplus finds into large scale SSI units, in rural and semi-urban area. Instead of financing 50 or 100 LLS units, bank should undertaking proposals i.e. above 10 lacs. Reduction in number of loans will definitely lighten. The number of advances and in turn lesser NPA will exposes with a view to improve the operational efficiency and profitability of RRBs, RBI permitted then during Jan. 95, to invest their non-SLR surplus funds to profitable avenues. These surplus funds were to be invested after meeting their target group and other service are obligations. The guidelines to be followed by the RRBs in this regard were as under.

1. **Permitted investment avenues:**
   
   a) UTI, listed schemes
   
   b) Fixed deposits in profit making term lending financial institutions like IDBI, IFCI, ICICI and SIDBI.
c) Merchant banking subsidiaries/institutions

d) Housing finance Co. like HDFC etc.

e) Indira Vikas Patra.

f) Any other security specifically prohibited by RBI/NABARD.

The RBI further directed that sponsor banks shall advice their concerned RRBs regarding the choice of investment avenues till (RRBs) develop requisite technical expertise in the field of funds management. The investment decisions will however, be taken by the board of RRBs who shall be responsible for the overall management of their respective investment portfolio.

As it is not practically possible for the board to meet as and when investment decision are required to be taken, it was directed by the sponsor bank that the board may constitute a committee with suitable powers to take the decisions for investments. The committee include the following:

1. Chairman

2. General Manager

3. Senior Manager (Investment Section)

4. officers dealing with Investment.

Further, in order to enable the RRBs to board base their investment and to provide them further scope for profitable investment avenues,
accordingly, RBI control office. Mumbai issued detailed guide lines for RRBs as on 13th Dec. 1996 are as under.

1. RRBs may invest in shares and debentures of corporate and units of mutual funds upto 5% of the incremental deposits at the end of the preceding financial year including buying the shares (debentures) from the secondary market.

2. No ceiling in regard to investment in bonds of:
   a) Public sector undertakings those fully owned by central/state govt.
      or in which central/state govt. has more than 50% equity holding.
   b) All India financial institutions (AIFIS)

3. The investment should satisfy the single exposure norm. During Feb. 1999, RBI, Mumbai permitted the RRBs to include the additional share for computation of “owned finds” for arriving at the single exposure unit. The owned finds include the following:
   a) Paid up share capital of the RRB.
   b) Profit and reserves of the RRB.
   c) Share capital deposit amount received for restructuring the RRB.

The AGB has received an amount of 1771-91 lacs or share capital deposit from Central Govt. State Govt. and Canara Bank in the ratio of 50:15:35 later on, RBI reduced the single exposure limit from 25% to 20% w.e.f. 1.4.2000 to have better control and restrict the exposure to a
reasonable extent. As on 3.3.2001 the single exposure limit of the Bank was Rs. 917,03 lac. The total investment of the bank as at the end of March 2001 is Rs. 26806,95 lacs.

BREAKING THE VICIOUS CYCLE OF POVERTY THROUGH MICRO CREDIT:

The Gramin Bank is based on the voluntary formation of small groups of five people to provide mutual, morally binding group guarantees in lieu of the collateral required by conventional bank. At five only two members of a group are allowed to apply for a loan. Depending on their performance in repayment the next two borrowers can then apply and subsequently, the fifth member as well.

The assumption is that if individual borrowers are given access to credit, they will be able to identify and engage in viable income generating activities simply procuring such as paddy hushing line making, manufacturing such as poultry storage and marketing of transport services, women were initially given equal access to scheme and proved not only reliable borrowers but astute entrepreneurs. As a result, they have raised their status lessened their depending on their husband and improved their homes and the nutritional standards of their children. Today 90% of borrowers are woman.

Intensive discipline, supervision and servicing characterize the operation of the Gramin Bank which are carried by ‘Bicycle bankers’ in
branches units with considerable delegated authority. The rigorous selection of borrowers and their project by their bank workers, the powerful peer, pressure exerted on these individual by the group and the repayment scheme based on 50 weekly installment contribute to operational viability to the rural banking system designed for the poor. Savings have also been encouraged. Under this scheme there is provision of 5% of loans to be credited to a group find and is credited energy week to the fund.

The success of this approach shows that a number of objectives to lending to the poor can be overcome it careful supervision and management are provided. It was thought that the poor would not be able to repay, in fact repayment rates reached 97%. It was thought that poor rural women in particular were not bankable in fact they accounted for 94% of borrowers in early 1992. It was also thought that the poor cannot save. In fact, group saving have prove as successful group lending. It was thought that the rural power structure would make sure that such a bank failed, but the Gramin Bank has been rapidly expanding. Indeed, from fewer than 15,000 borrowers in 1980. By the end of 1998, the number of branches in operation was 1128, with 2.34 million members in 38,957 villages. There are 66,581 centres of groups of which 38,957 are women.

It is estimated that the average household income of Gramin Bank members is about 50% higher, than the largest group in the control village
and 25% higher than the largest group non-member in Gramin Bank
Villages. The landless have benefited most followed by marginal land
owners. This has resulted in large member of Gramin Bank members living
below the poverty line, 20% compared to 56% for comparable non-Gramin
Bank. There was also been shift from agriculture wage labour to self-
employment in pelt trading. Such a shift in occupational pattern has an
indirect positive effect on the employment and wages of other agricultural
waged laboures. What started as an innovative local initiative, a “small
bubble of hope” has thus grown to the point where it has made an impact on
poverty alleviation at the national level.

Despite its highly successful credit program for the rural poor. Aligarh
Gramin Bank has come to realize that its long term developmental objective
requires establishing a mechanism to provide high volume risk capital. The
Bank has encountered many ideal, technologies and approaches that can lead
to business which are economically compelling and socially progressive and
do not fell within scope of Aligarh Gramin Bank’s initial objective of
providing micro credit.

Loan to the ultimate poor. These opportunities however do not neatly
fit in with the regular program of the Bank. Borrowers lacks a small loan to
enter a time tested will established business. Thus a mechanism becomes
necessary to bank the commercially potential but uttered business and
manufacturing concern-yielding benefits for the destitute Gramin fund was established in 1994 to fill up the risk capital gap for the promising ventures that ensures good return on equity investments as well as direct and indirect benefit for the rural poor.

1. FINANCIAL SERVICE OF AGB:

1) DWCRA (Development Women and Children Rural Area). AGB finances for the development of women and children in the rural area, under this scheme they provide short term loans for the self employment of women. For rural children it provides pay for work scheme.

2) Major market technology upgradent fund scheme: This services includes the fund management work of Gramin part of the work, Aligarh Muslim University, Aligarh.

3) AGB provides funds for imparting crafts scheme: It provides small term loan to upgrade the self employment among the rural population with a scanty interest. It also helps in developing small-scale industries especially Khadi Gram Udyog.

4) Gramin phone seva scheme: AGB recent financial services includes phone seva by escotel. It connects over 450 villages of U.P.(West)

5) Financing infrastructure and service: It also helps in developing infrastructure of the rural area. It spent in developing roads, bridges canals
etc. of the rural areas for the poor. Farmers, so as to increase the cultivation of the rural areas.

6) **Food for work scheme**: AGB financial services includes the food for work scheme. This scheme include for the rural masses who are below poverty line. This scheme helps in generating the employment of rural women, youths.

7) **Voluntary saving scheme**: AGB promotes voluntary saving scheme. Under this scheme the meager amount of income is saved for the time of need. Involuntary saving scheme the villages gets the interest free money without knocking the door of the bank.

8) **Micro credit scheme**: It basically implemented to remove the poverty among the villages. Under micro credit scheme it provides short-term loans to the farmers for purchasing seeds tractors, or other machinery used in the agriculture sectors.

9) **Seed/grain assistance**: AGB provides financial assistance in purchasing the seeds, fertilizers grain etc. to farmers. The amount is returned by the farmers after the production of the crops.

10) **Integrated insurance scheme(SEWA)**: This services include self employment women assistance, AGB spents 5% of their loans under this scheme, to promote self employment among rural women. Under integrated insurance scheme it gives insurance of crops, seeds etc.
11) TRYSEM (Training to Rural Youth for Self-Employment): AGB provides financial assistance for the training to rural youth for self employment. This centrally sponsored programme was started on 15th August 1979. TRYSEM programme is not in existence at present time because it has been merged with newly introduce programme namely Swarn Jayanti Gram Swarozgar Yojna w.e.f. 1st April 1999.

12) AGB also supply modern tools to the rural artisans as a part of the IRDP. The main objective of this plan is to make the rural artisans (except weaver, tailors, embroiders etc.) technically capable of improving the quality their products and increasing their production and income with the help of modern tools.

13) April 1998: Test of mass marketing near Mareshi near Aligarh by AGB.

14) Aligarh Mahil Mutan credit scheme: To provide loans to the small farmers so that they may use the modern techniques and adopt the intensive farming.

15) Aligarh housing finances alliances and the urban poor. The objective of this scheme is to construct houses for the poorest people.

16) Farmers benefits out Aligarh horticulture scheme: It promotes the horticulture and provides financial assistance to the rural people for the
horticulture assistance under the Aligarh horticulture scheme. This scheme provides 62 lac loan to people in rural areas of U.P.

17) Community development programmes was launched by the bank to increase the standard of living in rural areas.

18) CH14 programmes: Under this programmes 85 millions was distributed by the bank for the rural development in U.P.

19) Annapura Yojna: Under this scheme Aligarh Gramin Bank provides food grain at subsidies rate of Rs. 2 per kg. of wheat and Rs. 3 per kg. of rice.

20) Kisan Vikas Patra: Kisan Vikas Patra is the financial services which helps in promoting financial security among the farmers.

PERFORMANCE HIGHLIGHTS OF BANK:

1) The per branch business has risen from Rs. 539 lacs to Rs. 608 lacs, which is the highest amongst all RRBs sponsored by Canara Bank.

2) The per employee business has surged up from Rs. 95 lacs to Rs. 108 lacs which is also highest amongst all RRBs of Canara Bank.

3) The net profit has gone up from Rs. 866 lacs to Rs. 1169 lacs registering a growth of 35% over previous years.

4) The recovery percentage has improved from 73.91% to 75.11% by showing improved recovery under form sector.
5) The total reserves has increased from Rs. 2315 lacs to Rs. 2713 lacs at the end of the year.

6) The market share in deposits is around 14.24% and in advances were occupy a market share of 21.57% in both the districts.

7) The bank established a Gujarat Earthquake Relief fund wherein the bank employees contributed one day PL encashment a part from the banks donate of Rs. 51000/- total amount contributed by the bank was Rs. 374513/-.

8) Bad and doubtful provision of Rs. 8892.62 has been made on Non-SLR investment (unit 64) during the year under audit. As on date total provision stands at Rs. 2468456.62.

9) The bank had not accounted for interest income on investment of Rs.352 lacs in NCDs with Core Health Care Ltd., Modern Syntex (I) Ltd. And Arvind Mill Ltd., Accrued during the year 2000-2001.

10) Non-SLR investments have been valued at cost price or market price whichever is lower.

11) The bank recorded a growth of 18.43% in the business of the Bank against 9.3% in the previous bank.

12) The bank has achieved all its commitments for deposits, advances profit etc. set in MOU. For the year 2000-2001.

13) The bank deposit growth in the year was 17.37% against the previous year percentage growth of 10%. The absolute growth of Rs. 2971 lacs at the
end of previous year to Rs. 4380 lacs at the end of this year showing an absolute growth of Rs. 811 lacs 22.68%.

14) The net profit of the bank has increased from Rs. 374.59 lacs to Rs. 440.46 lacs 17.72% growth over previous year.

15) Two new scheme namely “Union Credit Card” and Margin Money scheme for Rural Industries were launched clearing the year the bank has taken lead amongst all the RRBs as far as the launching of union credit card is concerned.

16) The bank has first time introduced the concept of self help group in the district and has not only promoted 385 HG but also given credit linkage to 15SHGs.

17) An in house magazine “Parijat” was introduced in the bank to increase the staff involvement.

18) The bank is selection by the NABARD for RRBs as SHPIS experimental programme. The staff of the five selected branches has on their own promoted 38SHG.

19) To develop the business of the bank and for self development the year 1998-99 was celebrated as ‘Vikas Varsha’ and a service of activities were taken to develop, the business and image of the bank and to increase the involvement of the bank staff.
20) Productivity level of the bank grew to the extent of Rs. 64.83 lacs from the previous year level of Rs. 54.82 per employee (excluding messenger).

21) Per branch business moved up from the level of Rs. 229.67 lacs as at March 2010 recording annual growth rate of 18%.

22) The NPA level of advance has come down from 34% to 28% of total advance.

SUGGESTIONS FOR MAINTAINING THE APEX POSITION OF ALIGARH GRAMIN BANK:

Now days, the bank has to complete with all the private and public banks and with the multinationals banks. But it is felt that Aligarh Gramin Bank must reorient its policies for betterment.

1) Aligarh Gramin Bank should attempt in the area of information technology and joint venture for the growth strategy.

2) AGB should maintain the quality of women industrial times especially in brass and lock industries in Aligarh—a socio psychology approach.

3) It should promote self help informal saving and credit scheme in the brass and lock work industry of Aligarh.

4) Complexity of bank loan system is the major cause of degradation of the bank.

5) Bank should have strategy of its own to alleviate poverty in the rural areas.

6) Bank should have the policy for the disabled rural people.
7) Bank employees lack the specific skill training so it should provides the workshop training to its employees to increase the working efficiency of the bank.

8) Bank should also extend its services in the health and welfare section of the rural people.

9) Aligarh Gramin Bank ensure 100% fulfillment of contractual obligation with customer in terms of delivery specification and quality.

10) To improve the financial position of Aligarh Gramin Bank, the bank should try to recover its non-performing assist (NPA).

11) Double burden should be intensified by the bank to promote and maintain the growth of the bank.

12) Bank should try to upgrade its technology for the improvement of the work and to maintain the position in the today’s banking sector.

13) Aligarh Gramin Bank should promote it services in rural areas because small scale farmers lack assess to bank. It should provides flexible services to the rural people.

14) Aligarh Gramin Bank should keep birds eye view on its inflow and outflow cash reserves. Imbalance will to financial crunch. It should try to decrease its performing assets.

15) It should promotes household economy of low income families in Aligarh.
16) Proper management should be there. The managers should be aware about the strategy of the bank and it should reduce the unskilled manpower.

So Aligarh Gramin Bank to survive in today’s banking sectors should keeps bird’s eye new on the following above mentioned suggestions.

**OBSERVATIONS:**

i) **Bank structure:** Aligarh Gramin Bank till date is following the traditional organization structure. It is felt that there should be a change in the structure.

ii) **Deposit:** Total deposit of the bank increased by Rs. 10.05 crore from Rs. 138.50 crore to Rs. 1445 crore growth rate of percent. This is because of the fact that Aligarh Gramin Bank has increased its saving bank, current deposit and term deposit.

iii) **NPA:** Non performing assets is increasing every year. This is because of heavy lending without proper mortgage security. So if this trend continues it will difficult for bank to retain its profits.

**GROWTH:**

The bank recorded a growth of 18.43% in the business of the bank against 9.3% in the previous year.

**M. CONCLUSION:**

Aligarh Gramin Bank with the division of Aligarh district and merging the eroded part of the district in adjoining district the area of
operation of the bank as now been distributed in two districts. The bank has proposed to open new branches as bank centre for which formalities are being completed. The bank has shown remarkable achievement in deposit mobilization in the year by registering a growth rate of 17% against previous year growth rate of 10%. The bank has given emphasis to low cost deposits. Continues monitoring and observance of ‘Deposit Mobilization month’ has resulted in achieving the MOV target of Rs. 200 crores. The absolute growth in deposits during the years users of Rs. 2971 lacs against the previous year growth of Rs. 1556 lacs. During the year the number of deposit account increased from 4,29,617 to 4,61,001 employee while deposit figure was increased to Rs. 42.62 lacs from 36.29 lacs. Efforts for animating resources were stepped up by availing more/timely refinance from NABARD and sponsor bank. During the year the bank has availed Rs. 720 lacs under various scheme of refinance, which was Rs. 50 lacs more than the refinance availed in previous year. The bank has launched two new credit scheme in the year namely ‘Kisan Credit Card’ scheme and ‘Kvic margin money scheme for rural industries’ total outlay of share was Rs.2078 lacs (37.10%) against which our bank disbursed Rs. 1298 lacs. The bank provided financial assistance of Rs. 428 lacs to 3957 families under IRDP.

The banks credit deposit ration has increased slightly during the year. It has received to 21.83% from 20.90% in the last year.
REFERENCES

1. District Credit Plan, Aligarh, various issues.


7. District Credit Plan, Aligarh, various issues.