

CREDIT SCHEMES FOR PRODUCERS AND RECOVERY PERFORMANCE OF REGIONAL RURAL BANKS: A STUDY OF GWALIOR DISTRICT

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Abstract: Regional Rural Bank is a kind of organization which is regulated by Central government, Reserve Bank, govt. agencies and Originating bank which in less expense provides banking facilities in those rural areas which were disconnected from banking facilities. The study of this paper focuses on the credit schemes initiated by Regional Rural Banks. In this study, an emphasis is made to highlight growth rate of loan sanctioned by RRBs from 1996 to 2001. I have also shown the financial resources of Gwalior – Datia RRBs by table. I throw light over the recovery performance of banks in Gwalior district. Regional Rural banks are started to help marginal farmers, needy producers, rural artisans, small entrepreneurs and agricultural labourers of unbanked areas by providing credit to enhance their economic condition. I discuss how credit schemes introduced by RRBs help needy producers and in what extend loan sanctioned to customers is repaid. I show the loss and profit to banks by these credit schemes by table and graph. The purpose of present study is to discuss the importance of loan and the recovery performance by RRBs in Gwalior District. The prosperity of any bank directly links with credit deployment and recovery performance. In all 19 branches of Gwalior-Datia RRBs, only in three branches loss to bank has been observed which indicates sincere working of bank employees. To ensure 100% recovery of loan we need to identify major problems which cause in delay in repayment of loans.

Keywords: RRBs, Reserve Bank, NABARD, SJSRY, S.G.S., Recovery Performance, Credit Schemes.

Introduction

The government of India in consultation with the Reserve Bank of India set up the Regional Rural Banks to serve the objectives of rural development through providing credit facilities to the rural poor and neglected class of people, who had not been able to meet their credit requirements from the then existed institutions providing rural credit viz. the co-operative banks, scheduled commercial Banks and other leading institutions. The Regional Rural Banks were expected to be potentially useful institutions to contribute to the goal of promoting the economic growth with social justice which have been a prime need of rural Indian public by providing productive credit on easy and cheap terms to the weaker and neglected sections of community; these banks had to provide them with new means of improving their economic conditions as well as

of the local economy [district-wise] to which they belong. [Agarwal, 1991]

Credit Schemes by RRBs:

1. **Pradhanmantri Rojagar Yojana:** This scheme was introduced on 2nd October 1993 with a purpose of making available financial help to educated unemployed people of 18 to 35 age groups. Under this scheme one lakh rupees loan and aid of 15% is allotted to start small industry and service sector. By this scheme Scheduled caste and Scheduled Tribe got 27% reservation and other backwards class got 27% reservation quota. During the year 1993-94, this scheme was running in only urban areas but after 1st April 1994 it was extended both in urban and rural areas. From 1st April 1994, Swarojgar Yojana has been merged in this scheme.
2. **Swarnjayanti shahri rojagar Yojana:** In the swarnjayanti year of independence, central govt. started this scheme in urban areas

under the caption of SJSRY on 1st Dec 1997. Three pre- implemented schemes viz. Nehru rojgar yojana, Urban basic service for poor people, urban poverty eradication were merged in this scheme. The purpose of newly started Swarn Jayanti Rojagar scheme is to impart financial support to urban poor section for starting productive employment. In financing this scheme central and state govt. share the ratio of 75:25. Under this scheme two more schemes as Shahari Rojagar programme and Shahari Majdoori Rojagar scheme have been initiated.

3. **Antyavsayi – Swarojgar Yojana:** This scheme is introduced by M.P. government for poor families of scheduled caste and scheduled tribe to help them by providing credit fund to start the mean of earnings. In Gwalior district, under this scheme Gwalior- Datia RRBs provide funds to targeted group of SC and ST caste to start cottage industry and retail trading etc.
4. **Samfax:** The purpose of starting this scheme is to provide loan to retired soldiers and the widows of retired soldiers for agricultural and non-agricultural activities. For agriculture, there is no credit limit but for non- agriculture sector maximum limit for loan is five lakhs rupees.
5. **Agricultural Schemes:** As we know, Gwalior-Datia region is mainly based on agriculture for income. Under this credit scheme, priority has been given to agriculture development scheme. There are several activities for which loans are sanctioned under this scheme as crop credit, small irrigation, agricultural machinery and fishery development.
6. **Small Industry Scheme:** Small industrialists are benefitted by this scheme. For starting their own business and to invest more amount of money in business, industrialists can take loan from banks under this scheme. Applicants are also helped by District industrial centre, Handloom development-Corporation of M.P. and Khadi and Gramudhog department and Entrepreneurship Development Centre.

7. Aekikrat Gramin Vikas Yojana: The scheme has been initiated at first in 1979-80 which was added in the form of Poverty Eradication program under the 6th five years plan. In starting, this scheme has been introduced in some part of country but from October 1980, it has been extended in all parts of country. The main motto of this scheme is to improve the economic condition of people living below poverty line and to heighten their level by providing productive sources. In all beneficiaries 30% are of SC and ST Caste and 30% are reserved for women. This scheme is financed by govt. and banks and implemented by district rural development agencies. At each state level, there is a co-operative committee which holds this scheme. The chief of this committee is Rajya Sachiv.

In Gwalior district, this scheme is introduced under 6th five years plan but it could not be implemented in such a way that it had been expected and got failure. The programmers which had been started for the economic development of rural areas could not produce impressive result according to target. In some extent, they helped to improve economic condition of poor section of society but failed to achieve target. Aekikrat Gramin Vikas has been adopted as scheme only to achieve target of economic development and social justice among people which can be possible only by solving agriculture and rural problems.

8. Swarnajayanti Gram Swarojgar Yojana: This scheme was started 1st April 1999. It is universal program. Under this scheme multiple small schemes are introduced to establish self-health groups [S.H.G.] and to provide training, credit facilities, technical information and to give industrial base to people. In this scheme, central govt. and state govt. finance on the ratio of 75:25%. All the programs viz. I.R.D.C., Trysem, Davakara, Citra, G.K.Y. and M.W.S which was initiated before Swarn Jayanti gram Swarojagaar schemes, have stopped working after S. G. S had been come into existence. Amount

received from the scheme has been transferred in the account of Gram Swarojagaar Yojana and is being used under this scheme. The purpose of starting this scheme is to help needy section of society and self-employed person so that they can rise from below of poverty line. To increase their income govt. provides bank loan and the minimum income should be 2000rs monthly as it is targeted. The main purpose of this scheme is to create economic sources of income by establishing self-health groups. These Self-health groups have been benefitted by bank credit and govt. aid.

9. District Rural Industry Project: District Rural Industry Project is scheme which is operated in five districts of country to encourage rural industrialization including Gwaior district. Under this scheme, banks start 1000 units each year to enhance rural industrialization through bank finance. The financial target of this scheme is 5 crore rupees per year. It has been estimated that this scheme provides employment to 5000 people. This scheme was started in 1994-95. In the first starting year, there have been established 900 units with the help of central Bank, Regional Rural Banks and Commercial Banks. 2600 number of people were employed from this scheme and 385 lakh 61 thousand rupees credit has been sanctioned. In 1995-96, there have been started 542 units in which 1800 entrepreneurs were employed and 342 lakh 65 thousand rupees credit has been distributed. In 1996-97, the amount of 5 crore 19 thousands rupees bank loan has been passed from which 534 units were started and 2182 people got profited. In the year 1997-98, under this scheme 571 units were established from which 2535 people got employment and 626 lakh 31 thousand rupees bank credit has been approved.

District collector is appointed as the president of DRIP committee. Along with distribution of credit several other innovative experiments are included under DRIP program. NABARD approves funds for

Handloom Development Co-operation [M.P.]. In Barai village of Ghatigaon Block, a handloom village was developed in which 18 handloom industries set up. Khadi and village industry has operated Rojgar Srajan program, Margin amount Scheme which are included in DRIP scheme. [Desai, 1985]

10. Step up Scheme: Step up is a unique program started by M.P. government to train poor and neglected section of the people. In this scheme, credits are sanctioned for purchasing four wheel cart, rickshaw, and bullock cart; and to run and extend small and cottage industry. The credit was allotted to this scheme only from 1982 to 1994. In 1995, this scheme had been stopped by govt.

Materials and Method: To achieve the objectives, the study is based on secondary data which have been collected from the published Annual Reports of Gwalior- Datia RRBs, NABARD, books and journals.

Discussion: The purpose of establishment of Gwalior- Datia Regional Rural Bank is to develop banking facilities in rural areas for rural people of Gwalior-Datia district with the implementation of several credit schemes initiated by Central govt. and govt. of Madhya Pradesh. In several branches of Gwalior-Datia RRBs, credits are sanctioned for economic development of the people of targeted village. After the loan has been passed, sanctioned amount is paid by either check or amount or on the consent of customer it is deposited in account by banks. Generally loans are sanctioned for productive works. To provide loans banks require customer of good character. Banks ensure that security amount should be of debtor and banks confirm all essential information to provide loans to targeted groups. The loans are sanctioned to BPL customers of rural areas under various govt. schemes to develop agriculture, cottage industry and to provide employment for improving their economic conditions. Table 1 indicates the growth of loan sanctioned by Gwalior-Datia RRBs to different category of customers.

Table 1- Total Credit sanctioned by Gwalior -Datia RRBs and growth of loan in percentage:
(Amount in Rs.)

End of the Duration	1996-97	1997-98	1998-99	1999-2000	2000-2001
Distributed Credit (Year wise)	25727	40854	46833	85918	128782
Growth (in percentage)	20%	48%	17%	83%	50%
Credit to Primary sector	24159	35614	44915	62002	84583
Credit to non- targeted group	3368	5086	2585	23831	44199
Credit to small farmers/ and marginal agriculture wage earner	12985	13007	13574	13745	20962
Scheduled Caste / Tribe	6104	6008	5138	9505	9550
To Minorities	1480	1620	1912	2100	2117

Source : Annual Report of Gwalior - Datia RRBs (1997-2001) p.,22+

Estimation of the above table shows the increasing growth rate which is 400.5% from 1996-97 to 2000-2001 in credit sanction by Gwalior-Datia RRBs.

Financial Resources of Gwalior- Datia RRBs:

Issue of share capital: The most reliable and fundamental resource of Gwalior- Datia RRBs is to acquire money from share capital. Gwalior- Datia RRBs are sponsored by Indian government, Central Bank of India and State Government of M.P. The ratio of equity is 50:35:15.

Deposits from Public: The important resource of Gwalior- Datia RRBs is deposit

from public. A bank can provide credit in a condition when a huge amount of money has been deposited by public. The amount banks receive from public indicates increasing demand of credit among people. In Gwalior-Datia RRBs the amount deposited by people is more than the amount deposited by other sources

Table 2 shows amount collected by RRBs in different years

	1996-97		1997-98		1998-99		1999-2000		2000-2001	
	Account	Amount	Account	Amount	Account	Amount	Account	Amount	Account	Amount
Current Deposit	894	14532	1155	16487	1337	23028	1269	25515	1628	22146
Saving Deposit	24690	95881	30374	107313	33148	144806	33454	193003	30126	256596
Fixed Deposit	9518	186281	13898	245969	14458	29991	17657	381035	21033	484330
Total Deposit	35102	296694	45427	369769	48943	467835	52380	599533	61587	763072
Percentage of Low Rate Deposit	34%		33%		36%		36%		37%	
Average Cost of Deposit	7.33		8.32		8.04		7.81		7.63	
Per Branch Deposit	1160		11555		14820		18736		29349 (26 Branches)	
Per Employee Deposit	3400		3392		4292		3603		7131	

Source : Annual Report of Gwalior - Datia RRBs (1996-2001)p.,25+

Borrowings from other Banks: The deposited amount in Gwalior- Datia RRBs is transferred to Central Bank of India and State Bank of India for getting extra credit. In need Gwalior-Datia RRBs takes advanced amount from these banks on the basis of deposited security amount. The amount received by RRBs is subtracted from total amount of fixed Deposit Scheme of National Commercial Bank. The remaining amount is indicated under the title 'Deposit of other Banks' in banks account.

Recovery of Loans: All the RRBs work on commercial principles. Hence, if distributed

credit is not recovered and it is not redistributed frequently, the workings of banks are affected negatively. In customers mind to develop the habit of repayment of loans National Agriculture and Rural Development banks are encouraging to their customers by various means. For this National Agriculture and Rural Development Banks links all provided finance facilities of RRBs with repayment of loans. On the basis of received refinance amount given to RRBs, it is estimated that in what extend bank employees are effortful in involving of recovery of loans.

Table -3 Repayment of loans by Gwalior - Data RRBs

(Amount in Rs.)

Year	1996-97			1997-98			1998-99			1999-2000			2000-2001		
	Dem and	Reco very	Re mai n	Dem and	Reco very	Rem ain	Dem and	Reco very	Rema in	Dem and	Reco very	Re mai n	Dem and	Recover y	Remain
Total	39800	14400	25400	49977	19852	30125	67092	24918	42174	102100	51400	50700	139304	91600	47704
Agricultural Area	23700	7800	15900	297312	11043	18689	36519	12835	23684	52400	24800	27600	69660	45668	23992
Non-agricultural Area	16100	6600	9500	20245	8809	11436	30573	12083	18490	49700	26600	23100	69644	45932	23712

Source : Annual Report of Gwalior -Datia Regional Rural Band from 1996 to 2001.P.,16, 19, 80, 100, 129

Gwalior- Datia RRBs make every possible effort to enhance the percentage growth of loans. Banks employees visit, verify and suggest their customers to make better use of loans and the importance of repayment of loans so that they repay all funds on time. Gwalior- Datia RRBs send written notification to beneficiaries and employees of banks individually contact and encourage people for repayment of loans from time to time. Repayment of loans by RRBs of Gwalior- Datia is shown in the above table.

Ratio and Co-relation of Deposits of Gwalior- Datia RRBs: Bank employees of Gwalior- Datia RRBs have made sustainable efforts to increase total deposit amount of bank more than proposed target by their genuine efforts. In the duration of 1996-97 to June 2001 loan has been distributed frequently by banks to improve living standard of the people of below of poverty line, to increase the sources of income, to make available employment and to encourage rural development.

Table :4 Details of Total Deposit, Remaining amount of Credit of Gwalior- Datia RRBs and Ratio of credit deposited:

Time Duration at end of year	Total Deposit	Remaining Credit Amount	Percentage of credit deposit Rate
1996-97	296694	36074	12.16
1997-98	369768	45449	12.29
1998-99	467835	46568	9.95
1999-2000	599653	49167	8.2
2000-2001	763072	63725	8.35

Source : Annual Report of Gwalior -Datia RRB in 2000-2001.P., 18, 20, 27, 1059, 133

The above estimation of data in table, deposited and remaining credit amount of Gwalior – Datia RRBs. show the impressive distribution of credit which indicates that banks are enough capable in providing credit frequently in Gwalior district. The data of increased credit deposited ratio also indicates that maximum deposited amount in banks has been used in distributing loans and all schemes are being encouraged continuously.

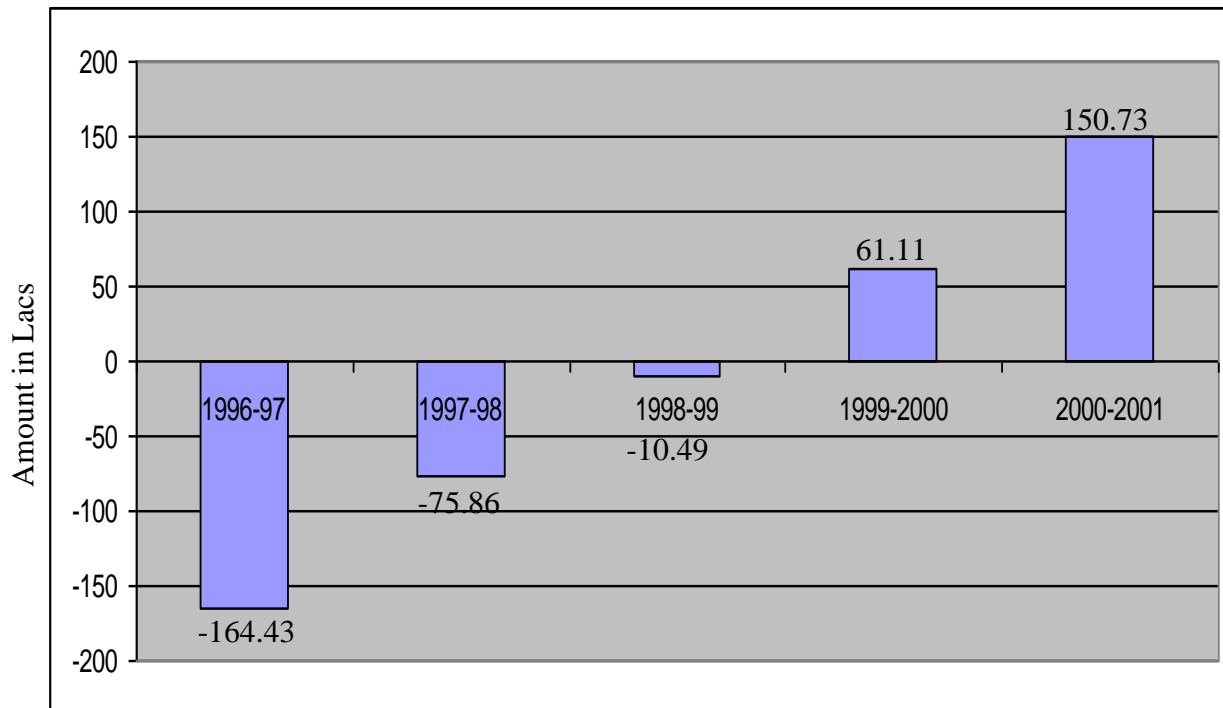
The progress of each branch of Gwalior- Datia RRBs of Gwalior district has been shown in the table which indicates progress in agricultural credit. On the basis of agricultural growth of credit in table, it is clear these schemes are beneficiary for people living below of poverty line. We can see the progress of Gwalior-Datia RRBs in following table.

Table 5 Progress table of all branches of Gwalior- Datia RRBs

S. No.	Branches	Deposit 31.03.2000	Deposit 31.03.2001	Growth/loss	%	Advance 31.03.2000	Advance 31.03.2001	Growth/loss	%	Profit/Loss
1.	Gwalior	130414	131040	626	0.48	22268	43303	21035	94.46	912
2	Girvai	51632	63208	11576	22.42	15038	20572	5534	36.80	1415
3	Panihar	14408	18439	4031	27.98	5415	6285	870	16.07	7
4	Shankarpur	15951	27322	11341	70.97	5207	8465	3258	62.57	136
5	Dorar Marg	12575	20849	8274	65.60	8088	14369	5481	61.67	420
6	C.P. Colony	10116	20203	10087	99.71	6513	11563	5050	77.54	68
7	Morar	30215	37117	6902	22.64	6691	12248	5557	63.05	556
8	Baretha	12931	16614	3683	28.48	9384	12911	3527	37.59	213
9	Dabra	46789	61023	14230	30.42	15236	19254	4018	26.37	1520
10	Pichhor	8877	13014	4137	46.60	7750	10794	3044	39.28	20
11	Kariyawati	8529	8130	-399	-4.68	11239	10990	-249	-2.22	-373
12	Magrora	15287	26482	11195	73.23	5456	6072	616	11.29	273
13	Gijorra	3605	4221	616	17.09	4815	5887	1072	22.26	155
14	Banwar	13403	12879	-524	-3.91	6130	6625	495	8.08	66
15	Bhitarwar	22401	29138	6737	30.07	14573	15911	1338	9.18	121
16	Devrikala	2341	3605	1264	53.99	2710	2848	138	5.09	173
17	Antri	8926	12280	3354	37.58	3378	4951	1573	46.57	87
Total	Gwalior	408430	505564	97134	23.78	150691	213048	62357	41.38	5097

Graph: Profit and Loss to Gwalior- Datia RRBs

GRAPH : PROFIT & LOSS



In Gwalior branch of Gwalior-Datia RRBs, total deposited amount was 131040 in 2001 which was 626 thousand rupees more than the amount of last year. In 2001, 0.48% growth has been noticed in total deposit. In the same year, advanced amount of 43303 thousand rupees has been received by banks which was 21035 thousand rupees more in comparison of the amount of last year. 94.46% growth has been observed in the same year. In this financial year Gwalior branch receives profit of 912 thousands rupees.

Total deposited money in Girwai branch of Gwalior- Datia RRBs was 63208 thousand rupees which exceeds 11576 thousand rupees in 2001 from the amount of last year. In 2001, 22.42% growth has been recorded in total deposit. In the same year received advanced amount was 20572 which were 5534 thousand rupees more than the amount of last year. In advanced deposit 36.80% growth has been noticed. In this financial year, Girwai branch has been profited 1415 thousands rupees.

In Panihar branch of Gwalior- Datia RRBs 18439 thousand rupees has been deposited in 2001 which exceeds 4031 thousand rupees in comparison of the amount of last year and 27.98% growth has been recorded. In this year received advanced amount was 6285 thousand rupees which were more than the amount of last year and 16.07% growth is seen in advanced deposit. In this financial year Panihar branch receives mere seven thousand rupees profit.

In the year 2001 in Shankarpur branch of Gwalior- Datia RRBs 27322 thousand rupees has been deposited which exceeds 11341 thousand rupees in comparison of the amount of last year and 70.97% growth has been noticed. The received advanced amount was 8465 thousand rupees which were 3258 more than the amount of last year and 62.57% growth is seen in advanced deposit. In this financial year Shankarpur branch receives 136 thousand rupees profit.

Total deposited money in Dorar branch of Gwalior- Datia RRBs was 20849 thousand

rupees in 2001 which exceeds 8274 thousand rupees from the amount of last year. In 2001, 65.60% growth has been recorded in total deposit. In the same year received advanced amount was 14369 thousand which were 5481 thousand rupees more than the amount of last year. In advanced deposit 61.67% growth has been recorded. In this financial year, Dorar branch has been profited 402 thousand rupees.

In C.P. Colony branch of Gwalior-Datia RRBs 20203 thousand rupees has been deposited in 2001 which exceeds 10087 thousand rupees in comparison of the amount of last year and 99.71% growth has been recorded in total amount. In this year received advanced amount was 11563 thousand rupees which were 5050 thousand rupees more than the amount of last year and 77.54% growth is seen in advanced deposit. In this financial year, C. P. Colony branch receives 68 thousand rupees profit.

Total deposited amount in Morar branch was 37117 in 2001 which was 6902 thousand rupees more than the amount of last year. In 2001, 22.64% growth has been noticed in total deposit. In the same year, advanced amount of 12248 thousand rupees has been received by banks which was 5557 thousand rupees more in comparison of the amount of last year. 63.05% growth has been observed in advanced deposit. In this financial year Gwalior branch receives profit of 556 thousands rupees.

Total deposited amount in Baretha branch was 166614 thousand rupees in 2001 which was 3686 thousand rupees more than the amount of last year. In 2001, 28.48% growth has been noticed in total deposit. In the same year, advanced amount of 12911 thousand rupees has been received by banks which was 3527 thousand rupees more in comparison of the amount of last year. 37.89% growth has been observed in advanced deposit. In this financial year Gwalior branch receives profit of 213 thousands rupees.

In Dabra branch of Gwalior- Datia RRBs there has been deposited 61023 thousand rupees in 2001 which exceeds 14324 thousand rupees in comparison of the amount of last year and 30.42% growth has been recorded in total deposit. In this year received advanced amount was 19254 thousand rupees which were more 4081 thousand rupees than the amount of last year and 26.37% growth is seen in advanced deposit. In this financial year, Dabra branch receives 1520 thousand rupees profit.

In Pichhore branch of Gwalior- Datia RRBs there has been deposited 13014 thousand rupees in 2001 which exceeds 4137 thousand rupees in comparison of the amount of last year and 46.60% growth has been recorded in total deposit. In this year received advanced amount was 10794 thousand rupees which were more 3044 thousand rupees more than the amount of last year and 39.28% growth is seen in advanced deposit. In this financial year, Pichhore branch is profited amount of 1520 thousand rupees

In Kariavati branch of Gwalior- Datia RRBs there has been deposited 8130 thousand rupees in 2001 which reduces 399 thousand rupees in comparison of the amount of last year and 4.68% loss has been recorded in total deposit. In this year received advanced amount was 10990 thousand rupees which got loss of 249 thousand rupees than the amount of last year and 2.22% loss is seen in advanced deposit. In this financial year, Karwai branch receives the loss of 1520 thousand amount of rupees.

Total deposited amount in Magrora branch was 26482 thousand rupees in 2001. The increment in amount was 11195 thousand rupees more than the amount of last year. In 2001, 73.23% growth has been noticed in total deposit. In the same year, advanced amount of 6072 thousand rupees has been received by banks which were 616 thousand rupees more in comparison of the amount of last year. 11.29% growth has been observed in advanced deposit and in this

financial year Magrora branch receives profit of 213 thousands rupees.

There has been deposited 4221 thousand rupees amount in Gijorra branch of Gwalior-Datia RRBs in 2001 and it is profited with the amount of 616 thousand rupees. The growth of 17.09% has been observed. The advanced deposited amount was 5887 thousand rupees which got profited 1072 thousand rupees. There is noticed the growth of 22.26% in advanced amount. In this financial year Gijorra branch receives profit of 155 thousands rupees.

In Banvaar branch of Gwalior- Datia RRBs there has been deposited 12879 thousand rupees in 2001, which reduces 524 thousand rupees in comparison of the amount of last year and 3.91% loss has been recorded in total deposit. In this year received advanced amount was 6625 thousand rupees which got profit of 495 thousand rupees in comparison of last year. It is seen the loss of 8.08 in advanced deposit. In this financial year, Banvaar branch receives the profit of 1520 thousand amount of rupees.

Total deposited amount in Bhitwar branch was 29138 thousand rupees in 2001. The increment in amount was 6737 thousand rupees which is more than the amount of last year. In 2001, 30.07% growth has been noticed in total deposit. In the same year, advanced amount of 15911 thousand rupees has been received by banks which were 1338 thousand rupees more in comparison of the amount of last year. 9.18% growth has been observed in advanced deposit and in this financial year Bhitwar branch receives profit of 121 thousands rupees.

There has been deposited 3605 thousand rupees amount in Devrikalan branch of Gwalior-Datia RRBs in 2001. It is profited the amount of 1264 thousand rupees than the last year. The growth of 53.99% has been observed. The advanced deposited amount was 2484 thousand rupees which got profited 138 thousand rupees. It is noticed the growth of 5.09% in advanced amount. In

this financial year Davrikala branch receives loss of 173 thousands rupees.

In Antri branch of Gwalior- Datia RRBs there has been deposited 12280 thousand rupees in 2001, which exceeds 3354 thousand rupees in comparison of the amount of last year and 37.58% profit has been recorded in total deposit. In this year received advanced amount was 4951 thousand rupees which got profit of 1573 thousand rupees in comparison of last year. Profit of 46.57% is noticed in advanced deposit. In this financial year, Antri branch receives the profit of 87 thousand amounts of rupees

On the basis of study of the table it is concluded that in all branches of Gwalior-Datia RRBs total deposited amount was 505564 thousand rupees in 2001. It is profited 97134 thousand rupees in comparison of last year. The total observed growth was 23.78%. In the same year, received advanced deposit was 213048 thousand rupees. It exceeds 62357 thousand rupees than the comparison of last year. In all branches of Gwalior-Datia RRBs, in total advanced deposit amount 41.38% growth has been recorded. In 2001, all the branches of Gwalior- Datia RRBs have been profited 5097 thousand rupees except two branches viz Kariyavati branch and Banvar branch. In kariyavati branch 4.68%, in Banvar branch 3.91% loss has been recorded. In these branches, the main reason of loss was the delay in repayment by beneficiaries along with careless attitude of bank management.

Results

The findings of this study are discussed briefly.

- Gwalior – Datia RRBs plays vital role in reducing diversification of economic activities in rural areas.
- Total credit sanctioned by Gwalior- Datia RRBs shows high growth rate. From 1996-97 to 2000-2001 growth rate of credit sanction was 400.5%.

- Amount collected by RRBs shows increasing interest of people in taking loans which can be seen through total deposited money in Gwalior-Datia RRBs. Distributed credit growth increases from 1996 to 2001
- Recovery performance of RRBs is satisfactory in all branches of Gwalior-Datia RRBs except of two branches as in kariyavati branch 4.68% and 3.91% loss to Banvar branch has been recorded.

Conclusion

To sum up, loan sanctioned through credit schemes facilitates entrepreneur to start any work of income and helpful in upliftment of neglected section of the society especially in rural areas of Gwalior District. It is seen throughout the study that in all the branches of Gwalior- Datia RRBs agricultural flow of credit has been increased during the study period except of two branches. Irregularity in repayment of loans is the main drawback to credit flow which is because of neglected attitude of bank employees in recovery performance and unawareness of customers. Recovery performance affects the credit flow. For this we need to make aware to people for

repayment of loans so that credit flow can increase because recycling of fund is necessary for effective credit implication.

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I state that I have read the submission guidelines, I am agree to the policy of the Journal and submission is original and does not contain plagiarised material. I owe a great deal to central library of Jiwaji University for providing me books, Journals and Newspaper of concerned subject and topic which I have chosen for my research work. I am also indebted in writing this paper to Gwalior-Datia RRBs in proving me sufficient information and annual reports to carry out my research work.

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