

## **INSTITUTIONAL FINANCE IN GARHWAL DISTRICT: WITH SPECIAL REFERENCE TO PAURI BLOCK**

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### **ABSTRACT**

This paper analyses the condition of borrowers and disturbed institutional credit to rural poor in Pauri Block. Rural credit is important in any effort to eliminate rural poverty in India and to provide employment opportunities. The basic problem facing the rural poor is insufficiency of income to meet their minimum requirements. One of the major reason for the backwardness of Garhwal district has been the non-availability of rural credit on reasonable terms. Development of the rural areas is possible by injecting requisite doses of institutional credit to the agricultural and allied activities, rural industries and service sector. Hence availability of banking credit facilities is an essential condition for economic emancipation of the masses.

Credit plays dynamic roles as it constitutes a catalyst for development and transformation of the traditional rural society into a technologically developed one. To release the rural folk from the clutches of the money-lenders, different institutional agencies playing a significant role in rural development and in alleviating rural poverty. The micro-level study is concerned mainly with overall progress and functioning of various types of bank involved in financing rural areas.

**Key Words - Institutional Finance, Garhwal, Pauri Block**

### **INTRODUCTION:**

One of the major achievements of institutional credit in general and the directed credit programme on particular has been the expanding out of reach of the banking sector to the small and marginal farmers and the weaker sections of society. At the time of independence, India had a structure of rural credit institutions, with co-operative banks and land mortgage banks catering to short terms and long terms credit need, respectively. The assessment of the performance of co-operatives by the All India Rural Credit Survey Committee in 1954 brought out, the volume of credit supplied by the co-operatives movement was significant, Consequently the 1950s and 1960s saw attempts to strengthen and broaden the co-operatives organization.

The share of co-operative banks in the institutional credit for agriculture and allied activities has declined. Under the prevailing economics scenario of liberalisation and globalization. The

co-operatives have to be strong enough to compete in the open market. They may need assisted in recapitalisation and also by substantially increasing the quantum of refinance by NABARD. Also the proposals initiated by the center for amending the co-operative laws of the states with a view to inject professionalism, autonomy and transparency in the functioning of these society need to be followed up expeditiously (Hanumantha Rao, 2004).<sup>1</sup>

The nationalization of the state bank off India in 1955 had drawn it into rural banking. But the other commercial banks had away from it. It was only with social control of banks in the late 60s and nationalisation of the major banks on 1969 and 1980 that they were drawn into rural banking in any systematic way. In 1975, regional rural banks were set-up with the task of monitoring social banking in the rural areas at low cost. Their principal task is to lend to economically weaker groups that have no access to loans of commercial banks. Thus, the last 40 years have seen the government of India intervene vigorously to encourage commercial banks to play a major role in rural development objectives.

The institutional structure of rural banking as it obtains in the early 90s consists of four sets of institutions, namely

- The commercial bank (CBs), both nationalised and private.
- Regional rural Banks (RRBs) sponsored by commercial banks.
- A three tier co-operative bank with state level central bank at the top, district co-operative banks in the middle and primary agriculture co-operative societies at the lowest rung, and
- The land development banks with primary level development banks affiliated to them.

Thus, the institutional lending programme has generally evolved not as were lending programme but as integrated production programmes. The understanding is that higher growth-in output, income or employment cannot be brought about unless credit inputs along with other inputs are deployed, through directed and systematic programme in areas with minor irrigation, in dry land cultivation and waste land development. Consequently, they have also evolved as collaborative programmes between lending institutions and government department (Narayana, 1992).<sup>2</sup>

'Shortage of affordable credit inhibits growth of many segment of the informal sector. While public sector banks have done a commendable job of reaching out to farmer, both big and small, they have hardly touched the fringe of the informal sector. Urban Co-operative banks have made some progress but their progress is rather patchy. Thus there is an urgent need to micro business and development of commercially viable credit programmes for different segments of the informal sector (Majumdar & Lall, 1991).<sup>3</sup>

There is little evidence in the report to show that the committee made an attempt to relate the future course of financial sector growth to the strategy of development envisaged in the directional paper, prepared by the planning commission, on the Eight Plan. After all, the financial system is expected to serve the real sector's growth. If the committee had done so, probably it would have

looked at rural development in a macro-economics perspective, in terms of rural-urban linkages, and in terms of multi-agency approach to financing rural development. (Eight Plan, 1991).<sup>4</sup>

### **Methodology:**

The study has two main facts, namely supply side related to the banks and demand side pertaining to the borrowers. The macro-level investigations are based on secondary data collected from the record of banks, annual report, various statistical abstracts, Journals etc. The operation of various types of banks have been dealt with separately and relation to each other but a clear understanding of the impact of institutional finance and problems involved in it demand an investigation using field level data covering the beneficiaries.

Hence, an attempt has been made to assess the impact and to examine the problems at micro-level also through the use of primary data. Primary data were collected with the help of questionnaires/Schedule.

### **Objectives:**

The study endeavors to undertake a comprehensive investigation into the qualitative and quantitative aspects of rural credit operations of institutional credit agencies namely, the co-operative banks, commercial banks and regional rural banks. The main objectives are as follows:

1. To study the functioning of banks operating in rural areas.
2. To assess the extent of environment of banks in spreading credit.
3. To examine critically district credit plans of the lead banks which have been created specifically to meet the development needs of the rural borrowers.
4. To examine the income groups of borrowers in Gram Panchayat Kshetra and disbursement of credit and subsidy to borrowers accordingly.

### **Profile of the Pauri Block**

Pauri Block is located in Garhwal District. Pauri is one of the 15 development block in Garhwal, having Ten Gram Panchayat. District has an area of 145 square kilometers and population 31356 as per 2001 census. The sex ratio is 911, which is almost equal to the average figure of 920 for the Garhwal district. The Block has a high concentration of scheduled caste population, which is 12.5 percent to the total number of retail trader., landless labourers, dairy workers and vegetable cultivators. The literacy rate of male is 82.5 and that of females is 71 percent.

#### **1. Socio- Economics profile of borrowers:**

The fact that socio-economic background of borrowers plays an important role in obtaining and making use of borrowed finance is well acknowledged. Before taking up a detailed investigation of credit, it could be worthwhile to examine the socio-economics characteristics of the sample borrowers. Accordingly, efforts have been made to throw light on their socio-economic characteristics

by using certain general indicators such as sex, age, caste, educational status family size, size of land holding, family system, income, assets, main and subsidiary occupational status.

**Table 1: Sex-wise classification of sample borrowers**

Sex	Number of Borrowers	Percentage of total
Male	162	81
Female	38	19
<b>Total</b>	<b>200</b>	<b>100</b>

**Source: Field Survey.**

Table 1 shows that, of the total size of 200 sample borrowers, 162 borrowers (81 percent) are male and the rest of 38 borrowers (19 percent) are female. In most part of India, male are considered the agent of most economics activities. This is reflected in our sample study.

### 1. Ages:

Credit facilities to rural area extended by the banks, meet the need of people of the age group, young and old. Table 2 gives age wise distribution of borrowers, selected for detailed investigation.

**Table 2: Age-wise Distribution of respondent Borrowers**

Sr. No	Age Group	Number of Borrowers	% of Total
1	18-25	80	40.0
2	26-35	51	25.5
3	36-45	34	17.0
4	46-55	21	10.5
5	Above 55	14	07.0
	<b>Total</b>	<b>200</b>	<b>100.00</b>

**Source: Field Survey.**

The Table 2 shows that the largest number of respondent borrowers falls in the lowest age group of 18-25, accounting for 40.0 percent, while 25.5 percent of the borrowers are in lower age group of 26-35 years. In the sample, the percentage of the borrowers falling in the upper age group (above 55) is only 7.0 percent and in the age group of 18 to 55 years 93.0 percent of the total number in the sample. This reveals that majority of respondent borrowers fall under economically active age group.

#### 4. Caste:

Table 3 shows the caste background of the sample households. The sample consisted of borrowers belonging to different caste, which have been broadly classified as general caste (Forward caste) and scheduled castes.

**Table 4 :Caste-wise distribution of respondent borrowers**

Caste	Number of Borrowers	Percentage to total
General Caste	145	72.5
Scheduled Caste	055	27.5
<b>Total</b>	<b>200</b>	<b>100.00</b>

**Source: Field Survey**

Table 3 shows that of the total 200 sample selected for the study, the percentage of respondent borrowers belonging to general caste and scheduled castes are 72.5 and 27.5 respectively. But in Raien and Ojali Gram Panchayat Kshetra half of the borrowers belonged to scheduled castes.

#### 5. Family Size:

Family size (number of members in the family) is considered as an important variable in determining the magnitude of funds required to meet consumption needs. The judicious use of loan its repayment to a certain extent depend upon the consumption needs of family. Details relating to the family size of the respondent households are given in Table 4.

**Table- Family size-wise Distribution of respondent Borrowers**

Family Size	Number of Borrowers	Percentage of Total
Upto 2	09	04.5
3-5	74	37.0
6-8	84	42.0
Above 8	33	16.5

**Average size of family is 5**

**Source: Field Survey:**

The Table 4 shows that 42.0 percent of the respondent borrowers have a family size of 6 to 8 members. Small families of 3 to 5 and above 8 members represent 37.0 percent and 16.5 percent. The average size of family is 5.

## 6- Education:

A modicum of education is an obsolete necessity for the purpose of meaning participation of rural people in development programmes. An illiterate person has to depend on other ever for filling a form to seek credit. It is believed that an educated person can make better use of credit and thus generate a surplus enough to repay loan. Table 5 presents information on the education levels of the respondent borrowers.

**Table 5: Education-wise Distribution of respondent borrowers.**

Sr.No	Level of Education	Number of Borrowers	% of Total
1	No Formal Education	18	9.0
2	Literate	22	11.0
3	Upto Fifth	75	37.5
4	Upto Secondary	78	39.0
5	Upto Degree	07	3.5
	<b>Total</b>	<b>200</b>	<b>100.00</b>

Source: Field Survey.

The Table 5 shows that 9.0 percent of the respondent borrowers have no formal education and 58.0 percent have a minimum level of education (upto Eighth). Field survey further indicates that 3.5 percent respondent have higher education (degree and above).

## 7. Land Holdings

Land holding plays a very vital role in rural economy. In India the size of an individual's land holding determines his social status also. It influences consumption pattern, saving and investments of the rural households. Table 6 presents the total (both wet and dry) size of land holdings of the respondent borrowers.

**Table 6: Land Holding and Distribution of respondent Borrowers**

Size Land Holding (In Nalli)	Number of Borrowers	% of Total
0-5	66	33.0
5-10	60	30.0
10-15	30	15.0
15-20	25	12.5
20-25	19	09.5
<b>Total</b>	<b>200</b>	<b>100.0</b>

Source: Field Survey

Table 6 shows that the majority of the household was only small scattered plot of lands. About 33.0 percent of the respondents own land less than 5 Nalli (.25 Hect.). Those holding between 5-10 Nalli constitute 30.0 percent of the total. Those owing land between 10-15 Nalli constitute 15.0 percent of the total. Those have 15-20 Nalli (1 Hect.) constitute 12.5 percent of the total and only the remaining 9.5 percent of the respondent borrowers have land holding in excess of 20-25 Nalli. The average size of land holding works out to a more 4.79 Nalli, which is few for the agriculture purpose.

### 8. Occupation

An individual's occupation determines the stability and certainty of his earning, which in turn influence the repayment behaviour and occupation also determines. The individual's status in the social hierarchy. Table 7 presents a distribution of respondent borrowers by 'main' occupation. The occupation is considered to main, if it contributes more than 50 percent of an individual's total income.

**Table 7 Main Occupation and Distribution of respondent Borrowers**

Occupation	Number of Borrowers	% of Total
Agriculture and allied activities	055	27.5
Agriculture labourer	037	18.5
Rural Artisans	003	01.5
Small Business	105	52.5
<b>Total</b>	<b>200</b>	<b>100.00</b>

Source: Field Survey

The Table reveals that small traders and businessmen is the mainstay for 52.5 percent of the respondent borrowers and the agriculture and allied activities represent 27.5 percent of the total respondent number of borrowers. The agriculture labourer represent 18.5 percent. A small sizes 1.5 percent are rural artisans. The respondent borrowers income contribute from different occupation, which they have opted rather than agriculture.

### 9. Income

Income indicates the standard of living of the borrowers. It also determined the level of consumption and saving. The rural people have less capacity to save and consumption is high due to large family size and small land holdings. This lead them towards poverty. Annual income classified into nine classes (0-1000), above 15000. Income is the most economic phenomena in economic study.

**Table 8- Income wise distribution of respondent Borrowers**

Annual Income	Number of Borrowers	% of Total
0-1000	07	03.5
1001-3000	37	18.5
3001-5000	39	19.5
5001-7000	42	21.0
7001-9000	34	17.0
9001-11000	23	11.5
11001-13000	08	04.0
13001-15000	09	04.5
Above 15000	01	00.5
<b>Total</b>	<b>200</b>	<b>100</b>

Source: Field Survey

The Table 8 reveals that maximum borrowers fall in the income groups of 5001-7000 (21.0 percent) and the minimum fall in the income groups of Above 15000. It is also evident from the Table 8 a majority of respondent (91 percent) fall below the poverty line and only 9 percent in the category of above poverty line, which is indicator of poverty among the masses. Table shows majority of the respondent borrowers (21 percent) having annual income 5001-7000 of the respondent are below the poverty line and only 9.0 percent are in above poverty line. Further it shows poverty is prevailing among the rural masses. We are describing the followings category of poor.

Sl. No.	Annual Income	Category
1.	0-4000	Destitute
2.	4001-6000	Very-Very poor family
3	6001-8500	Very poor family
4.	8501-11000	Poor family

Income and occupation-wise distribution (Table 9) reveals that majority of respondent (56.0 percent) have small business occupation. About 11.0 percent have agriculture as a occupation. Highest number of borrowers (37.5 percent) opted animal husbandry next opted retail business (shop 30.0 percent) 19.5 percent those having Rs. 3001-5000 income. The Table further indicate that 91.0 percent respondent borrowers below the poverty line.

It is evident from the preceding table (1.1) 81 percent of the respondents are male and Scheduled castes have a fairly representation (27.5 percent) accordingly population ratio of the class in the block. About 37 percent of the respondent have a moderate family size with five or less than five members. The educational level in the sample as a whole reveals that 9.0 percent of respondent have no formal education. An overwhelming proportion of respondent (33.0 percent) belong to small holding category less than 5 Nalli. The percentage distribution of borrowers by occupation indicates that small business is the main occupation of 52.5 percent of the respondent borrowers while agriculture and allied activities is the main occupation of 27.5 percent. Regarding the income and occupation-wise percentage of respondents borrowers highest in the income groups Rs. 5001-7000 and lowest in the income group above 15000.

**Table 9- Income and Occupation wise distribution of respondent borrowers**

	Agriculture				Small Business						Total	%
	Annual Income (in Rs)	Agriculture	Animal Husbandry	Rural Artisan	Shop	Males	House Wiring	Tea Stall	Swing Machine			
1	0-1000	-	07 (3.5)	-	-	-	-	-	-	-	7	3.5
2	1001-3000	-	10 (5.0)	-	10 (5.0)	-	-	10 (5.0)	07 (3.5)	-	37	18.5
3	3001-5000	06 (3.0)	10 (5.0)	01 (0.5)	9 (1.5)	03 (1.5)	05 (2.5)	02 (1.0)	03 (1.5)	-	39	19.5
4	5001-7000	02 (1.0)	16 (8.0)	01 (0.5)	15 (7.5)	01 (0.5)	01 (0.5)	08 (1.5)	03 (1.5)	-	42	21.0
5	7001-9000	01 (1.0)	21 (10.5)	01 (0.5)	05 (2.5)	01 (0.5)	01 (0.5)	02 (1.0)	02 (1.0)	-	34	17.0
6	9001-11000	03 (1.5)	07 (3.5)	-	11 (5.5)	-	-	01 (0.5)	01 (0.5)	-	23	11.5
7	11001-13000	01 (0.5)	02 (1.0)	-	01 (0.5)	-	-	-	01 (0.5)	-	08	1.0
8	13001-15000	-	02 (1.0)	-	05 (2.5)	-	01 (0.5)	-	01 (0.5)	-	09	1.5
9	Above 15000	-	-	-	01 (0.5)	-	-	-	-	-	01	0.5
	Total	13	75	03	60	05	08	18	08	08	200	100
	Percent	(6.5)	(3.75)	(1.5)	(30.0)	(2.5)	(1.0)	(9.0)	(9.0)	(9.0)	(100)	

Figures in Brackets present percentage to total

Source : Field Survey

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#### 10. Credit Obtained by respondent Borrowers

Credit is one of the important components for rural development in the economic activities, without credit borrowers cannot generate sufficient income. On the other hand institutional financing agencies could not chennelised their funds for the productive purpose, If credit will not disbursed by the financinjg agencies, it remain idle and no use of deposits of financing agencies. Thus it is very important for both to use it, where it is possible.

**Table 10 :Gram Panchayat Kshetra Wise Classification of credit Obtain by Respondent Borrowers**

Kshetra Panchayat	Number of borrowers	Credit obtained (in Rs.)
Pauri	20	1,77,000
Dhandri	20	2,30,000
Raien	20	1,67,500
Raidul	20	1,73,000
Kandara	20	1,72,100
Paidul	20	1,91,000
Dadwadevi	20	1,76,500
Chardhar	20	2,03,000
Chatkot	20	1,87,200
Ojali	20	1,56,300
<b>Total</b>	<b>200</b>	<b>18,83,100</b>

Source: Field Survey, Based on primary Data

Table 10 displays Gram Panchayat Kshetra-wise credit obtained. The Gram Panchayat Kshetra wise classification shows that no significant disparity is discernible among the ten Gram Panchayat Kshetra. The average credit obtained by Respondent borrowers is Rs. 9115 for different activities.

**Table 11: Institution-wise classification of credit obtain by Respondent borrowers (inRs.)**

Institution	No. of Respondent Borrowers	Credit Obtained	% of Credit Obtained
State Bank of India	82	898500	47.7
Punjab National Bank	12	4,01200	21.1
Co-operative Bank	47	20,2400	11.7
Central Bank	07	59000	3.1
Regional Rural Bank	32	3,22,000	17.1
<b>Total</b>	<b>200</b>	<b>18,83,100</b>	<b>100</b>

Source: Field Survey

Table 11 exhibits the extent to which credit needs were met by the rural institutional agencies. It is apparent from the figure that 47.7 percent of the credit disbursed by State Bank of India. Punjab National Bank and Alaknanda Grameen Bank disbursed 21.1 and 17.1 respectively. Central Bank is not seriously engaged in credit disbursement (10.7 percent)

**Table 12: Gram Panchayat Kshetra-wise classification of credit disbursed by bank to respondent borrowers**

S. No	Gram Panchayat Kshetra	Banking Institutions					Total
		State Bank of India	Punjab National Bank	Central Bank	Co-Operative Bank	Alaknanda Grameen Bank	
1	Pauri	1,13,000	-	-	31,000	-	1,77,000
2	Dhandri	1,95,000	-	13,000	22,000	-	2,30,000
3	Raien	1,22,000	13,500	3,000	26,000	3,000	1,67,500
4	Raidul	1,58,000	5500	-	10,000	-	1,73,000
5	Kandara	31,000	1,22,100	-	16,000	-	1,72,100
6	Paidul	1,83,5000	15,500	-	11,000	-	1,91,000
7	Dadwadevi	-	13,000	3,000	27,5000	1,33,000	1,76,000
8	Chardhar	3,000	39,000	-	12,000	1,19,000	2,03,000
9	Chatkot	6,000	1,29,6000	6,000	8,600	37,000	1,87,200
10	Ojali	51,000	33,000	31,000	35,300	-	1,56,300
	<b>Total</b>	<b>8,98,500</b>	<b>1,012,00</b>	<b>59,000</b>	<b>2,02100</b>	<b>32,2000</b>	<b>18,83,100</b>

Source: Field Survey

Table 12 depicts that Gram Panchayat Dhandri obtained maximum amount of credit Rs. 2,30,000 and Gram Panchayat Kshetra Ojali got minimum amount of credit Rs. 1,56,300. State Bank of India disbursed maximum amount of credit Rs. 8,98,500 in the Pauri block, is lead bank of the district. Minimum amount of credit disbursed by central bank Rs. 59,000 (3.1 percent), Punjab National Bank and Alaknanda Grameen Bank (RRB's) are in second and third place in disbursement of credit. Co-operative bank disbursed credit to respondent borrowers Rs. 20,2100, which is not a satisfactory amount of credit for development of rural areas. It is evident from the Table 12 institutional finance have a vital role in rural development of district Garhwal.

### 11. Subsidy

Subsidy is the incentive for borrowers to encourage the feeling of entrepreneurship as they come forward for the betterment of their living standard and take for productive purpose. As they contribute in the national income by dint of their productivity.

**Table 13: Gram Panchayat Kshetra-wise classification of subsidy to respondent borrowers**

S. No	Kshetra Panchayat	Banking Institutions					Total	
		State Bank of India	Punjab National Bank	Central Bank	Co-operative Bank	Alaknanda Grameen Bank		
1	Pauri	59,000	-	-	16,500	-	75,500	10.3
2	Dhandri	59,000	-	-	5,500	-	61,500	8.9
3	Raien	56,500	6,750	1500	11,500	-	76,250	10.1
4	Raidul	51,750	18,750	-	-	-	73,500	10.1
5	Kandara	13,000	39,150	-	16,000	-	68,150	9.3
6	Paidul	69,750	-	-	5,500	-	75,250	10.2
7	Dadwadevi	-	10,250	1500	13,100	13,000	68,150	9.3
8	Chardhar	1500	18,000	-	5,000	53,000	77,500	10.6
9	Chatkot	3000	69,300	3000	1300	13,100	92,600	12.6
10	Ojali	20,000	11,000	16,000	10,150	-	60,150	8.2
	<b>Total</b>	<b>3,36,500</b>	<b>1,76,200</b>	<b>22,000</b>	<b>87,850</b>	<b>10,9000</b>	<b>7,31,5550</b>	
	<b>Per. of Total</b>	<b>16.0</b>	<b>21.1</b>	<b>3.0</b>	<b>12.0</b>	<b>11.9</b>	<b>-</b>	<b>100</b>

Source: Field Survey

Table 13 Gram Panchayat Kshetra Chatkot have get maximum subsidy (12.6 percent) disbursed by all banks working in Pauri Balock. Minimum amount of subsidy disbursed in Ojali Gram Panchayat Kshetra. Subsidy is one of the major components in banking functioning which encourage the borrowers to borrow. State Bank of India disbursed Rs. 3,36,500 (16.0 percent) Punjab National Bank, Alaknanda

Grameen Bank and Co-operative Bank disbursed Rs. 17,200, Rs. 10,900 and Rs. 87,850 as a subsidy to the borrowers in different Gram Panchayat Kshetra. Minimum subsidy has given by central bank (3.0 percent). It is evident from the Table 13 State Bank of India, Co-operative bank and Punjab National Bank have deployed credit in all Gram Panchayat Kshetra and disbursed subsidy to respondent borrowers.

In the hierarchy of priorities on the agenda for creating supportive environment for growth of the informal sector, institutional credit occupies a pre-eminent position. In accessibility of institutional credit to the informal sector is among the more important impediments to its growth and development (Majumdar, 1992)<sup>5</sup> The structure of rural development banking needs to be strengthened to equip it with the capacity and resources to promote and support rural development. Its function is not related merely to 'agriculture and allied activities, it has to play a significant role in rural industrialization and thus has to be related to all the sectors of the rural economy-agriculture, agro-industries, small industry and small enterprises of all types. (Bhatt, 1992)<sup>6</sup> Bhattacharyya et al (1997)<sup>7</sup> studies the impact of the limited liberalization initiated before the deregulation of the nineties on the performance of the different categories of banks, they found PSBs had the highest efficiency among the three categories, with foreign and private banks having much lower efficiencies. However, PSBs started showing a decline in efficiency after 1987, private banks showed no change and foreign banks showed a sharp rise in efficiency. The main result accord with the general perception that in the nationalized era, public sector banks were successful in achieving their principal objectives of deposits and loan expansion.

The Reserve Bank plays a catalytic, as well as a coordinating role, in these initiatives for enhancing co-operation between the states and the banking system. Where the state government play a pro-active role in updating and computerizing land records, routing Government payments through the bank accounts, supporting it based solution for maintaining and operating bank accounts, and providing extension services to farmers and small business, the result, indeed, can be dramatic. In agriculture, minimizing yield risk and price results, indeed, can bring down credit risk and lower the cost of providing credit. 'This is an area where banks have also taken initiative of setting up rural training centres for small enterprises, farmers clubs, knowledge centers and credit counseling centers. NABARD and SIDBI, the two development financial institution, are also engaged in providing such credit plus services. (RBI- 2008)<sup>8</sup>. Thus, it appears that usage of finance taken determine sources borrowers avail of. The reform period has not observed serious studies in this area through with changing policy regime especially rural development.

As analysis made in relation to the size of land holding of sample borrowers indicates that 33.0 percent of the borrowers are having 5 nalli of land. The average size of holding works out to 4.79 nalli. The main occupational status of the borrower's shows that 52.5 percent of the respondent are engaged in trade and small business 27.5 percent are agriculturists, 18.5 percent are agriculture labour and 1.5 percent are rural artisans. An estimation of the income group the sample reveals that artisans. An estimation of the income group the sample reveals that maximum borrowers come in the income group of Rs. 5001-7000 (21.0 percent) and minimum come in the group above Rs. 15,000. The sample reveals that 91.0 percent respondent are below the poverty line. Income group Rs. 5001-

7000 opted maximum activities. The Gram Panchayat Kshetra-wise disbursement of credit shows that no significant disparities are discernible among Ten Gram Panchayat Kshetra. The average credit obtained by borrowers is Rs. 9415.

The respondent borrowers reveal that the institutional financing agencies success to meet credit requirements of the borrowers are met by State Bank of India, 21.4 percent from Punjab National Bank, 17.1 from Regional Rual Bank, 10.7 percent from Co-operative banks and 3.1 percent from Central Bank. Gram Panchayat Kshetra Dhandri obtain maximum amount of credit Rs. 2,30,000 and Gram Panchayat Kshetra Chatkot obtain maximum subsidy Rs. 92,600 and minimum obtain in Ojali Gram Panchayat Kshetra Rs. 60,150.

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