



ROLE OF REGIONAL RURAL BANKS (RRBs) FOR UPLIFTMENT IN LOWER SOCIETY IN MUZAFFARPUR DISTRICT OF BIHAR

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Abstract : This paper enables Role of Regional Rural Banks (RRBs) for upliftment in lower society in Muzaffarpur District. An attempt here has been made to study the poverty elevation programs through RRBs in Muzaffarpur district of Bihar. The state of Bihar, Despite global melt-down and slower growth of the overall Indian economy, had got success to continue its growth momentum in 2012-13. In spite of unfavafable Mansoon, state's Economy is likely to register a high growth performance in the current Fiscal year (2013-14) also. This has created new atmosphere of confidence in the state. The development achievement of the state has attracted the attention of people not only in India but outside the country as well.

Keywords : RRBs (Regional Rural Bank), Poverty Elevation, Slower growth, Muzaffarpur.

Introduction :

The Geographical areas of Muzaffarpur district is 3.37 (31535159 K.M) percent of the total geographical area of the state. The district falls in the Agro-climatic sub-zone known as north-west alluvial plain. The total population of Muzaffarpur district is 4.8 million as per the 2011 census report and sex ratio of the district is 899 (Females per thousand Males) as compared to 917 in Bihar. The district is highly densely populated and the density of population of Muzaffarpur is 1537 persons per square K.M as compared to 1105 persons per square K.M. in Bihar. The proportion of scheduled caste in Muzaffarpur is 15.6 percent which is by and large equal to Bihar's average (15.9 percent). The proportion of scheduled tribe is negligible (0.1 percent) in Muzaffarpur as compared to Bihar (12.8 percent) . This indicates that there is sizeable proportion of economically deprived section of the society in Muzaffarpur. The literacy rate in Muzaffarpur is higher (52.2 percent) than Bihar (50.4 percent).

The work participation in Muzaffarpur district is 32.23 percent as against 33.35 percent in Bihar. This shows that non-working population in Muzaffarpur as well as Bihar as a whole is high. The proportion of agricultural labourers in the state of Bihar is higher (27.46 percent) as compared to 23.66 percent in

Muzaffarpur district. This shows that the economy of Muzaffarpur district is slightly improved due to more (census, 2011) proportion of non-agricultural employment.

Study reveals that the distribution of land in the district is not satisfactory. Like Bihar, majority of the farmers in Muzaffarpur belong to the small and marginal farmers. Available data reveal that 89.10 percent holding belong to the marginal farms category in the district and marginal farm groups account for 60.77 percent of total operational holdings. The small farmers operate 14.02 percent of total operated area. This shows that more than two-third of total operated areas are cultivated by small and marginal farmers. This indicates that the economy of Muzaffarpur is agriculture oriented and large number of farmers in Muzaffarpur are living below the poverty line. They are in the chain of vicious circle of poverty.

The study reveals that majority of the farmers in Muzaffarpur district belongs to the small and marginal farmers group. Available data show that 89.1 percent holdings belong to the marginal farm category in the district and marginal farms groups account for 60.77 percent of total operational holdings. The small farmers operate 14.02 percent of total operated area. This indicates that more than two third of total operated areas are cultivated by small and marginal farmers. This shows that large number of farmers in Muzaffarpur are living below the poverty line. 55 percent of the total population in Muzaffarpur is living below the poverty line. They are in the chain of vicious circle of poverty. The desperate groups in the rural area are capital starved. The development of the rural poor in the district depends on the adequate supply of credit to them.

1.3 Objectives of the study:

The present study has been conducted with the following objectives:-

- i. That, the impact of the credit provided by Uttar Bihar Gramin Bank, Muzaffarpur on the socio-Economic condition of the poor people in the district of Muzaffarpur is positive.
- ii. That, Uttar Bihar Gramin Bank, Muzaffarpur is facing a number of problems in the district of Muzaffarpur.

1.4 Methodology Used:

The approach of the study is quantitative. And, Descriptive method has been applied in this study.

The present study is based on the secondary data collected from the different sources like Reserve Bank of India, central and State Government's publication, Journal, conference and occasional papers, Annual Reports of U.B.G.B., Muzaffarpur, Books etc.

RURAL ECONOMY OF MUZAFFARPUR DISTRICT

Muzaffarpur played a very significant role in the history of North-Eastern India. The peculiarity of Muzaffarpur in Indian civilization arises out of its Position on the frontier line between two most vibrant spiritual influences and most significantly, to this day, it is a meeting place of Hindu and Islamic culture and thoughts. All sorts of modified institutions, representing mutual assimilation, rise along the boarder line. It has undoubtedly been this highly diversified element within her boundaries that has so often made Muzaffarpur the birth place of towering geniuses.

TABLE -1

Selected Demographic Indicator

| Indicator | Unit | Year | Muzaffarpur District | Bihar | Share in Percent |
|--------------------------------|-------------|-----------|-------------------------|----------|---------------------|
| Total No. of House hold* | 100 | 2011 | 945703 | 18913565 | 5.00 |
| Household size* | No/ | 2011 | 5 | 5 | — |
| Population* | Million | 2011 | 4.8 | 104.1 | 4.6 |
| Geographical Area* | 1000 Sq. KM | 2011 | 3122.56 | 94163 | 3.3 |
| Population density* | Per sq. km. | 2011 | 1537 | 1105 | — |
| Proportion of urban population | Percent age | 2011 | 9.86 | 11.29 | 4.02 |
| Proportion of S.C.* | Percent age | 2011 | 15.66 | 15.91 | 4.53 |
| Proportion of S.T.* | Percent age | 2011 | 0.12 | 12.83 | 0.44 |
| Sex Ratio Total (p/m)* | Per 1000 | 2011 | 899 | 917 | — |
| Child Sex Ratio* | Per 1000 | 2011 | 915 | 933 | — |
| Population growth Rate** | Percent age | 2001-2011 | 27.5 | 25.1 | — |
| Infant Mortality Rate ** | Per 1000 | 2011 | 60 | 55 | — |

Source: *Census 2011, P.C.A., Census of India, Assistant Director, (Regional office) Patna

**Government of Bihar, Economic Survey, 2012-13 Finance Department, Patna, PP 257-259

Table -1 shows demographic indicators of Muzaffarpur and Bihar. It is clear from the Table that the proportion of scheduled castes in the Muzaffarpur district is 15.6 percent which is by and large equal to Bihar's average (15.9 percent). This indicates that a major proportion of socially and economically deprived sections of the society in Muzaffarpur district. But the proportion of scheduled Tribes in the district is negligible (0.1 percent) as compared to 12.83 in the state. The child sex ratio in the district is lower (915) than the state average (933). The infant mortality rate is high in both Muzaffarpur district and Bihar as a whole. Due to unsatisfactory health facility, Infant mortality rate is high. This reveals poor quality of life of the people in both district and the state. This adversely affects the process of productive activities in the district. High density of population in Muzaffarpur shows heavy pressure of population on land responsible for poor socio-Economic conditions of the people in the rural areas of Muzaffarpur.

Table 2
Blockwise Rural & Urban Population in Muzaffarpur 2011

| S. N. | Blocks | Population | Rural | Urban |
|-------|-------------|----------------|-----------------|----------------|
| 1 | Shahebganj | 241438 (5.02) | 218214 (5.04) | 23224 (4.90) |
| 2 | Baruraj | 406795 (8.47) | 378223 (8.73) | 28572 (66.03) |
| 3. | Paroo | 361662 (7.53) | 361662 (8.35) | 0 (0.00) |
| 4. | Saraiya | 331651 (6.90) | 331651 (7.66) | 0 (0.00) |
| 5. | Marwan | 164858 (3.43) | 164858 (3.80) | 0 (0.00) |
| 6. | Kanti | 272858 (5.68) | 233923 (5.40) | 38935 (8.22) |
| 7. | Minapur | 340925 (7.10) | 340925 (7.87) | 0 (0.00) |
| 8. | Bochaha | 245659 (5.11) | 245659 (5.67) | 0 (0.00) |
| 9. | Aurai | 290545 (6.05) | 290545 (6.71) | 0 (0.00) |
| 10. | Katra | 244823 (5.09) | 244823 (5.65) | 0 (0.00) |
| 11. | Gaighat | 259719 (5.40) | 259719 (6.00) | 0 (0.00) |
| 12 | Bandra | 124057 (2.58) | 124057 (2.86) | 0 (0.00) |
| 13 | Dholi | 90490 (1.88) | 90490 (2.09) | 0 (0.00) |
| 14 | Musahari | 683073 (14.22) | 300367 (6.94) | 382706 (80.83) |
| 15 | Kurhani | 435676 (9.07) | 435676 (10.06) | 0 (0.00) |
| 16 | Sakra | 306833 (6.39) | 306833 (7.09) | 0 (0.00) |
| | Muzaffarpur | 4801062 (100) | 4327625 (90.13) | 473437 (9.87) |

Note: Figures in parentheses show percentage of total

Source : Census of India 2011, P.C.A., Assistant Director, Patna.

Table 2 explains block wise rural and urban population in Muzaffarpur district of Bihar. It reveals that Muzaffarpur district is rural oriented. It indicates that only three blocks in the district have urban population. Table shows that Mushari block in Muzaffarpur district has largest proportion of urban population (80.83 percent) whereas urban population in Dholi and Bandra block is 2.09 and 2.86 percent respectively. In remaining 13 block of the districts, there is no urban population. All these Blocks are perfectly rural oriented. This is why, any development policy in the district must be focused on rural development. Low urbanisation indicates poor economic transformation of the district. It is also responsible for social and economic backwardness of Muzaffarpur.

TABLE 3

Occupational Structure of Bihar and Muzaffarpur

| Sl. No. | Occupation | Bihar | Muzaffarpur |
|---------|--------------------------|-------|-------------|
| 1 | Total Workers* | 33.35 | 32.35 |
| 2 | Cultivators** | 15.58 | 12.85 |
| 3 | Agricultural Labourers** | 27.46 | 23.66 |
| 4 | Household Industries** | 2.24 | 2.25 |
| 5 | Other Workers** | 16.21 | 20.04 |

Note. * = Shows percentage of total population

**= indicates percentage of total workers.

Sources: Census of India, 2011, P.C.A. Assistant director, Patna.

Table 3 explains occupational pattern of Bihar and Muzaffarpur district. Table reveals that work participation rate in Muzaffarpur district is 32.23 percent as against 33.35 percent of the state. This clears that non- working population in Bihar and Muzaffarpur district is high. This also reveals acute problem of unemployment and under employment in the state and Muzaffarpur district.

Table also shows that of total workers 15.58 percent are cultivators in Bihar where as 12.85 percent in Muzaffarpur district. It shows that the proportion of cultivators in the district is lower than the state as a whole. The proportion of agriculture labourers is higher (27.46 percent) in the state than Muzaffarpur district (23.66 percent). This shows that the economy of Muzaffarpur district is slightly improved. This is on account of the more proportion of non-agricultural employment. This is evident from the proportion of workers in other workers. Table reveals that the proportion of other workers in Muzaffarpur district is higher (20.04 percent) than the state average (16.21 percent).

TRENDS OF POVERTY IN MUZAFFARPUR DISTRICT

Study reveals that Bihar is one of the poorest and most populous states in India. The state is the twelfth largest in term of geographical coverage (2.8 percent of the total land area) and third largest by population (8.5 percent of the total population of India). Of its total population, 92 million still live in rural areas and majority of them belongs to the desperate groups of the rural population including marginal farmers, artisan, scheduled, agricultural labourers, rural artisan, scheduled caste and scheduled tribes. In fact, they are the deprived section of the rural areas. The state is ranked as the 7th poorest with 42.56 percent of its population below the poverty Line (Maulick, 2012). As per Tendulkar committee estimate, 33.7 percent of the total population of the state is living below the poverty line during 2011-12 while poverty ratio in the state of Bihar was 54.4 percent during 2004-05 (Economic survey, 2014)

TABLE 4

Block-wise A.P.L. and B.P.L. in Muzaffarpur District -2009-2010

| S. No. | Name of Block | Total | %age | APL | %age | B.P.L. | %age |
|--------|---------------|---------|--------|--------|--------|--------|--------|
| 1 | Sahebganj | 47939 | 4.74 | 19070 | 5.14 | 28869 | 4.52 |
| 2. | Motipur | 80997 | 8.02 | 29457 | 8.0 | 51540 | 8.07 |
| 3. | Paroo | 78928 | 7.82 | 30482 | 8.22 | 48446 | 7.58 |
| 4. | Saraiya | 67594 | 6.69 | 26065 | 7.3 | 41529 | 6.57 |
| 5 | Kurhani | 98608 | 9.76 | 37312 | 10.06 | 61296 | 9.59 |
| 6 | Kanti | 58320 | 5.77 | 22835 | 6.15 | 35485 | 5.55 |
| 7 | Minapur | 83342 | 8.25 | 28430 | 7.66 | 54912 | 8.59 |
| 8 | Musahari | 77689 | 7.69 | 28498 | 7.60 | 49191 | 7.70 |
| 9 | Bochaha | 60809 | 6.02 | 20450 | 5.52 | 40359 | 6.32 |
| 10 | Aurai | 71526 | 7.08 | 26031 | 7.02 | 45495 | 7.12 |
| 11 | Katra | 56849 | 5.63 | 19874 | 5.36 | 36975 | 5.79 |
| 12 | Gaighat | 60804 | 6.02 | 21654 | 5.84 | 39150 | 6.13 |
| 13 | Muraul | 21399 | 2.12 | 7988 | 2.15 | 13411 | 2.10 |
| 14 | Sakra | 72357 | 7.16 | 26587 | 7.17 | 45770 | 7.16 |
| 15 | Bandra | 33372 | 3.30 | 11672 | 3.14 | 21700 | 3.39 |
| 16 | Marwan | 38768 | 3.84 | 14329 | 3.86 | 24439 | 3.82 |
| | Muzaffarpur | 1009301 | 100.00 | 370734 | 100.00 | 638567 | 100.00 |

Source DRDA, Muzaffarpur

Muzaffarpur is the leading business centre of north Bihar. Poverty is a big problem. Roti, Kapra, Makan – These are common demand of the majority of the rural people in the district.

Block wise distribution of persons living below the poverty line is presented in table 3.1 Table reveals that 63.26 percent of the total population in Muzaffarpur district is living below poverty line. Table indicates that large concentration of B.P.L.is noted in Kurhani Block having 9.59 percent of its total population followed by Minapur (8.59 percent), Motipur (8.07 percent), Musahari (7.70 percent), Paroo (7.58 percent), Sakra (7.16 percent) and Aurai (7.12 percent). In the year 2013, 6.85 lakhs households are living below the poverty line. (Hindustan, 2014). Thus, major portion of the population of the district is living below the poverty line. Table shows that the proportion of poverty varies from one block to other block in the district. There is a declining trend in the level of poverty. This is due to migration of the rural population of the district.

Many factors are responsible for poverty in Bihar particularly in Muzaffarpur district. These factors or cause can be grouped under different heads including Economic, Political and social factors.

Study shows that the per capita income of lower and middle classes has not improved appreciably. Though, the state economy has been posting a moderate level of growth in the recent past few years. Unfortunately, the growth has not been benefiting the poor. Therefore, the number of people below the poverty line continues to be alarmingly high. It may be noted that at the current level of prices of essential commodities, it is likely that a much larger percentage of people would fall below the poverty line in the state particularly in Muzaffarpur district. Economic thinkers are busy in establishing causal relationship than really doing things that are plausible.

The power scenario in Bihar particularly in Muzaffarpur districts far from the satisfactory. Bihar's per capita power consumption is 100 units against a national average of 717 units. Muzaffarpur is getting only 40 Cr. 60 M.W.13. Muzaffarpur is actual requirement of power in the district is only 40 or 60 M.W. while the actual requirement of power in the district is 110 M.W. The power Grid has provided electric connection to only 25 percent poor only 70, 749 B.P.L. electric connections (Hindustan (Hindi), 2010). In 2017, the Government has electrified all the villages into state particularly in Muzaffarpur.

UTTAR BIHAR GRAMIN BANK AND FLOW OF CREDIT TO THE POOR IN MUZAFFARPUR

Credit is an important input for determining growth and development of an economy. According to an old French proverb "credit supports the farmers as the hangman's rope supports the hanged" (quoted by Kumar, Sunil, 1990). Credit holds an important position for cultivators. Thus, credit is the confidence creating power of the borrower. In other words, credit is an arrangement between a borrower who takes some money for productive investment and a lender who deploys his capital for earning some interest over his pace money.

Various individual research study reveals that 90 percent of the total population of Muzaffarpur district resides in village's area as against 89 percent of the state of Bihar: About 48 percent of the total rural population of Muzaffarpur district is living below the poverty line as against 33 percent in Bihar. (Economic Survey 2016-17).

Uttar Bihar Gramin Bank (Muzaffarpur) plays an important role for the development of the rural poor consisting of marginal farmers, small farmers, agricultural labourer, rural artisans, scheduled castes and scheduled tribes. The Bank is reaching to the doors of each and every poor persons and Bank's employees are busy in providing financial help to the poor in the district. Recently, Uttar Bihar Gramin Bank has implemented a five year perspective plan 'Gramin Chetna' for development and wealth creation in villages where each banking outlet could provide financial help for the purpose of rural development (Annual Report of U.B.G.B., 2012-13). In fact, the bank has become the centre of rural vitality in North Bihar particularly in Muzaffarpur district. Presently, the bank is providing credit facilities not only to the target groups but also to the non-target groups. The Bank also gives financial help to both priority sector and non-priority sector.

Deposit :-

Deposit is an asset of the bank. It determines the growth and development of the bank. Deposit depends on the saving capacity of the households of the area in which the Bank is operating. Saving is also determined by the potentiality of the area and business policy of the bank. U.B.G.B. has introduced a number of schemes in order to mobilise saving from the households including Tax Saving account, Lakhpati recurring Yojana, Flexi Recurring Deposit Yojana etc.

TABLE : 5
Yearwise Deposit of U.B.G.B. in Muzaffarpur

Amount in Rs. Crore

| Year | Amount | Average deposit per branch | Average deposit per employee |
|-------------|---------|----------------------------|------------------------------|
| March, 2010 | 531.48 | – | – |
| March, 2011 | 608.74 | – | – |
| March, 2012 | 736.07 | – | – |
| March, 2013 | 741.69 | 8.33 | 2.39 |
| March, 2014 | 908.69 | 10.09 | 2.79 |
| Dec. 2017 | 1143.00 | 127 | 3.78 |

Source: U.B.G.B., (Regional Officer), Ram Rekha Complex, Power House Road, Muzaffarpur.

Table 5 shows that the amount of deposit per branch has increased from Rs. 10.09 in March 2014 to 12.7 crore in Dec, 2017. There is also an increasing trend in Average deposit per employee of the U.B.G.B. in Muzaffarpur district. The average deposit per employee of U.B.G.B, Muzaffarpur has increased from Rs. 2.79 crore in March, 2014 to Rs. 3.78 Crore in December, 2017.

ADVANCE :-

The objective of U.B.G.B is to improve the economic conditions of the people living below the poverty line. The Bank is providing help to the weaker section of the rural area in the district. The Bank is providing not only agricultural loan but also non-agricultural loan to the desperate groups of the rural areas in the district of Muzaffarpur. The Bank also organises credit camps for providing financial assistance in every block of the district. The objective is to cover maximum beneficiaries by providing all kinds credit to the needy poor persons in the rural areas of the district.

Generally, credit camps are organised and operated with the officers of the head offices as well as the people's representatives. A few camps have been attended by the authorities of the sponsoring bank and minister of the state Government. In credit camps, attempts have been made to distribute loans in kind on the spot itself and in case of non-availability of the article, delivery orders are handed over to the

beneficiaries. The Bank also distributes sanction letter through purchase committee for purchasing milch-cattle, Bullock in cattle's fare or market. The Bank has also distributed Kisan credit card. Thus, U.B.G.B. is providing credit facilities to all section of the rural society particularly to the weaker section of the rural area.

TABLE: 6

Statement showing purposewise loan disturbed by U.B.G.B. in Muzaffarpur District as on 31st Dec. 2017

| Purposes | Amount in percent |
|-------------|-------------------|
| Agriculture | 68.57 |
| SME | 1.58 |
| OPS | 26.51 |
| NPS | 3.34 |
| Total | 100 |

Note: Figures in parentheses show percentage

Source:- Regional office, U.B.G.B, Ramrekha complex, power House Road, Muzaffarpur

Table 6 deals with the purpose wise amount disbursed by the Bank in Muzaffarpur district. Table reveals that Bank has disbursed much for the agriculture purpose (68.57 percent) followed by OPS (26.51 percent), N.P.S (3.34 percent) and SMI (1.58 percent) respectively. This shows that Bank has given more attention on the development of rural areas particularly for the development of agriculture in the district. Bank has disbursed less amount for the SME purpose (1.58 percent). This also indicates that Bank is fulfilling its objective in the district.

TABLE : 7

Yearwise Advance of U.B.G.B. in Muzaffarpur

Amount in Rs. Crore

| Year | Advance | Average Advance per Branch | Average Advance per employee |
|-------------|---------|----------------------------|------------------------------|
| March, 2012 | 267.54 | 3.30 | — |
| March, 2013 | 293.76 | 3.30 | 0.94 |
| March, 2014 | 393.93 | 7.38 | 1.21 |
| Dec. 2017 | 552.00 | 613 | 1.83 |

Source: U.B.G.B., Ramrekha complex advance made by U.B.G.B. in Muzaffarpur district.

Table shows that total advance of Uttar Bihar Gramin Bank has increased from Rs. 267.54 crore, in March, 2012 to Rs. 393.93 Crore in March 2014 and 5520 Crore in Dec 2017. Table 4:11 indicates an increasing trend in average advance per branch till 2017. The average advance per branch has increased from Rs. 3.30 crore in March, 2012 to Rs. 7.38 crore in March, 2014 and it has decreased to 6.13 crore in Dec, 2017. This is due to demonetisation of Indian currency. The average advance per employee has increased marginally.(1.83 crore)

TABLE: 8**Yearwise position of disbursement made by U.B.G.B. under BIGWIS in Muzaffarpur during March 2011-13**

Amount in Rs. Crore

| Year | Number | Amount |
|------------|--------|--------|
| March 2011 | 440 | 2.13 |
| March 2012 | 290 | 1.45 |
| March 2013 | 1260 | 5.10 |

Source: U.B.G.B., H.O-Kalambagh chowk, Muzaffarpur

Table 8 shows that the amount for BIGW's has increased from Rs2.13 crore in March, 2011 to Rs. 5.10 crore in march, 2013. This shows that the Bank is trying to achieve the objective of rural development.

Kisan Credit Cards (K.C.C.) :-

The Kisan credit card scheme was introduced by the Government in 1998-99 to provide crop loan to the farmers. Under this scheme, farmers are allowed a maximum credit limit of Rs50,000 to buy necessary inputs for the agriculture purpose. In 2016-17, KCC of Rs. 11001 crore was disbursed. 7575 new farmers were provided with K.C.C. by Uttar Bihar Gramin Bank in Muzaffarpur . In 2016-17, the coverage was extended to 32792 by the Bank in district (R.O, U.B.G.B, Muzaffarpur)

TABLE: 9**Loan Disbursement under Govt. Sponsored Scheme as on 17.01.2018**

Amt. in Rs. Crore

| S. No. | Scheme | Amount Disbursed |
|--------|-------------|------------------|
| 1 | SHG | 37.70 |
| 2 | K.C.C. | 2.58 |
| 3 | S.C.C. | 21.73 |
| 4 | G.C.C. | 5.87 |
| 5 | Others | 7.8 |
| 6 | Demand Loan | 1.26 |
| 7 | Total | 76.94 |

Source: R.O,U.B.G.B. Ramrekha Complex, power House Road, Muzaffarpur.

Table 9 deals with the achievement under Government's sponsored schemes and other schemes as on 17.01.18. Table shows that Bank has disbursed more loan (Rs. 37.70) to the self-help groups (S.H.G) followed by S.C.C. (21.73 crore). Demanded loan given by the bank is far from the satisfactory. It is only Rs. 1.26 crore.

TABLE 10**Loan Disbursement to Weaker Section as on 17.01.2018**

| S. No. | Section | No. of Account | Amount Disbursed |
|--------|----------|----------------|------------------|
| 01 | SC/ST | 16,754 | 55.28 (10) |
| 02 | Minority | 40,208 | 132.66 (24) |
| 03 | Women | 28,480 | 93.97 (17) |
| 04 | O.B.C. | 1,07,222 | 353.77 (64) |

Notes : Figures in parentheses show percentage.

Source: R.O.U.B.G.B, Ramrekha complex, power House Road, Muzaffarpur

Table 10 Explains loan disbursed by the Bank to the weaker section of the society as on 17.01.2018. Recently, the Government is paying more attention for the development of the weaker section consisting of scheduled castes/scheduled Tribes, women, minority children and others. The objective of the Government is to improve the status of these social groups through their socio-economic empowerment. To achieve the objective, Bank is providing adequate loan facilities to these social groups of the society. Table reveals that Uttar Bihar Gramin Bank has disbursed 64 percent of the total loan amount to the O.B.C. followed by minority (24 percent) and women (17 percent). Bank has given a very small amount (10 percent) to the scheduled castes.

Recovery :-

Study shows that development and success of any financing institution depends on adequate amount of recovery. If the recovery position of the financing institution is not satisfactory, the performance of the bank will also be not satisfactory. Recovery determines the lending capacity of the Bank. It also affects the profitability of the bank. Poor recovery increases the operational cost of the bank and it adversely affects the profitability of the Bank. Thus, Adequate amount of recovery is a thereby essential for Uttar Bihar Gramin Bank which must stand on a sound box.

TABLE 11**Yearwise overdues and recovery position of U.B.G.B. in Muzaffarpur district – June 2012-14**

| Year | Total demand | Total recovery | Total overdue | Recovery (percent) |
|------------|--------------|----------------|---------------|--------------------|
| June, 2012 | 4824 | 3869 | 955 | 80.20 |
| June, 2013 | 6463 | 5862 | 601 | 90.70 |
| June, 2014 | 10506 | 9551 | 955 | 90.91 |

Source : Uttar Bihar Gramin Bank, H.O.-Kalambagh Chowk, Muzaffarpur district.

Table 11 deals with the recovery position of Uttar Bihar Gramin Bank in Muzaffarpur district. Table indicate that recovery of Uttar Bihar Gramin Bank has increased from 80.20 percent in June, 2012 to 90.91 percent in June 2014. Still, overdues is a big problem for the bank. Factors responsible for the over dues

include Administrative inefficiency, lack of interest on the part of the branch Manager, Illegal rural practice etc. speed money of the official motivate the beneficiaries to treat the loan as dole and gift and loan is utilised by the beneficiaries in unproductive way responsible for accumulation of over dues.

Conclusion :-

Thus, Uttar Bihar Gramin bank is playing an important role to bridge up the credit-gap in the rural area of Muzaffarpur district. Presently, the bank is also busy in breaking the chain of vicious circle of poverty in rural Muzaffarpur by providing adequate credit facilities to the weaker section consisting of marginal farmers, small farmers, Agricultural labourers, rural Artisan, Scheduled castes and Scheduled Tribes. Bank is providing not only credit facilities to the desperate groups but also gives knowledge about the different schemes launched by the bank for the poor. The Bank has launched "Gramin Chetna" in order to bring about an improvement in the Socio-Economic conditions of the weaker section and to free the poor from the clutches of the Mahajans. But the cld ratio is not adequate. It was 48.25 percent in March, 2017. Further, over dues is also a big stand in the wag of the development of the bank. Still, U.B.G.B. plays an important role to reduce the level of poverty in the district.

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