

PERCEPTIONS OF BENEFICIARIES OF REGIONAL RURAL BANKS ABOUT SOCIAL EQUITY BASED RURAL DEVELOPMENT IN PUNJAB

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ABSTRACT

Regional Rural Banks play a very important role in credit disbursement for meeting the financial needs of farmers. The agrarian economy of Punjab now-a-days faces a severe crisis of repeated crop failures, low yield and high cost of production, non-remunerative produce prices and capital intensive farming, which resulted in heavy farm indebtedness. To revive the rural economy in general and agrarian economy in particular, RRBs need to be strengthened. This study examined the perceptions of beneficiaries of RRBs about social equity based rural development in Punjab. A set of 40 beneficiaries/customers per branch (total 320) from the selected branches of Punjab Gramin Bank (four), Malwa Gramin Bank (two) and Sulej Gramin Bank (two) in the state of Punjab were considered for data collection & ANOVA was applied to arrive at the Conclusion that RRBs are successful in achieving the social equity based rural development considerably. However, the beneficiaries also faced some problems in getting the benefits of CDPs, which need to be checked and resolved in order to speed up the pace of rural development of Punjab.

Keywords: Regional Rural Banks, Agrarian Economy, ANOVA, Social Equity.

Introduction

Regional Rural Banks have been in existence for around three decades in the Indian financial scene. Inception of regional rural banks (RRBs) can be seen as a unique experiment as well as experience in improving the efficacy of rural credit delivery mechanism in India. With joint share holding by Central Government, the concerned State Government and the sponsoring bank, an effort was made to integrate commercial banking within the broad policy thrust towards social banking keeping in view the local peculiarities. The genesis of the RRBs can be traced to the need for a stronger institutional arrangement for providing rural credit. The Narsimham committee conceptualised the creation of RRBs in 1975 as a new set of

regionally oriented rural banks, which would combine the local feel and familiarity of rural problems characteristic of cooperatives with the professionalism and large resource base of commercial banks. Subsequently, the RRBs were set up through the promulgation of RRB Act of 1976. Their equity is held by the Central Government, concerned State Government and the Sponsor Bank in the proportion of 50:15:35. RRBs were supposed to evolve as specialised rural financial institutions for developing the rural economy by providing credit to small and marginal farmers, agricultural labourers, artisans and small entrepreneurs.

Regional Rural Banks play a very important role in agricultural credit. Credit is needed both by the distribution channel as well as by the farmers. The distribution channel needs it to finance the fertilizer business and farmers need it for meeting various needs for agricultural production including purchasing fertilizers. Regional Rural Banks also play a very important role in disbursement of 'Medium Term' and 'Long Term' credit needed by the farmers' for purchasing agricultural equipments viz. tractors, installation of tube wells and land development works etc. The farmers will not be able to adopt the modern agricultural practices unless they are supported by a system which ensures adequate and timely availability of credit on reasonable terms and conditions.

Therefore, the role of RRBs in rural development is of utmost importance. The agrarian economy of Punjab now-a-days faces a severe crisis of repeated crop failures, low yield and high cost of production, non-remunerative produce prices and capital intensive farming, which resulted in heavy farm indebtedness. Due to the crisis factors, farmers' capacity to repay loans falls significantly. The social implications of the economic crisis led the farmers to commit suicides. Thus, to revive the rural economy in general and agrarian economy in particular, RRBs need to be strengthened. Therefore, it is very relevant to study the economic & social viability of Regional Rural Banks (RRBs) in Punjab

Objectives

To study the perceptions of beneficiaries of RRBs about social equity based rural development in Punjab

Review of Literature

M. Syed Ibrahim, (2011), in his article about "Role of Indian Regional Rural banks in the priority sector lending – An Analysis" found that the real growth of Indian economy lies on the emancipation of rural masses from poverty, unemployment and other socio-economic backwardness. Keeping this end in view, Regional Rural Banks were established by the Government of India to develop the rural economy. He stated that "With the passage of three decades, the RRBs are now looked upon with hope for rejuvenating the rural India". In the study, the role of RRBs in the rural credits structure was deeply analyzed. The finding may be considerable use

to rural banking institutions and policy makers in developing and shaping the appropriate credit structure as RRBs are integral part of the rural credit structure in India.

Soni, A & Kapre A. (2011) made study entitled “Performance Evaluation of Regional Rural Banks in India. The objectives of the study were to measure financial performance by key performance indicators, progress, growth, pattern and make important suggestions to improve the working of RRBs in India. The finding of the study revealed that the efforts made by RRBs in branch expansion, Deposit mobilization, rural development and credit deployment in weaker section of rural areas are appreciable. The RRBs successfully achieved its objectives like to take banking to door steps of rural household particularly in banking deprived rural area, to avail easy and cheaper credit to weaker rural section who are dependent on private lenders, to encourage rural savings for productive activities, to generate employment in rural areas and to bring down the cost of purveying credit in rural areas. Thus RRBs is providing strongest banking network. Government should take some effective remedial steps to make rural banks viable.

Versha Mohindra and Gian Kaur (2011), concluded that over the years, RRBs have proved to be the most active agencies in the process of strengthening rural economy by purveying credit and mobilizing deposits from rural areas through their vast network even in the remotest areas of the country. Though the regional rural banks have faced a great threat initially, the introduction of financial sector reforms and other policy initiatives (including recapitalization) by Government of India, Reserve Bank of India and other agencies concerned for strengthening the financial position of regional rural banks have resulted in perceptible improvement in the functioning of these banks. Evidence from the above, regional rural banks are thus required to devote utmost attention to their performances to meet global aspirations.

Bhatia, Arpana (2013) made study on “Performance Evaluation of RRBs in India during Pre and Post merger period”. The overall objective of the study was to assess whether the amalgamation process in the Indian rural banking sector has been successful in restructuring the banks. The specific objectives of this study were to evaluate the performance and growth pattern of RRBs in terms of spread, burden, profitability and productivity over the period under study and weather the performance of RRBs significantly differ from pre and post amalgamation period. The study concluded that overall there is an improvement in the efficiency of RRBs in post merger period. The spread ratio, productivity and profitability of RRBs shows upward trend in post merger period and burden ratios were continuously diminishing after amalgamation period.

Mohi-ud-Din Sangmi and Tabassum Nazir (2016), in their explained that Sound financial health of a bank is the guarantee not only to its depositors but is equally significant for the shareholders, employees and whole economy as well. As a sequel to this maxim, efforts have been made from time to time, to measure the financial

position of each bank and manage it efficiently and effectively. In this paper, an effort has been made to evaluate the financial performance of the two major banks operating in northern India. This evaluation has been done by using CAMEL Parameters, the latest model of financial analysis. Through this model, it is highlighted that the position of the banks under study is sound and satisfactory so far as their capital adequacy, asset quality, Management capability and liquidity is concerned.

Research Methodology

In order to have a conceptualized view of the financial viability of RRBs in Punjab; a set of 40 beneficiaries/customers per branch (total 320) from the selected branches of Punjab Gramin Bank (four), Malwa Gramin Bank (two) and Sulej Gramin Bank (two) in the state of Punjab were considered for data collection. Thus, a sample of 320 customers of the selected branches of the Banks was considered for analyzing their perception towards the social performance of RRBs in Punjab. To analyze the data statistical techniques like ANOVA and chi-square were used.

Results and Discussion

The perceptions of beneficiaries of Regional Rural Banks about social equity based rural development in Punjab have been discussed under three heads as follows:

Part-1 Economic Status of Beneficiaries

Part-2 Credit Distribution System

Part-3 Social Equity Based Rural Development

Part-1: Economic Status

Before going discussion on perceptions of RRBs beneficiaries, it is relevant here to have an overview about their economic status, as the economic status may have direct or indirect bearing on the credit disbursement pattern and the perceptions about Equity Based Rural Development.

1.1 Beneficiaries Income

Two types of income concepts were used in the study. First concept is annual income of the beneficiary alone and the second, family income i.e. income earned by all the family members. The beneficiaries' income pattern has been shown in Table 1.1.

Table 1.1: Distribution of beneficiaries according to their self income

Income	PGB	MGB	SGB	Total

(Rs./Annum)	No.	%age	No.	%age	No.	%age	No.	%age
Up to 50000	24	15.00	13	16.25	11	13.75	48	15.00
50001-100000	88	55.00	43	53.75	40	50.00	171	53.44
100001-200000	31	19.38	16	20.00	18	22.50	65	20.31
>200000	17	10.63	8	10.00	11	13.75	36	11.25
Mean	101375.00		100187.50		109750.00		103171.88	
SD	9837.12		10114.23		7843.62		8955.49	
F-ratio			1.67					

It is clear from Table 1.1 that the highest proportion i.e. 53.44 percent of total beneficiaries were having an annual income of Rs. 50001 to Rs. 100000, followed by 20.31 percent with an income of Rs. 100001 to Rs. 200000. The lowest proportion i.e. 11.25 percent of them was enjoying an annual income of above Rs. 200000, followed by 15.00 percent having an annual income of up to Rs. 50000 only.

The beneficiaries from different RRBs also depicted a similar pattern of income distribution. The average annual income of beneficiaries came to be Rs. 101375.00 in Punjab Gramin Bank, Rs. 100187.50 in Malwa Gramin Bank and Rs. 109750.00 in Sutlej Gramin Bank. The variation in beneficiaries' income was statistically at par in all the three RRBs as indicated by the F-ratio of 1.67.

1.2 Family Income

Family income constitutes the earnings by the beneficiary plus earning by any other family member. The pattern of family income has been presented in Table 1.2.

Table 1.2: Distribution of beneficiaries according to their family income

Income (Rs./Annum)	PGB		MGB		SGB		Total	
	No.	%age	No.	%age	No.	%age	No.	%age
Up to 100000	28	17.50	16	20.00	13	16.25	57	17.81
100001-200000	84	52.50	43	53.75	41	51.25	168	52.50
200001-300000	32	20.00	12	15.00	16	20.00	60	18.75
>300000	16	10.00	9	11.25	10	12.50	35	10.94
Mean	172500.00		167500.00		178750.00		172812.50	
SD	12891.45		13744.67		11954.23		12604.15	
F-ratio			4.47**					
Per Capita Income	28654.49		27685.95		27415.64		28099.59	

A perusal of Table 1.2 showed that family income of the highest proportion i.e. 52.50 percent of total beneficiaries was Rs. 100001 to Rs. 200000, followed by 18.75 percent with a family income of Rs. 200001 to Rs. 300000. The lowest proportion i.e. 10.94 percent of them was enjoying an annual family income of above Rs. 300000, followed by 17.81 percent having family income up to Rs. 100000 per annum. The average annual

family income of beneficiaries worked at Rs. 172500.00 in PGB, Rs. 167500.00 in MGB and Rs. 178750.00 in SGB. The average annual family income was found to be significantly higher among beneficiaries of SGB as compared to that among beneficiaries of PGB and MGB as indicated by the F-ratio of 4.47. The per capita annual family income came to be Rs. 28654.49, Rs. 27685.95 and Rs. 27415.64 in case of beneficiaries of PGB, MGB and SGB respectively.

1.3 Caste

Caste wise distribution of beneficiaries has been given in Table 1.3.

Table 1.3: Distribution of beneficiaries according to their caste

Caste	PGB		MGB		SGB		Total	
	No.	%age	No.	%age	No.	%age	No.	%age
General Castes	27	16.88	14	17.50	12	15.00	53	16.56
Backward Classes	54	33.75	24	30.00	26	32.50	104	32.50
Scheduled Castes	79	49.38	42	52.50	42	52.50	163	50.94
chi-square			0.55					

Table 1.3 clearly showed that the highest proportion i.e. 50.94 percent of total beneficiaries belonged to scheduled castes, followed by 32.50 percent to backward classes. The lowest proportion i.e. 16.56 percent of them belonged to the general castes. The beneficiaries belonging to different RRBs also depicted a similar pattern of caste distribution. The pattern of caste among beneficiaries was similar in case of three RRBs, as conveyed by the chi-square value of 0.55.

1.4 Occupation

The beneficiaries were involved in different occupations, which included agriculture, trade/business, farm labour artisans and others like shopkeeper, mechanic, non-farm labour, etc. The distribution of beneficiaries according to their occupation has been shown in Table 1.4.

Table 1.4: Distribution of beneficiaries according to their occupation

Occupation Category	PGB		MGB		SGB		Total	
	No.	%age	No.	%age	No.	%age	No.	%age
Farmers	37	23.13	16	20.00	18	22.50	71	22.19
Self-Employed	24	15.00	11	13.75	12	15.00	47	14.69
Farm Labourers	41	25.63	22	27.50	21	26.25	84	26.25
Artisans	58	36.25	31	38.75	29	36.25	118	36.88
chi-square			0.58					

The information given in Table 1.4 showed that the highest proportion i.e. 36.88 percent of the total beneficiaries was artisans, followed by 26.25 percent farm labourers and 22.19 percent farmers. The lowest proportion i.e. 14.69 percent of them was self-employed persons like shop keepers, repair workshop owners, purchase-sale activists, mechanics, etc. The beneficiaries belonging to different RRBs depicted a similar pattern of occupation. Therefore, the occupation pattern of beneficiaries from three different RRBs was similar as indicated by the chi-square value of 0.58.

1.5 Operational Farm Size

The operational farm size is represented in the following equation:

$$\text{Operational Farm Size} = \text{Owned Land} - \text{Leased out land} + \text{Leased in land} - \text{Mortgaged out land} + \text{Mortgaged in land}$$

The distribution of farmer beneficiaries according to their operational land has been given in Table 1.5.

Table 1.5: Distribution of beneficiaries according to their farm size

Farm Size	PGB (N=37)		MGB (N=16)		SGB (N=18)		Total (N=71)	
	No.	%age	No.	%age	No.	%age	No.	%age
Up to 2.5 acres	19	51.35	8	50.00	9	50.00	36	50.70
2.51 to 5.0 acres	11	29.73	4	25.00	5	27.78	20	28.17
5.01 to 10.0 acres	5	13.51	3	18.75	3	16.67	11	15.49
>10.0 acres	2	5.41	1		1	5.56	4	5.63
Mean	3.60		3.91		3.76		3.71	
SD	0.97		1.02		0.89		1.12	
F-ratio			1.67					

Table 1.5 showed that the highest proportion i.e. 50.70 percent of the farmer beneficiaries was operating on marginal (up to 2.5 acres) piece of land, followed by 28.17 having small (2.51 to 5.0 acres) operational farm size. The lowest proportion i.e. 5.63 percent was found to be operating on above 10 acres of land followed by 15.49 percent operating on 5.01 to 10.0 acres of land.

The farmer beneficiaries of different RRBs also depicted a similar pattern of operational land. The analysis revealed that the proportion of farmer beneficiaries declined with the increase in farm size, indicating the benefits being provided more to the smaller farmers as compared to that to the larger farmers. The average operational farm size came to be 3.60, 3.91 and 3.76 acres in case of farmer beneficiaries from PGB, MGB and SGB respectively. There was no significant variation in the operational farm size in the three banks. This was also confirmed by the F-ratio of 1.67.

1.6 Assets Formation

The assets included the domestic as well commercial inventory developed by making fixed investment. This, generally, includes dwelling house, farm buildings, implements shed, cattle shed, farm machinery, non-farm machinery, conveyance vehicles, irrigation structure, livestock, plot, workplace buildings, etc. The pattern of assets formation among beneficiaries has been presented in Table 1.6.

Table 1.6: Distribution of beneficiaries according to their assets formation

Assets Size (Rs.)	PGB		MGB		SGB		Total	
	No.	%age	No.	%age	No.	%age	No.	%age
<5 lac	68	42.50	42	52.50	40	50.00	150	46.88
5-10 lac	34	21.25	20	25.00	23	28.75	77	24.06
10-15 lac	39	24.38	12	15.00	11	13.75	62	19.38
15-20 lac	10	6.25	4	5.00	5	6.25	19	5.94
20-25 lac	5	3.13	2	2.50	1	1.25	8	2.50
>25 lac	4	2.50	0	0.00	0	0.00	4	1.25
Mean	8.40		6.76		6.75		7.58	
SD	1.29		1.78		1.81		1.41	
F-ratio			4.78**					

The highest proportion i.e. 46.88 percent of the total beneficiaries was having assets worth less than Rs. 5 lac, followed by 24.06 percent with assets of Rs. 5 to Rs. 10 lac and 19.38 percent having assets worth Rs. 10 lac to Rs. 15 lac. The lowest proportion i.e. 1.25 percent of them were owning assets worth above Rs. 25 lac, followed by 2.50 percent having assets of Rs. 20 lac to Rs. 25 lac and 5.94 percent with assets worth Rs. 15 lac to Rs. 20 lac.

The analysis revealed that the proportion of beneficiaries declined with the increase in assets size i.e. inversely related with the assets size. Though the beneficiaries in different RRBs depicted the similar pattern of assets formation, but no beneficiary was reported to be there having assets worth above Rs. 25 lac in MGB and SGB. This resulted in significant variation in the average assets formation by beneficiaries from three banks. The average assets formation worked at Rs. 8.40 lac in PGB, which was significantly higher than Rs. 6.76 lac and Rs. 6.75 lac in MGB and SGB respectively. The pattern of assets showed that the benefits of different schemes of RRBs go to those with smaller size of assets as compared to those with larger size of assets.

Part-2 Credit Distribution System

In this part, credit disbursement pattern, credit disbursement in relation to the some important economic indicators of different social strata of rural beneficiaries has been studied. It was done so to find out whether the credit has been disbursed to the needy rural poor and for their upliftment.

2.1 Credit Disbursement

There were some credit schemes of RRBs under which the RRBs advanced loan to different beneficiaries for different purposes. These schemes included cash credit limit to agriculture, term loan in agriculture, consumption loan, small scale industrial loan, micro-finance loan, demand loan, overdraft, etc. The average amount of credit disbursed to beneficiaries by RRBs under different schemes has been given in Table 2.1.

Table 2.1: Average amount of credit disbursed to the beneficiaries by RRBs (Rs.)

RRBs Scheme	PGB		MGB		SGB		Total	
	Amount	%age	Amount	%age	Amount	%age	Amount	%age
Cash Credit Limit:agri	23567.18	19.18	20456.23	17.22	24243.62	20.63	22958.55	19.05
Term loan: agri	44251.48	36.02	43976.92	37.02	42148.32	35.86	43657.05	36.23
Consumption loan	31667.29	25.78	32698.17	27.53	28658.49	24.38	31172.81	25.87
SSI loan	9837.61	8.01	10245.14	8.62	8645.87	7.36	9641.56	8.00
Micro finance	8715.34	7.09	6841.65	5.76	9265.58	7.88	8384.48	6.96
Demand loan	3468.97	2.82	3603.25	3.03	3025.23	2.57	3391.61	2.81
Overdraft	1345.61	1.10	967.51	0.81	1541.96	1.31	1300.17	1.08
Total loan	122853.48	100.00	118788.87	100.00	117529.07	100.00	120506.23	100.00
F-ratio				1.98				

The data given in Table 2.1 indicated that average credit disbursed to beneficiaries was to the amount of Rs. 120506.23. Out of this, the highest amount i.e. Rs. 43657.05 (36.23%) was disbursed under term loan to agriculture, followed by Rs. 31172.81 (25.87%) under consumption loan, Rs. 22958.55 (19.05%) under cash credit limit to agriculture and Rs. 9641.56 (8.00%) under Small scale industry loan. The lowest amount to the tune of Rs. 1300.17 (1.08%) was disbursed under the scheme of overdraft, followed by Rs. 3391.61 (2.81%) under demand loan and Rs. 8384.48 (6.96%) under micro-finance loan.

Total average amount of loan disbursed came to be Rs. 122853.48, Rs. 118788.87 and Rs. 117529.07 to the beneficiaries of PGB, MGB and SGB respectively. The pattern of loan disbursed under different schemes

was similar as observed in case of total beneficiaries. The average credit disbursed was statistically at par in the three RRBs. This finding was confirmed by the F-ratio of 1.98.

2.2 Credit Disbursement in Relation to Income of Beneficiaries

The pattern of credit disbursement to the beneficiaries in relation to their income was assessed in order to observe whether the major credit was disbursed to the low income strata or not. This was done so to see the social equity development in rural Punjab. The results have been presented in Table 2.2.

Table 2.2: Loan disbursed in relation to income of beneficiaries

Income (Rs./Annum))	PGB	MGB	SGB	Total
Up to 50000	152437.23	148217.34	147537.68	150157.37
50001-100000	125421.78	127941.63	123201.14	125496.58
100001-200000	112437.23	98217.34	104317.22	106852.26
>200000	86787.79	62914.58	88514.14	81251.08
F-ratio	8.43**	7.27**	6.54**	6.78**

It is clear from Table 2.2 that the highest loan amount i.e. Rs. 150157.37 was disbursed to beneficiaries having lowest of income i.e. up to Rs. 50000, followed by Rs. 125496.58 to those with income of Rs. 50001 to Rs. 100000, Rs. 106852.26 to the beneficiaries having income of Rs. 100001 to Rs. 200000. The lowest amount of credit i.e. Rs. 81251.08 was disbursed to the beneficiaries having the highest level of income i.e. above Rs. 200000. This revealed that credit disbursement was made mainly to the economically weaker sections of rural society of Punjab by RRBs under various schemes. There was a significantly inverse relationship between credit disbursement and income of the beneficiaries. This was confirmed by the F-ratio of 6.78. Therefore, the credit disbursement policy of RRBs was found to be in the right direction of social equity based rural development.

Bank wise analysis also depicted a similar pattern of credit disbursement to beneficiaries by RRBs. The amount of loan disbursed was inversely related to the income of beneficiaries in all the three RRBs. The inverse relationship was significant in all the three banks as indicated by the respective F-ratios.

2.3 Credit Disbursement in Relation to Assets Size of Beneficiaries

The pattern of credit disbursement to the beneficiaries in relation to their assets size was also assessed to see whether the major credit was disbursed to the beneficiaries having low level of assets or not. This was done so to examine the social equity development in rural Punjab. The results have been presented in Table 2.3.

Table 2.3: Loan disbursed in relation to assets size of beneficiaries

Assets (Rs.)	PGB	MGB	SGB	Total
Up to 10 lac	121454.78	129267.45	126134.28	124577.82
10-20 lac	88631.27	85765.18	87556.25	87645.99
>20 lac	55126.82	58142.41	54965.96	55840.50
F-ratio	11.97**	14.78**	10.55**	9.24**

The information given in Table 2.3 very clearly showed that the highest amount of credit i.e. Rs. 124577.82 was disbursed to the beneficiaries having lowest size of assets i.e. up to Rs. 10 lac, followed by Rs. 87645.99 to those with assets size of Rs. 10 lac to Rs. 20 lac. The lowest amount of credit i.e. Rs. 55840.50 was disbursed to the beneficiaries having highest size of assets i.e. above Rs. 20 lac. This indicated that the RRBs have major focus of credit disbursement on the weaker sections of rural Punjab, which were having low level of income as well as assets and need upliftment. The RRBs have done well in this direction. The inverse relationship between credit disbursement and assets size was significant as indicated by the F-ratio of 9.24.

Similar was the trend in case of credit disbursement to the beneficiaries in relation to their assets in different RRBs. There was significant inverse relationship between credit disbursement and assets size of beneficiaries, which was also conveyed by the respective F-ratios.

2.4 Credit Disbursement in Relation to Occupation of Beneficiaries

The amount of credit disbursement to the beneficiaries in relation to their occupation was evaluated to examine another parameter of the social equity development in rural Punjab. The results have been presented in Table 2.4.

The analysis given in Table 2.4 showed that the highest amount of credit i.e. Rs. 201763.46 to the artisans i.e. *raj mistries*, iron smiths, shoe makers, *julahas*, wood smiths, etc. This is category of artisans who have less employment opportunities. This credit amount was followed by Rs. 149670.30 to the farmers (we will see in the Table 2.5 whether the major part of this amount had been disbursed to smaller farm size categories of farmers or otherwise.), followed by Rs. 123680.50 to the self-employed persons i.e. small shopkeepers, repair workshop owners, purchase-sale activists, mechanics, etc. The lowest amount of credit i.e. Rs. 102774.82 was disbursed to the farm labourers, which had the lowest capacity to repay. The variation in credit amount disbursed to beneficiaries involved in different occupations was significant as indicated by the F-ratio of 4.81. This revealed that the credit has been disbursed in the right direction of social equity based rural development.

Table 5.1.2.4: Loan disbursed in relation to occupation of beneficiaries

Occupation	PGB	MGB	SGB	Total
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Farmers	149676.43	151584.13	147768.19	149676.30
Self-Employment	122654.45	129684.45	119728.64	123680.50
Farm Labour	103454.23	99964.15	104226.68	102774.82
Artisans	214191.93	188026.14	190643.83	201763.46
F-ratio	3.18*	5.67**	4.78**	4.81**

A similar pattern of credit disbursement was observed in all the three banks as observed in case of total beneficiaries. The variation in credit amount disbursed was significant in PGB, MGB and SGB as conveyed by the respective F-ratios.

2.5 Credit Disbursement in Relation to Operational Farm Size

The amount of credit disbursement to the farmer beneficiaries in relation to their operational farm size was computed and the results have been presented in Table 2.5.

Table 2.5: Loan disbursed in relation to operational farm size

Farm Size (acres)	PGB	MGB	SGB	Total
Up to 2.5	67454.65	63467.52	64213.22	65758.26
2.51 to 5.0	78412.13	77521.13	79109.15	78408.19
5.01 to 10.0	56227.81	55168.29	56787.95	56091.62
>10.0	41989.80	47598.45	51225.62	45700.92
F-ratio	3.81*	4.76**	3.92**	4.38**

A perusal of Table 2.5 showed that the highest credit amount of the order of Rs. 78408.19 was disbursed to the small farmers having 2.51 to 5.0 acres of operational land, followed by Rs. 65758.26 to the marginal farmers having up to 2.5 acres of operational land. The lowest amount of credit to the tune of Rs. 45700.92 was disbursed to the farmers having more than 10 acres of operational land and Rs. 56091.62 to the farmers with 5.01 to 10.0 acres of operational farm size. The variation in the credit amount disbursed to different farm size categories was found to be significant as conveyed by the F-ratio of 4.38. A similar pattern of credit disbursement was seen in different RRBs.

Part-3 Social Equity Based Rural Development

The achievement of social equity based rural development through various projects and schemes under CDPs of RRBs has been evaluated by studying the views of beneficiaries about different aspects of socio-economic development of rural poor.

3.1 Perceptions of Beneficiaries about Credit Disbursement Programmes of RRBs

The beneficiaries were asked to register their level of agreement on different statements related to the Credit Disbursement Programmes of RRBs. They responded in terms of 'strongly agree', 'agree', 'neutral', 'disagree' and 'strongly disagree'. These attributes were assigned score in the respective order of 5, 4, 3, 2 and 1. The weighted mean scores were calculated and compared between three banks with the help of ANOVA. The results so obtained have been presented in Table 3.1.

Table 3.1: Extent of agreement among beneficiaries on statements related to Credit Disbursement Programmes of RRBs

Statement	PGB		MGB		SGB		Total		F-ratio
	Mean	Level	Mean	Level	Mean	Level	Mean	Level	
S1	4.11	A	4.37	A	3.98	A	4.14	A	1.27
S2	3.38	N	4.18	A	3.41	N	3.59	A	5.34**
S3	2.97	N	3.21	N	2.32	DA	2.87	N	4.48**
S4	3.14	N	2.87	N	3.04	N	3.05	N	1.31
S5	4.68	SA	3.34	N	4.27	A	4.24	A	6.62**
S6	4.37	A	2.81	N	3.28	N	3.71	A	5.56**
S7	3.29	N	4.22	A	4.14	A	3.74	A	6.14**
S8	3.68	A	3.71	A	4.06	A	3.78	A	1.31
S9	2.15	DA	2.82	N	1.87	DA	2.25	DA	4.98**
S10	2.87	N	3.21	N	3.09	N	3.01	N	1.42
Overall	3.46	N	3.47	N	3.35	N	3.44	N	1.37

The order of statements is as under:

S. No.	Statement
S1	CDPs are having positive impact on our social status.
S2	CDPs are effective in eradicating poverty.
S3	CDPs are effective in eradicating unemployment.
S4	CDPs are effective in meeting household needs.
S5	Advances have been given according to the local needs.
S6	CDPs are successful in improving the standard of living of rural people.
S7	CDPs are helpful in improving rural infrastructure.
S8	CDPs are helpful in creating rural assets.
S9	CDPs have failed to achieve the involvement of marginalized groups like women, SC, ST, BC, OBC, etc.
S10	CDPs of RRBs have helped in the economic development of Punjab state.

The analysis given in Table 3.1 showed that the beneficiaries of PGB expressed strong agreement of the order of 4.68 on 'Advances have been given according to the local needs'. They agreed to the tune of 4.37 on

‘CDPs are successful in improving the standard of living of rural people’, 4.11 on ‘CDPs are having positive impact on our social status’ and 3.68 on ‘CDPs are helpful in creating rural assets’. The beneficiaries of PGB could not depict any definite position on ‘CDPs of RRBs have helped in the economic development of Punjab state (2.87)’, ‘CDPs are effective in meeting household needs (3.14)’, ‘CDPs are helpful in improving rural infrastructure (3.29)’ and on ‘CDPs are effective in eradicating poverty (3.38)’. They disagreed on ‘CDPs have failed to achieve the involvement of marginalized groups like women, SC, ST, BC, OBC, etc. (2.15)’.

In case of beneficiaries in MGB, they expressed agreement of the highest order of 4.37 on ‘CDPs are having positive impact on our social status’, followed by 4.22 on ‘CDPs are helpful in improving rural infrastructure’, 4.18 on ‘CDPs are effective in eradicating poverty’ and 3.71 on ‘CDPs are helpful in creating rural assets’. The beneficiaries neither agreed nor disagreed to the tune of 3.21 on ‘CDPs are effective in eradicating unemployment’, 2.87 on ‘CDPs are effective in meeting household needs’, 3.34 on ‘Advances have been given according to the local needs’, 2.81 on ‘CDPs are successful in improving the standard of living of rural people’, 2.82 on ‘CDPs have failed to achieve the involvement of marginalized groups like women, SC, ST, BC, OBC, etc.’ and 3.21 on ‘CDPs of RRBs have helped in the economic development of Punjab state’. The beneficiaries of MGB neither strongly agreed nor strongly disagreed on any of the aspects of Credit Disbursement Programmes of RRBs.

The beneficiaries of SGB agreed of the order of 3.98 on ‘CDPs are having positive impact on our social status’, 4.27 on ‘Advances have been given according to the local needs’, 4.14 on ‘CDPs are helpful in improving rural infrastructure’ and 4.06 on ‘CDPs are helpful in creating rural assets’. The beneficiaries of SGB could not depict any definite position on ‘CDPs are effective in eradicating poverty (3.41)’, ‘CDPs are effective in meeting household needs (3.04)’, ‘CDPs are successful in improving the standard of living of rural people (3.28)’ and ‘CDPs of RRBs have helped in the economic development of Punjab state (3.09)’.

Moreover, the beneficiaries of SGB expressed their disagreement to the tune of 2.32 on ‘CDPs are effective in eradicating unemployment’ and 1.87 on ‘CDPs have failed to achieve the involvement of marginalized groups like women, SC, ST, BC, OBC, etc.’.

The results of ANOVA revealed that the extent of agreement on ‘CDPs are effective in eradicating poverty’, ‘CDPs are effective in eradicating unemployment’, ‘CDPs are helpful in improving rural infrastructure’ and ‘CDPs have failed to achieve the involvement of marginalized groups like women, SC, ST, BC, OBC, etc.’ was significantly higher among beneficiaries of MGB as compared to that among beneficiaries of PGB and SGB. But the extent of agreement on ‘Advances have been given according to the local needs’ and ‘CDPs are successful in improving the standard of living of rural people’ was significantly higher among

beneficiaries of PGB as compared to that among beneficiaries of MGB and SGB. The extent of agreement on all other statements was at par in all the three RRBs.

Overall the beneficiaries agreed on the positive impact of CDPs on their social status, effectiveness of CDPs in eradicating poverty, advances given according to local needs, successfulness of CDPs in improving the standard of living of rural people, CDPs helpful in improving rural infrastructure and creating rural assets. This revealed that as per the opinion of beneficiaries, the RRBs exerted a positive impact on weaker sections of rural Punjab, thus, advancing towards social equity based rural development.

3.2 Impact of CDPs on Socio-Economic Development of Beneficiaries

The beneficiaries were asked to register the extent of impact of CDPs on their socio-economic development. They responded in terms of 'to large extent', 'to some extent' and 'not at all'. These attributes were assigned score in the respective order of 3, 2 and 1. The weighted mean scores for worked out and compared between the beneficiaries of three RRBs with the help of ANOVA. The results so obtained have been given in Table 3.2.

Impact Aspect	PGB		MGB		SGB		Total		F-ratio
	Mean	Extent	Mean	Extent	Mean	Extent	Mean	Extent	
S1	2.13	SE	1.74	SE	1.98	SE	2.00	SE	1.23
S2	2.34	SE	2.41	SE	1.87	SE	2.24	SE	3.27*
S3	2.68	LE	2.14	SE	2.82	LE	2.58	LE	5.41**
S4	1.98	SE	2.23	SE	2.04	SE	2.06	SE	1.16
S5	2.16	SE	1.91	SE	2.37	SE	2.15	SE	1.42
S6	2.59	LE	2.68	LE	2.74	LE	2.65	LE	1.54
S7	1.16	NAA	1.87	SE	1.23	NAA	1.36	NAA	4.97**
S8	2.12	SE	2.31	SE	1.27	NAA	1.96	SE	5.21**
S9	1.31	NAA	1.23	NAA	1.73	SE	1.40	NAA	3.28*
S10	1.19	NAA	1.34	NAA	1.21	NAA	1.23	NAA	1.36
Overall	1.97	SE	1.99	SE	1.93	SE	1.96	SE	0.78

The statements related to the impact of CDPs on socio-economic development of beneficiaries are presented hereunder:

S. No.	Aspects of Socio-Economic Development
S1	Income has improved
S2	Educational level has improved

S3	Consumption pattern has improved
S4	Employment generation has improved
S5	Household amenities have improved
S6	Rural assets creation has improved
S7	Poverty has been curtailed
S8	Market infrastructure has improved
S9	Income distribution among rural poor is better
S10	Assets distribution among rural poor is better

It is clear from the Table 3.2 that the beneficiaries of PGB reported that the impact of CDPs of RRBs was to the large extent on consumption pattern and rural assets creation, while they were of the opinion that the impact was to some extent on income, education, employment generation, household amenities and market infrastructure. There was no impact of CDPs on poverty, income distribution among rural poor and assets distribution among rural poor.

The beneficiaries of MGB opined that rural assets improved to as a large extent, while income, education, consumption pattern, employment, household amenities, poverty curtailment and market infrastructure improved to some extent by CDPs of RRBs. There was no impact of CDPs on income distribution and assets distribution among rural poor.

The beneficiaries of SGB were of the view that consumption pattern and rural assets improved to as a large extent, while income, education, household amenities, employment and income distribution improved to some extent by CDPs of RRBs. There was no impact of CDPs on poverty eradication, market infrastructure and assets distribution among rural poor.

The analysis further revealed that the extent of impact on education, consumption pattern, poverty curtailment, market infrastructure and income distribution among rural poor differed significantly in the opinion of beneficiaries of PGB, MGB and SGB as indicated by the respective F-ratios.

Overall, there was positive impact of CDPs of RRBs on income, education, consumption pattern, employment, household amenities, creation of rural assets and market infrastructure. This revealed that the RRBs are successfully implementing their programmes in the direction of social equity based rural development.

3.3 Achievement of Infrastructure Development through CDPs

The beneficiaries were asked to register the extent of achievement of infrastructure development through CDPs. They responded in terms of 'to large extent', 'to some extent' and 'not at all'. These attributes were assigned score in the respective order of 3, 2 and 1. The weighted mean scores for worked out and compared between the beneficiaries of three RRBs with the help of ANOVA. The results so obtained have been given in Table 3.3.

The infrastructure aspects/projects are shown hereunder:

S. No.	Aspects of Infrastructure Development
1	Dairy Projects
2	Agricultural Products
3	Poultry Farming
4	Fishery Farming
5	Kitchen Gardening
6	Two wheelers and four wheelers loans
7	Education loan
8	Water harvesting facilities
9	Self-Help Groups

Table 3.3: Extent of achievement of infrastructure development through CDPs of RRBs

Aspects of ID	PGB		MGB		SGB		Total		F-ratio
	Mean	Extent	Mean	Extent	Mean	Extent	Mean	Extent	
1	2.28	SE	2.13	SE	2.31	SE	2.25	SE	1.34
2	2.31	SE	2.22	SE	2.16	SE	2.25	SE	1.28
3	2.74	LE	2.69	LE	2.21	SE	2.60	LE	5.41**
4	1.14	NAA	1.87	SE	1.26	NAA	1.35	NAA	1.23
5	1.68	SE	1.74	SE	2.11	SE	1.80	SE	0.98
6	2.26	SE	2.82	LE	2.06	SE	2.35	SE	6.13**
7	2.69	LE	2.13	SE	2.71	LE	2.56	LE	4.68**
8	1.34	NAA	1.11	NAA	1.26	NAA	1.26	NAA	1.22
9	2.78	LE	2.89	LE	2.74	LE	2.80	LE	0.91
Overall	2.14	SE	2.18	SE	2.09	SE	2.14	SE	1.09

A perusal of Table 3.3 indicated that the beneficiaries were of the view that CDPs achieved the infrastructural development in the sector of poultry farming (2.60), education loan (2.56) and self-help groups (2.80) to a large extent. According to the beneficiaries, the infrastructural development related to dairy projects, agricultural products, kitchen gardening and two wheelers & four wheelers loans could be achieved to some

extent through CDPs, while the infrastructural development related to fishery farming and water harvesting facilities could not be achieved at all through CDPs.

The bank wise analysis, by and large depicted a similar picture in this regard. However, the beneficiaries of PGB and MGB viewed the infrastructural development related to poultry farming to large extent while same was viewed to some extent by the beneficiaries of SGB. Similarly, the beneficiaries of PGB and SGB viewed the infrastructural development related to fishery farming not at all, while same was to some extent for the beneficiaries of MGB. For the beneficiaries of PGB and SGB, the infrastructural development related to two wheelers & four wheelers loan was to some extent while it was to large extent for the beneficiaries of MGB. For the beneficiaries of PGB and SGB, the infrastructural development related to education loan was to large extent while it was to some extent for the beneficiaries of MGB.

The analysis further revealed that there was significant variation in the views of beneficiaries of the three RRBs regarding the infrastructural development related to poultry farming, two wheelers & four wheelers loan and education loan. On other development aspects, there was similarity of views between beneficiaries of three RRBs as indicated by the calculated F-ratios. Overall, the infrastructural development could be achieved to some extent through the implementation of CDPs by RRBs.

3.4 Success of RRBs in Achieving Social Equity Based Rural Development

The beneficiaries were asked to register the level of success of RRBs in achieving Social Equity based Rural Development. They responded in terms of 'to large extent', 'to some extent' and 'not at all'. These attributes were assigned score in the respective order of 3, 2 and 1. The weighted mean scores for worked out and compared between the beneficiaries of three RRBs with the help of ANOVA. The results so obtained have been given in Table 3.4.

Table 3.4: Success of RRBs in achieving Social Equity based Rural Development

Success	PGB		MGB		SGB		Total	
	No.	%age	No.	%age	No.	%age	No.	%age
Large Extent	52	32.50	29	36.25	27	33.75	108	33.75
Some Extent	87	54.38	45	56.25	48	60.00	180	56.25
Not at all	21	13.13	6	7.50	5	6.25	32	10.00
Mean	2.19	SE	2.29	SE	2.28	SE	2.24	SE
SD	0.63		0.58		0.57		0.59	
F-ratio			0.82					

A perusal of Table 3.4 showed that the highest proportion i.e. 56.25 percent of total beneficiaries was of the view that RRBs achieved the Social Equity based rural development to some extent, followed by 33.75 percent reporting the achievement to large extent. There were only 10.00 percent of them who termed the achievement as not at all.

Similarly, the highest proportion of beneficiaries in all the three RRBs i.e. 54.38, 56.25 and 60.00 percent of PGB, MGB and SGB respectively was of the view that RRBs achieved the Social Equity based rural development to some extent. The average score of achievement came to be 2.19, 2.29 and 2.28 in case of beneficiaries of PGB, MGB and SGB respectively, which stand for to some extent. Therefore, the RRBs succeeded to some extent in achieving Social Equity based rural development.

Conclusion

Overall, it can be concluded that RRBs are successful in achieving the social equity based rural development considerably. Hence the future of the RRBs in bright and the beneficiaries were satisfied with the overall functioning of RRBs in achieving the social equity based rural development. However, the beneficiaries also faced some problems in getting the benefits of CDPs, which need to be checked and resolved in order to speed up the pace of rural development of Punjab.

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