

ROLE OF CREDIT DISBURSEMENT POLICIES OF REGIONAL RURAL BANKS IN THE SUSTAINABLE DEVELOPMENT OF H.P. ECONOMY- AN EMPIRICAL STUDY

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ABSTRACT

To sustainable development in the rural area of H.P. many schemes has launched by R.R.B. In this paper an attempt have been made to analysis the impact of schemes which have helped in the economic and socio-cultural development of this hilly state. Efforts have been made to evaluate the functioning of the schemes as well as pattern of schemes, by evaluating its impact on different aspects. i.e. impact of these schemes on social, economic development of H.P. Economy, implementing of schemes in the infra structural development and also on other parameters. However the bank is successful in planning and implementing these schemes and the role of different agencies involved in the functioning of bank is also satisfactory. Further more negative aspect has also been considered i.e. problems faced by the beneficiaries and their satisfaction level

1.1 Introduction

Rural development has to play a phenomenal role in the overall socio-economic development of a country like India, where the majority of the population lives in rural areas. The rural sector affects directly or indirectly almost all the economic activities in the country and provides employment to the maximum number of people. A large part of the revenue of the government is also generated from the rural. The necessity of rural finance was felt to provide protection & reliance to rural people like moneylenders, landlords & traders etc. but they exploit farmers and small entrepreneurs by charging exorbitant rate of interest & force farmers to sell their product at low price to them. Rural people also face the risk of unpredictable production of crops due to high dependency on monsoon. Including problem of finance they also suffer from lack of seeds, fertilizers, water supply and other facilities which lead to rural indebtedness.

Financial institutions especially in rural areas play a very significant role in the economic as well as rural development. The overall development of the economy depends to a large extent on the banking sector, as financial institutions at as suppliers of capital for production of goods and services which in turn raises income and standard of living of the people. In India the banking sector has received definite orientations from time to time and this sector has come to occupy a prominent position among the infrastructural factors of economic development. Prior to nationalization of banks, their role and activities attracted a lot of

criticism. The failure of the banking sector in performing its expected role in a planned economy led to their nationalization first in 1969 and again in 1980.

The Regional Rural banks were established on October, 2nd 1975. The main objectives of these banks are to provide credit and other facilities particularly to small and marginal farmers, agricultural labourers, rural artisans and small entrepreneurs so as to develop agriculture, trade, commerce, industry and other productive activities in rural areas. The aim of rural banks is to bridge the credit gaps existing in the rural areas and they are supposed to be effective instruments of economic development in rural India. They will extend productive credit to the rural community and they will have purely rural orientation in their activity and in the manner of extending their activity.

The history of regional rural banks in India dates back to the year 1975. It's the Narsimham committee that conceptualized the foundation of regional rural banks in India. The committee felt the need of 'regionally oriented rural banks' that would address the problems and requirements of the rural people with local feel, yet with the same level of professionalism of commercial banks. Five regional rural banks were set up on October 2nd with a total authorized capital of Rs. 1 Crore, which later augmented to Rs. 5 Crore. There were five commercial banks, viz. Punjab National Bank, State Bank of India, Syndicate Bank, United Bank of India and United Commercial Bank, which sponsored the regional rural banks. The equities of rural banks were divided in a proportion of 50:35:15 among the Central Government, the Sponsor bank and the concerned State Government.

The following years have not been so easy for the regional rural banks in India, as there were major concern of financial viability. A number of the factors that influence RRBs performance. The roles played by the sponsor banks were also analyzed.

The co-operative credit structure is weak so far as the managerial talent and post credit supervision and loan recovery are concerned. These institutions have not been able to mobilize adequate resources and therefore depend upon the Reserve Bank for re-finance to a large extent.

The commercial banks are basically urban-oriented, if they have to play a significant role in rural banking, their methods procedures, training and orientation shall have to be adapted to the rural environment. This is not likely to be achieved easily and quickly. Moreover, the cost of their operations is quite high due to high salary structure, staffing pattern and high establishment cost. Thus the commercial banks are unable to provide credit at cheap rates to the weaker sections in the rural areas.

The need was, therefore, felt for a new institution which should combine the merits of these two institutions without suffering from their drawbacks. A Rural Bank has been contemplated as an institution to combine the rural touch and local feel, a familiarity with rural problems and attitudinal identification with the rural economy which the co-operatives possess in large degree, with the modern business organization, commercial discipline ability to mobilize resources and access to the central money markets which the commercial banks have. In other

words, the institution of rural banks is intended to be locally based rural oriented and commercially organized.

Regional Rural Banks were established with the following objectives in mind:

- (i) Taking the banking services to the doorstep of rural masses, particularly in hitherto unbanked rural areas.
- (ii) Identify the financial need specially in rural areas.
- (iii) Making available institutional credit to the weaker section of the society who had by far little or no access to cheaper loans and had perforce been depending on the private money lenders.
- (iv) To enhance banking & financing facilities in backward or unbanked areas.
- (v) Mobilise rural savings and channelize them for supporting productive activities in rural areas.
- (vi) To provide finance to the weaker sections of society like small farmers, rural artisans, small producer, rural labourers etc.
- (vii) To create a supplementary channel for the flow the central money market to the rural areas through refinance.
- (viii) To provide finance to co-operative societies, Primary Credit societies, Agricultural marketing societies.
- (ix) Generating employment opportunities in rural areas and bringing down the cost of providing credit to rural areas.
- (x) Enhance & improve banking facilities to semi urban, rural & other untapped market.

With these objectives in mind, knowledge of the local language by the staff is an important qualification

1.2 Capital Structure and Management of Regional Rural Banks

The authorized capital of each Regional Rural Bank is Rs. 1 crore, divided into 1 lakh fully paid up shares of Rs. 100 each. The Central Government may, after consultation with the Reserve Bank and the sponsoring bank, increase or reduce such authorized capital, but it shall not be reduced below 25 lakhs. The issued capital of each Rural Bank is Rs. 25 lakh. Fifty percent of the capital issued by a Rural Bank is subscribed by the Central Government and thirty five percent by the sponsoring Bank. The Board of Directors of a Rural Bank may, after the consultation with the Reserve Bank and the sponsoring Bank and with the prior approval of the Central Government, increase the issued share capital from time to time. The additional capital shall be subscribed in the same proportion as is specified above. The shares of the Rural Bank shall be deemed to be included in the securities enumerated in Section 20 of the Indian Trusts Act, 1882 and shall be deemed to be approved securities for the purposes of the Banking Regulation Act, 1949.

A Rural Bank carries on the normal banking business i.e. the business as defined in Section 5 (b) of the Banking Regulation Act, 1949 and engages in one or more forms of business specified in Section 6(1) of that Act. A rural bank may, in particular, undertake the following types of business, namely:

- The granting of loans and advances, particularly to small and marginal farmers and agricultural labourers, whether individual or in groups and to co-operatives societies (including agricultural marketing societies, agricultural processing societies, Co-operative farming societies, primary agricultural credit societies or farmers' service societies) for agricultural purposes or agricultural operations or for other connected purposes.
- The granting of loans and advances, particularly to artisans, small entrepreneurs and persons of small means engaged in trade, commerce or industry or other productive activities within the notified area of a Rural Bank.

Management of Regional Rural Banks

The Management of Regional Rural Banks is largely governed by the RBI's Act, 1976, Banking Regulation Act 1949 and the guidelines of RBI and NABARD and sponsor banks. The general superintendence, direction and management of affairs and business of RRBs are vested in Board of Directors. They exercise the powers and discharge all the functions of the RRBs. In discharging its functions, the Board of Directors act on business principles and shall have due regard to public interest.

The Board will consist of a chairman and not more than 8 directors. The Central Government will appoint a Chairman and three Directors, the concerned State Government nominates not more than two Directors and the sponsor bank will nominate not more than three Directors. The Chairman is responsible for the overall management of the management of the bank and hold office for a period of 5 years. The Chairman is required to devote the whole time to the affairs of the RRBs and subject the superintendence, control and jurisdiction of the board of directors. The tenure of office of a director will be 2 years and he shall hold office until his successor is nominated and will also be eligible for renomination.

The RRBs Act has also facilitated the creation of business committees by the Board of Directors. These committees may consist wholly of directors or wholly of other persons or partly of directors and partly of other persons for such purpose as it may decide. Most RRBs constitute Business Committees for examining the feasibility of advances, mobilization of deposits, and deployment of funds in other institutions and to find ways and means of recovery performance.

Banking Organisation is an open adaptive system. It has its own internal and external environments. Internal environments of RRBs consist of Banking, Personnel and Public

Relations etc. The external environment consists of uncontrollable economic, social, political and legal factor governing the success or otherwise of RRBs.

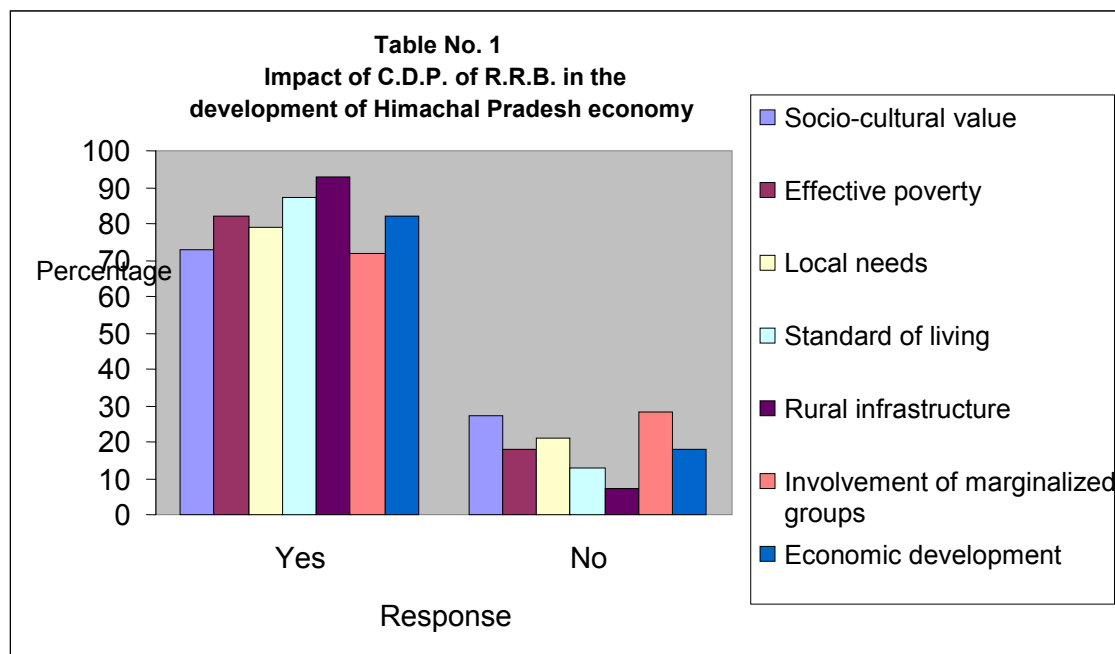
The main objectives of the study are as follows:

1. To analyse the various policies and schemes started by Himachal Regional Rural Bank.
2. To study the Role of Himachal Regional Rural Bank in the Development of Himachal Pradesh.
3. To assess the pattern of Credit disbursement.
4. To study the problems faced by rural loan takers.
5. To study the extent of level of satisfaction of beneficiaries in relation with the objective of the organizations.

Table No. 1

.1 Impact of C.D.P. of R.R.B. in the development of Himachal Pradesh economy

| Sr. no | Statement | Response | | | | Total |
|--------|---|----------|------------|-----|------------|-------|
| | | Yes | Percentage | No | Percentage | |
| 1 | Pcb H.G. Bank having positive impact on Socio-cultural value of rural society. | 450 | 72.6 | 170 | 27.4 | 620 |
| 2 | Effective in eradicating poverty, unemployment, meeting housing needs. | 510 | 82.3 | 110 | 17.7 | 620 |
| 3 | D.P. of H.G.B. according to local needs | 490 | 79.0 | 130 | 21.0 | 620 |
| 4 | Policies are successful in improving the standard of living of rural people. | 542 | 87.4 | 78 | 12.6 | 620 |
| 5 | C.D.P. of R.R.B. helpful in improving rural infrastructure and creation of rural assets. | 576 | 92.9 | 44 | 7.1 | 620 |
| 6 | Have failed to achieve the involvement of marginalized groups (women/SC/ST/OBC) of society. | 444 | 71.6 | 176 | 28.4 | 620 |
| 7 | C.D.P. of R.R.B. has helped in the economic development of H.P. | 510 | 82.3 | 110 | 17.7 | 620 |



The analysis regarding impact of C.D.P of R.R. bank in context to socioeconomic conditions shows positive impact. 72.6% beneficiary were the opinion that HG board having a positive impact in the society where 82.3% were the opinion that these policies are the effective in eradicating poverty and also meeting the house hold needs of the beneficiaries. According to view point of rural beneficiaries maximum of the opinion that is 87.4% were due to loan scheme given by R.R.B in priority and non priority sector their standard of living has been increased up to the mark and even 92.9% are that due to advances given RRB infrastructure and rural assets have been increased remarkably .although 28.4% are the opinion that bank has failed to achieve the involvement of groups i.e women's, ST, S.C, O.B.C of society. 82.3% of the beneficiary are in the favour of R.R.B has contributed in economic development of the H.P economy. soon behalf of socio-economic factors the beneficiaries point of view is positive regarding the schemes of R.R bank.

Table No. 2
R.R. Bank schemes and socio-economic development
(An Evaluation)

| | | Large Extent | Some Extent | Not at all | Total | Mean | S.D. | Sk. | Kt | X ² | p-Value |
|-----|----------------------|--------------|-------------|------------|-------|------|------|--------|--------|----------------------|---------|
| (a) | Income | 350 | 270 | 0 | 620 | 2.56 | .496 | -.261 | -1.938 | 10.323 ^a | .001 |
| (b) | Education | 418 | 190 | 12 | 620 | 2.65 | .515 | -1.075 | .021 | 4.008E2 ^b | .000 |
| (c) | Consumption Pattern | 148 | 472 | 0 | 620 | 2.24 | .427 | 1.229 | -.492 | 1.693E2 ^a | .000 |
| (d) | Employment | 300 | 310 | 10 | 620 | 2.47 | .531 | -.196 | -1.260 | 2.810E2 ^b | .000 |
| (e) | House Hold amenities | 106 | 514 | 0 | 620 | 2.17 | .377 | 1.752 | 1.074 | 2.685E2 ^a | .000 |
| (f) | Assets Creation | 118 | 470 | 32 | 620 | 2.14 | .472 | .414 | .884 | 5.212E2 ^b | .000 |

The Table shows the analysis of the responses towards Socio-economic Development Schemes of RRB. The mean score of the responses related to increase in education level is more than the average standard score at 3 point scale, while skewness shows negative results. It reveals that their opinion is distributed more towards higher side of the average standard score. The calculated value of Kurtosis depicts that distribution of responses is platykurtic. The x² test of goodness of fit is significant at 5 percent level of significance. This shows that the opinion of the respondents is not equally distributed and is more towards higher side. Hence, it is concluded that respondents agree with the statement that Schemes have increased their education level.

Further more, the mean value of the responses related, to income and status in the society depicts that majority responses are shifting towards higher side of the average score, while skewness is negative. This shows that the distribution is more towards the higher side. The calculated value of kurtosis depicts that its significant at 5 percent level of significance and reveals that the opinion of the people is not equally distributed over this issue of increase in social status and income. Thus, it can be concluded that majority of people are agree with the opinion that social status of the respondents has been increase due to the implementation of rural schemes.

It is also observed that the mean score of the responses related to the RRB consumption is more than the average score at three point scale while the value of skewness in negative. This shows that the opinion is scattered more towards higher side of the average standard score. The

value of kurtosis is also negative, which depicts that distribution is Platykurtic. The calculated value of χ^2 is significant at 5 percent level of significance. Thus, it can be concluded that the opinion with respect to consumption is not equally distributed. It is further concluded that the C.D.P. Schemes are helpful in the poverty elimination of rural people. The mean value of responses relating to new employment opportunities is more than the average standard score. The calculated value of skewness is negative which shows that the distribution of opinion is lying towards higher side over this issue. The calculated value of χ^2 is significant at 5 percent level of that the opinion of respondents is not equally distributed over this issue. Thus, it can be concluded that Rural Development Schemes are helpful to generate new employment opportunities.

It is further observed that the mean score of the responses related to impact on household amenities in rural areas is more than the average standard score. The value of skewness and Kurtosis indicates that the opinion of the respondents is more towards higher side and is platykurtic. It is further supported by the Chi Square test of goodness of fit which depicts that distribution is not equal. Thus, it can be concluded that majority of respondents are agree with the opinion that RRB schemes have helped to increase the household amenities in rural areas.

Furthermore, the mean value responses noted less than the average standard score relating to the statements, Rural Development Schemes have increased the asset supply and Rural Development Schemes have increased level of asset creation. The calculated value of skewness is positive which shows that the distribution of opinion is lying more towards lower side over this issue. The value of Kurtosis is negative, which indicates that distribution is lap to Kurtic. It is further supported by the chi square test of goodness of fit which shows that the distribution is not equal. This implies that the role of rural development schemes is not significant as far as the development of above mentioned variable is concerned.

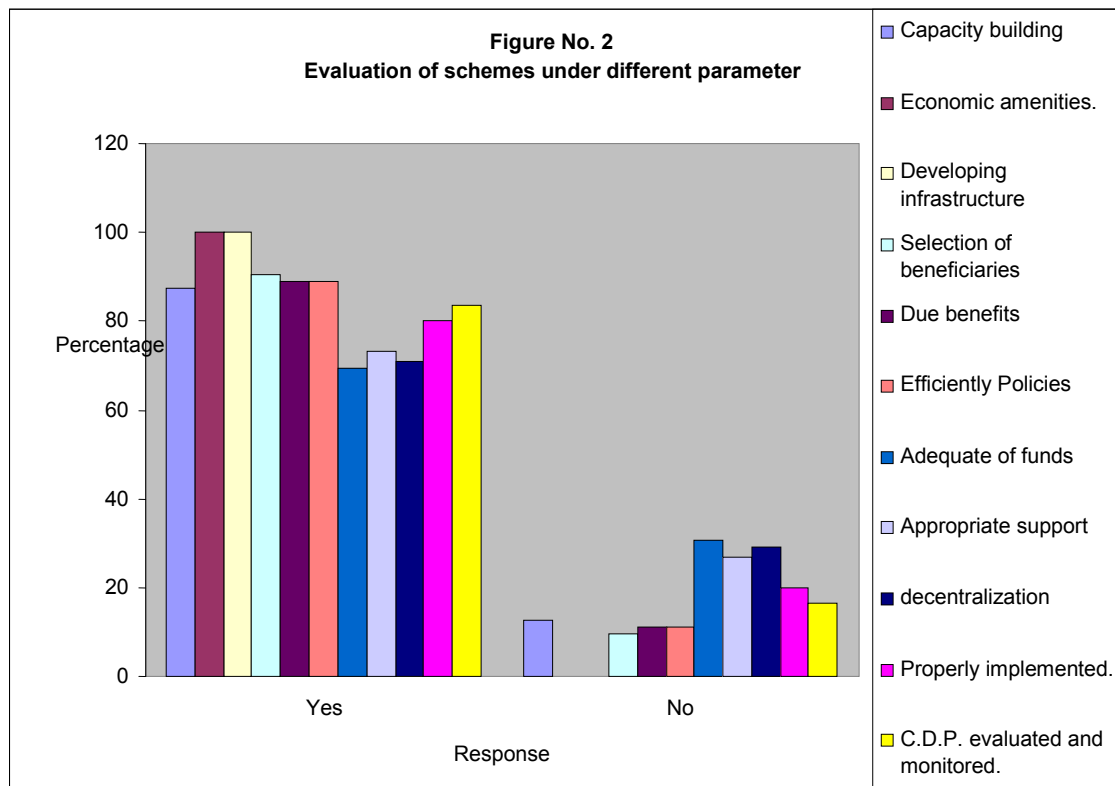
It is exhibited that the majority of respondents are agree to large extent with the statements that Himachal Gramin Bank schemes have increased the status of the rural people in the society, support rural employment and improved consumption, employment and household amenities. in the villages. The mean value pertaining to above variables is noted higher than the mean standard score. It further supports the above view points. The value skewness and Kurtosis shows that distribution of their responses is more toward the higher side and is platy Kurtic. The χ^2 values are significant at 5 percent level of significance . It reveals that responses are not equally distributed. It is distributed more towards higher side and further support the above view point. This, it can be concluded that the R Rural bank schemes have helped to increase the status of the rural in the society. It supports the women employment in the state and have improved the overall development in the villages.

In case of socio cultural development, the students were of opinion that Schemes are helpful in poverty elimination. These are generating new employment opportunities, support rural employment and increases the status of rural people in the society. These schemes have also

helped to save the cultural traditions of rural areas. On the other hand, Asset creation has also not been improved in the rural areas.. Thus, it can be concluded on the basis of above discussion that the schemes of RRB have helped in the overall socio-cultural development of Himachal Pradesh.

Table No. 3
Evaluation of schemes under different parameter

| Sr. no | Statement | Response | | | | Total |
|--------|--|----------|------------|-----|------------|-------|
| | | Yes | Percentage | No | Percentage | |
| 1 | Role of R.RB. is significant in capacity building | 542 | 87.4 | 78 | 12.6 | 620 |
| 2 | Has helped to enhance economic amenities. | 620 | 100 | - | - | 620 |
| 3 | Has helped in developing the infrastructure in the H.P. economy. | 620 | 100 | - | - | 620 |
| 4 | Selection of the beneficiaries in under C.D.P. of R.RB. | 562 | 90.6 | 58 | 9.4 | 620 |
| 5 | Due benefits are given to the beneficiaries. | 552 | 89.0 | 68 | 11.0 | 620 |
| 6 | Policies are being efficiently executed | 552 | 89.0 | 68 | 11.0 | 620 |
| 7 | Supply of funds adequate and immediate. | 430 | 69.4 | 190 | 30.6 | 620 |
| 8 | Govt. functionaries are rendering appropriate support | 454 | 73.2 | 166 | 26.8 | 620 |
| 9 | Process of decentralization being followed. | 440 | 71.0 | 180 | 29.0 | 620 |
| 10 | C.D.P. being properly implemented. | 496 | 80.0 | 124 | 20.0 | 620 |
| 11 | C.D.P. evaluated and monitored. | 518 | 83.5 | 102 | 16.5 | 620 |



Evaluation of schemes under different parameter

Table no. 3 depicts that response of beneficiaries in context to infrastructure and capacity building factors is almost positive.

Very few i.e. 10% - 15% are having the negative point of view. 85%-90% are in favor of the role of R.R bank in capacity building also having the positive view that infrastructure and economic amenities have increased tremendously, 10 % of beneficiaries having the negative point of view regarding selection and due benefit are given otherwise on the whole it can be concluded on the above analysis that majority of respondents were agreeing that schemes have helped in developing the infrastructure in the H.P. economy.

1.3 R.R. B Policies and Infrastructure Development

The infrastructure development in rural areas is of vital importance. The success of any scheme in rural areas depends on the development of rural infrastructure in these areas. To analyze the impacts of rural development schemes in the rural areas, various indicators like infrastructure development, diary project, agriculture product, poultry, farming, fishery development, kitchen gardening, breeding of rabbits for meat, fur and wool, two wheelers and four wheelers, education loan, water harvesting facilities, etc. have been analyzed. An attempt has been made as under.

Table no. 3 reveals that the respondents opinion towards the infrastructure impact i .e. impact diary project, agriculture product, poultry and fishery development schemes. It is revealed that the mean value of the responses related to these schemes is more than the average standard score

at three point scale. The negative value of the skewness shows that the opinion of respondents is shifting more towards higher side of average standard score. The negative value of kurtosis shows that the distribution is platy-kurtic which further supports the above opinion. The significant value of X^2 test of goodness of fit shows that the opinions of respondents were of opinion that these schemes have helped to increase the status of the respondents. The demand to increase these schemes has been increased with the increase in their awareness level.

Furthermore the mean value of the responses is rated less than the average standard score relating to the statement regarding kitchen gardening, breeding of rabbits for meat, fur and wool. The calculative value of skewness is positive which shows that the distribution of opinion is lying more towards lower side over this issue. It is further supported by the chi square test of goodness of fit which shows that the distribution is not equal. This implies that the role of schemes is significant as far as the development of the above mentioned variable is concerned.

It is exhibited that the majority of respondents are agree to large extent with the statement that education loan and the two wheelers and four wheelers have increase their status in the society.

The mean value pertaining to above variables is rated higher than the mean standard score. It further supports the above view points. The value of skewness and the kurtosis shows that the distribution of their responses is more towards the higher side and is platy-kurtic. It reveals that the responses are not equally distributed. This implies that the role of schemes is not significant at S.I level of significance.

Regarding the schemes of water harvesting and self help group, the mean value pointing to the above value is rated higher than the mean standard score. It further supports the above view points. The X^2 values are significant at 5 percent level of significance. It reveals that the responses are not equally distributed. Thus, it can be concluded that schemes have helped to increase the social status of respondents.

So on the basis of social cultural development, the study shows that the schemes of R.R.B. are helpful in poverty elimination. These are generating new employment opportunities, enhance the standard of living of poor people and have helped to save the cultural traditions of rural areas.

Schemes of R.R.B. have helped to increase the income, educational qualification, employment as well as for asset creation in H.P. economy.

Thus it can be concluded on the basis of above discussion that the policies of R.R.B. have helped in the overall socio-cultural development of H.P.

Table no. 4
Rural Bank Policies and infrastructure development
An Evaluation

| | | Large Extent | Some Extent | Not at all | Total | Mean | S.D. | Sk. | Kt | X ² | p-Value |
|-----|---|--------------|-------------|------------|-------|------|------|-------|-------|----------------------|---------|
| (a) | Diary Project | 290 | 308 | 22 | 620 | 2.43 | .563 | -.331 | -.847 | 2.483E2 ^a | .000 |
| (b) | Agriculture Product | 348 | 262 | 10 | 620 | 2.55 | .530 | -.508 | 1.047 | 2.986E2 ^a | .000 |
| (c) | Poultry Farming | 256 | 322 | 42 | 620 | 2.35 | .602 | -.324 | -.661 | 2.073E2 ^a | .000 |
| (d) | Fishery Development | 176 | 388 | 56 | 620 | 2.19 | .581 | -.047 | -.310 | 2.735E2 ^a | .000 |
| (e) | Kitchen Gardening | 54 | 544 | 22 | 620 | 2.05 | .347 | .794 | 4.968 | 8.284E2 ^a | .000 |
| (f) | Breeding of Rabbits for Meat, fur And Wool. | 68 | 530 | 22 | 620 | 2.07 | .374 | .820 | 3.593 | 7.639E2 ^a | .000 |
| (g) | Two wheelers and four Wheelers | 368 | 242 | 10 | 620 | 2.58 | .526 | -.647 | -.872 | 3.191E2 ^a | .000 |
| (h) | Education Loan | 400 | 208 | 12 | 620 | 2.63 | .523 | -.925 | -.316 | 3.642E2 ^a | .000 |
| (i) | Water harvesting facilities | 192 | 384 | 44 | 620 | 2.24 | .569 | -.036 | -.386 | 2.812E2 ^a | .000 |
| (j) | Self Help Group | 142 | 466 | 12 | 620 | 2.21 | .452 | .779 | .176 | 5.290E2 ^a | .000 |

Role of R. R. Banks in rural areas is of vital importance. The success of any scheme in rural areas depends on the development of rural infrastructure in these areas. To analysis the impact of these schemes in the rural areas various indicators like, Diary Projects, Poultry farming, fishery Development, Kitchen Gardening, Breeding of rabbits for meat, fur and wool two wheelers and four wheelers, Education loan, Water harvesting facilities have been analysed.

The mean value of responses relating dairy projects and ariculture products is more than the average standard score. The calculated value of skewness is negative. Which shows that the distribution of apinion is lying more towards higher side over this issue. The value of kurtosis is also negative. Which depicts that the distribution is platy-kurtic. The calculated value of χ^2 is much higher than the table value of 5 percent level of significance. Thus it can be concluded that the opinion with respect increase in diary project and agricultural product is not equally distributed. It is further concluded that majority of people are agree with the opinion that their standard of living has been increased due to these schemes.

It is also observed that the mean score of the responses related to increase in poultry farming and fishery development is more than the average standard score at three point scale while the value of skewness is negative.

This shows that the opinion is scattered more towards higher side of the average standard score. The kurtosis is also noted negative which further depicts that distribution of responses is platy-kurtic.

The calculated value of χ^2 test of goodness of fit is significant at 5 percent level of significance. Which shows that distribution of the opinion is not equal and it is more towards higher side. Thus it can be concluded that these schemes helped the respondents to increase the level of respondents to increase the level of poultry farming and fishery development.

Further more, the mean value of the responses related to kitchen gardening and breeding of Rabbits for meat, for and wool is more than the a very standard score. The calculated value of kurtosis shows that the distribution of responses is lapto-kurtic. The significant value of χ^2 test of goodness of fit shows that the opinion of respondents is not equally distributed.

Thus, it can be concluded that kitchen gardening and breeding in rural areas have been increased to some extent.

It is evident from the table no _____ the mean value of responses relating to increase in entrepreneur loan i.e. for two wheelers and four wheelers as well as education loan is more than the average standard score.

The negative skewness shows that the opinion of respondents is shifting towards higher side of every standard score and variation is also noted more. The significant value of χ^2 test of goodness of fit shows that the opinion of respondents is not equally distributed. Thus it can be concluded that majority of people are agree with opinion that due to schemes of HGB entrepreneur loan and education loan has been increased tremendously.

As far as water harvesting facilities and role of self help group is concerned again the mean value of the responses has more than the mean standard score at three point scale .

The skewness and kurtosis both are negative. It shows that the opinion of respondents is distributed more towards higher side of the mean standard score and distributed as platy-kurtic.

The χ^2 test shows significant results at 5 percent level of significance. It depicts that the opinion of respondents is not equally distributed over this issue. Thus it can be concluded that water

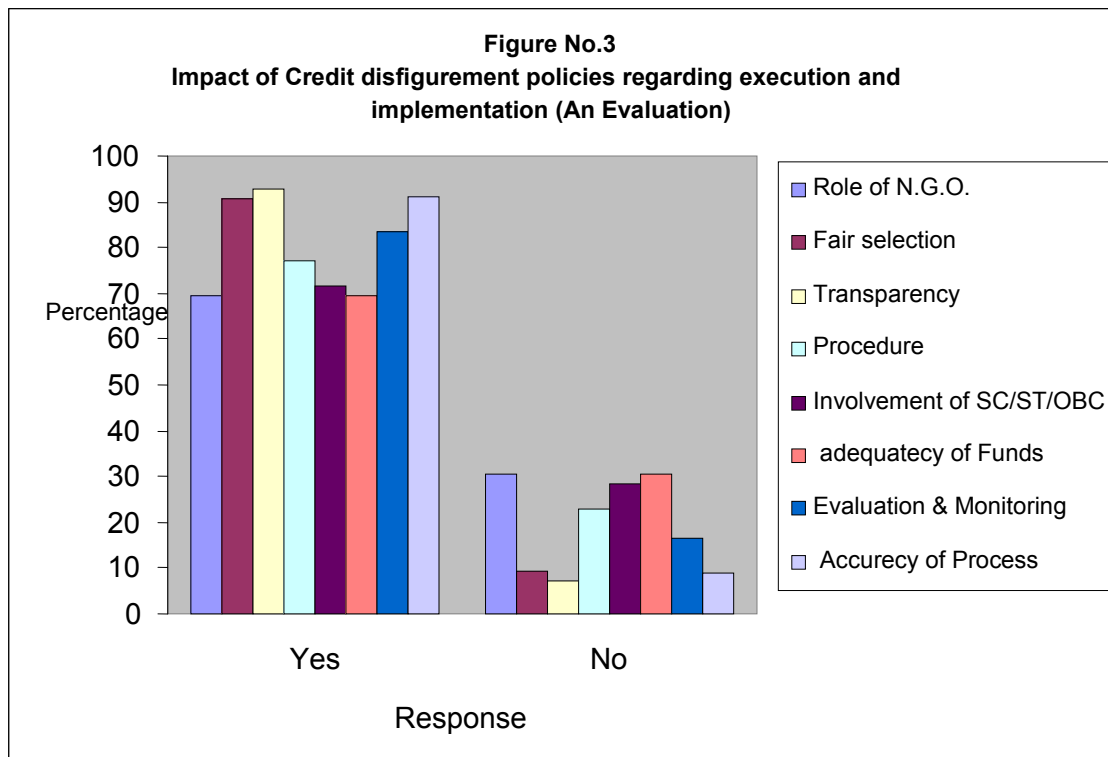
harvesting facilities and role of self help groups have been increased due to the schemes launched by RRB in rural areas of Himachal Pradesh.

This analysis reveals that the basic infrastructure facilities have been improved due to the implementation of disbursement policies of RRB.

Thus it can be concluded that these schemes of RRB has develop the life style of the beneficiaries due to infrastructural development in the H.P. economy.

5 Impact of Credit disfigurement policies regarding execution and implementation (An Evaluation)

| Sr. no | Statement | Response | | | | Total |
|--------|---|----------|------------|-----|------------|-------|
| | | Yes | Percentage | No | Percentage | |
| 1 | Are the independent agencies e.g. N.G.O. can help in the implementation of policies | 432 | 69.7 | 188 | 30.3 | 620 |
| 2 | Selection of beneficiaries is fair. | 562 | 90.6 | 58 | 9.4 | 620 |
| 3 | Transparency is properly maintained. | 574 | 92.6 | 46 | 7.4 | 620 |
| 4 | Procedure followed in the execution of C.D.P. is completed. | 478 | 77.1 | 142 | 22.9 | 620 |
| 5 | Involvement of marginalized groups (women/SC/ST/OBC) | 444 | 71.6 | 176 | 28.4 | 620 |
| 6 | Supply funds for C.D.P. of R.R.B. are adequate and immediate. | 430 | 69.4 | 190 | 30.6 | 620 |
| 7 | C.D.P. of R.R.B. are properly evaluated and monitored. | 518 | 83.5 | 102 | 16.5 | 620 |
| 8 | Process of selection of beneficiaries of C.D.P. of R.R.B. accurate. | 564 | 91.0 | 56 | 9.0 | 620 |



Respondents opinion about the planning and implementation of CDP of RRB is evident relating to the independent agencies i.e. N.G.O.'S involved in the 30.3% respondents are having negative opinion.

It is exhibited that the majority of respondents were agree to large extent with the statements that selection of beneficiaries is fair and transparency is properly maintained.

It is further observed that 77.1% respondents are giving their point of view regarding procedure followed in the execution of C.D.P is properly executed and completed. Percentage has increased on the negative side regarding involvement of marginalized group i.e. SC/ST/OBC.

Further more in context to adequacy of supply of funds 30.6% are satisfied and also of opinion that supply of funds is that immediate.As far as evaluation and monitoring of C.D.P. of H.G.B. only 9% having the divergent opinion. This it can be concluded that majority of respondents are satisfied with the planning and implementation and agencies involved in the working of H.G. bank.

Table No. 6
6 An evaluation of Credit disbursement policies of RRB
(Planning of schemes and agencies involved)

| | | Large Extent | Some Extent | Not at all | Total | Mean | S.D. | Sk. | Kt | X ² | p-Value |
|-----|---|--------------|-------------|------------|-------|------|------|-------|-------|----------------------|---------|
| (a) | Transparency is properly maintained in the implementation | 144 | 430 | 46 | 620 | 2.16 | .531 | .139 | .174 | 3.853E2 ^a | .000 |
| (b) | NGO's can help in the better implementation of credit disbursement policies of HG Bank under study. | 94 | 424 | 102 | 620 | 1.99 | .563 | -.004 | .174 | 3.430E2 ^a | .000 |
| (c) | Prosper norms are followed for distribution of finance under the particulars scheme. | 68 | 504 | 48 | 620 | 2.03 | .432 | .178 | 2.347 | 6.426E2 ^a | .000 |
| (d) | Proper norms are followed to bring about convergence between the activities in the schemes under study. | 34 | 540 | 46 | 620 | 1.98 | .359 | -.258 | 4.770 | 8.068E2 ^a | .000 |
| (e) | Due benefits are given to the beneficiaries. | 74 | 490 | 56 | 620 | 2.03 | .457 | .114 | 1.779 | 5.834E2 ^a | .000 |
| (f) | Selection of the beneficiaries under credit disbursement policies of RR Bank is fair. | 32 | 564 | 24 | 620 | 2.01 | .301 | .349 | 8.116 | 9.269E2 ^a | .000 |

AN EVALUATION OF RORAL DEVELOPMENT SCHEMES ITS IMPLENATION AND AGENCIES INVOLVED:

Respondents opinion about the planning and implementation of RDS is shown in table no 6 , it is evident that the mean value of the responses relating to transparency in the implementation of RDS is less than the average standard score at three point scale, while skewness is positive. it shows that their opinion is distributed more towards higher side of the mean standard score. The positive value of Kurtosis reveals the distribution of opinion is lapto Kurtic and is distributed more towards higher side which support the above analysis. The calculated value of X2 test of goodness of fit is higher than the table value at 5 percent level of significance. Thus, it can be concluded that transparency is not properly maintained in the implementation of RDS.

It if further observed that majority of in Himachal Pradesh were of the opinion that NGO's can help in the better implementation of RDS. The mean value supports the above view point. It is further noted that mean value is more than average standard score. The calculated value of skewness is negative which shows that their opinion is shifting more towards higher side. The positive value of kurtosis depicts that the distribution of responses is lapto Kurtic while the calculated value of X2 test of goodness of fit is significant at 5 percent level of significance. Thus it can be concluded opinion of respondents is not equally distributed and is distributed more toward higher side, thus, it can be concluded that NGO's can help in the better implementation of Rural development schemes in the state.

As far as proper norms are concerned in C.D.P. of H.G.B. the value of skewness further reveals that distribution of the opinion is more toward higher side of mean standard score. The calculated value of kurtosis is positive which indicates that distribution is leptokurtic. The calculated value of X2 further shows significant results at 5 percent level of significance. Thus, it leads to the conclusion that the opinion of respondents is not equally distributed over this issue.

The mean value is less than average standard score. The negative value of skewness shows that their opinion is shifting more towards higher side of the average score. The positive value of kurtosis depicts that the distribution of responses is laptokurtic. The X2 test of goodness of fit is significant at 5 percent level of significance and accept the alternative hypothesis. Thus, it can be concluded that the majority of respondent are satisfied that proper norms are followed for implementation of C.D.P. of RR.B.

It is further exhausted that the mean value of Reponses related to proper mechanism is followed to bring about convergence between the activates in the schemes is less than the average standard score. The negative value of skewness depicts that their opinion is scattered more towards higher side of the average score.

The positive value of X^2 test of goodness of fit is significant at 5 percent level of significance. Thus, it can be concluded that majority of people are agree with the statement that proper mechanism is followed to bring about convergence between the activities in the schemes under study.

The table further depicts that the due benefits are given the beneficiaries time to time. The positive value of kurtosis reveals that the distribution of responses is leptokurtic while X² test of goodness of fit depicts significant results at 5 percent level of significance. Implying by that the opinion of the respondents is not equally Distributed over this issues. The majority of the responses opined that due benefits are given to the beneficiaries.

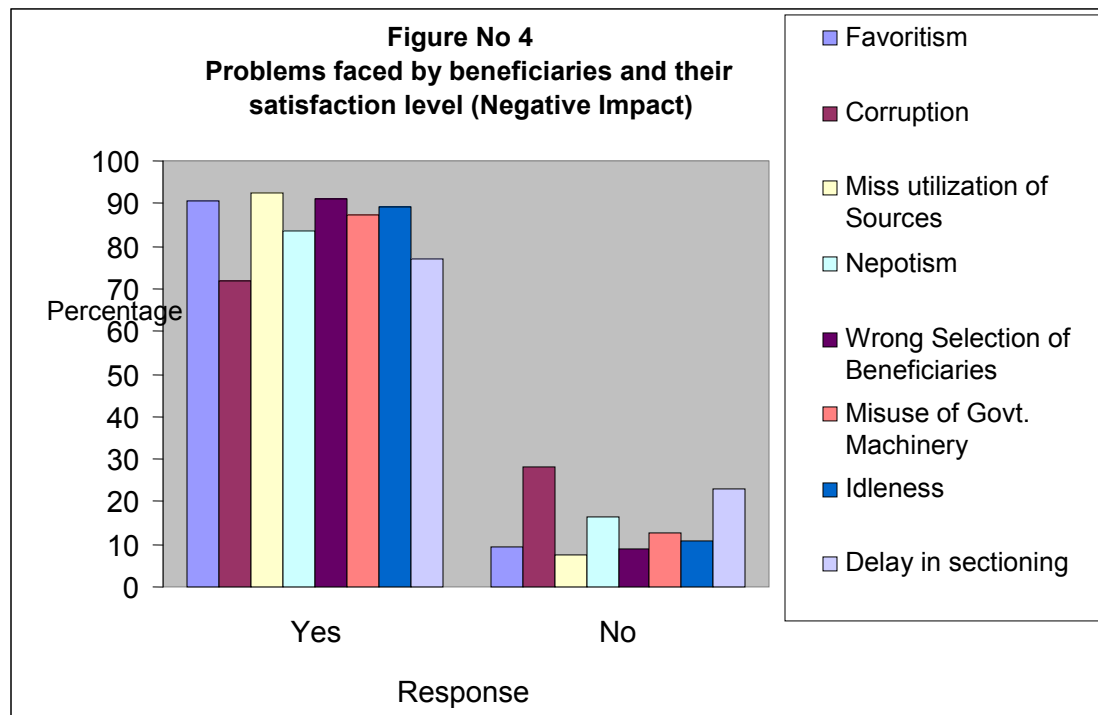
Further more, the mean value of the responses about the fair selection of beneficiaries under RDS is less than the average standard score at three point scale. The skewness is positive. The calculated value of kurtosis reveals that distribution is leptokurtic. The x² value shows significant results at 5 percent level of significance implying by that the opinion of the people of the is not equally distributed. Thus, it can be concluded that the selection of the beneficiaries under Rural Schemes is somewhat fair.

Therefore, the above discussion leads to the conclusion that said statements are helpful in effective planning and implementation of Rural Development schemes in R. Rural bank. However, the conclusion is also drawn that implementation and planning of C.D.P schemes is not proper in the state. Therefore, it is suggested that bank should take further steps for improvement in the implementation and planning of schemes of Rural R .B.

Table.7

7 Problems faced by beneficiaries and their satisfaction level (Negative Impact)

| Sr.No. | Factor | Response | | | | Total | Mean |
|--------|------------------------------------|----------|------------|-----|------------|-------|------|
| | | Yes | Percentage | No | Percentage | | |
| 1 | Favoritism | 562 | 90.6 | 58 | 9.4 | 620 | |
| 2 | Corruption | 444 | 71.6 | 176 | 28.4 | 620 | |
| 3 | Miss utilization of Sources | 574 | 92.6 | 46 | 7.4 | 620 | |
| 4 | Nepotism | 518 | 83.5 | 102 | 16.5 | 620 | |
| 5 | Wrong Selection of Beneficiaries | 564 | 91.0 | 56 | 9.0 | 620 | |
| 6 | Misuse of Govt. Machinery | 542 | 87.4 | 78 | 12.6 | 620 | |
| 7 | Idleness | 552 | 89.0 | 68 | 11.0 | 620 | |
| 8 | Delay in sectioning in the benefit | 478 | 77.1 | 142 | 22.9 | 620 | |



Analysis regarding the negative impact of C.D.P. or problems faced by beneficiaries and their satisfaction level the respondents having a positive attitude towards functioning and working of R.R bank. As far as favoritism is concerned 90.6% respondents are of opinion that to some extent there is corruption and resources are not properly utilized.

Although misutilization of resources are supported only by 7.4%.

Table 7 indicated that 9% beneficiaries are wrongly selected whereas 12.6% said that there is a misuse of Government machinery while C.D.P. are implemented. 11%-22.9% are having the opinion that respondents face problems due to idleness and delay in sanction the benefit.

Therefore it can be concluded that majority of respondents strongly agreeing that they were satisfied with the working of RRB.

Analysis also indicates that 10% - 20% respondents are not satisfied and have opposite point of view and were of opinion that to some or large extent there is a corruption, favoritism, nepotism and resources are misutilized. Sometimes there is wrong selection of beneficiaries and govt. machinery is misused and also they have to face the problems due to idleness and delay in sectioning the benefit.

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