

ROLE OF MAHARASHTRA GRAMIN BANK IN RURAL DEVELOPMENT

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INTRODUCTION:

Developing the rural economy by providing for the purpose of development of agriculture, trade, commerce, industry and other productive activities in the rural areas credit and other facilities, particularly to the small and marginal farmers, agricultural labours, artisans and small entrepreneurs and for matters concern there with and incidental thereto. It is the mission of Maharashtra Gramin Bank. Repositioning the Bank in a competitive market by accomplishing turn around in profitability and NPA reduction, to double the flow of credit to agriculture, to achieve a quantum jump in saving bank deposit mobilization, and pursue the best practices for delivering the value added service to customers by transforming the branches into the most preferred banking outlet in rural areas. It is the vision of Maharashtra Gramin Bank.

The regional Rural Bank was first setup by the Government of India on 2nd Oct, 1975, the date of birth of Mahatma Gandhi, under the Regional Rural Banks ordinance. Regional Rural Bank, established under section 3 of the Regional Rural Banks Act, 1976. "There are now 196 RRBs has raised the deposits of Rs.30050/- crores and had advanced Rs.12660/- crores during 1999-2000 by the way of short term crop loans, term loans for agricultural activities for rural artisans, village and cottage industries, retail trade and self employed, consumption loans. 95 percent of the loans of RRBs were provided to the weaker sections. state wise, the largest number of the offices in a single state is to be found in Uttarpradesh."1

The main objective of setting up of RRbs is to achieve the objective development through the development of the weaker section of the rural society, another objective of setting up of the RRBs is to reach to the remote areas, particularly backward and tribal areas. RRBs have been encouraging to the rural youth by providing employment. RRBs is helping to village industries, like carpenter, artisans and blacksmith etc. The RRBs are going to mobilize rural savings and generated local resources which is directly affected on them.

A rapid change, in social, economic cultural and political in rural areas changes in life style and raise the standard of living of rural poor.

HISTORY OF MGB

"The RRBs were established in India under RRB Act 1976 [23(1)] during the period from 1976 to 2006. Banking industry had undergone various changes and RRBs were no exception. Considering the need for structural changes in RRBs in the view of dynamically changing economic scenario. Govt. of India vide its notification dated 25th March 2008 amalgamated the two RRBs i.e. Aurangabad Jalna Gramin Bank and Thane Gramin Bank into a single RRB named Maharashtra Godavari Gramin Bank. Maharashtra Gramin Bank came into existence on 28th July 2009. After amalgamation of Maharashtra Godavari Gramin Bank and Marathwada Gramin Bank as per the notification issued by the Govt. of India, Ministry of Finance,

Department of Financial services ref. No. F.No. 1/4/2006 RRB (i) dated 28th July 2009 with its head office at Nanded. The Bank is sponsored by Bank of Maharashtra. The share capital of the bank is contributed by Govt. of India, Govt. of Maharashtra and Bank of Maharashtra in the proportion of 50:15:35.”2

Table No. 1.1 : Network of Branches of MGB

Sr. No.	Districts	No. of Branches before amalgamation	No. of Branches after amalgamation
1	Ahemadnagar	1	1
2	Aurangabad	28	33
3	Beed	49	50
4	Dhule	1	1
5	Nashik	1	5
6	Nandurbar	0	1
7	Jalna	26	27
8	Latur	39	42
9	Nanded	59	68
10	Thane	20	21
11	Jalgaon	1	1
12	Parbhani	38	40
13	Pune	2	2
14	Raigad	1	1
15	Hingoli	23	22
16	Osmanabad	34	34
	Total	323	349

Ref: Annual reports of MGB Head Office, Nanded

Network of MGB is limited upto 16 districts of Maharashtra consisted 8 district of Marathwada and 8 districts of other specially Pune, Thane, Dhule, Jalgaon, Raigad, Ahemadnagar, Nashik & Nandurbar etc. Total branches of MGB in Maharashtra before amalgamation was 323. It has increased upto 349 after amalgamation. Specially 9 branches has increased in Nanded district, then 5 has established in Aurangabad district then Latur. No change of branches in the district specially Osmanabad, Ahemadnagar, Dhule, Jalgaon, Pune, Raigad etc. In Hingoli district 1 branch has closed due to performance of recovery and other.

OBJECTIVES OF THE STUDY :

1. Analysis Network branches of MGB branches before and after amalgamation.
2. To know the position of advances has given to the development of villages
3. To know the position of deposits by the villagers
4. To examine the rural development and role of MGB
5. To know the NPA status of MGB
6. To know the progress of financial position of the MGB.

HYPOTHESES OF THE STUDY :

1. MGB has helps for rural development
2. MGB has succeed for increasing saving capacity of rural people.
3. Performance of Gross NPA and Net NPA decreased
4. Recovery status is good and efficient

Table No. 1.2 (A) : Comparative Progress of MGB (Rs. in Thousand)

Particulars	31.03.2009	% to Total	31.03.2010	% to Total
Share Capital	30000	0.11	30000	0.13
Share Capital Deposit	1023462	3.61	1023462	4.34
Reserve & Surplus	232268	0.82	155074	0.65
Borrowings	1431213	5.05	706791	3.00
Deposits	24577056	86.74	20242490	75.74
Other Liability & Pro	1040481	3.67	1450341	6.14
Total	28534480	100.00	23608158	100.00

Particulars	31.03.2009	% to Total	31.03.2010	% to Total
Fixed Assets	57074	0.20	43818	0.18
Cash and Bank Balance	1861168	6.57	1306828	5.54
Money at Call & Short Notice	5325664	18.80	6645256	28.16
Investment	7729351	27.28	5212171	22.08
Advances	11926684	42.09	8811019	37.32
Other Assets	1434539	5.06	1589066	6.73
Total	28534480	100.00	23608158	100.00

Table No. 1.2 (B) : Comparative Progress of MGB (Rs. in Thousand)

Particulars	31.03.2012	% to Total	31.03.2013	% to Total
Share Capital	30000	0.08	30000	0.06
Share Capital Deposit	1930262	5.16	2063462	4.29
Reserve & Surplus	232268	0.62	268752	0.56
Borrowings	31963491	85.52	38075971	79.08
Deposits	2288461	6.12	6565627	13.64
Other Liability & Pro	928947	2.49	1146693	2.38
Total	37373428	100.00	481505505	100.00

Particulars	31.03.2012	% to Total	31.03.2013	% to Total
Fixed Assets	138535	0.37	138511	0.29
Cash and Bank Balance	1925123	5.15	1914255	3.98
Money at Call & Short Notice	8267216	22.12	12932598	26.86
Investment	8361281	22.37	7986134	16.59
Advances	17599951	47.09	24341632	50.55
Other Assets	1081322	2.89	837374	1.74
Total	37373428	100.00	481505505	100.00

Ref: Annual reports of MGB Head Office, Nanded

Table 1.2(A) has shown the position of money at call and short notice of March 2010 is more than March 2009. Second year asset is more useful for the business, decrease in advances indicates the recovery. The cash balance with Reserve Bank, Investment ration has decreased and deposit ration also decreased. Bank has implemented various scheme of Govt. such as Crop Insurance, Kisan Credit Card, Self employment Fund, Self help groups etc.

Table 1.2(B) has shown the position of money at call and short notice of March 2013 is more than March 2012. It is beneficial to the business, increase in advances after amalgamation. It indicates bank is helping to the needy people in rural area for improving their economic condition. Cash with RBI and investment amount has decreased after amalgamation it indicates the amount has used by the bank to the people for productivity. This bank has playing vital role in the development of village, village people with the help of various Govt. plans, schemes and its implementation.

Table No. 1.3 NPA Status of MGB

Particulars	31.03.2012	31.03.2013
Gross NPA	902624	1299942
Net NPA	257224	466470
% of Gross NPA	4.95%	5.16%
% of Net NPA	1.47%	1.85%

This table clearly shows that Non Performing Assets status of MGB. Gross NPA increased from 4.95% to 5.16% and Net NPA increased from 1.47% to 1.85% . It is not good to the financial health of the bank.

FEW MAIN PROBLEMS MGB

1. To determine needy rural people is difficult.
2. Impact of politics.
3. Impact of corruption on development.
4. It is hard to avoid misuse of advances.
5. Recovery problem.
6. Process of loan distribution is lengthy.
7. Insufficient advances given to the people.
8. Loans not provide on proper time.

SUGGESTIONS

1. Establish branches in rural and urban areas
2. Appointment of skillful, well educated staff
3. To run the training centre for loan holder.
4. Motivate to rural people for repayment of loan.
5. To run the agriculture research centre by the bank.
6. Supply the loan on proper time with proper amount.
7. Supply new loan with low rate of interest for repayment of old loan.

CONCLUSION

Overall observation of this paper has displayed that 94% regional banks and its branches are working in rural areas but the speed of the development is slow. Lack of balanced development supply of loan to the unproductive purposes, demerits in the process of loan, lack of management knowledge, corruption, influence of politics, recovery is depend on the role of courts. This banks has reached to the deprived people who are very long from the development process. These people are became the centre of development. This bank is working for economic development of rural area. After this discussion we know the increasing importance of regional rural banks in the development of rural areas. Because bank has implementing helpful scheme of the Govt. is nice and it is the way of making India strong.

REFERENCES

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