AN OVERVIEW OF REGIONAL RURAL BANK IN INDIA

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ABSTRACT:
The economy of the state of Gujarat is mainly characterized by over dependence on agriculture, inadequate exploitation of vast natural resource, inadequate socio-economic infrastructure. In view of other large incidence of rural poverty in the state, establishment of RRBs had a great importance as these bank created to cater exclusively to the credit need of the rural poor, particularly among the economically and socially marginalized sections in the rural area. Since their inception in 1975, RRBs in Gujarat as well as in India are playing a key role in the socio-economic development by penetrating every concern of the financial sector reforms, initiated in 1991-92, and more recently the process of amalgamation, began in September 2005, the structure and the way of operations of these banks has changed significantly. In this context, it has become imperative to analyze the performance of RRBs in order to decide about their desired role in emerging economic scenario.

KEYWORDS: Overview of RRBs, Genesis of RRBs, Emergencies of RRBs, Profile of RRBs.

INTRODUCTION:
Institutional finance is an important pre-requisite for rural development. Institutional credit entered the rural areas a long ago the form of co-operatives and later in the form of commercial banks after their nationalisation in 1969. But these institutions failed to penetrate the rural areas as the benefits of the institutional credit continued to be cornered by the influential and economically and politically powerful sections of the society. The problem of inequality and inequity went on to be serious day to day. Despite popular slogan of "GaribiHatao" and the good intention of the government to better the lot of the masses, rural poor remained neglected and starving hard for their subsistence. Hence, the need was felt for establishing a financial institution specialised to cater to the needs of the rural poor in order to fill up the regional and functional gap in the financial credit available to rural areas and as a result, the RRBs came into existence in 1975.

The concept of rural development is wider than agricultural development. Agriculture, along with the allied activities, contributes as much as 41 percent to the national income. It provides vital raw materials to agro-based industries like cotton textiles, jute textiles, sugar, edible oils, etc. Thus, rural Indian economy and particularly agriculture is the backbone of Indian economy. Therefore, in any effort for development, failure to remember this central fact would mean going away from the heart of India.

Though statistics relating to poverty in India are not reasonable precise, yet an inking of the extent can be known from some quoted versions. For example, it has been said that persons living below the poverty
line increased from 220 million on the eve of the Fifth Five Years Plan to over 290 million on the eve of
the Sixth one. While the percentage of population depending on agriculture has been more or less
constant during the past 39 years ending with 1980, the number of marginal farmers during this period
has increased from 24 million to 36 million, while that of the agricultural labours has increased from 27
million to 48 million. Within the rural sector, the credit requirements of the rural artisans, craftsmen
and cottage industrial units have remained neglected so far. The primary credit societies offer credit
almost to the agriculturists only. Credit is the scarcest input in Indian agriculture.

Rural people are always unable to exhibit their latent potential and face many difficulties in
obtaining loans. It is generally believed that rural credit must be so cheap that even the poorest farmer,
rural artisan and other people of the weaker sections of the community can afford it and may be able to
get it easily.

If the lot of these rural poor is to be improved, a credit institution exclusively for their service
has got to be established and this materialised in the form of RRBs.

RRBs have been established with a view to provide banking services to the rural masses and
extending wide variety of financial assistance to the weaker and poorer sections of the rural society.
RRBs have been viewed as an important instrument for serving the weaker sections of society. RRBs
have been visualised as an institution with rural problems which co-operatives possess and the degree
of business organisation, ability to mobilise deposits, access to central money markets and modernised
outlook which the commercial banks have. The main objective of these banks is to develop agriculture
and activities allied to it, village industries and other productive activities allied to it, village industries
and other productive activities in rural areas by providing credit and other facilities, particularly to
small and marginal farmers, agricultural labourers, artisans and small entrepreneurs.

Till the end of 1978, Gujarat had no RRB. It was only in December 1978 that two RRBs were
established in Gujarat, one in Kutch district and another in Jamnagar district.

Today, three RRBs in Gujarat are working with their 657 branches spread over 33 districts of
Gujarat.

Today, the future of RRBs in their present form is at stake and recent press reports indicate that
Government of India is seriously considering a proposal to set up National Rural Bank Amalgamating
the existing 196 RRBs in the country. In as much as there banks are relatively new entrants in the rural
credit scene (set up since 1975). It is worthwhile to go into the reasons why such a major change is
being contemplated in their present setup.

In context with the above, it is worth wise to study the performance of the RRBs especially in
the co-operatively developed states like Gujarat. Hence, the author induced to undertake a project to
study an evaluation of loans and advances of RRBs working in Gujarat.

The main objectives of the study are stated below:
To study the overview of Regional Rural Banks working in Gujarat, the origin and to review the
growth of RRBs.
1. To know the loans and advances of Regional Rural Banks.
2. To evaluate the performance of the banks in relation of their disbursement of loans and
advances and their overdue and recovery position.
3. To access the loans and advances of the banks and to identify their problems.
4. To derive conclusions and suggestion measures for improving their performance.

OVERVIEW OF RRBs
Regional Rural Banks (RRBs) are the youngest members of the family of rural credit institutions
set up in India. They have been setup specially to meet the credit requirements of the weaker sections
of the rural society, whose problems came into sharp focus after the state governments enacted
legislation in the mid seventies, for discharging the debts from the non institutional sources, of marginal
farmers and scaling down the debts of the small farmers etc., The legislation was enacted to respond to
the guideline issued by the central government to implement one of the points of the twenty point
economic programme, viz, to liquidate rural indebtedness, and pass legislation for a moratorium on recovery of debts from landless labourers, small farmers, and rural artisans, such legislation, it was apprehended, would create a vacuum in meeting both the production and consumption credit requirement of the weaker sections, as the traditional sources of credit were expected to dry up. It was in the context of these conditions that the government of India through its necessary to establish "rural banks as subsidiaries of the public sector banks to cater to the credit needs of the rural people.

Narasimhan committee "is an institution which combines the local feel and familiarity with rural problems which combines the feel and familiarity with rural problems which the co-operative posses and the degree of business organization, ability to mobilize deposits, access to central money markets and modernized outlook which the commercial banks have.

In sum the RRBs were set up as institution which would help fill region and functional credit gaps, help to develop the activities of the weaker sections have a local feel and familiarity with local problems and the better capacity to mobilize deposits and access to central money market and modern outlook.

GENESIS OF REGIONAL RURAL BANKS (RRBs):

The setting of the RRBs in India during the year 1975, with an avowed object of financing the credit requirements exclusively of the poorer sections in countryside, represents a novel experiment of the Indian banking laboratory. The foundation of the institutional credit structure in rural India was laid with the organisation of co-operative credit societies at the beginning of this century.

The credit of the agricultural sector, however, increased rapidly over the years and the co-operative credit structure, which was unevenly developed in different parts of the country, could not keep pace with the growing demand for institutional credit. Commercial banks were, therefore, induced into the field of agricultural credit under the policy of 'social control' over the banks in 1968 and the subsequent nationalisation of 14 major commercial banks in 1969 carried the process further.

Rural branches of commercial banks expanded very sharply in the period following nationalisation. But these branches rarely went beyond district or sub-divisional towns. The failure of modern banking to penetrate rural India remained a persistent problem. There were many initial uncertainties about the right lines of development. It was in such conditions that Banking Commission (1972) recommended the establishment of a chain of 'Rural Banks' in addition to rural branches of commercial banks.

Such rural banks, in view of the Commission, could come into existence in three ways:

1) Conversion of primary co-operative societies into institutions offering full banking facilities;
2) Establishing a special type of rural banks sponsored by commercial banks and supported by local participation.

In a large country with complex regional difference, no single type would offer a complete solution and the Commission, therefore, recommended a multi-pronged programme of banking development for rural area, comprising co-operative societies, rural branches of commercial banks and sponsored rural banks. The case for the last of the three stood firmly on the realisation that co-operative credit would not succeed everywhere and that expansion of branches of commercial banks in the rural areas would not go far enough.

It took the government three years to decide that a scheme of special rural banks would be necessary, but once the decision was taken, things moved quickly.

The Narsimham study group was appointed on July 1, 1975 by the Government of India. The group had been asked to examine in depth the setting up of new rural banks as subsidiaries of public sector banks to cater to the credit needs of the rural people.

In an unusually quick report which the group submitted on July 30, 1975, it observed’. In a country of the size and regional diversity as ours, no single pattern, be it commercial banks or co-operative credit can be expected to meet all the emerging requirements in all areas. A degree of
adaptation and improvisation is called for and the range of institutional alternative widened. It is in this
case that we have come to the conclusion that, a new type of institution is necessary. The group
could not be quite sure about the optimum size of the operations, coverage etc., and hence, it favoured a
cautious approach by recommending the setting up of five rural banks as pilot institutions in selected
areas.

Some feeble and multi-opposition not with standing the government accepted to
recommendation of the group. An ordinance was promulgated on September 26, 1975, which was
subsequently replaced by RRBs Act of 1976. According to this Act, the RRBs were to be set up with a
view to developing the rural economy by providing for the purpose of development of agriculture,
trade, commerce, industry and other activities in the rural areas, credit and other facilities, particularly
to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs and for
matter connected therewith and incidental thereto.

The first five RRBs were established on October 2, 1975. By the end of 1976, 40 RRBs had been
set up. In 1978, the government set up a Review Committee on RRBs headed by Prof. M. L. Dantwala.
The Committee considered that the performance of RRBs was good and that the financial results of the
working of some of these banks showed that RRBs had the potential and capability to attain financial
viability and become a profit-making institution in about 3 to 4 years. The Committee recommended
that steps should be taken to initiate the process of making the RRB an integral part of the rural credit
structure. The Reserve Bank of India (RBI) also made a study on viability of RRBs in 1980, and
concluded that on an average, a RRB would require about 6 years time and a network of 70 branches to
become viable. These studies gave the necessary impetus to the process of establishing and expanding
RRBs all over country.

During the period of nearly 19 years, the total number of RRBs operating all over India has
reached 196, covered 392 districts in 23 states with 15,400 branches.

BACKGROUND

The rural credit system in India is based on the multi-agency approach. The informal credit
agencies such as Multan bankers, traders, amindaris and moneylenders which had traditionally
dominated the rural scenario were sought to be replaced gradually by the formal rural credit agencies
through the adoption of the multi-agency approach to rural credit in the post-independence era.

In India, rural credit is provided through venous channels comprising institutional as well as
non-institutional sources. The none institutional credit sources accounted for the bulk of the
agricultural credit needs during the decades up to sixties. While the co-operative credit system played a
significant role in institutionalizing the rural credit structure in the subsequent period, the entry of
commercial banks in late sixties helped supplement, to a large extent, the efforts of the cooperatives in
this regard. Inspire of the presence of co-operative and commercial banks, a wide gap between the
demand and supply of credit was still perceived in the early seventies.

The rural credit system in India has witnessed a number of changes the post-independence era.
The informal credit institutions which traditionally dominated the rural areas were gradually replaced
by the formal rural credit system. The multi-agency approach to rural credit was adopted, comprising
short term and long term co-operative credit institutions and commercial banks. However, in spite of
the existence of these institutions, a gap in the rural credit delivery system was still felt especially with
respect to providing banking services to the weaker sections of the rural population residing in interior
backward and Unbanked rural areas The Regional Rural Banks (RRBs) were therefore established for
the first time in the year 1975, as a part of the multiagency rural credit structure to meet the credit need
of the rural poor and there by contribute to the development of the rural economy. Till 1975, when the
institute of Regional Rural Banks (RRBs) was set up the agencies purveying credit comprised the
short-term and long-term co-operative credit institutions and the commercial banks. Each of these
agencies had a specific role to play in providing credit to the agriculture and rural sector of the
economy. However, in spite of their widespread presence a large gap was felt in the demand-supply
position of credit both quantitatively and qualitatively. It was apparent that while they contributed
their mite to the growth of the rural economy through credit support, both the co-operative credit institutions and commercial banks had their share of weaknesses. The major weaknesses of the co-operative banks arose from their inability to mobilize substantial deposits, their managerial inadequacies, dominance of vested interest, inadequate credit support to the small and marginal farmers etc. The shortcomings of the commercial banks in the field of rural credit substantial deposits, their managerial inadequacies, dominance of vested interest, inadequate credit support to the small and marginal farmers etc. The shortcomings of the commercial banks in the field of rural credit were their high operational cost structure and not so benevolent attitudinal approach to the rural credit dispensation.

Against this background, a need was felt to establish a new rural credit institution which could combine the desirable qualities like familiarity and local feel of rural problems possessed by the co-operatives with the professional outlook towards banking business traditionally, acquired by the commercial banks. The Regional Rural Banks were therefore established commencing from the year 1975, with a view to supplement the efforts earlier undertaken by the co-operative and commercial banks in the provision of credit and banking facilities to the rural sector. Since, then, the multi–Agency approach to rural credit comprises of (i) co-operatives, (ii) commercial banks and (iii) Regional Rural Banks. The RRBs were set up with the objectives of helping the development of the rural economy by providing in the rural areas, credit and other facilities for various productive and other purposes. These were extended particularly to the small and marginal farmers, agricultural labourers, artisans, retail traders and other weaker sections of the rural population who were earlier beyond the preview of institutional arrangement for rural credit.

It is observed that over the years while striving to achieve their socio-economic objectives, most of the RRBs have rendered themselves as financially nonviable credit agencies. The problem of non-viability has to be looked into critically so that suitable solutions could be found out for the RRBs to become a vibrant rural credit institution running profitability on a sustainable basis in the long run. Against this background, the present study examines the growth and performance of RRBs on the basis of an in-depth investigation of all the Three RRBs functioning in the state Gujarat.

EMERGENCE OF REGIONAL RURAL BANKS

The idea of setting up some kind of “rural banks” was mooted by the Banking Commission in 1972. It described a Rural bank as a "primary banking institution set up to serve a compact group of villages covering a population from 5,000 to 20,000, generally working as a co-operative bank or as a subsidiary of a commercial bank". However the need for setting up such banks was felt again after the 20 point economic programmers was launched around mid-seventies. "In accordance with the guidelines from the Government of India, several State Government enacted legislation for moratorium, discharge or debts and scaling down of debts of the small and marginal farmers, landless laborers, rural artisans and other weaker sections of the society from the non-institutional sources. This measures under the 20 Point Economic Programmed of the Government in July 1, 1975 led to creating a vacuum for meeting credit requirements of the rural poor, since indigenous artisans and other weaker sections of the society from the non-institutional sources. These measures under the 20 Point Economic Programmed of the Government in July 1, 1975 led to creating a vacuum for meeting credit requirements of the rural poor, since indigenous moneylenders now felt skeptical of recovery of these loans."

Against this background, Government of India appointed on 1st July 1975, a working group on rural Banks under the chairmanship of Shri. M. Norseman to examine in depth the setting up of rural banks as Recommended by the Banking Commission in 1972. The Group submitted its report on 30th July 1975. Managerial and financial weaknesses, Dominance of vested interests, inadequate coverage or small and marginal farmers, and higher overdoes were the main drawbacks of the co-operative system as observed by the working group. Similarly, the deficiencies of the commercials banks were identified in terms of their urban orientation and high cost structure. As regards the co-operatives, the working group observed "Their main disabilities can be summed up as arising from their inability to mobilize
adequate deposit resources, their managerial weaknesses and the characters of their functioning market some from mess by tile" dominance of vested mares switch have come in the way of their efficient functioning, especially effective supervision of credit and the inadequate coverage of the small and the marginal farmers. Another weakness has been the limited absorptive capacity of refinance from the higher tiers because of the inadequate non-overdue cover. As a result the scale of finance actually disbursed by the co-operatives has not been in county with the requirements of teleology intensive agriculture. Regarding commercial banks, the Group observed that the cost structure and the attitudinal features of their employees were the major weaknesses. According to the Group "Many, if not most, of the rural banks branches are what the banks call deposit centers rather than advance centers. In other words, while commercial bank have been relatively successful in moling deposits in the rural areas, their credit dispensation in most rural branches is not adequate to earn for them sufficient income to make these branches Teleology intensive agriculture regarding commercial banks, the Group observed that the cost structure and the attitudinal features of their employees were the major weaknesses. According to the Group "Many, if not most, of the rural banks branches are what the banks call deposit centers rather than advance centers. In other words, while commercial bank have been relatively successful in moling deposits in the rural areas, their credit dispensation in most rural branches is not adequate to earn for them sufficient income to make these branches viable. While, from the new accounting point of view, this may well be so, it raises another set of issues, namely that the rural branches of bank which, by definition, operate in the economically weaker areas of the country, far from being the media of transmission of funds from the central money markets to the agricultural economy, are providing to be instruments for the reverse transmission of funds from the rural areas to of rural problems which the co-operatives possess and the skill of business organization which commercial banks possesses the Group emphasized that "the role of the new institution would be to Supplement and not to supplant the other institutional agencies in the field.

The recommendations of the working group were accepted by the Government of India and it was decided to set up 5 RRBS by April 1977. The Government of India promulgated an ordinance to provide for the in co-operation on and regulation of the RRBS on 26th September 1975, Thereafter, on 2nd October 1975, the first five banks in four states were established. The ordinance was subsequently replaced by the Regional Rural Banks Act, in February 1976. The amalgamation process has been very smooth and all levels required support was received.
BARODA GUJARAT GRAMIN BANK

Baroda Gujarat Gramin Bank is having three tier organization setup viz. 1. Head office at Bharuch, 2. Two Regional offices at Godhara and Valsad, 3. A network of 210 branches covering 14 districts of Gujarat state namely Bharuch, Surat, Navsari, Valsad, Dang, Panchmahal, Vadodara, Dahod, and Narmada etc. The bank is also rendering its services mostly to the rural poor for their development and upliftment of their living standard. The district-wise and region-wise break up of branch network is given below.

Table 1.1 Branch Network of BGGB on 31st March, 2015

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the Regions / Districts</th>
<th>Rural</th>
<th>Semi Urban</th>
<th>Urban</th>
<th>Metro</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A)</td>
<td>Valsad Region</td>
<td>73</td>
<td>18</td>
<td>07</td>
<td>08</td>
<td>106</td>
</tr>
<tr>
<td>1</td>
<td>Bharuch</td>
<td>18</td>
<td>04</td>
<td>05</td>
<td>-</td>
<td>27</td>
</tr>
<tr>
<td>2</td>
<td>Surat</td>
<td>16</td>
<td>04</td>
<td>-</td>
<td>08</td>
<td>28</td>
</tr>
<tr>
<td>3</td>
<td>Valsad</td>
<td>10</td>
<td>04</td>
<td>-</td>
<td>-</td>
<td>14</td>
</tr>
<tr>
<td>4</td>
<td>Dangs</td>
<td>02</td>
<td>01</td>
<td>-</td>
<td>-</td>
<td>03</td>
</tr>
<tr>
<td>5</td>
<td>Navsari</td>
<td>26</td>
<td>03</td>
<td>02</td>
<td>-</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>Tapi</td>
<td>10</td>
<td>04</td>
<td>-</td>
<td>-</td>
<td>14</td>
</tr>
<tr>
<td>(B)</td>
<td>Godhara Region</td>
<td>74</td>
<td>21</td>
<td>01</td>
<td>08</td>
<td>104</td>
</tr>
<tr>
<td>1</td>
<td>Panchmahal</td>
<td>21</td>
<td>03</td>
<td>01</td>
<td>-</td>
<td>25</td>
</tr>
<tr>
<td>2</td>
<td>Vadodara</td>
<td>06</td>
<td>04</td>
<td>-</td>
<td>08</td>
<td>18</td>
</tr>
<tr>
<td>3</td>
<td>Dahod</td>
<td>13</td>
<td>06</td>
<td>-</td>
<td>-</td>
<td>19</td>
</tr>
<tr>
<td>4</td>
<td>Narmada</td>
<td>06</td>
<td>01</td>
<td>-</td>
<td>-</td>
<td>07</td>
</tr>
<tr>
<td>5</td>
<td>Mahisagar</td>
<td>13</td>
<td>03</td>
<td>-</td>
<td>-</td>
<td>16</td>
</tr>
</tbody>
</table>
The branch network of BGGB on 31st March, 2015 is showing in table 1.1 - The BGGB has totalled 210 branches in Valsad and Godhara Regions on 31st March, 2015. Valsad Region has 106 branches and Godhara Region has 104 branches that mean it is the balance of both regions on that year. In addition to above, there are 06 satellite branches in Valsad Region.

### Brief about Saurashtra Gramin Bank (SGB) it’s Network

The bank sponsored by State Bank of Saurashtra, came into existence vide GOI notification No. 1-26-2005, RRB dated 2nd Jan, 2006 by amalgamation of three erstwhile RRBs namely Jamnagar – Rajkot Gramin Bank, Junagath, Amreli Gramin Bank, and Surendranagar – Bhavnagar Gramin Bank on 2nd January 2006, under the provision of ‘section 3’ (i) of Regional Rural Bank Act. 1976. Bank caters to the banking and credit needs of the rural population of all the 11 districts and 592 villages of Saurashtra region in Gujarat. All the districts faced prolonged natural calamities such as earthquake, cyclone, drought, etc.

Although the Bank is in the first year of its incorporation and do not have any previous year’s figure. However, we have incorporated previous yearly figure by summing up the figures of all the three erstwhile RRBs for 2004-2005. These figures have been provided for the sake of comparison, convenience and for the actual evaluation of progress of amalgamated new entity vis-à-vis erstwhile three RRBs. Due to this, the figures of the directors report does not much with the figures of profit and loss a/c and balance sheet, which in turn are as per the guidelines issued by the "NABARD" for the period 1st January, 2006 to 31st March, 2 and on 31st March 2015 respectively.

As on 31st March, 2015 the bank had a network of 235 operational offices [branches and 7 satellites branches] district wise position of branches are furnished here under.

<table>
<thead>
<tr>
<th></th>
<th>Chhoto Udaipur</th>
<th>01</th>
<th>02</th>
<th></th>
<th>03</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Anand</td>
<td>06</td>
<td>01</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>7</td>
<td>Kheda</td>
<td>08</td>
<td>10</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>147</td>
<td>39</td>
<td>08</td>
<td>16</td>
</tr>
</tbody>
</table>

(Sources: Annual Report of the BGGB)
SAURASHTRA GRAMIN BANK

Branch Network

As on 31st March 2015, the bank has a network of 235 branches and 7 satellite offices. During the year 2014-15, twelve new branches were opened. District wise position of branches is as under:

Table:1.2 - Branch Network of Saurashtra Gramin Bank on 31st March, 2015

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of district</th>
<th>Rural</th>
<th>Semi Urban</th>
<th>Urban</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jamnagar</td>
<td>30</td>
<td>05</td>
<td>05</td>
<td>40</td>
</tr>
<tr>
<td>2</td>
<td>Rajkot</td>
<td>16</td>
<td>04</td>
<td>06</td>
<td>27</td>
</tr>
<tr>
<td>3</td>
<td>Surendranagar</td>
<td>24</td>
<td>08</td>
<td>07</td>
<td>39</td>
</tr>
<tr>
<td>4</td>
<td>Bhavnagar</td>
<td>16</td>
<td>04</td>
<td>06</td>
<td>26</td>
</tr>
<tr>
<td>5</td>
<td>Junagadh</td>
<td>16</td>
<td>05</td>
<td>03</td>
<td>24</td>
</tr>
<tr>
<td>6</td>
<td>Amereli</td>
<td>12</td>
<td>06</td>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td>7</td>
<td>Porbandar</td>
<td>09</td>
<td>02</td>
<td>03</td>
<td>14</td>
</tr>
<tr>
<td>8</td>
<td>Botad</td>
<td>04</td>
<td>01</td>
<td>01</td>
<td>06</td>
</tr>
<tr>
<td>9</td>
<td>Girsomnath</td>
<td>07</td>
<td>03</td>
<td>01</td>
<td>11</td>
</tr>
<tr>
<td>10</td>
<td>Morbi</td>
<td>08</td>
<td>02</td>
<td>01</td>
<td>11</td>
</tr>
<tr>
<td>11</td>
<td>Devbhumi Dwarka</td>
<td>13</td>
<td>06</td>
<td>-</td>
<td>19</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>147</td>
<td>49</td>
<td>37</td>
<td>235</td>
</tr>
</tbody>
</table>

(Sources: Annual Report of the Saurashtra Gramin Bank)  B = Branch; S = Satellite

The branch network of SGB is showing in Table: - SGB has total 235 branches, covered 11 districts in its region. The highest 43 branches in Jamnagar district and lowest 06 branches in Devbhumi Dwarka district on 31st March, 2015.
Brief about Dena Gujarat Gramin Bank (DGGB)


The notification for amalgamation of the three RRBs was put up in the first meeting of board of Directors held on 18th Dec., 2005 and the amalgamation was adopted by board of Directors taking note that there has been no resistances / litigation from any interested party.

The bank is a joint undertaking of Government of India, government of Gujarat and Dena Bank and is a Scheduled Bank; the Bank is contributing towards gainful employment opportunities and enhancing production of agricultural and non-agricultural sectors through network of 131 full-fledged branches, predominantly in rural areas.

The bank is having branch network of 212 branches (excluding 20 satellite offices and 3 Extension Counters) spread over 8 districts of Gujarat state, Viz, Banaskatha, Mehsana, Sabarkatha, Gandhinagar, Kutch, Patan, Ahmedabad, Aravalli. During the year 19 branches were opened of which 16 branches in unbanked and rural area by the bank. No licence opening new branch is pending. District wise position of branches is as under.

DENA GUJARAT GRAMIN BANK

Table: 1.3 - Branch Network of Dena Gujarat Gramin Bank on 31st March, 2015
BRANCH NETWORK

The branch network is shown in table:- on 31st March, 2015. The total number of branches of DGGB has 212 (excluding 23 satellite office/ECs) covered 8 districts in its region. The highest 45 (excluding 3 satellite offices/ECs) branches in Mehsana district and lowest 8 branches in Ahmedabad districts in its region.

ORGANIZATION:

Organization is of immense importance to a banking institution as it is to any other business organization. “Organization implies structuring and integrating activities of a group of people performing different functions for achieving specific objectives of the enterprise” given the best will, physiques, brain power, training and aptitude, no man can manage single handed a business like a banking institution. He has performed to take the aid of others and distribute the work among them so that with their aid and assistance he may achieve his aims but in this process, if he is to avoid and choose, he must define the respective responsibilities and duties of his subordinates, assign them powers and know their limitations and must also explain them that to whom they are answerable. That is the people with whole help he has taken the initial step in seeing up the organization. Thus, the term organization may be said to refer to a system or structure that enable people to work together and to work effectively. In any such structure there are three basic elements namely division of labour, sources of authority and relationship between various components.

The structure may thus be viewed as a set of human relationships, arranged in formal groups and motivated by a system of decision making and authority.

ORGANIZATION STRUCTURE:

An appropriate organizational structure of the RRB at the head office and branches will help define areas, duties and responsibilities and consequently make the central effective and purposeful. The controlling officer should have the appropriate designations and adequate powers to achieve the objectives of the bank. Organization structure of the head office of the RRBs depends largely on its area of operation, number of branches, and also on the level of business expressed in terms of the aggregate of deposits and advances.

Table: 1.5 - shows the Credit Deposit ratio of the RRBs in Gujarat
### CD Ratio of the Selected RRBs during the period from 2005-06 to 2014-15

<table>
<thead>
<tr>
<th>Year</th>
<th>DGGB Deposit (Rs. In Lakhs)</th>
<th>Advance (Rs. In Lakhs)</th>
<th>C.D.Ratio (%)</th>
<th>SGB Deposit (Rs. In Lakhs)</th>
<th>Advance (Rs. In Lakhs)</th>
<th>C.D.Ratio (%)</th>
<th>BGGB Deposit (Rs. In Lakhs)</th>
<th>Advance (Rs. In Lakhs)</th>
<th>C.D.Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>73979.43</td>
<td>29030.99</td>
<td>41.29</td>
<td>55009.15</td>
<td>36848.71</td>
<td>66.99</td>
<td>64989.45</td>
<td>28419.84</td>
<td>43.73</td>
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<tr>
<td>2006-07</td>
<td>88385.27</td>
<td>43527.30</td>
<td>49.29</td>
<td>68132.00</td>
<td>44907.58</td>
<td>65.91</td>
<td>76299.36</td>
<td>35612.33</td>
<td>47.32</td>
</tr>
<tr>
<td>2007-08</td>
<td>106686.03</td>
<td>54330.75</td>
<td>50.94</td>
<td>84154.88</td>
<td>54495.91</td>
<td>64.76</td>
<td>85563.17</td>
<td>43018.20</td>
<td>50.49</td>
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<tr>
<td>2008-09</td>
<td>136230.18</td>
<td>60946.64</td>
<td>44.75</td>
<td>107331.12</td>
<td>65836.61</td>
<td>61.34</td>
<td>106321.71</td>
<td>44960.02</td>
<td>42.62</td>
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<tr>
<td>2009-10</td>
<td>157121.34</td>
<td>64414.13</td>
<td>41.01</td>
<td>122013.01</td>
<td>72852.96</td>
<td>59.71</td>
<td>115800.43</td>
<td>46615.43</td>
<td>40.29</td>
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<tr>
<td>2010-11</td>
<td>188222.38</td>
<td>72586.19</td>
<td>40.51</td>
<td>138152.22</td>
<td>80154.23</td>
<td>58.02</td>
<td>137188.29</td>
<td>52599.57</td>
<td>39.69</td>
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<tr>
<td>2011-12</td>
<td>227218.33</td>
<td>88689.99</td>
<td>39.03</td>
<td>152038.21</td>
<td>100101.81</td>
<td>65.84</td>
<td>172184.95</td>
<td>65349.03</td>
<td>39.84</td>
</tr>
<tr>
<td>2012-13</td>
<td>251812.48</td>
<td>112075.27</td>
<td>44.51</td>
<td>182055.34</td>
<td>130910.22</td>
<td>71.91</td>
<td>190517.67</td>
<td>76308.33</td>
<td>40.88</td>
</tr>
<tr>
<td>2013-14</td>
<td>284834.76</td>
<td>129987.34</td>
<td>45.64</td>
<td>222923.18</td>
<td>156800.54</td>
<td>70.34</td>
<td>214935.24</td>
<td>96490.52</td>
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</tr>
<tr>
<td>2014-15</td>
<td>322536.20</td>
<td>162320.15</td>
<td>50.33</td>
<td>262445.03</td>
<td>162145.18</td>
<td>61.78</td>
<td>247714.54</td>
<td>111766.21</td>
<td>45.12</td>
</tr>
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</table>

### REFERENCES
