

CHAPTER - III

RESOURCE MOBILISATION OF RRBS IN WEST BENGAL

3.1. Introduction

The most important segment of the financial sector is the development of the banking which is an important indicator of the development of a region. The development of financial sector as well as the development of banking indicates the improvement in real output and employment in a region. Specially, it is true in India where the development of financial institutions including commercial banks, has been used by the state, both at national and regional level, as an instrument of balanced economic development of regions, functional diversification of banking business as per plan priorities and as instrument of social change reserving a part of financial resources which is socially neglected. This chapter intends to portray a clear picture of resource mobilization of all RRBs of West Bengal.

The financial resources of the Regional Rural Banks may be divided into two categories, viz., Owned Fund and Procured Fund. Owned fund consists share capital, share capital deposit and reserve fund; on the other hand, procured fund consists deposits and borrowings and refinance. These are the most important indicators among the major performance indicators of RRBs in our country.

3.2 Share Capital

The share capital provides to RRBs cost free fund which acts as a caution in their operations and helps them in achieving viability. The Central Govt. may increase or reduce such authorized capital in consultation with RBI and the sponsoring bank. According to RRB Act, 1976, each RRB is envisaged to have Rs. 100 lakhs by way of authorized capital but the paid up capital is fixed at Rs. 25 lakhs. It is raised to Rs. 50 lakhs during 1986 in terms of section 6(3) of the RRB Act, 1976 and further increased to Rs. 75 lakhs in 1993. Out of total paid up capital 50% is subscribed by the Govt. of India, 15% by the concerned State Govt. and rest 35% by the Sponsor Bank.

As on 31 March 1999 (Table 3.1), in all over India the amount of share capital of RRbs was Rs. 19557.50 lakhs which increased to Rs. 19566.25 lakhs at

the end of March, 2000. On the other hand, in West Bengal for all RRBs the amount of share capital was Rs. 892.50 lakhs as on 31 March 1999 and it was remained same in the next year (RBI Bulletin, 1999-2000).

3.3 Share Capital Deposit

Under the recapitalisation programme RRBs are being provided with additional equity by the stockholders to make them financially strong. The amount of recapitalisation assistance provided for selected RRBs was required to be kept under a separate account called "Share Capital Deposit". The amounts received for recapitalisation by 86 out of 138 RRBs selected for revamping as at the end of March 1997, aggregated Rs. 64793 lakhs. As on 31 March 1998, as against the total sanctioned additional capital of Rs. 154714 lakhs for 151 RRBs, out of which Rs. 110092 lakhs had been received by 136 RRBs. Share capital deposit increased from Rs. 145407.55 lakhs in 1999 to Rs. 198461.92 lakhs in 2000, indicating 1.36 folds growth over the previous year (Table 3.1) in the country. While in West Bengal, the share capital deposit of selected RRBs increased from Rs. 6944.12 lakhs to Rs. 13002.46 lakhs, exhibiting 1.87 folds growth during that period. Upto March 2000, all RRBs of West Bengal except two RRBs (Murshidabad Gramin Bank and Gour Gramin Bank) has been selected for additional capital, i.e., share capital deposit. Together with share capital and share capital deposit of RRBs at the national level increased from Rs. 164965.05 lakhs as on 31 March 1999 to Rs. 218028.17 lakhs as on 31 March 2000, showing 1.32 folds growth over the previous year. On the other hand, at the state level these resources increased from Rs. 7836.62 lakhs to Rs. 13894.96 lakhs, indicating 1.77 folds growth during the same time. The RRB's resources mainly consist of deposits and borrowings and hence, the share capital and share capital deposit form insignificant part of the total resources, as shown in the Table 3.1.

3.4 Reserve Fund

Reserve fund is the another source of RRB's owned fund which depends on the adequacy of the net profit earned by the RRBs. The RRB Act does not make any provision for such a fund. The reserve of RRBs in India was Rs. 54230.98 lakhs at the end of March 2000, recorded a growth of 59.9%. But, on the other side, in West

Bengal the reserve of RRBs increased from Rs. 39.82 lakhs to Rs. 69.41 lakhs during the same period, recorded a growth of 74.3% which was greater than the growth rate at the all India level. (Table 3.1) Like share capital and share capital deposit the reserve fund also registered quite an insignificant part of the total resources to compare with deposits and borrowings.

Table 3.1 : Share Capital, Share Capital Deposit and Reserve Fund of RRBs in West Bengal and India (1998-1999 to 1999-2000).

(Rs. in lakhs)

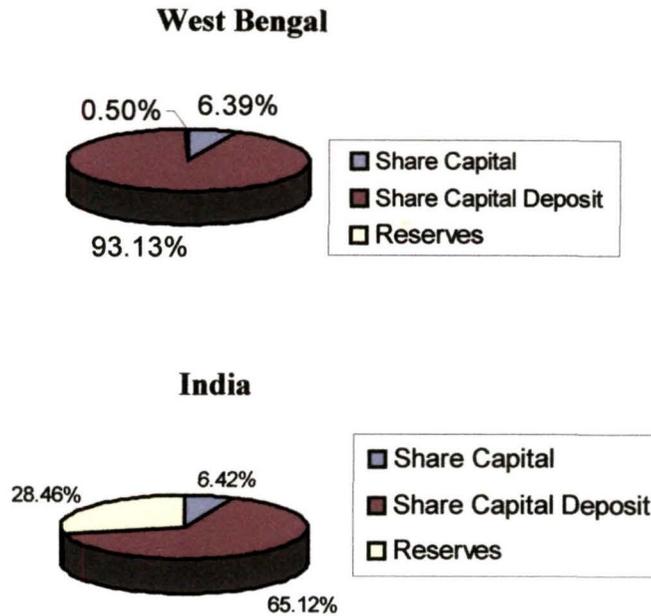
Owned Fund	West Bengal		India	
	1998- 99	1999-2000	1998-99	1999-2000
Share Capital	892.50	892.50 (0.00)	19557.50	19566.25 (0.04)
Share Capital Deposit	6944.12	13002.46 (87.2)	145407.55	198461.92 (36.5)
Reserves	39.82	69.41 (74.3)	54230.98	86717.31 (59.9)
Total :	7876.44	13964.37 (77.29)	219196.03	304745.48 (39.03)

Source : Statistical Table Relating to Banks in India, RBI Bulletin, p.1, 86.

Note: Figures in brackets are percentages of growth over the previous year.

As on 31 March, 2001, the total amount of owned fund of all RRBs in all over India was Rs. 348027 lakhs as against Rs. 304745 lakhs in the previous year, recorded a growth of 14.2% which was lower than previous year's growth rate (39.03). On the other hand, the total owned fund of RRBs of the State of West Bengal was Rs. 14905 lakhs as on 31 March 2001, as against Rs. 13964 lakhs in the previous year, recorded a growth of 6.7% which was lower than previous year's growth rate (77.29). As on 31 March 2001 the owned fund of RRBs in West Bengal was only 4% of total owned fund of all RRBs at the national level, whereas, for the state of Uttar Pradesh, Andhra Pradesh and Karnataka were 28%, 9% and 9% respectively.

Fig.3.1 : Component of Own Fund of RRBs in West Bengal and India (1999-2000)



3.5 Deposits

3.5.1 Growth of Deposits

A vital activity for banking institution is the mobilization of deposits which determines its working and viability to a great extent and also it is the most important source of the banks for enlarging their resources. Deposits mobilized by the RRBs play a key role not only as an important source of fund for the banks but also acts as an instruments for promoting savings and banking habits among the rural people. The resources of any bank largely depend on the quantum of deposits, it is able to mobilize from different sources. Hence, the RRBs have to strive very hard for the mobilization of the deposits. They have even to make special efforts for this purpose. The loans and advances and profit of bank are significantly related to its deposits. Thus, deposits have a great significance not only for the RRBs, but also for the development of rural economy. However, in order to help the RRBs effectively and enable them to compete with other banks, they have been permitted to quote half a per cent more interest on deposits.

Mobilisation of deposits is one of the major task of the RRBs. It depends upon the saving capacity, saving habit of the people and the area in which the bank is operating. It also depends on the potential of the area concerned and the business policy of the Reserve Bank of India (RBI). They have performed well in respect of deposit mobilization. There has been a continuous increase in the deposit accounts as well as the amount of total deposits of RRBs in India and simultaneously in West Bengal.

As on 31 March 1997, total deposits mobilized by RRBs in the country stood at Rs. 1803201 lakhs as against the previous year's level of Rs. 1418790 lakhs achieving a growth of 27.1%. While in West Bengal the total deposits mobilized by RRBs in 1997 stood at Rs. 126752 lakhs as against the previous year's level of Rs. 97076 lakhs achieving a growth of 30.6% which was greater than the growth level in the country (Table 3.2)

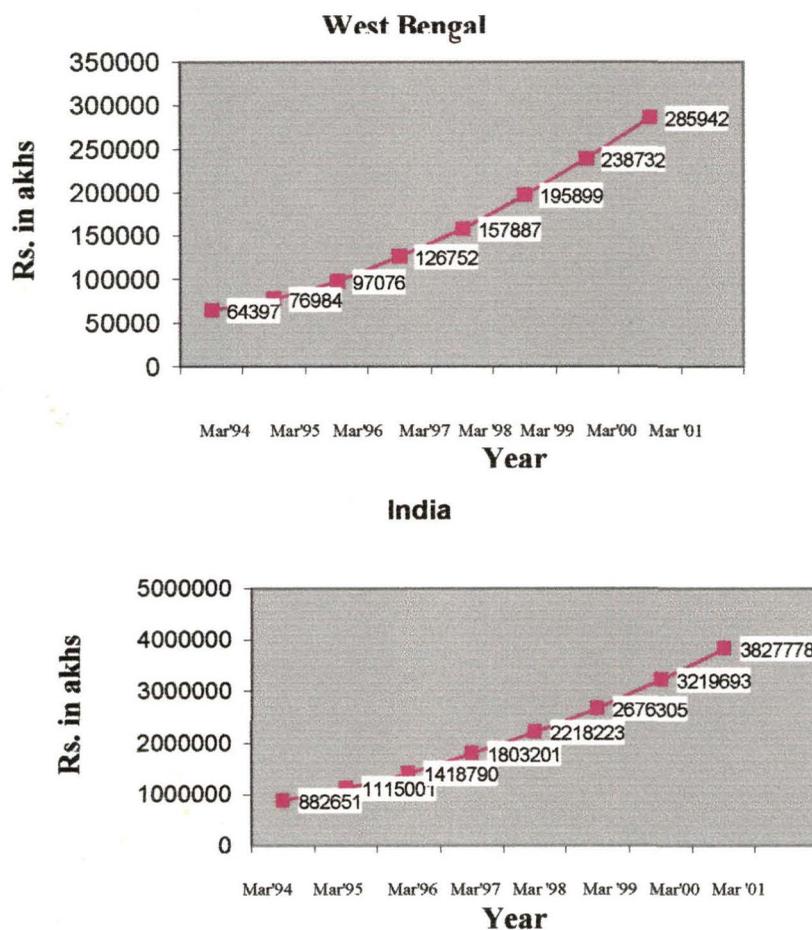
Table 3.2 : Growth of Deposits of RRBs in West Bengal and India
(Rs. in lakhs)

Year	West Bengal		India	
	Total Deposits	Growth*	Total Deposits	Growth*
Dec.1985	8503	46.3	128582	34.0
Mar.1990	30890	32.0	415052	33.1
Mar. 1991	36440	18.0	498924	20.2
Mar.1992	43776	20.1	586783	17.6
Mar.1993	51053	16.6	693813	18.2
Mar.1994	64397	26.1	882651	27.2
Mar. 1995	76984	19.6	1115001	26.3
Mar.1996	97076	26.1	1418790	27.2
Mar.1997	126752	30.6	1803201	27.0
Mar.1998	157887	24.6	2218223	23.0
Mar.1999	195899	24.1	2676305	20.7
Mar.2000	238732	21.9	3219693	20.3
Mar. 2001	285942	19.8	3827778	18.9

Source : Computed from data based on Statistics on RRBs and key statistics in RRBs (various years), NABARD.

Note : * Growth of deposits computed over the previous year.

Fig. 3.2 : Growth of Deposits of RRBs in West Bengal and India (1994-2001)



It is true for all types of banks that the growth of deposits is directly a function of the amount of credit extended by banks in the form of loans and advances and investment. Actually, the level of deposits increases with the spread of banking habits, personal savings, branch expansion, growth of economic activities, competition, marketing strategy, customer service and the rate of interest on deposits. But in our study the effect of all these factors are not considered separately in detail due to non-availability of required data and information. In this study information is collected by personal interview with the bank-staff and with the beneficiary and on the basis of the statistics on bank data. The performance of the

RRBs in West Bengal in the mobilization of deposits is judged with other banks of some different states and particularly with the national level average.

The Table 3.2 shows that there has been a continuous growth in the mobilization of deposits of RRBs in West Bengal and India all over the years. As on December 1985, the total deposits of RRBs in the country was Rs. 128582 lakhs, recorded a growth of 346.0% and for RRBs of West Bengal was Rs. 8503 lakhs, registered a growth of 46.3%. But it increased from Rs. 415052 lakhs in 1990 to Rs. 1115001 lakhs in 1995, Rs. 3219693 lakhs in 2000 and Rs. 3827778 lakhs in 2001, recorded growth of 33.1%, 26.3%, 20.3% and 18.9% for respective years in India. While in West Bengal, the total deposits of RRBs were Rs. 30890 lakhs, Rs. 76984 lakhs, Rs. 238732 lakhs and Rs. 285942 lakhs for the years 1990, 1995, 2000 and 2001, registered growth of 32.0%, 19.6%, 21.9% and 19.8 for respective years. Together, in West Bengal and in India the deposits increased almost at a constant growth rate, but the average growth rate in West Bengal was always greater than the national level average growth rate. Financial assets like bank deposits have now come to be an important form of saving in rural areas. These banks are, however, yet to mobilize a significant share of the rural savings.

3.5.2 Per RRB and Per Branch – Deposit

Per RRB deposit and per branch deposit are two of the major 'financial variables'¹ (Hosamani, 2002) to assess the performance of RRBs. Deposits of RRBs in India as well as in West Bengal increased not only in terms of the aggregate but also in terms of per RRB and per branch. At the level of all India the deposits made per RRB increased from Rs. 683.95 lakhs in 1985 to Rs. 2117.61 lakhs in 1990, Rs. 5688.78 lakhs in 1995 and Rs. 16427.01 lakhs in 2000 which is indicating an increase of more than 24 times during that period (1985-2000). On the other side, in the state of West Bengal the aggregate deposits made per RRB increased from Rs. 944.78 lakhs in 1985 to Rs. 3432.22 lakhs in 1990, Rs. 8553.78 lakhs in 1995 and Rs. 26525.78 lakhs in 2000, showing an increase of more than 28 folds during that period (1985-2000) which was also more than the national level (Table 2.3). Beside this, the average deposits per branch in the country also continuously increased from Rs. 10.2 lakhs in 1985 to Rs. 28.7 lakhs in 1990, Rs. 76.8 lakhs in 1995 and Rs. 221.8 lakhs in 2000, i.e., the average deposits per branch increased more than 21 folds between 1985 and 2000 and in state of West Bengal these figures were Rs. 36.3 lakhs in 1990, Rs. 89.1 lakhs in 1995, and Rs. 274.4 lakhs in 2000, registered a

growth of more than 7 times between 1990 and 2000. It could be seen that at every year upto the year of 2000 the average deposits per branch in West Bengal was greater than the national level.

As on 31 March 2001, the average per RRB deposits and per branch deposits were Rs.19529.48 lakhs and Rs. 267.5 lakhs respectively, registered growth over previous year of 18.89% for former and 20.60% for latter indicator. At the same time, in West Bengal per RRB deposits and per branch deposits were Rs. 31771.33 lakhs

Table 3.3 : Per RRB Deposits and Per Branch Deposits or RRBs in West Bengal and India.

Year	West Bengal		India	
	Per RRB Deposits	Per Branch Deposits	Per RRB Deposits	Per Branch Deposits
Dec. 1985	944.78	NA	683.95	10.2
Mar. 1990	3432.22	36.3	2117.61	28.7
Mar.1991	4048.89	42.2	2545.53	34.3
Mar. 1992	4864.00	50.7	2993.79	40.4
Mar. 1993	5672.56	59.1	3539.86	47.7
Mar.1994	7155.22	74.5	4503.32	60.7
Mar. 1995	8553.78	89.1	5688.78	76.8
Mar.1996	10786.22	112.4	7238.72	97.9
Mar 1997	14083.56	146.7	9200.01	124.7
Mar 1998	17543.00	182.7	11317.46	153.4
Mar.1999	21766.56	226.7	13654.62	184.9
Mar.2000	26525.78	274.4	16427.01	221.8
Mar.2001	31771.33	328.3	19529.48	267.5

Source : Computed from data based on Annual Reports and Statistics on RRBs (for various years), NABARD.

Note : 'NA' indicates Not Available.

and Rs. 328.3 lakhs respectively, and recorded growth of 19.78% over previous year for per RRB deposits and 19.64% for per branch deposits. However, upto 31 March 2001 the amount of RRB deposits and also per branch deposit in West Bengal were greater than the national level.

3.5.3 Types of Deposits

Deposits are mainly classified into three different types of accounts, viz., Current Deposit Account, Savings Deosit Account, and Term or Fixed Deposit Account. Beside these, Recurring Deposit account is another type of Bank deposits. Out of them, Current Deposits are the cheapest source of fund to the bank, but they require a high amount of liquidity. These types of deposits are generally operated by the business class. The Savings Deposits are meant to encourage the saving habits of the people and so a nominal interest is paid on such deposits. These deposit can be encouraged by opening branches in different parts of the country. But Fixed or Term Deposits are more costly for the banks because the highest rate of interest is paid on them. The only advantage to the bank on such deposits is that they can lend such funds for long terms. The Term or Fixed Deposits are highly influenced by the rate of interest. However, Savings and Fixed Deposits are more popular with the rural clientele as compared with the Current and Recurring Deposits.

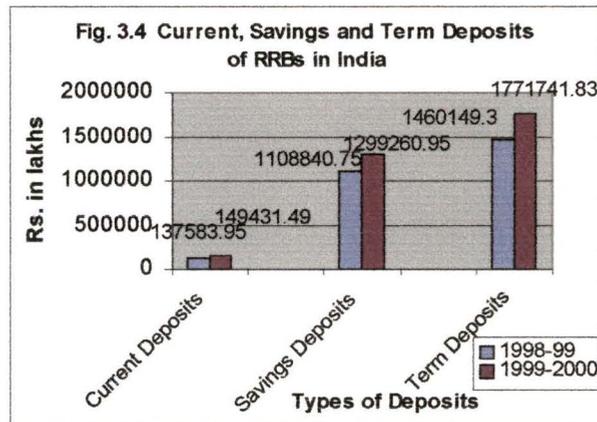
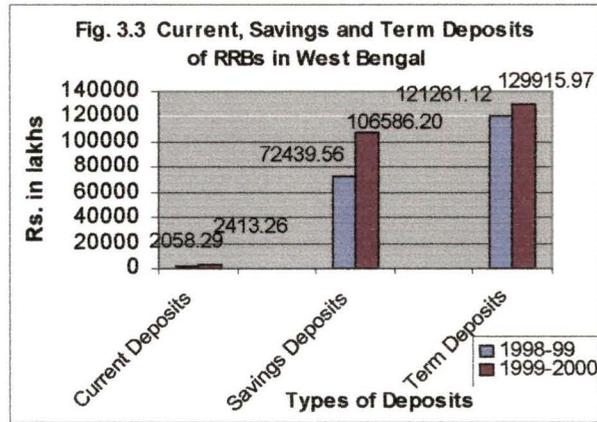
Table 3.4 : Current , Savings and Term Deposits of RRBs in West Bengal and India.
(Rs. in lakhs)

Types of Deposits	West Bengal		India	
	1998-99	1999-2000	1998-99	1999-2000
Current Deposits	2058.29	2413.26 (17.2)	137583.95	149431.49 (8.6)
Savings Deposits	72439.56	106586.20 (47.1)	1108840.75	1299260.95 (17.2)
Term Deposits	121261.12	129915.97 (7.1)	1460149.30	1771741.83 (21.3)
Total	195758.97	238915.4 (22.05)	2706574.00	3220434.27 (18.99)

Source : Statistical Tables Relating to Banks in India, RBI Bulletin (1999-2000), p.1; 86.

Note : Figures in brackets are percentage of growth over the previous year.

At the end of March, 2000 (Table 3.4) amount of the total deposits of RRBs in the country was Rs. 3220434.27 lakhs, of which the amount of Current Deposits was Rs. 149431.49 lakhs, Savings Deposits was Rs.1299260.95 lakhs and Term Deposits was Rs. 1771741.83 lakhs as against Rs. 137583.95 lakhs, Rs. 1108840.75 lakhs and Rs. 1460149.30 lakhs of the previous year for respective type of deposits.



Over the previous year the growth rates of these three types of deposits were 8.6%, 17.2% and 21.3% respectively in the country. On the other hand, in the State of West Bengal as on 31 March 2000 the total deposits was Rs.238915.43 lakhs, of which the Current, Savings and Term Deposits were Rs.2413.26 lakhs, Rs.106586.20 lakhs and Rs. 129915.97 lakhs respectively as against Rs. 2058.29 lakhs, Rs. 72439.56 lakhs and Rs. 121261.61 lakhs of the previous year. Regarding these three types of deposits the growth rates over the previous year were 17.2%, 47.1% and 7.1% respectively. The growth of Savings Deposits was very high than the other two types of deposits as shown in the above Table 3.4.

3.6 Borrowings and Refinance

For the RRBs borrowings and refinance are another important source of finance in view of their small capital base and reserve funds and also inadequate

deposit mobilization. The borrowings and refinance are obtained by RRBs from the financial institution like RBI, NABARD, IDBI and sponsor Bank.

The lions' share of borrowings of RRBs in the country had come from NABARD. For example at the end of March 2000, the aggregate borrowings of RRBs stood at Rs. 375675.05 lakhs (Table 3.5), out of which above 8.3% (i.e., Rs. 312841.75 lakhs) came from NABARD. This in turn accounted for 25% of the total loans and advances outstanding with them. NABARD provides extensive refinance facilities to RRBs for various purposes as follows (ECRC Report, 2001) :

- (i) Investment credit, at interest rates charged to co-operative banks².
- (ii) Limits for short-term credit for seasonal agricultural operations including special limits for Scheduled Tribes – development and oilseeds production programme.
- (iii) Short-term refinance limits for purposes other than seasonal agricultural operations and medium term refinance limits for approved agricultural purposes. Terms and conditions of these limits are broadly the same as those for the short-term structure of co-operative banks.

Total borrowings by all the 196 RRBs in the country stood at Rs. 2958.09 crores as on 31 March 1997 as against Rs. 2599.61 crores for the previous year (Table 3.6). The share of borrowings to the total loans and advances outstanding worked out to 33.9% as on 31 March 1997. The outstanding refinance from NABARD increased from Rs. 2066.81 crores in 1995-96 to Rs. 2456.97 crores in 1996-97, registering a growth of 18.9%. However, refinance availed from the sponsor banks had only marginally increased from Rs. 439.07 crores to Rs. 473.14 crores during that period. While in West Bengal the total borrowings by all the 9 RRBs stood at Rs. 119.46 crores as on 31 March 1997 as against Rs. 107.30 crores for the previous year (Table 3.6). The outstanding refinance from NABARD increased from Rs. 92.85 crores in 1995-96 to Rs. 117.70 crores in 1996-97, registering a growth of 26.8% and refinance availed from the sponsor bank had decreased from Rs. 3.25 crores to Rs. 1.61 crores during that period.

For the purpose of borrowing facilities, the Government of India has fixed the following formula (Source, 1998) :

- (i) Deposit mobilization by the RRBs - 15%

- (ii) Borrowings from the sponsoring Banks - 35%
- (iii) Refinance from the RBI (now NABARD) - 50%.

In order to supplement the limited resources of the RRBs, NABARD extended assistance in the form of refinance to them. Of the total term loan refinance assistance provided by NABARD during 1996-97, the RRBs accounted for a share of Rs. 654 crores (19%) registering a growth of 33% over previous year in availing of refinance. RRBs continued to concentrate on IRDP lending which accounted for 43% of their refinance availability followed by Non Farm Sector (NFS) and Farm Mechanisation (FM) for 24% and 19% respectively (Review of Working of RRBs, NABARD, 1997).

Table 3.5 : Borrowings by RRBs from Different Sources in West Bengal and India (1998-99 to 1999-2000)

Borrowings from	(Rs. in lakhs)			
	West Bengal		India	
	1998-99	1999-2000	1998-99	1999-2000
NABARD	12258.53	12184.59 (- 0.6)	308186.72	312841.75 (1.5)
Sponsor Banks	481.98	549.51 (14.0)	53387.73	60991.10 (14.2)
Others	20.90	14.98 (-28.3)	2379.82	1842.20 (-22.6)
Total	12761.41	12749.08 (-0.10)	363954.27	375675.05 (3.22)

Source : Statistical Tables Relating to banks in India (1999-2000) RBI Bulletin, P-1, 86.

Note : Figures in brackets are percentage of growth over previous year.

Table 3.5 shows that the aggregate borrowings of all RRBs in our country increased from Rs. 363954.27 lakhs at the end of March of 1999 to Rs. 375675.05 lakhs as on 31 March 2000, of which the amount from NABARD was Rs.312841.75 lakhs, from sponsor banks was Rs. 60991.10 lakhs and from other sources was Rs. 1842.20 lakhs. During the same time the growth of total borrowings in the country was 3.22% only. While in the State of West Bengal the aggregate borrowings of RRBs declined from Rs. 12761.41 in 1999 to Rs. 12749.08 lakhs in 2000, registered a negative growth of almost 0.10%. At the end of March of 2000, out of total borrowings of all RRBs in West Bengal got Rs. 12184.59 lakhs from

NABARD, Rs. 549.51 lakhs from sponsoring bank and only Rs. 14.98 lakhs from other sources. At that period the total amount of borrowings from NABARD and other sources declined, but from sponsoring bank increased over the previous year.

Table 3.6 : The Amount of Total Borrowings by RRBs and its Growth over the Previous year in West Bengal and India.

(Rs. in lakh)

Year	West Bengal		India	
	Total amount of Borrowings	Growth* (%)	Total amount of Borrowings	Growth*(%)
Mar. 1994	8038.59	-4.28	NA	NA
Mar. 1995	9531.84	18.58	NA	NA
Mar. 1996	10729.55	12.57	259961.00	NA
Mar. 1997	11945.56	11.33	295809.00	13.79
Mar. 1998	12587.98	5.38	323762.18	9.45
Mar. 1999	12761.41	1.38	359832.58	11.14
Mar. 2000	12749.08	-0.10	375322.32	4.30
Mar 2001	11758.00	-7.77	406026.00	8.18

Source : Computed from data based on Statistical Tables Relating to the Banks in India (1999-2000), RBI Bulletin, Statistics on RRBs (Different Issues), NABARD.

Notes : *Growth of Borrowings over Previous year
 '-' implies negative growth.
 NA - Not Available.

3.7 RRB-wise Financial Resources in West Bengal

In the State of West Bengal all the RRBs under the purview of this study viz., Gour Gramin Bank (GGB), Mallabhum Gramin Bank (Mal. GB), Mayurakshi, Gramin Bank (Mayu. GB), Uttar Banga kshetriya Gramin Bank (UBKGB), Nadia Gramin Bank (NGB), Sagar Gramin Bank (SGB), Bardhaman Gramin Bank (BGB), Howrah Gramin Bank (HGB) and Murshidbad Gramin Bank (MGB) have an authorized capital of Rs. 1 crore and the issued, subscribed and paid-up capital of Rs. 25 lakhs which is subscribed as follows :

Rs. 12.50 lakh (50%) by the Central Government , Rs. 3.75 lakhs (15%) by the State Government and Rs. 8.75 lakhs (35%) by the Sponsor Bank in each RRB.

However, the Central Government may increase or decrease such authorized capital in consultation with RBI and sponsor Bank subject to the minimum of Rs. 25 lakhs (Geneva, 1998).

Among the different types of financial resources the share capital and reserve fund add up to a small fraction of the total deposits and borrowings. So, the share capital and reserve fund form an insignificant part of the total resources and hence, the RRBs' resources mainly consist of deposits and borrowings. In this connection the amount of total deposits, per branch deposits and borrowings are the most important financial indicators to assess the performance of the RRBs.

Table 3.7 : Growth of Deposits, per Branch Deposits and Borrowings of GGB.

(Rs. in lakhs)

Year	Amt. of Total Deposits	Amt. of Per Branch Deposits	Amt. of total Borrowings
Mar. 1994	9280.00 (24.07)	64.90 (24.07)	1933.78 -(15.10)
Mar. 1995	11412.00 (22.96)	79.80 (22.96)	2313.82 (19.65)
Mar. 1996	15108.00 (32.39)	105.65 (32.39)	2549.00 (10.16)
Mar. 1997	19457.00 (28.74)	136.06 (28.74)	2579.00 (1.18)
Mar. 1998	26264.91 (24.71)	169.68 (24.71)	2372.83 -(7.99)
Mar. 1999	28274.25 (16.53)	197.72 (16.53)	2482.26 (4.61)
Mar. 2000	34070.41 (20.50)	230.21 (16.43)	2662.39 (7.26)
Mar. 2001	42007.00 (23.29)	283.83 (23.29)	2683.00 (0.77)

Source : Computed from data based on Annual Reports and Statistics on RRBs (for various years), NABARD.

Notes : Figures in brackets are percentage of growth over the previous year.
— implies negative growth.

3.7.1 Gour Gramin Bank (GGB)

A study of financial resources of GGB over a period of eight years (from 1994 to 2001) is given in Table 3.7 which reveals the following :

The total deposits of GGB stood at Rs. 9280.00 lakhs in 1994, increased to Rs. 42007.00 lakhs in 2001, showing a continuous rising trend, indicated almost 4.53 folds growth during the period from 1994 to 2001. The highest growth rate of deposits over the previous year was recorded in 1996 (32.39%) and it was the lowest in 1999 (16.5%) during the same eight-year period. Tough, in respect of number of total branches of a RRB second³ position had been occupied by GGB in the State of West Bengal as on 31 March 2001, but according to total deposits the position of the bank was third, indicating the poor condition of mobilization of deposits with respect to the average condition in the State.

Table 3.7 shows that the amount of per branch deposits of GGB rose from Rs. 64.90 lakhs in 1994 to Rs. 283.83 lakhs in 2001, showing a continuous rising trend. But per branch deposits of GGB was always lower than the average per branch deposits of RRBs in West Bengal during the period from 1994 to 2001. the average per branch deposits of all RRBs in the state increased from Rs. 74.50 lakhs in 1994 to Rs. 328.3 lakhs in 2001 (Table 3.3) . On the other hand, the growth of per branch deposits of GGB (about 4.37 folds) was also lower thana the state level (about 4.41 folds) during that period from 1994 to 2001.

The total borrowings of GGB which stood at Rs. 1933.78 lakhs in 1994, moved up to Rs. 2683.00 lakhs in 2001 which was more than two folds of the average per RRB borrowings in West Bengal. As on 31 March 2001, the share of GGB to the total borrowing of all RRBs in the state was 22.82%. It could be found that the share of GGB to the total borrowings in the state was greater than the share to the total deposits at the state level which indicated the unsatisfactory performance of the bank.

3.7.2 Mallabhum Gramin Bank (Mal.GB)

During the period from 1994 to 2001 the information regarding the financial resources raised by Mal.GB which is presented in Table 3.8. The table shows the following :

The amount of the total deposits of Mal.GB increased from Rs. 15224.31 lakhs in 1994 to Rs. 60532.00 lakhs in 2001, indicating a continuous rising trend, had shown about 3.98 folds growth during the period from 1994 to 2001.

Table 3.8 : Total Deposit, Per Branch Deposits and Total Borrowings of Mal.GB.

(Rs. in lakhs)			
Year	Amount of Total Deposits	Amt. of Per Branch Deposits	Amount of Total Borrowings
Mar. 1994	15224.31 (25.64)	86.50 (25.64)	1467.46 -(6.92)
Mar. 1005	17588.21 (15.53)	99.93 (15.53)	1774.88 (20.75)
Mar. 1996	21498.00 (22.24)	122.15 (22.24)	1836.00 (3.44)
Mar. 1997	27694.00 (28.82)	157.35 (28.82)	2195.00 (19.55)
Mar. 1998	33982.96 (22.71)	193.09 (22.71)	2107.53 -(3.99)
Mar. 1999	42455.86 (24.93)	241.23 (24.93)	2158.37 (2.41)
Mar. 2000	51185.76 (20.56)	290.83 (20.56)	2209.52 (2.37)
Mar. 2001	60532.00 (18.26)	343.93 (18.26)	1448.00 -(66.85)

Source : Computed from data based on Annual Reports and Statistics on RRBs (for various years) NABARD.

Note : Figures in brackets are percentage of growth over the previous year.

- Indicates negative growth.

For Mal.GB the growth of deposits over previous years was the highest in 1997 (28.82%) and the lowest in 1995 during that period between 1994 and 2001. The share of total deposits to the state level for Mal.GB was the highest (21.17%), followed by SGB (15.92%) and GGB (14.69%). It was also noted that among the nine RRBs in West Bengal Mal. GB included the highest number of branches.

Table 3.8 shows that the amount of per branch deposits of Mal. GB was Rs. 86.50 lakhs in 1994, increased to Rs. 343.93 lakhs in 2001. During the period between 1994 and 2001, in every year the per branch deposits of Mal.GB was

greater than the average per branch deposits of RRBs in the state (Table 3.3), it was also greater than the average per branch deposits at the national level, but the growth of per branch deposits of Mal.GB (3.98 folds) was lower than the state level (4.41 folds) and the national level (4.41 folds)⁴ also during that period from 1994 to 2001 (Table 3.3)

Table 3.9 : Aggregate Deposits, Per Branch Deposits and Aggregate Borrowings of Mayu.GB.

(Rs. in lakhs)

Year	Amt. of Aggregate Deposits	Per Branch Deposits	Amt. of Aggregate Borrowings
Mar. 1994	5060.39 (36.55)	77.85 (36.55)	510.97 -(9.25)
Mar. 1995	6337.22 (25.24)	97.50 (25.24)	798.33 (56.24)
Mar. 1996	7771.57 (22.63)	119.56 (22.63)	1000.00 (25.26)
Mar. 1997	10502.79 (35.15)	161.58 (35.15)	1110.45 (11.05)
Mar. 1998	13328.48 (26.90)	205.05 (26.90)	1159.75 (4.44)
Mar. 1999	16052.06 (20.42)	246.96 (20.42)	1068.60 -(7.86)
Mar. 2000	19393.68 (20.81)	298.36 (20.81)	915.48 -(14.33)
Mar. 2001	22861.00 (17.88)	351.71 (17.88)	876.00 -(4.31)

Source : Computed from data based on Annual Reports and Statistics on RRBs (for various years), NABARD.

Note : Figures in brackets are percentage of growth over the previous year.
 '-' indicates negative growth.

The amount of total borrowings of Mal.GB rose from Rs. 1467.46 lakhs in 1994 to Rs. 2209.5 lakhs in 2000, but we had seen the great fall in the next year (2001) which stood at Rs. 1448.00 lakhs, recoded a negative growth of 66.85% over the previous year, it indicated the satisfactory performance of the bank. During the period from 1994 to 2001 the share of Mal.GB to the total borrowings of all RRBs in

the state was about 12.32% only which was lower than the share of deposits (21.17%) at the state level indicated a better side of the bank.

3.7.3) Mayurakshi Gramin Bank (Mayu. GB)

The information regarding the financial resources raised during the period from 1994 to 2001 by Mayu. GB is presented in Table 3.9 which reveals the following :

The aggregate deposits of Mayu.GB which stood at Rs. 5060.39 lakhs in 1994, increased to Rs. 22861.00 lakhs in 2001, indicating a continuous increasing trend and had shown nearly 4.52 folds growth during the period from 1994 to 2001.

The growth of deposits of Mayu.GB over previous year which was the highest in 1994 (36.55%) followed by the year of 1997 (35.15%), while it was the lowest in 2001 (17.88%) during the period from 1994 to 2001. The share of Mayu. GB to the total deposits of all RRBs in the state was almost 8% as on March 31, 2001.

The amount of per branch deposits of Mayu. GB was Rs. 77.85 lakhs in 1994, rose to Rs. 351.71 lakhs in 2001 (Table 3.9), showing a continuous rising trend during the period from 1994 to 2001, recorded a growth of about 4.52 times. Per branch deposits of Mayu.GB was greater than the average per branch deposits of RRBs in the state in every year during that period.

The aggregate borrowings of Mayu.GB which stood at Rs. 510.97 lakhs in 1994, increased to Rs. 876.00 lakhs in 2001 which was lower than the average per RRB borrowings in the state. The highest amount of borrowings of Mayu.GB was in the year 1998 and the lowest was in 1994 during the period from 1994 to 2001. The share of Mayu.GB to the total borrowings in the state was 7.45% only as on 31 March 2001, but the share to the total deposits in the state was about 8.0% at the same time which was better for the bank. Table 3.9 also shows that the decreasing trend of borrowings of Mayu.GB in the last three years.

3.7.4) Uttar Banga Kshetriya Gramin Bank (UBKGB)

Table 3.10 shows that the information regarding the total deposits, per branch deposits and borrowing increased by UBKGB during the period between 1994 and 2001 which discloses the following :

Table 3.10 : Growth of Deposits, Per Branch Deposits and Borrowings of UBKGB.

(Rs. in lakhs)			
Year	Amt. of Aggregate Deposits	Amt. of Per Branch Deposits	Amt. of Total Borrowings
Mar. 1994	7506.90 (29.26)	67.63 (29.26)	840.94 (12.03)
Mar. 1995	8827.05 (17.58)	79.52 (17.58)	740.82 -(11.91)
Mar. 1996	10863.00 (23.08)	97.87 (23.08)	937.87 (26.60)
Mar. 1997	14376.65 (32.34)	129.52 (32.34)	1001.36 (6.77)
Mar. 1998	16937.18 (17.81)	152.59 (17.81)	1233.09 (23.14)
Mar. 1999	21572.91 (27.37)	194.35 (27.37)	1245.56 (1.01)
Mar. 2000	27600.00 (27.94)	246.43 (26.80)	1245.56 (0.00)
Mar. 2001	33550.00 (21.56)	296.90 (20.48)	839.00 -(32.64)

Source : Computed from data based on Annual Reports and Statistics on RRBs (for various years), NABARD.

Note : Figures in brackets are percentage of growth over the previous year.
- indicates negative growth.

The growth of deposits over previous year of UBKGB was the highest in 1997 (32.34%) and the lowest in 1995 (17.58%) during the period between 1994 and 2001. During 1994 to 1999 the growth of deposits of the bank and its per branch deposits were equal, but in 2000 and 2001 were not equal because the number of branch increased by one in every respective year. The share of UBKGB to the total deposits of RRBs in the state was above 11.73% as on 31 March, 2001.

Table 3.10 also shows that the per branch deposits of UBKGB was Rs. 67.63 lakhs in 1994, recorded a growth of 29.26% over the previous year. In 2001, the absolute amount of per branch deposits increased to Rs. 296.90 lakhs, but reduced its growth rate over previous year reduced to 20.48% during that period. From 1994 to 2001, in every year the per branch deposits of UBKGB was lower than the average per branch deposits of RRBs in the state (Table 3.3) and also the growth of per

branch deposits of UBKGB (4.39%) over that period (1994-2001) was lower than the average growth of per branch deposits of all RRBs in the state (4.41%).

Table 3.11 : Growth of Total Deposits, Per Branch Deposits and Borrowings of SGB.

(Rs. in lakhs)

Year	Amt. of Aggregate Deposits	Amt. of Per Branch Deposits	Amt. of Total Borrowings
Mar.1994	10168.39 (22.21)	88.42 (22.21)	1035.61 (11.03)
Mar.1995	11977.07 (17.79)	104.25 (17.79)	1068.64 (3.20)
Mar.1996	14437.64 (20.55)	125.54 (20.55)	1112.43 (4.10)
Mar. 1997	18639.97 (29.11)	162.09 (29.11)	1100.06 -(1.11)
Mar. 1998	24346.33 (30.61)	211.71 (30.61)	1120.20 (1.83)
Mar. 1999	29801.65 (22.40)	259.14 (22.40)	927.37 -(17.21)
Mar.2000	37258.66 (25.03)	323.99 (25.03)	994.44 (7.23)
Mar. 2001	45530.00 (22.20)	395.91 (220.20)	1325.00 (33.24)

Source : Computed from data based on Annual Reports and Statistics on RRBs (for various years), NABARD.

Note : Figures in brackets are percentage of growth over the previous year.
- indicates negative growth.

The amount of total borrowing of UBKGB rose from Rs. 840.94 lakhs in 1994 to Rs. 1245.56 lakhs in 2000 and it reduced to Rs. 839.00 lakh in 2001, the growth of borrowings over the previous year in 1995 and in 2001 were negative during the period from 1994 to 2001 and of 32.64%, indicated a satisfactory performance of the bank. As on 31 March 2001 the share of borrowings of UBKGB to the total borrowings of RRBs in the state was about 7.14% which was lower than the share of deposits (11.73%) to the state level.

3.7.5 Sagar Gramin Bank (SGB)

The information regarding the financial resources raised during the period from 1994 to 2001 by SGB is presented in Table 3.11, which shows the following:

The amount of total deposits of SGB which stood at Rs. 10168.39 lakhs as on 31 March 1994, increased to Rs. 45530.00 lakhs as on 31 Mar. 2001, showing a continuous rising trend, recorded about 4.48 folds growth during the period between 1994 and 2001. The growth of total amount of deposits was the highest in the year of 1998 (30.61%) followed by 1997 (29.11%) and on the other hand, it was the lowest in 1995 (17.79%) during that period from 1994 to 2001. As on 31 March, 2001 the growth of deposits of SGB was 22.20% as against 25.03% in the previous year. The share of SGB to the total deposits of all RRBs in the state was above 15.92% in 2001 which was the second highest in the state.

Similarly, Table 3.11 shows that the amount of per branch deposits of SGB rose from Rs. 88.42 lakhs in 1994 to Rs. 395.91 lakhs in 2001 which was significantly higher in every year during the period from 1994 to 2001 than the average per branch deposits of RRBs in the state. In 1994, the amount of per branch deposits of SGB was about 1.19 times of the average per branch deposits of all RRBs (Rs. 74.00 lakhs) in the state (Table 3.3) of the state level average per branch deposits. The growth of per branch deposits of SGB was higher than the state level too during that period between 1994 and 2001. For SGB it was about 4.48 folds while at the state level it was almost 4.41 folds.

The aggregate amount of borrowings of SGB which stood at Rs. 1035.61 lakhs in 1994, moved up to Rs. 1325.00 lakhs in 2001 (Table 3.11). The proportion of the borrowings of SGB to the total borrowings of RRBs in the state was above 12.88% in 1994, decreased to below 11.27% in 2001. In 1997 and 1999, the growth of borrowings of SGB was negative over the previous year. As on 31 March 2001, the growth of borrowings of SGB was above 33.24% as against 7.23% in the previous year (Table 3.11).

3.7.6 Bardhaman Gramin Bank (BGB)

The details regarding total deposits, per branch deposits and total borrowings raised during the period from 1994 to 2001 by BGB are presented in Table 3.12, which reveal the following :

Table 3.12 : The Growth of Deposits, Per Branch Deposits and Borrowings of BGB.

(Rs. in lakhs)

Year	The amt. of total Deposits	The amt. of total Per Branch Deposits	The amt. of total Borrowing
Mar. 1994	6717.44 (21.21)	74.64 (21.21)	687.94 -(28.11)
Mar. 1995	8211.19 (22.24)	91.24 (22.24)	915.49 (33.08)
Mar. 1996	10783.26 (31.33)	119.81 (31.33)	943.46 (3.06)
Mar. 1997	14679.99 (36.13)	163.31 (36.13)	1004.44 (6.46)
Mar. 1998	17175.55 (17.00)	190.84 (17.00)	1028.47 (2.39)
Mar. 1999	22281.95 (29.74)	247.58 (29.74)	989.30 -(3.81)
Mar. 2000	25309.36 (13.58)	281.22 (13.58)	1052.10 (6.35)
Mar. 2001	28873.00 (14.08)	320.81 (14.08)	1121.00 (6.55)

Source : Computed from data based on Annual Reports and Statistics on RRBs (for various years), NABARD.

Note : Figures in brackets are percentage of growth over the previous year.

'-' indicates negative growth.

The total deposits of the bank which stood at Rs. 6717.44 lakhs in 1994, moved up to Rs. 28873.00 lakhs in 2001, exhibiting almost 4.30 folds growth during the period from 1994 to 2001. The amount of deposits of BGB increased continuously in every year during that period and the growth of deposits over previous year which was the highest in 1997 (36.13%), followed by the year 1999 (29.74%). The growth of deposits of BGB as on 31 March 2001 was 14.08% only and at the same time the share of BGB to the total deposits of RRBs in the state was 10.10%. The proportion of deposits as a source to the total financial resources of the bank was so higher than the other sources.

Table 3.12 shows that the per branch deposits of BGB was Rs. 74.64 lakhs in 1994, rose to Rs. 320.81 lakhs in 2001, showing a continuous rising trend and

excepting the year 2001 but in every year during the period from 1994 to 2001 the per branch deposits of BGB was higher than the average per branch deposits of all RRBs in the state (Table 3.3). But the growth of per branch deposits of BGB (4.30 folds) was also lower than the average growth of per branch deposits of RRBs at the state level (4.41 folds). As on 31 March 2001 the per branch deposits of BGB was Rs. 320.81 lakhs which was lower than the average per branch deposits of RRBs in the state indicating lower productivity trend of the bank in comparison with some other RRBs in the state, such as HGB, Mayu. GB.

The amount of total borrowings of BGB increased from Rs. 687.94 lakhs in 1994 to Rs. 1121.00 lakhs in 2001, indicating 1.63 folds growth during the period between 1994 and 2001. Table 3.12 shows that the growth of borrowings of BGB was the highest in 1995 (33.08%) over the previous year during that period. At the same period in 1994 and 1999 the growth of borrowings was negative. The share of BGB to the total borrowings of all RRBs in the state was about 9.54% which was lower than the share to the total deposits of RRBs in the state (10.10%).

3.7.7 Howrah Gramin Bank (HGB)

The information regarding the financial resources raised during the period from 1994 to 2001 by HGB are presented in Table 3.13, which discloses the following:

The aggregate amount of deposits of HGB increased from Rs. 4633.95 lakhs in 1994 to Rs. 23297.00 lakhs in 2001, indicating a continuous rising trend and had shown 5.03 folds growth during the period from 1994 to 2001. As on 31 March 1997 the growth of deposits of HGB over the previous year was the highest followed by the year 1998 and it was the lowest in 2001 during the period from 1994 to 2001. The share of HGB to the total deposits of all RRBs in the state was 8.15% as on 31 March 2001 as against 8.24% in previous year indicating decreasing trend in comparison with some other RRBs in the state during the same time.

The total amount of per branch deposits of HGB (Table 3.13) rose from Rs. 78.54 lakhs in 1994 to Rs. 394.86 lakhs in 2001, showing the growth of per branch deposits 5.03 folds also during the period from 1994 to 2001 which was greater than the average growth of per branch deposits of all RRBs in the state (4.41 folds) during that period. As on 31 March, 2001 the growth of per branch deposits of HGB was 18.47% over the previous year as against 22.78% as on 31 March, 2000,

indicating decreasing trend in comparison with all before years during the eriod from 1994 to 2001.

Table 3.13 : Growth of Deposits, per Branch Deposits and Borrowings of HGB.

Year	(Rs. in lakh)		
	Amt. of the Total Deposits	Amt. of the Per Branch Deposits	Amt. of the total Borrowings
Mar. 1994	4633.95 (25.86)	78.54 (25.86)	431.58 (18.65)
Mar. 1995	5610.52 (21.07)	95.09 (21.07)	514.72 (19.26)
Mar. 1996	7154.00 (27.51)	121.25 (27.51)	506.00 (-1.69)
Mar. 1997	9727.00 (35.97)	164.86 (35.97)	573.00 (13.24)
Mar. 1998	12675.90 (30.32)	214.85 (30.32)	754.36 (31.65)
Mar. 1999	16017.00 (26.35)	271.47 (26.35)	920.73 (22.05)
Mar. 2000	19665.09 (22.78)	333.31 (22.78)	1029.63 (11.83)
Mar. 2001	23297.00 (18.47)	394.86 (18.47)	1170.00 (13.63)

Source : Computed from data based on Annual Reports and Statistics on RRBs (for various years), NABARD.

Note : Figures in brackets are percentage of growth over the previous year.

'-' indicates negative growth.

Table 3.13 shows that the total amount of borrowings of HGB which stood at Rs. 431.58 lakhs in 1994, moved up to Rs. 1170.00 lakhs in 2001, exhibiting above 2.71 folds growth during the period between 1994 and 2001. Excepting the year of 1996, in every year the growth of borrowing over previous year was positive during that period, of which in 1998 the growth was the highest (31.65%). In 1996 the growth of borrowings of HGB over previous year was negative (1.69%). As on 31 March 2001, the growth of borrowing was 13.63% over the previous year and the share of HGB to the total borrowings of all RRBs in West Bengal was 9.95%.

3.7.8 Nadia Gramin Bank (NGB)

The details regarding the total deposits, per branch deposits and borrowings as the financial resources raised during the period from 1994 to 2001 by NGB are presented in Table 3.14, which reveal the following :

The amount of total deposits of NGB which stood at Rs. 3868.23 lakhs in 1994, increased to Rs. 17746.00 lakhs in 2001, showing a continuous rising trend and recorded about 4.59 folds growth during the period from 1994 to 2001. The growth of deposits over the previous year of NGB was the highest in 1994 (35.31%) ,

Table 3.14 : Growth of Deposits, Per Branch Deposits and Borrowings of NGB.

(Rs. in lakhs)

Year	Amt. of the Total Deposits	Amt. of the Per Branch Deposits	Amt. of the Total Borrowings
Mar.1994	3868.23 (35.31)	59.51 (35.31)	783.46 (39.17)
Mar. 1995	4550.95 (17.64)	70.01 (17.64)	1027.65 (31.17)
Mar. 1996	6104.35 (34.14)	93.91 (34.14)	1443.79 (40.49)
Mar. 1997	7458.70 (22.19)	114.75 (22.19)	1813.25 (25.59)
Mar.1998	7491.39 (27.25)	146.02 (27.25)	2240.90 (23.58)
Mar. 1999	12000.00 (26.43)	184.62 (26.43)	2380.23 (6.22)
Mar.2000	14647.42 (22.06)	225.34 (22.06)	2001.53 -(15.91)
Mar. 2001	17746.00 (21.16)	273.02 (21.16)	1622.00 -(18.96)

Source : Computed from data based on Annual Reports and Statistics on RRBs (for various years), NABARD.

Note : Figures in brackets are per percentages of growth over the previous year.
- indicates the negative growth.

followed by the year 1996 (34.14%) and it was the lowest in the year of 1995 (17.64%) during that period. Over the previous year the growth of total deposits of NGB as on 31 March 2001 was 21.16 as against the 22.06% in the previous year and exhibited the decreasing trend of growth rate from 1998 to 2001. The share of

NGB to the total deposits of all RRBs in West Bengal increased from 6.01% in 1994 to 6.21% in 2001.

Table 3.14 shows that the amount of per branch deposits of NGB rose from Rs. 59.51 lakhs in 1994 to Rs. 273.02 lakhs in 2001, showing a continuous rising trend during the period from 1994 to 2001. But, in every year during that period the amount of the per branch deposits of the bank was lower than the average per branch of all RRBs in the state. In comparison with the national level excepting last two years (i.e., 2000 and 2001) of the same period it was also lower. On the other hand, the growth of per branch deposits of NGB (4.59 folds) was higher than that at the state level (4.41 folds) as well as national level (4.41 folds) over that period from 1994 to 2001.

The total amount of borrowings of NGB (Table 3.14) which stood at Rs. 783 lakhs in 1994, moved up to Rs. 1622.00 lakhs in 2001, exhibiting about 2.07 folds growth during the period from 1994 to 2001. Excepting last two years during that period the growth of borrowing over previous year in every year was positive, of which in 1996 it was the highest (40.49), followed by the year of 1994. According to per branch deposits and borrowings we can say that the performance of NGB improved in last two years during that period of eight years, from 1994 to 2001. As on 31 March 2001 the share of NGB to the total borrowings of RRBs in the State was 13.79% as against 15.70% in the previous year.

3.7.9 Murshidabad Gramin Bank

The information regarding the total deposits, per branch deposits and total borrowings raised by MGB during the period from 1994 to 2001 is presented in Table 3.15 which shows the following :

The aggregate amount of deposits of MGB increased from Rs. 1937.48 lakhs in 1994 to Rs. 11547.00 lakhs in 2001, indicating a continuous raising trend, had shown nearly 5.96 times growth during the period from 1994 to 2001. The growth of total deposits of MGB over the previous year was the highest in 1998 (34.82%), followed by 1996 (31.80%) and 1999 (30.95%) and on the other side, it was the lowest in 2001 during that period. The share of MGB to the total deposits of all RRBs in the state was 4.04% only as on 31 March, 2001 as against 4.02% in the previous year. During the period from 1994 to 2001, in every year the share of the bank (MGB) was the lowest in comparison with the other RRBs in the state. It is

also noticed that this bank consisted the lowest number of branch. But during that period (1994-2001) the growth of total deposits of MGB (5.96 folds) was higher than the average growth of deposits of all RRBs in the state (4.41 folds) and also the national level (4.41 folds) and this was the highest in the state.

Table 3.15 : Growth of Total Deposits, Per Branch Deposits and Borrowings of MGB.
(Rs. in lakh)

Year	Amt. of the Total Deposits	Amt. of the Per Branch Deposits	Amt. of the Total Borrowings
Mar. 1994	1937.48 (25.92)	48.44 (25.92)	346.85 -(16.13)
Mar. 1995	2470.37 (27.50)	61.76 (27.50)	377.49 (8.83)
Mar. 1996	3256.00 (31.80)	81.40 (31.80)	401.00 (6.23)
Mar. 1997	4216.00 (29.48)	105.40 (29.48)	569.00 (41.90)
Mar. 1998	5683.90 (34.82)	142.10 (34.82)	570.85 (0.33)
Mar. 1999	7443.14 (30.95)	186.08 (30.95)	588.99 (3.18)
Mar. 2000	9601.41 (29.00)	240.04 (29.00)	740.69 (25.76)
Mar. 2001	11547.00 (20.26)	288.68 (20.26)	674.00 -(9.00)

Source : Computed from data based on Annual Reports and Statistics on RRBs (for various years), NABARD.

Note : Figures in brackets are per percentages of growth over the previous year.
'-' indicates the negative growth.

Table 3.15 shows that the amount of per branch deposits of MGB was Rs. 48.44 lakhs in 1994, rose to Rs. 288.68 lakhs in 2001, indicating a continuous rising trend. But, it was lower in every year during the period from 1994 to 2001 in comparison with per branch deposits of all other RRBs in the state as well as the average per branch deposits of all RRBs in the state. But the growth of per branch deposits of MGB (5.96 folds) during that period was higher than that of all other

RRBs in the state as well as the average figure at the state level (4.41 folds) and it was also greater than the average figure at the national level (4.44 folds). As on 31 March, 2001 the growth of per branch deposits of the bank was 18.26% as against 20.56% of the previous year.

The amount of the total borrowings of MGB (Table 3.15) which stood at Rs. 346.85 lakhs in 1994, moved up to Rs. 674.00 lakhs in 2001, indicating 1.94 times growth during the period from 1994 to 2001. Excepting two years (i.e., 1994 and 2001) in every year during that period the growth of borrowing over previous year was positive. The growth of borrowings of the bank was the highest in 1997 (41.90%), followed by the year 2000 (25.76%). As on 31 March, 2001 recorded a negative growth of borrowings of about 9.00% as against the positive growth of 25.76% in the previous year. The share of MGB to the total borrowings of all RRBs in the state was 5.73% at the end of March 2001 as against 5.76% as on 31 March 2000 which was comparatively smaller than the other RRBs in the state.

Regarding the total deposits, per branch deposits and borrowings the performance of the RRBs in the state during the period from 1994 to 2001 is discussed in the former pages which reveals that the total deposits as well as the per branch deposits grew substantially over the years in the all RRBs. Consequently, the resource base of the RRBs increased abundantly. The total deposits of all RRBs in the state increased from Rs. 64397.09 lakhs in 1994 to Rs. 285942.00 lakhs in 2001. This was achieved by increasing the number of deposits accounts and also the amount of the per account deposits.

The notable feature of the RRBs in the state that the Saving Bank Deposits account had contributed the highest share in the total deposits accounts, followed by the Term or Fixed Deposits accounts while the share of Current Deposit and Recurring Deposits accounts was very low during the period from 1994 to 2001. But, the Term Deposits had contributed the highest share in the total amount of deposits of RRBs in the state and Saving Bank Deposits had also contributed considerable share in the total amount of deposits but less than Term Deposits during that period. On the other hand, the Current Deposits and Recurring Deposits had contributed very little share in the total amount of deposits of RRBs in the state during that period (Statistics on RRBs, NABARD, 1997-98).

Hence, the analysis of the deposits of nine RRBs in the state under the study indicated that the amount of per account Term (or Fixed) Deposits was higher than the amount of per account Saving Bnk Deposits, Current Deposits and Recurring Deposits during the period from 1994 to 2001. The Current Deposits had not played a significant role in the deposits based resources of RRBs during that period. The lack of popularity of the current deposits clearly indicates the absence of business activity and the popularity of Saving Bank Deposits and Term (Fixed) Deposits showed that the non-business activities were more dominating in the area.

3.8 Comparative Assessment of Growth of Resouces of RRBs - Fund

3.8.1 Growth of Owned Funds

It is a noteworthy point that all RRBs in West Bengal did not make use more of owned funds for raising their total liabilities. Table 3.16 shows that as on 31 March, 2001 out of nine RRBs only two RRBs (Mal.GB and SGB) raised their owned funds above 2000 lakhs and only five RRBs (Mal.GB, Mayu.GB, NGB, SGB and UBKGB) raised their owned funds above 1000 lakhs. The total amount of owned funds of all RRBs in the state increased from Rs. 857.57 lakhs in 1998 to Rs. 5820.00 lakhs in 2001, that is, it recorded 6.79 folds growth during that period.

Table 3.16 : Growth of Owned Funds of RRBs in West Bengal

Name of RRBs	(Rs. in lakhs)			
	Mar.1998	Mar.1999	Mar.2000	Mar.2001
BGB	920.76	920.76	920.76	921.00
GGB	100.00	100.00	100.00	100.00
HGB	664.76	665.31	694.90	816.00
Mal.GB	857.57	1738.91	5249.70	5820.00
Mayu.GB	100.00	100.00	100.00	100.00
MGB	100.00	100.00	100.00	100.00
NGB	1238.00	1853.13	1961.68	1962.00
SGB	1661.49	2299.60	2412.20	2412.00
UBKGB	100.00	100.00	100.00	100.00
West Bengal	5742.58	7877.71	13120.90	14905.00

Source : Computed from data based on key Statistics on RRBs, NABARD.

The share of Mal.GB to the total amount of owned funds of all RRBs in the state was 39.05% as on 31 March, 2001 which was the largest in the state with comparison to the other RRBs. The second largest amount (Rs. 2412 lakhs)⁵ of owned fund was occupied by the SGB. The NGB, Mayu.GB and UBKGB, increased also their owned funds by a fair amount, but GGB and MGB did not increase their owned funds, as on 31 March 2001 their owned fund remained at Rs. 100.00 lakhs only. The total amount of owned fund of all RRBs in the state was very little in comparison with their total deposits and borrowings.

3.8.2 Growth of Deposits and Borrowings

One of the most important functions of a financial institution is deposit mobilization. RRBs in West Bengal showed remarkable progress in deposit mobilization. Though, some factors affected the growth of deposits,⁶ there was a continuous increase in amount of deposit. The information regarding the amount of total deposit and per branch deposit and its growth along with the amount of borrowings of all RRBs in the state as well as state level figures during the seven year period from 1994 to 2001 is presented in the Table 3.17, which exhibits the following pattern.

The amount of total deposits mobilized by Mal.GB in the state during the period 1994 to 2001 was due to maximum number of branches. It increased from Rs. 15224.31 lakhs in 1994 to Rs. 60532.00 lakhs in 2001 exhibiting 3.98 fold growth during that period. But this growth (297.60%) was the lowest in comparison with the other RRBs in the state. On the other hand, the amount of total deposit of MGB was the lowest in the state in every year during the same period due to having smaller number of branches. It rose from Rs. 1937.48 lakhs in 1994 to Rs. 11547.00 lakhs in 2001 showing 5.96 folds growth during that period of 1994 to 2001. This growth (496.00%) was the highest in comparison to the other RRBs in the state. The growth of deposits of HGB during that period was also remarkable at 402.75%. But in BGB, it was poor at 329.8% though the amount was considerable. The corresponding figure was 344.03% at the state level during the same period.

Table 3.17 : Comparative Assessment of Growth of Total and Per Branch Deposits and Borrowings of RRBs in West Bengal.

Name of RRBs	March 1994			March 2001			% increase of Deposits (1994-2001)	% increase of Borrowings (1994-2001)
	Total amt. of Deposits	Amt. of Per Br. Deposit	Total amt. of Borrowings	Total amt. of Deposits	Amt. of per Br. Deposit	Total amt. of Borrowings		
GGB	9280.00 (14.41)	64.90	1933.78 (24.06)	42007.00 (14.69)	283.83	2683.00 (22.82)	352.66	38.74
Mal.GB	15224.31 (23.64)	86.50	1467.46 (18.25)	60532.00 (21.17)	343.93	1448.00 (12.32)	297.60	-1.33
Mayu.GB	5060.39 (7.86)	77.85	510.97 (6.36)	22861.00 (7.99)	351.71	876.00 (7.45)	351.76	71.44
UBK GB	7506.90 (11.66)	67.63	840.94 (10.46)	33550.00 (11.73)	296.90	839.00 (7.14)	346.92	-0.23
SGB	10168.39 (15.79)	88.42	1035.61 (12.88)	45530.00 (15.92)	395.91	1325.00 (11.27)	347.76	27.94
BGB	6717.44 (10.43)	74.64	687.94 (8.56)	28873.00 (10.10)	320.8	1121.00 (9.53)	329.82	62.95
HGB	4633.95 (7.19)	78.54	431.58 (5.37)	23297.00 (8.15)	394.86	1170.00 (9.95)	402.75	171.10
NGB	3868.23 (6.01)	59.51	783.46 (9.75)	17746.00 (6.21)	273.03	1622.00 (13.79)	358.76	107.03
MGB	1937.48 (3.01)	48.44	346.85 (4.31)	11547.00 (4.04)	288.68	674.00 (5.73)	496.00	94.32
West Bengal	64397.09 (100.00)	74.50	8038.59 (100.00)	285942.00 (100.00)	328.30	11758.00 (100.00)	344.03	46.27

Source : Computed and compiled from data based on Annual Reports of RRBs and Statistics on RRBs (various issues), NABARD.

Note : Figures in brackets are shares of RRBs to the total amount at the state level.

'-' indicates the negative growth.

Fig.3.5: Bank-wise Deposits of RRBs in West Bengal (1994)

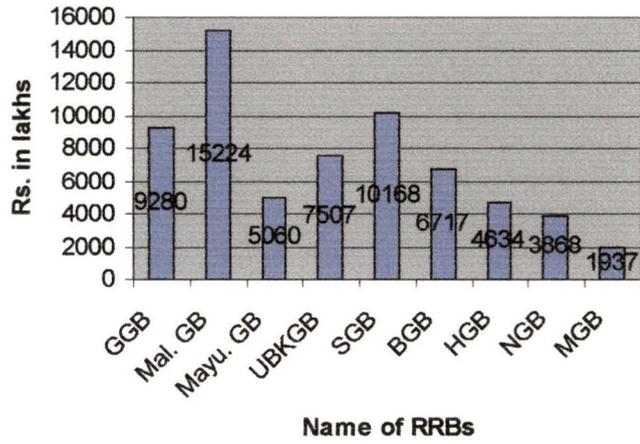
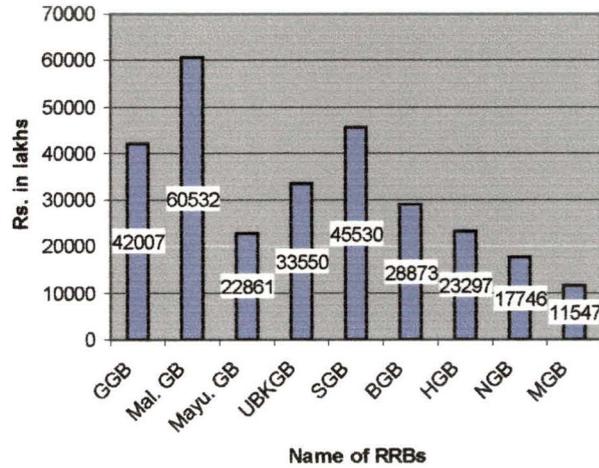


Fig.3.6 : Bank-wise Deposit of RRBs in West Bengal (2001)



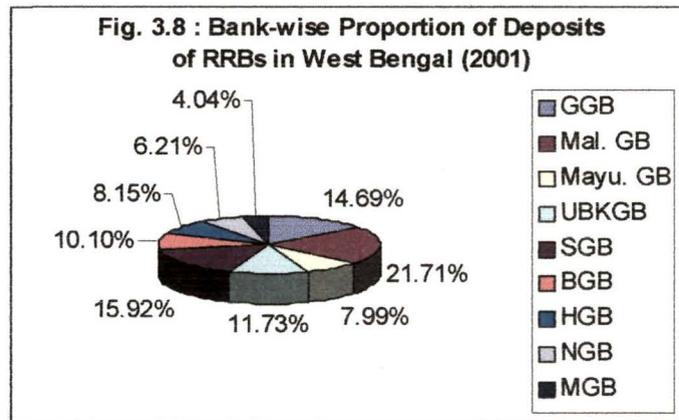
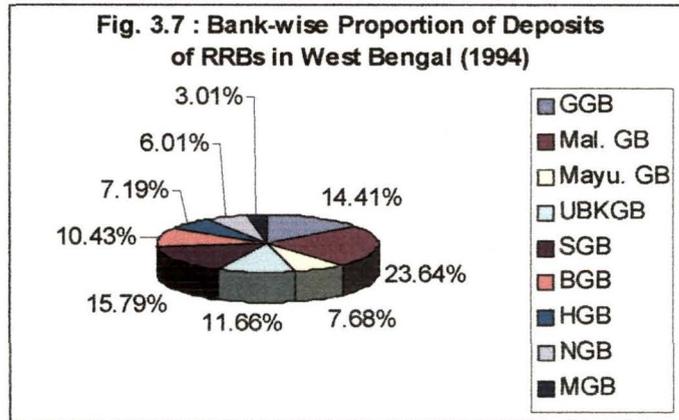


Table 3.17 also shows that the share of Mal.GB to the total deposits at the state level was the highest in every year during the period from 1994 to 2001. It decreased from 23.64% in 1994 to 21.17% in 2001. On the contrary, share of MGB was lowest in every year during that period due to having small number of branches. The shares of SGB and GGB were above 14% in both the years 1994 and 2001. But, for NGB it was poor at 6.01% in 1994 and 6.21% in 2001.

The amount of per branch deposit of SGB was the highest in comparison with the other RRBs in the state at Rs. 395.91 lakhs in 2001, followed by HGB at Rs. 394.86 lakhs at the same time. But it was the highest in Mal.GB in 1994 at Rs.86.50 lakhs. At the end of March 2001, The corresponding figure of Mayu.GB was also high at Rs. 351.71 lakhs and it was poor in NGB at Rs. 273.02 lakhs only at that

time. The average figure at the state increased from Rs. 74.50 lakhs in 1994 to Rs. 328.30 lakhs in 2001.

It could also be seen in Table 3.17 that the amount as well as the share of borrowing of GGB was the highest always in comparison with the other RRBs in the state. It increased in amount from Rs. 1933.78 lakhs in 1994 to Rs. 2683.00 lakhs in 2001, showing 38.74% growth during the seven year period from 1994 to 2001, but it declined in share from 24.06% to 22.82% during that period. Though share of MGB to the total borrowing at the state level increased from 4.31% to 5.73%, the amount was the lowest in every year during the same period. It can be seen that the share of Mal.GB declined by 5.93% , (i.e., from 18.25% in 1994 to 12.32% in 2001), showing a negative growth of 1.33% during that time.

3.9 Summary

It is observed that there is a continuous increase in amount of total deposit as well as per branch deposit in the state of West Bengal. The mobilization of deposit is the most important activity for the RRBs which is the main source of fund of the bank. The other financial resources of the RRBs are share capital, share capital deposit, reserve fund, borrowing and refinance. The above analysis of this chapter has brought to focus the following facts :

- (i) Under the recapitalisation programme RRBs are being provided with additional equity by the stake-holders to make them financially strong. The amount of share capital of RRBs in the country increased from Rs. 19557.50 lakhs in 1999 to Rs. 19566.25 lakhs in 2001.
- (ii) Share capital, share capital deposit and reserve fund registered quite an insignificant part of the total resources to compare with deposit and borrowings.
- (iii) The amount of per RRB and per branch deposits increased from Rs. 3432.22 lakhs and 36.3 lakhs in 1990 to Rs. 31771.33 lakhs and Rs. 328.30 lakhs in 2001 respectively in the state of West Bengal. Whereas, the corresponding figures at the national level increased from Rs. 217.61 lakhs and Rs. 28.70 lakhs to Rs. 19529.48 lakhs and 267.50 lakhs respectively during the same period of 1990 to 2001.

- (iv) Savings Deposits and Term/Fixed Deposits are more popular with the rural clientele as compared with the Current Deposits and Recurring Deposits.
- (v) The lion's share of borrowing of RRBs in the state as well as the country had come from NABARD. At the end of March 2000, out of Rs. 375675.05 lakhs borrowings of RRBs Rs. 312841.75 lakhs (i.e., 83%) was available from NABARD.
- (vi) Deposit mobilization by the RRBs in West Bengal shows a remarkable progress. Average growth of deposit mobilization in the state during the seven year period from 1994 to 2001 was about 344.03%, whereas the corresponding figure at the national level was about 333.67% during that period.
- (vii) If we compare deposit mobilized by different RRBs in West Bengal with each other, we find that during the last seven years, from 1994 to 2001 the highest growth has been registered by MGB (496.00%), followed by HGB (with 402.75% growth) during the same period. Except Mal.GB (297.60%) and BGB (329.82%) all RRBs of West Bengal show growth of deposits higher than that at the state level (344.03%) during the period of 1994 to 2001.
- (viii) Though the share of Mal.GB to the total deposits of all RRBs in the state was the highest in every year from 1994 to 2001 on account of having the highest number of branches, but its magnitude decreased from 23.64% to 21.17% during that period. The shares of SGB and GGB were also remarkable. On the contrary, the shares of MGB and NGB were very poor due to having lower number of branches.
- (ix) At the state level the amount of per branch deposits increased from Rs.74.50 lakhs in 1994 to Rs. 328.30 lakhs in 2001, showing a continuous increase and had shown 4.41 folds growth during the period from 1994 to 2001.
- (x) The amount of per branch deposit of SGB was the highest in comparison with the other RRBs in the state at Rs. 395.91 lakhs in 2001, followed by HGB at Rs. 394.86 lakhs at that time. But, in

1994 it was the highest in Mal GB at Rs. 86.50 lakhs. As on 31 March 2001, the corresponding figure of Mayu. GB was also high at Rs. 351.71 lakhs, but for NGB it was poor at Rs. 273.02 lakhs only.

- (xi) For GGB the amount of borrowings as well as its share to the total figure at the state level was the highest in every year during the period from 1994 to 2001, followed by NGB at 107.03% during the same time. But it was negative for Mal.GB and UBKGB at 1.33% and 0.23% respectively. Their share of borrowing to the total borrowings at the state level decreased from 18.25% and 10.46% in 1994 to 12.32% and 7.14% in 2001 respectively.

Notes

¹There are two types of performance variable of RRBs viz. (a) physical variables and (b) financial variables. Physical variables are staff, deposit accounts, outstanding advances accounts, total business accounts, productivity account etc.. On the other hand, the financial variables are deposit amount, outstanding advances amount, total business amount, productivity amount, profit /loss amount, recovery amount etc. (Hosamani, 2002).

²The amount of investment credit as refinance facilities from NABARD to RRBs, at interest rates charged to co-operative banks was 775 crores in 1999-2000 (i.e., 15% of NABARD – refinance to the banking sector) (ECRC Report, 2001).

³ At the end of March 2001, according to the total number of branches Mal.GB (20.21%) occupied the first position in the state in comparison to the other RRBs. Whereas, the share of GGB was 16.99%. Its position was second in the State. The corresponding figure of MGB was almost 4.60% at the same time which was the lowest in the state.

⁴ During the period between 1994 and 2001 the growth of per branch deposits at the state level and national level were almost equal (about 4.41 folds, 340.67%) (computed from data based on Statistics on RRBs, NABARD, 1994 and 2001).

⁵ As on 31 march 2001, the share of SGB to the total amount of owned funds of all RRBs in the state was 16.18%. For Mal.GB it was 39.05%. But for both GGB and MGB it was 0.67% only (Key Statistics on RRBs, NABARD, 2001).

⁶ Low level of economic activity due to short supply of credit, aversion of well-off section for lack of banking facilities, absence of institutional deposits, higher rate of return of post office and lack of sufficient initiatives and interest of the bank staff affected the growth of deposits of the RRBs (Das, 1998).