

CHAPTER VI

Agricultural Credit and Assam Gramin Vikash Bank (AGVB)

6.1: Introduction

The financial sector is playing an active role in the economic development of a country. The growth rate of an economy at a faster rate is possible only by mobilising savings and properly canalising the funds for more productive activities as well as for consumption purposes which is also indirectly productive. Thus, the expansion of banking network in an economy is important for accelerating the process of growth. The Regional Rural Banks (RRBs) are performing a tremendous role in the development of agricultural sector, small scale and cottage industries, trade and commerce. The RRBs are providing financial assistance to farmers, agricultural labourers, small industries and to all backward sectors in the economy.¹

The rural banking sector constitutes the main part of the entire financial structure of a country. The RRBs provide sufficient service facilities to the rural people. These services are associated with agricultural activities and agro-based industries. In the earlier times, these financial requirements were supplied by the private money lending agencies who took high rate of interest from borrowers. The commercial banks and the co-operative banks are not able to provide sufficient credit facilities and banking service facilities in some backward and remote areas of India and hence, RRBs are trying to provide sufficient credit facilities in these needy areas.

The Government of India observes that there is a large gap between Institutional credit in rural areas and credit requirement in rural sectors. There is inadequate supply of loans in rural areas. Thus, to find out the way of solution, the government appointed a study group on rural credit, the Narasimham working group in July 1, 1975. The recommendation of the Narasimham committee was passed by the government on September 26, 1975 and it was started from October 2, 1975 which was replaced by the Regional Rural Banks Act, 1976. The Regional Rural Banks were developed by the 50 percent contribution of central government, 35 percent share by

the commercial banks and 15 percent share contributed by the state government with a view to meeting the rural credit requirements in the rural economy.²

The main objectives of the establishment of Regional Rural Banks are mentioned as below

- i) To provide sufficient banking facilities to the doorsteps of the rural poor, particularly in those areas where there is no any branch of commercial banks.
- ii) To provide available credit facilities at cheaper rate to the rural poor.
- iii) To create employment opportunities in rural areas by advancing loans to different sectors in village level.
- iv) To mobilise the rural savings in order to use them in productive activities.
- v) To raise the socio-economic conditions of the poor rural poor.

Thus, the Regional Rural Banks expanded the banking network in remote places of Assam and advanced loans to the marginalised sections such as agriculturists, small artisans, traders, small industries etc for the development of their respective working fields. Credit is recognised as an important instrument for the development of weaker sections in the rural economy. As majority of the farmers are small or marginal farmers and they are always suffering from crisis of funds which are required for their agricultural activities. Indebtedness is the basic problem of the poor farmers. The Regional Rural Banks along with commercial banks and co-operative banks are trying to provide sufficient credit facilities to all backward sectors with a view to developing the rural economy of our country.

6.2: Historical Development of Regional Rural Banks in Assam

During the time of independence of India, Assam was economically backward state, situated in the north east region of India. Particularly, financial structure was very poor. Even after six decades of independence, financial institutions couldn't provide banking service in all interior places of Assam. The commercial banks and the co-operative banks were not able to expand their bank branches in all backward areas of Assam. The agriculturists were dependent on village money lenders for loans at an exorbitant rate of interest which was required for agricultural operation. The

Regional Rural Banks were established in Assam with a view to provide sufficient banking facilities in rural areas of Assam.

There were five Regional Rural Banks in Assam till the end of 2005. These RRBs were, Pragjyotish Gaonlia Bank, Cachar Gramin Bank, Lakhimi Gaonlia Bank, Subansiri Gaonlia Bank and Langpi Dehangi Rural Bank. The Langpi Dehangi Rural Bank is expanding the banking network and providing banking services in the entire two hill districts of Karbi Anglong and N.C. Hills of Assam. This bank is sponsored by the State Bank of India. The other four RRBs namely, Pragjyotish Gaonlia Bank, Cachar Gramin Bank, Lakhimi Gaonlia Bank and Subansiri Gaonlia Bank expanded their banking services in all rural places of Assam under the sponsoring agency of United Bank of India. These RRBs were very active in mobilising savings of rural people and advancing credit facilities to poor farmers and small artisans in village areas.

A brief summary of these five RRBs, namely, Pragjyotish Gaonlia Bank, Cachar Gramin Bank, Lakhimi Gaonlia Bank, Subansiri Gaonlia Bank and Langpi Dehangi Rural Bank are discussed below-

6.2.1: Pragjyotish Gaonlia Bank (PG Bank)

Pragjyotish Gaolia Bank was set up on July 6, 1976, under the Regional Rural Bank Act, 1976, section 3(i). The Head Office of this bank was situated at Nalbari, Nalbari district of Assam. The Pragjyotish Gaonlia Bank was regulated and permitted to perform financial business under section 6(i) of the banking regulation Act, 1949.

The first Regional Rural Bank in Assam was Pragjyotish Gaonlia Bank which was twenty in all over India. This bank expanded its branches to 13 districts of Assam, namely, Nalbari, Kamrup (rural), Kamrup (metro), Sonitpur, Darrang, Barpeta, Bongaigaon, Kokrajhar, Chirang, Baksa, Udalguri, Dhubri and Goalpara.

As per Pragjyotish Gaonlia Bank's Annual Report, 2005, this bank opened total 163 branches in 13 districts of which 126 branches were situated in rural areas, 20 branches in semi urban and 17 branches in urban places. Total deposited money of this bank was Rs. 958.52 crore and total outstanding was Rs. 474.35 crore. Total credit deposit ratio was 49 percent. Total 9552 numbers of Self Help Groups were

connected with this bank and total 21053 Kishan Credit Cards were issued to farmers by Pragjyotish Gaonlia Bank as on 30 september, 2005. ³

The Pragjyotish Gaonlia Bank was playing a crucial role in the development of backward sectors in the rural economy by providing financial facilities to marginal and small farmers, village artisans, small entrepreneurs, traders and village industries. The government of Assam awarded this bank three times from the year 1999 to 2002 for its best performance in SHGs Banks linkage programme.

6.2.2: Lakhimi Gaonlia Bank (LG Bank)

Lakhimi Gaonlia Bank was a Regional Rural Bank of Assam which was set up on 29th July, 1980 and jointly sponsored by Indian government, Assam government and United Bank of India. The Head Office of Lakhimi Gaolia Bank was situated at Golaghat, Golaghat district of Assam.

As per the Annual Report of Lakhimi Gaonlia Bank in 2003-04, this bank was functioning in 5 districts with 102 nos of branches, namely, Sivasagar (22 branches), Jorhat (16 branches), Golaghat (23 branches), Nagaon (30 branches) and Morigaon (11 branches). Out of 102 branches, 92 branches were situated in rural areas, 9 branches were in semi-urban places and 1 branch was in urban place. The bank covered total 2000 villages and 46 Community Development Blocks⁴.

As per Annual Report, LGB, 2005, this bank deposited Rs. 386.47 crore and total outstanding was Rs. 159.60 crore. Total credit deposit ratio was 41 percent. Total 6412 numbers of Self Help Groups were connected with this bank and total 13378 nos of Kishan Credit Cards were provided to farmers by Lakhimi Gaonlia Bank.

6.2.3: Subansiri Gaonlia Bank (SG Bank)

Subansiri Gaonlia Bank was introduced on 30th March, 1982, under section 3 (i) of Regional Rural Bank Act 1976. The Bank was started as a joint undertaking bank of Indian government, Assam Government and United Bank of India. From the day of inception, the bank was providing its banking services to all weaker sections in backward areas of Assam. The Head Office of this bank was situated at North Lakhimpur and spread its branches in four district namely, Lakhimpur, Dhemaji, Dibrugarh and Tinsukia. At the time of starting of this bank in 1982, Dhemaji was not

separated from Lakhimpur district and Tinsukia was not separated from Dibrugarh district. Thus, initially the bank was rendering its service in two districts only, namely, Lakhimpur and Dibrugarh district of Assam.

As per the Annual Report, 2005 of Subansiri Gaonlia Bank, the bank established total 49 nos of branches of which 42 nos of branches were situated in rural areas, 3 branches were in semi-urban areas and 4 branches were in urban places. Subansiri Gaonlia Bank deposited of Rs. 162.16 crore and advanced outstanding of Rs. 40.04 crore. The Cash Deposit ratio was 25 percent. Total 1410 nos of Self Help Groups were connected with this bank and total 2989 nos of Kishan Credit Cards were provided to poor cultivators by Subansiri Gaonlia Bank.⁵

6.2.4: Cachar Gramin Bank (CG Bank)

Cachar Gramin Bank was established on 31st March, 1981 which was recognised as a joint undertaking bank of Indian government, Assam government and United Bank of India. This bank was introduced under the Regional Rural Bank Act, 1976. The Head Office of Cachar Gramin Bank was situated at Silchar of Cachar district and the Bank was operating its service facilities through opening branches in three districts, namely, Cachar, Karimganj and Hailakandi district of Assam.

The Cachar Gramin Bank advanced financial assistance to poor section such as small and marginal farmers, village artisans, cottage industries and small traders etc for the development of their productive activities. The bank was trying to mobilise the savings of poor masses to productive activities.

As per the Annual Report, 2005, Cachar Gramin Bank, there were 44 branches of Cachar Gramin Bank of which 32 branches were set up in rural areas, 8 branches were in semi-urban areas and 4 branches were in urban places. The Cachar Gramin Bank deposited Rs.226.65 crore and total outstanding was Rs. 84.26 crore. The Cash Deposit ratio of the bank was 37 percent. Total 1992 nos of Self Help Groups were connected with this bank and total 3765 nos of Kishan Credit Cards were provided to agriculturists by the Cachar Gramin Bank. The bank got profit of Rs. 1.78 crore⁶

The performance of Cachar Gramin Bank regarding mobilization of savings, increasing amount of loans advancing and raising the volume of profit was very good

result which was possible only due to active role of working staff and active co-operation from state government, NABARD, RBI, the United Bank of India and customers' support hand.

6.2.5: Langpi Dehangi Rural Bank (LDR Bank)

Langpi Dehangi Rural Bank was set up on 27th January, 1982 which was introduced under the Regional Rural Banks Act, 1976. State Bank of India sponsored the Langpi Dehangi Rural Bank. The Head Office of this bank is situated at Diphu, the headquarters of the district of Karbi Anglong. The banking services of the Langpi Dehangi Rural Bank is limited within the two hill districts of Assam, namely, Karbi Anglong and Dima Hasao District (North Cachar Hill District)

As per the Annual Report, 2004-2005 of Langpi Dehangi Rural Bank, there were 43 nos of branches of the LDR Bank of which 39 were situated in rural areas and 4 were in semi-urban places. Total deposited amount of this bank was Rs. 771347 thousand and total outstanding was Rs. 456260 thousand as on 31st March, 2005. Total 1818 nos of Self Help Groups were connected with this bank and total 1637 nos of Kishan Credit Cards were provided to agriculturists by the Langpi Dehangi Rural Bank as on 31/06/2005.⁷

The banking network of the LDR Bank was increasing to 53 branches of the bank of which 44 were situated in Karbi Anglong district and 9 branches were established in Dima Hasao District. Total 46 nos of branches of this bank were situated in rural areas and 7 branches were located in semi-urban areas as on 31-03-2013. The deposit amount was also increased to 348.69 crore during the same period. The bank was getting net profit of Rs 6.69 crore at the same time.

The Langpi Dehangi Rural Bank is advancing financial assistance to the weaker sections of rural areas such as marginal and small farmers, small entrepreneurs, small village artisans and traders for developing their productive activities. At present, there are only two Regional Rural Banks in Assam, i.e. Assam Gramin Bikash Bank and Langpi Dehangi Rural Bank. The Assam Gramin Vikash Bank was created by amalgamating four RRBs of Assam except Langpi Dehangi Rural Bank.

6.3: Assam Gramin Vikash Bank (AGV Bank)

Four Regional Rural Banks of Assam, namely, Pragjyotish Gaonlia Bank, Cachar Gramin Bank, Lakhimi Gaonlia Bank and Subansiri Gaonlia Bank were amalgamated to reform a new Regional Rural Bank in North East region of India which is known as Assam Gramin Vikash Bank. The bank was established on 12th January, 2006; vide Govt. of India's Notification No. F.No. 1 (25) / 2005- RRB, Dated 12-01-2006 as per provision under section 23 (A) of Regional Rural Bank Act, 1976.⁸ The Head Office of Assam Gramin Vikash Bank is situated at Bhangagarh, G.S. Road, Guwahati-781005, Assam. The AGV Bank has been providing its banking services in 31 districts out of 34 district of Assam, excepting only three district, namely, Karbi Anglong, West Karbi Anglong and Dima Hasao districts as per 11th Annual Report, 2015-16, Assam Gramin Vikash Bank.

Assam Gramin Vikash Bank is trying to uplift the rural economy by providing banking services to agricultural sectors, Industrial sector, trade and other productive activities, specially credit facilities to small and marginal farmers, village artisans, agricultural labourers, Micro, Small and Medium Enterprises, SHGs, etc. and transact business activities as discussed in Section 18 (2) of the RRB Act, 1976 and Section 6(1) of Banking Regulation Act, 1949.

6.3.1: Organisational Structure of Assam Gramin Vikash Bank

In consideration of the volume of business, area of operation and branch network of Assam Gramin Vikash Bank, Government of India approved NABARD to provide guidelines regarding organisational structure of the AGV Bank vide letter no. NB. IDD. RRCBD/2019/462/2005-06 dated 19-01-2006. As per the guidelines of NABARD, AGV Bank formed three tier structures, namely, Head Office, Regional (Controlling) Offices and Branches. At the time of amalgamation, the Head Office of the AGV Bank was situated at Chandmari, Rajgarh Road, Guwahati-3. After, it was shifted to Bhangagarh, G.S. Road, Guwahati-5 which is existing at present. The Regional Offices of the bank were also extended from 4 nos of offices viz- i) Nalbari ii) Golaghat iii) Silchar iv) Lakhimpur to 7 nos of offices viz- - i) Nalbari ii) Golaghat iii) Silchar iv) Lakhimpur v) Guwahati vi) Kokrajhar vii) Dibrugarh. There are 11 nos

of Area Offices of the bank, namely, Dhubri, Kokrajhar, Barpeta, Mangaldoi, Guwahati, Tezpur, Morigaon, Jorhat, Sivsagar, Nagaon and Dibrugarh.⁹

6.3.2: The table-6.1 shows the operating areas which are covered by Regional Offices of AGV Bank as per district

Table no-6.1: Areas of operation of Regional Offices of AGV Bank.

Sl. No.	Regional Office	No of District(s) covered	Name of the District and No. of Branches		Total Branch
			Districts	No. of Branches	
1	Nalbari	05	1. Nalbari	18	74
			2. Baksa*	10	
			3. Barpeta	19	
			4. Darrang	15	
			5. Udalguri	12	
2	Golaghat	04	1. Golaghat	25	78
			2. Jorhat	17	
			3. Nagaon	36	
			4. Hojai		
3	Silchar	03	1. Cachar	20	46
			2. Karimganj	17	
			3. Hailakandi	09	
4	Lakhimpur	04	1. Lakhimpur	18	60
			2. Dhemaji	09	
			3. Sonitpur	33	
			4. Biswanath		
5	Guwahati	05	1. Kamrup	18	47
			2. South Kamrup		
			3. Morigaon	13	
			4. Kamrup (Metro)	14	
			5. East Kamrup		
			6. Baksa*	2	
6	Kokrajhar	06	1. Kokrajhar	10	52
			2. Bongaigaon	09	
			3. Chirang	07	
			4. Goalpara	12	
			5. Dhubri	14	
			6. South Salmara		
7	Dibrugarh	04	1. Dibrugarh	16	53
			2. Tinsukia	14	
			3. Sivasagar	23	
			4. Charaideo		
Total		31		410	410

Two (02) branches, viz, Naokata and Dwarkuchi of Baksa district are controlled by the Regional Office, Guwahati. **Source:** 11th Annual Report, 2015-16, AGV Bank, P.5.

6.3.3: Branch Network

Assam Gramin Vikash Bank has been recognized as the largest Regional Rural Bank of Assam in terms of branch network. The table-6.2 shows the branches of AGV Bank as per population group wise which are as follows

Table-6.2: Branch Network of AGV Bank

Sl. No.	District	Rural	Semi-Urban	Urban	Total
1	Nalbari	15	3	-	18
2	Baksa	12	-	-	12
3	Barpeta	14	5	-	19
4	Darrang	13	2	-	15
5	Udalguri	10	2	-	12
6	Golaghat	18	7	-	25
7	Jorhat	12	3	2	17
8	Nagaon	26	10	-	36
9	Hojai				
10	Cachar	16	-	4	20
11	karimganj	13	4	-	17
12	Hailakandi	5	4	-	09
13	Lakhimpur	13	5	-	18
14	Dhemaji	6	3	-	09
15	Sonitpur	29	4	-	33
16	Biswanath				
17	Kamrup	15	2	1	18
18	South Kamrup				
19	Morigaon				
20	Kamrup (M etro)	3	-	11	14
21	East Kamrup				
22	Kokrajharh	8	2	-	10
23	Bongaigaon	7	2	-	09
24	Chirang	6	1	-	07
25	Goalpara	10	2	-	12
26	Dhubri	9	5	-	14
27	South Salmara				
28	Dibrugarh	10	6	-	16
29	Tinsukia	8	6	-	14
30	Sivasagar	19	4	-	23
31	Charaideo				
Total		309	83	18	410

Source : 11th Annual Report, 2015-16, Assam Gramin Vikash Bank, p.6.

The table 6.2 shows that 309 nos of branches out of 410 nos of branches of AGV Bank are situated in rural areas which means that Assam Gramin Vikash Bank has been established with an objective of uplifting the rural economy of Assam by

providing credit facilities to weaker sections in the rural areas of Assam. There are only 18 branches in urban areas and 83 branches are situated in semi-urban areas. Thus, Assam Gramin Vikash Bank is playing a crucial role in the development of rural economy.

6.3.4: Share Capital

Assam Gramin Vikash Bank has been established as a bank of joint undertaking of Govt. of India, Govt. of Assam and United Bank of India. The share of capital has remained same from 1st Annual Report (Session 2005-2006) to 10th Annual Report (Session 2014-2015) and it has been increasing in the 11th Annual Report of Assam Gramin Vikash Bank which are shown below in the table 6.3

Table-6.3: Details of Share Capital Account, (Amount in Rs. thousand)

Share Holders	Same share capital from 31-03-2006 to 31-03-2015			As on 31-03-2016		
	Issued	Paid up	Calls Unpaid	Issued	Paid up	Calls Unpaid
Govt. of India	20,000	20,000	Nil	448163	448163	Nil
Govt. of Assam	6000	6000	Nil	134448	134448	Nil
United Bank of India	14,000	14,000	Nil	313714	313714	Nil
Total	40,000	40,000	Nil	896325	896325	Nil

Source: Serially, from 1st Annual Report, 2005-2006 to 11th Annual Report, 2015-16, AGVB. The table 6.3 reveals that Indian Government, Assam Government and the United Bank of India have provided capital as a share amount in proportion of 50 percent, 15 percent and 35 percent respectively.

6.3.5: Deposits Level of AGV Bank

Assam Gramin Vikash Bank can successfully increase its deposits amount from the day of inception of the bank. As per 2nd Annual Report, 2006-07, AGV Bank, the total volume of deposits of the bank was Rs. 19647272 thousand (15percent growth rate) as on 31-03-2007 which was Rs. 17107462 thousand (6.45 percent growth rate) as on 31-03-2006. As per the 3rd Annual Report, 2007-08, the bank recorded in the field of growth rate of deposits level which was Rs. 23669232 thousand (20 percent growth rate) as on 31-03-2008. The 4th Annual Report, 2008-09, reveals that the bank could increase its deposits level to Rs. 28815275 thousand (21.74 percent growth rate) as on 31-03-2009. During this period Kokrajhar Branch

office was recognised as excellent team work due to deposited amount crossed Rs. 100 crore. In the 5th Annual Report, 2009-10, it is recorded that the volume of deposits of the bank was increased to Rs. 34623492 thousand (20.16 percent growth rate) as on 31-03-2010. As per 7th Annual Report, 2011-12, the total deposited amount was Rs. 48831890 thousand (11.58 percent growth rate) as on 31-03-2012 against Rs.43764005 thousand (26.39 percent growth rate) as on 31-03-2011. In the 8th Annual Report, 2012-13, it was recorded that total deposits was Rs. 55313008 thousand (13.27 percent growth rate) as on 31-03-2013. In the 9th Annual Report, 2013-14, shown the deposits amount Rs. 64299678 thousand (16.25 percent growth rate) as on 31-03-2014. AS per 10th Annual Report, AGVB, 2014-15, the volume of deposits amount was Rs. 74188674 thousand (15.38 percent growth rate) as on 31-03-2015.

As on 31-03-2016, the volume of deposit of the Assam Gramin Vikash Bank is shown in table-6.4.

Table-6.4: Level of deposit (Rs. in thousands)

Category			
	Accounts	Amount	Growth (percentage)
1. Current Account	179874	4137885	2.40
2. Savings Account	7282602	43379834	1.65
Demand Deposit (1+2)	7462476	47517719	1.72
3. Term deposit	959196	26301807	-4.26
Total	8421672	73819526	-0.50

Source : 11th Annual Report, 2015-16, Assam Gramin Vikash Bank.

The 11th Annual Report of AGV Bank shows that the total deposit of the bank was Rs. 73819526 thousands as on 31-03-2016 which was Rs. 74188674 thousands as on 31-03-2015. The growth rate of deposit has shown a negative (- 0.50) on 31-03-2016 as compared to 15.38 as on 31-03-2015 due to negative growth rate of term deposit.

6.3.6: Disbursement of Loans by AGV Bank

Assam Gramin Vikash Bank is playing a vital role in advancing loans to backward sections in the rural economy. Assam Gramin Vikash Bank provided total loans to different sectors of Rs.3616360 thousand during 2006-07 as against Rs.2883163 thousand during 2005-06. The bank implemented some schemes such as Urban Credit Card, Farmers Credit Card, Mahila Mangal Yojana, Asomi Jana Rhin

Achani etc. The Bank provided KCC loans of Rs. 197868 thousand and disbursed loans for agriculture and allied activities of Rs. 384545 thousand during the same year.¹⁰

During the year 2008-09, the Bank provided loans of Rs. 4051595 thousand as against of Rs. 3760216 thousand during 2007-08. The Bank disbursed loans to agriculture and allied activities (including KCC loan) of Rs.1203860 thousand in 2008-09 which was of Rs.997150 thousand in 2007-08.¹¹

During the year 2012-13, disbursement of total loans of AGV Bank was Rs.7041506 thousand as against Rs.7424468 thousand in 2011-12. The Bank provided credit to agriculture and allied activities (including KCC loan) of Rs.2933253 thousand in 2012-13 as against Rs. 2843865 thousand during 2011-12.¹²

Distribution of loans by Assam Gramin Vikash Bank to various sectors are shown in the following table-6.5

Table-6.5: Sector Wise Distribution of loans by AGV Bank (Rs. in thousands)

Sectors Wise Distribution of loans	2013-14	2014-15	2015-16	
	Amount	Amount	Amount	percentage of loans provided
Agriculture and Allied Activities (including KCC)	3804857 (44.75%)	4337143 (48.71%)	2634538	38.47
SSI/MSME	2845064	3147554	2641423	38.57
Services/Others	158388	41265	55850	0.82
Housing Loan	272335	221440	328263	4.79
Total Priority Sector	7080644	7747402	5660074	82.64
Non Priority Sector	1422741	1156399	1188794	17.36
Total	8503385	8903801	6848868	100.00
Percentage of loan provided to Weaker Sections	61.10	65.00	→	42.53

Source : 9th Annual Report,2013-14, 10th Annual Report,2014-15 and 11th Annual Report, 2015-16 of Assam Gramin Vikash Bank.

In the table 6.5, it is shown that the Assam Gramin Vikash Bank has provided loans to agriculture and allied activities including KCC to the amount of Rs. 3804857 thousand in 2013-14, Rs. 4337143 thousand in 2014-15 and Rs. 2634538 thousand in 2015-16. The bank has given top priority to agricultural sector and small scale industries in rural areas. The bank disbursed loans to weaker sections at the rate of

61.10 percent, 65.00 percent and 42.53 percent in the year 2013-14, 2014-15 and 2015-16 respectively.

6.3.7: Loans Providing Under Kishan Credit Cards (KCC)

Poor farmers are not able to produce sufficient crops due to poor fund capacity to apply modern farming method of production. Farmers need financial assistance for performing their agricultural activities.. They always approach banks for advancing loans or crop production. Assam Gramin Vikash Bank is trying to meet the public demand as per capacity of the bank and the bank has been providing agricultural loans under the scheme of Kishan Credit Cards since its inception.

The total numbers of Kishan Credit Cards issued and amount of loans provided by Assam Gramin Vikash Bank is shown in table 6.6.

Table-6.6: Agricultural Loan Advances under KCC, (Rs. in thousands)

Year	Outstanding Advances Under KCC		Cumulative Achievement	
	Card Issued (Nos)	Amount	Card Issued (Nos)	Amount
31-03-2006	46569	582667	58226	783789
31-03-2007	54500	730523	64132	957104
31-03-2008	62698	926367	83012	1272987
31-03-2009	70215	875912	138308	4078279
31-03-2010	90408	1399510	189387	5496261
31-03-2011	-	-	-	-
31-03-2012	230975	7576080	353283	10673413
31-03-2013	287020	10895913	428544	-
31-03-2014	363025	13955397	494146	-
31-03-2015	378104	15616461	586242	-
31-03-2016	355337	15754503	632585	-

Source : 1st, 2nd, 3rd, 4th, 5th, 7th, 8th, 9th, 10th and 11th Annual Report of AGV Bank.

The table 6.6 shows that Assam Gramin Vikash Bank has been increasing cumulatively the issue of Kishan Credit Cards from 58226 nos as on 31-03-2006 to 632585 nos as on 31-03-2016 and the total loan amount under KCC was Rs. 10673413 thousand as on 31-03-2012 which was Rs 783789 thousand as on 31-03-

2006. The Bank provides total outstanding under KCC of Rs.15754503 thousand and issued total 355337 nos of KCCs as on 31-03-2016 which was Rs.582667 thousand and issued total 46569 nos of KCCs as on 31-03-2006.

6.3.8: Formation of Farmers' Clubs

Assam Gramin Vikash Bank formulates an organisation of farmers which is known as farmers' clubs. Farmers' Clubs are regarded as the most important organisation and intermediaries for functioning agricultural finances in proper way to efficient borrowers. The primary objective of the formation of farmers' clubs is to develop the agricultural sector through credit facilities. The farmers' clubs have also performed a number of programmes regarding agricultural activities and micro finance etc. There are 564 nos of farmers' clubs in Assam which are performing their activities in the area of functioning of the bank and recognise themselves as an additional wing of the bank.¹³

6.3.9: Self Help Groups (SHGs)

Self Help Groups are self managed groups which are formed to empower the rural people with credit linked banks. Assam Gramin Vikash Bank is associated actively with the SHGs by advancing loans in productive activity. Assam Gramin Vikash Bank has introduced total 198406 SHGs with engaging 2179917 members as on 31-03-2016. The total credit linked SHGs were 164368 SHGs with credit limit of Rs. 7547955 thousand till 31-03-2016.¹⁴

6.3.10: Rural Development and Self Employment Training Institute (RSETI)

Assam is a backward state of India where unemployment is a burning problem. Thus, establishment of Self Employment Training Institute is important for the purpose of rural development in the economy. There are five (05) RSETI, namely, Sonitpur, Bongaigaon, Jorhat, Kamrup (M) and Kamrup district in Assam till the financial year 2015-16 and these are sponsored by the Assam Gramin Vikash Bank. Besides imparting training, the RSETIs have performed another function also. In 2015-16, RSETIs have extended helping hand to 1677 nos of trained persons in earning income through self employment or works for salary. National Academy of

RUDSETIs have made an assessment regarding the performance of RSETIs and awarded Grade “AA” to RSETI Tezpur and Jorhat and Grade “A” to Bongaigaon, Kamrup(M) and Kamrup.¹⁵

6.3.11: General Credit Cards (GCC)

Assam Gramin Vikash Bank launched the General Credit Cards Schemes in 2006-07. According to the scheme, the Bank is advancing loans to the weaker class of the society without maintaining any complex procedure. In the financial year 2015-16, Assam Gramin Vikash Bank supplied 8833 nos of GCC and cumulatively provided 82376 nos of GCC against loan amount of Rs. 1838240 thousand.¹⁶

6.3.12: Problems Faced by Assam Gramin Vikash Bank in the Sample District Barpeta

In Barpeta district, majority of the people are living in rural areas and most of them are depending on agriculture as a source of their livelihood. For the development of agricultural sector, farmers require financial assistance from financial institutions. Among all the financial institutions, Assam Gramin Vikash Bank occupies the highest banking network with 19 nos of branches in Barpeta district. State Bank of India (SBI) has 14 nos of branches and total branches of commercial Banks including SBI are 60 branches and 3 branches of Co-operative Apex Bank. Thus, Assam Gramin Vikash Bank has provided highest banking services to the rural masses in the district. But considering the geographical areas of the district, Rural Banking branches are not sufficient in the district. There are many places without any branch of Banks for which rural people of these places seek loans from village money lenders.

The researcher has made a personal investigation in 10 branches out of 19 branches of Assam Gramin Vikash Bank in Barpeta District and it has been found that in case of advancing loans, all the 10 branches have given top priority to agriculture in case of crops production and second top priority to agriculture and allied sectors. But the Bank faces some problems in advancing loans which are discussed as below-

- In the field survey, it was found that the Bank is confronting a serious problem of high level of Non Performing Assets (NPA)

- Inadequate manpower is another problem of the bank for which the bank can't provide sufficient services to the customers.
- Major part of the farmers are illiterate and they do not submit the required documents at the proper time for which, the bank delays in sanctioning loans to needy farmers.
- Assam Gramin Vikash Bank faces a big problem of overdues of loan amount which is due to mis-utilisation of loan amount by borrowers.

Assam Gramin Vikash Bank is the largest Regional Rural Bank in the North East region of India. The Bank covers all districts of Assam by its banking network and provides financial help to weaker section such as small and marginal farmers, rural artisans, small entrepreneurs and traders for development of their own business and their socio-economic development. Thus, Assam Gramin Vikash Bank is playing the vital role in the upliftment of the rural economy. Poor farmers are facing problems in sanctioning institutional agricultural credit and they are not interested to approach Bank officials for loans which are generally situated at a far distance from village areas. Thus, the banking network of Assam Gramin Vikash Bank should be enlarged in all remote areas in such a way that all the uncovered areas by banking services can be covered and establishment of branches in those areas of Assam. Hence, Regional Rural Bank can be considered as a lever to gear up the rural economy of Assam.

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