PERFORMANCE OF REGIONAL RURAL BANKS : AN APPRAISAL

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Regional Rural Bank — the youngest member of the rural credit family — is facing the acute problem of non-viability. Therefore, the purpose of this article is to analyse the main causes of the financial crunch and also to suggest some remedial measures to overcome the problem.

INTRODUCTION

The advent of Regional Rural Banks (RRBs) in 1975 was a kind of watershed which marked a revolution in the provision of financial assistance to small farmers, landless labourers and rural poor in India. The intention in having these new banks was that there should, in the Indian context, be an institutional device which combined the local feel and familiarity with the rural problems which the co-operatives possessed and degree of business organisation and modernised outlook which the commercial banks had, with a view to reaching the poor more extensively. According to the preamble of the Regional Rural Banks Act 1976 (No. 21), these banks needed to be set up in India "with a view to developing the rural economy by providing for the purpose of development of agriculture, trade, commerce, industry and other productive activities in the rural areas, credit and other facilities particularly to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs and for matters connected therewith and incidental there to."

Regional Rural Banking — a specialised agency for rural credit — nowadays is faced with the severe problem of non-viability. The purpose of this article is to point out the rationale of setting up of this new credit institution and to study its performance in respect of (1) geographical coverage, (2) business performance, (3) financial performance, and (4) recovery performance. The paper analyses whether RRBs are fulfilling the expected role assigned to them, the main reasons for their non-availability; and suggests some measures to tackle the problem of their non-viability.

Secondary sources of data are used for the study. Data is obtained mainly from the *Report on Currency and Finance, Statistics on Regional Rural Banks* (NABARD publication), etc. Further, interviews with various officials of RRBs and NABARD have been conducted to know about the practical problems of RRBs. This analysis has covered the period of 20 years since the inception in 1975 till 1996. Simple statistical tools such as ratios, averages, and percentages are used for analysis and interpretation.

GENESIS OF RRBs

The co-operative credit societies were practically the only institutional source of rural credit in the beginning of nineteenth

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century. It was observed by the All India Rural Credit Review Committee (AIRCRC) 1969 that overdues were heavy and a large number of co-operatives were neither viable nor potentially viable and therefore could be regarded as inadequate and unsatisfactory agencies for disbursing credit (RBI, 1969). Commercial banks were, therefore, included in the field of agricultural credit under the policy of social control over the banks in 1968 and subsequent nationalisation of 14 major commercial banks in 1969. Commercial banks have experimented with a number of alternative and combination of methods and approaches in different parts of the country with varying degree of success. But it was noticed that both co-operatives and commercial banks, by and large, neglected small and marginal farmers and other weaker sections of the society owing to certain inherent weaknesses of the co-operatives and high cost structure of commercial banks for operating in remote villages. Hence, on the recommendation of the working group headed by Narsimham, the then Additional Secretary, Department of Economic Affairs, RRBs were set up in 1975 for the exclusive requirement of the target group. In the beginning only 5 RRBs were set up with the authorised capital of Rs. 1 crore and paid up capital of Rs. 25 lakhs contributed by the Government of India, sponsor bank and state government in the ratio of 50:35:15 respectively.

SPECIAL FEATURES OF RRBs

RRBs, as a specialised agency, combine the resource orientation of the commercial banks and rural orientation of co-operative banks. They have some distinguishing features of their own. First, RRBs are to be set up mainly in under-banked and unbanked rural areas. Secondly, their lending is confined to the target group consisting of small borrowers. Thirdly, RRBs are to function as a low cost institution with staff drawn from the district or state in which the banks are located. Fourthly, the very approach of RRBs towards rural credit is sectoral. They are to operate in a compact area of not more than two or three districts which gives them no scope for neutralising losses sustained in one area by profits earned in another area.Lastly, RRBs are expected to operate on low spreads or margins because they are to lend to weaker sections at low rate of interest and pay a little more by way of interest on deposits mobilised by them. Because of these special features of RRBs, it was observed that "RRBS ware bound to make losses in the initial years" (See Valayudhām and Sankarnarayan).

PERFORMANCE OF RRBs

The RRBs have achieved a phenomenal growth during the past two decades of their establishment.

Geographical Coverage

A perusal of data contained in Tables 1, 2 and 3 in Annexure I indicates that there has been manifold increase in the number of branches of RRBs. As on March 1996, there were 196 RRBs covering 427 districts of the country with 14497 branches. Data on sponsor bankwise distribution of RRBs shows that SBI takes the first place in sponsoring the maximum number of RRBs (30 RRBs out of 196) covering maximum districts (84 out of 425) and having maximum branches of RRBs (2384 out to 14509) at end of March 1995. Data on statewise distribution of RRBs shows that Uttar Pradesh was at the first place having maximum number of RRBs (40 out of 196), branches (3035 out of 14509) and districts covered (65 out of 425) at the end of March 1995. Around 45 per cent of total RRBs are concentrated in the three states of Madhaya Pradesh, Uttar Pradesh and Bihar whereas

North Eastern states such as Manipur, Mizoram, Tripura, etc., have the minimum number of RRBs.

Business Performance

Tables 1 to 4 in Annexure II show a significant functional growth of RRBs in the sphere of savings mobilisation and dispensation of rural credit.

Deposit Mobilisation

The RRBs played a significant role in mobilising rural savings. As on 31st March, 1996 the total outstanding deposits of all RRBs amounted to Rs. 14188 crore. The per RRB and per branch deposits were Rs. 7239 lakhs and Rs. 98 lakhs respectively.

Loans and Advances

At the end of March 1996, the total outstanding loans and advances of RRBs were to the tune of Rs. 7505 crore. The average outstanding advances per RRB and per branch worked out to Rs.3829 lakhs and Rs. 52 lakhs respectively.

Sponsor bankwise data of RRBs on deposit mobilisation and loans and advances shows that SBI occupies the first position at the end of March 1995. However, total amount of outstanding advances were maximum of Syndicate Bank sponsored RRBs at the end of March 1995. Share of SBI, PNB and Syndicate Bank's sponsored RRBs was 60 per cent approximately in March 1995 in total deposit mobilisation and loans outstanding. Statewise data of RRBs relating to deposit mobilisations and loans and advances shows Uttar Pradesh in the forefront and Nagaland in the backseat.

Another important indicator for evaluating the performance of RRBs is C/D ratio. The C/D ratio of RRBs was 50 per cent in 1975; it increased to 109 per cent in 1985 and declined to 53 per cent in 1996. Statewise data shows that the C/D of RRBs in Kerala state was maximum at 120 in 1995—more than the national average of 56 in the same year. It was minimum in Meghalaya at 49 in 1995.

Purposewise Advances of RRBs

The lending of RRBs for non-farm sector is increasing rapidly. The purposewise classification of loans issued during 1995-96 shows that crop-loans and other agricultural loans declined and accounted for 35.7 per cent of total disbursement as compared to 40.3 per cent during the previous year.

The most important achievement of RRBs is the coverage of the difficult and backward areas of the country. However, the North Eastern states require further attention as the region is comparatively less developed.

Data on distribution of loans under special programmes shows that the RRBs have provided maximum financial help through IRDP to maximum number of account holders. Under the DRI scheme, loans are provided to the weakest among the weaker sections of society at a concessional rate of interest of 4 per cent per annum. During 1994-95, the total financial assistance under special programme was Rs.326.36 crore out of which under IRDP and DRI schemes loans provided amounted to Rs. 292.76 crores and Rs. 1.83 crores respectively.

Financial Performance

A disquieting feature in the functioning of the RRBs has been their unsatisfactory working results, giving rise to mounting losses over the years. Tables 1 and 2 in Annexure III highlight the working results of 152 RRBs. The annual losses of RRBs increased from Rs.94.05 crores in 1990-91 to Rs.423.21 crores in 1994-95 and further to Rs.467.97 crores in 1995-96. The accumulated losses of the RRBs crossed the level of Rs. 2152.09 crores on 31st March 1996. However, during 1995-96, out of 196 RRBs, as many as 44 RRBs made a profit of Rs. 42.38 crores (Rs. 96 crores per RRB) as against a profit of Rs. 28.96 crores made by 32 RRBs (Rs.90 crores per RRB) during 1994-95. The loss per RRB increased from Rs.2.58 crores in 1994-95 to Rs. 3.08 crores in 1995-96. In the Southern region profit making RRBs increased from 11 in 1990 to 14 in 1995 while in the Eastern region there were 10 RRBs showing profits in 1990 but the number reduced to nil in 1995 showing alarming situation in the region.

Recovery Performance

Tables 1, 2 and 3 in Annexure IV show that the recovery performance of the RRBs has not been satisfactory, it being poor till 1992. After which there has been continuous improvement. The percentage of recovery of demand made was maximum in Southern states, the highest being in Kerala (83.65 per cent) which is more than the national average of 50.9 per cent in 1995. Tamil Nadu (75.83 per cent) and Gujarat (67.15 per cent) are the other significant states in this connection. On the other hand, poor recovery is seen in North Eastern states—7.41 per cent in Tripura, 9.24 per cent in Nagaland and 17.49 per cent in Manipur.

Classification of overdues for different purposes of loans shows that the maximum recovery is found in short term crop loans—more than the national average recovery. Sharp regional variations are noticed in recovery performance. Short term crop loan recovery is maximum in the Northern region, agriculture and investment loan recovery is maximum in the Southern region, allied activity loan recovery is maximum in Western region and non-agricultural and overall recovery is maximum in the Southern region in 1995.

RRBS AS "SMALL MAN BANK"

If the RRBs are judged on the basis of fulfilment of the basic objective of meeting the credit needs of small borrowers they have done well in terms of progress in regard to branch expansion, mobilisation of deposits, credit deployment and taking the banking services to the door steps of rural masses. The rural banks seem to have cultivated the savings habits among the different sections of rural population. In Harayana, the deposits mobilised by the RRBs are higher than that of other scheduled commercial banks. The performance appears to be noteworthy from the point of view of mobilisation of deposits in spite of the fact that the number of branches of RRBs is lower than that of other scheduled commercial banks (see Sankarnarayan). RRBs have come up in unbanked and underbanked regions and states like Kerala and Tamil Nadu, where banking has taken strong roots, RRBs have performed well in terms of major business perameters. But majority of RRBs are incurring losses. Thus, although the RRBs have really become "Small" Man Bank", their long term financial viability and strength cannot be ignored. The financing and operations of RRBs must be so organised as to ensure their long term viability.

REASONS FOR NON-VIABILITY

Various committees/groups have studied the RRBs and identified the factors affecting their viability. These factors are both external and internal.

External Factors

These cannot be controlled by the RRBs themselves. Three major factors in this connection which have contributed to the erosion of profitability have been (a) lending exclusively to weaker sections; (b) low interest rate margins; and (c) high operating cost involved in handling small loans. In the absence of loans which can yield higher returns they do not have any scope for cross subsidisation, the absence of which has introduced built-in non-viabiity in the working of RRBs. (RBI, 1990). In fact, non-viability has been very much built into the very structure of RRBs. The Narsimham Committee which had recommended the setting up of RRBs had categorically stated that the "initial losses of these banks is a price worth paying considering the benefit sought to be achieved through these institutions" (GOI, 1975).

Internal Factors

These can be controlled by the RRBs. First, there is the poor fund management; idle funds in cash do not earn income but at the same time they have to pay for raising them. Present SLR funds get returns that are disproportionately less than market rates. The RBI should pay interest at bank rate on CRR funds. Secondly, locking up of funds in overdues restricts their capacity to recycle. It also restricts their refinance eligibility. Thirdly, staff strength disproportionate to the business increases the expenditure rates. Further, there are difficulties in recruitment, inadequate training and lack of motivation. Fourthly, RRBs rely too much on borrowings. Proper financial management is required for enahancing their earning prospects and reducing their operating costs. It would not be out of place to mention here the observation that "Profit is not the main concern but profit is essential to retain net worth, is a normal booster to the management staff and the banking public" (RBI, 1981).

SUGGESTIONS FOR VIABILITY

Various committees/groups have suggested various measures to make them viable. In 1977, the Dantwala Committee reviewed the working of RRBs and observed that "The financial results of the working of some of these banks do show that RRBs have the potential and capability to obtain financial viability and become a profit making institution at a level of business of about Rs. 3 crores which could be expected to be reached in about 3 to 4 years" (See Nageshwara Rao, 1993). The Committee suggested that "The RRBs must retain their distinct mark as the bank of small man. We suggest that at least 60 per cent of the loans advanced by them should be earmarked for the benefit of small farmers, rural artisans and other rural poor" (*ibid.* p. 37). However, these recommendations were not implemented.

The Kelkar Committee (RBI, 1986) recommended increase in share capital, reducing internal rate on refinance, better rate of return on SLR Funds, deputation of additional staff for taking care of inspections and audit of RRBs, posting of an experienced officer as chairman depending on his qualification, experience and quality of leadership, adaptability etc., nomination of senior officers as directors by sponsor banks, preparation of schemes and formation of technical cells, training of staff, promotional opportunities, etc. However, although some of these suggestions have been implemented by the government, it could be said that no major policy change was made to improve the viability.

In 1989, The RBI introduced 'Service Area Approach' and made the banks responsible to develop the adapted villages for all-round development. Even at this stage also, the RRBs could not go beyond the 'Target group' for financing and it was the responsibility of the sponsor bank/commercial bank branches to finance the non-target group. The Narasimham Committee report on the financial system (RBI, 1991), *inter alia*, dealt with the viability of RRBs and made some suggestions to improve their profitability by enlarging the scope of lending activities to cover the hither to uncovered areas/ beneficiaries, amendment in interest rate structure at par with commercial banks, higher return on surplus funds of RRBs, etc. RBI (1990) recommended the enfacement of the RRBs through their merger with the sposoring banks as a policy alternative.

The various recent RBI/NABARD initiatives towards the viability of RRBs can be listed as follows :

(1) Introduction of a package of measures comprising non-target group lending, relocation of branches and non-fund business during 1992 and 1993 aiming at greater operational flexibility and providing avenues of profitability/better margin.

(2) Initiation and implementation of Development Action Plan (DAP) for business improvement and viability attainment coupled with Memorandum of Understanding (MOU).

(3) Selection of 49 RRBs for comprehensive restructuring and infusion of Rs.300 crores for cleansing their balance sheets and provision of liquidity support during 1994-95 under Phase I (see Table 1, Annexure V).

(4) Selection of another batch of 70 RRBs during 1995-96 under Phase II during 1995-96, and release of a sum of Rs 223.57 crores for cleansing the balance sheets of 53 RRBs (see Table 2, Annexure V).

(5) Enhancement of issued share capital of all 196 RRBs to Rs. 1 crore. Provision of Rs. 200 crores for revamping of RRBs during 1996-97.

(6) Linking of Self Help Group (SHG) to the formal credit structure by NABARD since 1992. In all, 1647 SHGs have already been linked to the RRBs. Exclusive training programmes were held by RTC/BIRD/CAB for RRB personnel, of different levels, covering 2785 staff.

(7) Assistance for setting up/strengthening of Technical Monitoring and Evaluation (TME) cells.

(8) Introduction of income recognition and assets classification norms effective from the year 1995-96.

(9) Initiation of a comprehensive Monitoring and Review Mechanism (MRM) with development of computer based system.

Field Survey Based Suggestions

On discussing the problems of RRBs with some of the officials of NABARD and RRBs, the following changes are considered imperative for the financial viability of the RRBs.

Macro Level Changes

For quick and healthy development of the RRBs, one of the critical inputs is the presence of commercial/business like atmosphere in these institutions.

The vicious circle of high overdues-loses-weak financial position-target group finance provision-high overdues needs to be broken by reducing the overdues or improving the financial strength or removing or relaxing some restrictions imposed on RRBs (expansion of area, lending to NTG, etc.).

Although capital adequacy norm is not made applicable for RRBs and other rural credit institutions, the management should consider it as a prudent practice.

While the process of selection of RRBs for revamping on stand-alone basis is in progress, it should be recognised that all the RRBs may not be able to turnaround on this basis. They may not be able to revive or reach the level of break-even by these revamping measures. In such cases, other options are available under the existing enactment, i.e. statewise/sponsor bankwise amalgamation on case by case basis.

Basically, social climate has to change in terms of character building of the borrowers for regularity in bank dealings; and borrowers should not be let-off lightly. Legal and administrative authority should be conferred on the bank staff for attachment of properties for recovery.

Directed loans should be redefined after reviewing the current position. More emphasis should be placed on the execution of plans made.

Operational Level Changes

Sponsor banks have a very crucial role to play in increasing the operational efficiency of the RRBs.

Main focus should be on recovery of loan and for this RRBs should help their clients in marketing of their products. Some arrangement could be made whereby the bank can recover the amount directly from buyers instead of clients.

Consumption loans should be encouraged as these are generally taken by salaried class and the amount can be directly recovered or deducted from the salaries. For the non-salaried, they can be provided against proper security.

Various schemes meant for farmers but which the farmers are unaware of, can be introduced through the mediation of RRBs.

RRBs should not only be concerned about sanctioning of loan but also how to make best use of it, for which they can provide technical help. In other words, non-financial help is all the more important than financial help.

Training should be given to the clients about the facilities provided by the RRBs, how to deal with RRBs, and also in case of non-repayment of loan the authority or legal remedy available to RRBs. This may help in cultivating healthy banking habit among rural borrowers as well as improving recovery.

Staff should be motivated with adequate recognition for active canvassing of deposit. Institutional agencies like schools, colleges and development agencies should park their surplus funds in RRBs as a philosophy. Similarly, RRBs may be allowed to lend to public bodies.

Emphasis should be laid on increasing business and earnings prospects and reducing operational cost. RRBs may operate as "Narrow Bank", that is they may mobilise savings from rural areas and invest in government securities or high income bearing and safe securities for some time to enhance their earnings to reach break-even point.

Annexure I : Geographical Coverage

Table 1 : Geographical Coverage of Regional Rural Banks

	Year	No. of Banks	Districts Covered	No. of Branches	Average No. of Branches per RRB
Dec.	1975	6	12	17	3
June	1980	85	144	3279	39
June	1985	188	333	12606	67
March	1990	196	372	14443	74
March	1995	196	425	14509	74
March	1996	196	427	14497	74

Table 2 : Sponsor Bank Distribution of RRBs, Branches and Districts Covered

Name of Sponsor Bank	Number of RRBs	Number of Districts Covered	Number of Branches
BOB	19	31	1249
CBI	23	43	1792
PNB	19	44	1273
SBI	30	84	2385
UBI	11	43	1019
All India	196	425	14509

Table 3 : Statewise Distribution of RRBs, Districts Covered and RRB Branches

Name of State	Number of RRBs	Number of Districts Covered	Number of Branches
Bihar	22	50	1886
Madhya Pradesh	24	44	1603
Uttar Pradesh	40	65	3035
All India	196	425	14509

Annexure II : Business Performance

Table 1 : Deposit Mobilization by Regional Rural Banks

(Amount in Rs. lakhs)

	Year	Deposits Amount	Deposits Per RRB	Deposits Per Branch
Dec.	1975	20	3.33	1.17
June	1980	16367	224.21	5.98
June	1985	105704	577.60	8.71
March	1990	415052	2117.61	28.32
March	1995	1115001	5688.78	76.85
March	1996	1418790	7238.72	97.86

Table 2 : Loans and Advances of RRBs

(Amount in Rs. lakhs)

	Year	Loans Outstanding	Loan O/S Per RRB	Loan O/S Per Branch	C/D Ratio
Dec.	1975	10	1.60	.58	50
June	1980	18116	140.16	6.91	122
June	1985	118835	649.35	9.97	109
March	1990	355404	1813.28	24.61	86
March	1995	629096	3209.67	43.36	56
March	1996	750503	3829.09	51.77	53

Table 3 : Sponsor Bankwise Deposits and Outstanding Loans of RRBs at the end of March 1995

(Amount in Rs. lakhs)

Name of Sponsoring Bank	Deposits Number of A/C	Amount	Loan Outstanding Number of A/C	Amount
BOB	3184557	94476	822566	48720
CBI	3398981	103030	1344672	54553
PNB	3048888	118466	951289	54430
Syndicate	4311266	109791	1313081	100815
SBI	5315621	167197	2384325	79672
UBI	3315589	84366	1176624	48604
All India	37437869	1115001	12597890	629097

Table 4 : Purposewise Classification of Loans Issued by RRBs at the End of March 1995

Purpose	Amount	% of Total	NTG Adv.	% of Total	NTG as % to Total
ST Crop Loans	849.04	25.9	162.26	14.0	19.1
Agriculture	319.26	9.8	164.77	14.3	51.6
Allied Activities	212.87	6.5	17.36	1.5	8.2
Rural Artisanet *	191.23	5.8	44.93	3.9	23.5
Retail Trade @	495.42	15.1	178.88	15.5	36.1
Consumption Loans	211.50	6.5	153.08	13.2	72.4
Other Purpose $	988.47	30.4	434.09	37.6	43.9
Total	3267.79	100.0	1155.37	100.0	35.4

Note : * Includes Rural Artisan Village and Cottage Industries
@ Includes Retail Trade/Self Employed/Small Business, etc.
$ Includes Indirect Advances

Table 5 : Regionwise Distribution of Loans Under Special Programmes During 1994-95

(Amount in Rs. Crore)

Region	IRDP	DRI	Total
Northern	28.67	.04	44.08
North Eastern	7.55	—	8.37
Eastern	61.26	—	65.46
Central	123.65	.93	131.59
Western	12.91	.17	16.05
Southern	58.70	.68	60.78
All India	292.76	1.83	326.36

Annexure III : Financial Performance

Table 1 : Working Results of 196 RRBs

(Rs. crores)

Year	Number of RRBs in Profit	Number of RRBs in Losses	Extent of Profit During Yr.	Extent of Loss During Yr.	Total Accum. Losses
1990-91	44	152	21.47	94.05	396.36
1991-92	23	173	12.95	259.37	621.00
1992-93	24	172	13.74	327.76	929.74
1993-94	23	173	21.91	388.86	1318.17
1994-95	32	164	28.96	423.21	1723.97
1995-96	44	152	42.38	467.97	2152.09

Table 2 : Regionwise Working Results of RRBs on 31st March 1995

(Rs. Crores)

Region	Profit Making RRBs		Loss Making RRBs	
	Number	Amount	Number	Amount
Northern	3	.68	25	-55.08
North Eastern	1	.95	10	-23.55
Eastern	—	—	40	-166.37
Central	12	15.34	52	-109.96
Western	2	.23	17	-30.76
Southern	14	11.74	20	-37.49
All India	32	28.95	164	-423.21

Annexure IV : Recovery Performance

Table 1 : Recovery Performance of RRBs

(Rs. in Lakhs)

Year	Demand	Collection	Balance	Recovery (%)
1991-92	2395.78	979.62	1416.16	40.8
1992-93	2726.65	1123.49	1603.16	41.2
1993-94	3159.95	1460.85	1699.10	46.2
1994-95	3669.07	1870.36	1798.71	50.9
1995-96 @	4220.18	2354.71	1865.47	55.8

Note : @ provisional data available in respect of 178 RRBs.

Table 2 : Statewise Percentage of Recovery to Demand on June 30, 1995

State	(60% and Above)	State	(40% to 60%)	State	(20% to 40%)
Kerala	83.65	Haryana	59.83	W.Bengal	32.91
Tamil Nadu	75.83	Andhra Pr.	57.10	Meghalaya	30.77
Gujrat	67.15	Orissa	53.39	J & K	26.99
Himachal Pradesh	65.50	Maharashtra	50.92	Bihar	20.84
Karnataka	63.14	Uttar Pr.	49.21	Assam	18.38
Punjab	60.55	Mizoram	48.21	Manipur	17.49
		Arunchal Pr.	46.72	Nagaland	9.24
		Rajasthan	46.72	Tripura	7.41
		Madhya Pr.	40.65		

Table 3 : Regionwise Recovery/Purposewise Recovery Performance of RRBs on March 31, 1995

Region	% of Recovery to demand	Recovery Performance				
		S.T.Crop Loan	Agr. Inv.	Allied Adv.	Overall Agr.	Non Agr.
	(1)	(2)	(3)	(4)	(5)	(6)
Northern	41.28	78.10	36.03	35.36	47.16	35.68
North East	10.27	15.88	6.40	5.77	8.66	9.84
Eastern	27.51	50.99	23.10	19.84	31.51	30.24
Central	41.45	51.78	39.57	40.26	44.39	33.38
Western	46.89	62.03	36.53	41.37	47.95	45.67
Southern	64.60	64.55	42.85	39.21	59.31	77.50
All India	46.23	61.88	35.61	33.99	49.95	48.63

Annexure V : Restructuring of RRBs

Table 1 : Working Results of 49 Selected Select RRBs Under Phase I

(Rs. Lakhs)

Year	Number of RRBs in Profit	Number of RRBs in Loss	Extent of Profit During the Year	Extent of Loss During the Year	Total Accumulated Losses
1993-94	15	34	20.99	55.15	145.42
1994-95	20	29	24.36	81.23	218.40
1995-96	28	21	34.01	56.32	266.34

Table 2 : Working Results of 53 Selected RRBs Under Phase II

(Rs. Crores)

Year	Number of RRBs in Profit	Number of RRBs in Loss	Extent of Profit During the Year	Extent of Loss During the Year	Total Accumulated Losses
1993-94	2	51	14.43	66.32	230.30
1994-95	7	46	1.54	69.22	300.58
1995-96	10	43	2.59	83.78	382.14

Source : NABARD (1996).

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