

**KAKATIYA GOVERNMENT COLLEGE, HANAMKONDA**

**WARANGAL URBAN**



**SCHEMES TAKEN UP BY SBI TO ALLEVIATE POVERTY – A CASE  
STUDY OF WARANGAL DISTRICT**

**(2019-2020)**

**Students Study Project**

Submitted by

**Under the Supervision  
of**

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<b>12</b>	<b>006201815</b>	<b>GURLE ANAND</b>	<b>BBA II YEAR</b>
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<b>15</b>	<b>006201818</b>	<b>K SUNIL</b>	<b>BBA II YEAR</b>
<b>16</b>	<b>006201819</b>	<b>KASAGONI KARTHIK</b>	<b>BBA II YEAR</b>
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<b>19</b>	<b>006201823</b>	<b>Kudikala Rajesh</b>	<b>BBA II YEAR</b>
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<b>24</b>	<b>006201830</b>	<b>MEKALA RAJU</b>	<b>BBA II YEAR</b>
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<b>26</b>	<b>006201835</b>	<b>MORTHALA ABHILASH</b>	<b>BBA II YEAR</b>
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<b>29</b>	<b>006201838</b>	<b>SEDMAKE GANESH</b>	<b>BBA II YEAR</b>
<b>30</b>	<b>006201839</b>	<b>VADLAKONDA SURENDAR</b>	<b>BBA II YEAR</b>
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<b>43</b>	<b>006211812</b>	<b>ESLAVATH MAHESH</b>	<b>BBA I YEAR</b>
<b>44</b>	<b>006211813</b>	<b>GADDAM ARAVIND</b>	<b>BBA I YEAR</b>
<b>45</b>	<b>006211814</b>	<b>GAMPALA RAMYA</b>	<b>BBA I YEAR</b>
<b>46</b>	<b>006211815</b>	<b>GURRALA KARTHIK</b>	<b>BBA I YEAR</b>

47	006211816	HINGE SAI KIRAN	BBA I YEAR
48	006211817	JAGIRI VENU	BBA I YEAR
49	006211818	JEJJARI SRINADH	BBA I YEAR
50	006211819	JERIPOTHULA JAGADEESHWAR	BBA I YEAR

## **SCHEMES TAKEN UP BY SBI TO ALLEVIATE POVERTY – A CASE STUDY OF WARANGAL DISTRICT**

### **ABSTRACT**

**Govt. of India and State Governments are implementing several schemes for the poor to alleviate their poverty. But they are not reaching the targeted and vulnerable sections of the society. As a nationalised bank and as a governmental agency is also chalking out various schemes for the benefit of its customers as well as the vulnerable sections of the society. This study aims at giving focus on the various poverty alleviation programmes which are in force. It studies the organisation and management of SBI. It brings out the profile of Warangal district. It takes into consideration the perception of the beneficiaries of various schemes and also records the perception of bank officials. Finally the study gives out its findings and suggests some ways and means to improve the banking services to the poor and the needy people.**

**Keywords: Poverty Alleviation Programmes, Farm sector, Non-farm sector, Field Officer, NRY, RM groups, Action Plan, WEP etc.**

### **Introduction:**

**Poor people live without fundamental freedoms of action and choice that the better-off take for granted. They often lack adequate food and shelter, education and health, deprivations that keep them from leading the kind of life that everyone values .they also face extreme vulnerability to ill –health, economic dislocation and natural disasters. They are often exposed to ill treatment by institutions of the state and society and are powerless to influence key decisions affecting their lives. These are all dimensions of poverty.**

**In almost all underdeveloped countries where per capita income is very low, income inequality has resulted in a number of evils, of which poverty is certainly the most serious**

one. In India, even now in spite of all the development during the past five decades, nearly forty per cent of the population is poor and for most of the time suffers from extreme destitution. No one says that equitable distribution of present income in India will make everyone rich, but there must not be any doubt about the fact that it will ensure the required minimum consumption to all.

#### **DEFINITION OF POVERTY:**

Poverty is a complex phenomenon, which cannot be subsumed under a single definition, applicable to all societies and all contexts. It has to be defined in relation to the average living standards in a society and the social reforms and customs acceptable to it at that point of time (Atkinson 1975:186). The very mention of poverty actually conjures up images of destitution, hunger, homelessness, are to put it simply to a general deprivation. Ahluvalia (1978) observes poverty as a complete assessment of trends in rural poverty that should take into account several dimensions of poverty, of which income or consumption level per head is only one equally relevant and factors such as longevity, access to health and education facilities, and perhaps also security of consumption levels from extreme shocks.

#### **THE POOR FROM AMARTYA SEN'S VIEW POINT:**

The poor is not an economic class, nor convenient, category to use for analysing social and economic movements. Poverty is the common outcome of a variety of disparate economic circumstances and a policy to tackle poverty must, of necessity, go beyond the concept of poverty. The need for discrimination is essential. Thus the analysis of poverty is to be conducted in two stages. In the first stage, it has to be sorted out who got how much and then by using some norm of income per head, the poor can be identified. In the second stage, we should attempt, to decide how bad the situation really is, and whether one situation is more outrageous than another. In this context Ben assets, "It is not sufficient to know how many poor people there are, but how exactly poor they are".

#### **SOME FRANK STATEMENTS ON POVERTY:**

NGOs and world-renowned organisations, engaged in finding a solution to the poverty. They have expressed the following Statements:

- Subsidies and anti-poverty programmes cannot remove poverty.
- We have failed in our mission to improve the conditions of poor.
- There is not way to tackle the problem of acute poverty.
- After over 70 years seeking to reduce poverty, many of our past policies were misguided and it needed help to succeed in future.

- Only 15 per cent of the funds allocated for poverty removal programmes is reaching the poor, provided that there were no leakages.
- Urbanisation is not a cure of persisting poverty.
- The practice of increasing the taxes for the rich, hoping it would benefit the poor in society does not work.
- We are not winning the battle against poverty.
- There is dearth of anti-poverty programmes sponsored by the Union and State Governments, they often suffer from a fundamental flaw in their implementation, other options of effective poverty eradication have to be considered.
- Although an outlay of Rs. 35,000 crores is allocated for schemes to uplift the poor every year, the bureaucratic system of implementation has failed to deliver this money to the targeted groups.

#### **METHODOLOGY:**

Both the primary and secondary data is used in this study. The Primary data is collected in the sample area by conducting field interviews with the beneficiaries. The secondary data is collected from magazines, periodicals, journals, Government reports, Bank records and annual reports of RBI in this regard.

#### **NEED FOR THE STUDY:**

The Central and the State Governments are designing various schemes to alleviate poverty for the poor. But they are not reaching to the real beneficiaries. RBI has issued guidelines to the Commercial Banks of India to fulfil the credit needs of the targeted group. This study focuses on the credit needs of small marginal farmers, utilisation of credit for the pre-determined purpose and the problems faced by beneficiaries while taking loan/credit.

#### **OBJECTIVES OF THE STUDY:**

- To evaluate the contribution of SBI in the generation of employment in Warangal District wherever the branches are in operation.
- To focus on the problems faced by the borrowers while obtaining credit from different branches in the context of procedural and managerial aspects.
- To examine the role of SBI in respect of lending to primary sector.
- To study the performance of SBI in implementing various governmental schemes which are meant for the upliftment of the economically weaker sections of the society.
- To appraise the role of SEBI in generating income or providing employment to rural people.

#### **SOME OF THE POVERTY ALLEVIATION PROGRAMMES:**

- **Community Development Programme**
- **Intensive Agriculture District Programme**
- **Special Group and Area Specific Programme**
- **Small farmers Development Agency**
- **Marginal Farmers and Agricultural Labourers Scheme**
- **Drought Prone Area Programme**
- **National Rural Employment Programme**
- **Integrated Rural Development Programme**
- **JawaharRozgarYojana**
- **Employment Assurance Scheme**
- **Public Distribution System**
- **Wage Employment Programme**
- **Development of Women and Children in Rural Areas**
- **Rural Works Programme**
- **Food for Work Programme**

#### **EVOLUTION OF STATE BANK OF INDIA**

**State Bank of India (SBI) is an Indian multinational public sector bank and financial services statutory body headquartered in Mumbai, Maharashtra. SBI is the 43rd largest bank in the world and ranked 221st in the *Fortune Global 500* list of the world's biggest corporations of 2020, being the only Indian bank on the list.<sup>[6]</sup> It is a public sector bank and the largest bank in India with a 23% market share by assets and a 25% share of the total loan and deposits market. It is also the fifth largest employer in India with nearly 250,000 employees.**

**The bank descends from the Bank of Calcutta, founded in 1806 via the Imperial Bank of India, making it the oldest commercial bank in the Indian Subcontinent. The Bank of Madras merged into the other two presidency banks in British India, the Bank of Calcutta and the Bank of Bombay, to form the Imperial Bank of India, which in turn became the State Bank of India in 1955. Overall the bank has been formed from the merger and acquisition of nearly twenty banks over the course of its 200 year history. The Government of India took control of the Imperial Bank of India in 1955, with Reserve Bank of India (India's central bank) taking a 60% stake, renaming it State Bank of India.**

## **POVERTY ALLEVIATION SCHEMES IN INDIA SUPPORTED BY STATE BANK OF INDIA:**

- **Jawahar Gram Samridhi Yojana (JSY)**
- **National Old Age Pension Scheme (NOAPS)**
- **Sampoorna Grameen Rozgar Yojana.**
- **National Family Benefit Scheme (NFBS)**
- **National Maternity Benefit Scheme.**
- **Annapurna.**
- **Integrated Rural Development Program (IRDP)**
- **Pradhan Mantri Gramin Awaas Yojana.**

## **SBI AGRICULTURE LOAN**

State Bank of India has been a pioneer and a market leader in agriculture-financing in India with portfolio of over Rs.1,20,000 crore in agricultural advances that covers more than 1.1 lakh farmers and their families. SBI caters to the agriculturists and farmers needs and has a vast network of 10,505 urban and rural branches.

## **TYPES OF AGRICULTURAL LOANS FROM SBI :**

The different types of agricultural loans offered by SBI are listed below:

### **1.Crop Loan**

This loan covers the expenses related to crop production, post-harvest activities, contingencies, etc. Borrowers are provided a Kisan Credit Card, a type of electronic Rupay Card, using which they can withdraw money from ATMs with ease. These cards can also be used for purchasing fertilizers for the farm.

### **Key Features and Benefits of the Kisan Credit Card (KCC) Scheme:**

- **The credit balance in the KCC account gets interest at the savings bank rate.**
- **State Bank Kisan Card is a free ATM cum debit card that is available to all KCC borrowers.**
- **For a loan amount up to Rs.3 lakh, interest subvention at 2% p.a. is given.**
- **If the borrower makes timely repayments, he/she gets additional interest subvention at 3% p.a.**
- **For all KCC loans, specific areas or crops are offered crop insurance.**
- **In the case of non-repayment before the due date, the interest will be at the card rate. For non-repayment after the due date, interest is compounded half-yearly.**

### **Eligibility for KCC Scheme:**



- All farmers and joint cultivators
- Tenant farmers, share croppers, and oral lessees
- Joint liability groups and self-help groups, including tenant farmers

## **2. Gold Loan**

Individuals can get loans for agricultural purposes by pledging gold ornaments. These loans have attractive interest rates and are disbursed almost immediately. All farming activities can be covered through these loans. The two types of gold loans available to farmers are the Agri-Gold Loan for Crop Production and Multi Purpose Gold Loan.

### **Agri-Gold Loan for Crop Production**

#### **Key Features and Benefits:**

- These loans can be availed by pledging gold ornaments.
- The entire loan process is easy and convenient.
- The loan is provided at 10,000 SBI bank branches.

**Interest Rate**      Up to Rs.3 lakh – 7% p.a. More than Rs.3 lakh – 9.95% p.a.

**Margin**          As per the Loan To Value Ratio fixed by the bank

**Repayment**      For Demand Loan – 12 months after loan disbursal For Overdraft/Cash Credit – Limit is reviewed annually and is valid for 3 years

**Collateral**      Pledge of gold ornaments

#### **Eligibility for Agri Gold Loan for Crop Production:**

All farmers doing short-term crop production are eligible for the loan.

#### **Documents Required:**

- Application form, duly filled
- 2 passport size photos of the borrower
- ID proof - PAN Card, Voter ID, Aadhaar Card, Passport, or Driving License
- Address proof - Voter ID, Aadhaar Card, Passport, or Driving License
- Proof of agricultural crops or land

### ***Multi Purpose Gold Loan***

#### **Key Features and Benefits:**

- **Low interest rates.**
- **The loan process is easy and convenient.**
- **There are no hidden charges.**
- **The repayment schedules are flexible.**
- **Loans are available at all semi urban and rural bank branches.**

**Interest Rate 9.95% p.a.**

**Collateral Pledge of gold ornaments**

### **3. FARM MECHANIZATION LOAN**

**These loans are offered for purchasing power tillers, tractors, combine harvesters, etc. An individual can also avail this loan without any collateral. The different types of farm mechanization loans are detailed below:**

#### **Tractor Loan**

**This includes four types of loan schemes:**

- **SSTL (Mortgage free)**

#### **Key Features and Benefits:**

- **The Stree Shakti Tractor Loan scheme has a low interest rate and is a mortgage-free loan.**
- **The loan will be sanctioned within 3 days.**
- **There is a monthly repayment option.**

**Interest Rate 11.20% p.a.**

#### **Eligibility Criteria:**

- **The borrower or co-borrowers should only be women.**
- **There should be at least 2 acres of agricultural land in the name of the applicant.**
- **The annual income of the borrower should be at least Rs.1.5 lakh.**

#### **Documents Required:**

##### **Pre-sanction documents:**

- **Application form, duly filled**

- **3 passport size photos of the borrower**
- **ID proof – PAN Card, Voter ID, Aadhaar Card, or Passport**
- **Address Proof - Voter ID, Aadhaar Card, or Passport**
- **Documented proof of land**
- **Income proof – Certificate from the revenue authority**
- **Quotation of the tractor that the dealer issues to the customer**

**Pre-disbursement documents:**

- **Loan documents**
- **6 post-dated cheques**

**Key Features and Benefits:**

- **This is a tractor loan taken against a collateral.**
- **The loan has a low interest rate.**
- **The loan will be sanctioned within 3 days.**
- **There is a monthly repayment option.**

Interest Rate 10.95% p.a.

**Eligibility Criteria:**

- **The borrower or co-borrowers should only be women.**
- **There should be at least 2 acres of agricultural land in the name of the applicant.**
- **The annual income of the borrower should be at least Rs.1.5 lakh**

**Key Features and Benefits:**

- **This loan can be taken for the purchase of a tractor and its implements, accessories, insurance, and registration.**
- **There is no upper limit on the quantum of loan.**
- **The loan processing will be completed within 7 days from the document submission date.**
- **The repayments can be done monthly, quarterly, or annually.**
- **In the event of prompt repayment, there will be a concession of 1% p.a. on the interest rate.**

Interest Rate 11.95% p.a.

**Eligibility Criteria:**

- **There should be at least 2 acres of agricultural land in the name of the applicant.**

### **Key Features and Benefits:**

- **This is a mortgage-free tractor loan scheme**
- **The loan turnaround time is just 48 hours.**
- **The borrower gets free personal accident insurance cover worth Rs.4 lakh.**
- **The interest rate on this loan is very low.**
- **There is no processing fee.**
- **The loan can be repaid in monthly, quarterly, or half-yearly frequencies.**

<b>Interest Rate</b>	<ul style="list-style-type: none"><li>• <b>When margin is 25% - 11.20% p.a.</b></li><li>• <b>When margin is 35% - 10.95% p.a.</b></li><li>• <b>When margin is 50% - 10.55% p.a.</b></li></ul>
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### **Eligibility Criteria:**

- **All farmers (individually or as joint borrowers) who own and cultivate land can apply.**
- **There should be at least 2 acres of agricultural land in the name of the applicant.**

### **Documents Required:**

#### **Pre-sanction documents:**

- **Application form, duly filled**
- **3 passport size photos of the borrower**
- **ID proof – PAN Card, Voter ID, Aadhaar Card, or Passport**
- **Address Proof - Voter ID, Aadhaar Card, or Passport**
- **Documented proof of land**
- **Quotation of the tractor that the dealer issues to the customer**

## **B. COMBINE HARVESTERLOAN**

**This loan is taken for the purchase of a combine harvester and its accessories. The loan should be repaid in half-yearly instalments. The key features of the loan are as shown below:**

**Interest Rate 12% p.a.**

### **Eligibility Criteria:**

- **All farmers who can operate combine harvesters can apply.**
- **There should be at least 8 acres of irrigated land in the name of the applicant.**

## **C. DRIP IRRIGATION LOAN**

This loan is taken to purchase a drip irrigation system. The key features of the loan are as follows:

**Interest Rate 12% p.a.**

**Eligibility Criteria:**

- All farmers who own land and are involved in agricultural activities can apply.

## **4. Allied Activities**

This category consists of three types of agricultural loans:

### **I. DAIRY LOAN**

This loan is offered to dairy societies for the creation of the following infrastructure:

- Construction of milk house or society office
- Automatic milk collection system purchase
- Transport vehicle purchase
- Bulk chilling unit purchase

## **Dairy Farm Business Loan**

The key features of the loan are as shown below:

**Interest Rate 12.10% p.a.**

**Loan Amount:** This is usually 85% of the cost of the project or 4 times the average profit for the past 2 years (maximum limit is Rs.10 lakh).

The maximum loan limit is also restricted as indicated below:

- If the loan purpose is to set up a milk house or society office – Rs.2 lakh
- If the loan purpose is to purchase an automatic milk collection system – Rs.1 lakh
- If the loan purpose is the purchase of a milk transportation vehicle – Rs.3 lakh
- If the loan purpose is the purchase of a chilling unit – Rs.4 lakh

**Documents Required:**

- Application form, duly filled
- Undertaking from the milk union for deduction and payment of the instalment amount for repayment

- In case a loan was taken from another bank previously, liquidation and no-dues certificate
- Audited balance sheet for at least two preceding years

## **II. POULTRY LOAN**

This loan can be availed by farmers for the construction of feed rooms, poultry shed, and other equipment. The key features of the loan are as detailed below:

**Interest Rate 12.10% p.a.**

**\*\*This should cover at least 50% of the advance**

**Eligibility Criteria:**

The loan can be availed by an individual who has experience in poultry farming and has land for the construction of poultry sheds.

## **III. FISHERIES LOAN:**

This loan can be availed for the purchase of fish net, fish seeds, and other related equipment. The key features of the loan are as detailed in the table below:

**Interest Rate 12.10% p.a.**

**Eligibility Criteria:**

All professional fishermen and farmers with knowledge in pisciculture can apply for the loan.

## **5. MISCELLANEOUS ACTIVITIES**

This category consists of five types of agricultural loans:

### ***A. PRODUCE MARKETING LOAN:***

The purpose of this loan is as described below:

- To assist farmers so that they do not sell their products in distress.
- To help in the prompt repayment of crop loans.
- To offer liquidity to farmers for meeting emergency financial needs.
- To offer loan against stocks in farm houses and loan against warehouse receipts.

The key features of the loan are as listed below:

**Loan Amount 60% to 80% of the total produce value\***

**Repayment Within 12 months\*\***

**Eligibility Criteria:**

- **All non-defaulter borrowers of SBI who can store the produce in a warehouse or their own farms**
- **All non-borrower farmers and crop loan borrowers of other banks who can store their produce in warehouses**

### ***B. SETTING UP OF AGRI CLINIC AND AGRI BUSINESS CENTRES***

**This loan provides self-employment opportunities to individuals who are trained in agriculture extension services. The loan can be availed by applicants engaged in the following activities:**

- **Water and soil quality testing laboratories**
- **Diagnostic, post surveillance, and control services**
- **Repairs, maintenance, and custom-hiring of machinery related to micro irrigation systems**
- **Agri service centres that work on the three activities listed above (group activities)**
- **Seed processors**
- **Micro propagation through plant tissue culture labs**
- **Construction of bio-fertilizer, vermiculture, and bio-pesticide units**
- **Construction of apiaries and related processing units**
- **Provision of agri insurance services**
- **Consultancy services**
- **Hatcheries and aquaculture production units**
- **Livestock health cover provision, construction of veterinary dispensaries/semen banks/liquid nitrogen supply units**
- **Construction of information technology kiosks in rural areas for the provision of agriculture portal access**
- **Feed processing and testing technology**
- **Value addition units**
- **Construction of cool chain from the farm level (group activities)**
- **Management centres for post-harvest activities like sorting, standardisation, storing, and packaging**
- **Construction of metallic and non-metallic storage units (group activities)**
- **Retail marketing outlets for agri produce that is processed**
- **Rural marketing dealership for farm output**

**The key features of the loan are as listed below:**

- In the case of group activities, if a group has more than 5 members, all except one should be trained agri-graduates under the scheme. The remaining person should be a non agri-graduate who has experience in business management.
- For loans within Rs.5 lakh, the loan amount provided will be 100% of the cost of the project.
- For loans more than Rs.5 lakh, the loan amount provided will be 85% of the cost of the project.
- The bank offers a composite subsidy of 44% of the project cost for women borrowers, SC/ST category applicants, and candidates from the North East and hill stations. 36% subsidy is provided for other categories of applicants. There is no interest charged on the subsidy amount.

**Loan Amount**

- Individual activities – Rs.20 lakh\*
- Group activities – Maximum of Rs.100 lakh

**Soft Loan Assistance**      The applicant's 50% share of the margin will be provided by NABARD as a soft loan. There will be no interest on this amount.

\*Rs.25 lakh is provided for projects that have achieved success

#### **Eligibility Criteria:**

- Graduates in agriculture from State and Central universities and institutions recognised by ICAR/UGC
- Degree-holders in agriculture from other universities are also considered based on the approval from the Department of Agriculture and Cooperation
- Diploma holders in agriculture subjects from recognised universities
- Biological science graduates with post-graduation degree in agriculture subjects
- Graduates of degree courses that are recognised by UGC with more than 60% content in agriculture
- Candidates of diploma courses that have more than 60% content in agriculture subjects
- Candidates of agriculture courses at plus two level with a minimum of 55% marks
- Candidates of courses allied to agriculture, i.e., animal husbandry, horticulture, dairy science, forestry, poultry, pisciculture, etc.

### **C. LAND PURCHASE SCHEME**

This loan is offered to small farmers and landless agricultural labourers for the purchase of land. Applicants should be existing borrowers who are looking to consolidate land holdings and develop wastelands.

The key highlights of the loan are as indicated below:



- The loan can be taken for the procurement of irrigation facilities and development of land.
- The loan amount can be used for the purchase of farm equipment and registration purposes.

**Loan Amount 85% of the cost of the land\***

**Eligibility Criteria:**

- Small farmers who own less than 5 acres of unirrigated land
- Marginal farmers who have 2.5 acres of irrigated land
- Landless agricultural labourers
- Applicants should have a great track record of previous loan repayment

**Particulars of beneficiaries who have taken loan to alleviate their poverty under the following schemes:**

**Table: 1 Beneficiaries Loan Particulars:**

<b>Name of the Scheme</b>	<b>No. of beneficiaries</b>	<b>Percentage</b>
<b>Dairy Farm Business Loan</b>	<b>10</b>	<b>16.67</b>
<b>TRYSEM</b>	<b>12</b>	<b>20.00</b>
<b>SCAP</b>	<b>07</b>	<b>11.67</b>
<b>ITDA</b>	<b>12</b>	<b>20.00</b>
<b>SETWAR</b>	<b>04</b>	<b>6.67</b>
<b>OTHERS</b>	<b>15</b>	<b>25.00</b>
<b>TOTAL</b>	<b>60</b>	<b>100.00</b>

From the above table we derive the information that 15 out of 60 beneficiaries (25 percent) have taken loan/credit from the banks based upon their agricultural lands and other properties. 12 out of 60 beneficiaries (20 per cent) beneficiaries under ITDA and the same number also under TRYSEM. The proportion of borrowers under SCAP (Scheduled Caste Action Plan) are 11.67 per cent due to illiteracy and lack of information. The bank officials have not shown any interest to motivate people to have credit under SETWAR scheme. 10 out of 60 beneficiaries 16.67 per cent availed credit under Dairy Farm Business Loan scheme due to the wide publicity given by banking agencies.

**Table 2: Securities demanded by the bank while sanctioning credit/loan**

<b>Type of Security</b>	<b>No. of beneficiaries</b>	<b>Percentage</b>
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<b>Land Security</b>	<b>37</b>	<b>61.67</b>
<b>Group Security</b>	<b>14</b>	<b>23.33</b>
<b>Deposits</b>	<b>3</b>	<b>5.00</b>
<b>Gold Ornaments</b>	<b>6</b>	<b>10.00</b>
<b>Total</b>	<b>60</b>	<b>100.00</b>

The above table reveals that 37 out of 60 beneficiaries (61.67 per cent) have surrendered their land documents for the sanction of credit. The bank officials insist on some guarantee to avoid the risk of defaulting. 14 out of 60 beneficiaries (23.33 per cent) have given group security. Most of the beneficiaries who have taken credit on the basis of group security are self help groups. 3 out of 60 beneficiaries (5 per cent) have taken loan on the basis of deposits (Fixed deposits). 6 out of 60 beneficiaries (10 per cent) have taken credit by mortgaging their gold ornaments for loan period ranging from 6 months to 1 year.

**Table: 3 Beneficiaries perception on the usefulness of SBI**

<b>Beneficiaries Perception</b>	<b>No. of beneficiaries</b>	<b>Percentage</b>
<b>SBI is Useful</b>	<b>38</b>	<b>63.33</b>
<b>SBI is not Useful</b>	<b>22</b>	<b>36.67</b>
<b>Total</b>	<b>60</b>	<b>100.00</b>

The above table reveals that majority of the beneficiaries 63.33 per cent have expressed that the schemes introduced by SBI for Poverty Alleviation are useful to the community. They also said that the rate of interest is low when compared with other nationalised banks and the branches of SBI spread far and wide even to reach the people of remote villages. 36.67 per cent of beneficiaries expressed that SBI was not useful to them. They pointed out several reasons. First one, delay in the sanction of loan amount, second one, the loan sanctioned by the bank was insufficient to meet their requirement. Third one, implementing strict rules in recovery of loan amount.

### **Review of Literature:**

- Ahluwalia, M.S. has presented in his paper the rural poverty in India, from 1956-57 to 1973-74. He pointed out the several reasons for the rural poverty and strategies to be adopted to eradicate poverty in India.
- Government of India under the chairmanship of G.V. Ka committee to review the existing administrative arrangement of rural development and poverty alleviation programmes in the country.
- Haque, T. (1988) presented papers to the seminar on inter relationships between science and technology for the eradication of poverty in India. He stressed the role of technological change in improving the economic conditions of small farmers, marginal farmers and landless labourers in India.
- The Planning Commission appointed Expert Committee chaired by Late Dr. Lakadawala to review the Estimates of Rural Poverty keeping in view the price index rise from 1985-90. The Expert Committee submitted its report in 1993.

## **CONCLUSIONS AND SUGGESTIONS:**

It is estimated that about 75 million households need financial assistance in India, 60 million in the rural areas, and 15 million in urban area. Poor people desperately need credit. India being an agricultural country with more than 70 per cent of its population staying in rural area, land is very inextricably connected with poverty. It is the agricultural economy which actually propels and moves the nation's economy and a lot is dependent on it. The failure of monsoon or a drought like situation has a reeling effect on other sections as well. Even now we have not moved towards completely industrialized economy. During last 2 decades, various studies on default of agricultural credit have conducted by different agencies. They are NABARD study in the recovery of nine states. Datey Committee of Agriculture Lending by Commercial Banks, Interestingly all these studies have revealed that 50 per cent of the cases willful default is the main cause of poor recovery. The level of over-dues is higher for investment credit than for crop loans. Large farmers default more than the small farmers.

In this study the following suggestions have been made to improve the performance of SBI in Poverty Alleviation Programmes:

- **The bank executives should take proper care and action while selecting the beneficiaries for lending credit/loan in their operational area whosoever come under target groups.**
- **The bank officials have to arrange Loan Mela programmes at the convenient place to be beneficiaries to avoid delay in lending.**
- **The SBI has to grant various concessions to rural industrial units in a bid to improve their performance.**
- **Govt. should provide free training and guidance to farmers to bring awareness on technological advancements, new methods of farming and credit schemes meant for them.**