IMPACT OF UTKAL GRAMEEN BANK FINANCE ONRURAL DEVELOPMENT IN THE GANJAM DISTRICT OF ODISHA: AN EMPIRICAL STUDY

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Abstract

Utkal Grameen Bank earlier known as Rushikulya Gramya Bankwas established on 14th February, 1981 under the provision of the Section-3 of the Regional Rural Bank Act, 1976 with its head office at Berhampur,Odisha. The bank has been vigorously pursuing its socio-economic objectives and is committed to rural development by developing the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs'.The study is descriptive in nature and makes use of primary data collected from the 331 beneficiaries of the bank. Systematic sampling is used for selecting the beneficiaries.For the analysis of data SPSS is used and for the verification of the hypotheses difference of mean test and chi-square test is used. The study finds and concludes that thebank has been making substantial contributions to the rural development of the district.

Keywords: Rural Development, Income, Expenditure, Savings, Standard of Living, Asset Acquisition.

INTRODUCTION:

UtkalGrameen Bank earlier known as RushikulyaGramya Bank is sponsored by State Bank of Indiawas established on 14th February, 1981 under the provision of the Section-3 of the Regional Rural Bank Act, 1976 with its head office at Berhampur, Ganjam. As a scheduled commercial bank, it is authorized to conduct all types of banking activities under the Section-5B of the Banking Regulation Act 1949. The bank is affecting the socio-economic life of the people of district. UtkalGrameen Bank has been vigorously pursuing its social objectives and is committed to serve the economically backward sections of the society. The bank has played a pivotal role in cent percent financial inclusion of the district. Through its wide branch network, it has penetrated into the nooks and corners of the district and has been making substantial contributions to the economic development of the district in particular and Odisha state in general.

MEANING OF RURAL DEVELOPMENT:

Rural development is a strategy designed to improve the socio-economic status of the specific group of people in the rural area. The group includes the small & marginal farmers, tenants and landless laborers, artisans, agricultural laborers and small entrepreneurs. In this research rural development can be defined as;

i. Rise of the income, expenditure and savings in the study area
ii. Create the employment opportunities in the study area
iii. Increase the asset acquisitionof the rural people
iv. Increase the standard of living of rural people

NEED OF THE STUDY:

The importance of the rural banking in the economic development of a country cannot be ignored. As India lives in the rural areas without theupliftment of the rural people, the objectives of economic planning cannot be achieved. In fact the real growth of the Indian economy depends on the eradication poverty, unemployment and socio-economic backwardness from the rural areas. Keeping this in view various plans and programs of rural development have been conceived and implemented by the government of India since the commencement of the first five-year plan from 1951-56. But many of these plans and programs failed to achieve the desired objectives because of the lack of adequate finance to the poor people in the rural areas. Finally, the Regional Rural Banks were established to provide credit to the rural people who are not economically strong enough, especially the small and marginal farmers, artisans, agricultural laborers and even small entrepreneurs.
The success of any institutions there should be a periodic appraisal and evaluation, so as to adopt the appropriate polices to make the institutions more effective. So, an impact study of the UtkalGrameen Bank would establish their individual roles in financing the rural people. Furthermore, an impact study of this kind would clearly establish how the banks are more successful in carrying out their roles. In addition to this, the present study will throw light on the functioning of theUtkalGrameen Bank for the rural development and to give suggestions for the rectification if required. Keeping the above points in mind the present study is an honest attempt to evaluate the functioning of the UtkalGrameen Bank in the Ganjam district of Odisha.

OBJECTIVES OF THE STUDY:

1. To study the impact of the UtkalGrameen Bank finance on the income, expenditure and savings of the beneficiaries.
2. To study the impact of the UtkalGrameen Bank finance on the employment generation of the beneficiaries.
3. To study the impact of the UtkalGrameen Bank finance on the asset acquisition of the beneficiaries.
4. To study the impact of the UtkalGrameen Bank finance on the standard of living of the beneficiaries.

HYPOTHESIS OF THE STUDY:

1. There is no significant difference between the pre loan income and post loan income of the beneficiaries.
2. There is no significant difference between the pre loan employment and post loan employment of the beneficiaries.
3. There is no significant difference between the pre loan value of the assets and post loan value of the assets of the beneficiaries.
4. There is no significant impact of the bank loan on the standard of living of the beneficiaries.

RESEARCH METHODOLOGY:

The formidable problem that follows the task of defining the research problem is the preparation of the design of the research project, known as the research design. In fact the research design is the conceptual structure within which the research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data. The present study is descriptive in nature and is based on primary data collected with the help of interview schedule from the beneficiaries of the UtkalGrameen Bank.From the list of 49 rural branches of the UtkalGrameenBank, 20 percent of the branches i.e. 10 branches were selected by using the systematic sampling as sample branches; semi-rural and urban branches were neglected purposefully. There are 11013 total beneficiaries in all 10 sample branches, 3 percent of the total beneficiaries of 11013 comes to 331. Thus, the sample size of the beneficiaries is 331.For the analysis of data SPSS is used and for the verification of the hypotheses difference of mean test and chi-square test is used.

SCOPE OF THE STUDY:

The study is limited to theUtkalGrameen Bank of the Ganjam district of Odisha. For thestudy only the rural bank branches were considered, urban and semi-urban branches were purposefully neglected to study the impact of the bank finance on rural development. So for the analytical scope is concerned, the variables like development of agriculture, income, expenditure, savings, employment, asset acquisition and standard of living were considered for the components of rural development. Even though the study is not limited to a specific time period, but for the convenience the survey was conducted during July-September 2015.

LIMITATIONS OF THE STUDY:

i. The universe of the investigation is restricted to the Ganjamdistricts of Odisha. As such the generalizations of the results of the study could only be restricted to the are a under investigation in particular and the areas where the similar conditions prevailin general.
ii. Many of the beneficiaries did not maintain the proper records of their income, expenditure and savings; hence the details supplied by memory call method may lead under or over estimation of the values.
iii. Since, most of the data and information is based on the verbal responses of the beneficiaries the chance of bias could be there. Further, it is also likely that some of the answers might not fully and correctly reflect the inner thought sand aspirations of the beneficiaries about the rural financing operations of the banks.

REVIEW OF LITERATURE:

Shrivasthav (1981) in his study on ‘Champaram Kshatriya Grameen Bank in Bihar State, concluded that the Regional Rural Banks provided easy and timely crop loans at normal rates of interest. Credit facilities has increased the use of inputs like seeds, fertilizers etc. It was found that cropping intensity has increased by the bank loan, thereby increase of the income of the borrowers.**Rehman (1987)**highlighted the factors which have contributed to the success of the Grameena Banks in Bangladesh, in reaching the poor through an innovative credit program. Design of the program, targeting of the rural poor, excellent implementation system, decentralized and participative management style and various other innovative polities were cited as the factors responsible for its success. An in-depth household survey in the five project villages and two control villages found that theGrameena Bank members had income about 43 percent higher than the non-participants. The study has concluded that the Grameena Banks had made a positive contribution to the alleviation of poverty in its areas of operation.**Naidu & Naidu (1988)**havestudied the ‘Impact of Credit on Income and Employment: A Case Study of a Regional Rural Banks’. The study assessed the accomplishment of the RayalaseemaGrameen Bank on income, profit and employment in the different categories of beneficiaries. It was found that in their study income had increased for paddy, jowar and ground nut crops between pre loan and post loan periods. Same trend have also noticed in case of dyeing and weaving where the income was more in case of latter due to the well-established market. It was also observed that there was an increase in man days of employment to 40 percent, 36.84 percent and 28.57 percent for the small farmers, marginal farmers and landless labourers respectively. The improvement was comparatively lower in case of agriculturallabourers as they could not afford to employ them outside.**Hosmani (1995)**has studied the ‘Performance and Impact of MalaprabhaGrameena Banks in Karnataka’. A multistage stratified random sampling procedure was used for selecting the requited samples. The pattern of credit flow was analyzed using the Kendall's coefficient of concordance and the inequality index (Gini coefficient) was used to know the extent of concentration. A comparative assessment has also been made for the period of establishment and period of development. He found that the liquidity and solvency position of the bank was sound. The pattern of credit flow to the beneficiaries remained unchanged as indicated by the significant Kendall's coefficient of concordance 0. 90 and Gini coefficient 0.12 indicated a lower inequality in credit distribution among beneficiaries. Operating nonresident Indian accounts, export financing, procedure simplification, credit enhancement, long run planning and periodical evaluation were some of the recommendations made for enhancing the performance of the Grameena Banks.**Ruston (2004)**has conducted a study on ‘The Impact of Financing by RajshahiKrishiUnnayan Bank on Agricultural Development of Bangladesh’ has revealed that the variations in the farm and non-farm production, income from agro based trade, cropping intensity, amount of cultivated area of uncommon crops, total and per capita consumption expenditure of the borrowers were found statistically significant higher than the non-borrowers. The study embodies that the major problems associated with the bank financing are diversions of the borrowed funds, the poor recovery of loans and high default rate which are attributed to both the borrowers and the bankers.**Prahalad et al. (2010)**have written a research paper on ‘Regional Rural Banks and Their Role towards Financial Inclusion’ and published in the book “Regional Rural Banks and Upliftment of Rural Society”. They have concluded that the Regional Rural Banks were established as a new set up state sponsored, rural oriented, region based, low cost banks, having the ethos of the cooperatives and business acumen of the commercial banks for providing the rural credit, particularly to the relatively weaker sections of the society. It would be fair to say that the Regional Rural Banks have succeeded in spreading the banking services to far flung rural areas, mobilizing rural savings, opening of more avenues of the rural people through the institutional credit and generating employment opportunity.**Tasi (2012)**has conducted a study on ‘Regional Rural Bank Finance in Arunachal Pradesh: An Impact Analysis’. It has been observed that the Arunachal Pradesh Rural Bank (APRB) loan has played an important role in improving the economic conditions of the sample beneficiaries in particular and the rural economy of Arunachal Pradesh state as a whole.The bank helped the rural people to undertake different economic activities by granting the credit through the different schemes. More than half of the sample beneficiaries 113 beneficiaries reported that the Arunachal Pradesh Rural Bank finance helped them in increasing the annual income, acquisition of asset, generating additional employment and in improving their living standard. Hence, the Arunachal Pradesh Rural Bank is playing an important role in the process of reducing the level of poverty among the poor tribal people of the state by generating employment in the rural area, enhancing their income and creating assets. However, the Arunachal Pradesh Rural Bank has to concentrate more on the financing Self Help Groups(SHGs), cooperative and small business entrepreneurs etc. for better returns and profits.

DATA ANALYSIS:

Impact of the bank loan on the annual income of the beneficiaries:

Pre loan and post loan average annual income of the beneficiaries are compared to find the impact of the bank loan during the post loan period. Sector wise annual income generated in the pre and post loan period is presented in the table-1. The average annual income of the agriculturists in the pre loan period was Rs. 68272.49 and in the post loan period it has increased to Rs. 97601.90. The average annual income of the small scale industrialists in the pre loan period was Rs. 48772.50 has increased to Rs. 72623.75 in the post loan period. Similarly, for the service sector and other sector pre loan annual average income was Rs. 56491.07 and Rs. 96156.25 has increased to Rs. 80261.36 and Rs. 105984.38 respectively in the post loan period. On the whole the pre loan average annual income was Rs. 62589.09 has increased to Rs. 86976.86 in the post loan period.

Table-1
Pre and post loan annual income of the beneficiaries by category

Sr. No.	Category	Pre Loan Total Annual Income	Pre Loan Average Annual Income	Post Loan Total Annual Income	Post Loan Average Annual Income
1	Agriculture	7919609.00	68272.49	11321820.00	97601.90
2	SSI	3901800.00	48772.50	5809100.00	72613.75
3	Service Sector	5818580.00	56491.07	8266920.00	80261.36
4	Other	3077000.00	96156.25	3391500.00	105984.38
Grand Total		**20716989.00**	-	**28789340.00**	-
Annual Average Income		**62589.09**	-	**86976.86**	-

Source: Field Survey

Hypothesis-1: There is no significant difference between the pre loan income and post loan income of the beneficiaries.
The difference between the two income levels is statistically tested by using the difference of means test. The value of two tail significance is 0.014 is less than .05($p<.05$), as such the difference between means is significant. The test output indicates that there is a significant difference inthe pre loan income and post loan income of the beneficiaries. The post loan income is more than the pre loan income, with $t(3)=5.201$, $p<0.05$. Hence, the bank loan has created a positive impact of the income of the beneficiaries.
Impact of the bank loan on the annual expenditure of the beneficiaries:
Pre loan and post loan average expenditures of the beneficiaries are compared to find the impact of the bank loan during the post loan period. The sector wise annual average expenditure in the pre and post loan period is presented in the below table-2. The average annual expenditure of the agriculturists in the pre loan was Rs. 49208.97has increased to Rs. 63486.21 in the post loan period. The average annual expenditure of the small scale industrialists have increased form Rs. 42052.50 in the pre loan period to Rs. 52508.75 in the post loan period. Similarly, for service sector and other sector annual average expenditure was Rs. 44555.34 and Rs. 61725.00in the pre loan period has increased to Rs. 55409.71 and Rs. 73281.25in the post loan periodrespectively. On the whole pre loan average annual expenditure was Rs. 47241.21loan has increased to Rs. 59266.77 in the post loan period. It revealed that bank loan has created positive impact on the expenditure of the beneficiaries.

Table-2
Pre and post loan annual expenditure of the beneficiaries in rupees

Sr. No.	Categories	Pre Loan Total Annual Expenditure	Pre Loan Average Annual Expenditure	Post Loan Total Annual Expenditure	Post Loan Average Annual Expenditure
1	Agriculture	5708240.00	49208.97	7364400.00	63486.21
2	SSI	3364200.00	42052.50	4200700.00	52508.75
3	Service Sector	4589200.00	44555.34	5707200.00	55409.71
4	Other	1975200.00	61725.00	2345000.00	73281.25

Grand Total	**15636840.00**	**-**	**19617300.00**	**-**
Annual Average Expenditure	**47241.21**	**-**	**59266.77**	**-**

Source: Field Survey

The difference between the two expenditure levels is statistically tested by using the difference of means test. The value of two tail significance is 0.001 is less than 0.05($p<.05$), as such the difference between means is significant. The output indicates that there is a significant difference in the pre loan expenditure and post loan expenditure. The post loan expenditure is more than the pre loan expenditure, with $t(3) = 13.69, p<.05$. Hence, the bank loan has created a positive impact on the expenditure of the beneficiaries.

Impact of the bank loan on the annual savings of thebeneficiaries:

Pre loan and post loan savings of the beneficiaries are compared to find the impact of the bank loan during the post loan period. The sector wise annual savings in the pre and post loan period is presented in the table-3. The average annual savings of the agriculturists in the pre loan period was Rs. 19080.77has increased toRs. 34219.14 in the post loan period. The average annual savings of the industrialistshas increased form Rs. 7881.25 in the pre loan period to Rs. 20112.50 in the post loan period. Similarly, for the service sector and other sector,the annual average savings was Rs. 11940.58.34 and Rs. 34618.75 in the pre loan has increased to Rs. 24851.65 and Rs. 32893.75 respectively in the post loan period. On the whole pre loan average annual savings was Rs. 15654.23 has increased Rs. 27766.59 in the post loan period. It is also found that the annual average dissaving was Rs. 306.34 in the pre loan period and reduced to Rs. 56.50 in the post loan period. It clearly indicates that the bank loan has positive impact on the savings patterns of the beneficiaries.

Table-3

Pre and post loan annual savings of the beneficiaries in rupees

Sr. No.	Category	Pre Loan Total Annual Savings	Pre Loan Average Annual Savings	Post Loan Total Annual Savings	Post Loan Average Annual Savings
1	Agriculture	2213369.00	19080.77	3969420.00	34219.14
2	SSI	630500.00	7881.25	1609000.00	20112.50
3	Service Sector	1229880.00	11940.58	2559720.00	24851.65
4	Other	1107800.00	34618.75	1052600.00	32893.75
Grand Total		**5181549.00**	**-**	**9190740.00**	**-**
Annual Average Savings		**15654.23**	**-**	**27766.59**	**-**

Source: Field Survey

The difference between the pre loan and post loan savings is tested statistically by using the difference of means test. The value of two tail significance is 0.49 is less than .05($p<.05$), as such the difference between means is significant. The test result indicates that there is a significant difference in the pre loan savings and post loan savings. The post loan savings is more than the pre loan savings, with $t(3) = 2.511$, $p<0.05$. Hence, the post loan savings is more thanthe pre loan savings i.e. the bank loan has created a positive impact on the savings of the beneficiaries.

Employment conditions of the beneficiaries:

Employmentgenerationisthenumberofdays the beneficiariesworkedand isexpressedinman-days.The UtkalGrameenBank finance has resulted in creating a positive impact on the employment generation of the beneficiaries. Table-4 presents the employment positions of the beneficiaries in the pre and post loan period. So far the employment generation of the agriculturists is concerned in the pre loan period the annual average levels of employment was 139.92 man-days and has increased to 186.75 man-days in the post loan period with a 33.47 percent increase in the post loan period. Similarly, the small scale industrialists, service sector and others sector the annual average levels of employment in man-days in the pre loan period was 134.17 man-days, 154.54 man-days and 184.43 man-days and has increased to 192.01 man-days, 210.02 man-days and 204.25 man-days respectively with a percentage increase in the post loan of 43.11 percent, 35.90 percent and 11.35 percent respectively. On the whole the post loan annual average levels of employment was 153.01 man-days has increased to 198.25 man-days with an increase of 29.57 percent.

Table-4
Pre and post loan employment of the beneficiariesby category
(Annual average levels of employment in days)

Sr. No	Category	Pre loan	Post loan	Increase	Percentage
1	Agriculture	139.92	186.75	46.83	33.47
2	SSI	134.17	192.01	57.84	43.11
3	Service	154.54	210.02	55.48	35.90
4	Others	183.43	204.25	20.82	11.35
Total Average		**153.01**	**198.25**	**45.25**	**29.57**

Source: Field Survey

Hypothesis-2: There is no significant difference between the pre loan employment and post loan employment of the beneficiaries.
The difference between the two employment levels is statistically tested by using the difference of means test. The value of two tail significance is 0.002 is less than .05($p<.05$), as such the difference between the means is significant.The test result indicates that there is a significant difference in the pre loan employment and post loan employment. The post loan employment is more than the pre loan employment, with $t(3)=6.93$, $p<.05$. Hence, the bank loan has created a positive impact on the employment conditions of the beneficiaries.

Impact of the bank loan on the value of assets of the beneficiaries:

Pre loan and post loan value of the assets of the beneficiaries is compared to find the impact of the bank loan during the post loan period. The sector wise value of the assets in the pre and post loan period is presented in the table-5. The total value of the assets in the agriculture sector in the pre loan period was Rs. 63262599 has increased to Rs. 72849957 in the post loan period, with a 15.15 percent increase in the value of assets. Again in the small scale industries sector it has increased form Rs. 14571520 in the pre loan period to Rs. 17160774 in the post loan periodwith a 17.76 percent increase in the value of assets. Similarly, for the service sector and other sector in the pre loan total value of the assets was Rs.29523911 and Rs. 5710290 has increased to Rs. 42405122 and Rs. 9361420 respectively in the post loan periodwith a 43.63 percent and 63.93 percent increase in the value of assets respectively. From the data it is clear that the bank loan has more impact on the other sector followed by the service sector so for the value of assets are concerned. On the whole value of assets has increased 25.39 percent in the post loan period. It clearly indicates that bank loan has positive impact on the value of assets of the beneficiaries.

Table-5

Pre and post loan value of assets of the beneficiaries by category in rupees

Pre/Post	Agriculture	SSI	Service Sector	Others	Total
Pre Loan	63262599	14571520	29523911	5710290	113068320
Post Loan	72849957	17160774	42405122	9361420	141777273
Difference	9587358	2589254	12881211	3651130	28708953
Percentage increase	**15.15**	**17.76**	**43.62**	**63.93**	**25.39**

Source: Field Survey

Hypothesis-3: There is no significant difference between the pre loan value of the assets and post loan value of the assets of the beneficiaries.

The difference between the pre loan values of the assets and post loan value of the assets are statistically tested by using difference of means test. The value of two tail significance is 0.002 is less than .05($p<.05$), as such the difference between means is significant. The test output indicates that there is a significant difference in the pre loan value of the assets and post loan value of the assets. The post loan value of the assets are more than the pre loan value of the assets, with $t(28) = 3.34$, $p<.05$. Hence, the bank loan has a positive impact on the value of the assets in the post loan period.

Standard of living of the beneficiaries:

Standard of living is a level of material comfort as measured by the goods, services, luxuries available to an individual, group or nation. The standard of living is closely related to the quality of life. Table-6.41 produced the responses of thebeneficiaries on the five scale rating of the eleven selected standard of living particulars in the rural areas after availing bank loan. It is found that after availing the bank loan 190beneficiaries have strongly agreed that they expanded their business in the modern lines, maximum 143beneficiaries have agreed that the bank loan helped to repay their past debt, 104 beneficiaries have agreed that they had better education and health facilities to their children after bank loan, maximum 193 beneficiaries have agreed that after the bank loan their clothing quality has increased, 200 beneficiaries have agreed that bank loan has increased both the quality and quantity of food, 163 beneficiaries agreed that after the bank loan they are leading comfortable life, 195 beneficiaries agreed that the bank loan helped in purchasing the household articles, 153 beneficiaries has strongly agreed that the bank loan reduced the poverty of the beneficiaries, 146 beneficiaries have agreed that the bank loan helped in modifying and constructing their houses. It is concluded that the bank loan has positive impact on the standard of living of the beneficiaries in the study area.

Table-6
Responses of the beneficiaries regarding the selected standard of living particulars

Sr. No.	Standard of living particulars	Strongly Agree (SA)	Agree (A)	Undecided (U)	Disagree (D)	Strongly Disagree (SD)	Total
1	Expanded the business in the modern lines	190	65	65	02	09	331
2	Repaid past debt	91	143	84	06	07	331
3	Given better education and health facilities to the children	96	104	110	10	11	331
4	Wearing good clothes	76	193	37	15	10	331
5	Eating good food	77	200	36	10	08	331
6	Led a comfortable life	109	163	27	24	08	331
7	Improved the credit worthiness	81	72	142	25	11	331
8	Purchased house hold articles	90	195	32	12	02	331
9	Marriage/ Social functions	92	65	140	24	10	331
10	Reduce poverty	153	127	27	18	06	331
11	Modified/ constructed house	102	146	60	15	08	331
Total		**1157**	**1473**	**760**	**161**	**090**	**3641**

Source: Field Survey

Hypothesis-4: There is no significant impact of the bank loan on the standard of living of the beneficiaries.

Standard of living is a function of the above selected eleven parameters in this study. If, the bank loan has impact on the above selectedparticulars than, ultimately the bank loan has impact on the standard of living of the beneficiaries. To verify the impact of the bank loan on the eleven standard of living particulars the chi-square is used.

The chi square value of 343.275(df=4, N=331), $p<0.05$ is significant at 4 degree of freedom, showing that there is significant differenceinthe expected and observed frequencies. As such we reject the hypothesis that there is no significant impact of the bank loan in expanding the business in the modern lines. Hence, the bank loan has much influence in expanding the business in the modern lines.

We can conclude that the chi square value of 210.858(df=4, N=331), $p<0.05$ is significant at 4 degree of freedom, showing that there is significant difference in the expected and observed frequencies.As such we reject the hypothesis that there is no significant impact of the bank loan in repaying the past debt. Hence, the bank loan has much influence inrepaying the past debt.

The chi square value of 157.716 (df=4, N=331), p<0.05 is significant at 4 degree of freedom, showing that there is significant different in the expected and observed frequencies. As such we reject the hypothesis that there is no significant impact of the bank loan in providing the better education and health facilities to the children of the beneficiaries. Hence, the bank loan has much influence on the education and health facilities to the children of the beneficiaries.
The chi square value of 344.514 (df=4, N=331), p<0.05 is significant at 4 degree of freedom, showing that there is significant difference in the expected and observed frequencies. As such we reject the hypothesis that there is no significant impact of the bank loan on wearing the good clothes. Hence, the bank loan has much influence on wearing the good clothes.
The chi square value of 384.846 (df=4, N=331), p<0.05 is significant at 4 degree of freedom, showing that there is significant difference in the expected and observed frequencies. As such we reject the hypothesis that there is no significant impact of the bank loan on eating the good food. Hence, the bank loan has much influence on eating the good food.
We make the inference that the chi square value of 270.495 (df=4, N=331), p<0.05 is significant at 4 degree of freedom, showing that there is significant difference in the expected and observed frequencies. As such we reject the hypothesis that there is no significant impact of the bank loan on leading the comfortable life. Hence, the bank loan has much influence on thecomfortable life.
The research concludes that the chi square value of 162.278 (df=4, N=331), p<0.05 is significant at 4 degree of freedom, showing that there is significant difference in the expected and observed frequencies. As such we reject the hypothesis that there is no significant impact of the bank loan on the credit worthiness. Hence, the bank loan has much influence on the credit worthiness of the beneficiaries.
The researcher concludesthat the chi square value of 383.456 (df=4, N=331), p<0.05 is significant at 4 degree of freedom, showing that there is significant difference in the expected and observed frequencies. As such we reject the hypothesis that there is no significant impact of the bank loan in purchasing the household articles. Hence, the bank loan has much influence on purchasing household articles.
The chi square value of 166.916 (df=4, N=331), p<0.05 is significant at 4 degree of freedom, showing that there is significant difference in the expected and observed frequencies. As such we reject the hypothesis that there is no significant impact of the bank loan on the marriage and social functions. Hence, the bank loan has much influence on the marriage and social functions of the beneficiaries.
The research shows the chi square value of 282.710 (df=4, N=331), p<0.05 is significant at 4 degree of freedom, showing that there is significant difference in the expected and observed frequencies. As such we reject the hypothesis that there is no significant impact of the bank loan in reducing poverty. Hence, the bank loan has much influence inreducing the poverty.
Further,the researcher has concluded that the chi square value of 206.900 (df=4, N=331), p<0.05 is significant at 4 degree of freedom, showing that there is significant difference in the expected and observed frequencies. As such we reject the hypothesis that there is no significant impact of the bank loan in modifying and constructing house. Hence, the bank loan has much influence in modifying and constructing house.

FINDINGS:

1. The average annual income of the beneficiaries in the pre loan period was Rs. 62589.09 had increased to Rs. 86976.86 in the post loan period. In post loan period the annual average income had increased by 38.96 percent. The difference between the two income levels is statistically tested by using the difference of means test. The value of two tail significance is 0.014 is less than .05(p<.05), as such the difference between means is significant. The test output indicates that there is a significant difference in the pre loan income and post loan income of the beneficiaries. The post loan income is more than the pre loan income, with t (3) =5.201, p<0.05. Hence, the bank loan has created positive impact of the income of the beneficiaries.
2. The average annual expenditure of the beneficiaries in the pre loan was Rs. 47241.21 had increased toRs. 59266.77 in the post loan period. In the post loan period the annual average

expenditure had increased by 25.46 percent. The difference between the two expenditure levels is statistically tested by using the difference of means test. The value of two tail significance is 0.001 is less than 0.05($p<.05$), as such the difference between means is significant. The output indicates that there is a significant difference in the pre loan expenditure and post loan expenditure. The post loan expenditure is more than pre loan expenditure, with $t(3) = 13.69, p<.05$. Hence, the bank loan has created a positive impact on the expenditure of the beneficiaries.

3. The average annual savings of the beneficiaries was Rs. 15654.23 had increased toRs. 27766.59 in the post loan period. In post loan period annual average savings had increased by 77.37 percent. The difference between the pre loan and post loan savings is tested statistically by using the difference of means test. The value of two tail significance is 0.49 is less than .05($p<.05$), as such the difference between means is significant. The test result indicates that there is a significant difference in the pre loan savings and post loan savings. The post loan savings is more than the pre loan savings, with $t(3) =2.511, p<0.05$. Hence, the post loan savings is more than pre loan savings i.e. the bank loan has created a positive impact on the savings of the beneficiaries.
4. It was also found that the annual average dissaving was Rs. 306.34 in the pre loan period has reduced to Rs. 56.50 in the post loan period. In the post loan period the average annual dissaving had decreased to 442.19 percent. It clearly indicated that the bank loan had positive impact on the savings patterns of thebeneficiaries.
5. The pre loan annual average levels of employment was 153.01 man-days had increased to 198.25 man-days with an increase of 29.57 percent in the post loan period. The difference between the two employment levels is statistically tested by using the difference of means test. The value of two tail significance is 0.002 is less than .05($p<.05$), as such the difference between the means is significant. The test result indicates that there is a significant difference in the pre loan employment and post loan employment. The post loan employment is more than the pre loan employment, with $t(3) =6.93, p<.05$. Hence, the bank loan has created a positive impact on the employment conditions of the beneficiaries.
6. It was found that the bank loan has increased the value of the assets in terms of money in the post loan period. The bank loan has increased the value of the assets 25.39 percent in the post loan period. The difference between the pre loan value of the assets and post loan value of the assets are statistically tested by using the difference of means test. The value of two tail significance is 0.002 is less than .05($p<.05$), as such the difference between means is significant. The test output indicates that there is a significant difference in the pre loan value of assets and post loan value of the assets. The post loan value of the assets are more than the pre loan value of the assets, with $t(28) = 3.34, p<.05$. Hence, the bank loan has a positive impact on the value of assets in the post loan period.
7. It is found that the bank loan has a positive impact on the standard of living of the beneficiaries. This is verified by using the chi-square test. The test result indicates that there is significant difference in expected and observed frequencies for all the parameters of standard of living. As such we reject the hypotheses. Hence, the bank loan has increased the standard of living of the beneficiaries.

CONCLUSIONS:

The RushikulyaGramya Bank has been playing a pivotal role in the Ganjam district of Odisha in prompting the socio-economic status of the people.UtkalGrameen Bank finance has increased the income, expenditure and savings by 38.96 percent, 25.45 percent and 77.37 percent in the post loan period. It indicates that bank loan has a positive impact on the income, expenditure and savings pattern of the beneficiaries. Again, it is concluded that in the post loan period the value of assets has increased by 25.39 percent, employment has increased by 29.57 percent in the post loan period and bank loan has improved the standard of livings of the rural people in the post loan period. It can be concluded that the bank loan has improved the rural area by fulfilling the socio-economic needs of the people of the district.

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