

The Impact of Rural Banks to The Transformation of The Rural Socio-Economy

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Abstract:

Rural banking plays a critical role in a country's economic development. As Gandhi stated, "real India lies in villages," and the village economy is the backbone of the Indian economy. The goal of economic planning cannot be met unless the rural economy grows. Hens, banks, and other financial institutions are thought to play an important role in the growth of India's rural economy. Regional Rural Banks (RRBs) were established on October 2, 1975, and play an important role in rural India's economic development. The primary purpose of establishing Regional Rural Banks in India is to give loans to rural people who are not financially secure, particularly small and marginal farmers, craftsmen, agricultural labourers, and even small entrepreneurs. The current study is a modest attempt to assess the rural credit structure and the role of RRBs in the development of rural economies. The purpose of this article is to analyse rural credit and the role of RRBs in priority and non-priority sector landings.

Keywords: *Loans and advance, Priority and non-priority sectors, Rural credit*

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I. Introduction:

The roles and services provided by banks have a substantial impact on current economic activity. The banking sector is crucial to the economic system. The Indian economy is agricultural, and true India is found in villages. The village economy is the backbone of the Indian economy. Even after 77 years of independence, India's rural economy continues to suffer from infrastructure deficiencies and other chronic farmer issues. Indeed, the rural sector drives economic growth and industrial development. More than 70% of Indians are dependent on agriculture; 60% of industries are agricultural; the rural sector contributes 50% of national GDP; and the agricultural sector is India's top foreign exchange earner. Financial institutions, particularly banks, overlook such an important and critical area. Regional Rural Banks (RRBs) are established to satisfy the financial and banking needs of the rural poor, with a focus on small and marginal farmers, agricultural labourers, artisans, landless farmers, small dealers, and entrepreneurial entrepreneurs. Thus, RRBs were founded in India in 1975 primarily for the aim of bringing banking services to the doorsteps of rural people. Especially in areas where banking facilities are unavailable. RRBs are commercial banks in general, but they follow some cooperative ideals, such as being located in specific areas and working for rural populations in a limited area. Thus, they are hybrid institutions. The National Agricultural Bank and Rural Development (NABARD) and the Reserve Bank of India (RBI) oversee RRBs. The primary goal of this study is to examine

the performance of loans made to the country's priority and non-priority sectors, particularly crop loans, term loans, loans to rural artisans, retail trade, small-scale industries, and self-help groups, among others.

Informal sectors have exploited rural populations in India, including small and marginal farmers, landless agricultural labourers, craftsmen, and socially and economically backward castes and groups, in the guise of financial facilities. The rural credit market is made up of both conventional and informal financial organizations and agencies that provide loans to India's rural population. The informal sector lends at extremely high interest rates; the terms and circumstances of such loans have resulted in an elaborate system of intimidation of both economic and noneconomic situations in India's rural people. The total supply of formal credit is insufficient, and rural credit markets are inefficient and unorganized. Furthermore, the distribution of formal sector credit has been unequal, notably in terms of area, class, cast, and gender in the countryside.

Regional Rural Banks in India have existed since 1975. The Narasimha committee conceptualized the establishment of Regional Rural Banks in India. The committee recognized the importance of regionally targeted rural banks to address the issues and needs of India's rural population. Regional Rural Banks were founded under the requirements of an Ordinance issued on September 26, 1975, and the RRB Act of 1975, with the goal of ensuring adequate institutional credit for agriculture and other rural sectors.

RRBs mobilize financial resources from rural and semi-urban areas, granting loans and advances mostly to small and marginal farmers, agricultural labourers, and rural artisans. The Reserve Bank of India defines rural areas as places having a population of fewer than 10,000. RRBs are jointly held by the Government of India, the concerned State Government, and Sponsor Banks; the owners share the RRB's issued capital in proportions of 50%, 15%, and 35%, respectively.

Need For The Study:

Studying the impact of rural banks on the transformation of the rural socio-economy is crucial for several reasons. Firstly, rural banks play a significant role in providing financial services to rural communities, which are often underserved by traditional banks. Understanding their impact can shed light on how access to finance affects rural development.

Additionally, rural banks can stimulate economic activity in rural areas by providing loans to small businesses, farmers, and households. By examining their lending practices and their effects on local businesses and livelihoods, we can assess their contribution to rural economic growth and poverty reduction.

Furthermore, studying the role of rural banks can help identify barriers to financial inclusion and inform policies aimed at promoting economic development in rural areas. This research can also provide insights into the challenges and opportunities faced by rural banks, helping them better serve their communities and contribute to sustainable development.

Scope Of The Study:

The impact of rural banks on the transformation of the rural socio-economy is a crucial area of study for several reasons:

Financial Inclusion: Rural banks play a significant role in providing financial services to rural populations who may otherwise lack access to formal banking services. Studying their impact helps understand how financial inclusion can drive socio-economic development in rural areas.

Economic Development: Rural banks facilitate access to credit, savings, and other financial products for rural entrepreneurs, farmers, and small businesses. Understanding how these financial services contribute to economic growth, job creation, and poverty reduction is essential for crafting effective rural development policies.

Agricultural Productivity: Rural banks often specialize in agricultural lending, providing farmers with the capital needed to invest in seeds, equipment, and technology. Investigating the impact of these financial services on agricultural productivity, yield stability, and market access can shed light on the role of finance in transforming rural economies.

Livelihood Diversification: Rural banks support diversification of rural livelihoods by financing small enterprises, non-farm activities, and rural infrastructure projects. Examining how access to finance influences livelihood strategies and resilience to economic shocks is crucial for understanding rural development dynamics.

Social Welfare: Financial services provided by rural banks can enhance households' ability to manage risks, cope with emergencies, and invest in education and healthcare. Analysing the social welfare implications of rural banking can help policymakers prioritize interventions that improve the well-being of rural communities.

Community Empowerment: Rural banks often operate as community-based institutions, fostering local participation, ownership, and empowerment. Investigating the role of rural banks in building social capital, fostering entrepreneurship, and strengthening local institutions can provide insights into bottom-up approaches to rural development.

Policy Implications: Understanding the impact of rural banks can inform the design of policies and interventions aimed at promoting inclusive and sustainable rural development. By identifying best practices and addressing challenges faced by rural banks, policymakers can create an enabling environment for financial inclusion and socio-economic transformation in rural areas.

Objectives Of The Study:

1. To Provide inexpensive and liberal lending facilities to small and marginal farmers, agricultural workers, craftsmen, small business owners, and other vulnerable groups.
2. To operate as a catalyst, consequently accelerating economic growth in the specific region.
3. To encourage rural people to bank and deploy savings for rural economic development.
4. To meet the requirements of backward areas that are not covered by the other efforts of the government.
5. To improve impoverished regions in order to reduce economic disparities across regions.

II. Review Literature

According to Nathan and Swami (2002), the current phase of financial liberalization has had an immediate, direct, and significant impact on rural loans. Rural banking in general has shrunk, as has priority sector lending and preferential lending to the disadvantaged.

Chavan and Pallavi (2004) looked at the growth and regional distribution of rural banking from 1975 to 2002. Chavan's article documents the advances gained in India's historically poor east, northeast, and central regions throughout the period of social and development banking. These advances were reversed in the 1990s, with the biggest cuts in rural branch and rural credit deposit percentages occurring in India's eastern and northeastern regions. Financial liberalization policies have definitely aggravated regional inequality in Indian rural banking.

Professor Dilip Khankhoje and Dr. Milind Sathye (2008) conducted an analysis to determine the variation in the productive efficiency of RRBs in India, as well as whether or not the efficiency of these institutions has risen since their reformation in 1993-94.

Dr. M. Syed Ibrahim (2010) conducted research on the topic "Performance Evaluation of Regional Rural Banks in India". This study indicated that RRBs in India demonstrated extraordinary performance in the post-merger period.

III. Methodology

The current paper is descriptive and exploratory in character, making use of secondary data. Secondary data were mostly obtained from the Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD) databases. Journals such as Banker and Journal of Indian Institute Bankers have also been cited. This article examines the country's rural credit structure and the role of RRBs. The study focuses solely on the loans and advances made by RRBs, particularly in the priority and non-priority sectors, for FY 2022-2023. To examine the data and make conclusions in this study, various sector-wise loans granted by RRBs.

RRBs play a significant role in the rural credit sector. Loans made to the poor have been divided into two categories. One is a priority sector, the other is a non-priority sector. Priority sector bank lending is an active instrument of Indian financial policy designed to restore sectoral balance in credit distribution and channel credit to the most vulnerable segments of society. Priority Sector refers to a sector that banks prioritize when offering banking services. The concept of a priority sector was first introduced into the financial system in 1968, when the government put social control on banks. Banks were directed to lend a percentage of their loans to the sectors classified as priority sectors.

S.No	Name of RRB	Gross Loans O/s - Non- Priority Sector - Housing Loans		Gross Loans O/s - Non- Priority Sector - Personal Loans		Gross Loans O/s - Non- Priority Sector - Others	
		No. of A/cs.	Amount	No. of A/cs.			No. of A/cs.
1	ANDHRAPRAGATHIGB	773	15,982.50	932	2,038.36	50,334	1,74,242.06
2	CHAITANYAGODAVARI GB	439	8,498.93	2,372	20,027.52	7,906	47,847.05
3	SAPTAGIRI GB	600	16,456.85	751	2,366.57	13,485	59,399.61
4	ARUNACHALPRADESHRB	173	5,434.32	1,815	13,116.95	437	3,808.24
5	ASSAMGVB	24	799.15	9,264	32,981.01	16,164	41,453.91
6	DAKSHINBIHARGB	1,696	22,957.25	2,734	4,883.67	8,638	19,480.03
7	UTTARBIHARGB	547	8,761.51	4,535	9,744.64	21,155	32,105.49
8	CHHATTISGARHRGB	1,394	36,695.78	27,619	1,45,328.41	17,571	72,289.85
9	BARODAGUJARATGB	688	22,811.55	6,859	6,740.53	14,580	73,380.07

10	SAURASHTRAGB	81	2,683.91	79	174.87	5,673	27,064.57
11	SARVAHARYANAGB	1,864	80,079.44	6,516	30,705.95	22,280	1,45,385.43
12	HIMACHALPRADESHGB	243	3,606.00	2,227	5,196.00	7,922	28,073.86
13	ELLAQUAIDEHATIBANK	26	210.60	449	3,713.11	2,842	4,927.90
14	J&KGB	159	4,691.31	14,442	32,684.76	8,104	27,532.57
15	JHARKHANDRGB	197	3,280.98	4,254	15,567.93	14,200	39,237.13
16	KARNATAKAGB	1,889	64,372.75	26,965	62,656.00	15,098	74,127.36
17	KARNATAKAVIKASGB	227	7,833.91	13,341	27,404.02	64,312	1,06,916.88
18	KERALAGB	2,047	5,752.35	5,154	3,892.70	45,570	1,28,887.15
19	MADHYAPRADESHGB	204	6,337.72	7,783	10,631.50	58,857	1,70,888.40
20	MADHYANCHALGB	347	6,924.99	3,604	12,537.46	18,565	41,537.61
21	MAHARASHTRAGB	1,802	55,028.26	4,542	9,417.57	8,274	54,204.37
22	VIDHARBHAKONKANGB	112	2,534.55	396	355.33	22,286	32,845.70
23	MANIPURRB	112	2,860.23	329	532.90	251	1,285.55
24	MEGHALAYARB	326	10,345.89	8,741	25,845.50	1,366	9,309.68
25	MIZORAMRB	1,198	40,568.94	10,634	49,232.47	2,462	10,421.29
26	NAGALANDB	-	-	378	1,727.75	69	173.87
27	ODISHAGB	179	6,826.36	7,161	12,998.32	27,944	24,531.72
28	UTKALGB	-	-	926	1,735.34	96,535	68,674.24
29	PUDUVAIBHARATHIYARB	104	2,383.58	-	-	894	2,335.26
30	PUNJABGB	313	9,053.88	1,452	5,454.76	11,731	46,804.63
31	BARODARAJASTHANKGB	999	28,139.00	13,559	83,945.93	26,873	1,26,578.73
32	RAJASTHANMARUDHARAG B	2,699	57,406.03	18,722	56,969.81	16,635	1,17,463.10
33	TAMILNADUGB	500	12,875.04	1,079	1,085.76	17,709	39,394.99
34	ANDHRAPRADESHGVB	6,837	1,98,533.56	2,784	11,423.38	1,73,361	1,92,460.23
35	TELANGANAGB	1,302	44,725.04	2,193	10,800.57	1,68,802	2,17,450.02
36	TRIPURAGB	-	-	15,067	28,415.38	14,008	29,916.72
37	ARYAVARTBANK	57	1,960.90	38,165	96,240.96	7,467	53,624.72
38	BARODAU.P.BANK	2,453	52,816.66	59,934	2,76,867.76	8,936	88.89
39	PRATHAMAU.PGB	377	11,606.00	11,059	55,435.00	14,678	1,41,437.74
40	UTTARAKHANDGB	1,920	36,092.82	7,357	23,645.84	11,369	67,181.79
41	BANGIYAGVB	1,022	9,039.44	26,437	52,198.45	5,893	16,751.46
42	PASCHIMBANGAGB	22	990.13	2,749	6,684.76	7,054	10,771.07
43	UTTARBANGAKGB	238	2,008.90	19,426	45,118.21	539	1,034.84
	All India Total	36,190	9,09,967.01	3,94,785	12,98,523.71	10,58,829	25,83,325.78

Table 1 shows loans given in 2022-2023 to non-priority sectors such as housing, personal, and others throughout the country. The table shows that loans provided to non-priority sectors account for the number of accounts maintained in all non-priority sectors, as well as loan disbursements to the non-priority sector.

Disbursement of Loans to Priority Sectors by RRBs (in crores)

Rural credit policy in India anticipated the provision of a variety of credit services, including long-term and short-term loans to rural communities. During their three decades of operation, RRBs in India have seen a tremendous increase in loan distribution.

S.No.	Name of RRB	Total Non-Priority Sector Loans O/s		Total Loans O/s	
		No.of/cs.	Amount	No. Of A/cs.	Amount
1	ANDHRAPRAGATHIGB	52,201	1,94,099.94	15,74,652	19,86,360.04
2	CHAITANYAGODAVARI GB	11,300	86,310.98	6,21,796	9,02,342.59
3	SAPTAGIRI GB	14,836	78,223.03	5,45,633	8,49,158.33
4	ARUNACHALPRADESHRB	2,428	22,371.46	7,205	36,681.90
5	ASSAMGVB	25,459	76,817.51	5,77,350	5,94,743.23
6	DAKSHINBIHARGB	13,082	47,617.27	11,49,072	11,21,614.86
7	UTTARBIHARGB	26,237	50,611.64	15,57,034	12,17,596.13
8	CHHATTISGARHRGB	46,584	2,54,314.04	3,11,799	6,41,627.69
9	BARODAGUJARATGB	22,130	1,02,978.42	3,04,175	6,80,909.70
10	SAURASHTRAGB	5,833	29,923.35	2,48,164	6,35,193.78
11	SARVAHARYANAGB	30,745	2,58,207.75	5,06,522	13,55,729.32
12	HIMACHALPRADESHGB	10,392	36,875.86	1,39,175	3,25,887.86
13	ELLAQUAIDEHATIBANK	3,317	8,851.61	41,585	66,056.09
14	J&KGB	22,705	64,908.64	1,93,835	3,24,454.04
15	JHARKHANDRGB	18,651	58,086.04	5,25,980	4,89,845.40
16	KARNATAKAGB	44,093	2,07,635.24	17,06,458	27,29,760.96
17	KARNATAKAVIKASGB	77,898	1,42,630.61	7,74,138	13,74,037.27
18	KERALAGB	52,964	1,38,877.58	15,48,498	21,88,499.62
19	MADHYAPRADESHGB	66,844	1,87,857.62	10,28,501	13,89,538.47

20	MADHYANCHALGB	22,516	61,000.06	3,49,667	3,94,145.64
21	MAHARASHTRAGB	14,624	1,18,697.99	7,04,994	9,70,075.79
22	VIDHARBHAKONKANGB	22,809	35,926.50	2,86,789	3,68,605.96
23	MANIPURRB	692	4,678.68	30,310	29,029.94
24	MEGHALAYARB	10,456	45,797.18	63,672	1,08,321.29
25	MIZORAMRB	14,294	1,00,222.70	69,212	2,89,168.68
26	NAGALANDB	447	1,901.62	3,260	5,258.37
27	ODISHAGB	35,284	44,356.40	7,43,472	7,77,081.24
28	UTKALGB	97,461	70,409.58	3,98,350	3,75,722.85
29	PUDUVAIBHARATHIYARB	998	4,718.84	99,048	1,11,267.67
30	PUNJABGB	13,511	61,580.38	4,03,108	9,70,773.77
31	BARODARAJASTHANKGB	41,445	2,39,178.66	9,01,492	21,11,199.07
32	RAJASTHANMARUDHARAGB	38,097	2,36,337.39	4,07,650	11,52,433.49
33	TAMILNADUGB	19,288	53,355.79	19,83,517	17,97,872.99
34	ANDHRAPRADESHGVB	1,83,085	4,04,136.39	17,87,035	27,13,211.10
35	TELANGANAGB	1,72,310	2,73,210.11	7,98,640	12,89,300.07
36	TRIPURAGB	29,075	58,332.10	2,92,188	3,24,936.41
37	ARYAVARTBANK	45,689	1,51,826.58	17,85,213	22,36,215.57
38	BARODAU.P.BANK	71,346	3,29,852.61	19,46,355	23,92,299.62
39	PRATHAMAU.PGB	26,123	2,08,593.74	11,18,085	19,30,068.74
40	UTTARAKHANDGB	20,685	1,27,675.63	1,08,571	3,14,739.83
41	BANGIYAGVB	33,352	77,989.35	7,43,210	8,00,961.11
42	PASCHIMBANGAGB	9,825	18,445.96	2,19,467	3,74,795.96
43	UTTARBANGAKGB	20,203	48,161.95	2,06,690	3,26,326.27
All India Total		14,91,314	48,23,584.78	2,88,11,567	4,10,73,848.71

Table 2 illustrates loans made to non-priority sectors and other purposes between 2022 and 2023. The table covers loans granted to non-priority sectors and other loans in RRBs throughout India.

Loans for crops and Investment Credits and related activities (term loans)

Agriculture is the foundation of the Indian economy. More than 70% of the population relies on agriculture and related activities. RRBs support this sector by offering short-term and long-term loans.

S. No.	Name of RRB	Loans Issued- Priority Sector- Agriculture			
		Farm Credit			
		Loans issued-Crop Loans		Loans issued-Investment Credit	
		No.ofA/cs.	Amount	No.ofA/cs.	Amount
1	ANDHRAPRAGATHIGB	6,94,862	7,91,539.28	3,98,707	3,31,071.96
2	CHAITANYAGODAVARI GB	5,11,420	5,78,628.63	8,944	7,772.32
3	SAPTAGIRI GB	6,01,826	7,16,858.07	5,335	43,405.26
4	ARUNACHALPRADESHRB	2,092	2,335.39	-	-
5	ASSAMGVB	36,730	14,774.54	309	425.39
6	DAKSHINBIHARGB	88,342	58,384.98	7,825	5,131.62
7	UTTARBIHARGB	6,00,505	7,14,283.00	98,882	3,07,024.00
8	CHHATTISGARHRGB	3,08,229	1,71,238.45	1,430	5,355.49
9	BARODAGUJARATGB	1,92,176	3,58,122.68	5,492	9,539.73
10	SAURASHTRAGB	2,02,609	4,16,662.30	14	58.14
11	SARVAHARYANAGB	2,67,338	10,05,529.62	12,200	23,327.01
12	HIMACHALPRADESHGB	1,72,896	1,64,669.00	208	480.00
13	ELLAQUAIDEHATIBANK	18,639	26,857.61	-	-
14	J&KGB	1,26,497	61,868.90	254	747.16
15	JHARKHANDRGB	1,55,949	1,64,676.07	1	25.00
16	KARNATAKAGB	10,27,147	11,61,507.50	9,008	35,461.94
17	KARNATAKAVIKASGB	3,54,311	7,11,102.29	578	3,953.44
18	KERALAGB	15,32,162	15,35,285.23	34	94.22
19	MADHYAPRADESHGB	2,78,745	4,40,455.47	-	-
20	MADHYANCHALGB	2,36,440	2,39,324.85	2,545	2,008.28
21	MAHARASHTRAGB	3,53,914	3,05,741.30	127	463.26
22	VIDHARBHAKONKANGB	1,44,394	1,63,804.21	-	-
23	MANIPURRB	1,708	890.98	121	663.98
24	MEGHALAYARB	15,613	9,327.10	18	15.26
25	MIZORAMRB	536	443.02	-	-
26	NAGALANDB	169	63.62	-	-
27	ODISHAGB	1,51,584	82,960.08	862	1,698.74
28	UTKALGB	1,71,108	1,15,100.35	6	21.74
29	PUDUVAIBHARATHIYARB	288	7,513.98	77	2,484.11
30	PUNJABGB	5,38,151	20,34,756.28	41,567	54,865.86
31	BARODARAJASTHANKGB	18,14,588	38,17,161.91	3,37,253	4,69,508.79
32	RAJASTHANMARUDHARAGB	7,27,135	12,05,480.91	1,258	2,053.97
33	TAMILNADUGB	19,90,858	18,65,661.30	98	282.68

34	ANDHRAPRADESHGVB	8,65,731	6,49,149.46	64,048	3,52,901.00
35	TELANGANAGB	10,06,112	10,62,155.10	2,972	16,961.20
36	TRIPURAGB	37,399	29,274.97	-	-
37	ARYAVARTBANK	10,72,698	10,55,260.64	108	484.65
38	BARODAU.P.BANK	13,26,552	14,57,119.61	242	1,450.58
39	PRATHAMAU.PGB	5,31,858	11,43,692.00	47	217.57
40	UTTARAKHANDGB	34,945	25,096.52	23	117.36
41	BANGIYAGVB	2,78,212	98,151.76	-	-
42	PASCHIMBANGAGB	61,740	58,223.65	16,341	49,338.00
43	UTTARBANGAKGB	55,450	70,564.95	577	617.44
All India Total		1,85,89,658	2,45,91,697.56	10,17,511	17,30,027.15

Table 3 shows loans issued to priority sector agriculture farm credit loans issued to crop loans and loan issued -investment credit throughout India of RRB for Financial Year 2022-2023.

Loans Issued to priority sector agriculture and MSME for crops and Investment Credits and related activities (term loans)

S.No.	Name of RRB	Loans Issued-Priority Sector-Total Agricultural,		Priority Sector-MSME	
		No. Of A/cs.	Amount	No of A/cs.	Amount
1	ANDHRAPRAGATHIGB	11,42,442	14,50,985.43	84,445	1,29,253.61
2	CHAITANYAGODAVARI GB	5,38,728	7,42,229.20	22,874	28,924.07
3	SAPTAGIRI GB	6,46,286	10,78,568.60	64,025	1,22,092.35
4	ARUNACHALPRADESHRB	2,922	3,486.96	786	14,588.67
5	ASSAMGVB	93,120	1,99,046.09	20,866	34,570.86
6	DAKSHINBIHARGB	6,11,285	6,50,648.62	2,61,949	2,52,769.42
7	UTTARBIHARGB	7,00,068	10,21,671.00	1,52,292	1,95,401.40
8	CHHATTISGARHRGB	3,17,265	2,20,081.14	1,12,282	2,07,540.26
9	BARODAGUJARATGB	1,97,988	3,68,922.58	8,974	24,414.41
10	SAURASHTRAGB	2,11,827	4,29,392.87	771	6,402.57
11	SARVAHARYANAGB	3,17,432	10,91,248.76	17,424	31,190.81
12	HIMACHALPRADESHGB	1,74,045	1,67,133.00	79,288	1,10,500.00
13	ELLAQUAIDEHATIBANK	25,189	31,975.00	9,936	31,157.46
14	J&KGB	1,27,214	62,761.09	68,366	88,704.45
15	JHARKHANDRGB	2,30,085	3,17,636.96	23,758	56,947.35
16	KARNATAKAGB	10,43,428	12,10,825.98	47,486	64,320.55
17	KARNATAKAVIKASGB	4,44,724	7,81,385.30	35,001	74,233.73
18	KERALAGB	16,00,944	16,27,889.18	59,652	1,82,923.85
19	MADHYAPRADESHGB	3,29,388	5,08,200.60	95,037	1,25,470.36
20	MADHYANCHALGB	2,54,947	2,55,737.97	73,110	99,813.67
21	MAHARASHTRAGB	3,95,968	3,59,975.39	8,519	55,809.63
22	VIDHARBHAKONKANGB	1,46,446	1,67,189.61	8,703	21,833.08
23	MANIPURRB	4,295	4,972.37	4,042	5,310.01
24	MEGHALAYARB	16,098	10,452.22	5,243	6,372.96
25	MIZORAMRB	10,901	18,238.47	4,869	27,777.42
26	NAGALANDB	395	547.13	326	450.68
27	ODISHAGB	1,62,794	1,12,875.51	1,222	1,763.50
28	UTKALGB	2,06,107	1,68,609.81	4,400	84,643.35
29	PUDUVAIBHARATHIYARGB	1,11,451	1,22,550.80	4,192	6,296.74
30	PUNJABGB	7,39,247	23,08,206.67	1,38,706	1,57,954.06
31	BARODARAJASTHANKGB	24,32,719	46,47,848.34	23,600	78,781.20
32	RAJASTHANMARUDHARAGB	7,76,047	12,61,363.71	73,928	3,82,363.87
33	TAMILNADUGB	20,87,598	20,51,998.13	2,34,820	2,31,605.72
34	ANDHRAPRADESHGVB	12,48,659	12,54,319.00	96,019	1,67,005.15
35	TELANGANAGB	10,65,875	14,90,466.30	34,911	1,06,378.41
36	TRIPURAGB	78,472	1,61,192.41	48,161	75,205.54
37	ARYAVARTBANK	10,86,296	10,85,279.66	99,824	1,30,773.33
38	BARODAU.P.BANK	14,15,076	15,48,101.08	1,88,136	3,47,988.03
39	PRATHAMAU.PGB	5,36,651	11,50,562.58	72,138	1,00,801.50

40	UTTARAKHANDGB	37,374	29,443.78	15,164	48,297.71
41	BANGIYAGVB	8,01,888	8,02,345.00	2,03,237	3,43,964.00
42	PASCHIMBANGAGB	1,09,188	1,90,212.78	45,788	1,43,679.14
43	UTTARBANGAKGB	1,15,532	1,76,438.83	32,912	21,118.31
All India Total		2,25,94,404	3,13,43,015.91	25,87,182	44,27,393.19

Table 3 shows Loans Issued-Priority Sector-Total Agricultural, priority sector -MSME loans issued - Micro Enterprises throughout India of RRB for Financial Year 2022-2023.

IV. Conclusions And Suggestions:

The true progress of the Indian economy depends on the liberation of rural populations from poverty, unemployment, and other socioeconomic backwardness. To this goal, the Government of India established Regional Rural Banks to help grow the rural economy. After three decades, RRBs are now regarded as a source of optimism for rural India's revival. The present study delves closely into the function of RRBs in the rural credit structure. The rural credit system consists of two sectors: priority and non-priority. There has been considerable progress in loan disbursement to both sectors. Throughout the analysis, priority sector loans accounted for a higher share. RRBs have given money to the agricultural industry in the form of short-term and long-term loans to help develop the agricultural sector of the economy. The issuance of short-term loans for crops throughout the research period was positive, with a higher rate than that of term loans. In addition, the loans provided by RRBs to various groups in the priority sector are expanding. However, it is the obligation of banks and management to investigate the issue of providing sufficient loans to the non-priority sector as well. The gap between short-term crop loans and term loans for agriculture and related sectors must be reduced. Banks should assist the agricultural industry by offering larger term loans. Overall, the non-agricultural sector indirectly benefits the rural economy in a variety of ways. Given this, RRBs may increase the percentage of loans to this sector. This discovery may be extremely useful to rural banking institutions and policymakers in building and shaping the proper credit structure, as RRBs constitute an essential component of India's rural credit system.

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