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A Study on Performance Evaluation of Regional Rural Banks (RRBs) in India

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Abstract

Banks plays an important role and backbone of Indian economy. RRBs work as a midway between two parties who borrow from one party and loan to another party. The share capital portion of Regional Rural Banks is carried out in the ratio 50:35:15 by the Central Govt., sponsored bank and State Government. The RRBs manage the funds from share capital received from the shareholders, NABARD, National Housing Bank, SIDBI and Sponsor Banks. The present paper examines the performance evaluation of RRBs in India during the study time 2019-20 to 2024-25 in India. The study reveals that the RRBs performance increase in respect of number of branches, deposits, credits and meets the financial needs of rural, small business and weaker segment of the county. RRBs play a significant role in extending micro credit.

Keywords: *RRBs, Branches, Deposits, Credits, Performance, Rural.*

Introduction

Banks plays an important role and backbone of Indian economy. The very initial recommendation for the founding of regional rural banks (RRBs) was done in the year 1972 by the Banking Commission (Devi, 2014). RRBs in India were introduced under the Regional Rural Banks Act, 1976 through an ordinance issued in 1975 and covered and have a very important function for the progress of rural economy i.e. credit to the agriculture and rural sector in developing country like India (Chinna, 2013; Syed Ibrahim, 2010; Sharma *et al.,* 2019). A major portion approximately seventy percent of our country population lives in the rural area (Ammar and Pandey, 2023). Prathma Bank (Uttar Pradesh) is the Indian first regional rural bank. It was established on October 2, 1975. RRBs work as a midway between two parties who borrow from one party and loan to another party (Khan and Ansari, 2018). The main role of these banks are to facilitate like a vehicle of credit delivery to the rural area for the growth and help of small, marginal, socio-economic backward section of the population for the progress of trade, business, industry and agriculture (Tagariya and Panchal, 2016). These banks are covered under scheduled commercial banks function in India in various states and Narshimham committee on rural credit recommended to establish these banks. These banks have the quality of commercial and co-operative banks (Aditya Dev and Mukundakrishna, 2021). The share capital portion of RRBs is carried out in the ratio 50:35:15 by the Central Govt., sponsored bank and State Government. The RRBs manage the funds from share capital received from the shareholders, NABARD, National Housing Bank, SIDBI and Sponsor Banks. The working and functions of RRBs are managed by the Board of Director (BOD) in which one chairman and three directors to be nominated by the central government not more than three years. The progress of the country with reference to rural economy is

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very essential for the balance economic growth. The rural area faces various problems like illiterate, drinking water facilities, sanitation, electricity etc. and these can be overcome if proper credit facilities provided by RRBs in these areas (Khurana, 2015).

Review of Literature

Soni and Kapre (2013) conducted a study by using key performance indicator to measure the RRBs financial performance from data collected from RBI and NABARD yearly reports. The results exhibited that the performance of RRBs had been significantly enhanced and provide credit delivery in backward area and socio-economically weaker part of the society. Khan and Ansari (2018**)** examined the RRBs performance in India during the period 2011 to 2016 in the area like credit disbursement, number of branches, net profit, deposit mobilized etc. with the help of secondary data. The study found that in the year 2016; the RRBs credit deposit ratio increased 65.8 per cent from 57.9 per cent. As compared to year 2011 the number of deposits rose 119 per cent in 2016. The results of the study showed significant improvement in investment, branch increment and deposit mobilization.

Katoch (2019) studied the performance and growth of Himachal Pradesh Gramin Bank based on data from 2013-14 to 2017-18. The results showed that the bank current ratio was remained between 1.43:1 and 2.63:1 during the whole period. The fluctuating trend in debt equity ratio has been observed during the whole study period. Singh (2020) attempted to analyze the RRBs performance through a variety of scale like number, branch extension, advances, deposit mobilization and coverage of district with support of various statics tools i.e. mean, standard variance, t-test etc. The study also found that there was uneven expansion of RRBs where deprived area had been given less preference.

Ahmed (2020) analyzed key indicator of RRBs to measure the growth and financial performance. The paper revealed that growth of credit and deposit 9.3 per cent and 8.6 per cent throughout the year 2015-16 from 9.8 per cent and 10.3 per cent. The research concluded that RRBs has significantly enhanced the financial performance. Dev V (2021) conducted a study to RRBs overview and evaluated the performance and role in the country rural development by using secondary data. The study reported incurring losses due to rose in non-performing assets, outstanding loans etc. Loan recovering rate was low due to credit facilities provided to the weaker section of the society. Gautam *et al.* (2022) investigated the RRBs influence on poverty reduction and rural growth of India with the help of secondary data from 2 union territories and twenty-nine states of India during 2018 to 2020. The result found that the growth and poverty reduction of Indian economy has been significantly impacted by the RRBs.

Indumathi *et al.* (2023) analyzed the RRBs key performance indicators in India and collected the 20 years data from the year 2001-01 to 2020-21. The result of the study exhibit that applied model was fitted good to know the key indicators for RRBs performance. The study also revealed that number of branches and districts were significantly negative and total funds and borrowed funds were significant positively for net profit. The Net profit of RRB's decreased and number of branches and districts were increased. Maheshwari (2024) examined the versatile role of RRBs with particular reference to Prathma Bank in Uttar Pardesh. The paper concluded that Prathma Bank play crucial role in facilitation reach to credit and also have a very major place in the rural fiscal holistic improvement.

Objective of the Study

- To examine the performance evaluation RRBs in India in respect of number of branches, credit and deposits.

Research Methodology

- **Collection of Data and Study Period**

As the objective of the study is to examine the RRBs performance evaluation during the period 2019-20 to 2024-25 in India. The special focuses of the study are on the number of branches, deposits, credit disbursements of RRBs for the specified time. For the purpose of the study, the secondary data have been composed from the Handbook of Statistics on Indian States from the official website of RBI. The information is also collected from national and international research papers, articles, magazines etc.

- **Statistical Tools**

The data collected from secondary sources is edited, classified to make it useful and convenient of analysis. Keeping in the mind the purpose of the study, the growth rate of RRBs in India have been calculated by using 2019-20 as base year and 2020-21 as present year (Khan and Ansari, 2018).

Growth Rate = Value of Present Year -Value of Base Year/Value of Base Year*100"

- **Results and Interpretation**

The RRBs come in the existence for the rural development of the nation on the Narashimham committee recommendation. The RRBs play a vital role in the growth of weaker section of the society to meets their financial needs (Kumar, 2020). There are various parameters shows the growth and progress of the RRBs in India.

Table 1: State-Wise No. of RRBs Branches (As on 31st March)

Region/State/ Union Territory (UT)	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Northern Region	3280	3300 (0.61)	3317 (0.52)	3368 (1.54)	3383 (0.45)	3403 (0.59)
Haryana	666	666 (0.00)	681 (2.25)	693 (1.76)	697 (0.58)	704 (1.00)
Himachal Pradesh	270	270 (0.00)	271 (0.37)	276 (1.85)	279 (1.09)	279 (0.00)
Jammu & Kashmir	337	345 (2.37)	332 (-3.77)	336 (1.20)	337 (0.30)	336 (-0.30)
Ladakh	2	2 (0.00)	2 (0.00)	2 (0.00)	4 (100)	4 (0.00)
Punjab	426	429 (0.70)	435 (1.40)	443 (1.84)	454 (2.48)	465 (2.42)
Rajasthan	1579	1588 (0.57)	1596 (0.50)	1618 (1.38)	1612 (-0.37)	1615 (0.19)
North-Eastern	881	886 (0.57)	896 (1.13)	900 (0.45)	904 (0.44)	906 (0.22)
Arunachal Pradesh	31	32 (3.23)	32 (0.00)	33 (3.13)	35 (6.06)	34 (-2.86)
Assam	482	482 (0.00)	482 (0.00)	478 (-0.83)	475 (-0.63)	475 (0.00)
Manipur	27	27 (0.00)	27 (0.00)	27 (0.00)	28 (3.70)	28 (0.00)
Meghalaya	93	93 (0.00)	93 (0.00)	94 (1.08)	95 (1.06)	93 (-2.11)
Mizoram	88	92 (4.55)	102 (10.87)	104 (1.96)	107 (2.88)	108 (0.93)
Nagaland	11	11 (0.00)	11 (0.00)	12 (9.09)	13 (8.33)	14 (7.69)
Tripura	149	149 (0.00)	149 (0.00)	152 (2.01)	151 (-0.66)	154 (1.99)
Eastern Region	4550	4550 (0.00)	4536 (-0.31)	4556 (0.44)	4557 (0.02)	4557 (0.00)
Bihar	2124	2124 (0.00)	2124 (0.00)	2123 (-0.05)	2119 (-0.19)	2118 (-0.05)
Jharkhand	452	452 (0.00)	452 (0.00)	455 (0.66)	455 (0.00)	459 (0.88)
Odisha	994	994 (0.00)	992 (-0.20)	1002 (1.01)	1002 (0.00)	999 (-0.30)
West Bengal	980	980 (0.00)	968 (-1.22)	976 (0.83)	981 (0.51)	981 (0.00)
Central Region	6584	6614 (0.46)	6600 (-0.21)	6596 (-0.06)	6639 (0.65)	6638 (-0.02)
Chhattisgarh	624	624 (0.00)	626 (0.32)	613 (-2.08)	625 (1.96)	629 (0.64)
Madhya Pradesh	1343	1343 (0.00)	1343 (0.00)	1343 (0.00)	1343 (0.00)	1343 (0.00)
Uttarakhand	287	287 (0.00)	287 (0.00)	289 (0.70)	291 (0.69)	293 (0.69)
Uttar Pradesh	4330	4360 (0.69)	4344 (-0.37)	4351 (0.16)	4380 (0.67)	4373 (-0.16)
Western Region	1506	1510 (0.27)	1505 (-0.33)	1517 (0.80)	1521 (0.26)	1531 (0.66)
Gujarat	756	762 (0.79)	759 (-0.39)	760 (0.13)	761 (0.13)	760 (-0.13)
Maharashtra	750	748 (-0.27)	746 (-0.27)	757 (1.47)	760 (0.40)	771 (1.45)
Southern Region	5329	5342 (0.24)	5333 (-0.17)	5384 (0.96)	5421 (0.69)	5446 (0.46)
Andhra Pradesh	1291	1297 (0.46)	1309 (0.93)	1334 (1.91)	1357 (1.72)	1367 (0.74)
Karnataka	1787	1770 (-0.95)	1751 (-1.07)	1756 (0.29)	1753 (-0.17)	1755 (0.11)
Kerala	645	645 (0.00)	645 (0.00)	645 (0.00)	647(0.31)	648 (0.15)
Puducherry	43	44 (2.33)	44 (0.00)	46 (4.55)	47 (2.17)	47 (0.00)
Tamil Nadu	646	652 (0.93)	657 (0.77)	666 (1.37)	677 (1.65)	689 (1.77)
Telangana	917	934 (1.85)	927 (-0.75)	937 (1.08)	940 (0.32)	940 (0.00)
ALL INDIA	22130	22202 (0.33)	22187 (-0.07)	22321 (0.60)	22425 (0.47)	22481 (0.25)

Source: RBI Handbook of Statistics on Indian States from 2019-20 to 2024-25

Note: Figures in parentheses indicate the percentage growth/decline in the number of RRBs branches over the previous year.

Table No. 1 exhibits the number of RRBs branches in India. The results show the gradual extension of the branches across states and regions. The RRBs branches increased from 22130 in 2019-20 to 22481 in 2024-25 show the 1.58 per cent overall expansion in branches. After the year 2019-20 the growth rate of branches shoe slow trend (0.33 per cent) and declines in the year 2020 (-0.07 per cent) over the previous year. The result consists with the study that, the number of branches from the 2019 to 2023 increased slightly (Barman *et al.,* 2025). The Northern Region show considerable growth with the number of branches increased from 3280 to 3403 throughout the study time. The result show that the number of branches in Haryana showed a steady rise from 666 to 704 during the period. Punjab state also exhibits continues growth from 2019-20 to 2024-25 (426 branches to 465 branches). Rajasthan with 1615 branches remained the biggest role to the northern region.

The RRBs branches in the North-Eastern Region denote an increase from 881 in 2019-20 to 906 in 2024-25, growth of 2.83 per cent. The number of branched much lower than the central, southern, eastern regions and various smaller states experienced notable changes. Mizoram branches increased from 88 to 108 during the period. Meghalaya RRBs branches decreased (-2.11 per cent) over the previous year in 2024-25. The Eastern Region showed the limited expansion of branches. The number of branches 4550 in 2019-20 to 4557 in the year 2024-25 with an increase of 0.15 per cent. The central region showed the largest RRBs branches from 2019-20 to 2024-25. Uttar Pradesh accounted the major portion of the central region with branches of 4373 in 2024-25. The western region branches increased from 1506 in 2019-20 to 1531 in 2024-25 with a growth of 1.66 per cent. The Southern Region branches increased during the period from 5329 to 5446 (2.19 per cent). Andhra Pradesh increased their branches from 2019-20 to 2024-25 (1291 to 1367). All the states of southern region show increased pattern of growth in respect of number of RRBs branches. In Karnataka RRBs branches show the declined growth rate 2023-24 to 2024-25. This shows the strong growth rural banking infrastructure in the region. The overall trends exhibit that RRBs gradually expended their branches in the rural area of India during the period from 2019-20 to 2024-25. The rates of expansion in branches considerably slow in the later years.

Table 2: Regional Rural Banks State-Wise Deposits (As at end-March) (Rs. Crore)

Region/State/UT	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Northern Region	65936	74336 (12.74)	81436 (9.55)	89623 (10.05)	99142 (10.62)	109001 (9.94)
Haryana	16189	17652 (9.04)	18537 (5.01)	20563 (10.93)	22642 (10.11)	24055(6.24)
Himachal Pradesh	5811	6478 (11.48)	7268 (12.20)	7851 (8.02)	8534 (8.70)	9288 (8.84)
Jammu & Kashmir	5190	5668 (9.21)	6042 (6.60)	6624 (9.63)	7151 (7.96)	7763 (8.56)
Ladakh	16	16 (0.00)	19 (18.75)	23 (21.05)	34 (47.83)	47 (38.24)
Punjab	8860	10133 (14.37)	11218 (10.71)	12423 (10.74)	13486 (8.56)	15078 (11.80)
Rajasthan	29870	34388 (15.13)	38352 (11.53)	42139 (9.87)	47295 (12.24)	52770 (11.58)
North-Eastern	25194	27239 (8.12)	28803 (5.74)	30762 (6.80)	32373 (5.24)	34836 (7.61)
Arunachal Pradesh	730	837 (14.66)	1094 (30.70)	1255 (14.72)	1404 (11.87)	1511 (7.62)
Assam	11113	11504 (3.52)	11814 (2.69)	12388 (4.86)	12451 (0.51)	12705 (2.04)
Manipur	316	381 (20.57)	433 (13.65)	420 (-3.00)	435 (3.57)	548 (25.98)
Meghalaya	2252	2678 (18.92)	3247 (21.25)	3583 (10.35)	3860 (7.73)	4011 (3.91)
Mizoram	3478	4155 (19.47)	4235 (1.93)	4970 (17.36)	5283 (6.30)	5828 (10.32)
Nagaland	114	117 (2.63)	123 (5.13)	135 (9.76)	142(5.19)	167 (17.61)
Tripura	7190	7567 (5.24)	7857 (3.83)	8010 (1.95)	8798 (9.84)	10066 (14.41)
Eastern Region	88962	92284 (3.73)	98359 (6.58)	103586 (5.31)	111705 (7.84)	120462 (7.84)
Bihar	36589	36671 (0.22)	39510 (7.74)	41304 (4.54)	44967 (8.87)	47805 (6.31)
Jharkhand	7588	8174 (7.72)	8734 (6.85)	9537 (9.19)	10478 (9.87)	11570 (10.42)
Odisha	19552	20832 (6.55)	22046 (5.83)	23342 (5.88)	25324 (8.49)	28049 (10.76)
West Bengal	25233	26606 (5.44)	28069 (5.50)	29402 (4.75)	30936 (5.22)	33037 (6.79)
Central Region	133827	146320 (9.34)	155084 (5.99)	166994 (7.68)	181194 (8.50)	192195 (6.07)
Chhattisgarh	11332	12472 (10.6)	13613 (9.15)	14335 (5.30)	16248 (13.34)	17857 (9.90)
Madhya Pradesh	23174	25195 (8.72)	26367 (4.65)	27907 (5.84)	30237 (8.35)	31590 (4.47)
Uttarakhand	5482	6024 (9.89)	6514 (8.13)	7143 (9.66)	7864 (10.09)	8505 (8.15)
Uttar Pradesh	93839	102629 (9.37(	108591 (5.81)	117608 (8.30)	126845 (7.85)	134243 (5.83)
Western Region	30918	35227 (13.94)	38220 (8.50)	41003 (7.28)	45449 (10.84)	45935 (1.07)
Gujarat	15268	16974 (11.17)	18467 (8.80)	20392 (10.42)	22600 (10.83)	25038 (10.79)
Maharashtra	15649	18253 !6.64)	19753 (8.22)	20610 (4.34)	22849 (10.86)	20897 (-8.54)
Southern Region	122586	135495 (10.53)	144336 (6.52)	165106 (14.39)	171737 (4.02)	187986 (9.46)
Andhra Pradesh	32890	37396 (13.70)	37802 (1.09)	48536 (28.40)	47524 (-2.09)	52883 (11.28)
Karnataka	40599	43401 (6.90)	47336 (9.07)	51867) (9.57	53271 (2.71)	55258 (3.73)
Kerala	16442	18261 (11.06)	19909 (9.02)	21886 (9.93)	24217 (10.65)	26827 (10.78)
Puducherry	804	895 (11.32)	805 (-10.06)	896 (111.30)	1101 (22.88)	1288 (16.98)
Tamil Nadu	12440	14830 (19.21)	17072 (15.12)	19919 (16.68)	20761 (4.23)	23234 (11.91)
Telangana	19410	20712 (6.71)	21411 (3.37)	22001 (2.76)	24861 (13.00)	28496 (14.62)
ALL INDIA	467422	510901 (9.30)	546237 (6.92)	597073 (9.31)	641599 (7.46)	690414 (7.61)

Source: RBI Handbook of Statistics on Indian States from 2019-20 to 2024-25
Note: Figures in parentheses indicate the percentage growth/decline of deposits of RRBs over the previous year.

Table No. 2 exhibit the deposit collected by the RRBs in different areas of the country during the year 2019-20 to 2024-25. In the northern region the total deposit extended from Rs. 65936 crore to Rs. 109001 from 2019-20 to 2024-25. The deposit of Rajasthan state shows the highest deposit also followed the Himachal, Haryana, Punjab, J&K also. The Ladakh also denote the continuous growth over the previous years during the period. During the same period the deposits increased from Rs. 25194 to Rs.

34836 in the North-Eastern Region. Tripura showed the substantial increase while Assam had the lowest deposit level in the same region. On the other hand, a number of states experienced show fluctuations in annual growth and show positive growth trends.

The Eastern Region also shows the positive growth rate of deposit in the year 2019-20 to 2024-25. Bihar state shows the deposit rate of RRBs 6.31 per cent in the year 2024-25. The deposit increased from 2023-24 to 2024-25 are Rs. 120462 crore in 2024-25 of Eastern Region. Among the regions, the Central Region demonstrate the highest level of deposit Rs. 192195 crore in the year 2024-25 followed by the southern region with Rs. 187986 crore. At the level of state, the Utter Pradesh recorded the highest deposit Rs. 134243 in the year 2024-25. The western region denoted the growth of deposit 1.07 per cent in 2024-24 over the previous year. The result of overall deposits exhibits that RRBs have significantly increased their deposits and provides the banking and saving amenities in rural and semi-urban area of the nation.

Table 3: Regional Rural Banks State-Wise Credit (As at end-March) (Rs. crore)

Region/State/UT	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Northern Region	43284	49094 (13.42)	56698 (15.49)	63121 (11.33)	71956 (14.00)	81524 (13.30)
Haryana	10152	10695 (5.35)	11842 (10.72)	13560 (14.51)	15542 (14.62)	17221 (10.80)
Himachal Pradesh	2116	2442 (15.41)	2804 (14.82)	3260 (16.26)	3793 (16.35)	4327 (14.08)
Jammu & Kashmir	2621	3079 (17.47)	3463 (12.47)	3922 (13.25)	4442 (13.26)	4984 (12.20)
Ladakh	20	22 (10.00)	23 (4.55)	26 (13.04)	38 (46.15)	55 (44.74)
Punjab	6845	7626 (11.41)	8725 (14.41)	9714 (11.34)	10959 (12.82)	12204 (11.36)
Rajasthan	21529	25231 (17.20)	29841 (18.27)	32639 (9.38)	37181 (13.92)	42733 (14.93)
North-Eastern Region	9442	10423 (10.39)	11837 (13.57)	13878 (17.24)	15935 (14.82)	18292 (14.79)
Arunachal Pradesh	162	200 (23.46)	257 (28.50)	367 (42.80)	453 (23.43)	515(13.69)
Assam	4043	4404 (8.93)	5047 (14.60)	5947 (17.83)	6982 (17.40)	8107 (16.11)
Manipur	163	190 (16.56)	222 (16.84)	290 (30.63)	312 (7.59)	319(2.24)
Meghalaya	756	842 (11.38)	947 (12.47)	1083 (14.36)	1259 (16.25)	1518 (20.57)
Mizoram	1536	2050 (33.46)	2508 (22.34)	2888 (15.15)	3283 (13.68)	3734 (13.74)
Nagaland	34	33 (2.94)	43 (30.30)	53 (23.26)	64 (20.75)	79 (23.44)
Tripura	2747	2705 (1.53)	2813 (3.99)	3249 (15.50)	3581 (10.22)	4019 (14
Eastern Region	41248	45045 (9.21)	48154 (6.90)	54836 (13.88)	62831 (14.58)	72126 (14.79)
Bihar	18883	20390 (7.98)	21096 (3.46)	23452 (11.17)	26574 (13.31)	30493 (14.75)
Jharkhand	3100	3450 (11.29)	4007 (16.14)	4898 (22.24)	5878 (20.01)	6897 (17.34)
Odisha	8017	8606 (7.35)	9396 (9.18)	11504 (22.24)	13726 (19.32)	16250 (18.39)
West Bengal	11247	12599 (12.02)	13654 (8.37)	14982 (9.73)	16653 (11.15)	18486 (11.01)
Central Region	70732	78021 (10.31)	84036 (7.71)	95484 (13.62)	107850 (12.95)	119084 (10.42)
Chhattisgarh	3511	4452 (26.80)	5211 (17.05)	6416 (23.12)	8034 (25.22)	9994 (24.40)
Madhya Pradesh	12161	13362 (9.88)	15221 (13.91)	17722 (16.43)	20013 (12.93)	21812 (8.99)
Uttarakhand	2437	2606 (6.93)	2801 (7.48)	3157 (12.71)	3759 (19.07)	4589 (22.08)
Uttar Pradesh	52623	57601 (9.46)	60803 (5.56)	68188 (12.15)	76044 (11.52)	82689 (8.74)
Western Region	17843	20587 (15.38)	23164 (12.52)	26989 (16.51)	30765 (13.99)	34311 (11.53)
Gujarat	9389	10468 (11.49)	11452 (9.40)	13161 (14.92)	15232 (15.74)	17537 (15.13)
Maharashtra	8454	10119 (19.69)	11712 (15.74)	13828 (18.07)	15533 (12.33)	16774 (7.99)
Southern Region	118503	136438 (15.13)	148177 (8.60)	165278 (11.54)	190192 (15.07)	210138 (10.49)
Andhra Pradesh	31908	38244 (19.86)	42934 (12.26)	47154 (9.83)	56806 (20.47)	62573 (10.15)
Karnataka	32938	36730 (11.51)	38526 (4.89)	41949 (8.88)	45471 (8.40)	49338 (8.50)
Kerala	17910	18456 (3.05)	19265 (4.38)	21866 (13.50)	24388 (11.53)	27561 (13.01)
Puducherry	683	836 (22.40)	933 (11.60)	1113 (19.29)	1340 (20.40)	1642 (22.54)
Tamil Nadu	12229	15659 (28.05)	17627 (12.57)	20479 (16.18)	25130 (22.71)	27509 (9.47)
Telangana	22835	26513 (16.11)	28891 (8.97)	32717 (13.24)	37057 (13.27)	41514 (12.03)
ALL INDIA	301051	339609 (12.81)	372066 (9.56)	419587 (12.77)	479530 (14.29)	535476 (11.67)

Source: RBI Handbook of Statistics on Indian States from 2019-20 to 2024-25
Note: Figures in parentheses indicate the percentage growth/decline of deposits of RRBs over the previous year.

Table no. 3 demonstrates the credit rendered by the RRBs across the different states and regions of the country from the period 2019-20 to 2024-25. The RRBs credit all over India increased from Rs. 301051 to Rs. 535476 during the period and show positive pattern of growth over the previous years. The Northern Region credit provided by the RRBs Rs. 43284 in 2019-20 to Rs. 81524 in the year 2024-25. The state of Haryana RRBs credit extended from Rs. 10152 in 2019-20 to Rs. 17221 in the year

2024-25. The Northern Region also showed steady growth in credit and Rajasthan sate was the major contributor in this region. The Southern Region recorded the major credit provider in all the regions and Central Region also followed the credit expansion Rs. 119084 in financial year 2024-25. The overall rising trends of credit of all the regions of the India show that RRBs meet the requirements of rural and backward peoples.

Conclusion: The increasing in credit facilities by the RRBs indicates that RRBs are performing a very significant role in the meeting of financial needs of small farmers, rural population, rural households and small businesses of the country for the economic development and growth. The deposits also increased during the period. The results also shows that the RRBs branches improved in all the regions of the country for financial assistance of marginal and deprived sections of the society and other small businesses etc. The sponsored bank should play an important function in advising and supporting their RRBs for smooth function and managing loan schemes, funds and credit. The RRBs should also expand digital banking, improve banking service and increase credit facilities for the progress of the economy.

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