

A STUDY TO UNDERSTAND THE PROBLEMS FACED BY REGIONAL RURAL BANKS IN AGRICULTURE FINANCE AND DISTRIBUTION DURING COVID-19 PANDEMIC

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Abstract—Regional rural banks are banking organizations shaped and operated as notified by government of India covering one or more districts to form the wants of rural and semi urban people by granting loans and advances to small and marginal farmers, agriculture labours and rural artisans. The objectives of this paper is to understand the foremost issues featured by the regional rural banks throughout covid-19 pandemic, procedural rigidities in lending and distribution and notice the constraints in deposit mobilization, constraints in branch growth and coordination the information collected directly from the individuals and percentage technique used to interpret the primary data. currently the RRBs more target the rural area by providing varied schemes and subsidies and credit facilities, banking to their door steps of rural households and additionally open the branches within the remote area by providing e banking facilities and credit facilities to the agriculture. The study concludes that RRBs successfully achieve its objective like taking banking to the doorsteps of rural households. Also, Rural banks need to remove lack of transparency in their operation which results in unequal relationship between banker and customer and to solve it bank employees should interact more with their customers to overcome this drawback. It was noticed that banks should open their branches in areas where customers are not able to avail banking facilities. During this competitive era, RRBs have to focus on speedy, qualitative and secure banking services to retain existing customers and attract potential customers.

Keywords—Agriculture Finance, Banking, Covid-19 Pandemic, Investment, Regional Rural Banks,

INTRODUCTION

Banking in India forms the base for the financial development of the country and fundamental changes within the banking system and management have been seen through the years with the development in technology and needs of the people. Banking is now an important part of our economic system modern trade and commerce might almost be impossible without the availability of appropriate banking services. first, banking promotes financial savings. All manner of people, from the ordinary labourers and workers to the wealthy landowners and businessmen, can hold their cash safely in banks and saving centres. Secondly, banking promotes investments. Banks easily make investments the money they get in industry, agriculture, and trade. They either make investments it directly or advance loans to different inventers. Thirdly, it is most through banks that foreign trade is carried on whether we export or import, it is through banks that cash is transferred from one country to another for example; bills of exchange and letters of credit are the normal ways banks use to transfer money.

1.1 BACKGROUND ON REGIONAL RURAL BANKS

Regional rural banking institutions are taking part in very important function for all round development of rural areas of the country. In order to assist the rural banking sector in the current years, regional rural banks have been set up all over the country with the primary objectives of meeting the credit needs of the most under privileged sections of the society. These regional rural banks have been receiving a high degree of importance and attention in the rural credit system. Considering the gross absence of banking facilities in the rural areas of the country. The reserve bank of India in consultation with the central government, state government, and some major nationalized sponsored banks had set up some regional rural banks in the last 1970s with a view to elevate the economic status of the rural poor as well as to

inculcate a habit of saving among the rural masses. As per the recommendations of the working group on rural banks, the regional rural banks were set up in 1975 for supplementing the commercial banks and co-operatives in providing rural credits.

At the initial stage. Five regional rural banks were established on October 2, 1975 at Gorakhpur and Moradabad in Uttar Pradesh, Jaipur in Rajasthan, Bhiwani in Haryana, and Malda in west Bengal under the sponsorship of state bank of India, the syndicate bank, united commercial bank, Punjab national bank and united bank of India.

All these 5 RRBs have an authorized capital of Rs 1 crore and paid up capital of Rs 25 lakh. The share capital of RRBs is subscribed in the following manner – as the central government -50%, and the state government concerned- 15%, and the sponsoring commercial banks-35%. The regional rural banks are regulated by RBI and supervised by national bank for agriculture and rural development (NABARD). All the states have RRBs in India except Sikkim and goa.

FUNCTIONS OF RRBs

- To mobilize local savings by using means of the various kinds of deposits.
- To supply short- and medium-term credit for agriculture and other purposes and long-term loans to the agriculturist as agent of the land development bank.
- To provide various ancillary banking services to neighborhood people such as remittance of funds, acceptance of insurance premium, safe deposits etc.
- To grant assistance in the marketing of agriculture and other products through marketing organizations

CHALLENGES OF RRBs

- Terribly limited space of operation
- High risk because of the exposure only to the target group.
- Mounting losses because of non-viable level of operations in branches located at resource poor areas.
- Burden of government subsidy schemes and inadequate knowledge of customers leading low quality of assets.
- Urban orientation staff.
- Difficulties and constrains in deposit mobilization.

MEANING OF AGRICULTURAL FINANCE

Agriculture finance means providing money assistance for various agriculture and allied activities. the assistance provide to agriculture may benefits either directly or indirectly. Agriculture loan is direct if it is given to favour directly and recovered from him. Operations but also term loan i.e. medium -term loan and even long-term loans for the purchase of pump sets and other agricultural machinery, digging of wells and alternative minor irrigation works etc... excluding direct finance to agriculture, commercial banks also give indirect money assistance to agriculture.

IMPORTANCE OF AGRICULTURE FINANCE/CREDIT

We know that India is predominantly an agriculture country. a vast majority pf people i.e. 82 lives in villages. 70th of people directly or indirectly depend upon agriculture for their livelihood. Indian agriculture is financially poor. The statement “Indian farmers are born in debts” has very well bought the seriousness of the rural indebtedness the farmers are not able to provide their own funds or finance for the development of agriculture. they are found depending on agencies. Banks and other money institutions for agriculture finance/credit. Agriculture finance is essential service, which is much needed for the development of entrepreneurship and establishment in the field of agriculture. For the commercial banks have to give different types of flexible finance to agriculture, to improve the agriculture finance.

AGRICULTURAL FINANCE

The people who wish to avail agriculture loan should basically be a farmer. even if they have learned holdings, then also they are eligible for loan, the bank will give three kinds of loan. They are:

1. Short term loan
2. Medium term loan
3. long term loan

Short Term Loan

Short term loan that are payable within 36 months, short term seasonal facilities provided by various agencies to the farmers to meet the cost of production. It can be called as working capital for agriculture. This loan is supposed to cover expenses on seeds, fertilizers, pesticides, labour, post sowing operations like weeding, harvesting, processing, shortage and marketing.

Medium Term Loan

Medium term loans are payable for a amount of 36 months having less than 5 years.

Ex: Bullock, cart, sheep and goat rearing loan, dairy loan etc.

Long Term Loan

Long term loan is payable for period having more than 5 years.

Ex: Land purchasing, tractor/power tiller farm machinery and other equipment's.

SUBSIDY

The grant amount is given to the formers depending upon the government policies, programme and also resources allocation ain the budget.

The state government and central government offers the subsidy quantity to the formers through the agriculture department. NABARD also grants the subsidy amount in certain cases.

SCHEMES

- 1) Crop loan.
- 2) Kisan credit card scheme.
- 3) Farm machinery loans.
- 4) Financing secondhand tractors.
- 5) Pump set loans (agriculture minor irrigation loan)
- 6) Drip/sprinkler irrigation loan.
- 7) Bullock and cart loan.
- 8) Sheep and goat rearing loan.
- 9) Diary loans.
- 10) Loans to agriculturists for purchasing lands for agriculture purpose.
- 11) Scheme for financing agriculturist for purchase of vehicles.
- 12) Sericulture loan.

PROBLEMS FACED BY THE FORMERS TO REPAY THE CREDIT

- When the available water supplies are unable to meet the needs of crops or livestock at a time, agriculture drought may occur. This will effect on the growth of the crop. Finally, the former did not get expected output and he did not sell this leads to the repayment of credit.
- Lack of infrastructure and capacity leads to loss to the formers and he faces the problem to repay the credit.
- Formers Producing the goods by using outdated technology but they are lack in skills to produce more effectively.
- Misutilization of loans. If we took loan for agriculture but the former did not use that loan instead, he spends that amount to another work means it is a misuse.
- Regional imbalance.

- the rural peoples are lack in knowing about the updated equipment's and technology they use old method of agriculture this leads to the low output and low profit.
- Covid 19 also a major problem. This pandemic threatens entire life of the people. Every part in the world are lockdown there is no trade and business this impact on agriculture sector also the formers did not get proper price to their products they got heavy loses. This is effect on the repayment of credit.

REVIEW OF LITERATURE AND GAP ANALYSIS

1. **According to N Sabitha Devi** banks play a crucial role in the mobilization and allocation of resources in any country. rural people face the problems in adequate supply of credit. the most important supply of credit to rural householders, has been the informal sector.

Problems:

- several RRBs are suffering from the problem of heavy loans because of low repaying capacity of their customers, untrained staff, low level of deposits and heavy sanction of loans without checking the credit worthiness of their customers.
- The RRBs face the inadequate finance drawback. because there are so many poor people in the rural area are unable to save anything due to poverty and low income. This results in obstacle for RRBs and face the finance problem.

2. **According to Pallavi Chavan** She clearly tells regarding the credit facility like all different sector agricultural credit supports, agricultural production through 2 channels; it's estimated that about 95th of the agricultural machinery in India is procured with the assistance of loans from formal credit institutions. There are three major formal institutions providing agriculture credit in India. commercial banks, regional rural banks and rural co-operatives, commercial banks entered the field of agriculture credit in a major way following their nationalization in 1969. RRBs created as a public banking institution in 1974. To cater to the credit, need of marginalised sections of the rural population including small and marginal formers. The commercial banks and RRBs are guided by the priority sector lending policy of providing credit to various sectors including agriculture and allied activities.

3. **According to Dr. K. Prabhakar Rajkumar (2014)** The author is a skilled in the specialization of finance and accounting and he provides the detail data regarding the Indian agriculture finance sources and policies. Agriculture production in India depends upon millions of small farmers. it is the intensity of their effort and the efficiency of their technique that will facilitate in raising yields per acre. due to inadequate money resources and absence of timely credit facilities at reasonable rates and others. It is, therefore, of the utmost importance that the money requirements of the farmers are adequately met. And he expressed that system of agriculture finance in India. It provides AN in – depth analysis of the role of NABARD as the apex refinance body. In promoting agriculture and rural development in India.

4. Performance of regional rural banks in India (2013) B Parashuramulu, D Narender Naik.

He says that agriculture is that the backbone of Indian economy. without the development of the rural economy, the objectives of economic planning cannot be achieved. Regional Rural Banks (RRBs) were established in October two, 1975 and are taking part in an important role within the economic development of the agricultural India. the main goal of creating Regional Rural Banks in India is to supply credit to the agricultural those who are not economically sturdy enough, particularly the small and marginal farmers, artisans, agricultural laborers, and even small entrepreneurs.

5. problems and challenges of regional rural banking sector in India. Thokala. Devi, Dr. Delli kumar Koti (2019)

RRBs are came into exist for the development of the rural people by providing loans and advances and save the farmers from the money lenders, by establishing the branches in the remote areas and providing e banking facilities to their door steps and uplift the rural economy.

IMPORTANCE OF THE STUDY

- Regional rural banks help in uplift the rural areas by providing various facilities to small and medium sectors.
- The RRBs provide support entrepreneurship in rural areas and pension and MGNREGA distribution.
- They provide locker and credit card facilities to the rural peoples.
- To saves them from the exploitation of the primary money lender.

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- These RRBs are mainly created for the development of poor people in the rural area.

NEED OF THE STUDY

- to study new banking policies, new rates of interest and subsidies provided by government.
- The main purpose of this study is to know the various schemes provided by the regional rural banks.
- To know about regional rural banks support mechanisms and reliefs provided for farmers during covid 19 pandemic.
- To know the measures taken by the government to develop the agriculture sector and as well as the development of the rural areas.

OBJECTIVES OF THE STUDY

- To identify the major problems faced by the regional rural banks during covid-19 pandemic.
- To study procedural rigidities in lending and distribution.
- To find the constraints in deposit mobilization.
- To understand the constraints in branch expansion and coordination.

SCOPE OF THE STUDY

Agriculture is the backbone of the Indian economy. The regional rural banks are playing an important role in the development of agriculture sector. They provide credit facilities to the small and medium scale sectors. But In the today situation covid-19 effects the entire life of the people in the world it is the main reason of getting fear in the people. This study covers the problem faced by RRBs during covid-19 pandemic and what are all the restrictions in deposit mobilization. And what are all the restrictions or problems faced in expansion of branches in rural areas and This study help that the bankers how to reach the customers in an effective manner.

LIMITATIONS OF THE STUDY

- The area covered in the project is limited.
- The present study considers only the problems faced by RRBs in agriculture finance and distribution during covid-19 pandemic.
- The availability of the data is limited.
- Time constraints.

RESEARCH METHODOLOGY

This is a descriptive study based on both primary and secondary data. The secondary data were collected via bank record books and logbooks, articles published in peer reviewed journals, newspapers, internet etc. and primary data through personal observation, questionnaires, and interview. Convenience sampling technique and non-probability sampling were used. MS Excel, MS word, Google forms, Internet were used as tools for data analysis and interpretation.

SOURCES OF DATA COLLECTION

Primary data:

Whenever it is necessary the primary data has been used, in this I collected the data through questionnaires, interview in structured and unstructured and personal interview.

Secondary data:

In this secondary data I collected the information through internet. Bank annual reports.

TOOLS FOR DATA COLLECTION

Questionnaires, personal interview, and observation will be used for primary data and articles, journals, newspapers etc. will be used for secondary data.

DATA ANALYSIS AND INTERPRETATION

The collection of data is arranged and tabulated as per the objectives of the study. And identify the most important facts in the crisis. Statistical tools will be used for analysis and interpretation.

TABLE 1: GENDER CLASSIFICATION

<i>Gender</i>	<i>No. of respondents</i>	<i>Percentage</i>
Male	31	60.78%
Female	20	39.22%
Total	51	100%

Interpretation:

From the above chart it shows that 61% of the male respondents and the remaining 39% are female respondents.

TABLE 2: AGE WISE CLASSIFICATION OF RESPONDENTS

<i>Age</i>	<i>No of respondents</i>	<i>Percentage</i>
18 – 25	26	50.98
25 – 35	19	37.25
35 – 45	5	9.80
45 & above	1	1.96
Total	51	100%

Interpretation:

Survey suggest that 18 – 25 age group of respondents were 51% and 25 – 35 age group of respondents were 37% and 35 – 45 age group of respondents were 10% and 45 and above group of respondents were 2%. Hence most of the respondents 18 – 45 years farmers are taken the agriculture finance from regional rural banks.

TABLE 3: WHEN YOU THINK OF RRBS WHAT COMES TO YOUR MIND FIRST?

<i>Options</i>	<i>No. of respondents</i>	<i>Percentage</i>
Personalized service	3	5.88%
Rural development	41	80.39%
Wide branch net work	1	1.96%
Customer service	3	5.88%
Other	3	5.88%
Total	51	100%

Interpretation:

From this survey we came to know that the opinion of the respondents about the regional rural banks. Most of the peoples are responded that the regional rural banks are came into existence for the development of the rural areas. And they try to develop the economy by uplifting the rural people by providing credit and other facilities.

TABLE 4: DOES THE PANDEMIC IMPACT ON FUNCTIONING OF RRBS?

<i>Options</i>	<i>No. of respondents</i>	<i>Percentage</i>
Yes	44	86.27%
No	7	13.73%
Total	51	100%

Interpretation:

As per this survey 86.27% respondents' reveals that the present Covid – 19 pandemic impact on the functions of RRBS. In the present scenario people are getting fear about the spread of virus. From this Covid government lockdown the entire country due to dis action there is no business, trade, deposits, and recovery of credit in the banks, no cash flow in the country This will affect the functioning of RRBS.

TABLE 5: DO YOU THINK THAT THE RURAL PEOPLE DEPOSITED THEIR AMOUNT IN REGIONAL RURAL BANKS?

<i>Options</i>	<i>No. of respondents</i>	<i>Percentage</i>
Yes	33	62.26%
No	20	37.74%
Total	53	100%

Interpretation:

The survey recommended that the rural people or farmers are deposited their amount in the rural bank banks are in the rural area and they are convenient to them. And the banks also provide high interest to the fixed deposits, so the rural people deposited the amount in rural banks.

TABLE 6: IF NO MEANS WHAT ARE THE DIFFICULTIES CUSTOMERS ARE FACING DURING THE DEPOSITION?

<i>Options</i>	<i>No. of respondents</i>	<i>Percentage</i>
Lack of knowledge about the bank	13	27.66%
Low interest rates	14	29.79%
Lack of advanced technology	4	8.51%
None of the above	3	6.38%
All of the above	13	27.66%
Total	47	100%

Interpretation:

From the above survey we learnt the difficulties faced by customers during deposition. 28% of the respondents says that the rural people have proper knowledge about the banks. 30% of the respondents says that there is a low interest rates in rural banks compared to other banks. 8% Of the respondents tell that there is no advanced technology in rural banks, another 28% respondents say from the above all reasons the customers face difficulties during amount deposition.

TABLE 7: DOES THE RRBS PROVIDE E- BANKING FACILITIES TO THE CUSTOMERS?

<i>Options</i>	<i>No. of respondents</i>	<i>Percentage</i>
Yes	35	68.63%
No	16	31.37%
Total	51	100%

Interpretation:

From the above bar chart 68% of the respondents tell that the regional rural banks providing e- banking facilities to their customers. I.e. (view only facility) the facility is only non-transactional service such as balance enquiry, balance viewing, account statement downloads, request for supply of cheque books etc. no online fund-based transactions are allowed. And another 31% of the respondents they do not aware about this e- banking facility provided by the RRBs.

TABLE 8: DO YOU THINK THAT THE RRBs FOLLOW TOO MANY PROCEDURES TO SANCTION OF LOANS COMPARED TO OTHER BANKS?

<i>Options</i>	<i>No. of respondents</i>	<i>Percentage</i>
Yes	45	88.24%
No	6	11.76%
Total	51	100%

Interpretation:

The survey recommended that about the 88% respondents aware about the procedures followed by regional rural banks in sanction of loans. They tell that compared to other banks RRBs follow too many procedures and they ask to submit documents and they make delay in loan sanction.

TABLE 9: WHY IN RRBs NEW SCHEMES AND LOAN LENDING FACILITIES TO THE FARMERS ARE LOW?

<i>Options</i>	<i>No. of respondents</i>	<i>Percentage</i>
Communication gap	5	9.80%
Illiteracy	5	9.80%
Less popular schemes	11	21.57%
Poor advertisement	9	17.65%
All of the above	20	39.22%
None of the above	1	1.96%
Total	51	100%

Interpretation:

As per the survey analysis the loan lending facilities and new schemes to farmers are low because, out of 100%, 10% of the respondents says that may be from communication gap. In RRBs the staff members are belonging to other states they do not know about the rural language. This leads to the communication gap between the employees and the customers. Another 10% of the respondents says that because of illiteracy. The rural people are uneducated they did not understand the new schemes policies and procedures. 21% of the respondents says that the schemes in the rural banks are less popular. And 17% of the respondents says that poor advertisement of the schemes and policies and procedures etc. 40% respondents say that above all are the reasons RRBs new schemes and loan lending facilities is slow.

TABLE 10: WHAT ARE THE DIFFICULTIES FACED BY THE RRBs IN BRANCH EXPANSION?

<i>Options</i>	<i>No. of respondents</i>	<i>Percentage</i>
Legal difficulties in getting clearance.	6	11.76%
Difficulties in finding suitable locations.	7	13.73%
Competition from co-operative banks.	14	27.45%
Lack of interest by sponsored banks.	4	7.84%

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All of the above.	19	37.25%
None of the above.	1	1.96%
Total	51	100%

Interpretation:

From the above survey it is analysed that the difficulties faced by RRBs in branch expansion. Out of 100%. 12% of the respondents says that legal difficulties in getting clearance, 14% of the respondents says that difficult to find the suitable location for branch expansion. And 27% of the respondents says that competition from the co-operative banks. And the 9% of the respondents says that lack of interest by the sponsored banks and remaining 37% of the respondents says that above all reasons the RRBs face difficulties in branch expansion.

RRBs have slow progress in lending activities.

- Due to high none performing loans.
- Slow economic activity in area where the branch is located.
- Social and cultural norms.

TABLE 11: SLOW PROGRESS IN LENDING ACTIVITIES.

<i>Options</i>	<i>No. of respondents</i>	<i>Percentage</i>
Option 1 & 3	8	16%
Option 2 & 1	18	36%
Option 2 & 3	8	16%
All of the above	15	30%
None of the above	1	2%
Total	50	100%

Interpretation:

From the survey about 36% of the respondents says that the lending activities is slow in RRBs because low recovery of credits and low economic activity in branch located. And 16% of the respondents says that social and cultural norms and slow economic activity. and the remaining 30% of the respondents says that all the above reasons effect the RRBs slow progress and lending activities.

TABLE 12: HAVE YOU FACED ANY DIFFICULTIES IN GRANTING WITH REGARDS TO SANCTIONS AND DISTRIBUTION?

<i>Options</i>	<i>No. of respondents</i>	<i>Percentage</i>
Less	7	14%
Medium	35	70%
High	7	14%
Very high	1	2%
Total	50	100%

Interpretation:

As per the survey analysis 70% of the people or respondents face the average problem regard to sanction and distribution. And remaining 14% respondents face high problem regard to sanction and distribution. From this analysis we came to know that the customers and the RRBs are facing problems regarding sanction and distribution.

TABLE 13: HAVE FACE ANY NEGATIVE INFLUENCE ON YOUR OPERATION CYCLE FROM CURRENT COVID 19 SITUATION?

<i>Options</i>	<i>No. of respondents</i>	<i>Percentage</i>
Good impact	6	11.76%
Average impact	26	50.98%
Minor impact	8	15.69%
Bad impact	11	21.57%
Total	51	100%

Interpretation:

From the survey we came to know that the present Covid-19 influence the operation cycle of RRBs. From the Covid-19 the government lockdown the country this results in no trade, business, cash flow in the country and the farmers got loses they did not get fair values to their goods. The farmers did not pay their credit and no deposits and maximum transactions in the banks this effect on the operation cycle of every bank.

TABLE 14: HAVE YOU NOTICE/SEEN ANY DECREASING TRENDS IN LOAN RECOVERY RATE DURING 2019-2020?

<i>Options</i>	<i>No. of respondents</i>	<i>Percentage</i>
Yes	37	72.55%
No	12	27.45%
Total	49	100%

Interpretation:

From the above survey out of 100%. 73% of the respondents says that during the current year loan recovery is decreased. And 27% respondents say there is no negative impact on the loan recovery.

TABLE 15: DO YOU THINK THAT THE RURAL BANKS FACED PROBLEM OF PROCEDURAL RIGIDITY?

<i>Options</i>	<i>No. of respondents</i>	<i>Percentage</i>
Yes	41	80.39%
No	10	19.61%
Total	51	100%

Interpretation:

From the survey we came to know that the 80% of the respondents say about the problem faced by RRBs procedural rigidity. To take some decisions the branch manager has seek permission from the head etc. so this survey clearly tells about the procedural rigidity faced by RRBs.

If yes means what are all those

1. To sanction of loans.
2. To take any decisions about processing charges and other charges.
3. For one-time settlement.

TABLE 16: IF YES MEANS WHAT ARE ALL THOSE

<i>Options</i>	<i>No. of respondents</i>	<i>Percentage</i>
Option 1 & 2	15	30%
Option 2 & 3	6	12%
Option 1, 2 & 3	10	20%
All of the above	16	32%
None of the above	3	6%
Total	50	100%

Interpretation:

the survey recommended that 30% of the respondents says that the procedural rigidly in sanction of loans and taking any decisions about procedural chargers. And the 12% of respondents says that procedural rigidity in taking decisions and one-time settlement. And the remaining 52% of the respondents says that the above all the area the RRBs face the procedural rigidity problem.

TABLE 17: WHAT ARE THE MAJOR PROBLEMS FACED BY RRBS WITH RESPECT TO LOAN RECOVERY DURING PANDEMIC?

<i>Options</i>	<i>No. of respondents</i>	<i>Percentage</i>
Lack of funds with customers	20	39.22%
Fear of spreading loans	8	15.69%
Lack of knowledge regarding online payment	2	3.92%
All of the above	19	37.25%
None of the above	2	3.92%
Total	51	100%

Interpretation:

As per the survey out of 100%, 39% of the respondents says that there is lack of funds with customers during the Covid-19 pandemic and 15% of the respondents says that the fear of getting Covid by going outside from home. 4% of the respondents says that the rural people did not know the online payment facility. And remaining 37% of the respondents says that above all the reason effect the RRBs with respect to loan recovery during the pandemic.

FINDINGS OF STUDY

- Majority of the respondents belongs to 18 to 45 years of age group this includes the land holders and bank employees.
- From this study I got to know that present Covid-19 pandemic effects the life of the people and as well as the operation cycle of the bank.
- The regional rural banks face the difficulties in branch expansion due to competition from the co-operative banks and legal difficulties in getting clearance and difficulty in finding suitable locations.
- From this study I got know that the regional rural banks also provide E banking facilities i.e. view only facility. No online fund-based transactions are allowed.
- The RRBs have slow progress in lending facilities due to high non-performing loans, slow economic activity in the area where the bank located.
- The RRBs new schemes are less popular compared to other banks this is because of poor advertisement.

- Most of the people are not interested to deposit their amount in banks this is because the RRBs provide low interest on deposits compared hand giving finance.
- RRBs gives more importance to the rural development and this leads to the economic development of the country.
- RRBs has faced the procedural rigidity. The branch manager has to depend on the higher officer for taking any decisions. And charges and settlements.
- The regional rural banks follow to many procedures to sanction of loans compared to other banks.

SUGGESTIONS

- The procedure of sanctioning the loan must be simplified. Because it is risky and lengthy.
- Special attention should be given to extend banking facilities to its customers.
- Efforts should be made by the bank to reduce any delay in sanctioning of the loans.
- RRBs should focus on providing E banking facility by providing proper guidelines/information about it.
- Pay more attention on branch expansion in the remote areas.
- RRBs must strengthen effective credit administration by way of credit appraisal, monitoring the progress of loans and their efficient recovery.
- The RRBs should give advertisement about the new schemes policies to the customers.
- In rural banks limited staff is there, illiterates will not understand procedural aspects, it is hectic to convince them about procedures. For that sufficient staff is required.
- In the present scenario the government should give support price to the formers produced goods. It helps to the cashflow and credit recovery in banks.

CONCLUSION

From this study I conclude that regional rural banks are one of the financial institutions which are established for the purpose of rural development which provides financial assistance to agriculture and small-scale industries and self-help groups for various purposes. The study is to know about the problems faced by RRBs and what are the schemes provided to the customers for agriculture. RRBs successfully achieve its objective like take banking to the doorsteps of rural households. Rural banks need to remove lack of transparency in their operation which results in unequal relationship between banker and customer. Banking employees should interact more with their customers to overcome this drawback. Banks should open their branches in areas where customers are not able to avail banking facilities. during this competitive era, RRBs have to focus on speedy, qualitative and secure banking services to retain existing customers and attract potential customers.

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