Preface

To day’s world is very keen competitive in each and every way or trade. India is now a developing country and hopes to become a developed country by the “vision 2020”. But Indian hope will be impossible without the rural development because she lives in her “villages” means that India is a rural based country. For the rural development, formal financial assistance is very much essential to the rural poor people who are weaker section of the society, that is agricultural labourers, small farmers, marginal farmers, rural artisans, landless labourers etc. Development of rural economy is the backbone of Indian economy. Therefore, the development of rural sector has become one of the important concerns of the country’s Five Year Plans.

Development is an activity or process of both qualitative and quantitative change in the existing systems aiming at immediate improvement of living condition of the people or increases the potential betterment of living condition in the future. With this view, various poverty alleviation programmes and other developmental programmes have been conceived and implemented by the Government of India since commencement of first Five-Years Plan from 1951-56. However, appraisals of the achievement of these programmes have failed to obtain the desired objectives due to lack of adequate finance and unreach to the backwardness of the poor of rural masses. Hence, bank or rural bank and other financial institutions are very prominent for upliftment of rural economy of our country.
Banks have occupied an important place in economic development as they have provided credit which lubricates the wheels of agricultural and allied activities and industrial enterprise. In 1972, Banking Commission observed that co-operative and commercial banks both were lacking in various ways and would not be able to fill the regional and functional gap in the rural credit system. The Government of India felt that the weaker sections were deprived of the crucial inputs of timely and adequate credit from the institutional sources. Therefore, the Government of India has been taking elaborate and extensive initiative to increase the out reach of formal channel to rural masses. Therefore, it was felt necessary to evolve a special financial institution which could offer the required credit and help in the process of transformation of rural economy. With this background, the Government of India promulgated the RRBs ordinance on 26th September, 1975 and the first five RRBs covering nine districts were set up on 2nd October 1975 with a view to developing the rural economy as well as to create an alternative channel to the cooperative credit structure, so as to ensure sufficient institutional credit for the rural and agricultural sector.

Manipur Rural Bank (MRB) was also established on 28th May, 1981 with the motto to cater the require credit of the rural people in the state. It has been providing loans and advances to priority and non-priority sectors, teaching banking habit to rural people and doing extra activities for rural development like formation of SHGs, JLGs, Farmers’ Club and village adoption since long back. Under the financial inclusion, poor people have been allowed to open their accounts with “zero balance” in this bank. Notwithstanding over the years MRB has been able to
expand its outreach and business and meet the credit requirement of the rural poor people, several weaknesses have emerged and eroding its profitability and viability.

On the other hand, technological changes are sweeping the banking sector. In order to survive effectively in the present scenario, the MRB is very must essential to be adequately equipped in terms of technology to provide better customer service. In 2010, MRB also introduced Core Banking Solution (CBS) to its some selected branches and required solar energy power to run successfully as irregularity load shedding of power supply in this state.

In this present study, it is an endeavor to evaluate performance of MRB and its branch level, impact on working performance and mostly field survey by using different statistical tools. Due to lack of state Government support in term of deposit, sponsored bank in administrative activities, public non co-operation for the repayment ethics and law and order problems in the state etc., MRB could not reach the satisfactory performance level for rural development.