The setting up of Regional Rural Banks in our country is a landmark in the history of rural credit. The linking of credit with the intensive rural development programme has made a beginning for co-ordinated effort for all sided development of the rural masses. The expansion of the Regional Rural Banks' branches, banks deposits as well as credit dispensation gives a very encouraging picture of the steps taken for uplifting the rural economy. And yet in the several macro and micro studies undertaken at the institutional and individual levels many snags in the functioning of the Banks, implementation of their objectives and programmes have been identified. For a study of the functioning of the Banks and their impact, it is necessary to explore the details which are possible by an intensive micro study. Such a micro study would be much more useful when the Government is keenly thinking of revitalising the rural credit institutions by incorporating suitable policy programme in the Eighth Five Year Plan. The study is a humble effort in exploring the weaknesses and short comings of the Regional Rural Bank in a drought prone area as it would be possible to identify not only the working of the Bank but also the need of the area and its beneficiaries to which the Bank may gear its efforts up and increase its effectiveness.

This study is an outcome of the guidance and help received from several Institutions and individuals.
I have great pleasure in placing on record my esteem and deep sense of gratitude to my Guide Dr. D.P. Sharma, Professor, Department of Commerce and Management Studies, Sri Krishnadevaraya University, Anantapur, for his expert guidance, meticulous care and untiring help rendered throughout the progress of this study. I am very much grateful to him.

I would like to acknowledge my deep sense of gratitude to Prof. V.K. Gokak, former Vice-Chancellor and Mr. Chakravarthy, Registrar of Sri Sathya Sai Institute of Higher Learning, (Deemed University) Prasanthi Nilayam for granting me permission to take up this study.

I am highly thankful to the General Manager, Mr. A. Iswar, Mr. S.V. Ranganathan and Mr. D. Ramachandra, Managers in the Head office of Cauvery Grameena Bank for giving me an opportunity to do my Project Work in their esteemed organisation.

I am also highly thankful to the Managers of the sample branches of the Cauvery Grameena Bank and the beneficiaries for their timely help.

I am highly indebted to Banking Institutions viz., Reserve Bank of India, State Bank of Mysore and NABARD and other Governmental agencies like District Planning office, District Statistical Office and other Bureau for having provided the required information in-time.
I profusely thank Dr. Hemalatha, Professor, Principal of Sri Sathya Sai Institute of Higher Learning, Anantapur, for her encouragement in pursuing this study.

I take this opportunity to thank my friends - Y.N. Prameela Reddy, Dr. Rajeswari Patel and Sai Geetha C. and well wishers whose encouragement stood me in good stead throughout the course of this study.

No words can adequately express my debt of gratitude to my brothers Dr. H. Prabhuswamy, H. Shivakumar, H. Nagaraj and H. Shekar, for, without their help this study was not possible.

I will be failing in my duty if I do not mention here my debt of gratitude to my parents and sisters, for generating in me a perennial interest in higher studies.

My grateful thanks go to Mr. T.K. Srinivasa Rao, Mr. S. Chidambar and Mr. C.N. Shankar who took pains to type the entire thesis work.