

ROLE OF ARYAVART BANK IN RURAL DEVELOPMENT– A CASE STUDY OF ETAH DISTRICT**Dr. Akhilesh Upadhyay**Asstt. Professor, Faculty of Commerce J.S. University, Shikohabad (FIROZABAD),
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Mail Id kudeshiyaankit@gmail.com**Abstract**

69% of India's population is still settled in villages. Therefore, rural development is an important issue because unless the villages are not capable, the country will not be strong. Therefore, it is necessary that we pay attention to its problems and their solutions. Etah district is also facing these problems due to which its full development is not being done. However, Aryavart Bank is being played an important role for this. Therefore, in this paper, we will overview the efforts made by Aryavart Bank Etah to overcome the main problems (agriculture, unemployment and illiteracy) of rural areas. And know how successful Aryavart Bank has been in this. Key Words: Rural Development, Aryavart Bank, Agriculture.

Introduction

India is an agrarian developing nation, the economic development in an agricultural dominated economy basically depends on agricultural development. Only on the basis of the success of agriculture in the Indian economy, the success of the goals of the schemes is possible. Agriculture has an important contribution in the national income of the country and about 50% of the total national income is obtained from agricultural activities, in which 73% of the number is included directly and indirectly. At present, the contribution of agriculture to the total national income is about 29% and the percentage of the population working in agriculture is decreasing. In most of the backward countries, where the national income is low, the gradual development of the production of household items in agricultural production is necessary.

There is no harmony between the growth rate of Indian population and the growth rate of production. About 26% of the Indian population lives below the poverty line. There is a majority of marginal and small marginal farmers in the country.

Uttar Pradesh is the largest state of India in terms of population, according to the 2011 census, it occupies 16.50 % of the total area of the country.

Need of Selection of Research Topic

Etah district in Aligarh division of Uttar Pradesh has been selected for the study of the Role of Rural Banks for the upliftment of the country's poverty because this district is a backward district of North

India. It is that the extent to which Aryavart Bank is providing support in raising the standard

of living and strengthening the economic structure of the families of rural areas of Etah district, under this the contribution of Integrated Rural Development Project has also been tested.

Problems of Rural Development

Today the rural economy of India is facing many problems, the main ones are as follows:

Problem of Agriculture:

Agriculture is the backbone of the rural economy. Agriculture is still a part of rural life. The share of the agriculture sector in the country's GDP may have declined from a peak of 55.47 per cent in 1950-51 to 6.6 % in 2020-21, but it still exerts an overall impact. In the last years, many effective steps have been taken to improve agriculture. But its benefit has been limited especially to large farmers, while small farmers and marginal farmers have been deprived of this benefit.

Farmer Indebtedness:

Farmer indebtedness has been the main obstacle in the way of rural development. 48.6% of agricultural households are indebted. Due to indebtedness, farmers feel unable to meet their needs, so they cannot be expected to use improved quality seeds, chemical fertilizers, timely irrigation and pesticides. Due to this, agricultural productivity and purchasing power of the farmer are affected. Till the credit crunch in the agriculture sector is not removed, the rural problems will exist individually.

Rural Unemployment:

There is a terrible situation of employment in rural areas which has emerged as a major problem in front of the nation. Employment opportunities in agriculture are limited. Agricultural laborers and farmers do not get employment opportunities in agriculture throughout the year. As a result, farmers and agricultural laborers are overwhelmed in a vicious cycle of seasonal unemployment, underemployment, invisible unemployment.

Rural Illiteracy:

Most of India's population still lives in villages, so the subject of rural education is very important. A survey shows that due to lack of money with the rural masses, they are not able to get education. Hence poverty is a hindrance in rural education.

Technological change is happening rapidly all over India. The impact of which is related to economic development, despite technological changes, regional inequality, density of population, lack of income sources, poverty and lack of capital investment remains the subject of study. To increase the per capita income in the developing economy, there is a need to increase employment opportunities, for which arrangements should be made for easy distribution of credit to the general public for the source of capital should be available on easy installments without any condition. In order to uplift

the rural people below the poverty line and for their impact and purposeful development, the banks have associated the rural banks of various districts under the organic poverty alleviation program for financial supply from the major lead banks of Wah. Aryavart Bank is one such bank whose contribution in the development of Etah district is the subject of study.

Objectives of Research

Keeping in view the above discussion, the following objective has been kept for the present research paper.

- To study the effect of Aryavart Bank on unemployment and agriculture.
- To submit suggestions to make the contribution of the application successful in the development of Etah district.
- Its main objective is to examine the contribution of Aryavart Bank in the economic progress of families with low standard of living.

On seeing it directly, it is known that due to the opening of Aryavart Bank, low-income people of rural areas and urban areas are getting help in raising the standard of living. Its credit related policy has provided a lot of facilities to the people as well as encouraging savings. Due to which people have been successful in increasing their income through these banks, its main objective is to evaluate the contribution of Aryavart Bank in the economic, social and moral values of low-level families.

Research Methodology

This study is mainly in the context of the role of Aryavart Bank to be run under integrated development in Etah district. In this, data has been taken from various government and semi-government and records related to Aryavart Bank 2020-21 time period. This study is based on secondary data.

Review of Literature

Vaidya. B.V., (2002), has made a comprehensive effort to highlight some of the aspects of rural development of the country under the policy of liberalization and globalization, including economic aspect, agricultural aspect, industrial aspect, infrastructural aspect and management aspect. From his analysis, he has drawn the conclusion that a comprehensive methodology will be necessary for rural development which is the bed - rock of development for the whole country.

Harper Malcom, (2003) has attempted to highlight the growing importance of micro finance and suggested for more linkage of small enterprises with both formal and informal financial institutions.

Sankar., (2003), in his work on financial sector reforms has found that strengthening of the financial sector and improving the functioning of the financial markets have been the core objectives of the financial sector reforms in India. The significant transformation of the financial system in the contry is clearly evident from the changes that have occurred in the financial markets, institutions and products.

Contribution of Aryavart Bank

According to the notification number 338 issued by the Ministry of Finance, Government of India, dated 25-01-2019, two Regional Rural Banks operating in the state of Uttar Pradesh, Gramin Bank of Aryavart and Allahabad U.P. A new Regional Rural Bank "Aryavart Bank" formed as a result of amalgamation of Gramin Bank which was sponsored by Bank of India and Allahabad Bank respectively, whose activities have started from 01 April 2019. Aryavart Bank is functioning in 26 districts of Uttar Pradesh.

The bank was established primarily with a view to provide banking facilities in remote rural areas and mobilize the savings of those rural masses who were not getting proper services from commercial banks due to certain reasons. It was also expected that the bank would help in

strengthening the rural economy by providing loans for agriculture, trade, business, industry and other productive activities.

Aryavart Bank has been instrumental in rural development. Financial assistance for the main problems of rural development has tried to overcome them. For example, Rs 6900 crore loan has been provided for small and marginal farmers, 6430.56 crore for agriculture, 7199.81 crore for education, 733.77 crore for rural employment and 7591.59 crore in non-primary sector. Its listed details are given below:

LOAN DISTRIBUTION BY ARYAVART BANK IN 2020-21

(Amount in crore)

S.N.	Purpose of Loan	Amount of Loan	No. of Account
1.	For Agriculture	6430.56	693936
2.	For Education	7199.81	743370
3.	For Unemployment	733.77	48404
4.	Non-Priority Sector	7591.59	751947

Source-Annual Report of Aryavart Bank 2020-21

Conclusion and Suggestion:

Aryavart Bank has played an important role in the development of Etah district. This bank is making efforts in the development of Etah district by giving assistance in the fields of agriculture, industry, employment, etc.

It plays an important role in removing unemployment, increasing per capita income, providing the basis for modern industries. Considering the importance of small and cottage industries in the Indian economy, substantial funds have been spent under various five-year plans.

The development of rural panchayat is necessary for the development of the country and for its development the development of cottage industries, agriculture etc. is important and for its

development financial resources are very much needed. The role of banks becomes important in their fulfillment. In this direction in India, the Reserve Bank of India, through its Department of Agriculture, provides short-term loans and medium-term loans to State Cooperative Banks.

The economic development of Etah district is mainly based on agriculture as the district lacks many industries. Adequate funds are being spent on irrigation and fertilizer applications, soil testing, management systems, improved seeds, distribution of agricultural machinery, etc. for agricultural development.

The number of specialized and training unemployed is increasing continuously in Etah district. To reduce the number of unemployed in the district, opportunities for cottage and small-scale industries, transport, self-employment are being increased. Aryavart Bank is playing an important role in this direction. Through all its branches, this bank is providing financial assistance not only to small farmers, landless laborers, small cultivators but also people engaged in rural industries so that more employment opportunities can be obtained.

It is clear from the discussion that Aryavart Bank has an important contribution in rural development and is reflected to make it more effective.

1. In view of the small and limited amount of funds provided in the form of grants and loans and the short-term loan period, it is imprudent to raise the slogan of raising the population above the poverty line. Therefore, increase in the amount and duration of financial assistance and loan is expected.
2. The selection method related to the people living below the poverty line is very flawed, as a result of which most of the influential people instead of poor families get the said financial assistance in the name of their personal relationships and credibility in a corrupt manner, hence the selection process is made rigorous and need to be made qualitative.
3. There should be correlation between the various lending agencies, so that the loan cannot be obtained from multiple sources for the same purpose and the loan amount should be sufficient.
4. Aryavart Bank should provide mid-term and long-term loan at low interest rate and borrowers should not face any problem in giving loan. There should be a provision to get the loan within a certain period of receiving the loan application, this period should not exceed 1 month.
5. For the development of agriculture, the post of Agriculture Officer should be made more extensive, so that maximum contact with the farming class can be established.

The contribution of Aryavart Bank in the rural development of district Etah is commendable.

Keeping in view the increasing population of the district and the increase in unemployment, Aryavart Bank should start preparing to face the difficulties that may arise in the future, so that the challenges arising can be met in this direction by adopting the suggestions presented above in the future. Even in this, Aryavart Bank will continue to be a leader in the development of the district.

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