

**Role of RRBS in Financial Inclusion Empirical Evidence from RRBS in Gujarat**

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**ABSTRACT**

Regional Rural Banks (RRBs) in India have been established to spread the banking amongst rural poor, based on the recommendation of various expert committees. RRBs have special role to play in spread of banking, now known as financial inclusion, in rural and semi urban areas to include the rural mass in banking network and thereby help them the rural poor, small and marginal farmers, artisans, agricultural labors, and even small entrepreneurs.

There are three RRBs working in Gujarat namely Baroda Gujarat Gramin Bank, Dena Gujarat Gramin Bank and Saurashtra Gramin Bank, covering different parts of the state. The present study makes an attempt to analyze performance of these three RRBs in role of financial inclusion. The financial inclusion is measured in terms of (1) branch expansion measured by ratio of branch in rural and semi urban areas as well as ratio of single branch in rural area to total branches and (2) spread of credit in terms of Credit deposit ratio, taking published data of last 8 years from 2005-06 to 2012-13. The analysis of performance is made with the help of trend analysis and ANOVA. Finding shows that overall there is declining trend in terms of financial inclusion by all RRBs in Gujarat in post-merger period. The findings are in line with earlier studies.

*Key words: Regional Rural Bank, financial inclusion, branch expansion, credit deposit ratio*