

## Scope of MBA – Rural Management (RM) in Banking and Finance

Agriculture is the principal occupation in India accounting for about 60% of national employment and 17% of GDP (for output). Yet, the percentage of farmers who have access to formal financial institutions is less than 30% resulting in the farmers falling prey to predatory moneylenders and getting caught in a vicious debt cycle. **Rural finance** comprises the full range of financial services - loans, savings, insurance, and payment and money transfer services - needed, offered, or used in rural areas by household and enterprises. The term encompasses agricultural finance. **Agricultural finance** refers to financial services ranging from short-, medium- and long-term loans, to leasing, to crop and livestock insurance, covering the entire agricultural value chain - input supply, production and distribution, wholesaling, processing and marketing. The scope of Banking and Finance in Rural Management is depicted in the Fig.1.



Fig. 1 Scope Banking & Finance in Rural Management

**Rural & Social Banking** addresses the issue of financial inclusion in rural India, especially amongst the farmer communities. They develop innovative financial models, to overcome the problems in the rural sectors, reaching individual farmers with small/marginal land-holding (less than 5 acres) and rural artisans with limited or no access to formal financial institutions. They provide Term Agricultural Loans, Loan for Sinking of New Surface Wells, Loan for Repair to Wells, purchase of pumpsets, Bullocks/Bullock Carts, Milch Cattle and other Livestock, Poultry, Loan for improvement of Land & Building, purchase of Tractor, Power Tiller and other Farm Machinery, Installation of Gobar Gas Plant, Loan for Horticulture/Plantation Crops, Inland Pisciculture, Credit for Rural Housing etc. Rural Banks also work with **Agriculture Insurance** Companies, to develop crop specific weather insurance products, to mitigate weather risks faced by farmers. Banks also provide financing for **sustainable rural and agricultural projects**

like Bio-Diesel projects, Renewable and Clean Energy (hydro-power, wind energy etc.) sector, Organic Farming, Biomass based power generation plants from crop residues etc. for rural development.

**MBA – RM** from **IIHMR University** prepares you for a career in **Financial Institutions** like Commercial Banks (Public Sector, Private Sector, Foreign Banks in India), Regional Rural Banks, Cooperative Banks, Rural Development Finance Institutions e.g. IDBI, National Bank for Agriculture and Rural Development (NABARD) etc, Insurance and Housing Finance Companies, Money Markets e.g. NCDEX (National Commodity & Derivatives Exchange Limited) etc.

**Some of the Financial Institutions include** IDBI Bank Ltd (Agri Business Group), Yes Bank - Agri Rural and Social Banking (ARSB), Magma Fincorp Ltd., Kolkata, FINO PayTech Limited, Navi Mumbai, IFMR Capital Finance Pvt. Ltd., Chennai, NABARD Financial Services (NABFINS), IFMR Rural Finance Services Pvt. Ltd., NABARD Consultancy Services (NABCONS), Mumbai, PricewaterhouseCoopers (PwC), India, Asmitha Microfin Ltd. (one of the best MFIs in India) etc.

**MBA - Rural Management (RM)** at **IIHMR University** prepares you for challenging career in **Rural Banking & Finance**. The **MBA – RM** aims to develop high quality human capital for **Rural, Agri. & Social Banking, and for other Development Financial Institutions**.

*(For course details of MBA-RM please visit:*

<http://www.jaipur.iihmr.org/Academic/PGDRM/PGDRM-program.aspx>)

**Dr. Susmit Jain**  
Assistant Professor,  
IIHMR, Jaipur.  
E-Mail: [susmitjain@iihmr.org](mailto:susmitjain@iihmr.org)