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Performance Evaluation Of Andhra Pragathi Grameena Bank

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Abstract: ***Regional rural Banks plays a vital role in the agriculture and rural development of India. The RRBS have more reached to the rural area of India, through their huge network. The success of rural credit in India is largely depends on their financial strength. RRBs are key financing institution at the rural level which shoulders responsibility of meeting credit needs of different types of agriculture credit in rural areas. At present, most of the regional rural banks are facing the problems of overdue, recovery, nonperforming assets and other problems. Therefore, it is necessary to study financial performance of RRBs in India. This paper attempts to analyze the financial performance of Andhra pragathi Grameena Bank (APGB) during the period 2012-13 to 2015-16. The study is based on secondary data collected form annual reports of APGB, NABARD and RBI. An analytical research design of Key Performance Indicators Analysis such as number of branches, deposits, loans, loans, investments and growth rate index is followed in the present study. The study is diagnostic and exploratory in nature and makes use of secondary data. The study finds and concludes that performance of APGBs has significantly improved.***

Keywords: Regional Rural Banks, APGB, Key Performance Indicators, Growth Rate, Rural Economy.

I. INTRODUCTION

Regional Rural Banks have been in existence for around 36 years in the Indian financial scene. The institution of Regional Rural Banks (RRBs) was created to meet the excess demand for institutional credit in the rural areas, particularly among the economically and socially marginalized sections. The Banking Commission (1972) recommended establish an alternative institution for rural credit and ultimately Government of India established Regional Rural Banks as a separate institution basically for rural credit on the basis of the recommendations of the Working Group under the Chairmanship of M. Narashimham. In order to provide access to low-cost banking facilities to the poor, the M. Narashimham Working Group (1975) proposed the establishment of a new set of banks, as institutions which "combine the local feel and the familiarity with rural problems which the cooperatives possess and the degree of business organization, ability to mobilize deposits, access to central money markets and modernized outlook which the commercial banks have". Subsequently, the Regional Rural Banks were setup through the promulgation of RRB Act of 1976.

The RRBs Act, 1976 succinctly sums up this overall vision to sub-serve both the developmental and the redistributive objectives. The RRBs were established "with a view to developing the rural economy by providing, for the purpose of development of agriculture, trade, commerce, industry and other productive activities in the rural areas, credit and other facilities, particularly to small and marginal farmers, agricultural labourers, artisans and small entrepreneurs, and for matters connected therewith and incidental thereto". Their equity is held by the Central Government, Concerned State Government and the Sponsor Bank in the proportion of 50:15:35 respectively. The mandates of these rural financial institutions were:

- ✓ To take banking to the doorsteps of the rural masses, particularly in areas without banking facilities;
- ✓ To make available cheaper institutional credit to the weaker sections of society, who were to be the only clients of these banks?

- ✓ To mobilize rural savings and canalize them for supporting productive activities in the rural areas;
- ✓ To generate employment opportunities in the rural areas
- ✓ To bring down the cost of providing credit in rural areas

II. REVIEW OF LITERATURE

A number of studies have been conducted to see the functioning and performance of Andhra Pragathi Grameena Bank. The literature available in the working and performance of APGB is a little limited. The literature obtained by investigators in the form of reports of various committees, commissions and working groups established by the APGB, Union Government, NABARD and Reserve Bank of India, the research studies, articles of researchers, bank officials, economists and the comments of economic analysts and news is briefly reviewed in this part. Some of the related literatures of reviews are as follows.

The Kelkar Committee (1986) made comprehensive recommendations covering both the organizational and operational aspects. Several of these were incorporated as amendments to the RRB Act, 1976 such as:

- ✓ Enhancement of authorized capital of RRBs from Rs 1 crore to Rs 5 crore and issued share capital from Rs 25 lakhs to Rs 1 crore;
- ✓ Appointment of Chairman of RRBs by the concerned sponsor bank in consultation with NABARD;
- ✓ provision of assistance to RRBs in greater measure by sponsor banks in training RRB staff and giving financial assistance to RRBs in their first five years of their existence;
- ✓ Provision for amalgamation of RRBs in consultation with all the concerned parties.
- ✓ Empowering the sponsor banks to monitor the progress of RRBs and also to arrange for their inspection, internal audit etc.

The contemporary literature on banking efficiency spells out two distinct approaches to measure efficiency (1) accounting measure (2) economic measure.

Accounting measure refers to the use of various financial ratios that focus on one or more outputs and their relevant inputs to measure the performance of a banking unit. The financial ratio approach has been widely used by the researchers and working groups/committees to analyze the performance of RRBs. Most of the studies on the performance evaluation of RRBs concentrated on the banks in particular state/region. Though financial accounting ratios are simple to use and relatively easy to understand, but their use to measure bank performance is plagued by various problems. As a precautionary measure, regulatory frame works (such as CAMEL rating) based on these ratios has been put in place in most of the supervisory systems across the globe. Further, Sherman and Gold (1985) noted that financial ratios do not capture the long-term performance. This measure also helps in the analysis of bank's performance in terms of individual parameters determining the overall efficiency level as it is difficult to precisely measure the efficiency of banks.

Therefore, in recent years, there is a trend towards measuring bank performance using economic measure. This measure provides accurate, composite and precise estimate of efficiency of banks comparing each bank against the top performers in the banking industry.

OBJECTIVES OF THE STUDY

- ✓ To measure financial performance of Andhra Pragathi Grameena Bank (APGB).
- ✓ To analyze the key performance indicators of Andhra Pragathi Grameena bank.
- ✓ To evaluate progress of the APGB during *2012-13 to 2015-16*.
- ✓ To study the growth-pattern of Andhra Pragathi Grameena bank.
- ✓ To make important suggestions to improve the working of APGB.

PROBLEMS OF THE STUDY

- ✓ First and important problem of the research work is analysis of financial data.
- ✓ Information from APGB, NABARD and RBI was difficult to be obtained.

SIGNIFICANCE / IMPORTANCE OF THE STUDY

The research study is significant to evaluate financial performance of APGB. The results/ findings of the present study are useful to the policy planners in their efforts to improve the working of the APGB in Andhra Pradesh, India.

SCOPE AND COVERAGE OF THE STUDY

- ✓ It covers all branches of APGB working in 5 Districts of Andhra Pradesh.
- ✓ The study covers a specific period from *2012-13 to 2015-16* i.e. after globalization and amalgamation.
- ✓ There is micro evaluation of performance of APGB.

PERIOD OF THE STUDY

For collection of the secondary data on financial performance of the APGB, four years i.e. from *2012-13 to 2015-16* were taken as the reference period. The accounting year of the bank commences on 1st April of every year and ends on 31st March of next year.

RESEARCH METHODOLOGY

The financial performance of the APGB has been analyzed with the help of key performance indicators. The year *2015-16* was taken as the current year and year *2014-15* was base year for the calculation of growth rate. Analytical Techniques Employed-Growth rate analysis was undertaken with a view to studying financial performance related to the APGB. Growth rate is measured with the help of following formula-

Growth Rate = Yt -Yt-1 / Yt-1

Yt= Current Year, yt-1=Base Year.

RESEARCH DESIGN

The present study is diagnostic and exploratory in nature and makes use of secondary data. The study is confined only to the specific areas like number of branches, district coverage, deposits mobilized, credits and investments made by the Andhra Pragathi Grameena Bank (APGB) for the 4 years period starting from *2012-13 to* the year *2015-16*.

METHOD OF DATA COLLECTION

The present study is empirical in character based on the analytical method. The study is mainly based on secondary data which is collected, compiled and calculated mainly from annual reports of the APGB. Other related information collected from journals, conference proceedings and websites.

III. REGIONAL RURAL BANKS IN INDIA

Being an integral part of the credit structuring of India, the Regional Rural banks were first established from the year 1975. Imperative to the economic upgrade of the country, such banks are the most important factor in the economic growth of the country due to the proximity with the masses of the developing country. The main intent of setting up Regional Rural banks was to allow Credit Facilities to the rural and weaker sections of the society, where in, the targeted groups were the small and marginal farmers dependent upon meagre sources for sustainability (Anand, 2012).

(Goyal, 2011) revealed that incorporated from the recommendations of the Narsimham Committee in 1975, the RRBs were the conceptualised concepts for the Banks meant for the rural needs of the country. Established in 1975, it was assessed that the Banks that could be aligned with the Rural Sectors of the country could be beneficial in meeting the small and marginal requirements of the rural sections, albeit the professional standards of the major Commercial banks. To begin with a total of 5 Banks were set up with an initial Capital Augmentation of INR1 Crore that later escalated to INR 5 Crores after the growing needs were assessed. The 5 major banks were: (McKinsey report, 2012)

- ✓ Punjab National bank
- ✓ United Bank of India
- ✓ Syndicate Bank
- ✓ United Commercial bank; and
- ✓ State Bank of India

All the equities of these banks were segregated in the ration of 50: 35: 15 correlating to the Government, Sponsor Banks and State Government respectively.

IV. ANDHRA PRAGATHI GRAMEENA BANK HEAD OFFICE: KADAPA

INTRODUCTION

The Andhra Pragathi Grameena Bank (APGB), sponsored by Syndicate Bank, in the state of Andhra Pradesh, came into existence on 01.06.2006 after amalgamation of 3 RRBs namely Rayalaseema Grameena Bank, Sree Anantha Grameena Bank and Pinakini Grameena Bank, into a single entity by a Notification of Government of India dated 01.06.2006. The area of operation of the Bank consists of 5 districts viz., Anantapur, Kadapa, Kurnool, Nellore and Prakasam with a distinct socio-cultural heritage. The economy of the area of operation of the Bank is primarily agrarian in nature as majority of its population depend on agriculture. Agriculture being the main activity, the production depends upon seasonal distribution of the rainfall. Out of the 5 districts, Anantapur district is under shadow zone with 2nd lowest rainfall after Jaisalmer in the Country.

The Bank is functioning with a Network of 7 Regional Offices and 500 Branches with its Head Office at Kadapa. The Bank stood robust and occupied No.1 position among all the existing RRBs in the country with Net Owned Funds of Rs.1637.68 Crore as on 31.03.2016.

SHARE HOLDERS AND SHARE CAPITAL

The Paid up Capital of the Bank continues to be Rs.4234.26 lakh, contributed by the Government of India, Sponsor Bank (Syndicate Bank) and the Government of Andhra Pradesh in the ratio of 50:35:15 respectively. As a part of restructuring process, Additional Capital as Share Capital Deposit of Rs.3934.26 lakh was infused by the shareholders in the ratio mentioned above.

As per the NABARD guidelines vide their LR No. NB.IBDD.RRCBD/1637/316 (Gen)/2015-16 and GOI Notification dated 04th February 2016 with regard to conversion of Bank's Share Capital Deposit into Share Capital, with the permission of the Board vide Board Note (BBC) no. 6/2016 dated 31.03.2016, the Bank has converted the Share Capital Deposit amount of Rs 39,34,26,000.00 into Share Capital at a face value of Rs 10/- each.

Contributors	Paid up Capital (Rs. In Lakh)
Central Government	2117.13
Sponsor Bank	1481.99
Government of Andhra Pradesh	635.14
Total	**4234.26**

The Bank has a network of 500 branches, comprising of 323 Rural, 112 Semi-Urban and 65 Urban branches. The District-wise break-up of branches is given in the following table.

Population Category	District					Total
	Anantapur	Kadapa	Kurnool	Nellore	Prakasam	
Rural	82	74	61	50	56	**323**
Semi-urban	16	21	22	22	31	**112**
Urban	14	14	19	12	6	**65**
Total	**112**	**109**	**102**	**84**	**93**	**500**
Regional Office	2	1	2	1	1	**7**

The Bank has opened 30 new branches during the year. With the above, the total branches have gone up from 470 as

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on 31.03.2015 to 500 as on 31.03.2016. Out of 30 branches opened 8 Branches were opened by obtaining authorizations from RBI, and 22 branches were opened under Branch Expansion Plan of the Bank for the year 2015-16, as per the relaxed licensing norms of Reserve Bank of India for RRBs, duly obtaining licenses from RBI, subsequently.

Further, in accordance with the RBI directives to open at least 25% of new branches in un-banked centers, the Bank has opened 9 out of 30 New Branches in un-Banked centers, thus fulfilling the RBI norms on Branch Expansion Policy.

ECONOMIC SCENARIO

The Indian economy has remained constrained by slow industrial growth. The impact of inflation is still continued during the fiscal, despite several reform initiatives has been taken in the Banking industry during the year 2015-16.

The Reserve Bank of India has tightened the monetary policy, which helped contain demand pressures, creating a buffer and keeping volatility in the value of the rupee under. During the last year, the rupee remained relatively stable vis-à-vis the currency of peer emerging countries, which too have sobering influence on inflation.

With the easing inflationary conditions, the RBI signaled softening the monetary policy stance by cutting policy repo rates by 25 basis points (bps) to 7.75 percent in January 2015. Subsequently the RBI also reduced the Statutory Liquidity Ratio (SLR) by 50 basis points from 22.0 percent of net demand and time liabilities (NDTL) to 21.5 percent.

V. KEY PERFORMANCE INDICATORS AND GROWTH OF RRBS

Table 1 presents the key performance indicators and growth of APGB from year 2012-13 to

2015-2016, Graph 1 presents key performance indicators and Graph 2 presents profitability performance of APGB.

(Figures: - Rs. in Crore)

S.No	Parameter	2012-13	2013-14	2014-15	2015-16	GROWTH
1	No. of districts covered	5	5	5	5	
2	No. of Branches	438	450	470	500	6.38
	a. Rural	295	302	310	323	4.19
	b. Semi-Urban	97	99	103	112	8.74
	c. Urban	46	49	57	65	14.04
	No. of Regional Offices	7	7	7	7	0.00
3	Total Staff	2061	2012	2121	2578	21.55
	Of Which Officers	1246	1336	1503	1552	3.26
4	Deposits	5001.06	5947.69	7813.24	9594.65	22.80
5	Borrowings outstanding	3395.64	3018.21	2310.27	2229.84	-3.48
6	Gross Loans & Advances Outstanding	6759.61	7314.48	7321.77	8243.61	12.59
	Of 6 above loans to SF/MF/AL	3861.26	3657.23	3443.93	3536.39	2.68
	Of 6 above loans to Priority sector	5632.38	6070.62	6380.59	7155.38	12.14
	Of 6 above loans to minorities	278.24	394.35	837.91	972.04	16.01
7	C.D. Ratio	135.16	122.98	93.71	91.34	-2.53
8	Investments outstanding	1081.95	1342.22	1673	3435.93	105.38
	SLR investments	1046.7	1308.98	1644.5	3412.43	107.51
	Non-SLR investments	35.25	33.25	28.5	23.5	-17.54
9	Average Deposits	4368.66	4916.94	6472.51	8351.89	29.04
10	Average Borrowings	2615.26	2552.85	2205.57	1952.52	-11.47
11	Average Gross Loans & Advances	6018.88	6912.94	7617.43	7799.26	2.39
12	Average investments	23.93	1206.51	1541.73	2805.18	81.95
	Average SLR investments as % to Average Deposits	23.93	23.84	23.83	33.3	39.74
	Average Non-SLR investments as % to average Deposits	0.81	0.7	0.45	0.29	-35.56
13	Average working Funds	8399.19	9211.56	1038.35	12066.28	1062.06
14	Loans issued during the year	5386.33	4725.59	4148.8	6841.86	64.91
	Of 14 above loans to SF/MF/AL	2907.64	2551.99	2207.16	2863.59	29.74
	Of 14 above loans to SC/ST	289.17	264.31	497.85	905.51	81.88
	Of 14 above loans to Minorities	236.24	234.72	250.41	876.06	249.85
	Of 14 above loans to priority sector	4212.15	3870.92	2861.69	5545.4	93.78
15	Per branch productivity	26.85	29.47	32.2	35.68	10.81
	Per Staff	5.7	6.59	7.14	6.92	-3.08
16	Recovery Performance as per June DCB					
	Demand	2742.29	3766.38	4387.35	5816.4	32.57
	Recovery	2305.47	3100.26	2807.73	4528.24	61.28
	Over dues	436.81	666.12	1579.62	1288.16	-18.45
	Recovery (%) - June position	84.07	82.32	64	78	21.88
17	FARM SECTOR					
	Demand	1951.11	2393.6	2707.58	3753.53	38.63
	Recovery	1620.29	1933.82	1696.54	2866.68	68.97
	Overdues	330.81	459.78	1011.04	886.85	-12.28
	Recovery (%) - June position	83.04	80.79	62.66	76	21.29
18	NON-FARM SECTOR					
	Demand	160.29	423.04	875.34	1320.9	50.90
	Recovery	119.8	297.51	613.16	1051.41	71.47
	Overdues	40.49	125.53	262.18	269.49	2.79
	Recovery (%) - June position	74.8	70.33	70.04	80	14.22
19	Total Assets	6759.62	7314.48	7321.77	8243.61	12.59
	a. Standard Assets	6633.61	7153.4	7041.48	7947.98	12.87
	b. Sub-Standard Assets	69.37	63.27	148.39	132.25	-10.88
	c. Doubtful Assets	49.72	90.82	119.57	146.37	22.41
	d. Loss Assets	6.91	6.99	12.3	17.0	37.96

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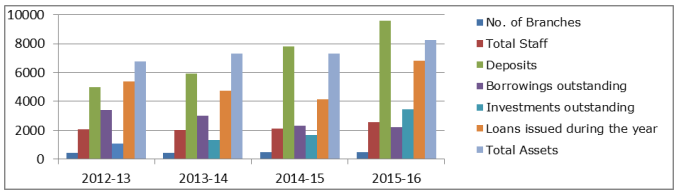
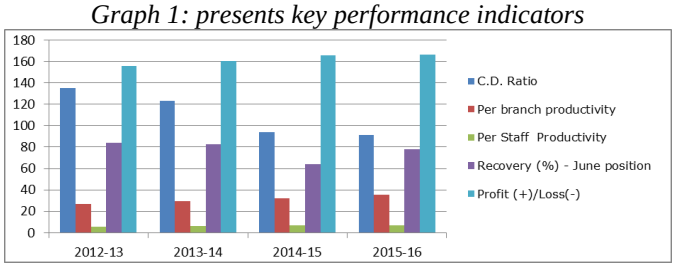
				3	1	
20	Standard Asset as % to Gross Loans & Advances	98.14	97.8	96.17	96.41	0.25
	PROFITABILITY ANALYSIS					
21	Interest paid on					
	a. Deposits	304.47	350.89	491.6	611.58	24.41
	b. Borrowings	196.64	186.45	182.08	165.36	-9.18
22	Salaries to staff	127.43	136	149.93	193.84	29.29
23	Other operating expenses	42.46	53.37	58.32	80.41	37.88
24	Provisions made during the year	86.17	109.82	146.6	100.69	-31.32
25	Interest Received on					
	a. Loans and Advances	661.48	773.7	930.24	895.43	-3.74
	c. Investments and approved Securities	77.36	87.53	120.92	218.34	80.57
	d. Non-SLR Investments	82.82	57.3	79.03	84.68	7.15
26	Miscellaneous Income	91.12	78.37	63.78	119.49	87.35
27	Profit (+)/Loss(-)	155.61	160.37	165.45	166.06	0.37
	OTHER INFORMATION					
28	Share Capital Deposit Received	39.34	39.34	39.34	—	
29	Cumulative Provision					
	a. Against NPAs/Standard Assets	77.46	93.97	148.21	153.08	3.29
	b. Against intangible assets/frauds	3.14	3.18	3.59	4.4	22.56
30	Interest De-recognized					
	a. During the year	5.88	5.5	11.38	8.56	-24.78
	b. Cumulative	36.48	41.98	53.36	61.92	16.04
31	Loans – Written off during the year					
	a. Accounts	4649	2728	2445	1673	-31.57
	b. Amount	6.04	7.15	7.14	5.4	-24.37
32	Total Reserves	1103.46	1263.83	1429.27	1595.34	11.62

Source: Reports of APGB.

Table 1: Key Performance Indicators of APGB in Andhra Pradesh



Graph 1: presents key performance indicators



Graph 2: presents profitability performance of APGB

VI. SUMMERY / OBSERVATION OF THE STUDY (FINDINGS)

SOURCES OF FUNDS: The sources of funds of APGB comprise of deposits, borrowings from NABARD, Sponsor Banks, Government of Andhrapradesh and other sources. The owned funds of APGB comprising of share capital, share capital deposits received from the shareholders and the reserves stood at 39.34 crore as on 31 March 2016.

- ✓ *DEPOSITS:* Deposits of APGB increased from 7813.24 crore to 9594.65 crore during the year registering growth rate of 22.80%.
- ✓ *BORROWINGS:* Borrowings of APGB increased from 2310.27 crore as on 31 March 2015 to 2229.84 crore as on 31 March 2016 registering decrease of -3.48%.

USES OF FUNDS

The uses of funds of APGB comprise of investments, loans and advances.

- ✓ *INVESTMENTS:* The investment of APGB increased from 1673 crore as on 31 March 2015 to 3435.93 crore as on 31 March 2016 registering an increase of 105.38%. SLR investments amounted to 3412.43 crore where as non-SLR investments stood at 23.5 crore.
- ✓ *AVERAGE GROSS LOANS & ADVANCES:* During the year the loans outstanding increased by 7617.43 crore to 7799.26 crore as on 31 March 2016 registering a growth rate of 2.39% over the previous year.
- ✓ *LOANS ISSUED:* Total loans issued by APGB during the year increased to 6841.86 crore from 4148.8 crore during the previous year registering a growth of 64.91%.

WORKING RESULTS

- ✓ *PROFITABILITY:* APGB have earned profit to the extent of 166.06 crore during the year 2015-16.
- ✓ *OVERDUES:* The Gross overdues of APGB stood at 1288.16 crore as on 31.03.2016.
- ✓ *RECOVERY PERFORMANCE:* There has been an improvement in the recovery percentage during 2014-15 from 64% as on 30 June 2014 to 78% as on 30 June 2015.
- ✓ *CREDIT DEPOSIT RATIO:* The aggregate CDR of APGB decreased over the years from 93.71crore as on 31 March 2015 to 91.34 crore as on 31 March 2016.
- ✓ *PRODUCTIVITY OF BRANCH AND STAFF:* The branch productivity increased to 35.68 crore in 2015-16 from 32.2 crore in 2014-15 with a growth of 10.81%. But staff productivity in 2015-16 decreased to 6.92 crore from 7.14 crore in 2014-15 with a growth of -3.08%.

PROBLEMS (WEAKNESS) OF APGB

Although APGB had a rapid expansion of branch network and increase in volume of business, this institution went through a very difficult evolutionary process due to the following problems.

- ✓ Very limited area of operations
- ✓ High risk due to exposure only to the target group
- ✓ Public perception that APGB is poor man's banks

- ✓ Mounting losses due to non-viable level of operations in branches located at resource-poor areas.
- ✓ Switch over to narrow investment banking as a turn-over strategy
- ✓ Heavy reliance on sponsor bank for investment avenues with low returns barring exceptions, step-motherly treatment from sponsor bank.
- ✓ Chairman of APGB under the direction of Regional Managers appointed as Board of Directors by sponsor bank.
- ✓ Burden of government subsidy schemes and inadequate knowledge of customers leading to low quality assets.
- ✓ Unionized staff with low commitment to profit orientation and functional efficiency.
- ✓ Inadequate skills in treasury management for profit orientation
- ✓ Inadequate exposure and skills to innovate products limiting the lending portfolios
- ✓ Inadequate effort to achieve desired levels of excellence in staff competence for managing the affairs and business as an independent entity
- ✓ Serious undermining of the Board by compulsions to look up to sponsor bank, GOI, NABARD and RBI for most decisions.
- ✓ RRB hampered by an across the board ban on recruitment of staff.

SUGGESTIONS (RECOMMENDATIONS) FOR IMPROVEMENT OF APGB

- ✓ Government should encourage and support banks to take appropriate steps in rural development.
- ✓ Efforts should be made to ensure that the non-interest cost of credit to small borrowers is kept as low as possible.
- ✓ Policy should be made by government for opening more branches in weaker and remote areas of state.
- ✓ Productivity can be improved by controlling the costs and increasing the income.
- ✓ To participation cost, subsidy should be adjusted towards the end of the transaction for which loan assistance is sanctioned.
- ✓ Government should take firm action against the defaulters and shouldn't make popular announcements like waiving of loans.
- ✓ The APGB have to make an important change in their decision making with regard to their investments.
- ✓ The APGB have to be very careful and reduce the operating expenses, because it has been found from our study that these expenses have increased the total expenditure of the bank.
- ✓ The APGB have to give due preference to the micro-credit scheme and encourage in the formation of self help group.
- ✓ The APGB must strengthen effective credit administration by way of credit appraisal, monitoring the progress of loans and their efficient recovery.
- ✓ The credit policy of the APGB should be based on the group approach of financing rural activities.
- ✓ The APGB may relax their procedure for lending and make them easier for village borrowers.

VII. CONCLUSION

To conclude, the rapid expansion of APGB has helped in reducing substantially the regional disparities in respect of banking facilities in India. The efforts made by APGB in branch expansion, deposit mobilization, rural development and credit deployment in weaker section of rural areas are appreciable. APGB successfully achieve its objectives like to take banking to door steps of rural households particularly in banking deprived rural area, to avail easy and cheaper credit to weaker rural section who are dependent on private lenders, to encourage rural savings for productive activities, to generate employment in rural areas and to bring down the cost of purveying credit in rural areas.

Thus RRB is providing the strongest banking network. Government should take some effective remedial steps to make Rural Banks viable. Regional Rural Banks plays a key role as an important vehicle of credit delivery in rural areas with the objective of credit dispersal to small, marginal farmers & socio economically weaker section of population for the development of agriculture, trade and industry. But still its commercial viability has been questioned due to its limited business flexibility, smaller size of loan & high risk in loan & advances. Rural banks need to remove lack of transparency in their operation which leads to unequal relationship between banker and customer. Banking staff should interact more with their customers to overcome this problem. Banks should open their branches in areas where customers are not able to avail banking facilities. In this competitive era, RRBs have to concentrate on speedy, qualitative and secure banking services to retain existing customers and attract potential customers.

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