

**PERFORMANCE EVALUATION OF ANDHRA PRAGATHI GRAMEENA BANK IN
ANDHRA PRADESH: A CASE STUDY ON NELLORE DISTRICT**

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ABSTRACT:

The RRBs were established to develop the agricultural economy by providing low-priced banking facilities to the poor, significantly for the event of agriculture, trade, commerce, industry, and different productive activities within the rural areas. With a read in providing credit and different facilities by the RRBs to little and marginal farmers, agricultural laborers, petty traders or little business entrepreneurs, rural artisans, and for the matters connected thereupon and incidental to that. Role of Indian Regional Rural banks within the priority sector disposition is additional vital the \$64000 growth of the Indian economy lies within the release of rural lots from the economic condition, state, and another socio-economic retardation. Keeping this finish in sight, Regional Rural Banks were established by the govt. of Bharat to develop the agricultural economy.

Andhra Pragathi Grameena Bank has been specifically chosen attributable to its increasing connexion in delivery concerning rural development in one in all the foremost noted districts within the country through the funding of the agricultural poor and additionally on account of the dearth of analysis studies within the district, significantly within the field of rural finance. The scope of the study chiefly confined to the agricultural development programs supported by regional rural banks, that square measure aimed toward the upliftment of the poorest among the poor, further, the estimation of the impact of the agricultural development programs on employment, income, assets position, and therefore the commonplace of living of the beneficiaries are lined.

The study is proscribed to the Nellore district within the state of the province because it wouldn't mirror the options of development in different regions of the country. However, the study might indicate sure board options of rural development within the country. In this section the performance of APGB was evaluated according to the reports belongs to 5 year financial reports of 10 selected major Divisions in study Area Nellore district

Keywords: Regional Rural Banks, APGB, Revenue Divisions, Nellore district.

INTRODUCTION:

The Andhra Pragathi Grameena Bank (APGB), sponsored by Syndicate Bank, within the state of the state, came into existence on 01.06.2006 when the uniting of three RRBs specifically Rayalaseema Grameena Bank, Sree Ananta Grameena Bank, and Pinakini Grameena Bank, into one entity by a Notification of India. The Bank is functioning with a network of eight Regional Offices (552 Branches 326 Rural, 144 Semi-urban, 82 Urban) with its Head workplace at Kadapa.

The realm of the operation of Andhra Pragathi Grameena Bank consists of Kurnool, Kadapa (YSR district), Anantapur, Prakasam, and Nellore (SPSR) districts that area unit chiefly obsessed with the agricultural sector Development of those districts closely connected with rural development particularly the event of agriculture, and allied activity, petty trade or tiny business businessperson and rural artisans to liquidate rural financial obligation of those poorer sections.

Nellore District in Andhra Pradesh little bit of the State with a coastal length of 163Km by the Bay of the geographic area on the East. The locus was called Vikrama Simhapuri till the purpose once the thirteenth century and later it came to be alluded to as Nellore. Generally, the region was underneath the run of Mouryas, Sathavahanas, Pallavas, Cholas, Telugcholas, Kakatias, and Pandyan. A known Telugu writer Tikkana Somayaji interpreted/translated fifteen Parvas of Sanskrit language sacred text into Telugu in Nellore. Nellore locus formed a chunk of the composite Madras State until 1st Oct 1953.

On 1st November 1956, once the States were rearranged on a Linguistic premise, this space went underneath the state. The name of the Nellore region has been modified to Sri Potti Sriramulu Nellore District on the fourth Gregorian calendar month 2008. SPSR Nellore District is one of the 9 Coastal districts of the state and it's the south most one. It lies between one hundred thirty 25' and 15o 55' N of the Northern Latitude and 79o 9' and 80o 14' of the meridian. It spreads over a territory of 13,076 Sq. kilometer and these records for 4.75% of the mixture region of the State. A total of 940 Gram Panchayats square measure in position comprising all notified Gram Panchayats. There's one Municipal Corporation at Nellore, viz Municipalities at Kavali, Gudur, Venkatagiri, Atmakur, and Sulerupeta, and One Nagar panchayat at Naidupeta.

OBJECTIVE OF THE STUDY:The main objective of this research paper is to access the Loans advances, Deposits, Operating expenses and Non-performing asset's performance of Andhra Pragathi Grameena bank in Nellore district.

RESEARCH METHODOLOGY:The data for the research paper is collected from the primary sources through survey are used for the purpose of research paper.Primary data collected from samples of 500 from 10 different divisions in the study area Nellore district through the fieldwork.

PERFORMANCE OF APGB IN NELLORE DISTRICT

It shows that the APGB has to a fault deployed the deposits within the style of loans and advances to the priority sector in rural areas. The paid capital of the bank continues to be Rs.4234.26 lakhs, contributed by the govt. of India, sponsor bank (syndicate bank), and therefore the government of province within the magnitude relation of 50:35:15 severally. the whole Business of the Bank touched Rs. 31,543 large integers with a rate of growth of eleven.52%.The Bank achieved a Deposit Level of Rs. 16,151 lakhs with a rate of growth of twelve.75%. The outstanding Advances of the Bank reached the amount of Rs. 15,392 lakhs with a rate of growth of ten.25%. Bank has attained lucre of Rs. 281.37 lakhs as of 31.03.2020.

In this section the performance of APGB was evaluated according to the reports belongs to 5 year financial reports of 10 selected major Divisions in study Area Nellore district. Reports were made on following aspects;

- Deposits
- Liabilities & Provision
- Cash In Hand
- Loans & Advances
- Non-Performing Assets
- Other Assets
- Interest Earned
- Interest Expended
- Operating Expenses and Other Expenditure.

Deposits in the Study Area in APGB branches:The following table: 1 describes the progress of deposits for 10 branches in the study area. The total deposits in the study area of APGB wereRs.326.26 crores in 2015 and they increased to Rs 385.12 crores in 2019.The growth difference in total deposits Rs 58.52 crores (17.94%) in between 2015-2019.

The Atmakur branch deposits were Rs.20.71 crores in 2015 and they increased to Rs.26 crores in 2019.TheBuchi branch deposits wereRs 23.84 crores in 2015 and they

increased to Rs 29 crores in 2019. The Gudur branch deposits were Rs 32.76 crores in 2015 and they increased to Rs 37.88 crores in 2019. The Kavali branch deposits were Rs 16.76 crores in 2015 and they increased to Rs 19.50 crores in 2019. The deposits in the Naidupeta branch were Rs. 39.87 crores in 2015 and they increased to 50 crores in 2019.

The deposits in the Nellore branch were Rs. 80.43 crores in 2015 and they increased to Rs 96.21 crores in 2019. The deposits in Sulurupeta branch were Rs. 23.79 crores in 2015 and they increased to Rs 25 crores in 2019. The deposits in Udayagiri branch were Rs. 22.35 crores in 2015 and they increased to Rs. 27 crores in 2019. The deposits in Venkatagiri branch were Rs. 48.76 crores in 2015 and they increased to 53 crores in 2019. The deposits Vinjmururu branch were Rs 16.99 crores in 2015 and they increased to Rs 18.30 crores in 2019.

Table-1 Deposits in the Study Area Branches of APGB

(Rs. in Crores)

Branches	2015	2016	2017	2018	2019	Mean	Standard deviation	Coefficient of variance
Atmakur	20.71	22.52	23.46	24.70	26.00	23.47	2.02	8.63
Buchi	23.84	25.64	26.99	27.55	29.00	26.60	1.95	7.36
Gudur	32.76	38.99	37.09	39.46	41.11	37.88	3.20	8.45
Kavali	16.76	17.88	16.77	18.52	19.50	17.88	1.17	6.56
Naidupeta	39.87	45.55	47.37	49.76	50.00	46.51	4.13	8.89
Nellore	80.43	85.77	87.00	90.23	96.21	87.92	5.82	6.62
Sulurupeta	23.79	23.67	24.05	24.85	25.00	24.27	0.61	2.52
Udayagiri	22.35	25.07	26.05	26.66	27.00	25.42	1.86	7.35
Venkatagiri	48.76	50.15	51.55	52.64	53.00	51.22	1.76	3.44
Vinjmururu	16.99	17.00	17.86	18.02	18.30	17.63	0.60	3.42
Total	326.26	352.24	358.19	372.39	385.12			

Source: Field reports of Andhra Pragathi Grameena bank.

The Nellore branch recorded average deposits Rs. 87.92 crores in the first place, the Venkatagiri stands second place for average deposits Rs. 51.22 crores and Naidupeta stands third place recorded for average deposits Rs. 46.51 crores in the 10 branches of APGB in the study area during 2015-19.

The Nellore branch recorded Standard Deviation 5.82 in the first place; the Naidupeta stands second place for Standard Deviation with 4.13 values, and the Gudur stands third place recorded for standard deviation 3.20 in the 10 branches of APGB in the study area during 2015-19. The Naidupeta recorded Co-efficient of variance 8.89 in first place, the

Atmakurstands secondplace8.63, and the Gudurstands in third place recorded for Co-efficient of variance 8.45 in the 10 branches of APGB in the study area during 2015-19.

Loans & Advances in the Study Area Branches: Table 2 explains the progress of loans & advances for 10 branches in the study area. The total cash in hand in the study area of APGB was Rs.280.47 crores in 2015 and they increased to Rs.317.53 crores in 2019. The Atmakur branch loans & advances were Rs.34.77 crores in 2015 and they increased to Rs.35 crores in 2019. The Buchi branch loans & advances were Rs.18.13 crores in 2015 and they increased to Rs.23 crores in 2019. The Gudur branch loans & advances were Rs.20.11 crores in 2015 and they increased to Rs.25.25 in 2019.

In 2015 the Kavali branch loans & advances were Rs.6.20 crores and they increased to Rs.6.40 crores in 2019. The loans & advances in the Naidupeta branch was Rs.39.90 crores in 2015 and they increased to Rs.48 crores in 2019. In 2015 the loans & advances in the Nellore branch were Rs.28.78 crores and they increased to Rs.34.39 crores in 2019.

In 2015 the loans & advances in Sulurupeta branch was Rs.28.40 crores and they increased to Rs.32.90 crores in 2019. The loans & advances in Udayagiri branch was Rs.29.07 crores in 2015 and they increased to Rs.31 crores in 2019. In 2015 the loans & advances in Venkatagiri branch was Rs.40.24 crores and they increased to Rs.43 crores in 2019. The loans & advances Vinjmur branch were Rs.34.87 crores in 2015 and they increased to Rs.38.59 crores in 2019.

The Naidupeta branch recorded average loans & advances Rs.44.12 crores in the first place, the Venkatagiri stands second place for average loans & advances Rs.41.69 crores and Vinjmur third place recorded for average loans & advances Rs.35.58 crores in the 10 branches of APGB in the study area during 2015-19. The Naidupeta branch recorded Standard Deviation 3.24 in the first place; the Vinjmur branch stands second place for Standard Deviation with 2.33 values and the Gudur branch stands third place recorded for standard deviation 2.23 in the 10 branches of APGB in the study area during 2015-19. The Gudur branch recorded Co-efficient of variance 9.48 in first place, the Buchi branch stands second place with Co-efficient of variance value 9.26 and the Naidupeta branch stands in third place recorded for Co-efficient of variance 7.34 in the 10 branches of APGB in the study area during 2015-19.

Table-2 Loans & Advances in the Study Area Branches of APGB

(Rs. in Crore)

Branches	2015	2016	2017	2018	2019	Mean	Standard deviation	Coefficient of variance
Atmakur	34.77	32.75	34.22	33.25	35.00	33.99	0.97	2.85
Buchi	18.13	19.50	20.75	21.85	23.00	20.64	1.91	9.26
Gudur	20.11	25.33	22.56	24.60	25.25	23.57	2.23	9.48
Kavali	6.20	5.80	6.50	6.00	6.40	6.18	0.28	4.63
Naidupeta	39.90	41.89	44.77	46.07	48.00	44.12	3.24	7.34
Nellore	28.78	32.07	31.90	33.40	34.39	32.10	2.12	6.60
Sulurupeta	28.40	29.95	30.85	31.71	32.90	30.76	1.71	5.56
Udayagiri	29.07	28.99	30.00	30.56	31.00	29.92	0.89	2.97
Venkatagiri	40.24	40.56	41.78	42.89	43.00	41.69	1.27	3.06
Vinjmuru	34.87	32.24	35.55	36.66	38.59	35.58	2.33	6.57
Total	280.47	289.08	298.88	306.99	317.53			

Source: Field reports of Andhra Pragathi Grameena bank.

Operating Expenses in the Study Area Branches: Table 3 shows the total operating expenses of APGB for 10 branches in the study area. The total operating expenses in the study area of APGB was Rs.2,34,794 lakhs in 2015 and they increased to Rs.3,47,807 lakhs in 2019. The growth difference in operating Expenses was Rs.1,13,013 lakhs (48.13%) in between 2015-2019. The Atmakur branch operating Expenses were Rs.25,679 lakhs in 2015 and they increased to Rs.28,886 lakhs in 2019. The Buchi branch operating expenses were Rs.29,988 lakhs in 2015 and they increased to Rs.38,126 lakhs in 2019.

The Gudur branch operating expenses were Rs. 28,176 lakhs in 2015 and they increased to Rs. 49,556 lakhs in 2019. In 2015 the Kavali branch operating expenses were Rs. 27,336 lakhs and they increased to Rs.39,176 lakhs in 2019. The operating expenses in the Naidupeta branch were Rs.24,556 lakhs in 2015 and they increased to Rs.36,365 lakhs in 2019. In 2015 the operating expenses in the Nellore branch was Rs. 22,154 lakhs and they increased to Rs.37,600 lakhs in 2019.

The operating expenses in Sulurupeta branch was Rs.20,264 lakhs in 2015 and they increased to Rs.34,830 lakhs in 2019. The operating expenses in Udayagiri branch was Rs. 19,531 lakhs in 2015 and they increased to Rs.26,040 lakhs in 2019. In 2015 the operating expenses in Venkatagiri branch were Rs. 19,560 lakhs and they increased to Rs.34,274 lakhs in 2019. The operating expenses in Vinjmuru branch was Rs. 17,550 lakhs in 2015 and they increased to Rs.22,954 lakhs in 2019.

The Gudur branch recorded average operating expenses Rs. 35,895.2 lakhs in the first place, the Buchi branch stands second place for average operating expenses Rs. 34,625.6 lakhs and Kavali third place recorded for average operating expenses Rs. 31,602 lakhs in the 10 branches of APGB in the study area during 2015-19.

Table-3 Operating Expenses in the Study Area of APGB

(Rs. in lakhs)

Branches	2015	2016	2017	2018	2019	Mean	Standard deviation	Coefficient of variance
Atmakur	25,679	28,980	29,596	31,545	28,886	28,937.2	2,112.76	7.30
Buchi	29,988	32,909	35,184	36,921	38,126	34,625.6	3,251.44	9.39
Gudur	28,176	33,789	32,234	35,721	49,556	35,895.2	8,125.18	22.63
Kavali	27,336	29,089	30,598	31,811	39,176	31,602	4,553.33	14.40
Naidupeta	24,556	26,286	29,617	31,856	36,365	29,736	4,668.7	15.70
Nellore	22,154	24,430	28,976	33,676	37,600	29,367.2	6,381.69	21.73
Sulurupeta	20,264	22,281	27,370	31,574	34,830	27,263.8	6,116.82	22.43
Udayagiri	19,531	21,091	22,579	24,465	26,040	22,741.2	2,593.67	11.40
Venkatagiri	19,560	23,305	26,905	29,643	34,274	26,737.4	5,669.38	21.20
Vinjmuru	17,550	18,755	19,922	20,118	22,954	19,859.8	2,012.48	10.13
Total	2,34,794	2,60,915	2,82,981	3,07,330	3,47,807			

Source: Field reports of Andhra Pragathi Grameena bank.

The Gudur branch recorded Standard Deviation 8,125.18 in the first place; the Nellore branch stands second place for Standard Deviation with 6,381.69 values and the Sulurupeta branch stands third place recorded for standard deviation 6,116.82 in the 10 branches of APGB in the study area during 2015-19. The Gudur branch recorded Co-efficient of variance 22.63 in first place, the Sulurupeta branch stands second place with Co-efficient of variance value 22.43, and the Nellore stands in third place recorded for Co-efficient of variance 21.73 in the 10 branches of APGB in the study area during 2015-19.

Non-performing Assets in the Study Area Branches:

Table 4 shows total Non-performing assets for 10 branches in the study area. The total Non-performing assets in the study area of APGB were Rs.16.58 lakhs in 2015 and they increased to Rs.19.96 lakhs in 2019. The growth difference in Non-performing assets was Rs.3.38 lakhs (20.39%) in between 2015-2019. The Atmakur branch Non-performing assets were Rs.0.99 lakhs in 2015 and they increased to Rs.1.05lakhs in 2019. The Buchi branch

Non-performing assets were Rs.1.38 lakhs in 2015 and they increased to Rs.1.80 lakhs in 2019.

In 2015 the Gudur branch Non-performing assets were Rs.2.03 lakhs and they increased to Rs.2.15 lakhs in 2019. The Kavali branch Non-performing assets were Rs.0.16 lakhs in 2015 and they increased to Rs.0.19 lakhs in 2019. The Non-performing assets in the Naidupeta branch were Rs.0.40 lakhs in 2015 and they increased to Rs.0.46 lakhs in 2019. In 2015 the Non-performing assets in the Nellore branch were Rs.8.7lakhs and they increased to Rs.10.39lakhs in 2019.

In 2015 the Non-performing assets in Sulurupeta branch was Rs.0.42lakhs and they increased to Rs.0.50lakhs in 2019. In 2015 the Non-performing assets in Udayagiri branch was Rs.0.30 lakhs and they increased to Rs.0.42 lakhs in 2019. In 2015 the Non-performing assets in Venkatagiri branch were Rs.1.2 lakhs and they increased to Rs.1.5 lakhs in 2019. The Non-performing assets in Vinjmururu branch was Rs.1.0 lakhs in 2015 and they increased to Rs.1.5 lakhs in 2019.

Table-4 Non-performing Assets in the Study Area Branches of APGB

(Rs. in lakhs)

Branches	2015	2016	2017	2018	2019	Mean	Standard deviation	Coefficient of variance
Atmakur	0.99	1.02	0.95	1.00	1.05	1.00	0.03	3.69
Buchi	1.38	1.47	1.60	1.71	1.80	1.59	0.17	10.74
Gudur	2.03	1.55	1.87	2.00	2.15	1.92	0.22	11.95
Kavali	0.16	0.15	0.20	0.17	0.19	0.17	0.02	11.91
Naidupeta	0.40	0.41	0.39	0.42	0.46	0.41	0.02	6.49
Nellore	8.7	9.05	9.87	10.11	10.39	9.62	0.71	7.46
Sulurupeta	0.42	0.35	0.34	0.28	0.50	0.37	0.08	22.32
Udayagiri	0.30	0.40	0.37	0.39	0.42	0.37	0.04	12.27
Venkatagiri	1.2	1.3	1.4	1.3	1.5	1.34	0.11	8.50
Vinjmururu	1.0	1.3	1.4	1.2	1.5	1.28	0.19	15.02
Total	16.58	17	18.39	18.58	19.96			

Source: Field reports of Andhra Pragathi Grameena bank.

The Nellore branch recorded average Non-performing assets Rs.9.62 lakhs in the first place; the Gudur branch stands second place for average Non-performing assets Rs.1.92 lakhs and Buchi branch third place recorded for average Non-performing assets Rs.1.59 lakhs

in the 10 branches of APGB in the study area during 2015-19. The Nellore branch recorded Standard Deviation 0.71 in the first place; the Gudur branch stands second place for Standard Deviation with 0.22 values, and the Vinjmururu branch stands third place recorded for standard deviation 0.19 in the 10 branches of APGB in the study area during 2015-19.

The Sulurupeta branch recorded Co-efficient of variance 22.32 in first place, the Vinjmururu branch stands second place with Co-efficient of variance value 15.02 and the Udayagiri branch stands in third place recorded for Co-efficient of variance 12.27 in the 10 branches of APGB in the study area during 2015-19.

FINDINGS:

1. The deposits of Atmakur branch recorded the highest 25.54% and the lowest growth rate for deposits recorded in Sulurupeta 5.08% and 3 branches are showing the deposits growth rate below 10%.
2. The NPAs of Vinjmururu branch recorded the highest 50% and the lowest growth rate for NPAs recorded in Gudur 6% and 6 branches are showing the NPAs growth rate below 20% in the study area.
3. The operating expenses of Gudur branch recorded the highest 75.88% and the lowest growth rate for operating expenses recorded in Atmakur 12.49% and 4 branches are showing the operating expenses growth rate below 40%.
4. The loans & advances of Buchi branch recorded the highest 26.86% and the lowest growth rate for loans & advances recorded in Atmakur 0.66% and 4 branches are showing the loans & advances growth rate below 10% in the study area.

SUGGESTIONS:

1. The APGB management should focus on deposit mobilization & services and to reach the growth rate 25.54% of Atmakur branch by all the branches in the study area.
2. The bank should make policies and measures to reduce the NPAs which are making hurdle for the development of the APGB bank.
3. The bank should increase loans and advances to the customers in maximum size and try to get more interest earned through the bank operations and try to increase interest earned more.
4. The bank should take measures to reduce the operating expenses to decrease the burden on the bank and increase the performance of the APGB in the study area.
5. The APGB must strengthen effective credit administration by way of credit appraisal, monitoring the progress of loans and their efficient recovery.

CONCLUSION:

APGB performance in the study area Nellore was good. There is a need to increase the deposits, loans & advances of the bank. The APGB should reduce the other and operating expenses for the development of the bank in the study area. Based on the above suggestions the government, policy makers, bank authorities should take necessary action and steps to improve overall performance of the APGB to serve the customers in a better manner to fulfil the objectives of the Andhra Pragathi Grameena Bank.

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