

ROLE OF ANDHRAPRAGATHI GRAMEENA BANK IN RURAL DEVELOPMENT REFERENCE TO ANDHRAPRADESH

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ABSTRACT:

Rural banks are taking good steps to eradicate the poverty with innovative programmes in different categories like unemployed, priority and non-priority sectors. Regional rural Banks play a vital role for the growth of Indian economy through agriculture and rural development in India. Regional Rural Banks are ready to face Issues and challenges of poverty alleviation programme with the help of Government policies. The RRBs Act 1976 as alternative agencies to provide institutional credit in the rural areas for developing. In short, failure of co-operatives and commercial banks to meet the growing credit requirements of the small and marginal farmers, rural artisans and farm labourers in rural areas is the rationale behind the origin of RRBs. The present paper helps to know about the role of Andhrapragathi Grameena bank and its provisions towards to credit facilities especially to the agricultural sector with special emphasis on the small, marginal and the landless farmers. The study is based on secondary data collected from annual reports of NABARD, RBI and APGB. This bank Provides awareness programmes to the rural people about various banking facilities available and to provide subsidiary services like commercial banks. The study finds and concludes that financial performance of APGB has significantly improved.

Keywords: NABARD, Rural development, APGB.

INTRODUCTION:

The term rural development connotes overall development of rural areas to improve the quality of life of rural people. It is a comprehensive and multidimensional concept and encompasses the development of agriculture and allied activities, village and cottage industries and crafts, socio-economic infrastructure, community services and facilities and above all human resources in rural areas. Rural development is the end-result of interactions between various physical, technological, economic, social, cultural and institutional factors. It is designed to improve the economic and social well-being of a specific group of people the rural poor. It is multi-disciplinary in nature, representing an intersection of agriculture, social, behavioral, engineering and management sciences. Rural development is the process of improving the quality of life and economic well-being of people living in relatively isolated and sparsely populated areas. Education, entrepreneurship, physical infrastructure, and social infrastructure all play an important role in developing rural regions.

The poor and middle class people were suffered a lot with low income, unsecured health and food facilities. Government schemes and policies were not sufficient and there is lack of communication to reach poor people. Some of the schemes were sanctioned by govt. officially but banks were not interested to give loans to poor and unemployed people because of their low income and lack of property. Some of the govt. scheme stopped with lack of funds and lack of interest. These cause only 55% people were got govt. benefits, balances were suffered a lot.

ROLE OF ANDHRA PRAGATHI GRAMEENA BANK IN RURAL DEVELOPMENT:

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. The area of operation of the Bank consists of 5 districts viz., Anantapur, Y.S.R kadapa, Kurnool, Nellore and Prakasam with a distinct sociocultural heritage. The Bank is functioning with a Network of 8 Regional Offices and 549 Branches with its Head Office at Kadapa. 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 five districts, ananthapuramu district is under shadow zone with 2nd least rainfall after jaisalmer in the country. The Bank stood robust and occupied No.1 position among all the existing RRBs in the Country with Net Owned Funds of Rs.1471.62 Crores as on 31.03.2015. The paid up capital of the bank continues to be Rs.4243.26 lakhs, contributed by the government of India, sponsored bank (Syndicate bank) and the govt. of Andhra Pradesh. In the ratio of 50:35:15 respectively.

OBJECTIVES OF THE STUDY:

- The main objective of the Research paper to analyze the Role of APGB in rural development and to measure the financial performance of Andhrapragathi Grameena bank in Andhra Pradesh.

RESEARCH METHODOLOGY:

The Data for the present study is collected mostly from the secondary sources. Various published reports, and other selected official websites, books, magazines, journals, newspapers/unpublished articles, and internet websites are used for the purpose of research paper.

ANDHRAPRGATHI GRAMEENA BANK BRANCH NETWORK IN ANDHRA PRADESH:

The table shows up the district wise distribution of Andhra pragathi Grameena bank in Andhra Pradesh. The total branches in the rural area including 5 districts are 325 branches, in the semi-urban area there are 143 branches, in the urban area there are 81 branches. Kurnool district has highest branches 122 with 2 regional offices, Anantapur district has 2nd place in highest branch network has 121 branches with 2 regional offices, kadapa district has 3rd place 112 branches with 2 regional offices, Prakasam district has 4th place 104 branches with 1 regional office, and Nellore district has the least place 90 branches with 1 regional office.

Table-1 District-Wise Distribution of APGB Branches in Andhra Pradesh (2017-18)
(In Numbers)

| Population category | DISTRICTS | | | | | Total Branches |
|---------------------|-----------|--------|---------|---------|----------|----------------|
| | Anantapur | Kadapa | Kurnool | Nellore | Prakasam | |
| Rural | 76 | 64 | 67 | 51 | 67 | 325 |
| Semi-urban | 25 | 32 | 31 | 25 | 30 | 143 |
| Urban | 20 | 16 | 24 | 14 | 07 | 81 |
| Total | 121 | 112 | 122 | 90 | 104 | 549 |
| Regional Office | 2 | 2 | 2 | 1 | 1 | 8 |

Source: Annual Reports of Andhra Pragathi Grameena Bank.

PERFORMANCE OF ANDHRA PRAGATHI GRAMEENA BANK:

The APGB performance in the period of five years as follows. From the year 2013-14 the deposits were Rs. 5,94,769.25 /-, borrowings were Rs. 3,01,821.13 /- and advances were Rs. 7,24,259.36 /-. In the year 2014-15 deposits Rs.7,81,323.81 growth rate was increased to 31.36%, borrowings Rs. 2,31,027.39 growth rate was decreased to -23.45%, and advances Rs.7,19,592.83/- decreased with -0.64% growth rate. In the year 2015-16 deposits Rs.9,59,464.70/- increased to 22.79%, borrowings Rs.2,22,984.17/- growth rate was decreased to -3.4% and advances increased to Rs.8,11,311.98/- with 12.74% growth rate. In the year 2016-17 the deposits Rs.11,55,390.55/- were increased with 20.42% growth rate, borrowings Rs.2,08,889.86/- decreased with -6.3% growth rates, and advances Rs.9,56,820.79/- increased with 17.93% growth rate. In the year 2017-18 the deposits Rs.13,06,415.78/- increased with 13.07%, borrowings Rs.2,88,022.65/- increased with 37.88% growth rate, and Advances Rs.11,38,982.19/- increased with 19.03% growth rate.

Table-2 Performance of APGB (Rs. in lakh)

| Year | Total Deposits | Growth rate (%) | Total Borrowings | Growth rate (%) | Total Advances | Growth rate (%) |
|---------|----------------|-----------------|------------------|-----------------|----------------|-----------------|
| 2013-14 | 5,94,769.25 | -- | 3,01,821.13 | -- | 7,24,259.36 | -- |
| 2014-15 | 7,81,323.81 | 31.36 | 2,31,027.39 | -23.45 | 7,19,592.83 | -0.64 |
| 2015-16 | 9,59,464.70 | 22.79 | 2,22,984.17 | -3.4 | 8,11,311.98 | 12.74 |
| 2016-17 | 11,55,390.55 | 20.42 | 2,08,889.86 | -6.3 | 9,56,820.79 | 17.93 |
| 2017-18 | 13,06,415.78 | 13.07 | 2,88,022.65 | 37.88 | 11,38,982.19 | 19.03 |

Source: Annual reports of Andhra pragathi Grameena bank

LOAN DISBURSEMENT OF ANDHRAPRGATHI GRAMEENA BANK:

The Loan disbursement in Andhra Pradesh through Andhra pragathi Grameena bank for the rural development detailed below. The bank provides the credit facility to two main categories; the priority sector has Farm sector: Short term agricultural loans, Agriculture term loans, Agriculture and Allied activities. Other side Non-farm sector, other priority sector, and indirect finance to people. And Non-priority sector also calculated for grand totaling the loan disbursement statement.

In the year 2013-14 the Loan disbursement Total amount both priority and non-priority was Rs.4,72,558.26/-, in the year 2014-15 that amount decrease to Rs.4,14,880.68 with -12.20% growth rate, in the year 2015-16 rapidly increases to Rs.7,36,185.53 with 77.44% growth rate, in the year 2016-17 the amount continuously increases to Rs.8,06,134.90 with 9.50% growth rate and finally 2017-18 that total Amount increased to Rs.9,49,841.78 lakhs with 17.82% good growth rate.

Table-3: APGB Priority and Non-Priority Sector Loan Disbursement Statement

| Particulars | (Rs. In lakhs) | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2013-14 (Amount) | 2014-15 (Amount) | 2015-16 (Amount) | 2016-17 (Amount) | 2017-18 (Amount) |
| A) PRIORITY SECTOR | | | | | |
| a) Farm sector | | | | | |
| i) Short-term KCC/JL (Ag) produce loans | 227581.55 | 106041.04 | 344591.30 | 421280.12 | 510678.78 |
| ii) Agrl.term | 49617.17 | 61769.27 | 87218.94 | 81899.29 | 88625.91 |
| iii) Agrl.Allid /SHG | -- | 81065.74 | 116879.27 | 127969.19 | 130098.54 |
| Total of (a) | 367428.26 | 248876.05 | 548689.51 | 631148.60 | 729403.23 |
| b) Non-farm sector | 9805.00 | 31579.45 | 50761.84 | 58042.34 | 75689.08 |
| c) Other priority sector | 7017.00 | 4440.20 | 7088.87 | 13248.10 | 12928.91 |
| d) Indirect finance (Via FSCSs) | 2841.00 | 1274.00 | 0 | 0 | 0 |
| Total of priority (a+b+c+d) | 387091.26 | 286169.70 | 606540.22 | 702439.04 | 818021.22 |
| B) Non – priority sector | 85467.00 | 128710.98 | 129645.31 | 103695.86 | 131820.56 |
| Grand total(A+B) | 472558.26 | 414880.68 | 736185.53 | 806134.90 | 949841.78 |

Source: Annual Reports of Andhra Pragathi Grameena Bank.

FINDINGS:

As per the above discussion the main objective was finding the role Andhraprgathi Grameena bank in Sustainable rural development in Andhra Pradesh, because the real development of a country depends on villages how its developing in different aspects like economically, socially, and financially. According to the APGB branch network the main priority leads to rural areas with 59.19% and some branches in semi- urban with 26.04%. Performance of Deposits having highest growth rate with 22.79% for 2015-16 year, the Advances highest growth rate was 19.03% for 2017-18 year. The Bank was sanctioning the loans first and fast for farm sector more than the No- priority sector. The APGB was gradually changing the position from small to big in operations, performance and network etc. Some of the govt. schemes were not going well because of lack of publicity on the schemes. And some of the banks were not implementing them because of those are not profitable to the bank. So, the govt. must take a serious action plans to communicate with banks and convince them to sanction pending schemes and create awareness to the public as early as possible.

CONCLUSION:

The above discussion is on the recent status of rural development in India. The only way to develop the rural villages as financially and economically strong the government must wanted bank's support. The RRBs were helped to rural poor and middle class people like landless farmers, small land holders, and self-employed people were the targeted group. The Regional Rural Banks were doing their job greatly but they have some limitations, so the government keeps support to the RRBs with good facilities and funds. Then only the banks were done their job properly. The Andhraprgathi Grameena bank was well established and working for the poor to develop them financially, economically and socially. And finally the paper concluded by identifying the RRB's role with pros and cons.

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