

Performance Evaluation of Pragathi Krishna Grameena Bank in Chitradurga District, Karnataka

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ABSTRACT

Pragathi Krishna Grameena Bank with Head Office at Bellary came into existence on 23rd August 2013 with the amalgamation of 2 RRBs viz. erstwhile Pragathi Grameena Bank (sponsored by Canara Bank) with Head Office at Bellary and erstwhile Krishna Grameena Bank (sponsored by State Bank of India) with the Head Office at Gulbarga. The RRB with its Head Office at Bellary was formed by amalgamating the two RRBs of Karnataka viz., Pragathi Grameena Bank sponsored by Canara Bank and Krishna Grameena Bank sponsored by State of Bank of India and covers 11 eastern districts of Karnataka state, they are 1.Ballary, 2.Raichur, 3.Koppal, 4.Davanagere, 5. Chitraduga, 6. Shivamogga, 7. Kolar, 8. Chikkaballapur, 9. Gulbarga, 10.Bidar and 11.Yadagiri. The study aimed to assess the performance of selected 15 branches of PKG Bank in Chitradurga district. The objectives of the study were 1. to study the general performance of Pragathi Krishna Grameena Bank, 2. to analyse the performance of selected branches of Pragathi Krishna Grameena Bank in Chitradurga district and 3. to analyse the loan advance and loan recovery performance of PKG bank in Chitradurga district. The paper focused on Total Turnover, Total Business and Net Profit Earned to assess the performance of selected branches in Chitradurga.

Key words: amalgamation, existence, performance, sponsor, turnover

I. INTRODUCTION

Regional Rural Banks are special category of Banks established by Government of India in 1975 under the Provisions of the ordinance promulgated by the President of India 26-09-1975. This ordinance later was replaced by RRBs Act 1976 enacted by the Parliament RRBs are Scheduled Banks notified by Reserve Bank of India. The powers to make Rules, Regulations and Frame the policy matter relating to RRBs are vested with Government of India. Pragathi Krishna Grameena Bank with Head Office at Bellary came into existence on 23rd August 2013 with the

amalgamation of 2 RRBs viz. erstwhile Pragathi Grameena Bank (sponsored by Canara Bank) with Head Office at Bellary and erstwhile Krishna Grameena Bank (sponsored by State Bank of India) with the Head Office at Gulbarga. The Bank was formed as per Gazetteer Notification of Government of India No. F/15/2011 RRB, Karnataka dated 23-8-2013. RRBs were established by Government of India under the provisions of RRBs Act 1976 enacted by the Parliament. The objective of setting up these special categories of Banks is to cater to the basic banking needs of rural people in particular to contribute for the development of rural economy and prosperity of the region and employment generation. RRBs have now become an integral part of the Indian banking system. RRBs like public sector banks are established by government of India and are the scheduled banks notified by reserve bank of India. Pragathi Krishna Grameena Bank is a Regional Rural Bank formed on 23-8-2013. The RRB with its Head Office at Bellary was formed by amalgamating the two RRBs of Karnataka viz., Pragathi Grameena Bank sponsored by Canara Bank and Krishna Grameena Bank sponsored by State of Bank of India and covers 11 eastern districts of Karnataka state, they are 1.Ballary, 2.Raichur, 3.Koppal, 4.Davanagere, 5. Chitradurga, 6..Shivamogga, 7. Kolar, 8.Chikkaballapur, 9. Gulbarga, 10.Bidar and 11.Yadagiri.

II. IMPORTANCE OF THE STUDY

Agro based economic development during the last 60 years of planning has not made appreciable impact on animal husbandry and rural prosperity. It means planned development has failed to create enough opportunity for productive employment to absorb the growing labour force. Fighting against hunger and poverty and promoting the development of the economy. The agriculture is to be developed. Finance is a good tonic for the development of agriculture.

In this context, RRBs are landmark in the history of development of India because of its unique special step and functioning for self-employment, poultry and animal husbandry and socio-economic conditions in backward areas. The RRB in the study area i.e. Chitradurga district is PKG Bank has been reaching the rural people in the district contents. In this regard, the studying about PKG bank in the Chitradurga district is important and it is essential to know the particular problems in the execution of the RRBs in backward area like Chitradurga district in Karnataka.

III. OBJECTIVES

The Study will be done with following objectives:

- To study the general performance of Pragathi Krishna Grameena Bank.
- To analyse the performance of selected branches of Pragathi Krishna Grameena Bank in Chitradurga district.

IV. METHODOLOGY

The present study is empirical and partially descriptive and analytical in nature. Secondary data was collected from annual reports of PKG Bank for assessment of the performance.

V. DATA PROCESSING AND ANALYSIS

The data collected was analysed and presented in systematic and scientific manner. Tabular and Graphical representation of the data has been made wherever necessary. Percentage, Average, Annual Growth Rate, CAGR, Standard Deviation, Co-efficient of Variation and other relevant test like Augmented Dicky Fuller Test (ADFT) has been made for scientific analysis and drawing inferences.

VI. SAMPLING METHOD

Pragathi Krishna Grameen Bank branches in Chitradurga district were selected for the study. There are six taluks in this district viz. Chitradurga, Holalkere, Hosadurga, Challakere, Molakalmooru and Hiriyuru. For the study 7 branches from Chitradurga taluka, 3 branches each from Holalkere, Hosadurga and 2 branches from Chellakere taluka were selected on random basis. Totally 15 branches of PKG Bank in Chitadurga district and PKG Bank as a whole were selected for the study. The following Chart gives details.



Chitradurga TQ (7)	Holalkere TQ (3)	Hosadurga TQ (3)	Challakere TQ (2)	Monakalmoo ru TQ (0)	Hiriyuru TQ (0)
Chitradurga Branch	Holalkere Branch	Bagur Branch	Sanikere Branch	---	----
Bahaduraghatta Branch	Shivaganga Branch	Kellodu Branch	Chikkanayakan ahalli Branch	---	----
Chikkabennur Branch	Talya Branch	Tirumalapur Branch			
Hireguntanur Branch					
Kurubarahalli Branch					
Muddapur Branch					
Sirigere Branch					
Total 15 Branches of KVG Bank in Chitradurga District					

Data Processing and Analysis

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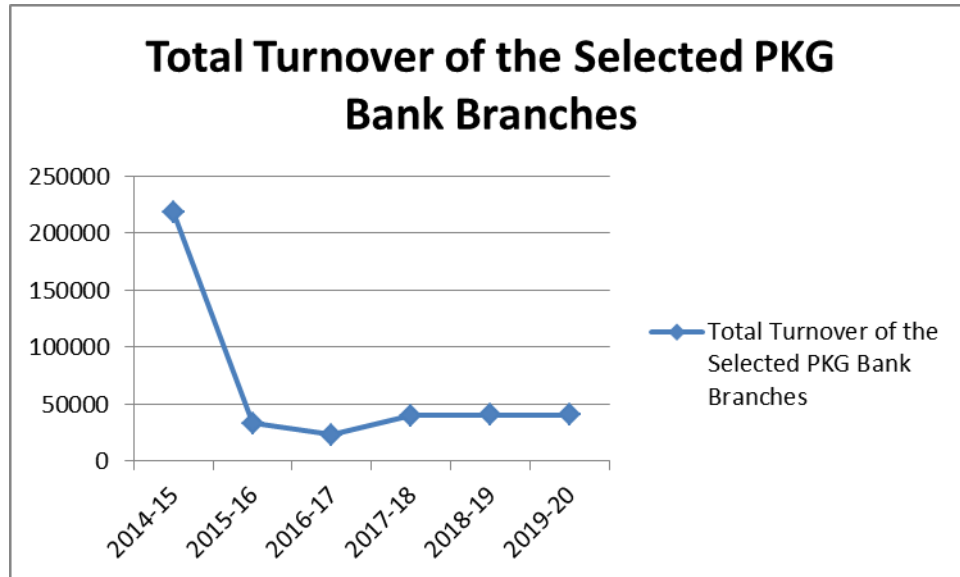
Total Business of All Selected PKG Bank Branches of Chitradurga District

The study has selected 15 PKG Bank branches. The performance of the said branches has been assessed with different parameters. The performance and status of the selected branches has been given in the following tables.

Name of the PKG Branch	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Rank
B. Durga Branch	1517.27	1564.61	1268.04	1644.50	1689.78	1677.99	9362.19	XI
Bahaduraghatta Branch	1839.65	2245.53	2416.40	2632.61	2615.13	2488.51	14237.83	VI
Chikkabennur Branch	2061.31	2439.93	2591.16	2779.86	2749.99	2518.62	15140.87	I
Hireguntanur Branch	942.41	957.14	1051.27	1310.33	1376.43	1369.92	7007.50	XV
Kurubarahalli Branch	1071.62	1307.26	1522.32	1654.89	1708.01	1829.72	9093.82	XII
Muddapur Branch	953.72	1077.50	1327.46	1582.21	1496.49	1526.09	7963.47	XIII
Sirigere Branch	1208.66	2462.97	3374.73	3756.20	4008.62	4489.75	19300.93	III
Holalkere Branch	NA	6324.97	673.92	6537.28	6893.72	7247.45	27677.34	I
Shivaganga Branch	197656	2163.66	261.28	2626.53	2584.13	2340.29	11952.45	VIII
Talya Branch	1346.52	1531.99	1813.72	1995.99	2004.99	1979.37	10672.58	IX
Bagur Branch	2307.93	2457.27	NA	3283.97	3234.55	3102.05	14385.77	V
Kelloodu Branch	705.47	736.74	782.53	884.99	922.77	905.55	4938.05	XVI
Tirumalapur Branch	1412.40	1524.09	1713.04	1847.50	1849.50	1732.31	10078.84	X
Sanikere Branch	1065.23	1155.04	1243.35	1366.99	1476.64	1631.88	7939.13	XIV
Chikkanayakana halli Branch	2061.31	2439.93	251.16	2779.86	2749.99	2518.62	12800.87	VII
Mutttagadur Branch	2791.82	2924.14	3179.02	3466.33	3522.79	3525.86	19409.96	II

VII. Total Turnover of the Selected PKG Bank Branches

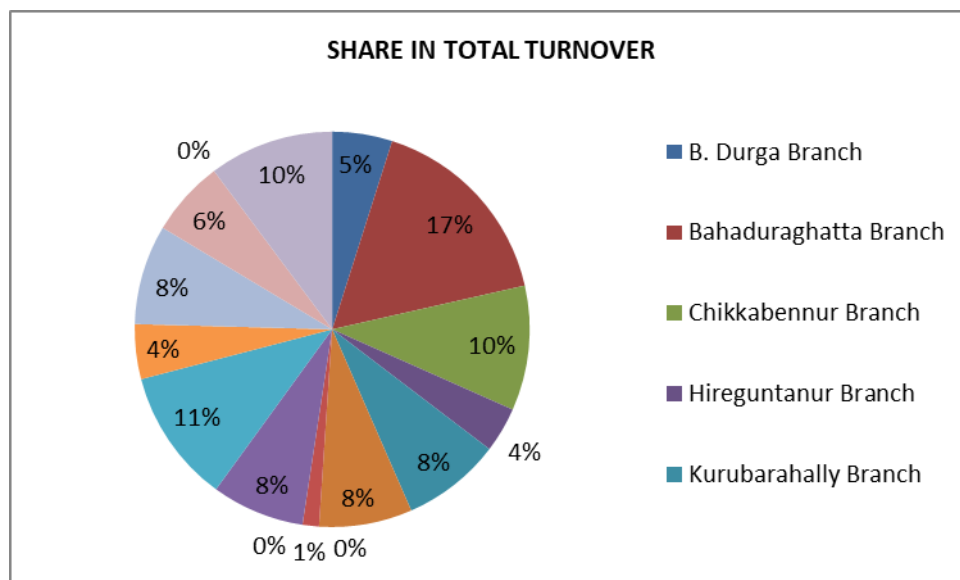
Total turnover of the branch depicts the popularity and strength of the bank. Ranking has been given based on the total turnover of the selected branch.



Total Turnover of the Selected PKG Bank Branches (Rs. In Lakh)

Source: Balance Sheets of Concerned branches of PKG Bank

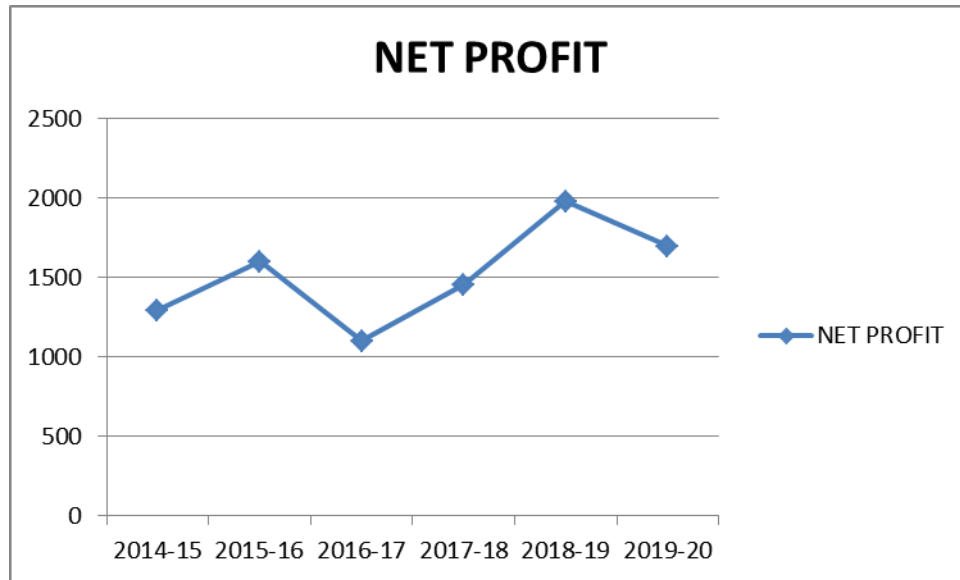
From the above table it is clear that, Holalkere branch stood first and Kellodu branch last i.e. 16th rank with the total turnover of Rs. 27677.34 lakh and Rs.4938.05 lakh in total turnover during the study period. Muttagadur Branch and Sirigere Branch stood at 2nd and 3rd among the 16 branches of PKG Bank in Chitradurga district. The total turnover of B. Durga Branch was Rs. 9362.19 lakh, Sanikere Branch Rs. 7939.13 lakh, Talya Branch was Rs. 10672.58 lakh during the study period.



VIII Net Profit Earned by the different branches of PKGV Bank in Chitradurga district

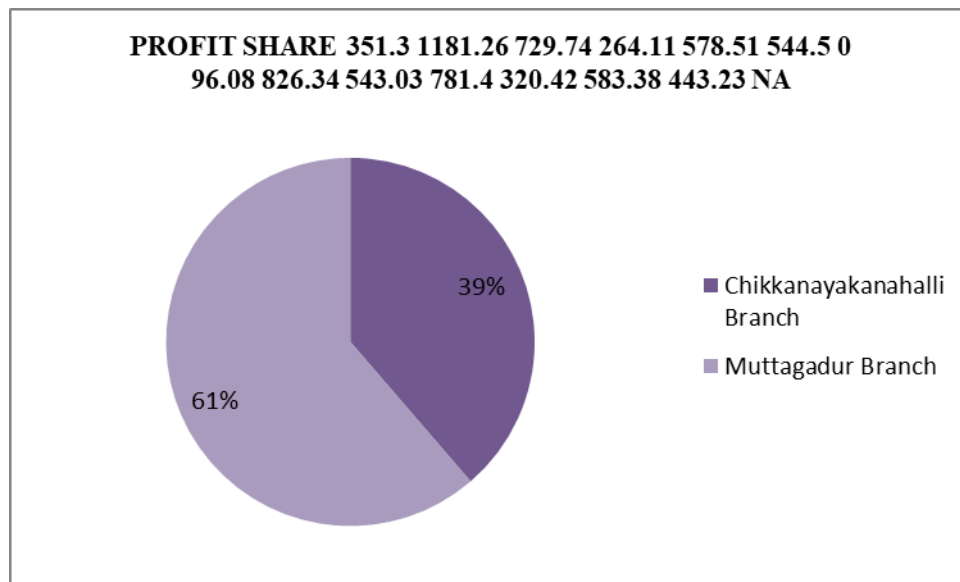
Ranking has been given based on the net profit earned by the selected branch. From the above table it is clear that, Bahaduraghatta Branch branch stood first and Sirigere Branch last i.e. 16th rank with the net profit earnings of Rs. 1181.26 lakh and Rs. 0.00 lakh during the study period. Muttagadur Branch and Shivaganga Branch stood 2nd and 3rd among the 16 branches of PKG Bank in Chitradurga district. The net profit earned by B. Durga branch was Rs. 351.30 lakh, by Muddapur branch was Rs. 544.5 lakh and by Chikkanayakanahalli was Rs.729.74 lakh. This shows the profit earning of different branches was not even. Some of the branches were performing well and some are not. The following table gives details.

Name of the PKG Branch	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Total	RANK
B. Durga Branch	64.05	23.17	39.59	71.39	84.11	68.99	351.30	XI
Bahaduraghatta Branch	147.35	193.53	183.37	215.14	240.88	200.99	1181.26	I
Chikkabennur Branch	43.32	126.47	121.64	135.57	164.80	137.94	729.74	V
Hireguntanur Branch	42.85	54.55	25.42	40.57	48.32	52.40	264.11	XIII
Kurubarahally Branch	75.26	117.03	88.88	106.84	97.59	92.91	578.51	VII
Muddapur Branch	63.32	82.49	63.83	94.24	127.91	112.71	544.5	VIII
Sirigere Branch	00.00	00.00	00.00	00.00	00.00	00.00	00.00	XVI
Holalkere Branch	85.42	10.66	00.00	00.00	00.00	00.00	96.08	XIII
Shivaganga Branch	185.62	137.45	104.30	90.24	172.51	136.22	826..34	III
Talya Branch	66.03	92.12	66.84	106.50	117.16	94.38	543.03	IX
Bagur Branch	149.23	201.89	NA	00.00	234.13	196.15	781.40	IV
Kelloodu Branch	49.88	58.05	47.47	53.71	59.69	51.62	320.42	XII
Tirumalapur Branch	84.86	113.77	10.91	127.88	135.81	110.15	583.38	VI
Sanikere Branch	65.29	75.13	51.31	68.99	95.76	86.75	443.23	X
Belagere Branch	NA	NA	NA	NA	NA	NA	NA	--
Chikkanayakanahalli Branch	43.32	126.47	121.64	135.57	164.80	137.94	729.74	IV
Muttagadur Branch	129.44	188.22	175.79	208.18	236.57	218.83	1157.03	II
Total	1295.24	1601	1100.99	1454.82	1980.04	1697.98	8303.73	



Net Profit Earned by the different branches of PKGV Bank in Chitradurga district (Rs. In Lakh)

Source: Balance Sheets of Concerned branches of PKG Bank



IX. FINDINGS

The study has covered 15 PKG Bank branches in Chitradurga district. The performance of the said braches has been assessed with different parameters.The findings related to the performance and the status of selected 15 PKG Bank branches have been given below.

1. The total turnover of 15 selected PKG Bank branches during the study period was Rs. 201961.60 lakh.

2. The turnover of Chikkabennur Branch was highest among the selected 15 branches of PKG Bank with Rs. 15140.87 lakh. The turnover of Kelloodu Branch of PKGB was lowest in the group with Rs. 4938.05 lakh.
3. The total turnover of B. Durga Branch was Rs. 9362.19 lakh, Sanikere Branch Rs. 7939.13 lakh, Talya Branch was Rs. 10672.58 lakh during the study period.
4. Bahaduraghatta branch stood first and Sirigere Branch stood last i.e. 16th rank with the net profit earnings of Rs. 1181.26 lakh and Rs. 0.00 lakh during the study period, Muttagadur Branch and Shivaganga Branch stood 2nd and 3rd among the 16 branches of PKG Bank branches in Chitradurga district.
5. The net profit earned by B. Durga branch was Rs. 351.30 lakh, by Muddapur branch was Rs. 544.5 lakh and by Chikkanayakanahalli was Rs.729.74 lakh. This shows the profit earning of different branches was not even. Some of the branches were performing well and some are not.

X. CONCLUSION

Regional Rural Banks are special category of Banks established by Government of India in 1975 under the Provisions of the ordinance promulgated by the President of India 26-09-1975. The objective of setting up these special categories of Banks is to cater to the basic banking needs of rural people in particular to contribute for the development of rural economy and prosperity of the region and employment generation. Pragathi Krishna Grameena Bank with Head Office at Bellary came into existence on 23rd August 2013 with the amalgamation of 2 RRBs viz. erstwhile Pragathi Grameena Bank (sponsored by Canara Bank) with Head Office at Bellary and erstwhile Krishna Grameena Bank (sponsored by State Bank of India) with the Head Office at Gulbarga. The progress of PKG Bank branches in Chitradurga district is not even. Some branches were doing well where as some are not.

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