

Pentagonal Financial Analytical Study of Madhya Pradesh Gramin Bank

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ABSTRACT

Madhya Pradesh Gramin Bank (MPGB) was incorporated on 1 April 2019 under the Regional Rural Bank Acts, 1976 provisions, and the Government of India Gazette notification No. S.O. 291 (E) dated 11-01-2019. It emerged for the public interest and the area's development served by the Regional Rural Bank. The operational area of the bank spreads in 39 districts of Madhya Pradesh. Bank is providing banking services in a better way in rural areas of Madhya Pradesh. It is proved in annual reports and balance sheets of five years of the Bank. The bank has to shape its commitment more effectively.

KEYWORDS: Madhya Pradesh Gramin Bank, Values, Rural Development, Bank of Choice

- **Madhya Pradesh Gramin Bank**

It is a regional rural bank working in Madhya Pradesh. It came into existence by amalgamation of two banks i.e. Narmada Jhaubua Gramin Bank and Central Madhya Pradesh Gramin Bank.

- **Values**

It indicates sincerity, transparency, ethics, positivity, and sustainability, with special reference to MPGB.

- **Rural Development**

It means the development of villages in Madhya Pradesh. It indicates Rural Development through banking activities performed by Madhya Pradesh Gramin Bank.

- **Bank of choice**

It is the commitment of the bank. MPGB is committed to being a bank, choice of all rural residents of Madhya Pradesh.

OBJECTIVES

- To study the Madhya Pradesh Gramin Bank.
- To study the financial services promoted by Madhya Pradesh Gramin Bank.
- To study the deposits, advances, NPA, and profit of Madhya Pradesh Gramin Bank.
- To study the financial performance of Madhya Pradesh Gramin Bank.
- To provide necessary conclusions and suggestions.

INTRODUCTION

In India, especially the rural area lacks basic banking facilities. To remove this disparity Government performed several steps i.e. Nationalisation of banks, the Formulation of The Regional Rural Banks Act, 1976, and The Regional Rural Banks (Amendment) Act, 2015, etc. Several rural banks emerged in every state of India under these statutory provisions. In Madhya Pradesh, Madhya Pradesh Gramin Bank emerg-

ed on 1 April 2019. The bank is performing with values to transform Madhya Pradesh.

REVIEW OF RELATED LITERATURE

- Piyushi Nema (2024) in the research article “Impact of NABARD's Interest Subsidy Schemes on Farmer's Debt Burden in Sagar Division” focuses on the debt burden of farmers. It aims to understand the utilization of schemes, focusing on loan types and their financial implications. Through a mixed methods approach, collected from 20 farmers using structured interview schedules to gauge their experiences with NABARD's schemes and their debt status. The study assesses the effectiveness of the subsidies in alleviating debt burdens, analysing savings on interest payments and their influence on repayment capabilities. Furthermore, it explores the qualitative impact of reduced debt on farmers' well-being, considering potential enhancements in financial security and resource allocation for farm improvements or family needs. The findings of study contribute to a better understanding of the role of interest subsidy programs in enhancing farmers' financial resilience and fostering economic growth at the community level in Sagar Division.*1
- B. Sugathan Kumari, N. Kumar, S. Nazim Sha, K.P. Abdul Javad, R. Thamilmani, K. Sivasubramanian, (2024) in the article “Economic Impact of Employment Generation Policies in India and Rural Poverty Alleviation: An Analytical Review” focuses on various programs and policy relating to employment generation and its economic impact. This paper is organized systematically with three broad segments. The first section of the paper brings out the introductory note, the second segment gives the paper's structure, objectives, and the purpose of the study. The third and final section narrates the analysis, findings, and concluding remarks. The relevant information has been collected from various published sources from the Ministry of Labour and the Ministry of Rural Development. The collected information has been listed in the review section and the data has been tabulated and analyzed in the analysis section. The highest employment opportunities have been created through SHGs with the help of employment generation programs. Many states such as West Bengal, Uttar Pradesh, Odisha, Madhya Pradesh, Tamil Nadu, and Gujarat have utilized this program for better employment generation and alleviation of poverty.*2
- Sanjana Shrivastava (2023) in the thesis “Appraisal of Cluster Frontline Demonstrations (CFLD) on Oilseeds in Madhya Pradesh and Chhattisgarh” focuses on the production and productivity of oilseed crops. This also aimed at increasing the productivity of oilseed throughout the country. The general objectives of Cluster Frontline Demonstration are to demonstrate under farmer's conditions, the superior production, potential, and benefits of the latest improved technologies in cluster mode, it's a novel approach to provide a direct interface between scientists and farmers in planning, execution and monitoring phases of the demonstration. The ICAR has been implementing this CFLD program on different oilseed crops through its Krishi Vigyan Kendras (KVKs) across the country to enhance the production and productivity scenario of oilseed crops with improved varieties and location specific technologies. The specific objectives were 1. To know the socio- personal, agro-economic, communicational, psychological characteristics of beneficiary farmers of Cluster Frontline Demonstration (CFLD). 2. To determine the level of knowledge of beneficiary farmers regarding improved production technology of oilseeds under CFLD. 3. To find out the impact of cluster frontline demonstration among beneficiary farmers. 4. To assess the relationship between socio- personal, agro economic, communication and psychological characteristics of oilseed growers and impact of cluster frontline demonstration. 5. To identify the problems faced by beneficiaries in adopting of technology

demonstrated through cluster frontline demonstration and suggestions to overcome them. In order to achieve these objectives, the study was carried out in Chhindwara, Rewa district of Madhya Pradesh and Raipur, Kawarhda district of Chhattisgarh. For the study, two major oilseed crops i.e. Soybean and Linseed were selected.*3

- Indrajeet Kumar (2023) in the article “Banking services and financial inclusion in India’s poorest regions” focuses on financial products and services to meet transactional, payment, savings, credit, and insurance needs. India has progressed in financial inclusion but challenges persist in low-income regions and among marginalised groups. This study assesses the National Strategy for Financial Inclusion (NSFI) 2019–2024 and its potential to address such challenges in Bihar, one of India’s poorest states. Field inquiries and interviews with households and bank managers were conducted. The findings reveal that despite NSFI’s potential, unawareness, insufficient income, documentation requirements, and lack of trust in the system persist. Factors such as region, social groups, gender, age, education, and occupation influence banking participation. The study recommends increased awareness, financial literacy, and reduced financial service costs tailored to Bihar’s needs.*4
- Bhandari, Govinda Prasad (2014) in the research article “Meghalaya Rural Bank and Regional Rural Banks in India: A Comparative Analysis” focused on the Meghalaya Rural Bank (MRB) as a comparative study with Regional Rural Banks (RRBs) in all India level. The analysis is based on the period 2000-01 to 2010-11. The study exclusively shows the branch network of MRB and RRBs. The study depicts the general picture of Meghalaya Rural Bank and RRBs at the national level.*5

MADHYA PRADESH GRAMIN BANK

Madhya Pradesh Grameen Bank, a Regional Rural Bank, was constituted on 1st April 2019 as per Government of India Gazette Notification No. S.O. 291 (E) dated 11- 01-2019 in the public interest and for the area's development served by the Bank,

It was an amalgamation of two regional rural banks.

1. Narmada Jhabua Grameen Bank
2. Central Madhya Pradesh Gramin Bank

1. Narmada Jhabua Grameen Bank

Narmada Jhabua Gramin Bank was sponsored by Bank of India.*6



2. Central Madhya Pradesh Gramin Bank

Central Madhya Pradesh Gramin Bank was sponsored by Central Bank of India.*7



The amalgamated entity Madhya Pradesh Gramin Bank functions under the Regional Rural Banks Act 1976 having its Head Office at Indore (M.P.) under the sponsorship of Bank of India.*8

- It operates in 39 districts of Madhya Pradesh
- It has 866 branches and 14 regional offices
- All branches are on the CBS platform
- All branches have RTGS/NEFT facilities
- All branches have internet facilities

VISION

To become the Bank of Choice for a Transforming Madhya Pradesh.

MISSION

Committed to Providing Superior, Proactive, Innovative and state of the art banking services.

VALUES

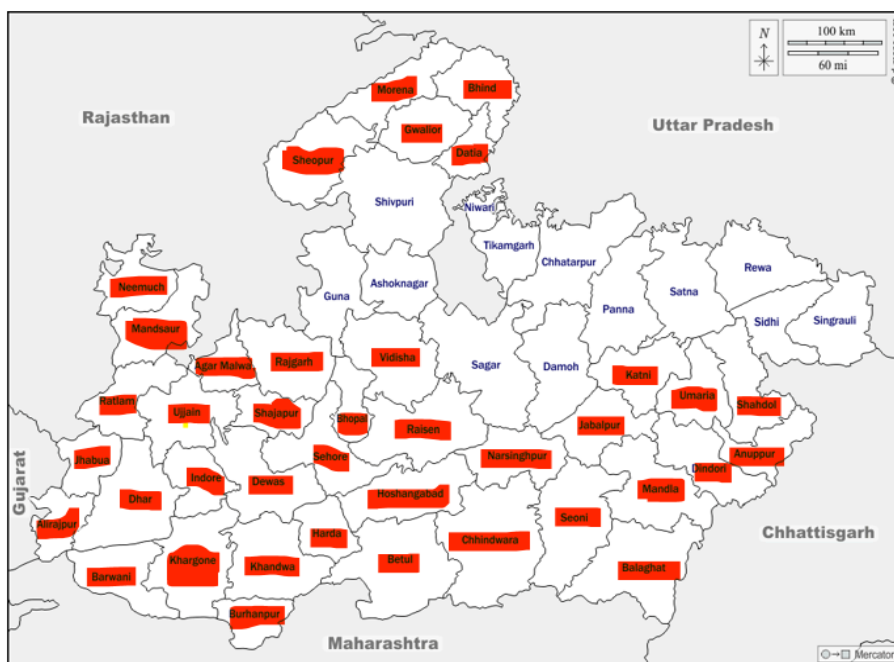
Sincerity, Transparency, Ethics, Positivity, Sustainability

COMMAND AREA

The Bank is operating in 39 districts of Madhya Pradesh namely –
 Agar Malwa, Dindori, Narsingpur, Alirajpur, Gwalior, Neemuch, Anuppur, Harda, Raisen, Balaghat, Hoshangabad, Rajgarh, Barwani, Jabalpur, Ratlam, Betul, Jhabua, Sehore, Bhind, Katni, Seoni, Bhopal, Khandwa, Shahdol, Burhanpur, Kargone, Shajapur, Chhindwara, Indore, Sheopur, Datia, Mandla, Ujjain, Dewas, Mandsaur, Umaria, Dhar, Morena, Vidisha.

MADHYA PRADESH GRAMIN BANK

COMMAND AREA



Command Area



REGIONAL OFFICES

The bank has 7 regional offices namely-
Bhopal, Chhindwara, Dewas, Dhar, Gwalior, Hoshangabad, Jabalpur



MADHYA PRADESH GRAMIN BANK

LOGO



Madhya Pradesh Grameen Bank

Board of Directors*9

Designation	Name
Chairman	Shri Sunil Sharma
Nominees of Central Government U/S 9(1)(a) of the RRB Act.1976	CA Ramniwas Gurjar
Nominees of RBI U/S 9(1)(b) of the RRB Act.1976	Smt. Jaya P. Naik
Nominees of NABARD U/S 9(1)(c) of the RRB Act.1976	Shri Nandu J. Naik
Nominees of Bank of India U/S 9(1)(d) of the RRB Act.1976	Shri Pramod Kumar Dwivedi Shri Rajesh Kumar
Nominees of MP Government U/S 9(1)(e) of the RRB Act.1976	Shri Deepak Singh, IAS Shri Rajeev Ranjan Meena, IAS

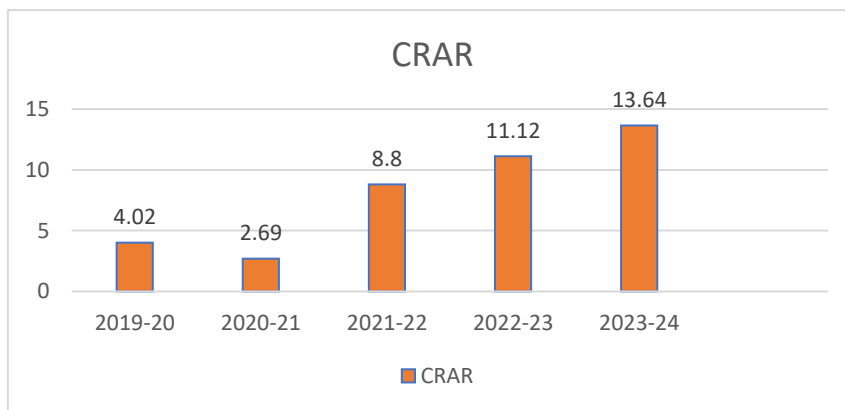
MADHYA PRADESH GRAMIN BANK
AWARDS & ACCOLADES FOR EXCELLENT PERFORMANCE*10

Year	Awards
2019-20	<ol style="list-style-type: none"> 1. APY CHALLENGER'S CUP: CHALLENGER'S CUP WINNER TROPHY ALL BANK'S 6th POSITION 2. APY LEADERSHIP CAPITAL: BEST PERFORMING CHAIRMAN ALL BANK'S 7th POSITION 3. CERTIFICATE OF EXCELLENCE: ANNUAL AWARD ALL RRB'S 6th POSITION 4. CERTIFICATE OF EXCELLENCE: LEADERSHIP CAPITAL 2.0 ALL RRB'S 7th POSITION
2020-21	<ol style="list-style-type: none"> 1. Awarded by NABARD for outstanding work in FPO Loan Disbursement 2021 2. Awarded by NABARD for outstanding work in Financial Inclusion 2021 3. Awarded by NABARD for outstanding work in the field of overall performance in Joint Liability Group 2021 4. Awarded by NABARD for outstanding work in the field of overall performance in Agriculture Term Lona 2021 5. Awarded by NABARD for outstanding work in field of overall performance in SHG 2021. 6. APY annual award by PFRDA
2021-22	<ol style="list-style-type: none"> 1. Awarded by NABARD for outstanding work in field of SHG Loan Disbursement 2022. 2. Awarded by NABARD for outstanding work in FPO Loan Disbursement 2022. 3. BEAT THE BEST & BE THE BEST (9TH May – 30th June 2022) Award of PAR Excellence by PFRDA 4. National Award for outstanding performance in SHG Bank Linkage 2021-22 by DAY-NRLM, Ministry of Rural Development Govt. of India dated 17.11.2022 5. Awarded by M.P. Govt. for outstanding contribution to SHG Credit Linkage Programme under MPSRLM during 2021-22 6. Awarded by the Ministry of Agriculture and Farmers Welfare, GOI for Best Performance RRB under the Agriculture Infrastructure Fund. 7. Old Age Financial Freedom Fighter (Nodal) awards 2021-22 for APY by PFRDA 8. APY annual award (Award for PAR Excellence)
2022-23	<ol style="list-style-type: none"> 1. Awarded by NABARD for outstanding work in average ticket size in SHG Loan Disbursement in 2023. 2. APY Circle of Excellence Award 3. APY Big Believers Award 4. APY Annual Award (for PAR Excellence) 5. APY Championship Exemplary Award 6. Awarded by NABARD for outstanding work in the field of short-term refinance.

	7. Awarded by NABARD for outstanding work in Financial and Digital Literacy.
2023-24	<ol style="list-style-type: none"> 1. National Award for Outstanding Performance in SHG Linkage 2022-23 by DAY NRLM, Ministry of Rural Development Govt. of India dated 11.01.2024 2. APY Ultimate Championship Cup (Individual award – Gold Category) 3. APY Annual Award (for PAR Excellence) 4. APY Circle of Excellence Award 5. APY Leadership Pinnacle

**MADHYA PRADESH GRAMEEN BANK
CAPITAL TO RISK-WEIGHTED ASSETS RATIO*11**

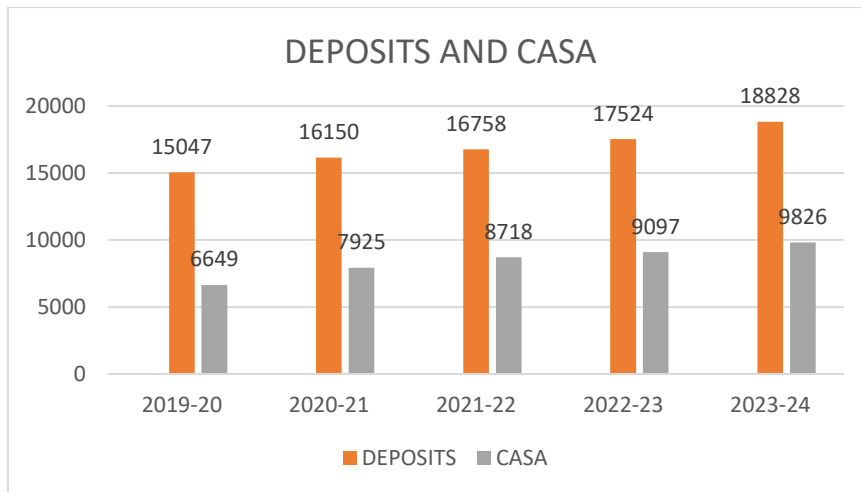
Year	CRAR
2019-20	4.02
2020-21	2.69
2021-22	8.80
2022-23	11.12
2023-24	13.64



**MADHYA PRADESH GRAMEEN BANK
DEPOSITS AND CASA*12**

(Rs. in Cr.)

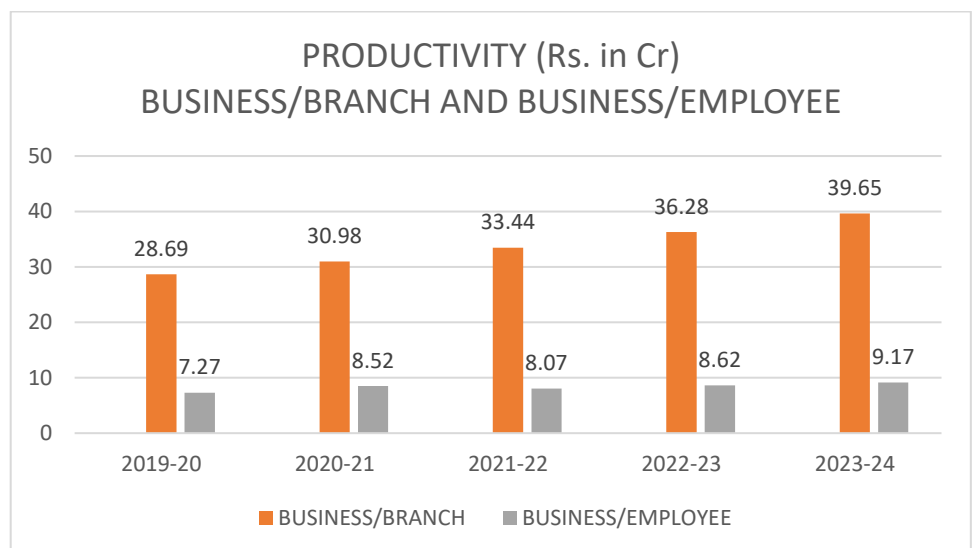
Year	Deposits	CASA
2019-20	15047	6649
2020-21	16150	7925
2021-22	16758	8718
2022-23	17524	9097
2023-24	18828	9826



MADHYA PRADESH GRAMEEN BANK

PRODUCTIVITY (Rs. in cr.)*13

Year	Business/Branch	Business/Employee
2019-20	28.69	7.27
2020-21	30.98	8.52
2021-22	33.44	8.07
2022-23	36.28	8.62
2023-24	39.65	9.17

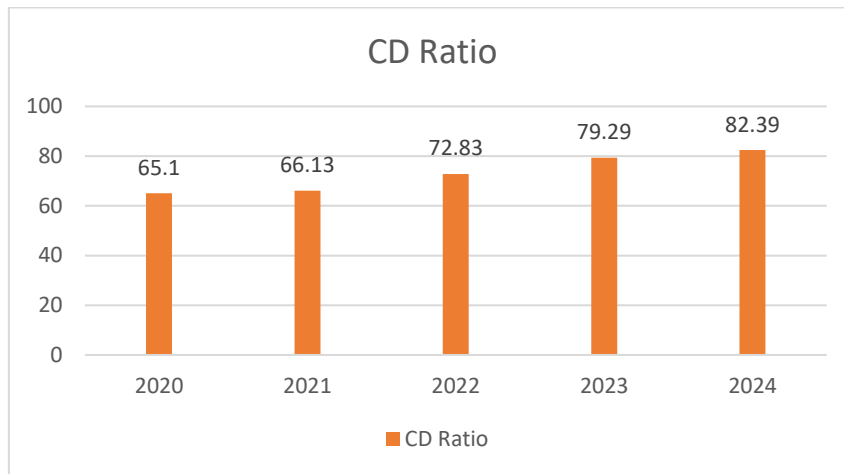


MADHYA PRADESH GRAMEEN BANK

CREDIT DEPOSIT (CD) RATIO*14

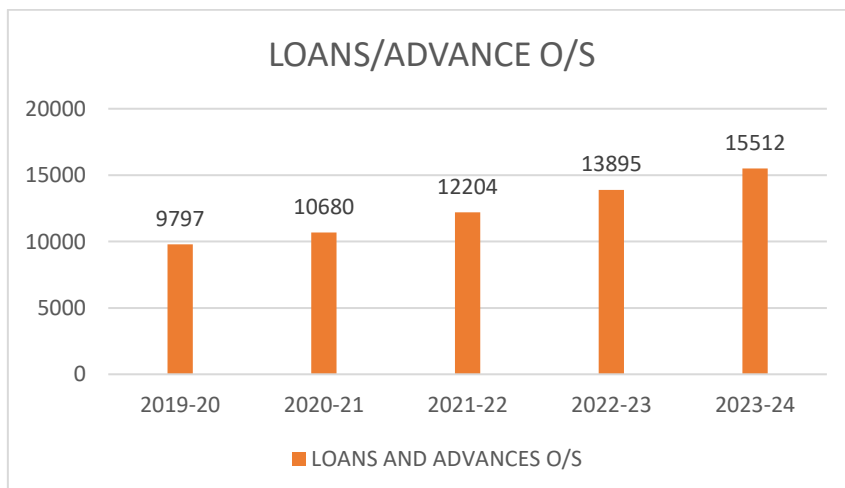
Year	CD Ratio
2019-20	65.10
2020-21	66.13
2021-22	72.83
2022-23	79.29

2023-24	82.39
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**MADHYA PRADESH GRAMEEN BANK
LOANS/ ADVANCES O/S*15**

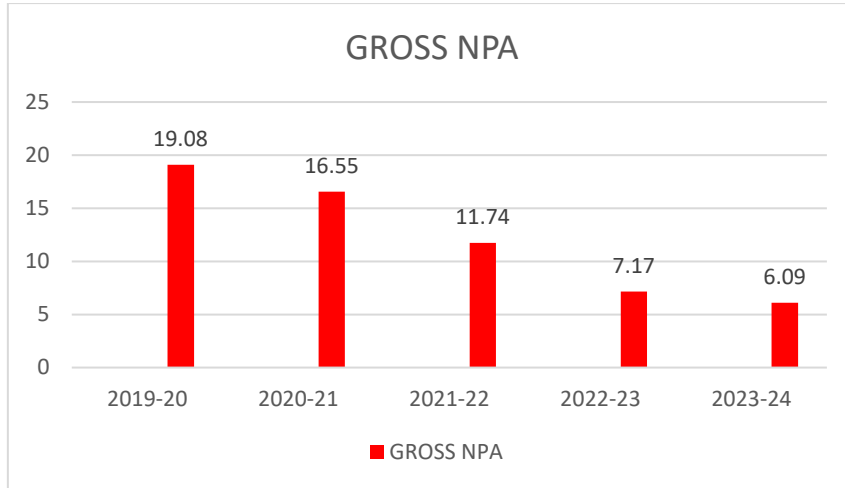
Year	Loans/Advances O/S
2019-20	9797
2020-21	10680
2021-22	12204
2022-23	13895
2023-24	15512



**MADHYA PRADESH GRAMEEN BANK
GROSS NPA
(Percent)**

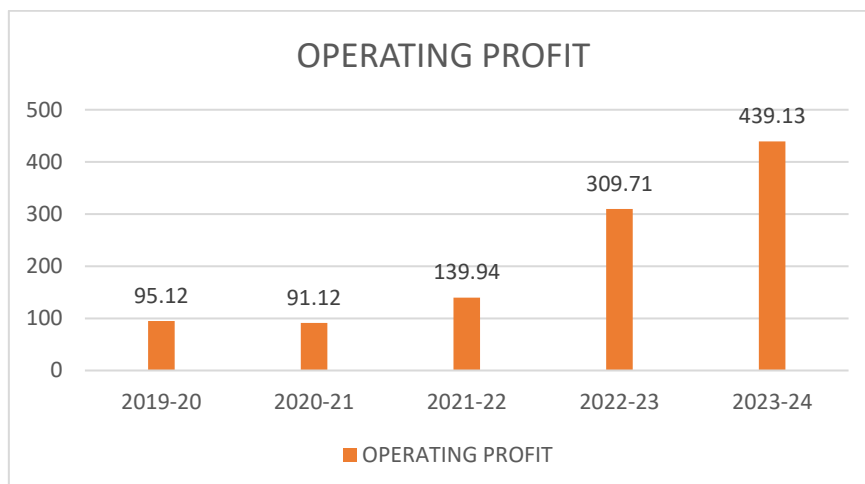
Year	Gross NPA
2019-20	19.08
2020-21	16.55
2021-22	11.74

2022-23	7.17
2023-24	6.09



**MADHYA PRADESH GRAMEEN BANK
OPERATING PROFIT*16
(Rs. in Cr)**

Year	Operating Profit
2019-20	95.92
2020-21	91.12
2021-22	139.94
2022-23	309.71
2023-24	439.13



CONCLUSIONS

1. Madhya Pradesh Gramin Bank was created on 1 April 2019. It was created by the amalgamation of two regional rural banks in Madhya Pradesh i.e. Narmada Jhaubua Grameen Bank and Central Madhya Pradesh Gramin Bank.

2. The reason behind the amalgamation was to reach each corner of the rural sector to provide financial services more efficiently.
3. Madhya Pradesh Gramin Bank is Committed to Provide Superior, Proactive, Innovative, and state-of-the-art banking services. Bank aspires to become the Bank of Choice to transform Madhya Pradesh with a follow-up of Sincerity, Transparency, Ethics, Positivity, and Sustainability.
4. The bank has achieved several awards and accolades for excellent performance in various dimensions of banking by NABARD and other institutions of repute.
5. Capital to Risk-Weighted Assets Ratio (CRSR) of Madhya Pradesh Grameen Bank in 2019-20 was 4.02, in 2020-21 was 2.69, in 2021-22 was 8.80, in 2022-23 was 11.12 and in 2023-24 was 13.64. The CRSR is increasing with fluctuation.
6. Deposits (Rs. in Cr) of Madhya Pradesh Grameen Bank in 2019-20 were 15047, in 2020-21 were 16150, in 2021-22 were 16758, in 2022-23 were 17524 and in 2023-24 were 18828. CASA in 2019-20 was 6649, in 2020-21 was 7925, in 2021-22 was 8718, in 2022-23 was 9097, and in 2023-24 was 9826. It shows a continuous increase in growth.
7. Productivity (Rs. in Cr) related to Business/Branch in 2019-20 was 28.69, in 2020-21 was 30.98, 2021-22 was 33.44, 2022-23 was 36.28 and 2023-24 was 39.65. It shows a continuous increase in growth. Productivity of Business/Employees in 2019-20 was 7.27, in 2020-21 was 8.52, in 2021-22 was 8.07, in 2022-23 was 8.62 and in 2023-24 was 9.17. It shows an increase with fluctuation.
8. The Credit Deposit Ratio in 2019-20 was 65.10, in 2020-21 was 66.13, in 2021-22 was 72.83, in 2022-23 was 79.29, and in 2023-24 was 82.39. It shows a continuous increase.
9. Loans/Advances O/S (Rs. in Cr) in 2019-20 were 9797, in 2020-21 were 10680, in 2021-22 were 12204, in 2022-23 were 13895, and in 2023-24 were 15512. It shows a continuous increase.
10. Gross NPA(Percent) in 2019-20 was 19.08, in 2020-21 was 16.55, in 2021-22 was 11.74, in 2022-23 was 7.17, and in 2023-24 was 6.09. It shows a continuous decrease.
11. The Operating Profit (Rs. in Cr) in 2019-20 was 95.12, in 2020-21 was 91.12, in 2021-22 was 139.94, in 2022-23 was 309.71, and in 2023-24 was 439.13. It shows an increase with fluctuation.

SUGGESTIONS

1. Madhya Pradesh Gramin Bank is a Regional Rural Bank functioning under the Regional Rural Banks Act 1976. The bank is constituted with the sole aim of rural development, but it also operates in urban areas. This situation is weakening the mission of rural development. The bank must work for rural development as per its aim.
2. All branches of MPGB are CBS and RTGS/NEFT enabled. However, villagers can't use these services due to insufficient knowledge. So, an awareness campaign must be launched for villagers.
3. Achievements of MPGB are National Awards related to various aspects of financial services. It is appreciable. The bank should upgrade its motivation to work towards the International Level.
4. The deposits of MPGB are increasing continuously. This fact is praiseworthy. Deposits must increase rapidly because in Madhya Pradesh several projects are in progress. Farmers are gaining compensation for the acquired land. The bank should focus this compensation money as a deposit.
5. Advances are showing increased year-to-year, but it is not sufficient. The bank should seek and support entrepreneurial idea holders of the command area.
6. NPA is showing a decreasing tendency. The factors working behind NPA should be recognized and removed to lessen the NPA.

7. Profit should be judged according to the inflation in the country. Profit must run faster than inflation. The bank must fix the target profit and achieve it professionally.

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