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Comparative Study on Selected Regional Rural Banks of South India

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ABSTRACT

Purpose: *The object of this work was to evaluate the entire performance of the southern region for 2020 and 2021. The purpose of this study is to provide insight into the performance of the banks to analyse and understand the present scenario of the banking sector in the Southern region of India.*

Methodology: *The Key Statistics & Financial Statements of Regional Rural Banks from 2019-20 to 2020-21 of selected banks have been used for the research work. The CAMEL model is used to check the operation and has been ranked on an average scale of 1-10. The conclusion is by ranking both the years of all 10banks.*

Findings: *The study revealed a difference from year to year and it is restricted only by applying these areas. Even though leverage stands good, the possibility to rank 10 places is due to NPA.*

Originality: *It may be useful to each bank's performance its state governments and central government in making effective tactics by modifying its strategy and implementation in the banks. However, the banking system is also prone to several inherent defects and inefficiencies, which can lead to financial instability and economic distress.*

Utilitarian Implication: *In recent years, there has been a renewed focus on RRBs by the government as well as by investors and creditors. Such a study would help understand the position of RRBs in the region and their contribution to the economy's health.*

Paper Type: Analytical Research

Keywords: South region, CAMEL Model, SWOT analysis, Regional Rural Bank.

1. INTRODUCTION :

Banks play a vital role in providing the necessary capital to businesses and households to invest and spend [1]. In recent years, the banking sector has come under pressure due to several factors, including the global financial crisis, changes in technology and the rise of non-bank financial institutions. The banking sector in India is undergoing a sea of change. Rural locations lack a significant amount of financial activity, nevertheless. The majority of people in India reside in rural and agency areas. The literacy rates are quite low in rural areas [2]. In recent years, there has been a spurt in the number of banks and financial institutions providing services to rural areas. They are doing this not only to tap into the vast untapped market but also to contribute to the country. In recent years, banks have come under increased scrutiny due to several high-profile scandals. In India, the term is often used to refer to the country's effort to provide banking services to its rural population. According to a recent report, financial inclusion in India failed to reach its root because it is well known that rural India has an extraordinarily high level of debt load and manipulation of the rural people in terms of a credit facility is one of the most ubiquitous and enduring characteristics of rural India [3]. There are plenty of reasons why financial services don't reach. These include a lack of infrastructure, a lack of awareness, and a lack of access to financial services. The major reason is that a large number of small farmers, often lack the collateral needed to access loans. Additionally, the infrastructure is often poor, making it difficult for banks to set up branches and ATMs. For example, the Grameen Foundation is working to develop a peer-to-peer lending model that doesn't require collateral. Microfinance in India can be traced back to

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the 1950s when commercial banks started lending to small businesses in rural areas. However, it was only in the 1970s that regional rural banks (RRBs) were started to specifically cater to the needs of rural communities [4]. These banks have played a vital role in increasing financial inclusion in India, and have helped to drive economic growth in rural areas [5]. The main motto of RRB is to provide financial inclusion to the poor and marginalized people in the banking channel. RRB also believes in providing social and economic empowerment to the women of the society who are the major stakeholders in the rural and urban slums and opening additional rural branches has helped to achieve the dual goals of delivering lending to rural regions and mobilizing rural deposits [6]. However, the overall outreach of banking services is still poor in rural and semi-urban areas with a large number of unbanked people. It is a well-known fact that the different parts of India are home to a large number of regional rural banks (RRBs) and commercial banks. However, what is not as well-known is the fact that these banks have been struggling to reach the unbanked population in these regions. With the advent of digital banking and the rise of new financial institutions, traditional banks are feeling the pressure. In particular, RRBs are fronting tough ignite from different formal financial institutions in terms of expansion, cost-effectiveness, and economic stability. The bank can potentially bring about a sea change in the country's banking system by playing a major role in financial inclusion.

The bank can also help in reducing the prevalence of black money in the economy by providing formal banking channels to the rural and unbanked population. RRBs, located in the southern part of India, is one of the many banks that are working to change this. In such a scenario, it becomes very important for the banks to focus on their financial performance to stay ahead of the competition. The key characteristics of a successful financial institution are management quality, sustainability, and growth. Out of these, the CAMEL model is considered the most comprehensive as it considers all the important aspects of a bank's financial performance. The CAMEL model is a supervisory tool used by regulators to identify, evaluate, and monitor risks in banks and other financial institutions [7].

2. REVIEW OF LITERATURE :

The role of banks in rural area development cannot be understated. Banks provide the financial capital that rural areas need to grow and develop their economies. Without banks, many rural areas would be left behind economically. That's why it's so important for banks to continue to play a major role in rural area development. The sample size comprises 10 RRBs from the six states of the southern region of India. The study period for this research is 2020 & 2021. The given list are works by different authors which provide a comprehensive overview of the subject matter related to rural banking. A Systematic literature search is conducted using the Google Scholar database to review papers published from 2012-2022 with the keyword "Regional Rural Banking", "CAMEL Model", and "Grameena Bank" the key results found are listed in table 1.

Table1: Contribution by different scholars.

S. No.	Field of Research	Focus	Outcome/Observation	References
1	A study on Indian Banking through the CAMEL approach.	The work concentrates on the performance of the selected sector through the CAMEL approach	Identifies the components that influence monetary achievement efficiently and accurately.	Meena, (2016). [8]
2	The Soundness of Private bank using CAMEL.	Focuses on the performances and soundness of banks working.	The study of different banks using the CAMELS model, concludes by saying Punjab National Bank ranked top.	Krishnakumare, et al., (2018). [9]
3	Growth and Pattern of Tamil Nadu Grama Bank.	The study focuses on the performances of TNGB and its	It has been observed that Tamil Nadu Grama Bank was quite successful in	Krishnan & Ravikumar, (2020). [10]

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		growth pattern in crop and non-crop.	providing crop and non-crop loans in Tamil Nadu.	
4	Profitability analysis of RRBs.	The paper focuses on Rural banking in India which has traditionally been a difficult sector to operate in due to the vast geographical spread of rural areas and the low density of the population.	The conclusion shows the profitability and growth of RRBs.	Kumar et al., (2022). [11]
5	Future-oriented outlook of RRBs.	The study appreciates the present circumstances of these banks and how beneficial they are for rural progress and people.	The outcome shows how rural or background development has taken place in recent years.	Ingale, (2021). [12]
6	A Study On NE region of India.	A core study was on four RRBs in the northeastern part of India. The working capacity and performance were measured by using the CAMELS Model.	It helps to conclude the best bank in the NE region by ranking them using the CAMELS model.	Das, (2020). [13]
7	The Impact of Financial Leverage & Return on Assets on Banks' Profitability.	The impact of both financial leverage and return on assets has a significant impact on banks' profitability.	The findings suggest that policy measures that aim to improve these two factors can lead to improved performance in the banking sector.	Khan, (2022). [14]
8	The role of the bank and its performance.	The banking industry's financial operations are important catalysts for accelerating socio-economic growth.	The Indian economy has been growing at a rapid pace, making it one of the most attractive markets for banks.	Haralayya & Aithal, (2021). [15]
9	The banking industry in India and its tremendous growth.	Focuses on banking industry development and its importance for economic growth	The banking industry will play an important role in the country's development and the economy's growth.	Haralayya & Aithal, (2021). [16]

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		and how important it is.		
10	Performances of banking.	Focuses on working on Camels rating model for evaluating the financial performance of banking.	The framework is used to analyse a bank's financial position.	Aspal & Dhawan, (2016). [17]
11	A study on Andhra Pradesh Grameena Vikas Bank in Andhra Pradesh.	Analysed how the bank has helped many who were in need and provided financial support to agriculturists and its function in various identified potential areas.	The study on Andhra Pradesh Grameena Vikas Bank in Andhra Pradesh shows the functions of banks in its rural area.	Rao & Rao, (2014). [18]

3. RESEARCH GAP :

The evidence gaps in research are to fully understand how rural banks are impacting rural areas. However, the study above has provided some insight into the matter. By observing different banks from different areas, it is clear that rural financial institutions are positively impacting the standard of living and development of rural areas.

4. RESEARCH AGENDA :

This research aimed to investigate the growth of rural banks in the economy and financial development. The study used the CAMELS model to examine the different contributing factors. The findings showed that rural development increased access to financial services. However, some challenges still need to be addressed, such as the lack of infrastructure and the need for more effective regulation.

5. OBJECTIVES :

(1) To review the operation of RRBs in the South region. The study will assess the performance of the RRBs in terms of their financial performance and impact on the rural economy.

(2) To assess the productivity of RRB based on the branch and employees.

(3) To analyse the CAMEL model parameters concerning RRBs. Comparability of capital adequacy, asset quality, management efficiency, earnings quality and liquidity position of each bank using the CAMELS model.

(4) To Compare and rank the operations of the selected banks for two consecutive years (2021 and 2020). The variety of indicators to assess the performance of the banks, including Capital Adequacy Ratio, Asset quality, management quality, Earnings quality and liquidity. Based on this analysis, the ranking will be provided in terms of their overall performance.

(5) To analyse and take into account the unique strengths, weaknesses, opportunities and threats (SWOT) of rural banks. The study will make suggestions on how to address these challenges and improve the performance of the RRBs.

6. RESEARCH METHODOLOGY :

Sources of data

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The chosen study is based on analytical research and is based on secondary data. The data is collected from the annual reports of the selected RRBs. The data length of the study is limited to RRBs functioning in South India. The study's primary goal is to ascertain how financial inclusion has affected the Indian RRBs' financial operations.

Period of the study

The current paper studies the functioning of the selected Regional Rural Banks (RRBs) which cover six states and a total of 10 RRBs from the southern region of India for 2 years from 31-03-2020 and 31-03-2021.

7. SOUTH EASTERN PART OF RRBS :

RRBs were set up in 1975 to provide credit and banking services to the country's rural areas. Over the years, they have become an important part of the banking system in India and have played a vital role in taking banking services to the rural. The recapitalisation and amalgamation of regional rural banks (RRBs) is a way to improve the financial health of these banks. These steps have helped to improve the financial position of RRBs and have strengthened their balance sheets.

Rural banking is slowly but surely will gain momentum which is framed by the recent addition towards banking sectors such as financial inclusion, agricultural banking, microfinance, rural lending and rural development. The Southern part of India is Comprising 19.31% of India's area, it is home to 20% of the country's population. The region is characterized by a tropical climate, and its terrain includes the Western Ghats, the Eastern Ghats, and the coastal plains. The data has been analysed using various ratios of the CAMEL model to draw out inferences. The study seeks to answer the question of whether banks are becoming more efficient in their quest for solvency and liquidity. The total number of branches of the southern region Part of Indian banks is 5276. The districts covered by these banks are 137. The following is a list of the names, the number of branches and number of Staff, number of Districts, Sponsor Bank, Per Branch Productivity and Per Employee Productivity. The list also specifies the number of staff and the district covered by each branch.

The Branch productivity specifies (Total Deposits + Gross Advances)/Total No. of branches and Staff Productivity = (Total Deposits + Gross Advances)/Total No. of Staff

Table 2: RRBs as on 31 MARCH 2021 [19] [20].

RRBs as on 31 MARCH 2021							
State	**Name of RRB**	**No of Branches**	**No. of Staff**	**No. of Districts**	**Sponsor Bank**	**Per Branch Productivity**	**Per Employee Productivity**
Andhra Pradesh	Andhra Pragati Grameena Bank	552	2704	5	Canara Bank	6,637.59	1,355.01
	Chaitanya Godavari Grameena Bank	222	1053	3	Union Bank of India	5,773.42	1,217.19
	Saptagiri Grameena Bank	225	890	2	Indian Bank	6,527.72	1,650.27
Karnataka	Karnataka Gramin Bank	1134	5011	21	Canara Bank	4,837.35	1,094.70
	Karnataka Vikas Grameena Bank	629	3357	9	Canara Bank	4,422.58	828.66
Kerala	Kerala Gramin Bank	634	3458	14	Canara Bank	6,089.47	1,116.46
Puducherry	Puduvai Bharathiyar Grama Bank	44	127	4	Indian Bank	3,934.94	1,363.29

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Tamil Nadu	Tamil Nadu Grama Bank	640	2563	37	Indian Bank	4,777.82	1,193.06
Telangana	Andhra Pradesh Grameena Vikas Bank	775	3239	24	State Bank of India	5,677.25	1,358.40
	Telangana Grameena Bank	424	1730	18	State Bank of India	4,767.20	1,168.38

(Source: Compiled by the Researcher)

Comments:

The data shows that Tamil Nadu Grama Bank has the highest number of districts covered. However, if we compare state-wise, Telangana has the highest number of districts. Karnataka Gramin Bank has the highest number of branches out of all the banks. A total of 1763 branches are located in Karnataka. Based on per branch productivity and per employee productivity, it can be concluded that Andhra Pragati Grameena Bank is the most productive bank in terms of branch productivity and Saptagiri Grameena Bank is the most efficient in terms of employee productivity. This indicates that the state of Andhra Pradesh is faring well in terms of banking productivity.

8. CAMEL MODEL PARAMETERS :

The model was introduced by the Federal Financial Institution Examination Council (USA) in the year 1979 and is currently used by most regulatory bodies around the world. The CAMELS rating model is a comprehensive tool that takes into account the various aspects of a bank's operations to market risk [21]. The model has been in use since the early 1990s and has been updated several times since then. The most recent update, which was released in 2019, included a new parameter: the sensitivity ratio. The prime objective of the model in this regard is to boost the quality of banks and to manage the assurance and correctness of the banking system [22]. The Central Bank's "CAMEL" model is designed to control the operation of banks, grade and accordingly progress their effectiveness [23]. Any weakness, mistake and carelessness in banking activity can have a ripple effect on the economy. It is, therefore, important to identify these defects and inefficiencies and take steps to solve them which can be assessed and monitored through the CAMELS approach. (Majumder & Rahman, 2017)

(1) Capital adequacy ratio is a measurement of a bank's capital regarding its threat. A higher ratio points out that a bank has a higher capacity to undertake forthcoming unanticipated losses [24].

(2) In measuring the quality of banking assets, one important metric is the non-performing asset rate. This ratio measures the percentage of a bank's loans that are not being repaid and are therefore at risk of default. A high non-performing asset rate indicates that a bank has a large number of loans that are not being repaid, which can impact the financial health of the bank [24].

(3) The management quality in financial institutions needs high-quality management to promote sustainable growth in the long run. This means that the management team must be able to effectively and efficiently execute the institution's strategy. Furthermore, they must be able to adapt to changes in the marketplace and regulatory environment.

(4) Earnings quality is the aspect which decides a company's capability to pay back its debts. This is because earnings quality is a measure of how well a company generates profits, and profits are the primary source of funds available to repay debts [24].

(5) The liquidity is its capacity to meet its commitment as and when held to maturity. A lack of liquidity can lead to insolvency, which is when a financial institution is unable to meet its financial obligations.

9. RESULTS AND DISCUSSIONS :

The annual report is measured and taken from the selected Southern region of India for the CAMEL model to measure and examine.

9.1 Capital Adequacy Ratio:

In a rapidly changing environment, the soundness of a financial institution depends not only on the level of its capital but also on the quality of that capital. This is because, when a company has a high CAR, its shareholders' equity is also high. As a result, the company can meet its financial obligations more

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easily and have a better chance of surviving during tough economic times. This ratio, also known as the CET1 ratio, is a key metric used by regulators to assess a bank's financial stability. Common Equity Tier 1 capital is a measure of a bank's core capital, which consists of equity (i.e., shareholdings) and retained earnings. Risk-weighted assets are a measure of a bank's exposure to risk.

Table 3: Capital Adequacy Ratio [19] [20].

Capital Adequacy Ratio		2021		2020	
State	Name of RRB	CAR (%)	Rank	CAR (%)	Rank
Andhra Pradesh	Andhra Pragati Grameena Bank	17.15	2	17.75	1
	Chaitanya Godavari Grameena Bank	12.41	5	11.5	8
	Saptagiri Grameena Bank	13.49	3	14.09	4
Karnataka	Karnataka Gramin Bank	11.74	8	12.38	5
	Karnataka Vikas Grameena Bank	10.37	9	10.69	9
Kerala	Kerala Gramin Bank	6.57	10	7.18	10
Puducherry	Puduvai Bharathiyar Grama Bank	11.98	7	12.08	6
Tamil Nadu	Tamil Nadu Grama Bank	12.21	6	14.18	3
Telangana	Andhra Pradesh Grameena Vikas Bank	19.27	1	16.15	2
	Telangana Grameena Bank	12.59	4	11.63	7
Mean		12.778		12.763	
SD		3.4691139		2.964044	
Variance		12.034751		8.785557	

(Source: Compiled by the Researcher)

Comments:

Out of the above-mentioned Calculation, it can be perceived that the Capital Adequacy Ratio of Andhra Pradesh Grameen Vikas Bank- Telangana has top-ranking in 2021 while comparing last year it has improved its rank from second to rank one. Andhra Pragati Grameen bank has the second rank followed by Saptagiri Grameen Bank in the year 2021.

9.2 Asset Quality:

The lower ratio of non-performing assets (NPAs) to net advances, the more creditworthy the borrower is considered to be. A high ratio indicates that a large portion of the loan portfolio is at risk of default, which can hurt the bank's financial health.

Table 4: Asset Quality [19] [20].

Asset Quality		2021		2020	
State	Name of RRB	AQR(%)	Rank	AQR(%)	Rank
Andhra Pradesh	Andhra Pragati Grameena Bank	0	3	0	2.5
	Chaitanya Godavari Grameena Bank	0	3	0.23	5
	Saptagiri Grameena Bank	0	3	0	2.5
Karnataka	Karnataka Gramin Bank	8.59	9	5.83	9
	Karnataka Vikas Grameena Bank	9.66	10	7.9	10
Kerala	Kerala Gramin Bank	1.41	8	2.51	8
Puducherry	Puduvai Bharathiyar Grama Bank	0	3	0	2.5
Tamil Nadu	Tamil Nadu Grama Bank	0.62	7	0.91	7
Telangana	Andhra Pradesh Grameena Vikas Bank	0	3	0	2.5
	Telangana Grameena Bank	0.23	6	0.41	6

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Mean	2.051		1.779	
SD	3.7633		2.8304	
Variance	14.163		8.0111	

(Source: Compiled by the Researcher)

Comments:

In terms of asset quality, all 4 RRBs stand in the same line as compared to the rest of the RRBs in the year 2021.

9.3 Management Quality:

The ratio is studied by dividing total advances by total deposits. A higher ratio signifies that the institution is better able to generate income from its assets.

Table 5: Management Quality [19] [20].

Management Quality					
State	**Name of RRB**	**2021**		**2020**	
		CD Ratio (%)	Rank	CD Ratio (%)	Rank
Andhra Pradesh	Andhra Pragati Grameena Bank	98.79	4	95.3	3
	Chaitanya Godavari Grameena Bank	95.99	5	93.62	5
	Saptagiri Grameena Bank	82.95	8	83.67	8
Karnataka	Karnataka Gramin Bank	76.56	9	75.56	9
	Karnataka Vikas Grameena Bank	72.79	10	73.07	10
Kerala	Kerala Gramin Bank	91.59	7	93.07	6
Puducherry	Puduvai Bharathiyar Grama Bank	93.39	6	84.92	7
Tamil Nadu	Tamil Nadu Grama Bank	105.79	1	98.57	2
Telangana	Andhra Pradesh Grameena Vikas Bank	101.47	2	104.47	1
	Telangana Grameena Bank	99.95	3	94.39	4
Mean		91.927		89.664	
SD		11.03750581		10.069768	
Variance		121.8265344		101.400227	

(Source: Compiled by the Researcher)

Comments:

In terms of management quality, Tamil Nadu Grama Bank possesses the highest ranking which means that in terms of conversion of the total deposits into a more profitable avenue such as loans, advances and other banking products.

9.4 Earnings Quality Ratio:

One way to measure earnings quality is the earnings quality ratio, which is calculated by dividing net margin by the operating margin. A high-earnings quality ratio indicates that a company is generating a lot of profit relative to its sales.

Table 6: Earnings Quality Ratio [19] [20].

Earnings Quality Ratio					
State	**Name of RRB**	**2021**		**2020**	
		Net margin Ratio	Rank	Net margin Ratio	Rank
Andhra Pradesh	Andhra Pragati Grameena Bank	1.14	4	1.34	4
	Chaitanya Godavari Grameena Bank	1.08	5	0.94	5

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	Saptagiri Grameena Bank	1.6	3	1.63	2
Karnataka	Karnataka Gramin Bank	0.04	9	0.05	8
	Karnataka Vikas Grameena Bank	-3.24	10	0.03	9
Kerala	Kerala Gramin Bank	0.13	8	-0.21	10
Puducherry	Puduvai Bharathiyar Grama Bank	0.86	7	0.67	7
Tamil Nadu	Tamil Nadu Grama Bank	0.88	6	0.77	6
Telangana	Andhra Pradesh Grameena Vikas Bank	3	1	2.21	1
	Telangana Grameena Bank	1.94	2	1.36	3
Mean		0.743		0.879	
SD		1.643140962		0.77693772	
Variance		2.699912222		0.60363222	

(Source: Compiled by the Researcher)

Comments:

In terms of Business per Employee, Andhra Pradesh Grameena Vikas bank holds the number one rank for both the years 2020 and 2021, which adds up to that the productivity and contribution of the employee concerning the bank are significantly better and thus aid positively towards the growth of the bank as compared to the rest of the RRBs.

9.5 Liquidity:

A ratio indicates competence to meet short-term obligations. It is a comprehensive measure of an institution's overall liquidity position and the most common ratio is the Quick Ratio.

Table 7: Liquidity [19] [20].

Liquidity					
State	**Name of RRB**	**2021**		**2020**	
		LR (%)	Rank	LR (%)	Rank
Andhra Pradesh	Andhra Pragati Grameena Bank	2.85	8	4.86	3
	Chaitanya Godavari Grameena Bank	5.24	1	5.27	2
	Saptagiri Grameena Bank	2.26	10	2.96	7
Karnataka	Karnataka Gramin Bank	3.27	4	3.02	6
	Karnataka Vikas Grameena Bank	3.49	3	6.12	1
Kerala	Kerala Gramin Bank	3.68	2	2.7	9
Puducherry	Puduvai Bharathiyar Grama Bank	3.16	6	3.98	5
Tamil Nadu	Tamil Nadu Grama Bank	3.22	5	4.06	4
Telangana	Andhra Pradesh Grameena Vikas Bank	2.85	8	2.16	10
	Telangana Grameena Bank	2.92	7	2.95	8
Mean		3.294		3.808	
SD		0.788926134		1.27812189	
Variance		0.622404444		1.63359556	

(Source: Compiled by the Researcher)

Comments:

In terms of Liquid Asset to Total Asset Ratio, Chaitanya Godavari Grameena Bank obtain the number one rank which means that the liquidity position of Chaitanya Godavari Grameena Bank is very high

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and it is regarded reached any forthcoming uncertainties. Kerala Gramin Bank holds the second rank followed by Karnataka Vikas Grameena Bank third and Karnataka Gramin Bank fourth respectively in the year 2021. Whereas in the year 2020 Karnataka Vikas Grameena Bank scored the number one rank, subsequently followed by Chaitanya Godavari Grameena Bank.

10. SWOC ANALYSIS OF RURAL BANKS :

The SWOT Analysis is a strategic planning tool that can be used by the banking industry to assess its strengths, weaknesses, opportunities, and threats [25]. It is a helpful tool to use when planning for business growth or expansion [26]. The information gathered through a SWOT Analysis can be used to make informed decisions about where to focus your resources and energies [27]. The primary challenge for a rural bank is the small size of the potential market. This can make it difficult to generate the necessary revenue to sustain the business. Additionally, rural banks often have to compete with larger, more established banks that have more resources.

However, there are also several opportunities that a rural bank can take advantage of [28]. For example, the rural population is often underserved by the banking industry, so there is growth potential. Additionally, rural banks often have a strong relationship with the local community, which can be leveraged to attract new customers. The Marketing strategy of a rural bank should focus on these unique challenges and opportunities [29]. The strategy should aim to increase the bank's visibility in the rural community and attract.

Identification extant Strength	Tackle basic Weaknesses
- Better knowledge and compassion between bankers and rural area population. - Creates the finer loaning and advancing process - Ability to handle both deposit and interest level - Variety of schemes for better performance of rural areas	- Deficiency in up-gradation of the rural sector as a private bank - Under force to fascinate the deposit from more affluent society - Lack of Educating for the rural people on several factors - Lot of documentation on any loan proceedings
Accomplishing Opportunities	Evaluating probable Threat
- By admitting a rich section of the population. - To strengthen/ upgrade the quality of living in rural areas and better knowledge and education - Enlightening them about the job opportunities and their advantages to rural and backward areas	- The Poor do not have any savings as they earn daily - Lack of awareness of banking regulation - Loans given need to be diversified - Time-consuming as they delay in sanctioning of loans, they go opt some easier way to get funds.

11. OVERALL PERFORMANCE AND FINDINGS :

The APGVB and the CGBB have achieved strong growth in deposits and advances, and have maintained low levels of non-performing assets (NPAs). This paper primarily studied the effectiveness of all 10 RRBs in their performance and identified that from year-to-year the strategies of each bank set up are better. But to be run at the top each has to perform its strategy and overcome its weakness by seeking the opportunity.

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Table 8: Camel Composites Ranking.

CAMEL COMPOSITES RANKING			
State	**Name of RRB**	**Rank 2021**	**Rank 2020**
Andhra Pradesh	Andhra Pragati Grameena Bank	3	1
	Chaitanya Godavari Grameena Bank	2	5
	Saptagiri Grameena Bank	6	4
Karnataka	Karnataka Gramin Bank	9	8
	Karnataka Vikas Grameena Bank	10	9
Kerala	Kerala Gramin Bank	8	10
Puducherry	Puduvai Bharathiyar Grama Bank	7	6
Tamil Nadu	Tamil Nadu Grama Bank	5	3
Telangana	Andhra Pradesh Grameena Vikas Bank	1	2
	Telangana Grameena Bank	4	7

(Source: Compiled by the Researcher)

Comments:

Telangana Grameena Bank has improved from rank 7 to rank 4 in a gap of one year [30] [31]. Saptagiri Grameena Bank has ranked 6 where it had ranked 4 last year [32]. Even though LR (Rank) of KVGB is in position 3, the overall comparison makes it stand in 10th place. The AQR Rank, CD Rank, and Net margin Rank of KVGB are in 10th place [33]. From the overall observation, the Andhra Pradesh Grameen Vikas Bank (APGVB) and the Chaitanya Godavari Grameen Bank (CGBB) are two of the most successful rural banks on the list in the year 2021 and Andhra Pragati Grameena Bank and Andhra Pradesh Grameena Vikas Bank has ranked top. According to a recent study, these two banks have outperformed all other rural banks in the southern part of the country in terms of financial performance.

12. SUGGESTION :

The study was undertaken to understand the role played by RRBs in the rural development of the country and its addition to the overall economic development of the country [34] [35]. Few Grameena Bank has been ranked least they have been trying to revive their performance in recent years. However, the results have not been very encouraging. The bank has been lagging behind its peers in terms of financial performance and growth. To foster overall growth and productivity, they need to fine-tune their performance. It needs to take various measures to improve its performance. The bank should focus on increasing its reach in rural areas. It should also focus on deploying credit more efficiently.

13. SCOPE FOR FURTHER RESEARCH :

The selection of some banks might not provide a relevant status of the entire banking sector, so it would be beneficial to examine the long-term effectiveness of the RRB, as well as to have different periods, as in this particular study of all 10 banks. The recent rapid expansion of the use of electronic monitoring in this specific region, or all together can be examined which may impact its effectiveness. Accordingly, further research can undertake by assessing more banks from different parts of India.

14. CONCLUSION :

Banking has testified to an abundance of transformation in the preceding two decades. It is essential to assess the productivity of RRB based on the branch and employees to ensure that the company is running smoothly and efficiently. There are a variety of factors that contribute to productivity, such as the type of work, the working environment, and the individual employees themselves. By conducting a productivity assessment, we can identify areas that need improvement and make changes accordingly. Conducting a study to measure the overall achievement of selected regional rural banks (RRBs) using the CAMEL model was the main focus of this research. This study analyzed data from the RRBs' financial statements and used the CAMEL model to gauge their spectacle. The model is used by bank regulators to examine a bank's financial health and identify any areas of concern.

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In this study, we will compare the CAMEL ratings of each bank for two years and also by assessing the SWOT of a rural bank, so that decision-makers can develop a clear and actionable plan to navigate the challenges and capitalize on the opportunities faced by the bank. The outcome of this study would be beneficial for policymakers, bankers, and other stakeholders in understanding the financial health of RRBs and identifying areas for policymakers.

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