

Sarva Haryana Gramin Bank: Post Covid financial Overview

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Abstract:

The regional rural banks provides extension of ample banking services and other bank associated facilities such as credit for agriculture, promotion of rural savings, adoption of banking habits and self-reliance of rural masses through sufficient and significant distribution of funds. The Sarva Haryana Gramin bank is sole regional rural bank of Haryana state come into existence with some set objectives, motto of Sarva Samman Sarva Uthaan and a belief of Mahatma Gandhi i.e. the soul of India lives in its villages. The bank came into existence on dated 29th November, 2013 under Regional Rural Bank Act 1976 (No. 21 of 1976) on implication of Government of India notification no. 7/9/2011-RRB, sponsored by Punjab National Bank. The present study examines the financial performance of Bank before, during and post covid-19. The financial position of the bank is improved during Covid-19 pandemic phase in Haryana as the value of total income, net profit, and earning per share was remarkably high in the year 2021-22 while the accumulated value of non-performing assets is decreased in the same phase.

Introduction:

The provision of ordinance of formation of regional rural banks is promulgated in India on 26th September, 1975. The main object of establishment of regional rural banks was extension of ample banking services and other bank associated facilities such as credit for agriculture, promotion of rural savings, adoption of banking habits and self-reliance of rural masses through sufficient and significant distribution of funds. Therefore, taking a serious note on importance of regional rural banks an act has been passed in the year 1976 for smooth conduct of provisions. Presently, 43 regional rural banks are operative in India sponsored by 12 scheduled commercial banks with 21,856 branches across 26 states and 3 union territories of India includes 28.3 crore depositors and 2.6 crore borrowers and majority (92%) of its branches are operative in rural and semi urban area of India.

The reserve bank (Apex bank of India) is solely responsible for regulating regional rural banks in India. Out of 28 states and 8 union territories of India, Haryana holds 1.37% of total geographical area and about less than 2 % of India's population. Haryana has marched towards innovation

with hops and constraints, whether it is agriculture or industry, canal irrigation or rural electrification. In Haryana before November, 2013, 2 regional rural banks were operative namely Haryana Gramin Bank and Gurgaon Gramin Bank having 542 branches situated in rural, semi-rural and metropolitan areas. Both banks amalgamated into one bank named as Sarva Haryana Gramin Bank due to some shortcomings in both banks such as management, distribution of funds, adequate capital requirements. The new amalgamated bank came into existence on dated 29th November, 2013 under Regional Rural Bank Act 1976 (No. 21 of 1976) on implication of Government of India notification no. 7/9/2011-RRB, named as Sarva Haryana Gramin Bank (Head office at Rohtak) sponsored by Punjab National Bank.

The Sarva Haryana Gramin bank is sole regional rural bank of Haryana state come into existence with some set objectives, motto of Sarva Samman Sarva Uthaan and a belief of Mahatma Gandhi i.e. the soul of India lives in its villages. The prime objectives of bank are to overcome from above said shortcomings and improve the operational efficiency and viability of regional rural bank of Haryana. Presently, the Sarva Haryana Gramin bank work through a highest network of 668 branches, 1200 business correspondent centres, catering the need of approximately sixty lakhs customers with a business of more than Rs. 31,000 crore.

Objectives of the study:

To examine financial performance of Sarva Haryana Gramin Bank before during and post covid-19.

Research methodology:

The study period for evaluation of financial performance is 4 years (from 2018-19 to 2019-20 before covid-19 and 2020-21 and 2021-22 during covid-19 pandemic); 2 financial years before covid-19 pandemic and 2 financial years including covid-19 pandemic through Coefficient of Variation. The present work is based on published secondary data collected from annual reports and financial statements of NABARD and Sarva Haryana Gramin Bank.

$$\text{Standard deviation} = \frac{\text{IN}}{\sqrt{\frac{\sum (X_i - \bar{X})^2}{N-1}}}$$

From standard deviation, coefficient of variation has been calculated to find variability:

$$C.V = (\text{Standard Deviation} / \text{Mean}) * 100$$

Significance of the study:

The present study examines the financial performance of Sarva Haryana Gramin Bank that helpful for policy planners and all stakeholders. If the results seems positive it will help in linking potential customers with bank and if the results seems negative it will suggest improvement in bank policies and procedures.

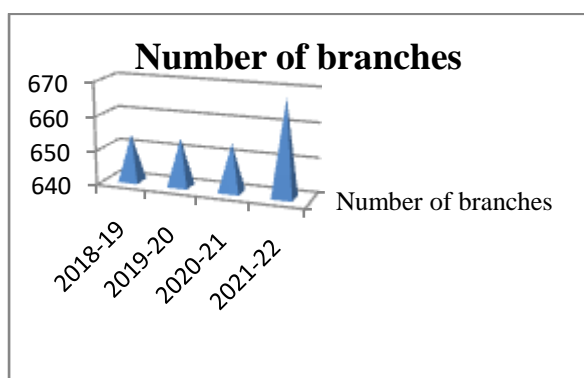
Results and discussion

The present study explores the changes in financial position of the Sarva Haryana Gramin Bank during and before Covid-19 pandemic phase in Haryana. For this purpose published data of the bank was utilized for find out the results.

Number of branches under Sarva Haryana Gramin Bank

Year	Number of branches
2018-19	654
2019-20	654
2020-21	654
2021-22	668

Source: Published date of Sarva Haryana Gramin Bank (www.shgb.co.in)



The number of branches of Sarva Haryana Gramin bank was 654 in the year 2018-19, which was same in upcoming two financial years 2019-20 and 2020-21, in the year 2021-22 the number of branches was increased 668 because people adopt more banking habits as previous due to Covid-19 circumstances. It shows a success of bank as more and more branches explore more growth and bright future of bank in Haryana.

The total income, expenditure, profit and earning per share of the Sarva Haryana Gramin bank for the years 2018-19, 2019-20, 2020-21 and 2021-22. In the year 2018-19 total income of the bank was Rs. 14,27,94,53,486, total expenditure was Rs. 15,10,97,44,924 and profit of the bank was negative Rs. -83,02,91,438; therefore the earning per share was Rs. -17.94. In the year 2019-20 the values of total income, total expenditure, profit and earning per share was slightly changed from previous figures. Due to control over expenditure and increased income value of profit was Rs. 2,97,90,636 and showed a positive value for earning per share which was Rs. 1 per share. In the next financial year during Covid-19 the financial position of the Sarva Haryana Gramin Bank was changed remarkably as the value of profit was high as compare to previous year which was Rs. 18,30,16,056 and also shows a positive sign of increase in income. The value of earning per share was 3.95 which were highly appreciable. The financial data of the bank in the year 2020-21 during Covid-19 pandemic shows a positive financial growth. In the next financial year 2021-22 during Covid-19 second phase, the financial position of the bank was appreciably high. In this year the profit of the bank was Rs. 1,40,73,22,431 and the earning per share of the bank was remarkable in the history of Sarva Haryana Gramin bank which was Rs. 30.41. The coefficient of variation of profit was negative 152 percent in 2018-19 and 2019-20 while +109 percent in the year 2020-21 and 2021-22 same will followed in case of earning per share.

The financial data of bank shows a very positive and appreciable position during covid-19 phase as compare to previous years. It becomes possible due to adoption of banking habit of people, awareness regarding financial position and cut off in expenditure of the bank.

The financial position of bank in the year 2018-19 as follows: the advances granted by bank was Rs. 91495235753, the deposit of the bank was Rs. 1,45,47,56,57,580 (the deposit of bank includes demand deposit plus term deposit and saving bank deposit), the credit deposit ratio of the bank was 65.79 %. In the next financial year 2019-20 the financial position of the bank was changed in positive direction but slightly as value of advances and deposit within the bank was slightly high but the credit deposit ratio was gone down as 62.66% and the Non-performing assets of the bank was Rs. 1173.40 lakhs. In the next financial year 2020-21 during Covid-19 pandemic the financial position of bank was changed as value of deposit and advances were high and the credit deposit ratio of the bank was 60.53% and the value of non-performing assets goes down with net figure of Rs. 998.54 lakhs. In the next financial year during covid-19 second phase the value of advances, deposit was also changed in positive way; the credit deposit ratio of the bank was

63.85% while the value of non-performing assets was goes down of Rs. 850.45 lakhs. The coefficient of variation of credit deposit ratio was 3 percent in the year 2018-19 and 2019-20 while it was 4 percent in the year 2020-21 and 2021-22.

In overall the financial position of the bank was gaining a positive signs of growth during and after covid-19 pandemic position in India. The decreased value of non-performing assets and a standard position of credit deposit ratio show growth of bank in Haryana as public adoption of banking habit changed since demonetization 2016 and Digital India concept.

Conclusion

The Sarva Haryana Gramin bank is sole regional rural bank of Haryana state come into existence with some set objectives, motto of Sarva Samman Sarva Uthaan and a belief of Mahatma Gandhi i.e. the soul of India lives in its villages. The prime objectives of bank are to overcome from above said shortcomings and improve the operational efficiency and viability of regional rural bank of Haryana. During and post covid-19 high variation in profit and earning per share is found. In the conclusion the financial position of the bank is improved during Covid-19 pandemic phase in Haryana as the value of total income, net profit, and earning per share was

remarkably high in the year 2021-22 while the accumulated value of non-performing assets is decreased in the same phase. The advances, deposit and credit deposit ratio is also significantly considerable during covid-19 phase. All the positive changes becomes possible due to sincere efforts of bank, adoption of people banking habits, e banking, sponsored bank efforts and awareness of rural mass.

References

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Working Note:

Total income, expenditure, profit and earning per share of Sarva Haryana Gramin Bank

Year	Total Income Rs.	Expenditure Rs.	Profit Rs.	Earnings per share
2018-19	14,27,94,53,486	15,10,97,44,924	-83,02,91,438	-17.94
2019-20	15,90,92,18,088	15,87,89,76,770	2,97,90,636	1
2020-21	18813799229	18630783173	18,30,16,056	3.95
2021-22	19692210763	17863148977	1,40,73,22,431	30.41

Source: Published date of Sarva Haryana Gramin Bank (www.shgb.co.in)

Coefficient of variation in profit and earning per share

Year	Coefficient of variation in profit	Coefficient of variation in EPS
2018-19	-152%	-152%
2019-20		
2020-21	+109%	+109%
2021-22		

Advances, deposit, C-D ratio and NPA of the Sarva Haryana Gramin Bank.

Year	Advances Rs.	Deposit Rs. crore (DD, term deposit, saving bank deposits)	C-D ratio	Gross NPA Rs. Lakh during the year
2018-19	91495235753	1,45,47,56,57,580	65.79%	-----
2019-20	95745265015	1,61,89,12,46,213	62.66%	1173.40
2020-21	98387217269	176523584371.00	60.53%	998.54
2021-22	109843141479	185343581663.00	63.85%	850.45

Source: Published date of Sarva Haryana Gramin Bank (www.shgb.co.in)

The coefficient of variation of C-D ratio

Year	Coefficient of variation in C-D ratio	Coefficient of variation in NPA
2018-19	3%	---
2019-20		
2020-21	4%	11 %
2021-22		