



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

A FINANCIAL ANALYTICAL STUDY OF BARODA U.P. BANK

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ABSTRACT

Baroda U.P. Bank was established in India under RRB Act 1976 U/S 23(1) and Govt of India notification no. 3837 dated 26.11.2019. Command area of bank spreads in 31 districts of Uttar Pradesh. Bank is Committed to provide banking services with care, competence and compassion towards its customers in rural sector of Uttar Pradesh. Bank is shaping its commitment with financial as well as social spirit. It is proved by Programmes, Annual Reports and Balance Sheets of the bank.

KEYWORDS

Baroda U.P. Bank, Social Banking, Mobile Banking, Smart Banking, Financial Literacy

- Baroda U.P. Bank

It is regional rural bank working in Uttar Pradesh. It came into existence as on 01.04.2020 by the amalgamation of three banks i.e. Baroda Uttar Pradesh Gramin Bank, Purvanchal Bank and Kashi Gomti Samyut Gramin Bank.

- Social Banking

Bank intends to serve with rural poor, down trodden, neglected sector of society in every nook and corner of the command area.

- Mobile Banking

Mobile Phone is a gadget having reach in large number of families in urban as well as rural areas. Bank intends to provide banking services at every palm through mobile phones named as mobile banking.

- Smart Banking

It means banking without visiting a bank branch.

- Financial Literacy

It is a combination of financial awareness, knowledge, skills, attitude and behaviour which is essential to make sound financial decisions and ultimately achieve the individual financial well-being.

OBJECTIVE

- To study the Baroda U.P. Bank.
- To study the financial service products by Baroda U.P. Bank.
- To study the deposits, advances, net profit, NPA of Baroda U.P. Bank.
- To study the financial performance by Baroda U.P. Bank
- To present conclusion and suggestion to improve the performance of Baroda U.P. Bank

INTRODUCTION

Indian villages lack basic banking facilities. To remove this disparity Indian government performed several steps i.e. Formulation of The Regional Rural Banks Act, 1976 and The Regional Rural Banks (Amendment) Act, 2015 etc. Several rural banks came into existence in every state of India under these statutory provisions. In Uttar Pradesh, Baroda U.P. Bank emerged as on 01.04.2020. This bank is performing in Uttar Pradesh to enrich the villagers and villages. Bank intends to provide 'Rays of Hope' to rural people by contributing socio-economic development with help of 'Baroda Sun'.

RIVIEW OF RELATED LITRATURE

- Union Finance Minister Smt. Nirmala Sitharaman in conclusive report of review summit of the Regional Rural Banks (2024) held at Vigyan Bhawan, New Delhi focused on RRBs work on business performance, upgrading digital technology services, and fostering business growth in MSME clusters.

The Union Finance Minister urged RRBs – with the active support of their Sponsor Banks – to put greater thrust on the clear identification of beneficiaries while sanctioning loans under various schemes such as PM Vishwakarma and PM Surya Ghar Muft Bijli Yojana. RRBs were also directed to increase their share in ground-level agriculture credit disbursement.

During review meeting, Smt. Sitharaman appreciated the RRBs for the improvement in their financial performance and technology upgrades, also urged the rural banks to continue the momentum in the future. RRBs have recorded the highest ever consolidated net profit of ₹7,571 crore in FY 2023-24. The Gross Non-Performing Assets (GNPA) ratio of 6.1% is the lowest in the previous 10 years.

Smt. Sitharaman also asked Sponsor Banks and RRBs to recognise the challenges ahead and to continue focusing on maintaining asset quality, expanding digital services, and ensuring robust corporate governance.*1

- Amar Nath Yadav, Sukhbir Singh (2023) in article "A Study of Regional Rural Banks : The Conundrum of Managing Inclusion with Sustainability" focuses on Inclusion with Sustainability by RRBs. It is created with the vision to expand banking services to the underprivileged population in rural areas sustainably and effectively. However, after a decade of inception, such institutions' financial viability and survival became questionable, which posed a serious concern for policymakers. As a result, the Government of India and its regulators initiated various policies in the late 1990s to make these institutions financially viable and self-sustainable in the long run. These policy interventions have successfully transformed the financial health of RRBs to some extent. However, in this process, it was widely discussed that the RRBs were moving away from their original mandate. However, no detailed study has been published so far to investigate this dimension. This paper tried to bridge this gap by exploring the performance of RRBs with respect to the objectives for which they were incorporated through evidence based on data. This study provides a comparison of the performance of RRBs with other banks at the service area level. The study observed that RRBs have remained true to their original mandate and are still doing relatively better in comparison to other commercial banks in their area of operation.*2
- Nirmala Sitharaman (2023) Finance Minister asks RRBs to remove duplication of PMJDY. During the review meeting with heads of RRBs, the finance minister emphasised the need to increase penetration under Pradhan Mantri MUDRA Yojana (PMMY) and financial inclusion and stated that a roadmap has to be prepared for completing the designated activities in a timebound manner.*3
- Chaurasia, Manorama (2022) in research work "Performance Appraisal of Regional Rural Bank in Eastern Uttar Pradesh With Special Reference to Kashi Gomti Samyut Gramin Bank" focuses on working of RRB in eastern U.P. Uttar Pradesh is the second largest economy in India after Maharashtra, with an estimated gross state domestic product of ₹14.89 lakh crore, and hence contributes 8.4 Percent of India's GDP. According to the report generated by India Brand Equity

Foundation (IBEF), in 2014-15, Uttar Pradesh has accounted for 19 Percent share in the country's total food grain output. Therefore, the formulation of effective plans and schemes are essential which could be beneficial to the farmers and weaker persons of the rural India also. If the poor people are not brought into mainstream of development, the total development of India will not be possible. To fulfil this aim, Regional Rural Banks (RRBs) were incorporated under a special Act named the Regional Rural Banks Act, 1976. Despite the fact that the act was passed in 1976, the GOI and the concerned state governments began establishing RRBs in 1975 after consultation with the sponsor banks; five RRBs were established on the date of Gandhi Jayanti i.e., October 2, 1975 and they have been playing a significant role in financing the weaker sections of the community in the rural areas and also in inculcating banking habit among rural masses. Being a rural financial institution, RRB's viability has also been under constant pressure. The mounting Non-Performing Assets (NPAs) of RRBs deter their financial health in terms of profitability, liquidity and economics of scale of operation. The poor recovery of rural loans and growing operating expenditure are the main stumbling blocks for their growth in profitability.*4

- Gupta, Vijay Kumar (2022) in research work “A Study of Financial Performance of Regional Rural Banks in Uttar Pradesh” focused on RRB in U.P. The Indian economy is based on village, and faithful India is found in villages. The backbone of the Indian economy is the village economy. RRBs were founded in India in 1975 to bring banking services to the doorsteps of rural people, particularly in areas where banking facilities are lacking. RRBs are commercial banks in general, but they follow cooperative ideas such as placement in regions, operating for rural populations in a restricted area, and so on. As a result, they are hybrid institutions. The Reserve Bank of India and the National Agricultural Bank for Rural Development (NABARD) are the two entities in charge of RRBs.*5
- Singh, Shailendra (2021) in thesis “Impact of Information Technology on Operational Efficiency and Financial Performance of Regional Rural Banks-A study of Regional Rural Banks in Western Uttar Pradesh” focuses on how IT sector impact on operational efficiency and financial performance of RRBs. Considering the framework of Regional Rural Banks in India and their contribution in the economic growth in general and rural economy. In particular, this research presents the impact of technology on the operational efficiency of the RRBs, and also whether the customers of RRBs were reaping the benefits of the technology in their day-to-day banking.*6
- Jai Prakash (2018) in thesis “A study of the Kashi Gomti Samyut Gramin bank regional rural bank in Varanasi district of Uttar Pradesh India” focuses on contribution of Kashi Gomti Samyut Gramin bank RRB in Varansi district of U.P. Farmers access to credit facilities is supposed to be an accelerator of agricultural development through a wide spread break away from traditional technology and by fostering the generalized adoption of developed and improved technology. This study provides an insight to the functioning of RRBs and problems associated with loan borrowers of RRBs.*7

BARODA U.P. BANK

Baroda U.P. Bank was incorporated on 01.04.2020 by the amalgamation of three former regional rural banks in Uttar Pradesh.*8

- 1.Baroda Uttar Pradesh Gramin Bank
- 2.Purvanchal Bank
- 3.Kashi Gomti Samyut Gramin Bank

1. Baroda Uttar Pradesh Gramin Bank was established under sub section 1 of Section 23 A of the Regional Rural Bank Act 1976 and Govt. of India notification dated 31.03.2008.*9



2. Purvanchal Bank was established by the powers conferred by sub-section (1) of section 23A of RRB Act 1976 and Government of India, by its notification in the Official Gazette.*10



3. Kashi Gomti Samyut Gramin bank came into existence in the year 2005. This bank was founded after merger of three regional rural banks, namely Kashi Gramin Bank, Samyukh Kshetriya Gramin Bank and Gomti Gramin Bank in Uttar Pradesh.*11



Presently, Baroda U.P. Bank under the sponsorship of Bank of Baroda working in Uttar Pradesh, Head office at A 498, Buddh Vihar, Rail Vihar Colony Phase 3rd, Taramandal, Gorakhpur, Uttar Pradesh 273016. It operates in 31 districts of Uttar Pradesh having Branch network of 1983. These Branches are managed by around 7000+ efficient work force under the control & supervision of 30 Regional offices and Head Office.*12

MISSION

Mission is to transform into a bank with sound financials committed to overall economic development of rural areas with care, competence and compassion towards its customers. *13

VISION

To stage a turnaround in profitability and NPA reduction, to double the flow of credit to agriculture, to achieve a quantum jump in savings bank deposit mobilisation, to ensure saturation of villages in our service area, to prepare a committed and knowledgeable workforce with a view to transforming the bank into the most preferred banking outlet in rural areas. *14

LOGO

The twin green leaf twigs encircling the Baroda Sun depicts our commitment to protect 'rays of hope' of rural people by contributing to socio-economic development of rural India.

Logo is a unique representation of a composite symbol. It comprises dual 'B' letterforms that hold the rays of the rising sun called Baroda Sun and it represents the Sponsor Bank – Bank of Baroda.*15



**BARODA U.P. BANK
ORGANIZATION STRUCTURE*16**



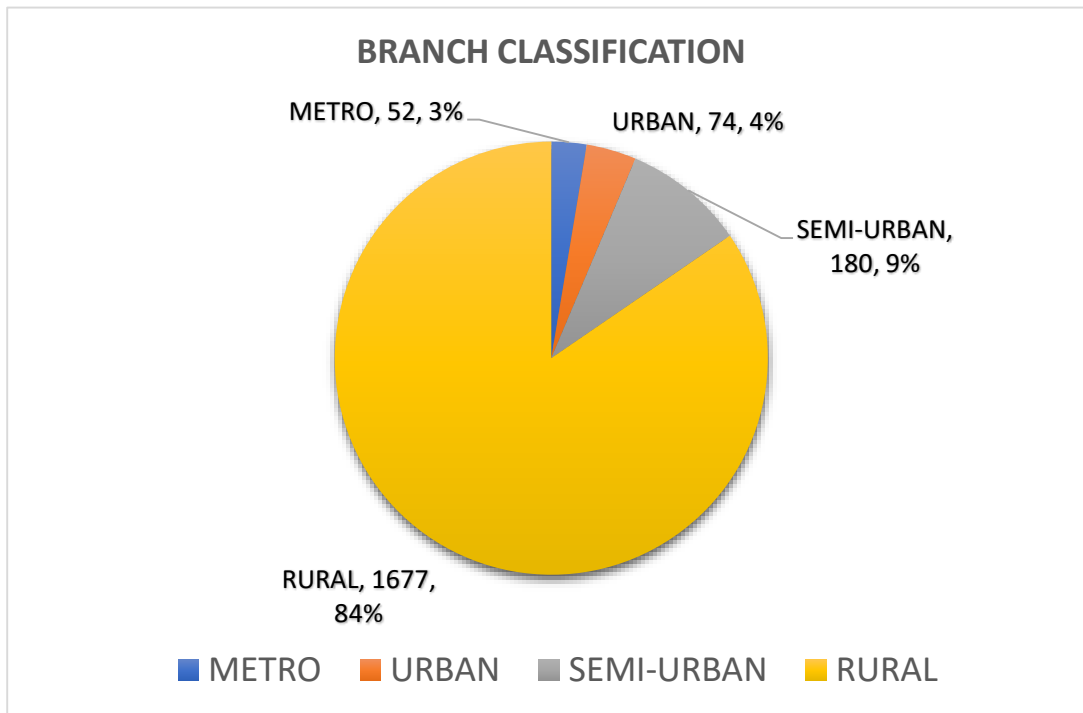
- Head Office – 01 (Gorakhpur), Regional Office – 30, Branches - 1983

**BARODA U.P. BANK
BOARD OF DIRECTORS*17**

Year	2020-21	2021-22	2022-23
Chairman	Shri Devinder Pal Grover	Shri Devinder Pal Grover	Shri Devinder Pal Grover
Nominees-Reserve Bank of India	Shri M.T. Munding Guite	Shri Sunil Kumar Das	Shri Sunil Kumar Das
Nominees-NABARD	Ms. Bidisha Dora	Shri Lalit Mohan Negi	Shri Lalit Mohan Negi
Nominees-Bank of Baroda	Shri Amarnath Gupta	Shri Amarnath Gupta	Shri Amarnath Gupta Shri Sushanta Kumar Mohanty
Nominees- Bank of Baroda	Shri Brajesh Kumar Singh	Shri Brajesh Kumar Singh	Shri Brajesh Kumar Singh
Nominees-Government Of UP	Shri Ram Krishna	Shri Ram Krishna	Shri Ram Krishna
Nominees- Government Of UP	Shri Shiv Shanker	Shri Shiv Shanker	Shri Shiv Shanker

**BARODA U.P. BANK
BRANCH CLASSIFICATION *18**

Total branches	Metro	Urban	Semi urban	Rural
1983	52	74	180	1677



SERVICES*19

Baroda UP Bank provides specific services to make financial dealings easy and convenient.

1. REMITTANCES

Baroda U.P. Bank provides remittance facility and transfer of funds through.

- Banker's Cheque
- Demand Draft
- Mail Transfer

2. COLLECTION SERVICES

- Outward Bills for Collection
- Time Bound Collection

3. LOCKERS

MOBILE BANKING

Customers are provided **BUPB M-Tarang** facility for mobile banking.

LOANS

- Home Loan
- Auto Finance / Car Loan
- Consumer Loans
- Other Loans
 - a) Purchase of old Tractors
 - b) Land Purchase Scheme
 - c) Consumer Loans for Salaried Persons
 - d) Marriage Loan
 - e) Rasoi Gas Muskan Yojna

SOCIAL SERVICES

1. Women and Men Self Help Group
2. Bank's Officials with Woman SHG
3. Farmers Club Programme

CREDIT SCHEMES

1. PMJJBY & PMSBY upgraded premium
2. Agriculture Finance Schemes
3. Personal Loan Schemes
4. Schemes under MSME sector
5. Retail Lending Schemes
6. Schemes under Priority Sector

DEPOSIT SCHEMES

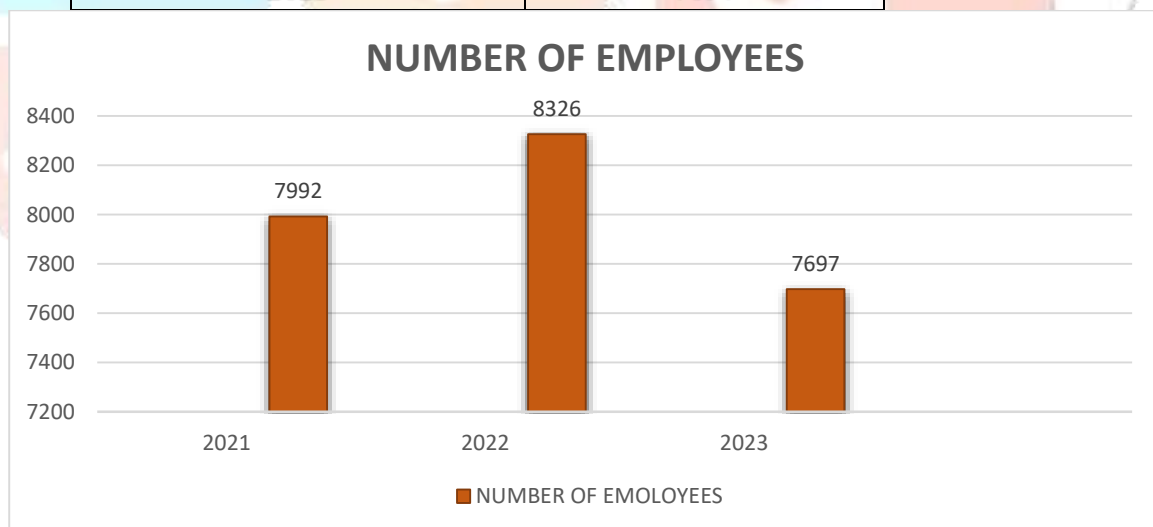
- BUPB Savings Deposit Scheme
- BUPB Current Deposit Scheme
- BUPB Recurring Deposit Scheme
- BUPB Fixed Deposit Scheme

MISS CALL FACILITY

Bank has introduced Missed Call facility for Balance Inquiry. All customers can get the balance of their accounts by just giving a missed call from their registered mobile number to: 9986454440.

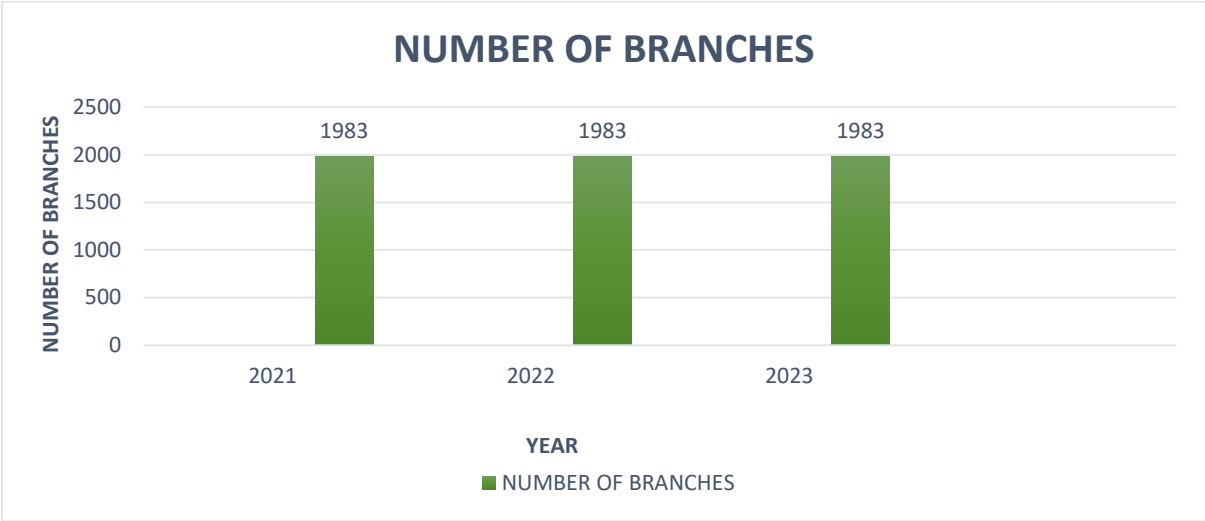
BARODA U.P. BANK
NUMBER OF EMPLOYEES*20

Year	Number Of Employees
2021	7992
2022	8326
2023	7697



BARODA U.P. BANK
NUMBER OF BRANCHES*21

Year	Number Of Branches
2021	1983
2022	1983
2023	1983



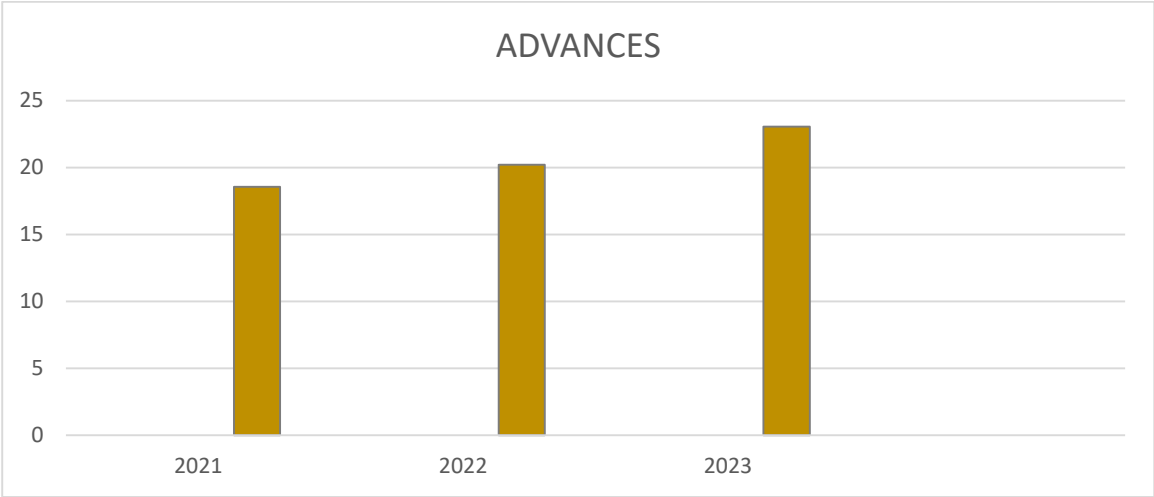
BARODA U.P. BANK
DEPOSITS*22

Year	Deposits In cr.
2021	52.39
2022	54.58
2023	59.55



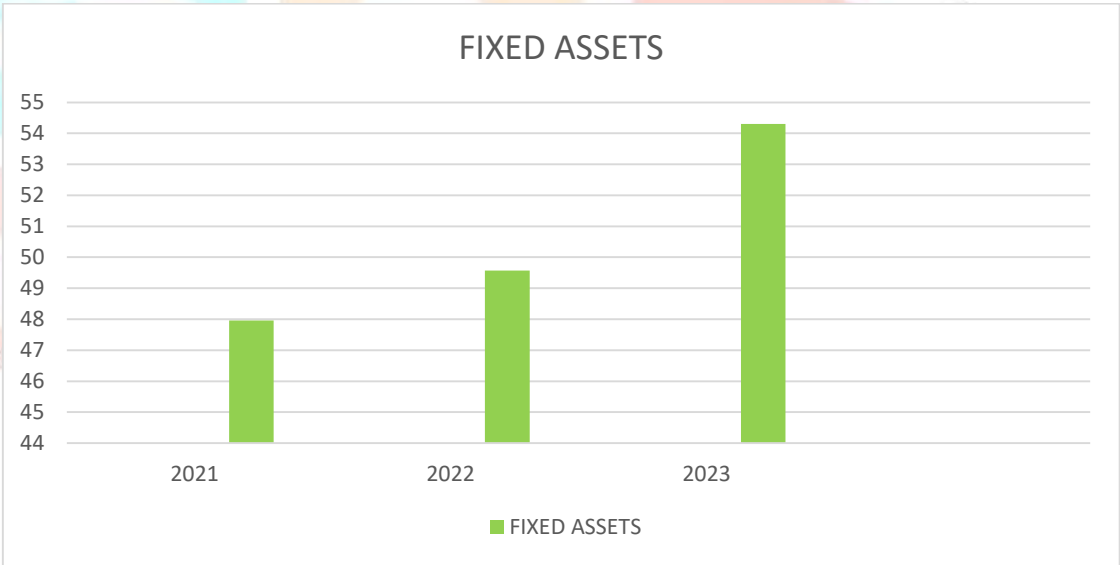
BARODA U.P. BANK
ADVANCES*23

Year	Advances In cr.
2021	18.57
2022	20.21
2023	23.05



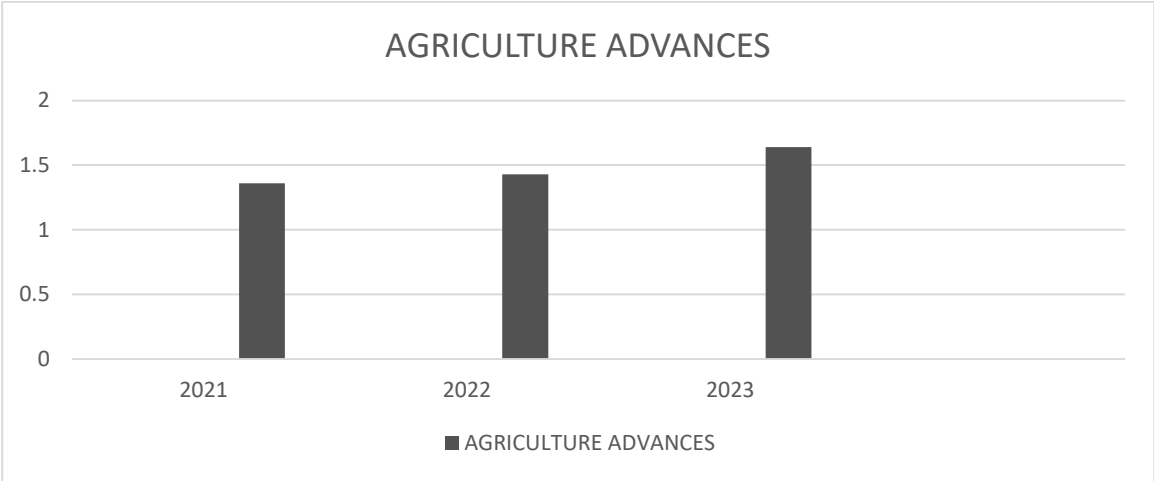
BARODA U.P. BANK
FIXED ASSETS*24

Year	Fixed Assets In cr.
2021	47.96
2022	49.57
2023	54.30



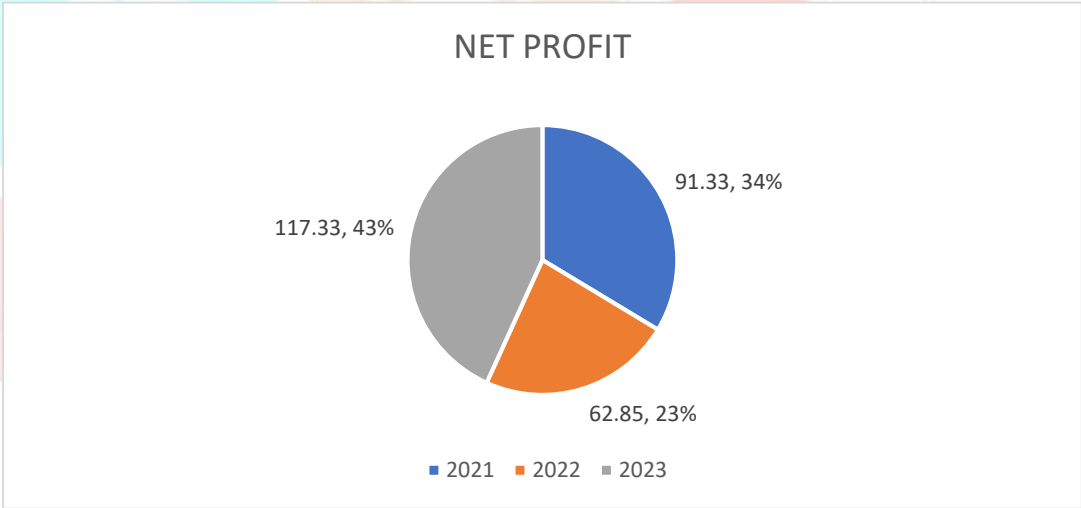
BARODA U.P. BANK
AGRICULTURE ADVANCES*25

Year	Agriculture Advances In cr.
2021	1.36
2022	1.43
2023	1.64



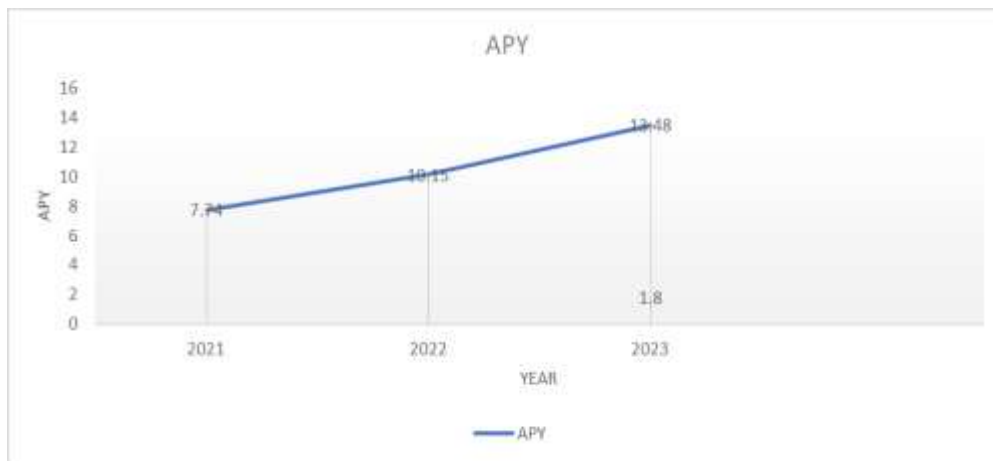
BARODA U.P. BANK
NET PROFIT*26

Year	Net Profit In cr.
2021	91.33
2022	62.85
2023	117.33



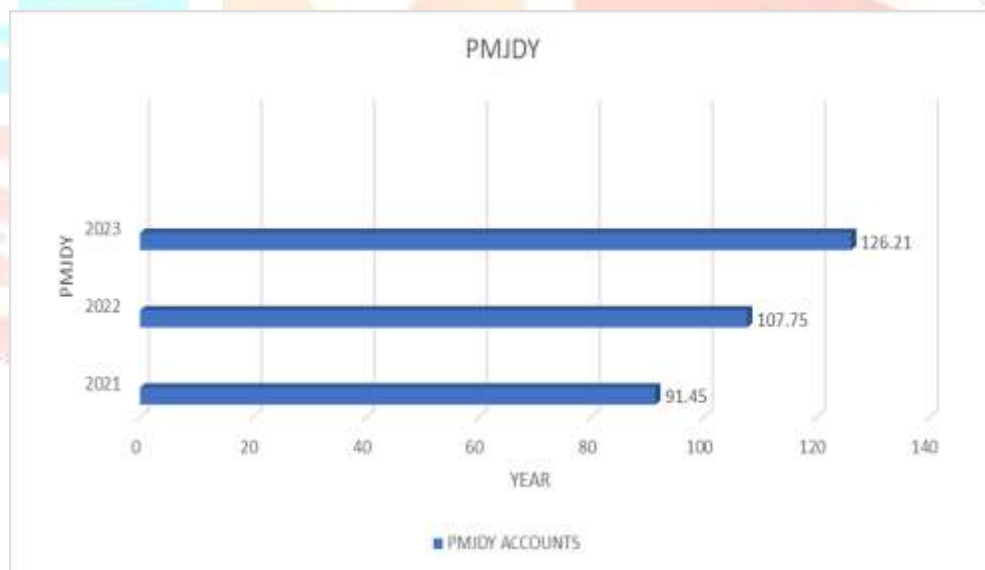
BARODA U.P. BANK
APY (ATAL PENSION YOJANA)*27

Year	APY In Lakhs
2021	7.74
2022	10.15
2023	13.48



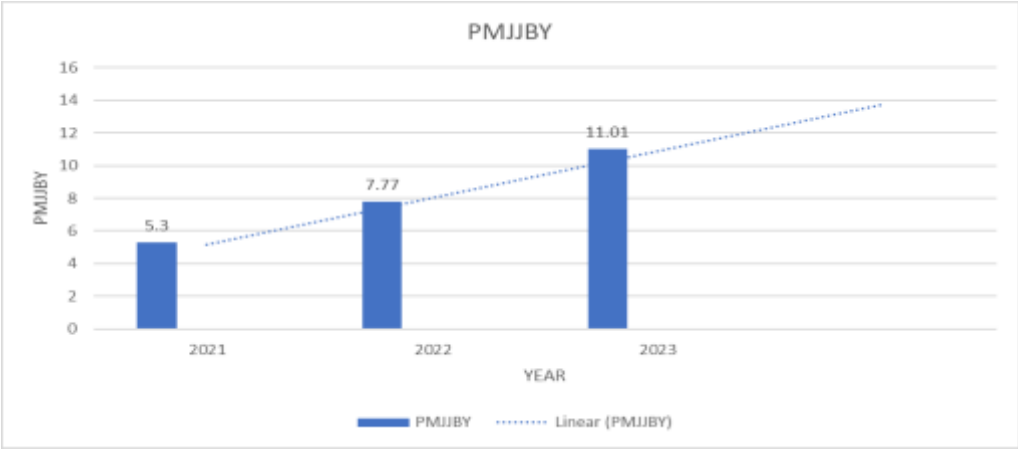
BARODA U.P. BANK
PMJDY (Pradhan Mantri Jan Dhan Yojana) Accounts*28

Year	PMJDY Accounts In thousand
2021	91.45
2022	107.75
2023	126.21



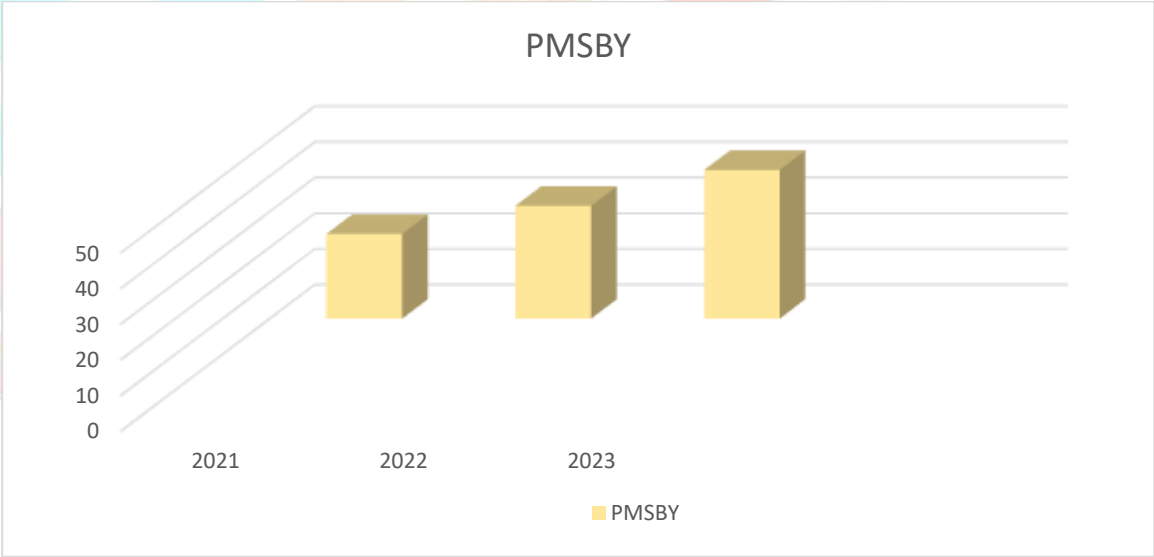
BARODA U.P. BANK
PMJJBY (Pradhan Mantri Jeevan Jyoti Bima Yojna)*29

Year	PMJJBY In lakhs
2021	5.3
2022	7.77
2023	11.01



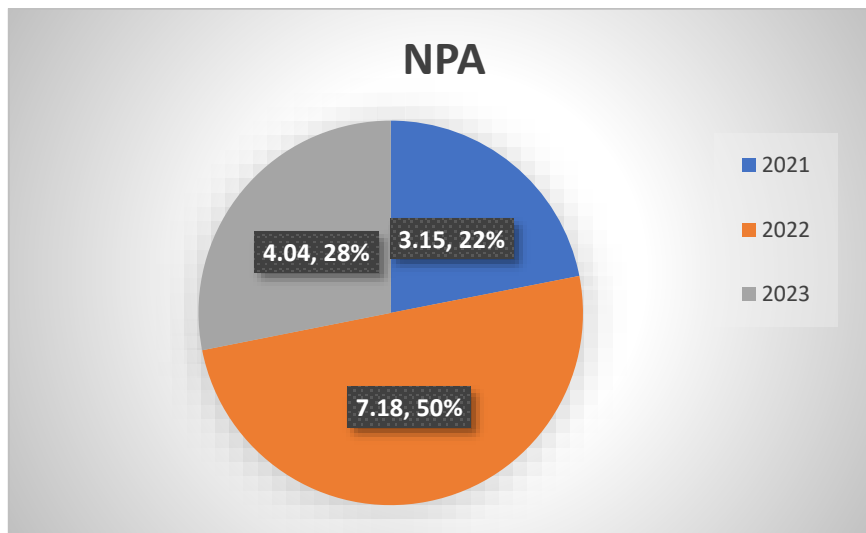
BARODA U.P. BANK
PMSBY (Pradhan Mantri Suraksha Bima Yojana)*30

Year	PMSBY In lakhs
2021	23.75
2022	31.65
2023	41.73



BARODA U.P. BANK
NPA*31

Year	NPA In Percent
2021	3.51
2022	7.18
2023	4.04



CONCLUSIONS

1. Baroda U.P. Bank a regional rural bank, was constituted on 01.04.2020. It created after amalgamation of three regional rural banks (RRBs) namely Baroda Uttar Pradesh Gramin Bank, Purvanchal Bank and Kashi Gomti Samyut Gramin Bank as per Govt of India notification no. 3837 dated 26.11.2019 for rural upliftment.
2. Baroda U.P. Bank is operating in 31 districts in out of 75 Districts in state of Uttar Pradesh.
3. Baroda U.P. Bank has a network of 1983 branches. These branches are managed by around 7697 employees under control and supervision of 30 Regional Offices.
4. Numbers of Bank Employees in 2021 were 7992, in 2022 were 8326 and in 2023 were 7697. It shows work force is decreasing.
5. Number of Branches from 2021 to 2023 is 1983. It shows stagnation.
6. Deposits of Bank in 2021 were 52.39 cr., in 2022 were 54.58 cr. and in 2023 were 59.55cr.. It shows deposits are increasing. It is a good indication.
7. Advances of bank in 2022 were 18.58 cr., in 2022 were 20.22 cr. and in 2023 were 23.22 cr.. It shows advances are increasing. It indicates that bank is reaching in nook and corners.
8. Fixed assets in 2021 were 47.96cr., in 2022 were 49.57cr. and in 2023 were 54.30cr.. It shows fixed assets are increasing. It indicates sound financial condition of bank.
9. Agricultural Advances provided by the bank in 2021 is 1.36cr., in 2022 is 1.43cr. and in 2023 is 1.64cr.. It shows agricultural advances are increasing every year. It indicates bank is quenching agriculture thrust.
10. Net Profit in 2021 were 91.33cr., in 2022 were 62.85 and in 2023 were 117.33cr.. It shows profit is increasing with fluctuating trend.
11. Performance of Bank Regarding APY (Atal Pension Yojana), PMJJBY (Pradhan Mantri Jeevan Jyoti Bima Yojna), PMJDY (Pradhan Mantri Jan Dhan Yojana), PMSBY (Pradhan Mantri Suraksha Bima Yojana) is increasing every year. It shows bank is focusing social banking and it indicates bank is providing social security to Villagers well.
12. Net NPAs of Bank towards net advances in 2021 is 3.51percent, in 2022 is 7.18 percent and in 2023 is 4.04 percent. It shows NPA is reducing with fluctuating tendency.

SUGGESTIONS

1. Baroda U.P. Bank is a regional rural bank originated specially for Rural development. It is an amazing fact that bank is working in metropolitan, urban, semi urban areas also. Bank should work only for rural regions as per its aim.
2. Bank is originated for rural development of Uttar Pradesh. Bank is operating in 31 districts only out of 75 districts of Uttar Pradesh. Bank should expand its working in all districts of Uttar Pradesh.

3. Bank has a network of 1983 branches in 2021, in 2022 and also in 2023. The number of branches is not increasing according to time travel. Bank must introduce new branches in rural area of need.
4. Keeping in view 2022 the number of bank employees has reduced. Bank must increase its work force considering its increasing business and remaining vast rural area of Uttar Pradesh.
5. Annual reports of bank show that deposits are increasing. It is a good scenario to see. To make this scenario more attractive bank must focus on recipient of compensation whose lands are acquired by the U.P. government for several super high ways.
6. Annual reports of bank show that advances are increasing. To increase quantity of advances, bank must nurture the creative idea holders to support Make in Rural India.
7. Annual reports of bank show that agriculture advances are increasing every year. To increase agriculture advances in rapid rate, bank must motivate micro, small and medium enterprises direct dependent on agriculture i.e. earthworm manure, organic manure and compost manure, animal urine based pesticides and organic eatables etc.
8. Bank should generate its unique and uniform slogan and stationery. To attract its potential rural customer. It will create a specific identity of bank among the crude of private and schedule banks.
9. Bank is earning profit with fluctuating trends. Profit is the symbol of success and productivity in absence of profit bank can't operate smoothly. Bank should fix the target of profit like other targets.
10. Bank is working for financial as well as social banking. It is supporting and securing the rural society with the tools like APY, PMSBY etc. Bank should launch more programs providing social security to villagers.
11. NPA of bank is reducing with fluctuating tendency. To minimise the NPA bank should adopt micro finance concept based on intention to pay in instead of capacity to pay.

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