



Pentagonal Financial Analytical Study of Manipur Rural Bank

Madhusoodan Tripathi^a, Vinayaka Tripathi^{b*}

^aDepartment of Commerce & Business Administration, S.S.V. P.G. College, Hapur, U.P., India

^bDepartment of Management Studies, Raj Kumar Goel Institute of Technology, Ghaziabad, U.P., India

E-mail: madhusoodantripathi1@gmail.com^a, tripathi.vinayak3@gmail.com^b

Abstract

Manipur is a unique state Indian state with hills and valleys, lush green forest, thousands of villages, a majority of the rural population, and various tribes. State depends on agriculture and allies' activities. Forests are also a source of livelihood. Fruits, vegetables, medicinal plants, spices, cuisines, and handlooms are specific features of the economy of rural Manipur. Tourism also has a potential in Manipur. To empower rural Manipur every time and everywhere, Manipur Rural Bank was formed on 28.05.1981. It is a joint venture of Government of India, Government of Manipur, and sponsor Punjab National Bank. Bank is serving rural Manipur for decades. Bank is performing well with point of view of rural Manipur. The increasing amounts of deposits and advances clearly indicate it. NPAs and profits are showing alarming conditions. Bank management should take effective steps in this regard. Agro products, forest-based products, cuisine chains, unique handloom products and tourism have potential for business and profit for bank. Bank must explore these dimensions to speed up banking development of rural Manipur. MRB should open full as well as micro branches in areas of need and areas unreached. MRB has to gain more glory in future.

Key Words: Manipur Rural Bank, Empowering Manipur, Everytime Everywhere.

Manipur Rural Bank: Manipur Rural Bank (MRB) was formed on 28.05.1981. It was established for the economic development of rural Manipur.

Empowering Manipur: It means strengthening rural Manipur in terms of socio-economic dimensions.

Everytime Everywhere: It means the availability of advanced banking services round the clock in all areas of Manipur.

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*Corresponding Author

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1. INTRODUCTION

Manipur is a NE State of India. The name Manipur literally means "a jeweled land". It comes from the Sanskrit words *maṇi* (jewel) and *pūr* (land). It was formed on 21 January 1972. Its capital is Imphal.

It has a population of 2570390 with 69.79 percent of the rural population. It has 2581 villages.^[9]

It is also home of various tribes namely Aimol, Anal, Angami, Chiru, Chothe, Gangte, Hmar, Kabui, Koirao, Koirang, Kom, Lamgang, Lushai, Maram, Maring, Mao, Monsang, Moyon, Paite, Ralte, Sema, Simte, Suhte, Tarao, Thadou, Tangkhul, Vaiphei etc.



1.1 Manipur Rural-Based Employment

- [i] Fuelwood
- [ii] Bamboo
- [iii] Fodder and Leaves
- [iv] Medicinal plants
- [v] Resins and gums
- [vi] Agar and Spices
- [vii] Stones and Sand

1.2 Specific Tribal Products of Manipur

- **Foods**
 - (a) Hawaijar
 - (b) Ngari
 - (c) Hentak
 - (d) Soibum
- **Handloom**
 - (a) Tribal silk and cotton sarees
 - (b) Scarves
 - (c) Shawls with intricate design of Wangkhei
 - (d) Bamon Kampu
 - (e) Kongba
 - (f) Khongman
 - (g) Utlou
- **Bamboo Products**
 - (a) Fencing
 - (b) Furniture
 - (c) Trays
 - (d) Baskets
 - (e) Flower Vases
 - (f) Bamboo Shoots

2. REVIEW OF RELATED LITERATURE

Zaman A.U. and others (2024) in the research article “Unveiling Productivity Dynamics Among Regional Rural Banks in India” focuses on productivity of Indian RRBs. Study period was 2016 to 2023. Research uses Non-Parametric Malmquist Productivity Index to evaluate the Total Factor Productivity (TFP) among the Indian RRBs. Two distinct approaches were adopted - the intermediation approach and the production approach. Research concludes that small RRBs are performing better than large banks. Research presents noteworthy insights for policymakers and regulators to ensure increasing productivity among Indian RRBs.^[1]

Utpal Kumar and other (2024) in the research article “Incidence of Poverty in Manipur and the Potential Reasons” focuses on poverty in Manipur. Research investigates household-specific variables, to understand their roles in the prolonged poverty in Manipur. Foster Greer Thorbecke (FGT) measure is used. Study concludes that factors responsible for poverty were unfavourable landholding, household size, low education, and high dependency in the state.^[2]

Thangjahao Haokip T. and other (2024) in the research article “Implications of Infrastructure on Livelihoods - A Comparative Analysis of Hills and Valleys in Manipur” focuses on livelihood in specific areas of state. Research examines economic infrastructures such as transportation, communication, and electricity. Multi-stage sampling method is used. Research is based on six districts and 12 blocks of Manipur. Research compares two areas i.e. hills and valleys. Research suggests sufficient availability of infrastructure for sustainable livelihood conditions.^[3]

Thiyam Jitendra Singh and other (2024) in the research article “Assessing Non - Performing Assets and Their Implications on The Strategic Landscape of Regional Rural Banks in India” focuses on NPA in RRBs. Research examines outstanding loans and advances, recovery performance, gross NPAs, and profitability. Research covers the period from 2014 to 2023. Study uses reports, and documents of NABARD, Reserve Bank of India, and other financial institutions. Research proposes remedies for stakeholders and policy makers to preserve asset quality.^[4]

De U.K. and other (2023) in research article “The Anchoring Role of Social Safety Nets and Coping Strategies - A Study on the Rural Households of Manipur in North-East India” focuses on social safety in Manipur. Research examines the impact of social safety nets in rural areas of Manipur. Research is based on primary data collected in 2021-2022. Simultaneous Endogenous Switching Regression is used to estimate the impact of social safety nets. Research reveals that households’ vulnerability to poverty was reduced by 14.2 percent for the participants in social safety nets. Research also indicates that choice of coping strategies depends on the economic endowment and stability of household income sources.^[5]

Singh T.B. (2021) in the research article “Issues of Agricultural Development in Manipur” focuses on agricultural development in state. Result examines the problems of agriculture improvement in state. Research uses parameters- Number of Workers, area under cultivation, production of crops, land utilization and land holdings, etc. Research reveals that problems faced by farmers are lack of irrigation facilities, high cost of inputs, lack of credit facilities, delay in supply of improved seeds, role of middlemen, and distress sales. Research suggests the adoption of technology-based farming, scientific pricing systems in agriculture, easy availability of incentives, systemic agro communication for farmers and financial inclusion. Modernization of agro sector will accelerate the economic development of the state, concludes the research.^[6]

Singh Tejmani N. and other (2011) in the research article “Performance Evaluation of Credit Management in RRBs-A Case Study of Manipur Rural Bank” focuses on Credit performance of RRB. Research evaluates credit management of Manipur rural bank. It looks into deposit mobilization, loans and advances, loan recovery and NPAs etc. Research gives useful suggestions to improve credit management of MRB.^[7]

Singh N.T. and other (2009) in the research article “Recovery Performance of RRB - An Analysis A Case Study of Manipur Rural Bank” focuses on recovery performance. Research is based on 250 beneficiaries and managers of 27 branches. Primary and secondary data were used. Research concludes that recovery performance depends on the utilization of the loan, generation of sufficient income, desire to pay, continuous supervision, follow-up visits, and interest taken by the bank staff.^[8]

3. OBJECTIVES

- [i] To study the Manipur Rural Bank.
- [ii] To study the financial services promoted by MRB.
- [iii] To study deposits, advances, NPA, and profit of MRB.
- [iv] To study the financial performance of MRB.
- [v] To provide necessary conclusions and suggestions.

4. ANALYSIS OF STUDY

4.1 Manipur Rural Bank

Manipur Rural Bank (MRB) was formed on 28.05.1981. Its objective is the economic development of the rural people of Manipur state. It is committed to uplift of weaker sections through its financial services and implementation of the government's poverty elevation program in Manipur. Its sponsor bank is Punjab National Bank.^[10]

Bank is reorganised as scheduled bank. It is authorised for all types of banking under section 5b of banking regulation act of 1949. The bank is providing services and product to Non -Targeted Group Beneficiaries (NTGB) and Targeted Group Beneficiaries (TGB) both.

MISSION

Empowering Manipur Everytime Everywhere

VISION

To empower the rural economy and develop a gateway to the "Cooperative Credit Structure"

4.2 Manipur Rural Bank Command Area

MRB operates in 10 districts of Manipur state i.e.

Imphal West, Imphal East, Thoubal, Kakching, Bishnupur, Chandel, Senapati, Ukhrul, Noney, Churachandpur

Manipur Rural Bank Command Area



4.3 Manipur Rural Bank Head Office

Keishampat, Imphal, Manipur.

4.4 Manipur Rural Bank Capital Holding

- [i] Government of India - 50 percent.
- [ii] Sponsor Bank (Punjab National Bank) - 35 percent.
- [iii] Government of Manipur- 15 percent.

4.5 Manipur Rural Bank Share Capital

Particular	Amount in Thousand
Government of India	365625
Sponsor Bank	109620
Government of Tripura	255981
Total	731226

4.6 Manipur Rural Bank Logo



4.7 Manipur Rural Bank Board of Directors^[11]

Particular	Name
Chairman	Shri Abhay Kumar
PNB, Sponsor Bank	Shri Sunil Agrawal
PNB, Sponsor Bank	Shri Manish Debbarma
NABARD, Govt. of India	Shri Bendang Aier
RBI, Govt. of India	Shri T. Lhungdim
Govt. of Manipur	Shri P. Tonghang Zou
Govt. of Manipur	Shri Heisnam Homendro Singh

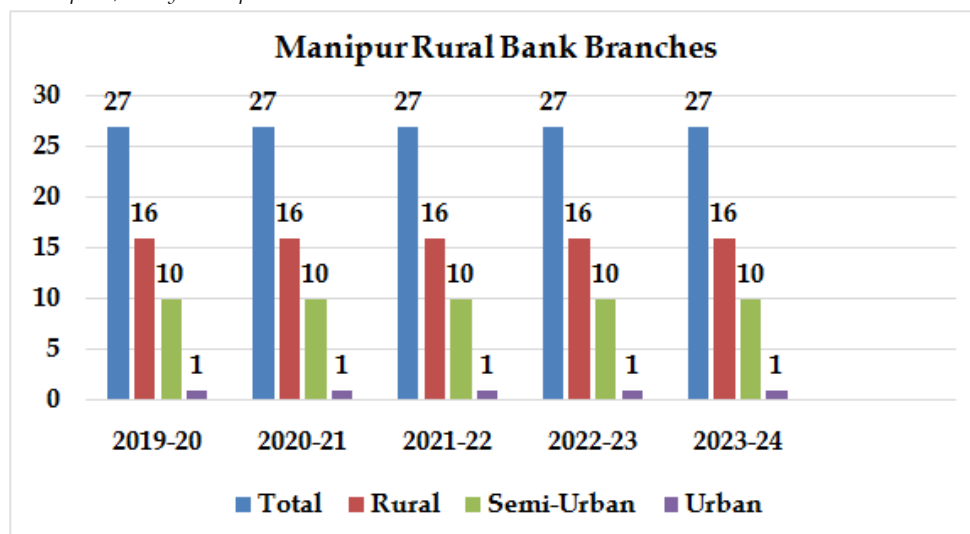
4.8 Manipur Rural Bank Branch Network

Districts	Branch
Imphal West (7)	[i] Imphal [ii] Kwakeithel [iii] Hiyangthang [iv] Lamphel [v] Singjamei [vi] Naoremthong [vii] Khumbong

Imphal East (5)	[i] Kongba bazaar [ii] Pangei [iii] Lamlong [iv] Porompt [v] Lamlai
Thoubal (4)	[i] Lilong [ii] Wangjing [iii] Yairipok [iv] Sangajyumpham
Kakching (1)	[i] Kakching
Bishnupur (4)	[i] Nambol [ii] Kumbi [iii] Moirang [iv] Bishnupur
Chandel (1)	[i] Tengenoupal Centre
Senapati (1)	[i] Motbung
Ukhrul (1)	[i] Litan
Noney (2)	[i] Nungba [ii] Noney
Churachandpur (1)	[i] Churachandpur

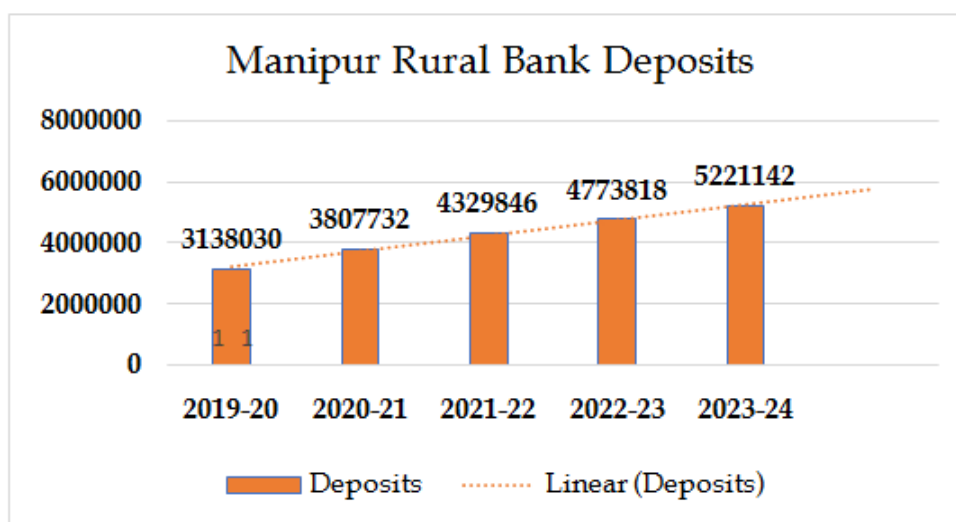
4.9 Manipur Rural Bank Branches^[12]

Year	Total	Rural	Semi-Urban	Urban
2019-20	27	16	10	1
2020-21	27	16	10	1
2021-22	27	16	10	1
2022-23	27	16	10	1
2023-24	27	16	10	1



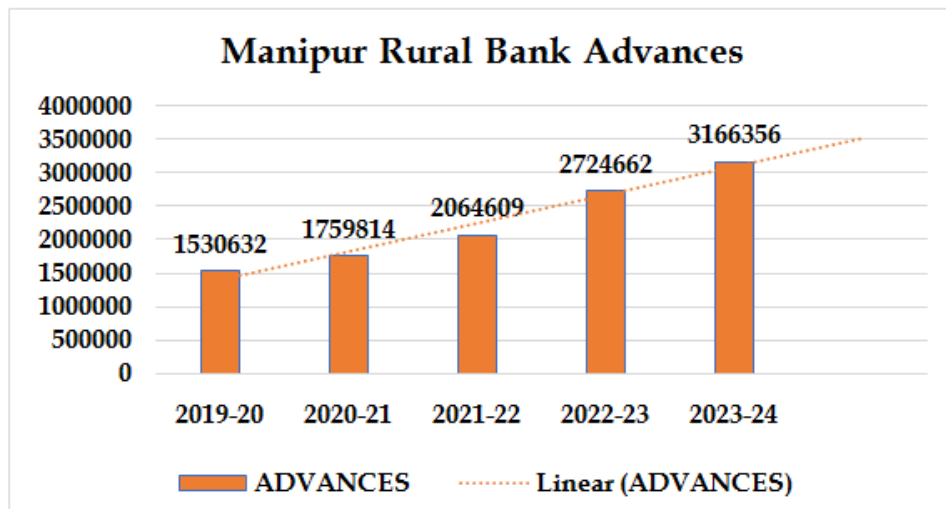
4.10 Manipur Rural Bank Deposits^[13]

Year	Rs. in Thousands
2019-20	3138030
2020-21	3807732
2021-22	4329846
2022-23	4773818
2023-24	5221142



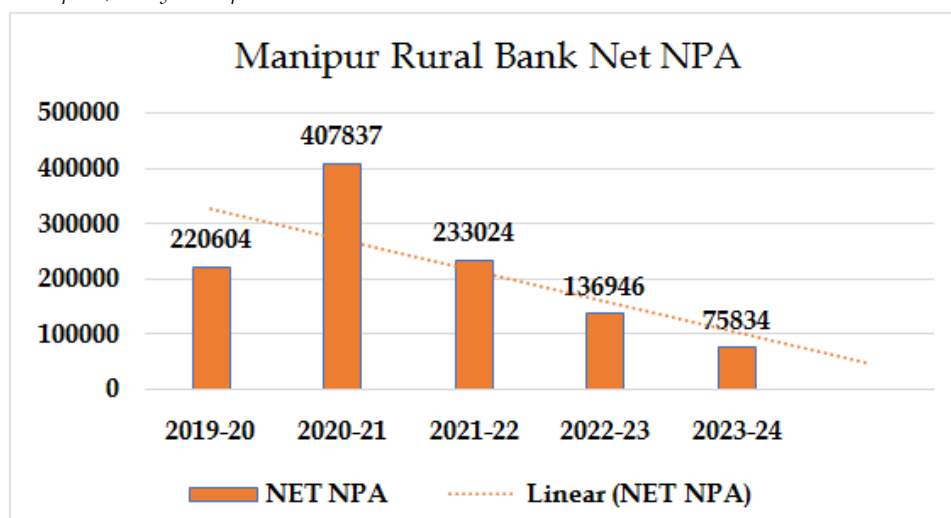
4.11 Manipur Rural Bank Advances^[14]

Year	Rs. in Thousands
2019-20	1530632
2020-21	1759814
2021-22	2064609
2022-23	2724662
2023-24	3166356



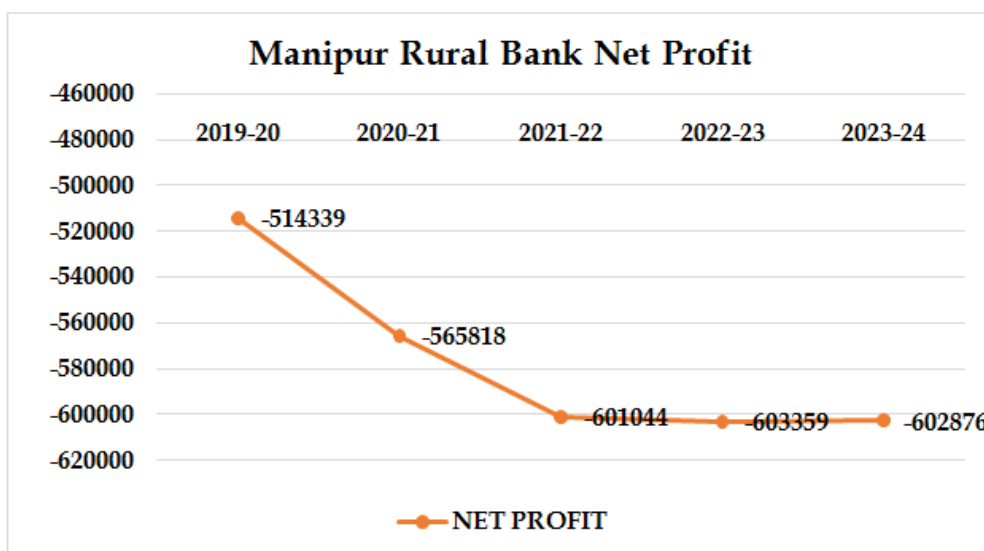
4.12 Manipur Rural Bank Net NPA^[15]

Year	Rs. in Thousands
2019-20	220604
2020-21	407837
2021-22	233024
2022-23	136946
2023-24	75834



4.13 Manipur Rural Bank Net Profit^[16]

Year	Rs. in Thousands
2019-20	-514339
2020-21	-565818
2021-22	-601044
2022-23	-603359
2023-24	-602876



5. CONCLUSION

- (a) Manipur is an Indian state situated in northeast. It has 2581 villages with 69.79 percent rural population. It is also home to various tribes.
- (b) Livelihood of rural Manipur mostly depends on agriculture, forestry, and cottage industries.
- (c) Fuel wood, bamboo-based products, Fodder and leaves, medicinal plants, resins and gums, agar and spices, etc. are the products from forest.
- (d) Hawaijar, Ngari, Hentak, Soibum tribals' foods have potential for tourists from rest India and world.
- (e) Wangkhei, Bamon Kampu, Kongba, Khongman, Utlou design-based cloths, Tribal silk, cotton sarees and other handloom products have potential in tourists from rest of India.
- (f) Bamboo based Products such as Bamboo Shoots, Flower Vases, Baskets, Fencing, furniture, trays etc. have sufficient market potential.
- (g) Manipur is a forest-rich area with hills and valleys. It is also home to various tribes. This feature of Manipur state consists of excellent tourism potential.
- (h) Agriculture with allied activities is the single largest source of livelihood of rural Manipur. The soil of Manipur is fit for all kinds of grain crops, vegetables, and fruits. These agro products have potential in rest India and abroad.
- (i) Number of Branches of MRB in 2019-20 to 2023-24 was 27. It shows stagnation.
- (j) Amount of Deposits (Rs. in thousands) of MRB in 2019-20 was 3138030, in 2020-21 was 3807732, in 2021-22 was 4329846, in 2022-23 was 4773818, and in 2023-24 was 5221142. It shows continuously increase.
- (k) Amount of Advances (Rs. In Cr) of MRB in 2019-20 was 1530632, in 2020-21 was 1759814, in 2021-22 was 2064609, in 2022-23 was 2724662, and in 2023-24 was 3166356. It indicates a continuous increase.
- (l) The NPA (Rs. in thousands) of MRB in 2019-20 was 220604, in 2020-21 was 407837, in 2021-22 was 233024, in 2022-23 was 136946, and in 2023-24 was 75834. It indicates NPA is lessening but still in an alarming position.
- (m) The Net Profit (Rs. in thousands) of MRB in 2019-20 was -514339, in 2020-21 was -565818, in 2021-22 was -601044, in 2022-23 was -603359, and in 2023-24 was -602876. It indicates that bank is gathering heavy losses for five years continuously. It is a question mark on management of MRB.

6. SUGGESTIONS

- (a) Manipur has 2581 villages with a majority of rural population. It is also home of various tribes. Large number of villages, majority of rural population, agriculture as largest source of livelihood, and tribes based on forests make Manipur a unique state. Bank should launch specific schemes based on needs of Manipur state.
- (b) A portion of population of Manipur especially tribes depend on forest. These people produce unique products based on forests. Bank should launch specific schemes for such forest-based product makers.

- (c) Tribal silk and cotton sarees, scarves, and shawls with unique designs of Manipur have an attraction in the rest of India and abroad. Bank should provide financial assistance to handloomers. Bank should launch a promotional campaign with the cooperation of rural development department in rest of India.
- (d) Bank should promote and nurture cuisines of Manipur. Bank should provide financial assistance to Manipur Food Shops (MFS). These shops should be opened in tourist spots, shopping complexes, urban and sub-urban areas and educational campuses etc.
- (e) Agriculture is the largest source of livelihood in rural Manipur. Organic eatables have market potential in rest India. Bank should nurture such organic eatables growers.
- (f) Manipur is known for several decorative and household products based on bamboo. Bank should explore these dimensions. Bank should provide sufficient financial assistance to such product producers.
- (g) Manipur is suitable tourism destination. Bank should launch tourist room schemes in villages and tribal areas. It will create infrastructure for tourism and income for villages, tribes, MRB and state government.
- (h) Manipur is a unique state with hills and valleys dense forest and greenery. Bank should launch specific schemes for making tourist cottages in tribal areas.
- (i) Bank should highlight the tourism potential of Manipur with the cooperation of the tourism department of state. Bank should provide outdoor banking facilities and micro branches in tourist spots it will increase business and profit of MRB.
- (j) Number of branches of MRB for last five years is 27. Bank should open more micro and full branches to satisfy the banking needs of rural Manipur.
- (k) Deposits are increasing but it is not enough. Bank should attract collages' school, teachers' salary accounts, pension accounts, governmental schemes accounts and accounts of business and corporate sector active in command area.
- (l) Advances are increased but it is not enough. Bank should provide financial assistance to forest-based product makers, fruit vegetable growers and potential entrepreneurial idea holders.
- (m) NPA of bank is alarming. Some RRBs are showing zero NPA for last several years. Bank must contact them and learn how they created Zero NPA scenario.
- (n) Bank is suffering from heavy losses for last several years. Bank should adopt effective recovery tactics, profit growing specific schemes, and professional aptitude regarding profit.

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