
CHAPTER – IV

ANALYSIS OF DEPOSITS

1. **INTRODUCTION :**

2. **TYPES OF DEPOSITS :**

- i] Fixed Deposit
- ii] Savings Deposit
- iii] Current Deposit
- iv] Recurring Deposit
- v] Pigmy Deposit
- vi] Margin Deposit
- vii] Employees P.F. Deposit
- viii] Damani Prashala Sanchit Deposit
- ix] Adarsha Prashala Sanchit Deposit

3. **DEPOSIT INTEREST RATE :**

4. **TOTAL DEPOSITS AND CREDIT DEPOSIT RATIO :**

5. **LOANS & ADVANCES AND ITS OUTSTANDINGS :**



ANALYSIS OF DEPOSITS

INTRODUCTION :

The most essential factor of banking business is the mobilisation of deposits, because it is the basic raw material for the banking business. Mobilisation of deposits is a continuous process and a sine qua non for the development of the banking business. Just as mobilisation of the basic ingredients is needed for any other business. It is a well established fact that the banking industry is the access for all other industries for their vital requirements as finance. The underline factor in the development of this business, therefore lies on a strong basic of a sound deposit growth.

The deposit mobilisation is playing very important role towards the development of the banking business. Deposit mobilisation was also necessiated as banks had to perform varied social obligations for which they had to find fresh resources. The conductive economic atmosphere prevailling in the country during the last seventies and the greater awareness promoted among the banking public culminated infilling of the coffers of the banks with more and more deposits.

Deposits are the lifeblood of the banks. Deposit mobilisation is the

backbone of banking. They are the mainstay of banks funds and account for about 98 percent of the bank liabilities.

The term deposit according to the Oxford dictionary means, “lay down in a place store or earnest for keeping. This in general terms, means that the moneys deposited in a bank are known as bank deposits. In fact, the traditional functions covered by the term banking are defined in section 5(b) of the Banking Regulation Act, 1949, as follows

‘Banking means the accepting for the purpose of lending or investment of deposits of money from the public, repayable on demand or otherwise and withdrawable by cheque, drafts, order or otherwise.’

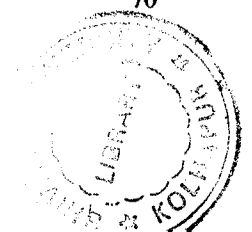
The other activities of the bank are chiefly dependent upon the deposits. The mobilisation of resources forms an integral part of the development process in India. In this process of mobilisation banks are at a great advantage, chiefly because of their network of branches in the country. And banks have to place considerable reliance on the mobilisation of deposits from the public to finance development programmes. Further deposit mobilisation by banks in India acquired greater significance in their new role, in economic development and their growing obligations in the socio-economic field, with due emphasis

on the 20 point Economic Programme of Mrs. Indira Gandhi. Deposit mobilisation is a challenge to all bankers and banking institutions in India.

Thus the deposits are the basic raw material for the banks operation and deposit mobilisation is one of their basic activities. In the circumstances, deposit mobilisation acquires great importance.

Last but not least, the Urban Co-operative banks collect deposits in various ways to meet the credit needs of the people residing urban and semi-urban areas. And therefore the deposits are one of the chief and important elements to the banking business. Although, they are the most important sources of the urban co-operative banks. The Vikas Co-operative Bank Ltd., Solapur, being one of the urban co-operative banks in the Solapur city has made concentrated effort in the mobilisation of deposits from the people. Therefore, in this chapter an attempt is made to analyse and examine the various types of deposits collected by the Bank.

The Vikas Co-operative Bank. Ltd., has collected the total deposit amount under each deposit scheme. The overall performance of the various deposit schemes of the bank is analysed and examined during the period from 1990-91 to 1994-95.



TYPES OF DEPOSITS

There are two types of deposits namely demand deposits and time deposits. Demand Deposits generally consists of current deposits and savings deposits. Demand deposits are those deposits which may be withdrawn by the depositor at any time without previous notice to the bank. Thus the bank can not easily use such deposits for long term lending purposes. It depends upon frequency of withdrawal of the demand deposits. The banks allow low rate of interest on demand deposits. Demand deposits are shown under demand liabilities of the bank. Demand liabilities include current deposits and portion of savings deposits. Time deposits are deposited with the bank for a certain period of time. Banks can invest profitably such deposits for long term lending purpose as these deposits are repayable on certain period. There fore the banks allow more rate of Interest keeping in view Reserve Bank of India guidelines on the fixed deposits. Fixed deposits include Employment Provident Fund Deposits, staff security Deposits, Recurring Deposits, cash certificates, call Deposits, provident Fund deposits and other miscellaneous deposits like earnest money deposits of contractors etc requires notice, more than 14 days to withdrawal such deposits.



However, there is a increasing number of such deposit schemes in the Indian Banking system now-a-days. And the number of depositors in a different types of deposits schemes is also increasing day by day with a speed of banking business in our country.

However, the urban co-operative banks are becoming very popular in deposit mobilisation in urban and semi-urban areas. It becomes an important source of the urban banks to meet the credit needs of the lower class and middle class peoples of the community. The Vikas Co-operative Bank. Ltd., is one of the leading co-operative bank in the Solapur city.

As per the bye-laws of the bank, the bank can accept the deposits from members and non members upto the certain amount determined by the executive committee of the bank. Accordingly the Vikas Co-operative Bank Ltd., is collecting deposits under the various schemes.

In the beginning of the banking activities the Bank collected the deposits under the main deposit schemes, i.e. Savings Deposits, Fixed Deposits and Current Deposits etc. with the growing banking business. The Vikas Co-operative Bank Ltd., made an attempt to adopt new attractive deposit schemes. The following is the list of various deposit schemes adopted by the Vikas Co-operative Bank Ltd.

TYPES OF DEPOSITS

- 1) FIXED DEPOSITS.
- 2) SAVINGS DEPOSITS
- 3) CURRENT DEPOSITS
- 4) RECURRING DEPOSITS
- 5) PIGMY DEPOSITS
- 6) MARGIN DEPOSITS
- 7) EMPLOYEES P.F. DEPOSITS
- 8) DAMANI PRASHALA SANCHIT DEPOSITS
- 9) ADARSHA PRASHALA SANCHIT DEPOSITS.

The details as regards natures, total deposits collected and overall performance of each of the above deposit scheme are studied as under.

I] FIXED DEPOSITS :

The Fixed Deposits scheme is one of the most significant schemes introduced by the Vikas Co-operative Bank Ltd., Moreover the bank made an attempt to simplify the procedure of acceptance of the fixed deposits from customers. This scheme is characterised by the period for which the deposit is fixed and specific rate of interest is paid according to fixed deposit. This scheme becomes popular within a short span of time. It also becomes attractive scheme as it was continued for many years.

The following table No. 4.1 shows that the amount of Fixed Deposits of the Bank for the last 5 years i.e. 1990-91 to 1994-95.

The table No.4.1 shows that the amount in this fixed deposit scheme went on increasing satisfactorily during the period of the last 5 years from 1990-91 to 1994-95. It also shows that the amount deposited in this scheme increased from the amount of Rs. 10699398=30 to Rs. 28642326=50 in the same period.

The percentage of deposit increased in the year 1993-94, 52.10% was too much satisfactory. The close examination of the above table also points

out that the amount of fixed deposit, in the year 1993-94 it was increased by Rs. 89,58,915=05 and it is highest increase in the fifth year.

We get the secrets from the manager and officer of the bank behind the successive year, i.e. 1993-94 for collecting deposits were the stability of bank, directors efforts, quick and harmonious services from Manager, officer and clerks of the bank and lastly beliveness, reliance of the fixed deposits.

TABLE NO. 4:1

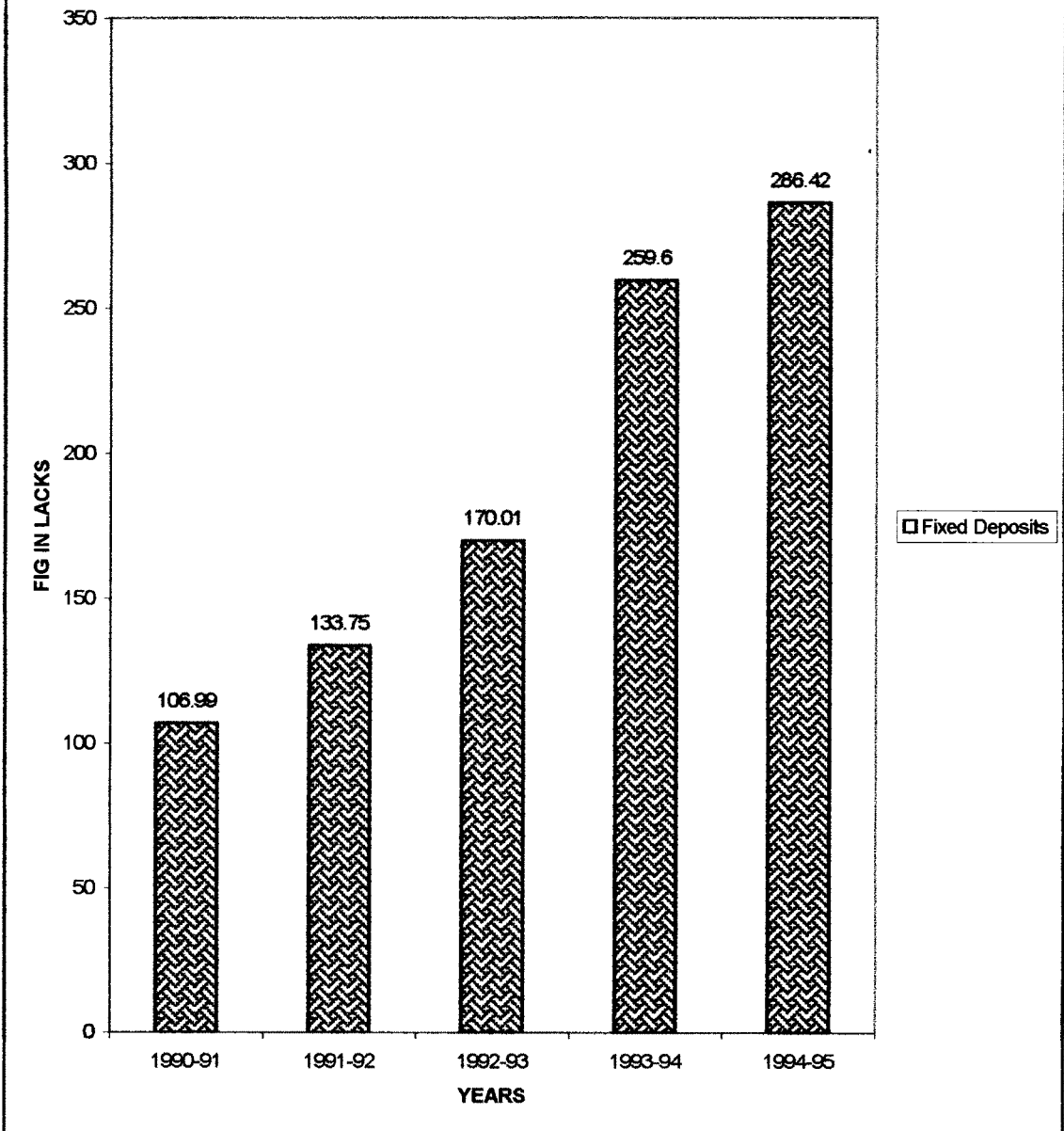
FIXED DEPOSITS DURING THE PERIOD 1990-91 TO 1994-95.

Year	Fixed Deposits Rs.	Increased With %	Aggregate Deposits [Rs. in lacks]	Share in Aggregate	Aggregate Loans & Adv. [Rs. in lacks]	Share in Aggregate Loan & Adv.	Aggregate Working capital [Rs. in lacks]	Share in Aggregate Working Capital
1990-91	10699398=30	--	523.30	20.44%	472.65	22.63 %	742.60	14.40%
1991-92	13375431=40	2676033=10 [25.01%]	525.90	25.43%	510.52	26.19 %	776.87	17.21%
1992-93	17001346=50	3625915=10 [27.10%]	561.20	30.29%	556.83	30.53 %	811.92	20.93%
1993-94	25960261=55	8958915=05 [52.23%]	669.18	38.79%	667.40	38.89 %	966.69	26.85%
1994-95	28642326=50	2682064=95 [10.33%]	764.80	37.45%	784.38	36.51 %	1093.41	26.19%

❖ Average Growth is Rs. 35,88,585/-

❖ Source : Compiled from the Annual Report of the Bank.

FIXED DEPOSIT



II SAVINGS DEPOSITS

The savings deposit scheme is one of the most significant schemes introduced by this bank. Moreover, the bank made an attempt to simplify the procedure of acceptance of this savings deposits from the customers. In this scheme the minimum amount can be deposited by the bonafied persons who intend to open a savings, special savings accounts with cheque book facilities are also made available by this bank. Third parties cheques, drafts and dividend warrants etc. are accepted by the banker for collection with minimum commission. After undertaking the standing instructions from the depositors the facilities like payment of insurance preminums, subscriptions and so on are also provided this bank. For the benefit of the retired people the bank collects the pensions bills and credits to the depositor's, savings bank account.

This Bank was paying very attractive rate of interest on this deposit scheme to the depositors as per the banking regulations. Most of the people from the society of various categories are attracted to this bank to deposit their money safely with the bank.

The table No 4.2 indicates the position of the savings Deposits during the period of the last 5 years from 1990-91 to 1994-95.

This table shows that the amount in this saving deposit scheme went on increasing during the last five years i.e. 1.15% in the year 1991-92 to 12.03 for the year 1994-95. In the last year i.e. 1994-95 the savings deposits increased up to RS.8790,437-81 which was RS.76,02974=91 in the year of 1990-91.

A close examination of the above table shows that the average growth of savings deposits is RS.2,37,492=58 during the period of last 5 years. A close look at the table reveals that the amount of savings deposits is decreased in the year 1992-93 by RS. 37071=49 by 0.48%.

The share of savings deposits in the aggregate deposits is decreased from 14.52 % to 11.49 % in the last 5 years. But the data shows that the bank made a good progress particularly in Savings Deposits Scheme.



TABLE NO. 4:2

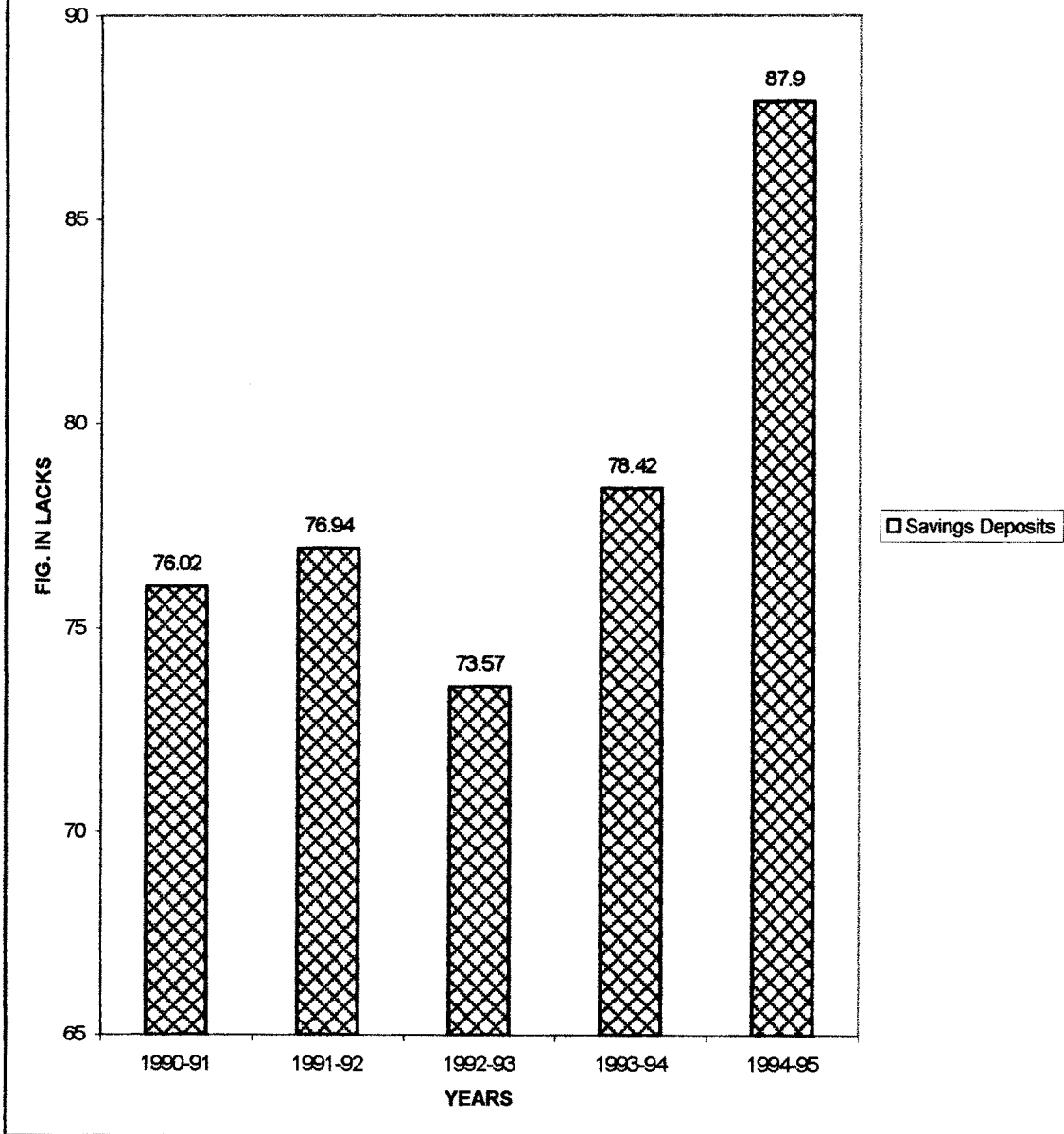
SAVINGS DEPOSITS DURING THE PERIOD 1990-91 TO 1994-95.

Year	Savings Deposits Rs.	Increase With %	Decrease	Aggregate Deposits [Rs. in Lacks]	Share in Deposits	Aggregate Working Capital [Rs. in Lacks]	Share in Aggregate Working Capital
1990-91	7602974=91	--	--	523.30	14.52%	742.60	10.23 %
1991-92	7691401=69	88426=78 [1.15%]	--	525.90	14.62%	776.87	9.89 %
1992-93	7357330=20	--	37071=41 [.48%]	561.20	13.10%	811.92	9.06 %
1993-94	7842554=61	485224=41 [6.55%]	--	669.18	11.71%	966.69	8.11 %
1994-95	8790437=81	947883=20 [12.3%]	--	764.80	11.49%	1093.41	8.03 %

❖ Average Growth is Rs. 2,37,492=58

❖ Source : Compiled from the Annual Report of the Bank.

SAVINGS DEPOSITS



III CURRENT DEPOSITS

The current deposit scheme is one of the most important schemes introduced by the Vikas Co-operative Bank Ltd. In this deposit scheme, the account can be opened by depositing minimum amount of Rs. 500/- The rate of interest paid by this bank on the current deposits as per the banking regulations. This scheme becomes popular within a short span of time. It is also become very attractive scheme as it was continued for many years. The current deposit scheme attracted by the merchants companies organisations, firms, professionals and many other institutions. The bank provides the instant services and many facilities to the depositor. And thus, the current deposit scheme is becoming very popular continuously day by day.

The following Table No. 4.3 Shows the position of current deposits scheme during the last 5 years i.e. from 1990-91 to 1994-95.

Table No. 4.3

Current Deposits for the period of 1990-91 to 1994-95.

[Rs. in Lacks]

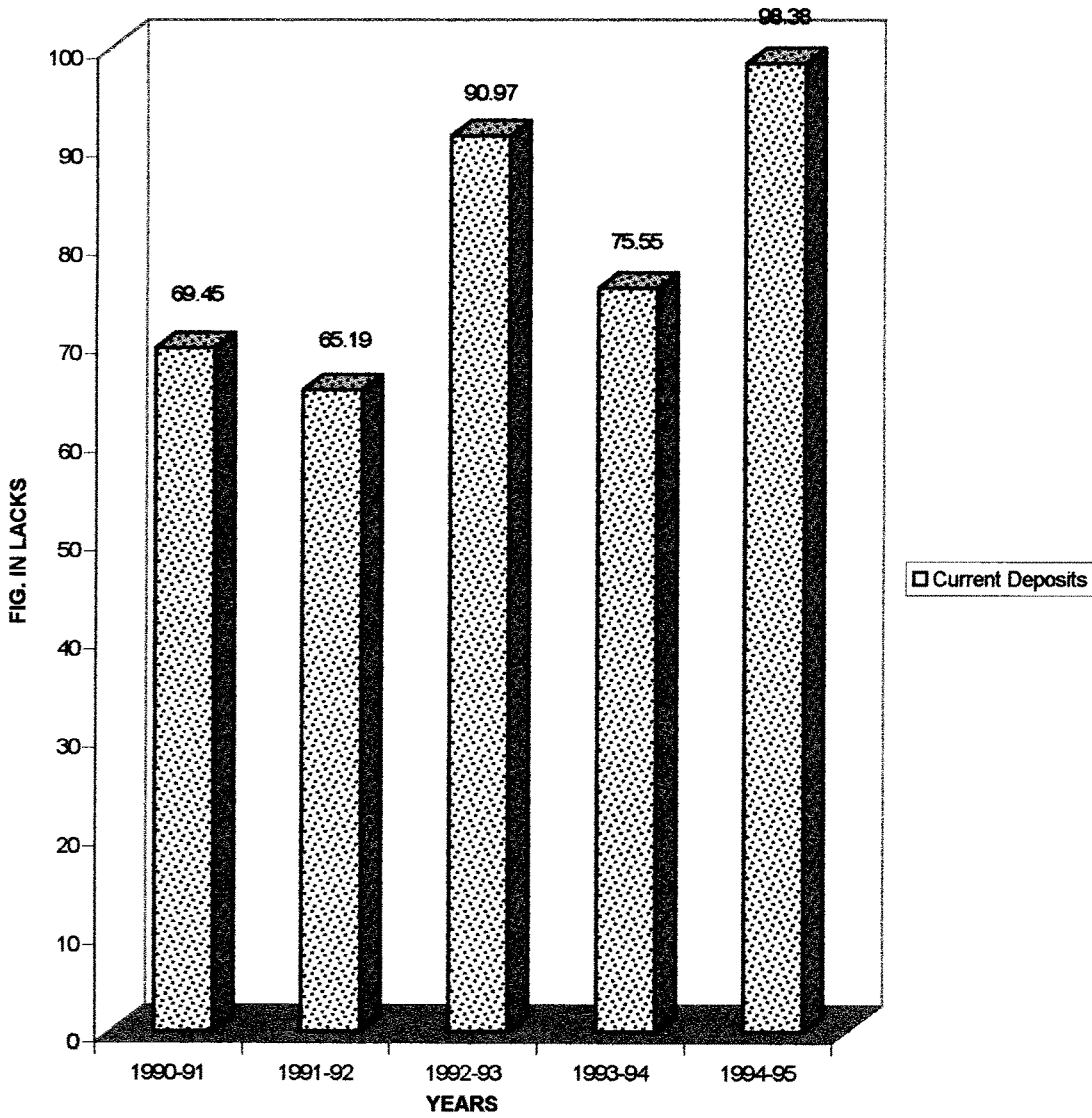
YEAR	CURRENT DEPOSIT	INCREASE	DECREASE	AGGREGATE DEPOSITS	SHAREIN 'A' % DEPOSITS
1990-91	6945933.06	--	--	52.30	13.27 %
1991-92	6519795.84	--	426137.22 [6.13%]	525.90	12.39 %
1992-93	9097861.15	2578065.31 [37.12%]	--	561.20	16.20 %
1993-94	7555698.64	--	1542162.51 [22.20%]	669.18	11.28 %
1994-95	9838878.01	2283179.37 [32.87%]	--	764.80	12.86 %

Source : Compiled from Annual Report of the Bank.

This table clearly shows that the amount of the current deposits increased from Rs. 6945933=06 in the year 1990-91 to Rs. 9838878=01 in the year 1994-95. It points out also that the amount of current deposits increased by Rs. 289244=95.

A close examination of the above table shows that the amount of current deposit decreased by 6.13% and 22.20% in the year 1991-92 and 1993-94 respectively, and increase in the year 1992-93 & 1994-95 by 37.11% and 32.87% respectively.

CURRENT DEPOSITS



The share of current deposits in the aggregate deposits is 13.27% in 1990-91 decreased up to 12.86 in 1994-95. But in the year 1992-93, current deposits share in aggregate deposits was shows high as much as 16.20%.

4. RECURRING DEPOSITS

This recurring deposit scheme is very popular in the all banking business. Mainly in the urban co-operative banks, they are introducing this recurring deposit scheme which is characterised by the monthly basis deposits and comulative interest facility was given to the depositors during the specific term and rate of interest. This recurring deposit scheme attracted the individuals as well as the salary earners and made them to deposit their money. In this deposit scheme, the depositors can deposits their money from the period of 12 months to 120 months i.e. from 1 year to 10 years, due to this recurring deposits scheme became very famous and popular within a short span of time.

Following table No. 4.4 shows that the amount of recurring deposits during the period of 5 years.

Table No. 4.4

Recurring deposits for the period of 1990-91 to 1994-95

YEAR	RECURRING DEPOSITS	CHANGES	
		INCREASE	DECREASE
1990-91	5,38,905=00	--	--
1991-92	3,59,292=80	--	1,79,612=20 [33.32%]
1992-93	4,79,717=80	1,20,425=00 [33.51%]	--
1993-94	6,16,310=60	1,36,592=80 [28.46%]	--
1994-95	4,98,980=00	--	1,17,330=60 [19.03%]

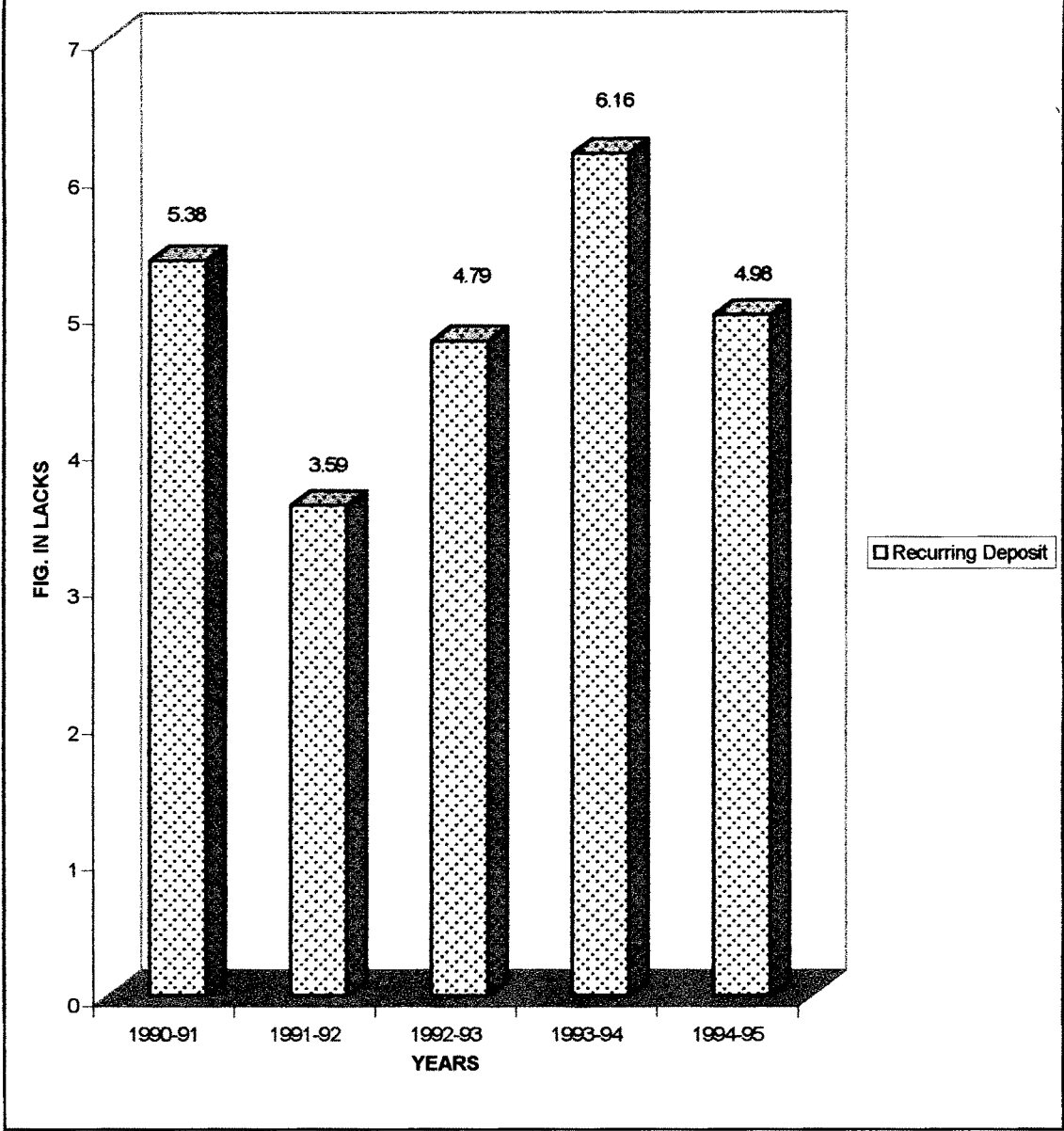
Source : Compiled from the Annual Reports of the Bank.

The above table No.4.4 clearly shows that the amount of Recurring deposit decreased from Rs. 5,38,905.00 to Rs. 4,98,980.00. In the year 1993-94 the bank was collected Rs. 6,16,310.60, it was the highest deposits under the recurring deposits scheme by providing interest @ 10.50% p.a.

In the year 1991-92 and 1994-95 the recurring deposit decreased by 33.32% and 19.03% respectively.

In the year 1994-95 the rate of interest on recurring deposit increased from 10.50% to 12.50% by the Banking Regulation Act, but bank was not effective to collect satisfactory deposits under the recurring deposit scheme.

RECURRING DEPOSIT



5. **PIGMY DEPOSITS**

Pigmy deposits scheme is the most attractive and the best revolutionary scheme introduced by the Bank, It was introduced with a view to mobilise deposits on small scale from both the rural as well as the urban weaker section of the society. The bank announced an aggressive programme through its pigmy deposit scheme in order to extend the hand of financial help to renovate economic activities of the weaker sections of the society. The scheme was admired by the people to a great extent. As a result they opened their accounts with the Bank. The pigmy deposit scheme also proved to be beneficial particularly to the lower income groups of the people. The Vikas co-operative Bank Ltd., had made a good progress in the case of pigmy deposits scheme from the beginning of this scheme.

The Table No. 4.5 shows the position of the pigmy deposit scheme of the bank during the period of five years i.e. from 1990-91 to 1994-95.

Table No. 4.5

Pigmy Deposits for the period 1990-91=1994-95.

[Rs. in Lacks]

Year	Pigmy Deposits	Increase	Decrease	Aggregate Deposits	Share in 'A' Deposits
1990-91	3694178=00	--		523.30	7.05 %
1991-92	3632938=00	--	61240=00 [1.68%]	525.90	6.90 %
1992-93	3061277=00	--	571661=00 [15.75%]	561.20	5.45 %
1993-94	3747206=00	685929=00 [22.36%]	--	669.18	5.59 %
1994-95	5091379=00	1344173=00 [34.94%]	--	764.18	6.65 %

Average Growth is Rs. 279440=20

Source : Compiled from the Annual Report of the Bank.

The above table No. 4.5 shows that the amount of Pigmy deposit scheme was decreased in the year 1991-92 and 1992-93 upto 4.68% and 15.75% respectively.

It further reveals that the percentage of pigmy deposits increased upto 22.36% in the year 1993-94 and 34.35% in the year 1994-95. But the percentage of pigmy deposits in aggregate deposit reduced from 7.05% to 6.65% from 1990-91 to 1994-95.

6. MARGIN DEPOSITS

Margin Deposit Scheme is the most attractive and the best revolutionary scheme introduced by the Bank. This deposit scheme is becoming very popular day by day. The depositors are investing their money in this deposits scheme for a specific period of time.

The Table No. 4.6 shows the position of the Margin Deposits of the Bank for the period of last five years from 1990-91 to 1994-95.

Table No. 4.6
Margin Deposits for the period 1990-91 to 1994-95.

YEAR	MARGIN DEPOSITS [Rs.]	INCREASE [Rs.]	DECREASE [Rs.]
1990-91	27963.00	--	--
1991-92	18188.00	--	9775=00 [34.95%]
1992-93	42163.00	23975.00 [131.80%]	--
1993-94	17163.00	--	25000=00 [59.30%]
1994-95	13600.00	--	3563=00 [20.75%]

- Average Decline : Rs. 2872=60
- **Source** : Compiled from the Annual Report of the Bank.

The above table No. 4.6 shares that the amount of Margin deposits decreased continuously from 1991-92 to 1994-95, except for the year 1992-93. In the year 1992-93, margin deposits increased upto Rs. 42,163.00 by 132%.

A close examination of the above table shows that the amount of margin deposit was decreased from 27963 to Rs. 13600 by 20.75% in the year 1994-95.

7. EMPLOYEES PROVIDENT FUND DEPOSITS

The Employees Provident Fund Deposit Scheme was one of the most important scheme introduced by the Bank in the year 1992-93. In this deposit scheme, the amount of employees provident fund is deposited and it was used for mobilisation by the Bank. The bank is provided the facility to the depositors, such as loan facility on accumulating amount of depositors fund.

The following Table No 4.7 shows the position during the five years.

Table No. 4.7
Employees Provident Fund Deposits
for the period 1990-91 to 1994-95.

YEAR	E.P.F. DEPOSIT	AGGREGATE DEPOSIT	SHARE IN AGGREGATE DEPOSITS
1992-93	6,86,817=85	561.20 [Rs. in lacks]	1.22 %
1993-94	9,38,809=35	669.18 [Rs. in lacks]	1.40%
1994-95	9,04,872=00	764.80 [Rs. in lacks]	1.18%

Source : Complied from the Annual Report of the Banks.

The above table No. 4.7 shows that the share of employee Provident Fund Deposit in aggregate deposits. In the year 1993-94 it was increased by 1.40% and in the year 1994-95 it was decreased by 1.18%.

VIII. DAMANI PRASHALA SANCHIT DEPOSITS

The DAMANI PRASHALA SANCHIT DEPOSIT is one of the most important deposit schemes in this bank. This deposit scheme was becoming very popular day by day for its unique nature. Damani prashalas deposited 'Sanchit' amount in the bank under the heading, Damani prashalas 'Sanchit' deposit.

In this deposit scheme the amount of deposit increased by deposited 'SANCHIT' amount from Damani Prashala. And hence, this deposit scheme deserves for special appreciation particularly to Damani Prashala.

The Table No.4.8 hows that the position of the Damani Prashala Sanchit Deposits during the last 5 years i.e. 1990-91 to 1994-95.

TABLE NO. 4.8
Damani Prashalas 'Sanchit' Deposit
for the period of 1990-91 to 1994-95.

[Fig. In Rs.]

YEAR	DEPOSIT AMOUNT	INCREASE [%]	DECREASE [%]
1990-91	97,965=15	--	
1991-92	1,01,494=95	3529.80 [3.60%]	--
1992-93	1,00,973=75	--	521.20 [0.51%]
1993-94	88,335=81	--	12637.94 [12.51%]
1994-95	77,084=01	--	1125.80 [12.73%]

Source : Compiled from the Annual Report of the Bank.

The above table No.4.5 shows that the decreased trends of Damani Prashana Sanchit deposit scheme. This deposit amount decreased from the year 1992-93, 1993-94 and 1994-95 by 0.51%, 12.51 and 12.73% respectively.

IX. ADARSHA PRASHALA SANCHIT DEPOSITS

The Adarsha Prashala Sanchit Deposits scheme was introduced by the bank specially to the Prashala. Under this deposit the bank accept sanchit amount of the Prashala. And it was used for the deposit mobilisation.



The Adarsha Prashala Deposit scheme is one of the most important deposit scheme from the Adarsha Prashala's point of view. This deposit scheme deserve to Prashala for special purpose.

TABLE NO. 4.9
Adarsha Prashala Sanchit Deposit
for the period of 1990-91 to 1994-95.

[Fig. In Rs.]

YEAR	DEPOSIT AMOUNT	INCREASED [%]	DECREASED [%]
1990-91	11,677.95	--	--
1991-92	10,418.30	--	1259.65 [10.78%]
1992-93	6,719.95	--	3698.35 [35.50%]
1993-94	7,873.95	1154.00 [17.17%]	--
1994-95	6,533.35	--	1340.60 [17.05%]

Source : Compiled from the Annual Report of the Bank.

The above table No. 4.9 shows that the decreased trend of this deposit scheme. The amount of this deposit scheme decreased by 10.78%, 35.50% and 17.05% in the year 1991-92, 1992-93 & 1994-95 respectively.

3. DEPOSIT INTEREST RATE

The table No. 4.10 shows the interest rates of the deposits declared by the Vikas Co-operative Bank, Ltd., during the period from 1990-91 to 1994-95.

Table No. 4.10

Deposit Interest Rate [1990-91 & 1994-95]

Sr. No.	DEPOSITS	INTEREST RATE	
		1990-91	1994-95
1.	Fixed Deposits		
	i. 46 days to 180days	13.50 %	12.50 %
	ii. 181 days to 1 year	13.50 %	13.00 %
	iii. 1 year to 3 years	13.50 %	13.25 %
2.	Current Deposits [p.a.]	0.5 %	0.5 %
3.	Savings Deposits [p.a.]	7 %	5.5 %
4.	Recurring Deposits 1 year and more than 1 year	13.50%	12.50 %
5.	Pigmy Deposits		
	i. After One year.	4 %	4 %
	ii. After Two years.	5 %	5 %
	iii. After Three years.	6 %	6 %

Source : i. Compiled from the Annual Report of the Bank and

ii. Office records of the Bank.

The above table shows that the, interest rate of fixed deposit decreased in the year 1994-95 as compared to 1990-91.

In the year 1994-95 the interest rate of Saving deposit decreased upto 5.5% as compare to the year 1990-91.

In the year 1994-95 the interest rate of Recurring deposit decreased upto 12.50% as compare to the year 1990-91.

4. TOTAL DEPOSITS AND CREDIT DEPOSIT RATIO

After studying the various deposit schemes, and taking in to account their interest rate, an attempt has been made to study the growth of total deposit schemes & credit deposit ratio.

Ratio Analysis :

To judge the financial strength of the Vikas Co-operative Bank Ltd., Solapur, the technique of ratio analysis has been applied.

A ratio refers to the establishment of relationship between any two inter related variables. A ratio analysis means the process of computing, determining and presenting relationship of items, groups of items, in the financial statement. Ratio analysis is the principal tools for analysis of financial statement.

There is a relationship between deposit and loans and advances and hence I calculate the following ratio for study purpose.

1] Credit Deposit Ratio :

Credit deposit ratio establishes the relation ship between the total deposits and total loans and advances. The ratio indicates the sound/ weak position of the bank.

This ratio should be calculated by using the following farmula.



$$\text{Credit Deposit Ratio} = \frac{\text{Total Loans \& Advances}}{\text{Total Deposits}} \times 100 = \quad \%$$

Table No. 4.11

Table Showing the Total Deposits of the bank and The Credit Deposit Ratio for the period 1990-91 to 1994-95.

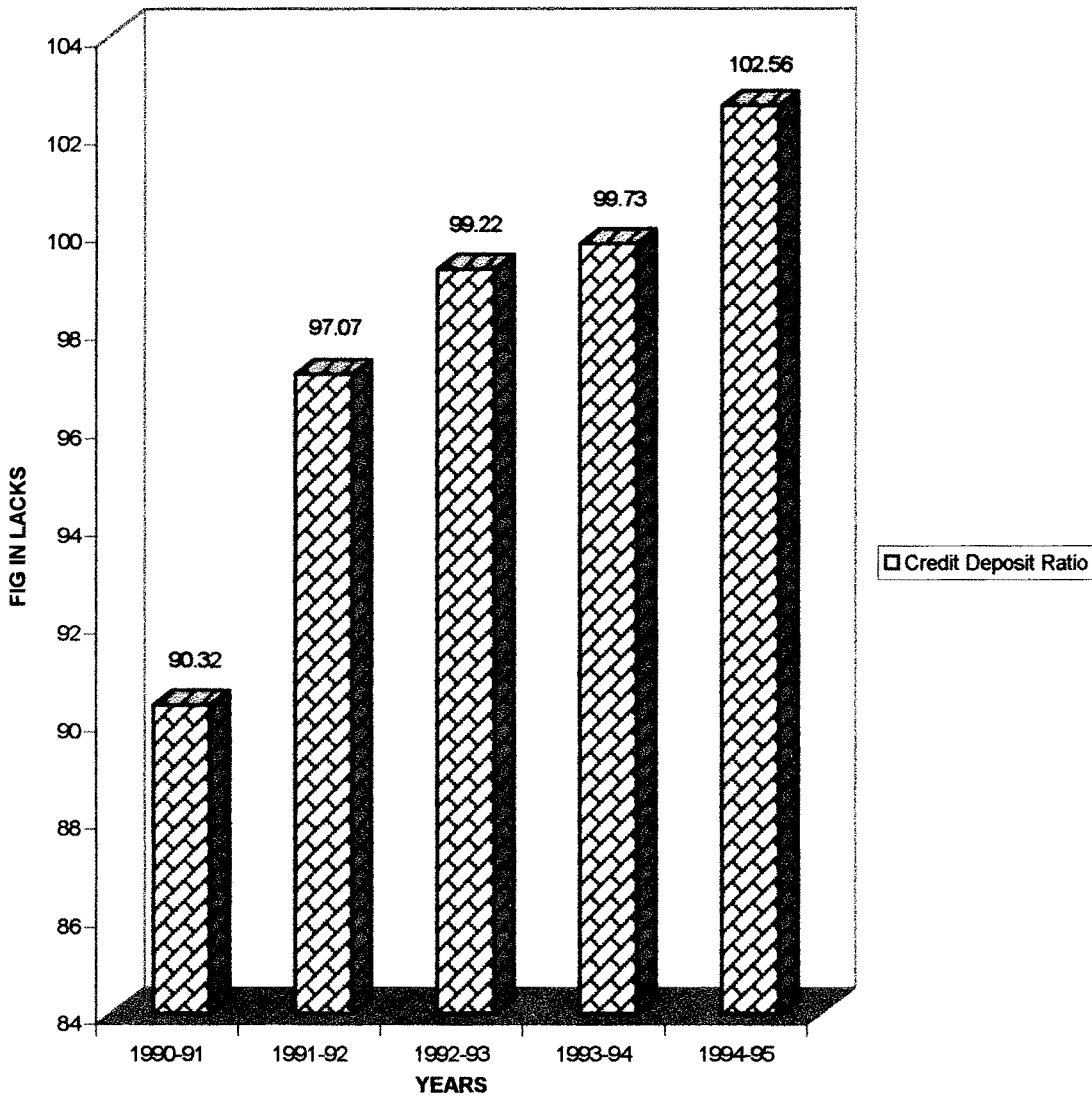
YEAR	DEPOSIT Rs.	GROWTH BASE 1991-92	LOANS & ADVANCES		CREDIT DEPOSIT RATIO
			Rs.	Inc. %	
1990-91	5,23,30,145=72	100	4,72,65,361=66	--	90.32 %
1991-92	5,25,90,471=63	100.49	5,10,52,225=94	7.95	97.07 %
1992-93	5,61,20,089=60	107.24	5,56,82,531=87	0.89	99.22 %
1993-94	7,69,18,071=71	127.87	6,67,39,700=91	18.82	99.73 %
1994-95	7,64,79,514=38	146.14	7,84,38,260=15	16.38	102.56 %

Source : Compiled from the Annual Report of the Bank.

The above table shows the total deposits of the bank increased from Rs. 5,23,30,145=72 in 1990-91 to 7,64,79,594=38 in 1994-95. It shows the growth index of the deposit is constantly increasing during the period from the base year 1990-91 to the year 1994-95 upto 146.14. This is a good and appreciable progress of the bank in deposit mobilisation.

The table also reveals the data relating to the credit deposit ratio of the bank. It shows the highest credit deposit ratio in the year 1994-95 which was 102.56%.

CREDIT DEPOSIT RATIO



The amount of loans and advances increased by 7.95%, 0.89%, 18.82% & 16.38 during the period of 1991-92, 1992-93, 1993-94 & 1994-95 respectively.

The table indicates that the amount of total deposits is increasing fastly than the speed of loans and advances of the bank upto 5th year and in the 5th year i.e. 1994-95 the amount of loans and advances is increasing fastly than the speed of total deposit of the same year.

5. LOANS AND ADVANCES

Introduction :

The Vikas Co-operative Bank Ltd., Solapur, play an important part in catering to the credit needs of regular and nominal members. Bank grant loans and advances for meeting commercial, productive and consumptional requirement of member, to make them free from the clutches of urban money lenders.

Resources of Vikas Co-operative bank [b] borrowed funds. Owned funds and share capital, reserve fund and other reserves. Borrowed funds include deposits of members and co-operative bank. The bank should pay prescribed rate of interest on deposits accepted, appropriate dividend on shares and interest on borrowing if any is not to earn maximum profit, in order to recoup efficient conduct of the institution, they must earn a reasonable amount of profit. The bank accept deposits for purpose of lending. As the rate of interest on lending is more than the rate of deposit the Bank earn profit.

Types of Loans and Advances :

The nature of various types of loans and advances of the Vikas Co-operative Bank Ltd. Solapur.

Total loans and advances mainly consist.

- 1] Secured loans and advances, and
- 2] Unsecured loans and advances.

While observing loans and advances on the lines of period they may be classified as –

- 1] Short term loans and
- 2] Medium – term loans.

List of Loans and advances :

- 1] Personal guarantee or guarantee of other members.
- 2] Loans against security of gold and silver ornaments.
- 3] Loans against fixed deposits.
- 4] Pledge goods loan.
- 5] Secured cash credit loans.
- 6] Employees provident fund loans.
- 7] Loan to small and cottage industry.
- 8] Loan against pigmy deposits.
- 9] Loan against Recurring Deposit.

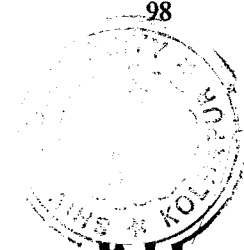
Table No. 4.12
Total Loans, Advances & Outstanding
During the period 1990-91 to 1994-95

YEAR	LOANS AND ADVANCES Rs.	OUTSTANDINGS Rs.	PERCENTAGE
1990-91	4,72,65,361.66	59,48,025.70	12.49
1991-92	5,10,52,225.94	57,40,051.85	10.90
1992-93	5,56,82,531.87	72,74,530.75	12.36
1993-94	6,67,39,700.91	76,27,875.15	10.67
1994-95	7,84,38,260.15	89,10,485.60	10.69

The above table No. 4.12 shows that the amount of loans and advances and its outstanding for the period of 1990-91 to 1994-95. The loans and advances increased by 7.95% in 1991-92, 8.79% in 1992-93, 18.79 in 1993-94 and 16.37% in 1994-95.

The trends of outstanding decreased from 12.49% to 10.69% during the study period.

It shows that the bank is efficient in collecting recovery.



DEPOSITS LOANS AND OUTSTANDING

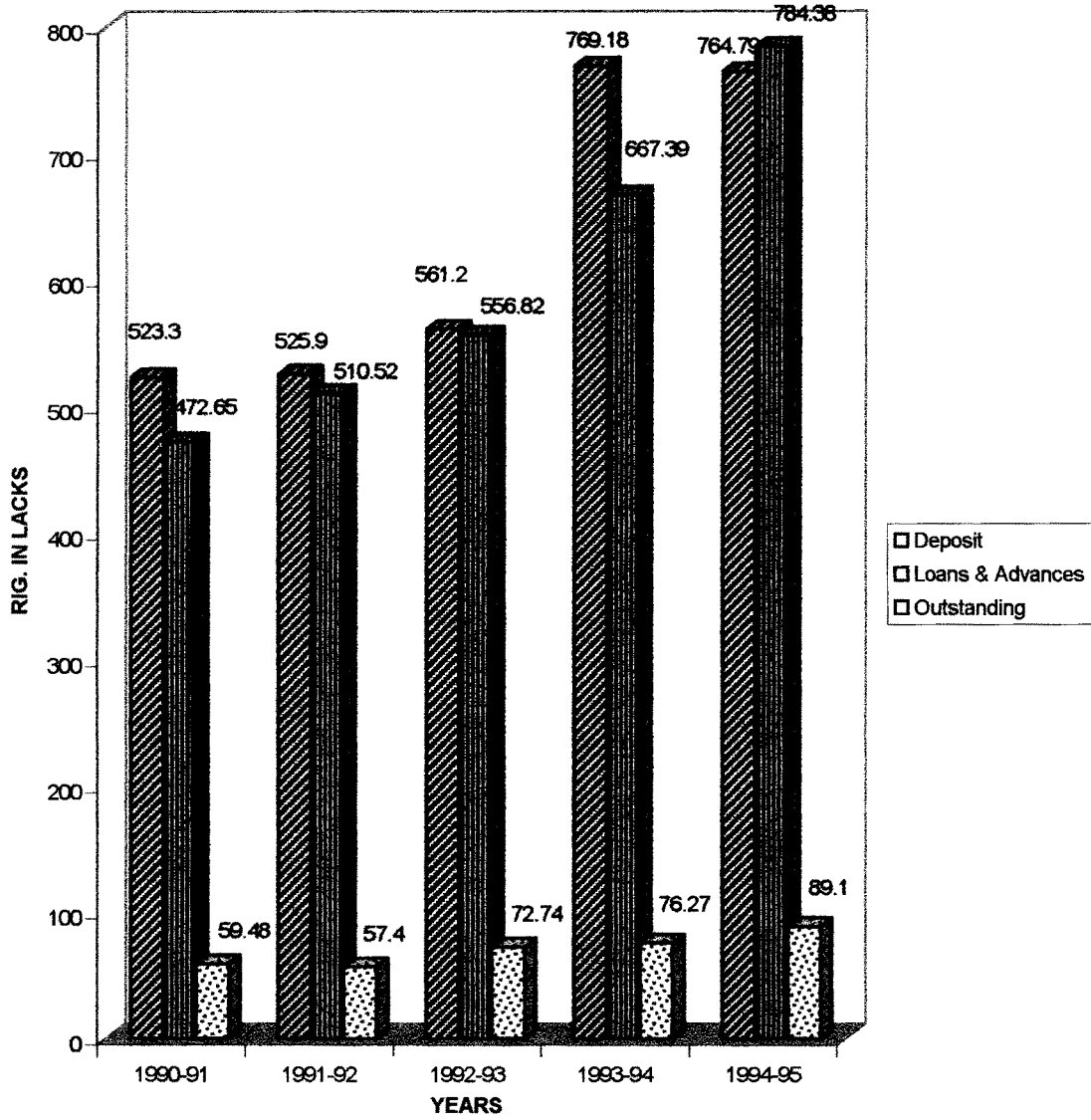


Table No. 4.13

Table Showing The Percentage of Purpose-Wise Loans And Advances

Types	1990- 91		1994- 95	
	Loans & Adv. [Total – 4,72,65,361.65] Rs.	% in Total Loans and Advances	Loans & Adv. [Total – 7,84,38,260.15] Rs.	% in Total Loans and Advances
Loans against fixed deposits	57,29,688.95	12.03	82,84,523.10	9.94
Loans against pigmy deposit	4,59,902.95	0.98	4,61,800.00	0.55

The above table No. 4.13 shows that the position of percentage of loans and advances against fixed deposits and pigmy deposits for the year 1990-91 and 1994-95.

Percentage of loans against fixed deposit in total loans decreased from 12.03% to 9.94% in 1994-95.

Percentage of loans against pigmy deposit in the total loans and advances decreased from 0.98% to 0.55% in 1994-95.

But by taking in to account the position of loans and advances during the study period, it was increase from Rs. 4,72,65,361.66 to in 1990-91 to 7,84,38,260.15 in 1994-95.