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**EVALUATION OF
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EVALUATION OF PERFORMANCE

4.1 INTRODUCTION

This chapter deals with the evaluation of performance of Janata Bank and Mahila Bank in comparison with each other . The factual data taken from the annual report is the main data base of the discussion in this chapter. In fact annual reports give large amount of financial information all of which is not considered. The approach is selective enough to facilitate comparative evaluation of financial performance of both the banks . The broad points on which the explanation is developed can be out lined as follows

- Growth of business
- Cost effectiveness
- Profitability
- Capital adequacy
- Overdues
- Productivity
- Overall progress

It is on the basis of these parameters the banks have been evaluated as to their performance in comparative manner. However it is required to be remembered at the out set that both the banks belong to the same category of Urban Co-operative banks. The legal and constitutional frame work within which they are expected to work is just the same.

What ever differences which are going to be observed are necessarily resulting from the level of their actual working that is size of business , size of capital , size of income and expenditure and such other important figures which have been presented in the forgoing tables.

4.2 GROWTH OF BUSINESS

The prime business of the bank is mobilisation of deposits and advancing of loans. The growth of the business of bank consists of growth in deposits on one hand and growth in loans on the other. The position with regard to these two main aspects of the banks are shown in the following tables .

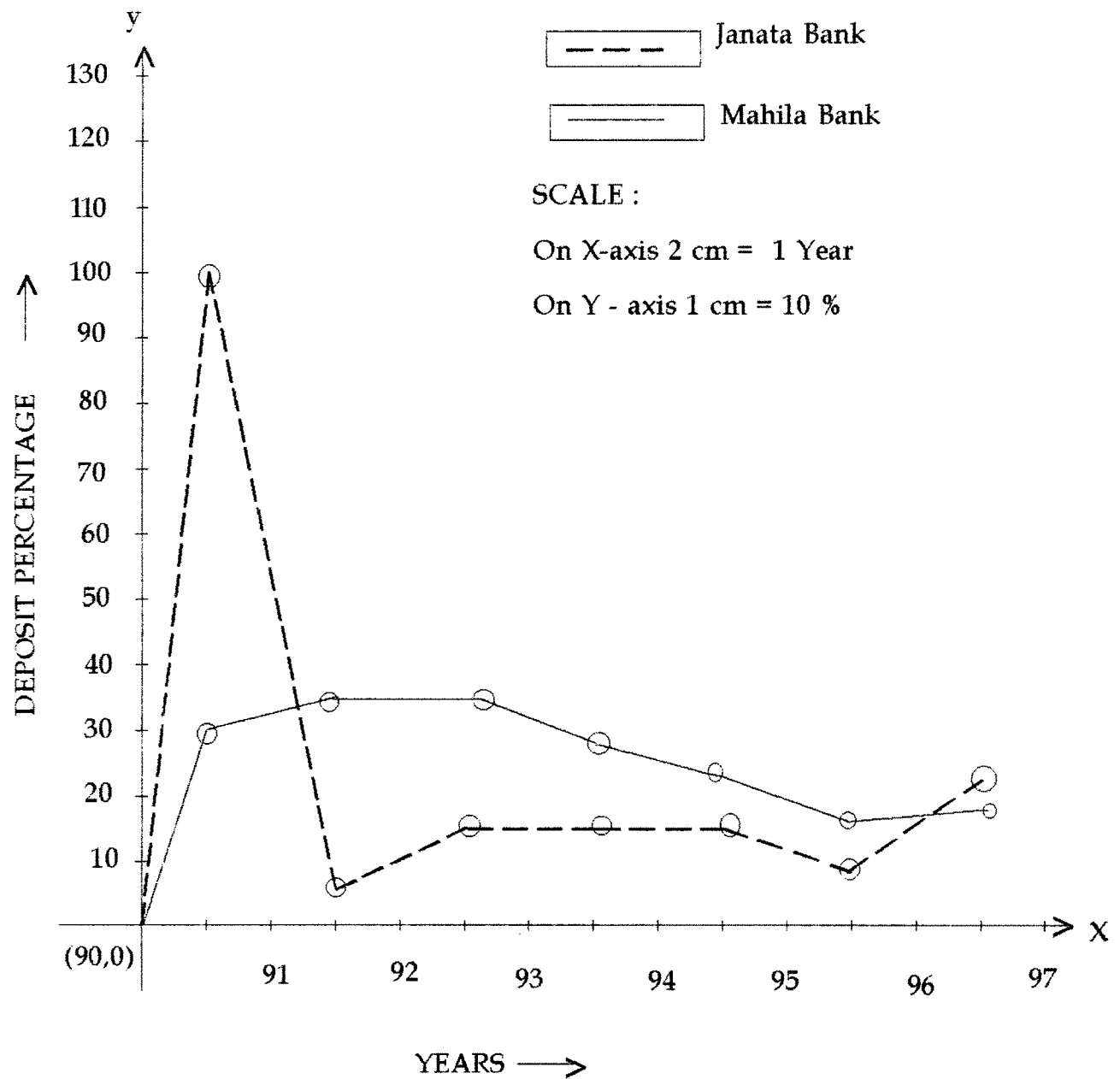
TABLE NO. 4.1

GROWTH RATE OF DEPOSITS

JANATA BANK			MAHILA BANK	
YEAR	DEPOSIT Rs.	GROWTH RATE	DEPOSIT Rs.	GROWTH RATE
90-91	17,06,22,363	101.34 %	1,97,98,449	30.70 %
91-92	17,72,47,827	3.88 %	2,68,75,575	35.75 %
92-93	20,51,17,794	15.72 %	3,62,85,125	35.01 %
93-94	23,71,81,283	15.63 %	4,65,96,123	28.42 %
94-95	27,21,86,489	14.75 %	5,65,79,201	21.42 %
95-96	29,39,83,002	8.00 %	6,60,16,808	16.68 %
96-97	36,06,90,258	22.69 %	7,81,03,659	18.30 %

Source :- Annual reports of 1990-91 to 1996-97 of both the banks

4.1 DEPOSITS - GROWTH RATE



4.2.1. GROWTH OF DEPOSITS

A period of seven years (1991 - 96) is considered to understand the growth of deposits in both of the banks . The rate of growth in case of Janata Bank is 13.45 % on an average. The lowest rate of growth is 3.88 % in 91 -92 and 8 % in 1995 -96 . The highest rate of growth is 22.69 % in 1996-97 .

In case of Mahila Bank the rate of growth is 25. 93 % on an average. The lowest rate of growth is 16.68 % in 1995-96 and 18.30 % in 1996-97. The highest rate of growth is 31.75 % in 1991-92 .

The comparison of the above two clearly shows that the rate of growth of deposits in Mahila Bank is substantially higher in all the years than that of Janata Bank.

It is certainly creditworthy for Mahila Bank for having this higher rate of growth of deposits inspite of the fact that Mahila Bank is younger as compare to Janata Bank . However it is disturbing to note that even though the rate of growth is higher there is decreasing trend in rate of growth in deposits of Mahila Bank. The rate has come down from 35.75 % in 1991-92 to 18.30 % in 1996-97 indicating slower increase of deposits in the last two years .

TABLE NO. 4.2

GROWTH RATE OF LOANS & ADVANCES

JANATA BANK			MAHILA BANK	
YEAR	CREDIT Rs.	GROWTH RATE	CREDIT Rs.	GROWTH RATE
90-91	13,17,82,847	189.90 %	1,54,84,684	46.49 %
91-92	14,00,53,838	60.00 %	1,87,45,299	21.18 %
92-93	15,52,06,558	10.81 %	2,28,93,077	22.00 %
93-94	17,43,36,308	12.33 %	2,96,10,067	29.34 %
94-95	20,87,60,946	19.74 %	3,43,48,410	16.00 %
95-96	21,79,49,059	4.40 %	4,00,82,942	16.70 %
96-97	26,30,37,892	20.68 %	4,31,36,337	7.62 %

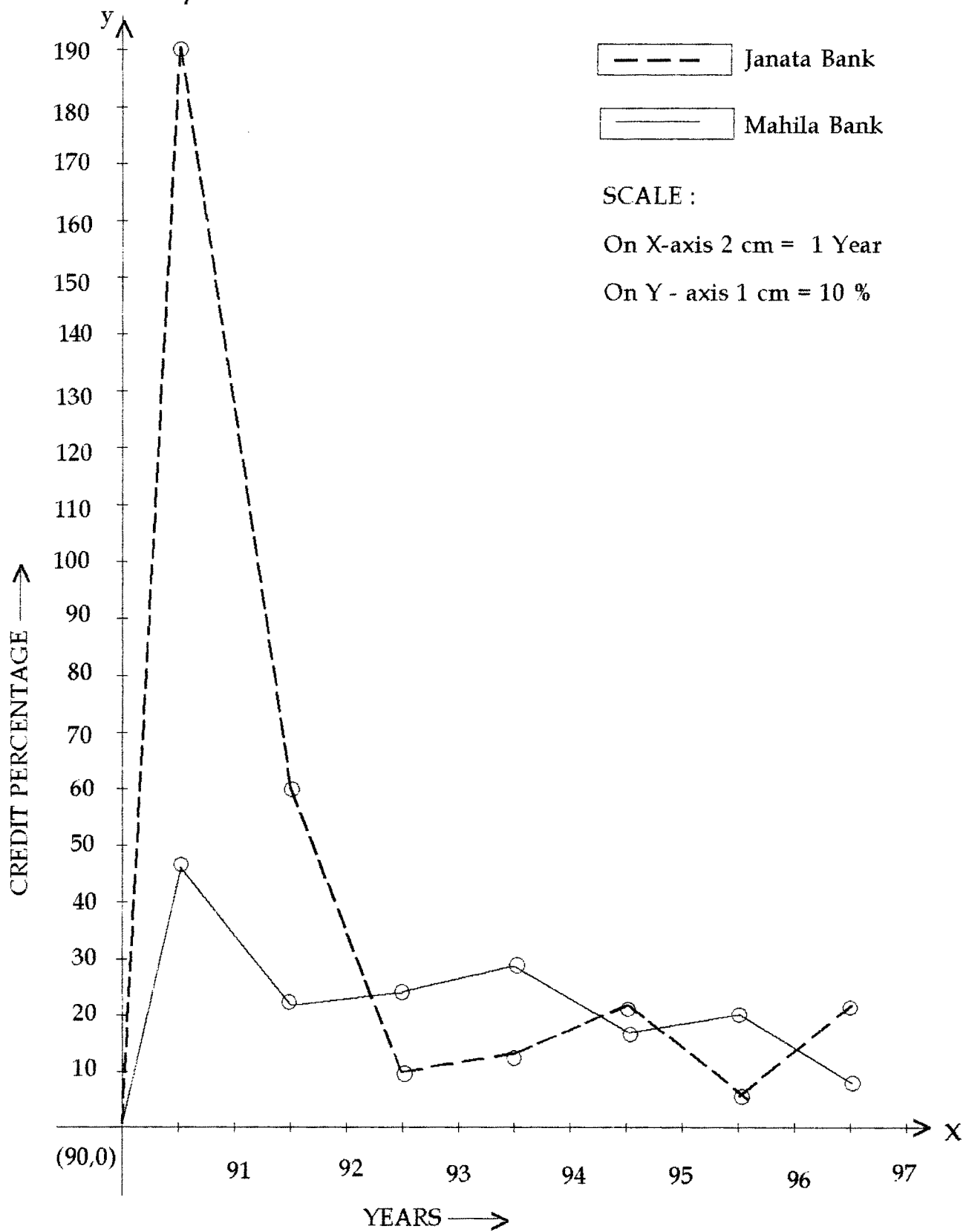
Source :- Annual reports of 1990-91 to 1996-97 of both the banks

4.2.2. GROWTH OF LOANS AND ADVANCES

Like deposits a period of seven years (1991-96) is considered to understand the growth of loans and advances in both the banks . The rate of growth in case of Janata Bank is 21.32 % on an average. The lowest rate of growth is 4.40 % in 1995-96 and 10.81 % in 1992-93 . The highest rate of growth is 60 % in 1991-92 .

In case of Mahila Bank the rate of growth is 18.80 % on an average. The lowest rate of growth is 7.62 % in 1996-97 and 16.00 % in 1994-95 . The highest rate of growth is 29.34 % in 1993-94 .

4.2 CREDIT/ADVANCES - GROWTH RATE



The comparison of the above two clearly shows that the rate of growth of loans and advances in Mahila Bank is substantially higher in all the years except 1991-92 than that of Janata Bank . It is certainly creditworthy for Mahila Bank for having this higher rate of growth of loans and advances inspite of the fact that Mahila Bank is younger as compare to Janata Bank.

Both the banks show exceptionally low rate of growth of loans and advances in certain years such as 1995-96 (4.40 %) in Janata Bank and in 1996-97 (7.62 %) in Mahila Bank .

4.2.3 CREDIT DEPOSIT RATIO

Credit deposit ratio is considered as other important parameter of evaluation of performance of the bank . In the process of creation of credit it is an accepted rule that loans create the deposits. An attempt is made to understand Credit deposit ratio for both the banks . The data for the same is presented below

TABLE NO. 4.3

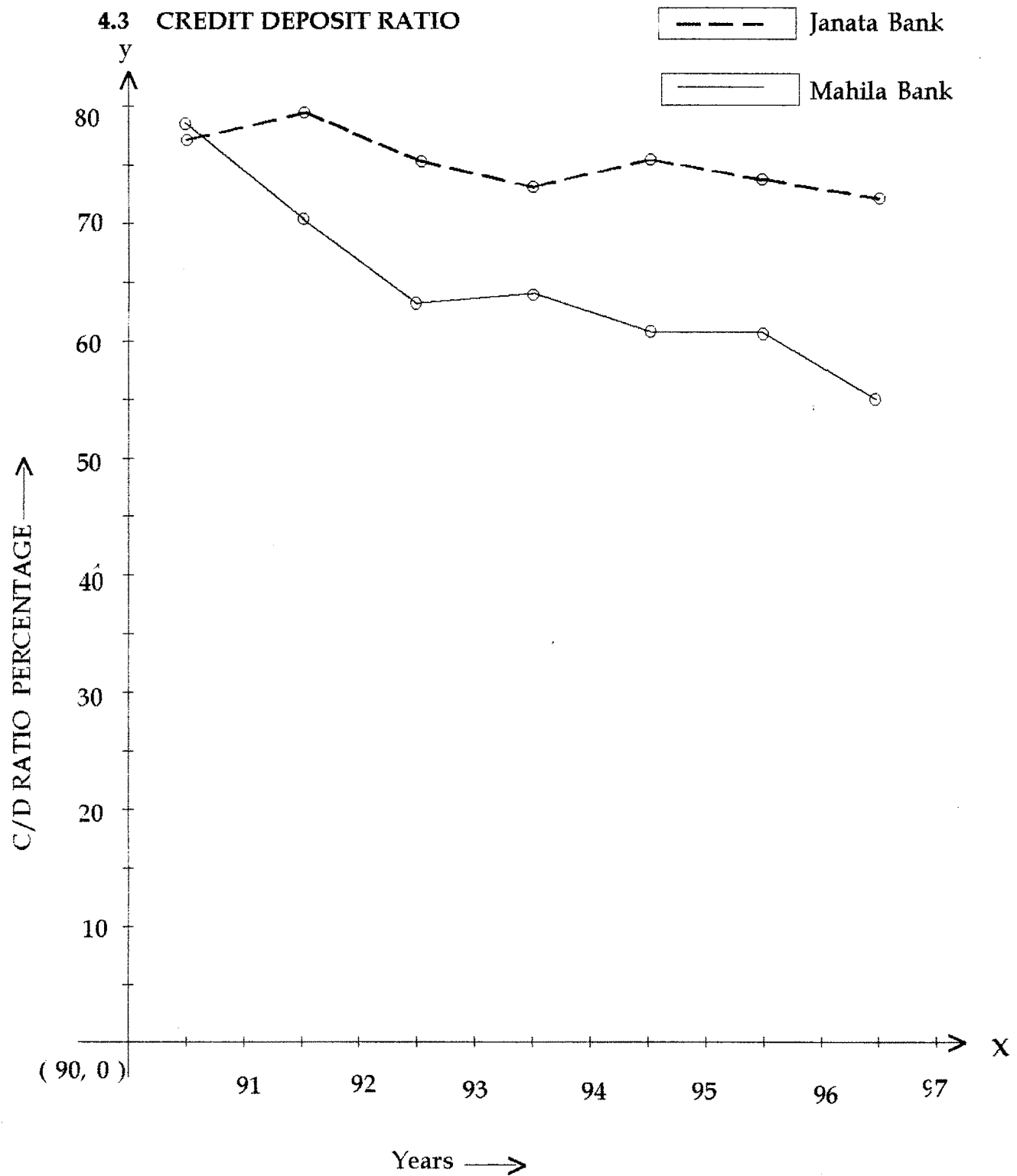
CREDIT DEPOSIT RATIO

YEAR	JANATA BANK			MAHILA BANK		
	CREDIT Rs.	DEPOSIT Rs.	C/D RATIO	CREDIT Rs.	DEPOSIT Rs.	C/D RATIO
90-91	13,17,82,847	17,06,22,363	77.23 %	1,54,84,684	1,97,98,449	78.21 %
91-92	14,00,53,838	17,72,47,827	79.01 %	1,87,65,299	2,68,75,575	69.82 %
92-93	15,52,06,558	20,51,17,794	75.66 %	2,28,93,677	3,62,85,125	63.09 %
93-94	17,43,36,308	23,71,81,283	73.50 %	2,96,10,067	4,65,96,123	63.54 %
94-95	20,87,60,946	27,21,86,489	76.69 %	3,43,48,410	5,65,79,201	60.70 %
95-96	21,79,49,059	29,39,83,007	74.13 %	4,00,82,942	6,60,16,808	60.71 %
96-97	26,30,37,892	36,06,90,258	72.92 %	4,31,36,337	7,81,03,659	55.22 %

Source :- Annual reports of 1990-91 to 1996-97 of both the banks

The observations regarding Credit deposit ratio in the above table can be briefly described as follows

(1) In case of Janata Bank the data for the last seven years shows that the credit deposit ratio is in the range of 72.92 % to 79.01 % giving the average credit deposit ratio of 75.59 % . This leads to the conclusion that



there are very minor fluctuations in the credit deposit ratio of the different years . The actual credit deposit ratio remain very much close to their average.

(2) In case of Mahila Bank the data for the last seven years shows that the credit deposit ratio is in the range of 52.22 % to 78.28 % giving the average credit deposit ratio of 64.47 % . This leads to the consideration that there are very minor fluctuations in the credit deposit ratios of the different years . The only exception is of the year 1990-91 where such variations are found to be on higher side by 13.74 % points.

(3) Inter bank comparison of various credit deposit ratios shows that Janata Bank is higher as to its credit deposit ratios than that of Mahila Bank . The average credit deposit ratio for Janata Bank is 75.59 % while it is 64.47 % for Mahila Bank .

(4) It can therefore be inferred that Janata Bank has higher level of utilisation of its deposits for the purpose of giving the loans.

4.3 COST EFFECTIVE NESS

Alongwith the rate of increase in business the working of the banks can be evaluated on the basis of cost effectiveness .How far the banks are economical in their way of working is also an important consideration . The cost effectiveness can be studied by various ways we have selected the following tables which are directed towards the understanding of the internal comparison of the expenditure in the form of various ratios

TABLE NO. 4.4

INTEREST PAID TO TOTAL EXPS. RATIO

YEAR	JANATA BANK			MAHILA BANK		
	INTEREST	TOTAL	I / T × 100	INTEREST	TOTAL	I / T × 100
	PAID Rs.	EXPS. Rs.	EXPS.	PAID Rs.	EXPS. Rs.	EXPS.
90-91	1,39,27,827	2,10,28,171	66.23 %	12,72,118	22,16,616	57.39 %
91-92	1,25,35,913	1,96,28,249	63.86 %	15,10,069	23,83,365	63.35 %
92-93	1,87,73,914	2,89,59,981	64.82 %	26,73,982	45,74,421	58.45 %
93-94	2,05,04,295	4,28,36,564	47.86 %	35,95,498	60,44,495	59.48 %
94-95	1,60,26,705	3,13,44,050	51.13 %	45,62,575	74,37,882	61.34 %
95-96	3,10,33,825	4,49,70,590	69.00 %	52,10,809	86,50,611	60.23 %
96-97	3,38,69,853	5,18,73,459	65.29 %	6,89,928	1,07,08,347	64.43 %

I = INTEREST

T = TOTAL EXPS.

Source :- Annual reports of 1990-91 to 1996-97 of both the banks

In the operating cost of the banks the major item of expenditure is interest paid on deposits . The above table shows the ratio of interest paid to total expenses . Following are the important observations with regard to this ratio for both the banks.

- (1) The ratio does not vary substantially for both the banks . It is the range of 55 % to 65 % in most of the years for both the banks. It is only in exceptional years the ratio has seen to below 55 % and above 65 % .
- (2) In case of Janata Bank the ratio of interest paid to total expenses is observed to be 61.17 % on an average . The ratio is when considered for the last seven years discloses that the ratio is higher at 66.23 % in 1990-91 and lowest at 47.86 % in the year 93-94.
- (3) In case of Mahila Bank the ratio of interest paid to the total expenses is the ratio of interest paid to total expenses is observed to be 60.66 % on an average . The ratios when considered for the last seven years discloses that the ratio is highest at 64.43 % in 1996-97 and lowest at 57.39 % in the year 1990-91.
- (4) The total average ratio of interest paid to total expenses for Janata Bank is 61.17 % and the same ratio for Mahila Bank is 66.66 % showing a marginal difference of 0.56 % higher for Mahila Bank.

TABLE NO. 4.5

SALARY TO TOTAL EXPENSES RATIO

YEAR	JANATA BANK			MAHILA BANK		
	SALARY Rs.	TOTAL EXPS. Rs.	S/T × 100	SALARY Rs.	TOTAL EXPS. Rs.	S/ T × 100
90-91	42,19,467	2,10,28,171	20.06 %	3,73,227	22,16,616	16.83 %
91-92	43,90,683	1,96,28,249	22.37 %	3,40,352	23,83,365	14.28 %
92-93	64,58,274	2,89,59,981	22.30 %	5,34,296	45,74,421	11.68 %
93-94	76,85,809	4,28,36,564	17.94 %	7,74,838	60,44,495	12.81 %
94-95	79,05,903	3,13,44,050	25.22 %	10,47,357	74,37,882	14.08 %
95-96	94,16,948	4,49,70,590	20.94 %	13,16,556	86,50,611	15.21 %
96-97	1,33,84,814	5,18,73,459	25.80 %	15,11,346	1,07,08,347	14.11 %

Source :- Annual reports of 1990-91 to 1996-97 of both the banks

Another important aspect we have examined to understand cost effectiveness of bank is ratio of salary to total expenses . As we have seen earlier in table 4.4 the total operating cost of both the banks consists of more than 60 % interest paid on the deposits. This table No 4.5 brings out another important fact that the next 20 % of the total operating cost is occupied by salary of the employees . The major observation in this regard can be summarised as follows

- (1) The percentage of salary to total expenses in case of Janata Bank is higher by about 8 % as compared to that of Mahila Bank .

The average ratio in Janata Bank is 22.09 % and in case of Mahila Bank 14.14 %.

(2) When the ratios for last seven years are considered individually for each bank, Janata Bank falls in the range of 20 % to 25 . 80%

The corresponding range for Mahila Bank is from 11.68 % to 16.83%.

(3) As a result of the above two observations Mahila Bank seems to be more cost effective than that of Janata Bank.

(4) The load of salary is lesser in case of Mahila Bank and higher in case of Janata Bank . However this conclusion should be taken as true because the burden of salary expenditure goes on increasing year by year without any reference to increase in total expenditure . Janata Bank being elder carries higher ratio as compared to the ratio of Mahila Bank.

4.4 PROFITABILITY

Banks are essentially business organisations . The ultimate success of their business is measure in terms of their ability of banks to earn reasonable amount of profit . It has generally been criticised that the profitability of Indian banks is low. This issue of profitability is examined by considering the various ratio of profitability .In the first place Table No 4.6 shows the ratio of interest earned to total income . The rational behind considering this ratio is that interest earned on loans and advances is a prime source of income of the banks.

TABLE NO. 4.6

INTEREST EARNED TO TOTAL INCOME RATIO

YEAR	JANATA BANK			MAHILA BANK		
	INTEREST EARNED Rs.	TOTAL INCOME Rs.	I . E / T.I × 100	INTEREST EARNED Rs.	TOTAL INCOME Rs.	I . E /T. I. × 100 .
90-91	1,65,90,067	2,19,72,706	75.50 %	19,95,645	25,36,783	78.66 %
91-92	1,65,05,784	2,04,93,164	80.54 %	21,44,618	27,84,619	77.01 %
92-93	2,29,62,130	2,99,78,373	76.59 %	36,30,463	48,45,105	74.93 %
93-94	3,50,23,988	4,39,49,132	79.69 %	47,46,365	63,88,504	74.29 %
94-95	2,34,37,182	3,22,40,443	72.69 %	55,94,082	78,88,972	70.91 %
95-96	3,55,00,882	4,59,98,364	77.17 %	68,34,768	94,17,183	72.57 %
96-97	4,06,16,903	5,44,09,945	74.64 %	75,73,245	1,15,56,339	65.53 %

Source :- Annual reports of 1990-91 to 1996-97 of both the banks

The above table shows the percentage of the interest earned to total income for both the banks Following are the significant observations

- (1) Both the Banks have more or less the same ratio of interest earned to total income leaving out a marginal difference of 2 to 3% . It is therefore the indication of similar level of performance of both the banks
- (2). The figures for the last seven years given in the table give the average ratio of 76.68 % for Janata Bank while in the case of Mahila Bank this ratio is 73.41 %.
- (3) When the ratios of the various years are observed for each of the banks individually there are minor variations as well. In case of Janata

Bank Lowest ratio is found at 74.64 % in the year 1996-97 and the highest ratio at 80.54 % in 1991-92.

In case of Mahila Bank the corresponding figures are 65.53 % in 1996-97 and 78.66 % in 1990-91.

(4) As such no increasing or decreasing trend is discernable over the period of seven years in case of Janata Bank .

In case of Mahila Bank however a slight decreasing trend is discernable. For example out of total income of Rs. 100 Rs. 78.66 were earned by way of interest in 1990-91 and proportion of interest earned to total income has come down to 65.53 % .

The second important aspect considered in the examination of profitability analysis is the margin analysis of the banks . The term margin refers to the difference between interest earned on advances and interest paid on deposits . The following table No. 4.7 depicts the position of both the banks respect to margin .

TABLE NO 4.7

MARGIN ANALYSIS - INTEREST EARNED TO INTEREST PAID RATIO

	JANATA BANK			MAHILA BANK		
Year	Amount Rs.	(a) / loans x 100 (b) / Deposits x 100	Percentage	Amount Rs.	(a) / loans x 100 (b) / Deposits x 100	Percentage
1990-91						
(a)						
Interest Earned	1,65,90,067	$\frac{1,65,90,067}{1,39,27,827} \times 100$	12.58 %	19,95,645	$\frac{19,95,645}{12,72,118} \times 100$	12.88 %
(b)		$\frac{13,17,82,847}{1,39,27,827} \times 100$			$\frac{15,48,46,84}{12,72,118} \times 100$	
Interest Paid	1,39,27,827		8.16 %	12,72,118		6.42 %
		$\frac{17,06,22,363}{1,39,27,827} \times 100$			$\frac{19,79,84,49}{12,72,118} \times 100$	
Differences	26,62,240		4.42 %	7,23,527		6.46 %
1991-92						
(a)						
Interest Earned	1,65,05,784	$\frac{1,65,05,784}{1,25,35,913} \times 100$	11.78 %	21,44,618	$\frac{21,44,618}{15,10,069} \times 100$	11.42 %
(b)		$\frac{14,00,53,838}{1,25,35,913} \times 100$			$\frac{18,76,52,99}{15,10,069} \times 100$	
Interest Paid	1,25,35,913		7.07 %	15,10,069		5.61 %
		$\frac{17,72,47,827}{1,25,35,913} \times 100$			$\frac{26,87,55,75}{15,10,069} \times 100$	
Difference	39,69,871		4.71 %	6,34,549		5.81 %
1992-93						
(a)						
Interest Earned	2,29,62,130	$\frac{2,29,62,130}{1,87,73,914} \times 100$	14.79 %	36,30,469	$\frac{36,30,469}{26,73,982} \times 100$	15.85 %
(b)		$\frac{15,52,06,558}{1,87,73,914} \times 100$			$\frac{22,89,30,77}{26,73,982} \times 100$	
Interest Paid	1,87,73,914		9.15 %	26,73,982		7.36 %
		$\frac{20,51,17,794}{1,87,73,914} \times 100$			$\frac{36,28,51,25}{26,73,982} \times 100$	
Difference	41,88,216		5.64 %	9,56,487		8.49 %

1993-94						
(a)						
Interest Earned	3,50,23,988	$3,50,23,988 \times 100$	20.08 %	47,46,365	$47,46,365 \times 100$	16.02 %
(b)		17,43,36,308			29,61,00,67	
Interest Paid	2,05,04,295	$2,05,04,295 \times 100$	8.64 %	35,95,498	$35,95,498 \times 100$	7.71 %
		23,71,81,283			45,69,61,23	
Difference	1,45,19,693		11.44 %	11,50,867		8.31 %
1994-95						
(a)						
Interest Earned	2,34,37,182	$2,34,37,182 \times 100$	11.22 %	55,94,082	$55,94,082 \times 100$	16.28 %
(b)		20,87,60,946			34,34,84,10	
Interest Paid	1,60,26,705	$1,60,26,705 \times 100$	5.88 %	45,62,575	$45,62,575 \times 100$	8.06 %
		27,21,86,489			56,57,92,01	
Difference	74,10,477		5.34 %	10,31,507		6.22 %
1995-96						
(a)						
Interest Earned	3,55,00,882	$3,55,00,882 \times 100$	16.28 %	68,34,768	$68,34,768 \times 100$	17.05 %
(b)		21,79,49,059			40,08,29,42	
Interest Paid	3,10,33,825	$3,10,33,825 \times 100$	10.55 %	52,10,809	$52,10,809 \times 100$	7.89 %
		29,39,83,002			66,01,68,08	
Difference	44,67,057		5.73 %	16,23,959		9.16 %

1996-97						
(a)						
Interest Earned	406,16,903	$406,16,903 \times 100$	15.44 %	72,73,245	$72,73,245 \times 100$	17.55 %
(b)		26,30,37,892			43,13,63,337	
Interest Paid	3,38,69,853	$3,38,69,853 \times 100$	9.39 %	68,99,928	$68,99,928 \times 100$	8.83 %
		36,06,90,258			78,10,36,59	
Difference	67,47,050		6.05 %	67,33,17		8.72 %

In the above table interest earned and interest paid and the difference between the two is shown in the form of absolute figures as well as the percentages. The close review of the figures in a table reveals the following important facts.

- (1) The data pertaining to Janata Bank shows that the difference between the percentage of interest earned and interest paid is 4.42 in 1990-91, 4.71 in 1991-92, 5.54 in 1992-93, 11.44 in 1993-94, 5.43 in 1994-95, 5.73 in 1995-96 and 6.05 in 1996-97. These figures indicate a substantial fluctuations over the period of time.
- (2) The data pertaining to Mahila Bank shows that the difference between the percentage of interest earned and interest paid is 6.46 in 1990-91, 5.81 in 1991-92, 8.49 in 1992-93, 8.31 in 1993-94, 8.22 in 1994-95, 9.16 in 1995-96 and 8.72 in 1996-97. These figures do not indicate a substantial fluctuations over a period of time like Janata Bank.
- (3) The trend of the margin over the period of years in neither increasing nor decreasing in some years it has gone up to 11 % points and has also come down to 4 % points in some other years. In case of Janata

Bank similar type of irregular trend is also observed in case of Mahila Bank. In some years the difference is low up to 5 % point and in some other years it has gone upto 8 % points .

(4) By and large the margin available for Mahila Bank is higher than that of Janata Bank . This implies the portfolio of loans of Mahila Bank is more profitable as compared to the portfolio of loans of Janata Bank. More over the deposits collected by Mahila Bank can be said to be more economise than that of Janata Bank.

RETURN ON CAPITAL

Return on capital is well accepted measure of profitability .The following table No. 4.8 shows the position of both the banks as to their return on capital

TABLE 4.8**RETURN ON CAPITAL**

YEAR	JANATA BANK			MAHILA BANK		
	NET PROFIT (1) Rs.	CAPITALGR(2) Rs.	1 / 2 x 100	NET PROFIT (1) Rs.	CAPITALGR(2) Rs.	1 / 2 x 100
90-91	9,44,535	68,85,001	13.71 %	3,20,167	20,71,652	15.45 %
91-92	8,64,915	77,47,566	11.16 %	4,01,254	23,99,185	16.72 %
92-93	10,18,392	87,16,792	11.68 %	2,70,684	27,30,518	9.91 %
93-94	11,12,568	1,02,01,440	10.90 %	3,44,009	31,31,637	10.98 %
94-95	8,96,393	1,22,62,615	7.30 %	4,51,090	35,43,538	12.72 %
95-96	10,27,774	1,39,84,128	7.34 %	7,66,572	39,82,012	19.25 %
96-97	25,36,486	1,60,34,189	15.81 %	8,47,992	46,82,184	18.11 %

Source :- Annual reports of 1990-91 to 1996-97 of both the banks

The close review of the figures in the table shows the following important facts

- (1) In case of Janata Bank the ratio of net profit to capital is found to be in the range of 7.30 % to 15.18 % giving the average rate of return of 11.12 % .

(2) In case of Mahila Bank the ratio of net profit to capital is found to be in the range of 9.91 % to 19.25 % giving the average rate of return of 14.73 % .

(3) The above two facts clearly show that the profitability of Mahila Bank is higher than that of Janata Bank . At the average rate of return on capital the difference between the rates is 3.61 percent points.

(4) When the rates are compared of the different years for each of the banks individually Janata Bank shows a decreasing trend from 1990-91 to 95-96 and in the last year the rate of return has reached to the highest level. The similar type of trend is also found in Mahila Bank upto 1994-95 . However in the year 1995-96 it has reached to its highest level followed by a minor decrease in last year

4.5 CAPITAL ADEQUACY

The bank must have adequate capital to cover the natural hazards in its operations . The equity capital base is necessary to enjoy public confidence as well. A strong capital base provides more scope for diversification and expansion of business of the banks . Capital adequacy in Indian Banks is said to be poor and there has been a sharp decline in the recent years . Table No 4.9 shows the position of capital adequacy for both the banks measured in terms of ratio of capital and reserve fund to working capital.

TABLE NO. 4.9

CAPITAL ADEQUACY

YEAR	JANATA BANK			MAHILA BANK		
	CAPITAL G.R. Rs.	WOR.CAPITAL Rs.	C / W.C.x100	CAPITAL G.R. Rs.	WOR.CAPITAL Rs.	C/W.C.x100
90-91	68,85,001	20,23,86,372	3.40 %	20,71,652	----	
91-92	77,47,566	21,39,23,988	3.62 %	23,99,185	3,14,05,000	7.63 %
92-93	87,16,792	24,50,69,272	3.55 %	27,30,518	4,23,95,000	6.44 %
93-94	1,02,01,440	27,67,15,231	3.68 %	31,31,637	5,44,33,485	5.75 %
94-95	1,22,62,615	32,27,18,118	3.79 %	35,43,538	6,59,74,169	5.37 %
95-96	1,39,84,128	34,55,83,770	4.04 %	39,82,012	7,63,04,106	5.21 %
96-97	1,60,34,189	42,50,87,598	3.77 %	46,82,184	9,00,84,103	5.15 %

Source :- Annual reports of 1990-91 to 1996-97 of both the banks

The data in the above table reveals the following facts,

- (1) In case of Janata Bank the ratio for the last seven years ranges from 3.40 % to 4.04 % giving the average of 3.69 % . The average is very close to the actual ratio of all years under considerations and there are minor fluctuations over the period of time .
- (2) In case of Mahila Bank the ratio of last 7 years is found to be in the range of 5.19 % to 7.63 % giving the average ratio of 5.93 % . There are no wide fluctuations in the ratios over the period of time.
- (3) In case of Janata Bank the ratio remains almost constant showing neither decreasing nor increasing trend. In case of Mahila Bank however a decreasing trend is observable indicating loss of capital base of the bank.
- (4) Although Mahila Bank shows decreasing trend in its ratios of the years the actual ratios of all the years are substantially higher than that of Janata Bank . In comparison with Janata Bank Mahila Bank has stronger capital base. This fact remains noteworthy because Mahila Bank is younger in its age than Janata Bank.

4.6 OVERDUES

The success of the credit policy of the bank is measured by ratio of overdues to advances . This ratio certainly point out how far the loans and advances are given prudently . Table No 4.10 shows the position of overdues for both the banks .

TABLE NO. 4.10

OVERDUES

YEAR	JANATA BANK			MAHILA BANK		
	OVERDUES Rs.	ADVANCES Rs.	O / A RATIO	OVERDUES Rs.	ADVANCES Rs.	O / A RATIO
90-91	1,20,72,000	13,17,82,847	9.16 %	29,04,487	1,54,84,684	18.75 %
91-92	1,40,23,000	14,00,53,838	10.01 %	25,62,998	1,87,65,299	13.65 %
92-93	1,63,55,338	15,52,06,558	10.54 %	21,06,670	2,28,93,077	9.20 %
93-94	1,75,46,000	17,43,36,308	10.06 %	19,15,620	2,96,10,067	6.46 %
94-95	1,90,47,000	20,87,60,946	9.12 %	18,12,780	3,43,48,410	5.27 %
95-96	1,86,95,000	21,79,49,059	8.58 %	27,42,404	4,00,82,942	6.84 %
96-97	1,73,98,000	26,30,37,892	6.61 %	33,45,007	4,31,36,337	7.75 %

A critical review of the data discloses the following significant facts

- (1) In case of Janata Bank the ratio of overdues to advances is found to be in the range of 6.61 % to 10.54 % giving the average of 9.15 % . There are no wide fluctuations in the ratio over the period of time .
- (2) In case of Mahila Bank the ratio is found to be in the range of 5.27% to 18.75 % giving the average of 9.70 % . There are moderate fluctuations

in the ratio over a period of time .

(3) It is significant to note that the ratio of Janata Banks for the years under considerations shows decreasing trend showing an improvement in the recovery of loans .

(4) In case of Mahila Bank the overdues were found to be quite high in the first two years . Subsequently overdues have come down showing an improvement in the recovery of loans by the banks .

(5) By and the large the ratio of two banks remain almost at the same level showing the position of Janata Bank slightly better .

4.7 PRODUCTIVITY

The productivity of the banks is measured herein terms of per employee business . The ratio used for the purpose is as follows

Productivity = Deposits + Advances / No. Of employees

Table No. 4.11 (a) and (b) shows the position of productivity for both the banks .

TABLE NO. 4.11 (A)

YEAR	JANATA BANK			MAHILA BANK		
	DEPOSITS + ADVANCES Rs.	NO. OF EMPLOYEES	PER CAPITA BUSINESS Rs.	DEPOSITS + ADVANCES Rs.	NO. OF EMPLOYEES	PER CAPITA BUSINESS Rs.
93-94	41,15,17,591	139	29,60,558	7,62,06,190	40	19,05,154
94-95	48,09,47,435	137	35,10,565	9,09,27,611	46	19,76,687
95-96	51,19,32,061	135	37,92,089	10,60,99,750	47	22,57,441
96-97	62,37,28,150	133	46,89,685	12,12,39,996	57	21,27,017

TABLE NO. 4.11 (B)

BUSINESS PER EMPLOYEE

YEAR	JANATA BANK	MAHILA BANK	DIFFERENCE
93-94	29.61 Lakhs	19.05 Lakhs	10.56 Lakhs
94-95	35.11 „	19.77 „	15.34 „
95-96	37.92 „	22.57 „	15.35 „
96-97	46.90 „	21.27 „	25.63 „
TOTAL	149.54 Lakhs	82.66 Lakhs	
AVERAGE	37.38 „	20.66 „	

Source :- Annual reports of 1990-91 to 1996-97 of both the banks

Following are the important observations in this regard.

The figures of this table are available for the last four years i.e. from 1993-94 to 1996-97. The important facts can be briefly stated as under ,

- (1) In case of Janata Bank the business per employee is found to be in the range of 26.61 lakhs to 46.90 lakhs giving the average of 37.38 lakhs.
- (2) In case of Mahila Bank the business per employee is found to be in the range of 19.05 lakhs to 22.57 lakhs giving the average of 20.66 lakhs.
- (3) There is a clear improvement in the business of both the Banks. The per capital business of bath the banks shows increasing trend. In case of Janata Bank the figure goes from 29.61 lakhs to 46.90 lakhs in four years under consideration. In case of Mahila Bank also the figure goes from 19.05 lakhs to 21.27 lakhs during the same period.

(4) Comparative study shows that the position of Janata Bank is superior in this respect. The per capita business in Janata Bank is considerably higher than that of Mahila Bank. The figures of Janata Bank were higher by 10.56 lakhs , 15.34 lakhs , 15.35 lakhs and 25.63 lakhs respectively for the last four years. The performance of Mahila Bank in this respect is far behind to that of Janata Bank. It is also observed that the rate of growth in per capita business is higher in case of Janata Bank as compared to Mahila Bank.

4.8 EVALUATION OF OVERALL PROGRESS

The evaluation so far carried out pertains to the working of two banks individually and in comparison with each other. At the last phase of evaluation of overall progress an attempt is made here to examine the performance of the banks in relation to the aggregate picture of all urban co-operative banks in Kolhapur District , on one hand and all urban co-operative banks in Maharashtra on the other. Table No. 4.12 shows the consolidated figures of Kolhapur District and those for Maharashtra state as a whole.

TABLE NO. 4.12

OVERALL PROGRESS

PARTICULARS	JANATA BANK	MAHILA BANK	UCB 's in Kolhapur district	UCB's in Maharashtra state
(1) No. of offices including H.O.	09	06	238	2345
Percentage to Kolhapur district	3.78 %	2.52 %	100 %	--
(2) Membership	19637	9997	545843	4695368
* Percentage to Kolhapur district	3.60 %	1.83 %	100 %	--
* Figure per office	2182	1666	2293	2002
(3) Paid - up share capital (in lakhs)	111.12	33.40	3445.94	42565.13
* Percentage to Kolhapur district	3.22 %	0.97 %	100 %	--
* Figures per office	12.34	5.67	14.48	18.15
(4) Rserve and Other Funds (in lakhs)	220.53	46.59	9040.91	156817.45

* Percentage to Kolhapur	2.44 %	0.52 %	100 %	--
* Figures per office	24.50	7.76	37.98	66.87
(5) Deposits (in lakhs) * percentage to Kolhapur district	3606.90 4.00 %	781.04 0.87 %	89990.71 100 %	1733099.54 --
* Figures per office	400.76	131.17	378.11	739.06
(6) Advances (in lakhs) * percentage to Kolhapur district	2630.38 3.86%	431.36 0.63 %	6815.14 100 %	1172767.15
* Figures per office				
(7) Investment (in lakhs) * Percentage to Kolhapur district	1127.88 5.40 %	414.17 1.98 %	20894.22 100 %	555003.95
* Figures per office	125.32	69.02	87.79	236.67
(8) Working capital (in lakhs) * Percentage to Kolhapur district	4250.88 3.88 %	900.84 0.82 %	109608.29 100 %	2151593.68 --
* Figures per office	472.32	150.14	460.53	917.52
(9) Credit deposit	72.92 %	55.22 %	75.73 %	67.66 %

Source :- UCB's at glance statistical information of Maharashtra state.

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The important comments on the various items can be offered as follows,

(1) NUMBER OF OFFICES -

There are 2345 offices of urban co-operative banks in Maharashtra while the corresponding figure for Kolhapur District is 238 as on 31 st march 1997. Janata Bank with its 9 offices and Mahila Bank with its 6 offices constitutes 3.78 % and 2.52 % of the total offices in Kolhapur District.

(2) MEMBERSHIP -

In terms of membership Janata Bank forms 3.60 % of the total members of the urban co-operative in Kolhapur District. The same figure for Mahila Bank is 1.83 %. The average members per office at the level of Maharashtra works out to 2002 and that of Kolhapur district works out to 2293. This implies that most of the urban banks in Kolhapur district are big than those of Maharashtra state in membership. It is however worth noting that both the banks Janata Bank and Mahila Bank have smaller membership in comparison to the average membership for Kolhapur district as a whole. The figures of the average members per office when reduced to percentage show that the average of Janata Bank is larger than the average of Maharashtra but smaller than the average of Kolhapur district. Mahila Bank stands smaller than both the average of Maharashtra as well as average of Kolhapur district.

(3) PAID - UP SHARE CAPITAL -

Out of paid - up capital of all urban co-operative Banks in Kolhapur district Janata Bank has contributed 3.22 % and Mahila Bank has

contributed 0.97 %. The average paid - up capital per bank for Kolhapur district amounts to Rs. 14.48 lakhs and that of Maharashtra amounts to Rs. 18.15 lakhs. The corresponding figures for Janata Bank and Mahila Bank are Rs. 12.34 lakhs and Rs. 5.67 lakhs respectively . This shows the narrow equity capital base of urban co-operative banks in Kolhapur district. As compare to the average of Maharashtra state. A position gets more aggregated in case of Janata Bank and Mahila Bank because the equity capital base become more narrow. When this is considered alongwith a larger membership as described above the equity capital per membership as described above the equity capital per member in case of both Janata Bank and Mahila Bank certainly remains quite low.

(4) RESERVES AND OTHER FUNDS -

Along with paid - up share capital reserves and other funds determines the owned capital of the banks. Higher the owned capital more sound will be the financial position of the bank. In this context it is seen that the reserves and other funds of Janata Bank constitute 2.44 % of the reserves and other funds of all urban co-operative banks in Kolhapur district. A corresponding figure for Mahila Bank is 0.52 %. Reserves and other funds per office shown in the above table shows that the average at the level of Maharashtra stands at Rs. 66.87 lakhs. The similar figure for Kolhapur district if Rs. 37.98 lakhs. In case of Janata Bank and Mahila Bank this average comes to Rs. 24.50 lakhs and Rs. 7.76 lakhs respectively. Two inferences can be drawn from the facts described

above one is both the Janata Bank and Mahila Bank constitutes almost an insignificant portion of total reserves and other funds of all the and secondly the per office figures of reserves and other funds for both Janata Bank and Mahila Bank are considerably lower than the figure of Kolhapur district and in turn the figure of Kolhapur district is considerably lower as compare to the figure of Maharashtra.

(5) DEPOSITS -

Deposits are one of the major sources of working capital of the banks. The figures of the deposits also indicates the success of the banks in the performance of one of the prime functions of deposit mobilisation. By taking the total deposits of all the UCB 'sin Kolhapur district as base the deposit mobilisation of Janata Bank is seem to be at 4 % and that of Mahila Bank is seem to be 0.87 %. The figures of deposits per office have also been shown in the table. The figures for Maharashtra and Kolhapur district are 739.06 lakhs and 378.11 lakhs respectively. The corresponding figures for Janata Bank and Mahila Bank are Rs. 400.76 lakhs and Rs. 131.17 lakhs.

In case of deposits also the inferences can be drawn as like reserves and other funds.

(6) ADVANCES -

The figures of advances as shown in the above table disclose that out of total advances of all the urban co-operative banks in Koalhapur

district the share of Janata Bank is 3.86 % and that of Mahila Bank is 0.63 %. The figures of average advances per office for Maharashtra and for Kolhapur district are Rs. 500.11 lakhs and Rs. 286.35 lakhs respectively. The corresponding figures of Janata Bank and Mahila Bank are Rs. 229.26 lakhs and Rs. 71.89 lakhs. Here again there are two points worth noting firstly the figure of advances per office for Maharashtra is significantly higher than that of Kolhapur district. Secondly although the figure of Mahila Bank is considerably lower than the figure of Kolhapur district the figure of all urban co-operative banks in Kolhapur district.

(7) INVESTMENTS -

Besides advances the investments made by the banks are shown in the above table when all these figures are reduced to percentage out of total investments of urban co-operative banks in Kolhapur district 5.40 % come from Janata Bank and 1.98 % come from Mahila Bank. If we consider the figures of investment per office the figures of Maharashtra and Kolhapur district are Rs. 236.67 lakhs and Rs. 87.79 lakhs respectively. These figures for Janata Bank and Mahila Bank stand at Rs. 125.32 lakhs and Rs. 69.02 lakhs. This shows comparatively higher for Mahila Bank in comparison with the figure for Maharashtra. Ofcourse all these figures remain substantially lower than the figure of Maharashtra.

(8) WORKING CAPITAL -

The figures of working capital shown in the above table disclose the picture which is almost similar to the picture of investments as described above.

(a) CREDIT DEPOSIT RATIO -

When we consider the credit deposit ratio it is found to be 67.66 % for Maharashtra 75.73 % for Kolhapur district 72.92 % for Janata Bank and 52.22 % for Mahila Bank. This clearly shows the better utilisation of funds by Janata Bank followed by all banks in Kolhapur district. The credit deposit ratio for Mahila Bank is quite low even lower than that of Maharashtra.

REFERENCES

Annual reports of 1990 - 91 to 1996 - 97 of Janata Bank and Mahila Bank.

*UCB's at glance , Statistical Information of Maharashtra State .
The Maharashtra UCB's federation Ltd.*