

CHAPTER IV

ANALYTICAL PROFILE OF COMMERCIAL BANKS

The economic health or strength of the country is reflected by GDP, NNP, industrial production, rate of saving and investment, volume of unemployment etc. The health of a company is measured by its networth, profitability, ROI, return on total assets etc. Similarly the health of a bank-branch is generally revealed from its advances, deposits, profit, ratio of advance to deposit, ratio of profit to advance, share of priority sector advance to total advance, share of various facilities of advance to total advance, proportion of amount of problem credit, baddebts etc. As far as India is concerned the above mentioned information is being published by RBI for various scheduled commercial banks, except certain information like bad debts. The information published is available bank groupwise, population group wise, regionwise or statewise, but this information is not available at branch level. The present study aims to examine the application of management accounting techniques in lending decision by commercial banks. This requires branchwise information. An attempt is made, therefore, in the present chapter to examine the branchwise deposits, advances, profit, relationship amongst them and variations among various branches for the years 1991, 1990, 1989, 1987, 1986 and 1985.

It may be noted here that with a march in years past the information supplied by number of branches has declined due to administrative difficulties and other factors.

It is also proposed to relate the above mentioned average ratios with those of all-India level, Gujarat State, Western Region and Urban Area to the extent of availability of data.

The chapter is divided in Two Sections :

(I) Representativeness of Sample and

(II) Data Analysis of Sample

SECTION I

REPRESENTATIVENESS OF SAMPLE

To study the representativeness of sample the following table is presented :

TABLE IV.1

INFORMATION REGARDING NUMBER OF OFFICES, ADVANCES AND DEPOSITS AT VARIOUS LEVEL : MARCH 1991

PARTICULARS	ADVANCES AMOUNT	DEPOSITS AMOUNT	AMOUNT IN
			(Rs. LAKHS)
1. All India level : all scheduled commercial banks	12420293	20056836	61724
2. All India level : SBI, its associates and Nationalised banks	10611837	17559823	42938
3. All India level : all scheduled commercial banks-urban population	2777272	4914002	8833

4. All India level - SBI, its associates and Nationalised banks - urban population	2568143	4572723	7700
5. All India level - SBI its associates and Nationalised banks - Urban and Metropolitan population	7260033	11142825	13255
6. Western region - all scheduled commercial banks - Urban and Metropolitan population	2918459	4087054	3458
7. Gujarat - all scheduled commercial banks - Urban and Metropolitan population	397004	664279	1047
8. Vadodara - All Scheduled commercial banks - Urban	76663	119102	159

Source : Banking Statistics : Basic Statistical Returns, Vol. 20, March, 1991, RBI. Published in February 1993

The above going data are given here as base information. The average for each of the above group is as follows :

(i) The average credit per branch, taking all scheduled commercial banks into consideration comes to Rs.201.223 lakhs per branch, whereas average deposit comes to Rs.324.944 lakhs per branch, with credit - deposit ratio of 61.93%.

(ii) The average credit and average deposits of SBI, its associates and nationalised banks taken together at all-India level is also worked out. The average credit per branch comes to Rs.247.143 lakhs and average deposit per branch comes to Rs.408.9576 lakhs, with credit deposit ratio of 60.43%. It may be noted here that the average deposit and average credit for this group of bank are

higher than all scheduled banks taken together. However, the credit deposit ratio is slightly lower.

(iii) The third average is taken of all scheduled banks for urban group only at all-India level and average credit and average deposit per branch come to Rs.314.420 lakhs and Rs.556.323 lakhs respectively which are more than 1.5 times the average of all the scheduled banks taken together, irrespective of population group.

However the credit deposit ratio was found to be lower which is 56.52%.

(iv) The next average is taken for SBI, its associates and nationalised banks situated in urban area. The average credit and deposit per branch come to Rs.333.525 lakhs and Rs.593.8601 lakhs respectively. The credit deposit ratio here comes to 56.16%.

(v) The next is the SBI, its associates and nationalised banks, urban/metropolitan taking as a group. The average credit for this group comes to Rs.547.72 lakhs per branch and average deposit per branch comes to Rs.840.65 lakhs per branch. The average credit-deposit ratio comes to 65.15% .

(vi) As a next step the average credit and deposit per branch for scheduled commercial banks for western region for population group urban/metropolitan is worked out and it is observed that the average credit and deposits per branch come to Rs.843.9731 lakhs and Rs.1181.9126 lakhs respectively.

As compared to all-India level average for scheduled commercial banks for urban population group, the average for western

region are considerably higher, i.e. the average credit is almost 2.68 times and average deposits are 2.12 times.

The credit deposit ratio was found to be 71.4%, which is higher than all-India level credit deposit ratio for scheduled commercial banks for population group urban.

(vii) The average credit and deposit for scheduled commercial banks situated in urban/metropolitan area in Gujarat come to Rs.379.18242 lakhs and Rs.634.4594 lakhs respectively. It is clear from above that the average per branch is lower in Gujarat as compared to western region, but it is higher than the all-India urban average of scheduled commercial banks.

The credit deposit ratio for this group is found to be 59.76%.

(viii) Coming to the average credit and deposit per branch of scheduled commercial banks for Vadodara Urban, it is observed that the average credit and deposit per branch are Rs.482.1572 lakhs and Rs.749.06918 lakhs respectively.

These averages are higher than the average (Urban) at all-India level of scheduled commercial banks. The average credit per branch is almost 1.53 times and average deposit per branch is almost 1.34 times as compared to all-India level average for urban group for scheduled commercial banks.

The above average credit (Rs.482.1572 lakhs) and average deposit (Rs.749.06918 lakhs) for Vadodara urban group is found to be 1.27 times and 1.18 times respectively as compared to those of scheduled commercial banks situated in urban/metropolitan area in

Gujarat State. The credit-deposit ratio for Vadodara urban is 64.37%. This is found to be higher than, all-India level scheduled commercial banks, urban-group credit-deposit ratio and Gujarat level scheduled commercial banks, urban group credit deposit ratio.

For testing the representativeness of sample in the light of above mentioned over all data the standard Error Test¹ is applied and it reveals the following :

(i) Based on the respondent's data, the average credit is Rs.71020 thousand and standard deviation for credit is Rs.144,226 thousand which are \bar{x} and σ respectively. From the σ and size of sample the standard error of estimate for sample (i.e. $SE_{\bar{x}}$) comes to Rs.14075.017 thousand and $1.96 SE_{\bar{x}} = Rs.27587.033$ thousand.

(ii) For the respondents the average deposit per branch is found to be Rs.107391 thousand and σ for the branches under study is found to be Rs.185,934 thousand and here $SE_{\bar{x}}$ comes to Rs.18145.301 thousand. Hence $1.96 SE_{\bar{x}}$ is Rs.35564.789 thousand.

1. One of the use of Standard Error Test is to examine whether the difference between population mean and sample mean is significant or otherwise. Here $SE_{\bar{x}} = \frac{\sigma}{\sqrt{n}}$, where σ is standard deviation of population and if same is not available, standard deviation of sample is to be taken. Then it is to be further examined, whether the difference between population mean and sample mean is more than $1.96 SE_{\bar{x}}$ or otherwise. If the difference is less, it indicates that the difference between sample mean and population mean is not significant.

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(iii) The average credit deposit ratio for branches under study comes to 0.6608 and σ is 0.9195. The $SE\bar{x}$ comes to 0.089734 and hence $1.96 SE\bar{x}$ will be 0.1758786.

(iv) The sample is said to be representing the population when the difference between population mean and sample mean is less than $1.96 SE\bar{x}$.

(v) On testing whether the sample (i.e. respondents data) represents the population or not following is observed :

(a) Testing the representativeness of sample to Vadodara Urban :

Para (viii) gives average credit of Rs.48216 thousand per branch and average deposit of Rs.74907 thousand per branch for Vadodara urban for all scheduled commercial banks.

The difference of sample mean and population mean is found to be Rs.22 804 (71020-48216) thousand which is less than $1.96 SE\bar{x}$ (Rs.27587 thousand).

This indicates that the sample represents population so far as credit aspect is concerned.

Sofar as deposit aspect is concerned the difference is found to be Rs.32484 thousand (107391 - 74907), which is also found to be lower than $1.96 SE\bar{x}$ (i.e. Rs.35565 thousand).

The average credit deposit ratio for this population is found to be 0.6437 and hence the difference between sample mean and population mean comes to 0.0171 (i.e. 0.6608 - 0.6437). This is also lower than $1.96 SE\bar{x}$ (i.e. 0.1758786)

From the above going discussion it follows that : The sample (respondents' data) represents all scheduled commercial banks situated in urban area of VADODARA.

(b) Testing Representativeness of Sample to Western Region Urban/Metropolitan all Scheduled Commercial Banks :

For this population-group the average credit per branch comes to Rs.84397 thousand, average deposit per branch comes to Rs.118191 thousand and average credit-deposit ratio is observed to be 0.714.

Further, the difference of population mean and sample mean so far as credit aspect is concerned comes to Rs.13377 (84397-71020). This difference is found to be lower than 1.96 SEX (i.e. Rs.27587 thousand).

The difference between population mean and sample mean so far as deposit aspect is concerned comes to Rs.10800 thousand (i.e. 118191-107391). This difference is also less than 1.96 SEX (Rs.35565 thousand).

For the credit deposit ratio, the difference between population mean and sample mean is found to be 0.0532 (0.714-0.6608). This is also less than 1.96 SEX (i.e. 0.1758786).

From the above-going discussion it follows that : The sample represents, all scheduled commercial banks of WESTERN REGION, situated in urban/metropolitan area.

(c) Testing the Representativeness of sample to scheduled commercial banks of Gujarat situated in urban/metropolitan area :

Here the representativeness of sample is examined to all commercial banks of Gujarat situated in urban/metropolitan area.

The average credit for population is found to be Rs.37918 thousand. Hence the difference between sample mean and population mean comes to Rs.33102 thousand (71020-37918). This is higher than $1.96 \text{ SE}\bar{x}$ (i.e. Rs.27587 thousand).

The average deposit for this population is found to be Rs.63446 thousand per branch; hence the difference between sample mean and population mean comes to Rs.43945 thousand (107391-63446). This is also higher than $1.96 \text{ SE}\bar{x}$ (i.e. Rs.35565 thousand). It implies that sample mean differs from the population mean.

The average credit-deposit ratio is found to be 0.5976. The difference between sample mean and population mean comes to 0.0632 (i.e. 0.6608-0.5976). This is found to be lower than $1.96 \text{ SE}\bar{x}$ (i.e. 0.1758786). Thus on the basis of average credit-deposit ratio it may be said that : THE sample represents, all scheduled commercial banks of GUJARAT, situated in urban/metropolitan area.

(d) Testing the representativeness of sample to all-India level SBI, its associates and Nationalised commercial banks situated in urban/metropolitan area.

The average credit for this population group comes to Rs.54772 thousand. The difference between sample mean and population mean ^{comes} to Rs.16248 thousand (i.e. 71020-54772). This is lower than $1.96 \text{ SE}\bar{x}$ (Rs. 27587 thousand).

The average deposit per branch for this population comes to Rs.84065 thousand; hence the difference between sample mean and population mean comes to Rs.23326 thousand (107391-84065). This is less than $1.96 \text{ SE}\bar{x}$ (i.e. Rs. 35565 thousand).

The credit deposit ratio for this population is found to be 0.6515; hence the difference between sample mean and population mean comes to 0.0093 (0.6608-0.6515). This is less than $1.96 \text{ SE}\bar{x}$ (0.1758786).

On the basis of above going discussion it can be said that :

THE sample represents the all-India level STATE BANK OF INDIA, ITS ASSOCIATES, and NATIONALISED COMMERCIAL BANKS, so far as credit, deposit and credit-deposit ratio, aspects are concerned.

From the above going discussion it follows that the sample is a representative sample for scheduled commercial banks situated in urban area of Vadodara and urban or metropolitan area of Western region. It also represents the SBI, its associates and Nationalised commercial banks situated in urban or metropolitan area at all-India level. The representativeness is from three angles : advances, deposits and ratio of advances to deposits which are considered to be key factors for banking industry.

SECTION II

DATA ANALYSIS

The branchwise information is collected regarding advances, deposits and profits. For advances further information^{is} sought regarding priority and non-priority advances and further detailed information for various segments of priority sector was also requested. Information is also collected regarding the facility by which these advances are provided.

The information was sought for year 1980 and 1985 to 1991; however, no branch could respond to data pertaining to year 1980;

respondents for the year 1985 were very few, hence data analysis has been carried out for the years 1986 to 1991 and to a limited extent for the year 1985, barring the year 1988, for which there was no closing on account of Government notification that "Accounts of the Banking companies shall be closed as on 31st March every year as against 31st December."²

The respondents were highest for the year 1991 and the lowest for the year 1986. There have been also cases where the respondents could furnish the information as a whole about advance, deposit and profit; however the detailed information was not made available regarding priority and non-priority advance or segmentwise advance or facilitywise advance. Under the circumstances the analysis has been carried out to the extent of the availability of data.

(A) BRANCHWISE RATIO OF ADVANCE TO DEPOSIT, PROFIT TO ADVANCE AND PROFIT TO VOLUME OF BUSINESS :

Considering the confidentiality and secrecy of the branchwise data which are submitted to the present researcher in good faith, the branchwise information regarding advances, deposits and profit are not reproduced here. The information, therefore, is furnished here regarding the ratio of advances to deposit, ratio of profit to advance and ratio of profit to volume of business.

(i) Year 1991 :

Table IV.2 gives information regarding the above three ratios for the year 1991.

It is of interest to note here that one branch has a credit deposit ratio as high 8.37, i.e. the advances were even more than

 2. Tannan M.L., Tannan's Banking Law and Practice in India, p. 95.

TABLE IV.2

BRANCHWISE INFORMATION REGARDING RATIO OF ADVANCES TO DEPOSITS, PROFIT TO ADVANCES AND PROFIT TO TOTAL BUSINESS

1991			
BANK NO	RATIO OF ADVANCES TO DEPOSITS	RATIO OF PROFITS TO ADVANCES	RATIO OF PROFIT TO TOTAL BUSINESS
1	0.4163	0.0253	0.0074
2	0.2944	0.1459	0.0332
3	0.1466	0.0999	0.0129
4	0.2205	0.1147	0.0207
5	0.0736	0.2912	0.0200
6	0.1509	0.1752	0.0230
7	0.1146	0.0862	0.0089
8	0.1825	0.0955	0.0147
9	0.3628	0.0051	0.0013
10	0.2908	0.0344	0.0077
11	2.2342	0.0364	0.0251
12	0.1698	0.1814	0.0263
13	0.2215	0.0235	0.0043
14	0.1546	0.4685	0.0627
15	0.8109	0.0909	0.0407
16	0.2999	0.0746	0.0172
17	0.6880	0.0294	0.0120
18	0.5111	0.0523	0.0177
19	0.3037	0.0434	0.0101
20	0.1978	0.1590	0.0263
21	0.2015	0.0498	0.0084
22	1.3346	0.0055	0.0031
23	0.3687	0.0840	0.0226
24	0.2025	0.1311	0.0221
25	0.1129	0.1311	0.0133
26	0.1988	0.1420	0.0235
27	0.2669	0.0566	0.0120
28	0.7799	0.1301	0.0570
29	0.7053	0.0709	0.0293
30	0.2337	0.0414	0.0079
31	0.2827	0.0740	0.0163
32	0.8583	0.1009	0.0466
33	1.0729	0.0425	0.0220
34	0.5236	0.0404	0.0139
35	0.0767	-0.1648	-0.0120
36	0.8405	0.0460	0.0210
37	0.7907	0.0292	0.0129
38	1.4456	0.0379	0.0224
39	0.2418	0.0403	0.0078

TABLE IV.2 CONTD

1991			
BANK NO	RATIO OF ADVANCES TO DEPOSITS	RATIO OF PROFITS TO ADVANCES	RATIO OF PROFIT TO TOTAL BUSINESS
40	0.7741	0.0303	0.0132
41	0.3537	0.0011	0.0003
42	0.1197	0.0060	0.0006
43	0.1859	0.0029	0.0005
44	0.3779	0.0046	0.0013
45	1.7820	0.0646	0.0414
46	0.7136	0.0504	0.0210
47	0.8744	0.1114	0.0520
48	0.6432	0.0547	0.0214
49	0.0109	1.2566	0.0135
50	0.4832	0.1526	0.0497
51	0.1420	0.1700	0.0212
52	0.1750	0.5143	0.0766
53	0.0724	0.3354	0.0226
54	8.3751	0.0017	0.0015
55	0.4043	0.0319	0.0092
56	1.1100	0.0312	0.0164
57	0.9900	0.0359	0.0179
58	0.1017	0.0782	0.0072
59	0.3352	0.0782	0.0196
60	0.2639	0.1828	0.0382
61	0.1231	0.1179	0.0129
62	0.3025	0.0360	0.0084
63	2.4800	0.0891	0.0634
64	0.6310	0.1140	0.0441
65	0.0933	0.2942	0.0251
66	0.3629	0.0921	0.0245
67	1.4799	0.0518	0.0309
68	0.2820	0.1301	0.0286
69	1.4552	0.0083	0.0049
70	1.1100	0.0875	0.0460
71	0.2093	0.0251	0.0043
72	1.3260	0.0645	0.0367
73	0.2342	0.0339	0.0064
74	0.5468	0.0034	0.0012
75	1.1515	0.0686	0.0367
76	1.8750	0.0500	0.0326
77	0.8957	0.0671	0.0317
78	1.0565	0.0667	0.0342
79	1.5526	0.0667	0.0405
80	0.4539	0.1231	0.0384
81	0.2635	0.1985	0.0414
82	0.5743	0.0084	0.0031
83	0.2719	0.1337	0.0286
85	1.1419	0.0400	0.0214
86	0.0375	0.0646	0.0023

TABLE IV.2 CONTD

1991			
BANK NO	RATIO OF ADVANCES TO DEPOSITS	RATIO OF PROFITS TO ADVANCES	RATIO OF PROFIT TO TOTAL BUSINESS
87	0.6855	-0.0764	-0.0311
89	0.3730	0.0615	0.0167
90	0.3730	0.0106	0.0029
91	0.3800	0.0146	0.0040
92	0.6695	0.2250	0.0902
93	0.1266	0.0446	0.0050
94	0.2668	-0.0319	-0.0071
95	0.1838	-0.0319	-0.0050
96	0.6156	0.0394	0.0177
97	0.2232	0.3186	0.0581
98	1.8873	0.0347	0.0227
99	1.1180	0.0550	0.0290
100	0.3312	0.0055	0.0014
101	0.7306	0.2419	0.1021
102	0.4336	0.0335	0.0101
103	2.1672	0.0019	0.0013
104	0.6410	0.0445	0.0174
105	0.8853	0.0542	0.0254
106	0.3864	0.0712	0.0198
107	0.1179	-0.2456	-0.0259
AVERAGE	0.6608	0.0897	0.0209
STD	0.9195	0.1518	0.0206
C.V.	139.1595	169.1893	98.6033

8 times the deposits.

It is further observed that three branches have credit deposit ratio of more than 2 and 16 branches have credit deposit ratio more than 1. i.e. the advances were more than double of the deposits and more than deposits respectively.

Considering the location of the branch having credit deposit ratio more than 2 it is found that bank branch No. 11 is situated in the industrial area, bank branch No. 63 is in the office area and bank branch No. 103 is in the business area and it is the only branch of that bank in Baroda. It suggests that bank branches with credit-deposit ratio more than two are not concentrated in one area.

Branches which have a credit deposit ratio more than one are bank branches Nos. 22, 33, 38, 45, 56, 67, 69, 70, 72, 75, 76, 78, 79, 85, 98 and 99. Of these, bank branches Nos. 22, 33, 56, 67, 69, 72, 76, 85, 98 and 99 are situated in the office area or they are the main branches of that bank in Baroda or they are the only branches of that bank, whereas bank branch Nos. 38, 45, 70, 75, 78, and 79 are situated in the industrial area.

Many branches were with credit deposit ratio less than 0.5 i.e. credit was less than 50% of the deposits.

The average credit deposit ratio was found to be 0.6608. This indicates that about 66% of the deposits were being given as credit. The standard deviation of the ratio between the branches was found to be 0.9195 and the c.v. was found to be 139.1595.

Moreover the ratio of profit to advance is also worked out for each branch. The average ratio of profit to advance comes to 0.0897, i.e. profit is about 8.97% of the advances, and the variations in this ratio which are conveyed by standard deviation is found to be 0.1518.

The highest ratio observed is 1.25 which indicates that profit is even more than advances of the branch. This branch is the deposit oriented branch which is clear from a very low credit-deposit ratio of that branch viz. 0.0109. This may be on account of the notional income earned from head office by way of interest on the amount transferred to head office. Another branch was with profit to advance ratio of 0.51, i.e. profit was about 51% of the advances. This branch is also deposit-oriented branch, where advance to deposit ratio is found to be 0.1751. For the other one branch this profit to advance ratio was found to be 0.46, where advance to deposit ratio was only 0.15. The next highest ratio is 0.3354 i.e. profit is about 33% of the advances. Here the corresponding advance to deposit ratio is found to be 0.07. Lower to above ratio of profit to advance was 0.3186.

The lowest profit to advance ratio is found to be -0.2456. This indicates that loss was 24% of the advance. Totally 5 branches were found with loss and hence they have the negative ratio. The remaining loss ratios are -0.1648, -0.0764, -0.0319 and -0.0319 for bank branch Nos. 35, 87, 94 and 95 respectively.

Moreover, the ratio of profit to volume of business is also worked out. The average ratio of profit to volume of business comes to 0.0209. The standard deviation of this ratio comes to 0.0206 and c.v. is 98.6033.

For branch No. 101 this ratio was found to be highest viz. 0.1021. This indicates that the standard deviation is found to be highest for ratio of advance to deposit (0.9195) and lowest variations are observed for ratio of profit to volume of business (0.0206). So far as c.v. is concerned, highest c.v. is observed for ratio of profit to advance (169.1893) and lowest c.v. is observed for ratio of profit to volume of business (98.6033).

(ii) Year 1990 :

Table IV.3 gives the details about branchwise credit deposit ratio, branchwise profit to advance ratio and branchwise profit to volume of business ratio for the year 1990. It can be seen that the number of responding branches which are 88 are less than those in the year 1991, which were 105.

So far as ratio of advance to deposit is concerned the highest ratio of 3.188 was observed, i.e. advances were more than thrice the deposit. For three branches the advance to deposit ratio was more than 2, i.e. credit was more than twice the deposits. Out of these three branches two are situated in the industrial area and one is the main branch of that bank in Barodā.

For thirteen branches the advance to deposit ratio was more than one, i.e. the advances were higher than deposits. All these

TABLE IV.3

BRANCHWISE INFORMATION REGARDING RATIO OF ADVANCES TO DEPOSITS, PROFITS TO ADVANCES AND PROFITS TO TOTAL BUSINESS

1990			
BANK NO	RATIO OF ADVANCES TO DEPOSITS	RATIO OF PROFITS TO ADVANCES	RATIO OF PROFITS TO TOTAL BUSINESS
1	0.4536	0.0383	0.0119
2	0.2876	0.2498	0.0558
3	0.2525	0.0575	0.0116
4	0.2196	0.0823	0.0148
5	0.0745	0.1290	0.0089
6	0.1094	0.1988	0.0196
7	0.0924	0.1219	0.0103
8	0.1667	0.1833	0.0262
9	0.2840	0.0652	0.0144
10	0.2906	0.0412	0.0093
11	2.4134	0.0337	0.0238
12	0.1923	0.1645	0.0265
13	0.2537	0.0043	0.0009
14	0.0883	0.5022	0.0407
15	0.9153	0.0430	0.0205
16	0.3516	0.0569	0.0148
17	0.7597	-0.0128	-0.0055
18	0.4197	0.0582	0.0172
19	0.3470	0.0413	0.0106
20	0.1979	0.2931	0.0484
21	0.1528	0.0564	0.0075
22	1.4646	0.0396	0.0236
23	0.1552	0.1440	0.0193
24	0.1554	0.1938	0.0261
25	0.1410	0.0909	0.0112
26	0.2215	0.1234	0.0224
27	0.3540	0.0628	0.0164
28	1.3596	-0.0008	-0.0005
29	0.4802	0.1099	0.0356
30	0.5695	0.0425	0.0154
31	0.2585	0.1214	0.0249
32	1.0099	0.0863	0.0433
33	1.3408	0.0400	0.0229
34	0.4724	0.0334	0.0107
35	0.0698	-0.1425	-0.0093
36	0.6372	0.0182	0.0071
37	0.6577	0.0117	0.0047
38	1.7528	0.0351	0.0223
39	0.2490	0.0453	0.0090
40	0.7361	0.0290	0.0123
41	0.1674	0.0388	0.0056
42	0.1432	0.0474	0.0059
43	0.1656	0.0092	0.0013
44	0.4578	0.0002	0.0001

TABLE IV.3 CONTD

1990			
BANK NO	RATIO OF ADVANCES TO DEPOSITS	RATIO OF PROFITS TO ADVANCES	RATIO OF PROFITS TO TOTAL BUSINESS
45	2.0762	0.0678	0.0457
46	0.5832	0.0559	0.0206
47	0.3727	0.0797	0.0216
48	0.6471	0.0732	0.0288
49	0.0149	0.8500	0.0125
50	0.5053	0.1087	0.0365
53	0.0792	0.2677	0.0197
54	2.4369	0.0164	0.0116
58	0.1111	0.0748	0.0075
60	0.3266	0.1374	0.0338
61	0.1359	0.0950	0.0114
62	0.2819	0.0289	0.0064
63	3.1884	0.0412	0.0314
65	0.1063	0.1917	0.0184
66	0.3319	0.0640	0.0160
67	1.0731	0.0496	0.0257
68	0.2100	0.0630	0.0109
69	1.8416	0.0039	0.0025
71	0.2337	0.0172	0.0033
72	1.7136	0.0404	0.0255
73	0.1911	0.0146	0.0023
74	0.6150	0.0055	0.0021
75	0.8223	0.0694	0.0313
77	1.1790	0.0442	0.0239
79	1.7721	0.0450	0.0287
82	0.5820	0.0212	0.0078
83	0.3220	0.1480	0.0361
85	1.4797	0.0331	0.0198
86	0.0485	-0.0347	-0.0016
87	0.7120	-0.0858	-0.0357
89	0.3339	0.0125	0.0031
90	0.3339	0.0142	0.0036
91	0.6921	0.0080	0.0033
93	0.4555	0.0258	0.0081
94	0.3937	0.0044	0.0012
95	0.2948	-0.0192	-0.0044
96	0.7750	0.0657	0.0287
97	0.2232	-0.0177	-0.0032
98	1.8873	0.0347	0.0227
99	1.1180	0.0550	0.0290
101	0.7879	0.1283	0.0565
103	0.9036	-0.0028	-0.0013
105	0.7673	0.0517	0.0225
107	0.3072	0.0012	0.0003
AVERAGE	0.6205	0.0743	0.0158
STD	0.6239	0.1175	0.0148
C.V.	100.5410	158.2004	93.4493

branches were either situated in the office area or in the business area or in the industrial area or they are the main branch of their bank in Baroda, or they are they only branch of their bank in Baroda.

The average credit deposit ratio was 0.6205 for the year 1990. The standard deviation, which shows the variations between the branches in this ratio was found to be 0.6239 and c.v. was 100.5410.

So far as ratio of profit to advance is concerned the table shows that it varies from 0.85 to -0.1425. For bank branch No. 49 it is observed that this ratio is 0.85. i.e. profit is 85% of advances. This may be on account of lower advance to deposit ratio, which is 0.0149. Hence one of the explanation for high ratio of profit to advance may be the notional profit earned on account of transfer of excess funds to head office. For bank branch No. 14 the ratio was found to be 0.50, which indicates that profit is 50% of advance. Here also the advance to deposit ratio was found to be lower, which is 0.0883.

The average ratio of profit to advance is found to be 0.0743, i.e. on an average profit is about 7.43% of the advance. The standard deviation comes to 0.1175 and the c.v. comes to 158.2004.

Coming to the ratio of profit to volume of business the highest ratio is found to be 0.0565 for bank branch No. 101. This indicates that the profit is 5.65% of the volume of business. The lowest ratio is found to be -0.0357 for bank branch No. 87.

The average ratio of profit to volume of business for the respondent branches was found to be 0.0158, the standard deviation was found to be 0.0148 and c.v. was found to be 93.4493.

The comparison of these three ratios for the year 1990 reveals that the variations between the branches are observed to be highest for ratio of advances to deposit which is indicated by highest standard deviation amongst these three ratios viz. 0.6239. The lowest standard deviation is observed for ratio of profit to volume of business, which is found to be 0.0148. The c.v. is highest for ratio of profit to total advance, which is 158.2 and lowest for ratio of profit to volume of business which is 93.4493. The comparative study regarding change in ratio of advance to deposit, profit to advance, ratio of priority advance to total advance etc. are not given at this juncture because number of branches which have provided the information do not remain the same for all the years.

Therefore, an attempt is made in the concluding part of this chapter to examine all these ratios for years under considerations for those branches where information is available for all years which makes it possible to have a comparative study.

(iii) Year 1989 :

Table IV.4 gives data regarding ratio of advance to deposit, profit to advance and profit to volume of business for the year 1989.

A view of column for ratio of advance to deposit reveals the highest ratio to be 3.44 for bank branch No. 69. This indicates

TABLE IV.4

BRANCHWISE INFORMATION REGARDING RATIO OF ADVANCES TO DEPOSITS, PROFITS TO ADVANCES, PROFITS TO TOTAL BUSINESS

1989			
BANK NO	RATIO OF ADVANCES TO DEPOSITS	RATIO OF PROFITS TO ADVANCES	RATIO OF PROFITS TO TOTAL BUSINESS
1	0.4105	0.0643	0.0187
2	0.3016	0.1539	0.0357
3	0.1705	0.1255	0.0183
4	0.2479	0.1134	0.0225
5	0.0861	0.2296	0.0182
6	0.0974	0.1659	0.0147
7	0.1309	0.1761	0.0204
8	0.1952	0.2025	0.0331
9	0.2666	0.0701	0.0148
10	0.1849	0.0841	0.0131
11	1.9106	0.0374	0.0245
12	0.2060	0.0792	0.0135
13	0.3237	0.2181	0.0533
14	0.0741	0.3043	0.0210
15	0.7712	0.0823	0.0358
16	0.3397	0.0373	0.0095
17	0.7697	-0.0160	-0.0069
18	0.2688	0.0773	0.0164
19	0.3057	0.0761	0.0176
20	0.1186	0.3692	0.0391
21	0.1318	0.0671	0.0078
22	0.7979	0.1388	0.0616
23	0.0881	0.2699	0.0219
24	0.2120	0.1698	0.0297
25	0.1224	0.0718	0.0078
26	0.1819	0.1145	0.0176
27	0.2848	0.0684	0.0151
28	1.0279	-0.0275	-0.0139
29	0.4257	0.1336	0.0399
30	0.6749	0.0251	0.0101
31	0.1950	0.1751	0.0286
32	1.2000	0.0609	0.0332
33	1.2565	0.1163	0.0647
34	0.8666	0.0020	0.0009
35	0.0706	-0.2700	-0.0178
36	1.2045	-0.0746	-0.0407
37	0.5472	-0.0227	-0.0060
38	1.7528	0.0351	0.0223
39	0.2777	0.0092	0.0020
40	0.6781	0.0093	0.0037
41	0.1675	0.0479	0.0069
42	0.1034	0.0474	0.0044
43	0.1656	-0.0075	-0.0011
44	0.5526	-0.0086	-0.0031
45	2.2084	0.0535	0.0369

TABLE IV.4 CONTD

1989			
BANK NO	RATIO OF ADVANCES TO DEPOSITS	RATIO OF PROFITS TO ADVANCES	RATIO OF PROFITS TO TOTAL BUSINESS
46	0.5339	0.0779	0.0271
47	0.4475	0.0574	0.0177
48	0.6603	0.0755	0.0300
50	0.5750	0.1087	0.0397
53	0.0811	0.2728	0.0205
54	2.3749	0.0448	0.0315
58	0.1170	0.0786	0.0082
60	0.4156	0.1138	0.0334
61	0.1521	0.1610	0.0212
62	0.3296	0.0138	0.0034
65	0.1012	0.2613	0.0240
66	0.3666	0.0396	0.0106
67	0.9909	0.0669	0.0343
69	3.4408	0.0108	0.0083
72	1.7075	0.0673	0.0424
73	0.2611	0.0289	0.0060
74	0.7326	0.0094	0.0040
77	1.1496	0.0561	0.0300
79	2.4743	0.0667	0.0475
82	0.5322	0.0234	0.0081
83	1.7892	0.1426	0.0915
85	1.2969	0.0661	0.0373
86	0.0711	-0.2669	-0.0177
87	0.7138	0.0925	0.0385
89	0.3730	0.0427	0.0116
91	0.5933	0.0308	0.0115
93	0.9265	0.0221	0.0106
94	0.6384	0.0422	0.0164
96	1.0920	0.0597	0.0311
97	0.2232	0.0846	0.0154
98	0.5554	0.0406	0.0145
101	1.3155	0.0523	0.0297
103	0.6770	0.0601	0.0243
105	0.5660	0.0435	0.0157
107	0.1824	0.0092	0.0014
AVERAGE	0.6354	0.0752	0.0193
STD	0.6437	0.0964	0.0192
C.V.	101.3000	128.2239	99.4273

that, advances are more than thrice the deposit for this branch. The next highest ratios in the descending order are 2.47, 2.37 and 2.21 for bank branch Nos. 79, 54 and 45 respectively. This indicates that advances are more than twice the deposits. For twelve branches it is observed that advances are more than deposits. The average ratio of advance to deposit was found to be 0.6354. The variations in credit deposit ratio which are denoted by standard deviation is worked out to be 0.6437 and the c.v. is found to be 101.30.

So far as branchwise profit to advance ratio is concerned the highest ratio was found to be 0.3692 for bank branch No. 20 and the lowest ratio was found to be -0.27 for bank branch No. 35. The highest ratio of 0.3692 seems to be on account of lower credit deposit ratio, which is only 0.1186 for the said branch. Hence this may be on account of notional income earned by branches on account of transfer of funds to head office. The average ratio of profit to advance is found to be 0.0752. The variations in the ratio of profit to advance which are denoted by standard-deviation was found to be 0.0964 and c.v. was found to be 128.2239.

These indicates that variations are higher in the case of credit-deposit ratio as compared to ratio of profit to advance as depicted by standard deviation whereas reverse is the case if we examine on the basis of c.v.

About ratio of profit of volume of business it is observed that the highest ratio is 0.0533 for bank branch No. 13 and the lowest ratio is -0.0407 for bank branch No. 36. The average ratio

is 0.0193. The standard deviation which indicates variations between the branches for this ratio is found to be 0.0192 and the c.v. is found to be 99.4273. Both standard deviation and c.v. are lowest as compared to those of previous two ratios.

(iv) Year 1988 :

For the year 1988 there was no closing on account of Government notification and hence after closing as on 31st December, 1987 there was a closing on 31st March, 1989; hence the difficulties were posed by the respondents for furnishing the data as on 31st December, 1988 and even if those data were made available, from the year 1989-90 the half yearly closing will fall due on 30th September and year end on 31st March, hence no data were available for the year 1988.

On account of reason mentioned above analysis is presented directly for the year 1987.

(v) Year 1987 :

Compared to year 1991, 1990 and 1989 the data available for the year 1987 were considerably less. However, based on the available data the same analysis as of previous years is carried out. Table IV.5 gives the data regarding branchwise ratio of advance to deposit, profit to advance and profit to volume of business for the year 1987.

The average ratio of advance to deposit is found to be 0.5536. The standard deviation which indicates the variations in ratio between the branches is found to be 0.8256 and c.v. is found to be

TABLE IV.5

BRANCHWISE INFORMATION REGARDING RATIO OF ADVANCES TO DEPOSITS, PROFIT TO ADVANCES & PROFIT TO TOTAL BUSINESS

1987			
BANK NO	RATIO OF ADVANCES TO DEPOSITS	RATIO OF PROFIT TO ADVANCES	RATIO OF PROFIT TO TOTAL BUSINESS
1	0.2313	0.0849	0.0159
2	0.2921	0.1015	0.0229
3	0.1418	0.1529	0.0190
4	0.2300	0.1070	0.0200
5	0.0731	0.3483	0.0237
6	0.0876	0.3030	0.0244
7	0.1112	0.1451	0.0145
8	0.1330	0.2477	0.0291
9	0.2175	0.0644	0.0115
10	0.1882	0.1406	0.0223
11	2.7758	0.0406	0.0299
12	0.2431	0.0940	0.0184
13	0.1912	0.0313	0.0050
14	0.1934	0.1219	0.0197
15	0.7364	0.0986	0.0418
16	0.4391	0.0075	0.0023
17	0.7036	0.0260	0.0107
18	0.2356	0.0687	0.0131
19	0.2283	0.1094	0.0203
20	0.1228	0.4381	0.0479
21	0.1338	0.0737	0.0087
22	0.3069	0.1242	0.0292
23	0.1254	0.2227	0.0248
24	0.2785	0.1397	0.0304
25	0.1464	0.1029	0.0131
26	0.0962	1.0510	0.0923
27	0.2263	0.0730	0.0136
28	1.2559	0.0740	0.0412
29	0.2779	0.2201	0.0479
30	0.5148	0.0649	0.0220
31	0.2766	0.0682	0.0148
32	1.1831	0.0571	0.0310
34	0.7701	0.0006	0.0003
36	0.7141	-0.0146	-0.0061
40	0.5103	-0.0102	-0.0034
41	0.1438	-0.0262	-0.0033
46	0.4045	-0.0000	-0.0000
47	0.2238	0.1276	0.0233

TABLE IV.5 CONTD

1987			
BANK NO	RATIO OF ADVANCES TO DEPOSITS	RATIO OF PROFIT TO ADVANCES	RATIO OF PROFIT TO TOTAL BUSINESS
50	0.5395	0.1087	0.0381
53	0.1152	0.0506	0.0052
54	2.2532	0.0603	0.0418
58	0.1284	0.0761	0.0087
60	0.4877	0.0997	0.0327
61	0.1007	0.1942	0.0178
62	0.2977	-0.0067	-0.0015
65	0.0985	0.2090	0.0187
72	0.7030	0.0491	0.0203
74	0.3071	-0.0163	-0.0038
79	2.6815	0.0668	0.0486
82	0.6842	0.0212	0.0066
83	0.1454	0.1480	0.0188
85	1.4281	0.0431	0.0254
86	0.1180	-0.1942	-0.0205
87	0.5888	0.0768	0.0285
93	5.3226	0.0006	0.0005
94	0.6384	0.0752	0.0293
98	0.4662	0.0182	0.0058
99	0.5575	0.0550	0.0197
101	0.0968	0.1490	0.0134
103	0.5672	0.0341	0.0123
105	0.6317	0.0373	0.0144
107	0.1978	0.0667	0.0110
AVERAGE	0.5536	0.1049	0.0191
STD	0.8256	0.1533	0.0169
C.V.	149.1397	146.1574	88.4626

149.1397. The highest credit-deposit ratio was found to be 5.32. This indicates that the advances were more than 5 times the deposits. This is found for bank-branch No. 93. For three branches advance to deposit ratio was found to be more than two. These are bank branch No. 11, 54 and 79. This implies that the advances were more than twice the deposits and for bank branch Nos. 28, 32 and 85 this ratio was found to be more than one. This indicates that advances were more than deposits.

The average ratio of profit to advance is found to be 0.1049 and standard deviation is found to be 0.1533. Here one case was found of exceptionally high profit to advance ratio, i.e. bank branch No. 26, has profit to advance ratio of 1.051. This indicates that profit is more than advances of that branch. There are also branches incurring losses which is represented by the negative ratio. The minimum ratio is observed to be -0.01942 for bank branch No. 86.

The average ratio of profit to advance is found to be 0.0191 and standard deviation is found to be 0.0169. The highest ratio was 0.0923 for bank branch No. 26 and minimum ratio was found to be -0.0205 for bank branch No. 86.

Taking all three ratios together indicate that the highest variations are observed for ratio of advance to deposit among these 3 ratios, which is found to be 0.8256, as denoted by standard deviation. The standard deviation is found to be minimum for ratio of profit to volume of business. The c.v. was also found

highest for ratio of advance to deposit and minimum for ratio of profit to volume of business.

(vi) Year 1986 :

There is a reduction in the data availability for the year 1986 as compared to the years 1987 and onwards. Here data are available only for 53 branches. Table IV.6 gives data regarding ratio of advance to deposit, profit to advance and profit to volume of business.

The average ratio of advance to deposit is found to be 0.4858. The variations in this ratio which is denoted by standard deviation are found to be 0.6193. The highest ratio of advance to deposit was 3.125 for bank branch No. 11 and the next is 3.06 for bank branch No. 54. The ratio more than 3 indicates that the advances were more than thrice the deposits. For three branches it was observed that the ratio was more than 1, for bank branch Nos. 28, 32 and 85. This indicates that the advances were more than deposits. Barring these five branches for all other branches the ratio was found less than one.

The average ratio of profit to advance is found to be 0.0546. The highest ratio was found to be 0.7040 for bank branch No. 20. Eleven branches were loss making branches and the minimum ratio is found to be -0.5068 for bank branch No. 86. The standard deviation of this ratio is found to be 0.1674 which is lower as compared to that of ratio of advance to deposit. However, when c.v. is compared, the reverse situation is found, which is here 306.419% whereas it is 127.4805 for ratio of credit to deposit.

TABLE IV.6

BRANCHWISE INFORMATION REGARDING RATIO OF ADVANCES TO DEPOSITS PROFIT TO ADVANCES AND PROFIT TO TOTAL BUSINESS

1986			
BANK NO	RATIO OF ADVANCES TO DEPOSITS	RATIO OF PROFIT TO ADVANCES	RATIO OF PROFIT TO TOTAL BUSINESS
1	0.3855	0.0487	0.0135
2	0.3267	0.1261	0.0315
3	0.1705	0.1139	0.0166
4	0.1773	0.1063	0.0160
5	0.0861	0.2082	0.0169
6	0.1352	0.0866	0.0103
7	0.1145	0.1691	0.0174
8	0.1487	0.1625	0.0210
9	0.2212	0.0800	0.0145
10	0.3066	0.0682	0.0160
11	3.1254	0.0354	0.0268
12	0.3123	0.0603	0.0143
13	0.3189	0.0009	0.0002
14	0.1690	0.1041	0.0150
15	0.9563	0.0887	0.0434
16	0.5977	0.0426	0.0159
17	0.4022	-0.0007	-0.0002
18	0.2867	0.0905	0.0202
19	0.1180	0.2442	0.0258
20	0.1350	0.7040	0.0837
21	0.1465	0.0644	0.0082
22	0.2286	0.1451	0.0270
23	0.1656	0.0924	0.0131
24	0.2362	0.1719	0.0328
25	0.1664	0.1481	0.0233
26	0.1052	-0.3326	-0.0317
27	0.1816	-0.0670	-0.0134
28	1.5893	-0.0573	-0.0352
29	0.4795	0.1160	0.0376
30	0.6542	0.1286	0.0508
31	0.3091	0.0541	0.0128
32	1.3030	0.0479	0.0271
34	0.8891	0.0105	0.0049
40	0.3335	-0.1180	-0.0295
41	0.1262	-0.0986	-0.0111
46	0.3438	-0.0000	-0.0000
47	0.2543	0.1008	0.0204
53	0.0842	0.0890	0.0069
54	3.0615	0.0467	0.0352
60	0.5307	0.0794	0.0275
62	0.2824	-0.1179	-0.0260
65	0.0964	0.1928	0.0169
72	0.4402	0.0523	0.0160
74	0.3458	-0.1007	-0.0259

TABLE IV.6 CONTD

1986			
BANK NO	RATIO OF ADVANCES TO DEPOSITS	RATIO OF PROFIT TO ADVANCES	RATIO OF PROFIT TO TOTAL BUSINESS
85	1.5606	0.0467	0.0265
86	0.1013	-0.7068	-0.0650
94	0.6384	0.0824	0.0321
98	0.9173	0.0422	0.0202
99	0.4994	0.0550	0.0183
101	0.0995	0.1489	0.0135
103	0.5461	-0.0079	-0.0028
105	0.1959	0.0445	0.0073
107	0.3194	0.0208	0.0050
AVERAGE	0.4856	0.0546	0.0125
STD	0.6193	0.1674	0.0233
C V	127.4805	306.4191	185.7119

The average ratio of profit to volume of business is found to be 0.0425. The highest ratio is found to be 0.0837 for bank branch No. 20 whereas the lowest ratio is found to be -0.0650 for bank branch No. 86. The variations which are denoted by standard deviation are found to be 0.0233, whereas c.v. is found to be 185.7119 which is lower as compared to that of profit to advance.

(vii) Year 1985 :

Minimum data were available for the year 1985, as compared to later years, and it is observed that only 48 branches could furnish the data for year 1985. However based on the available information all three ratios are worked out.

Table IV.7 gives information regarding ratio of advance to deposit, ratio of profit to advance and ratio of profit to volume of business.

The average of ratio of advance to deposit is found to be 0.4844. The highest ratio is found to be 3.1252 for bank branch No. 11. This indicates that advances were more than thrice the deposit. For bank branch No. 54 it was found to be 2.1498, whereas it was found to be 1.5893, 1.3818 and 1.5669 respectively for bank branch Nos. 28, 32 and 85. The variations between the branches which are denoted by standard deviation was found to be 0.5853 and the c.v. was found to be 120.8228.

For the ratio of profit to advance it may be noted that out of all the years under study this was the only year where the average ratio of profit to advance was found to be negative. Out of

TABLE IV.7

 BRANCHWISE INFORMATION REGARDING RATIO OF ADVANCES
 TO DEPOSITS, PROFIT TO ADVANCES AND PROFIT TO TOTAL BUSINESS

1985			
BANK NO	RATIO OF ADVANCES TO DEPOSITS	RATIO OF PROFIT TO ADVANCE	RATIO OF PROFIT TO TOTAL BUSINESS
1	0.3855	0.0449	0.0125
2	0.3267	0.0992	0.0244
3	0.1705	0.0465	0.0068
4	0.1773	0.0454	0.0068
5	0.0881	0.1159	0.0094
6	0.1352	0.0135	0.0016
7	0.1145	0.0768	0.0079
8	0.1487	0.0651	0.0084
9	0.2212	0.0418	0.0076
10	0.3066	0.0239	0.0056
11	3.1252	0.0150	0.0114
12	0.3123	-0.0067	-0.0016
13	0.3189	-0.0333	-0.0080
14	0.1690	-0.0729	-0.0105
15	0.9563	0.0705	0.0345
16	0.5977	-0.0429	-0.0160
17	0.9402	-0.0083	-0.0040
18	0.2867	0.0742	0.0165
19	0.1180	0.1028	0.0108
20	0.1350	0.1730	0.0206
21	0.1465	0.0817	0.0079
22	0.3582	0.0943	0.0249
23	0.1656	0.0163	0.0023
24	0.2362	0.0681	0.0130
25	0.1866	0.0955	0.0150
26	0.1053	-0.7053	-0.0672
27	0.1816	-0.7278	-0.1119
28	1.5893	-0.0333	-0.0204
29	0.4795	0.0883	0.0286
30	0.6542	0.0306	0.0121
31	0.3091	0.0054	0.0013
32	1.3818	0.0483	0.0280
34	0.7413	0.0579	0.0247
40	0.3032	-0.1262	-0.0294
41	0.6049	-0.1441	-0.0543
53	0.0607	-0.0163	-0.0009
54	2.1498	0.0496	0.0338
60	0.6587	0.0820	0.0326
62	0.2856	-0.1618	-0.0359

TABLE IV.7 CONTD

1985			
BANK NO	RATIO OF ADVANCES TO DEPOSITS	RATIO OF PROFIT TO ADVANCE	RATIO OF PROFIT TO TOTAL BUSINESS
65	0.0973	0.2088	0.0185
74	0.2777	-0.0793	-0.0172
85	1.5669	0.0337	0.0206
86	0.1175	-0.4750	-0.0499
94	0.3729	0.1439	0.0391
101	0.0995	0.1489	0.0135
103	0.6705	-0.0117	-0.0047
105	0.3290	0.0136	0.0034
107	0.0880	0.0562	0.0045
AVERAGE	0.4844	-0.0069	0.0016
STD	0.5853	0.1805	0.0278
C.V.	120.8228	-2615.9420	1746.0196

48 responding branches for the year 1985 only 15 branches were with negative ratio of profit to advance, however, the total of negative ratios of profit to advance was higher than total of positive ratios of profit to advance and this has resulted in the negative ratio.

The average ratio was found to be -0.0069 . The highest ratio was found to be 0.2088 for bank branch No. 65, whereas the lowest ratio was found to be -0.7278 . The variations in ratio, which are denoted by standard deviation was found to be 0.1805 and the c.v. was found to be -2615.942 .

The average ratio of profit to volume of business was found to be 0.0016 . The highest ratio is found to be 0.0391 for bank branch No. 94. The minimum ratio is found to be -0.1119 for bank branch No. 27. The variations between the branch which are denoted by standard deviation was found to be 0.0278 which is found to be lower as compared to that of ratio of profit to advance. The c.v. is found to be 1748.0196 . This is also found to be lower than, that of ratio of profit to advance, in absolute terms.

(B) REGRESSION OF PROFIT ON ADVANCES, DEPOSITS, VOLUME OF BUSINESS AND RATIO OF ADVANCE TO DEPOSIT :

The profit of the branch is expected to be influenced by its deposits, advances, volume of business i.e. deposits + advances and the ratio of advances to deposits, over and above other factors. It is therefore, essential to examine whether the above mentioned variables significantly affect the profit of the branch or not.

In order to examine the influence of each variable on profit of the branch, a separate regression is carried out, instead of one regression incorporating all these variables due to statistical problems. All the variables, i.e. advances, deposits, volume of business and ratio of advances to deposits are linearly related to each other and therefore the inclusion of all these variables in one single regression model will create the problem of multi colinearity which will make it difficult to find out whether variables are influential in bringing any change in the profit of the branch or not.

In order to examine the said relationship following linear regression model is fitted :

$$y = a + bx + U$$

where, y represents the profit and

x represents advances or deposits or volume of business or credit-deposit ratio.

The relationship has been examined for the years 1991, 1990, 1989, 1987, 1986 and 1985. Table IV.8, IV.9, IV.10, IV.11, IV.12, IV.13 reveal the following results:

TABLE : IV.8

REGRESSION RESULTS OF PROFIT ON ADVANCES, DEPOSIT,
VOLUME OF BUSINESS AND CREDIT-DEPOSIT RATIO : 1991

	R^2	Constant	x-coefficient
Regression of profit on			
1. Advances	0.6429	-568.714	0.0697* (12.93928)
2. Deposit	0.5167	-824.0217	0.0485* (9.9718)
3. Volume of business	0.6149	-1132.59	0.0309* (12.18697)
4. Credit-deposit ratio	0.0065	3687.517	1051.999 (0.780684)

(Figures in bracket represent t-value of x-coefficient;
'*' - indicates that x-coefficient is significant at 5%)

TABLE IV.9

RESULTS OF REGRESSION OF PROFIT ON ADVANCES, DEPOSIT,
VOLUME OF BUSINESS AND CREDIT-DEPOSIT RATIO : 1990

	R^2	Constant	x-coefficient
Regression of profit on			
1. Advances	0.8049	-759.589	0.0708* (18.8381)
2. Deposit	0.6284	-1174.06	0.0514* (12.0603)
3. Volume of business	0.7527	-1348.75	0.0319* (16.1780)
4. Credit-deposit ratio	0.0257	2137.126	2840.990 (1.5075)

(Figures in brackets represent estimated t-value '*' -
indicates significance at 5%)

TABLE IV.10

REGRESSION RESULTS OF PROFIT ON ADVANCES, PROFIT ON DEPOSIT, PROFIT ON VOLUME OF BUSINESS AND PROFIT ON CREDIT-DEPOSIT RATIO : 1989

	R^2	Constant	x-coefficient
Regression of profit on			
1. Advances	0.8474	197.6435	0.0636* (20.8128)
2. Deposits	0.6803	-220.218	0.0474* (12.8839)
3. Volume of business	0.8219	-407.549	0.0297* (18.9727)
4. Credit-deposit ratio	0.0393	2131.023	2740.697 (1.7871)

(Figures in brackets indicate the estimated t-value,
*- indicates significant value at 5%)

TABLE IV.11

REGRESSION RESULTS OF PROFIT ON ADVANCE, DEPOSIT, VOLUME OF BUSINESS AND CREDIT-DEPOSIT RATIO : 1987

	R^2	Constant	x-coefficient
Regression of profit on			
1. Advances	0.8883	355.03	0.0622* (21.8476)
2. Deposits	0.7112	-59.0945	0.0348* (12.1558)
3. Volume of business	0.8937	-340.46	0.0257* (22.4621)
4. Ratio of credit to deposit	0.0072	2463.012	769.5942 (0.6449)

(Figures in brackets indicate estimated value of t
*- indicates significant value at 5%)

TABLE IV.12

REGRESSION RESULTS OF PROFIT ON ADVANCES, PROFIT ON DEPOSIT, PROFIT ON VOLUME OF BUSINESS AND PROFIT ON CREDIT-DEPOSIT RATIO : 1986

	R^2	Constant	x-coefficient
Regression of profit on			
1. Advances	0.8527	522.064	0.0508* (17.1846)
2. Deposit	0.7717	-242.296	0.0374* (13.1313)
3. Volume of business	0.9259	-294.065	0.0247* (25.2605)
4. Advance-deposit ratio	0.0548	1352.111	2577.998 (1.7209)

(Figures in brackets indicate estimated t-value
** - indicates significant value at 5%)

TABLE IV.13

REGRESSION RESULTS OF PROFIT ON ADVANCES, PROFIT ON DEPOSIT, PROFIT ON VOLUME OF BUSINESS AND PROFIT ON RATIO OF CREDIT TO DEPOSIT 1985

	R^2	Constant	x-coefficient
Regression of profit on			
1. Advances	0.9389	127.975	0.0507* (26.5836)
2. Deposits	0.7152	-288.421	0.0358* (10.7477)
3. Volume of business	0.9082	-391.369	0.0236* (21.3340)
4. Credit-deposit ratio	0.0672	772.0408	2734.259 (1.8199)

(Figures in brackets indicate estimated t-value
** - indicates significant value at 5%)

Variables advances, deposits and volume of business are influential in bringing about the change in the profit of the branch for all the years under consideration as it is indicated by t-statistic.³ The coefficients associated with advances, deposits and volume of business are statistically significant. It is consistently observed that the coefficients associated with advances are higher than the coefficients associated with deposits during all the years under reference which implies that the effect of advances on the profit of the branch is more as compared to the same^{of} deposits.

Moreover, the value of R^2 is sufficiently high in the case of regression of profit on advances during all the years. It is observed to be more than 0.8 for all the years except the year 1991.

The important observation regarding the sign of the constant term in each of the regression reveals that the constant term was consistently negative in the case of regression of profit on

3. t-test is the statistical test to examine whether the estimated value of the parameter on the basis of the sample data is significantly different from zero or not. Here we have null hypothesis and alternative hypothesis. In null hypothesis $b=0$ & in alternative hypothesis $b \neq 0$. Where estimated value of t is greater than table value of t, we reject the null hypothesis which shows the significant relationship between y and x.

Here, $t = \frac{b_1}{Sb_1}$, Where b_1 is the x coefficient

and Sb_1 is standard error of x-coefficient

Vide, Apte P.G., Text book of Econometrics, p. 108.

deposits and regression of profit on volume of business. The negative constant term indicates that the branch requires certain amount of deposits / volume of business to earn profit. It is observed from tables IV.8 to IV.13 that the level of deposit at which branch breaks even i.e. point at which branch neither makes loss nor profit was Rs.16990.138 thousand in 1991, Rs. 22843.411 thousand in 1990, Rs.4649.4806 thousand in 1989, Rs.1699.534 thousand in 1987, Rs.6485.9597 thousand in 1986 and Rs.8055.7774 thousand in 1985. This indicates that the volume of deposits which are required for a branch to break-even has increased over a period of time.

The similar picture arises when we look at the level of volume of business where branch reaches the break even point with respect to profit. The volume of business required for a branch at which it neither makes profit nor loss was Rs.16582.729 thousand in 1985, Rs.11885.25 thousand in 1986, Rs.13236.179 thousand in 1987, Rs.13733.29^{thousand} in 1989, Rs.42269.963 thousand in 1990 and Rs.36637.984 thousand in 1991. This indicates that there has been an increase in the volume of deposits/volume of business by a significant amount which are required for a branch to break even.

In the case of regression of profit on advances, the intercept term was negative for year 1990 and 1991, which indicates that the branch is required to achieve a certain level of advances before it breaks even in terms of profit. In the year 1991, uptill the advances are reached the level of Rs.8157.3481 thousand the branch will make losses. In the year 1990 the level of advances at

which the branch breaks even was Rs.10721.692 thousand. For the earlier year i.e. 1985, 1986, 1987 and 1989 the intercept term was positive indicating thereby positive profit in absence of advances which may be on account of receipt of notional interest from head office.

On analysing the effectiveness of the ratio of advances to deposits on the profit of the branch, it is found that the said ratio turned out to be statistically insignificant in bringing about any change in the profit of branch for all the years under reference.

C. SHARE OF PRIORITY AND NON-PRIORITY ADVANCE TO TOTAL ADVANCE :

Information is also collected regarding the share of priority ^{and} ~~non-priority~~ advance in the total advance. The number of respondents is lower than the number of respondents for the information regarding total advances. Here again as the actual figures are to be kept confidential branchwise data regarding priority advance and non-priority advance are not given. The branchwise share of priority sector advance to total advance and non-priority advance to total advance is computed for the year 1991 to 1986 barring year 1988.

1. Year 1991 :

The share of priority advance in total advance is found to be 0.4397 on an average i.e. about 43% of the total advances are being made in the priority sector and the remaining to the non-priority sector. On pan-India level the share of priority sector advance to total advance is found to be 37.7% as on 31st March,

1991. The variations in this share, which are denoted by standard deviation, are found to be 0.2356 and c.v. is found to be 53.5936 for the branches under study.

The ratio of non-priority advance to total advance is found to be 0.5603 on an average, i.e. about 56% of the total advances are going to non-priority sector. The standard deviation is found to be 0.2356 and c.v. is found to be 42.0554. This implies that variations between the branches are more in the priority sector advances as compared to the non-priority sector advances.

The table IV-14 gives data about the branchwise share of priority and non-priority sector advance to total advance for the year 1991. The table reveals that for four branches the share of priority sector advance was more than 90%; whereas on the other hand there are fourteen branches for which share of priority sector advances is even lower than 20%.

ii. Year 1990 :

Table IV.15 gives details regarding the share of priority and non-priority advance in the total advance of the branch for the year 1990. The share of priority advance in total advance varied from 0.96 to 0.02; i.e. the share of priority advance to total advance varies from 96% to 2%. This also explains the variations in the non-priority segment which can be said to be varying from 4% to 98% of the total advance, for various branches.

The average ratio of priority sector advance to total advance came to be 0.4598 i.e. on an average during the year 1990, out of

TABLE IV.14

BRANCHWISE SHARE OF PRIORITY AND
NON-PRIORITY ADVANCES TO TOTAL ADVANCES

1991		
BANK NO	RATIO OF PRIORITY ADVANCES TO TOTAL ADVANCES	RATIO OF NON-PRIORITY ADVANCES TO TOTAL ADVANCES
1	0.3192	0.6808
2	0.6142	0.3858
3	0.3925	0.6075
4	0.7190	0.2810
5	0.2992	0.7008
6	0.4957	0.5043
7	0.4982	0.5018
8	0.4819	0.5181
9	0.5158	0.4842
10	0.5648	0.4352
11	0.7567	0.2433
12	0.5464	0.4536
13	0.5296	0.4704
14	0.4550	0.5450
15	0.7275	0.2725
16	0.4086	0.5914
17	0.7614	0.2386
18	0.3294	0.6706
19	0.3603	0.6397
20	0.2334	0.7666
21	0.3847	0.6153
22	0.1237	0.8763
23	0.2000	0.8000
24	0.2239	0.7761
25	0.4504	0.5496
26	0.4735	0.5265
27	0.3169	0.6831
28	0.8537	0.1463
29	0.3173	0.6827
30	0.4665	0.5335
31	0.5348	0.4652
32	0.3922	0.6078
33	0.1997	0.8003
34	0.6912	0.3088
35	0.2123	0.7877
36	0.6331	0.3669
37	0.2535	0.7465
38	0.3534	0.6466
39	0.1324	0.8676
40	0.5839	0.4161
41	0.3467	0.6533
42	0.1743	0.8257
43	0.5614	0.4386
44	0.0814	0.9186
45	0.9267	0.0733
46	0.2988	0.7012
47	0.2681	0.7319

TABLE IV.14 CONTD

1991		
BANK NO	RATIO OF PRIORITY ADVANCES TO TOTAL ADVANCES	RATIO OF NON-PRIORITY ADVANCES TO TOTAL ADVANCES
48	0.1264	0.8736
49	0.9346	0.0654
50	0.7481	0.2519
51	0.3826	0.6174
52	0.2857	0.7143
53	0.4702	0.5298
54	0.0798	0.9202
58	0.5903	0.4097
60	0.5220	0.4780
61	0.6201	0.3799
62	0.3362	0.6638
63	0.0182	0.9818
65	0.3799	0.6201
66	0.3193	0.6807
67	0.0745	0.9255
68	0.7009	0.2991
69	0.0630	0.9370
71	0.3127	0.6873
72	0.3866	0.6134
73	0.5252	0.4748
74	0.8726	0.1274
75	0.7420	0.2580
76	0.1500	0.8500
77	0.9054	0.0946
78	0.9808	0.0192
79	0.6469	0.3531
82	0.2247	0.7753
83	0.6450	0.3550
85	0.1866	0.8134
86	0.6407	0.3593
89	0.8921	0.1079
91	0.2953	0.7047
93	0.9000	0.1000
94	0.2970	0.7030
95	0.2520	0.7480
96	0.1640	0.8360
97	0.2265	0.7735
98	0.1519	0.8481
99	0.6542	0.3458
101	0.0253	0.9747
102	0.4000	0.6000
103	0.4000	0.6000
105	0.4632	0.5368
106	0.5098	0.4902
107	0.4851	0.5149
AVERAGE	0.4397	0.5603
STD	0.2356	0.2356
C.V.	53.5936	42.0554

TABLE IV.15

BRANCHWISE SHARE OF PRIORITY &
NON PRIORITY ADVANCES TO TOTAL ADVANCES

1990		
BANK NO.	RATIO OF PRIORITY ADVANCES TO TOTAL ADVANCES	RATIO OF NON PRIORITY ADVANCES TO TOTAL ADVANCES
1	0.3192	0.6808
2	0.6855	0.3145
3	0.1925	0.8075
4	0.8155	0.1845
5	0.2992	0.7008
6	0.4207	0.5793
7	0.3883	0.6117
8	0.6667	0.3333
9	0.5158	0.4842
10	0.6140	0.3860
11	0.8545	0.1455
12	0.7508	0.2492
13	0.3784	0.6216
14	0.5293	0.4707
15	0.7275	0.2725
16	0.3490	0.6510
17	0.8215	0.1785
18	0.3414	0.6586
19	0.3121	0.6879
20	0.2602	0.7398
21	0.5856	0.4144
22	0.1338	0.8662
23	0.2852	0.7148
24	0.2357	0.7643
25	0.4504	0.5496
26	0.2899	0.7101
27	0.4205	0.5795
28	0.9194	0.0806
29	0.3053	0.6947
30	0.5648	0.4352
31	0.5490	0.4510
32	0.3922	0.6078
33	0.2090	0.7910
34	0.7086	0.2914
35	0.2272	0.7728
36	0.6273	0.3727
37	0.2605	0.7395
38	0.2878	0.7122
39	0.1507	0.8493
40	0.6518	0.3482
41	0.5567	0.4433
42	0.1351	0.8649

TABLE IV.15 CONTD

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1990		
BANK NO.	RATIO OF PRIORITY ADVANCES TO TOTAL ADVANCES	RATIO OF NON PRIORITY ADVANCES TO TOTAL ADVANCES
43	0.5364	0.4636
44	0.0859	0.9141
45	0.9423	0.0577
46	0.3767	0.6233
47	0.1669	0.8331
48	0.1315	0.8685
49	0.7863	0.2137
50	0.7465	0.2535
53	0.5098	0.4902
54	0.1169	0.8831
58	0.6458	0.3542
60	0.5307	0.4693
61	0.6651	0.3349
62	0.3100	0.6900
63	0.0201	0.9799
65	0.4238	0.5762
66	0.4574	0.5426
67	0.1668	0.8332
68	0.6148	0.3852
69	0.0627	0.9373
71	0.3992	0.6008
72	0.6235	0.3765
73	0.6228	0.3772
74	0.7874	0.2126
75	0.5831	0.4169
77	0.8193	0.1807
79	0.7191	0.2809
82	0.1888	0.8112
83	0.6672	0.3328
85	0.1747	0.8253
87	0.6331	0.3669
89	0.9077	0.0923
91	0.1665	0.8335
93	0.9688	0.0313
94	0.3200	0.6800
95	0.2136	0.7864
96	0.1876	0.8124
97	0.7355	0.2645
98	0.1519	0.8481
99	0.6542	0.3458
101	0.0208	0.9792
103	0.4509	0.5491
105	0.5821	0.4179
107	0.4760	0.5240
AVERAGE	0.4598	0.5402
STD	0.2436	0.2436
C.V.	52.9845	45.0896

total advance 45% of the advances were devoted to priority sector advance and the balance 54% to the non-priority sector advance. At pan-India level it is observed that 40.7% of total advances were assigned to priority sector as on 31st March, 1990.

The standard deviation and c.v. for the priority sector advance came to be 0.2436 and 52.9845 respectively.

The standard deviation and c.v. for non-priority sector came to be 0.2436 and 45.0896 respectively. On the basis of c.v. it may be said that variations are more in case of share of priority advance to total advance as compared to share of non-priority advance to total advance.

iii. Year 1989 :

Table IV.16 indicates ratio of priority sector advance to total advance and ratio of non-priority sector advance to total advance for year 1989.

The scrutiny of the table indicates the following :

The average ratio of priority segment advance comes to 0.4594 and average of ratio of non-priority advance to total advance comes to 0.5406. The standard deviation which gives information regarding the extent of variation between the branches regarding the proportion of priority advance as well as of non-priority advance is identical which is 0.2482. The c.v. which gives information regarding variations in relative terms is found to be 54.0339 for share of priority sector advance and 45.9224 for share of non-priority sector advance, implying thereby higher variations

TABLE IV. 16

BRANCHWISE SHARE OF PRIORITY &
NON PRIORITY ADVANCE TO TOTAL ADVANCE

1989		
BANK NO	RATIO OF PRIORITY ADVANCE TO TOTAL ADVANCE	RATIO OF NON PRIORITY ADVANCE TO TOTAL ADVANCE
1	0.3192	0.6808
2	0.7194	0.2806
3	0.3418	0.6582
4	0.8062	0.1938
5	0.3576	0.6424
6	0.4909	0.5091
7	0.2497	0.7503
8	0.7024	0.2976
9	0.7402	0.2598
10	0.5242	0.4758
11	0.9103	0.0897
12	0.6849	0.3151
13	0.3218	0.6782
14	0.5456	0.4544
15	0.9112	0.0888
16	0.4901	0.5099
17	0.7996	0.2004
18	0.3780	0.6220
19	0.2460	0.7540
20	0.3107	0.6893
21	0.5913	0.4087
22	0.1511	0.8489
23	0.2310	0.7690
24	0.1317	0.8683
25	0.5154	0.4846
26	0.0683	0.9317
27	0.4297	0.5703
28	0.9191	0.0809
29	0.1761	0.8239
30	0.5159	0.4841
31	0.4676	0.5324
32	0.3958	0.6042
33	0.2277	0.7723
34	0.6460	0.3540
35	0.3286	0.6714
38	0.3936	0.6064
39	0.1782	0.8218
40	0.5653	0.4347
41	0.5115	0.4885
42	0.1350	0.8650
43	0.4554	0.5446
44	0.0695	0.9305

TABLE IV.16 CONTD

1989		
BANK NO	RATIO OF PRIORITY ADVANCE TO TOTAL ADVANCE	RATIO OF NON PRIORITY ADVANCE TO TOTAL ADVANCE
45	0.9482	0.0518
46	0.3455	0.6545
47	0.1310	0.8690
48	0.1385	0.8615
50	0.7154	0.2846
53	0.6001	0.3999
54	0.1072	0.8928
58	0.6057	0.3943
60	0.5464	0.4536
61	0.6440	0.3560
62	0.2205	0.7795
65	0.3606	0.6394
66	0.6090	0.3910
67	0.4114	0.5886
69	0.0377	0.9623
72	0.6234	0.3766
73	0.4447	0.5553
74	0.7389	0.2611
77	0.6618	0.3382
79	0.8847	0.1153
82	0.1605	0.8395
83	0.5834	0.4166
85	0.3104	0.6896
87	0.5889	0.4111
89	0.7851	0.2149
91	0.4035	0.5965
93	0.9524	0.0476
94	0.3212	0.6788
96	0.1970	0.8030
97	0.3849	0.6151
98	0.0736	0.9264
101	0.7646	0.2354
103	0.1709	0.8291
105	0.5773	0.4227
107	0.1736	0.8264
AVERAGE	0.4594	0.5406
STD	0.2482	0.2482
C. V.	54.0339	45.9224

for share of priority advance to total advance.

The highest percentage of priority advance was found to be 0.9482 for bank branch No. 45 and the lowest 0.0377 for bank branch No. 69. Similarly the highest and the lowest percentage to non-priority advance were 96.23 and 5.18 respectively. It will be of interest to note here that bank branch No. 45 is situated in the industrial estate which has 99% of its priority advance to SSI, whereas bank branch No. 69 is situated in the office area.

Comparing the average of share of priority advance to total advance found in sample with all-India level, it is observed that as on June, 1989 share of priority advance to total advance was 42.6% at all India level.

iv. Year 1987 :

Table IV.17 gives information regarding branchwise share of priority and non-priority sector advance to total advance during the year 1987 for branches under study.

Here the average ratio of priority advance to total advance is found to be 0.5466 and 0.4534 for ratio of non-priority sector advance to total advance, i.e. 55% of total advances are to priority sector and 45% of total advances are to non-priority sector. When compared at all-India level as on June, 1987 the share of priority sector advance is found to be 42.9%.

The variations between the branches in share of priority sector advance to total advance which is denoted by standard

TABLE IV.17

BRANCHWISE SHARE OF PRIORITY AND
NON PRIORITY ADVANCE TO TOTAL ADVANCE

1987		
BANK NO	RATIO OF PRIORITY ADVANCES TO TOTAL ADVANCES	RATIO OF NON PRIORITY ADVANCES TO TOTAL ADVANCES
1	0.4511	0.5489
2	0.7109	0.2891
3	0.6024	0.3976
4	0.7485	0.2515
5	0.6994	0.3006
6	0.4035	0.5965
7	0.5000	0.5000
8	0.6159	0.3841
9	0.7934	0.2066
10	0.7137	0.2863
11	0.8971	0.1029
12	0.7757	0.2243
13	0.4311	0.5689
14	0.6527	0.3473
15	0.8203	0.1797
16	0.4461	0.5539
17	0.9497	0.0503
18	0.7213	0.2787
19	0.2541	0.7459
20	0.4259	0.5741
21	0.6574	0.3426
22	0.1209	0.8791
23	0.4671	0.5329
24	0.1383	0.8617
25	0.5830	0.4170
26	0.4869	0.5131
27	0.5216	0.4784
28	0.9532	0.0468
29	0.2583	0.7417
30	0.6842	0.3158
31	0.5176	0.4824
32	0.4048	0.5952
34	0.1468	0.8532
36	0.6058	0.3942
40	0.8338	0.1662
41	0.5461	0.4539
46	0.4847	0.5153
50	0.6605	0.3395
53	0.4548	0.5452
54	0.1460	0.8540
58	0.5176	0.4824
60	0.5269	0.4731

TABLE IV.17 CONTD

1987		
BANK NO	RATIO OF PRIORITY ADVANCES TO TOTAL ADVANCES	RATIO OF NON PRIORITY ADVANCES TO TOTAL ADVANCES
61	0.6208	0.3792
62	0.3869	0.6131
65	0.4669	0.5331
72	0.7025	0.2975
74	0.7009	0.2991
79	0.9097	0.0903
82	0.1980	0.8020
83	0.6480	0.3520
85	0.3648	0.6352
93	0.5859	0.4141
98	0.1908	0.8092
101	0.3682	0.6318
105	0.9134	0.0866
107	0.2249	0.7751
AVERAGE	0.5466	0.4534
STD	0.2183	0.2183
C V	39.9530	48.1710

deviation is found to be 0.2183 for share of priority advance to total advance and share of non-priority advance to total advance.

The share of priority sector advance was found to the tune of 95.32% of the total advance for bank branch No. 28 and it was found to be only 12.08% for bank branch No. 22. This also explains that share of non-priority advance to total advance varied from 87.92% to 4.68%.

The c.v. for priority sector is found to be 39.953 and for non-priority sector it is found to be 48.171. This indicates that the variations were low among the branches for priority sector advance and was slightly higher for non-priority sector advance.

v. Year 1986 :

Table IV.18 deals with the information regarding share of priority and non-priority advance to total advance.

A view of the table indicates that the average share of priority advance to total advance is found to be 0.5219 i.e. on an average for the branches under study 52.19% of the total advance is assigned to the priority sector and 47.81% of total advance is assigned to non-priority sector. A comparison at all-India level reveals that 41% of total advance is devoted to priority sector advance as on June, 1986.

The highest share of priority advance to total advance was found to be 0.9551 for bank branch No. 28. It may be noted here that this branch eventhough part of Baroda City Region, is situated in almost a rural area and it is further observed for this branch

TABLE IV.18

BRANCHWISE SHARE OF PRIORITY AND
NON PRIORITY ADVANCES TO TOTAL ADVANCES

1986		
BANK NO	RATIO OF PRIORITY ADVANCES TO TOTAL ADVANCES	RATIO OF NON PRIORITY ADVANCE TO TOTAL ADVANCES
1	0.3851	0.6149
2	0.6435	0.3565
3	0.5562	0.4438
4	0.7075	0.2925
5	0.7263	0.2737
6	0.6781	0.3219
7	0.5736	0.4264
8	0.6110	0.3890
9	0.7371	0.2629
10	0.7787	0.2213
11	0.9321	0.0679
12	0.7991	0.2009
13	0.3393	0.6607
14	0.6341	0.3659
15	0.7140	0.2860
16	0.4233	0.5767
17	0.9368	0.0632
18	0.6744	0.3256
19	0.4932	0.5068
20	0.4883	0.5117
21	0.7037	0.2963
22	0.1408	0.8592
23	0.4425	0.5575
24	0.1654	0.8346
25	0.4624	0.5376
26	0.6373	0.3627
27	0.1213	0.8787
28	0.9551	0.0449
29	0.1816	0.8184
30	0.9111	0.0889
31	0.4736	0.5264
32	0.3837	0.6163
34	0.1640	0.8360
40	0.7204	0.2796
41	0.5755	0.4245
46	0.5955	0.4045
53	0.0398	0.9602
54	0.1362	0.8638
60	0.5283	0.4717
62	0.1452	0.8548
65	0.5643	0.4357
74	0.8643	0.1357

TABLE IV.18 CONTD

1986		
BANK NO	RATIO OF PRIORITY ADVANCES TO TOTAL ADVANCES	RATIO OF NON PRIORITY ADVANCE TO TOTAL ADVANCES
85	0.2981	0.7019
86	0.2904	0.7096
94	0.7746	0.2254
98	0.1535	0.8465
103	0.4000	0.6000
105	0.7688	0.2312
107	0.1235	0.8765
AVERAGE	0.5219	0.4781
STD	0.2520	0.2520
C V	48.2917	52.7086

that 80% of the priority advances are the agricultural advances. The lowest share of priority to total advance was found to be 0.1213 for bank branch No. 27. This also explains that the highest share of non-priority advance was 0.8787 for bank branch No. 27 and the lowest share of non-priority advance was 0.0449 for bank branch No. 28.

The variations in the share of priority sector advance for branches under study are indicated by standard deviation. The standard deviation for share of priority advance to total advance and share of non-priority advance to total advance is found to be 0.2520.

The c.v. is found to be 48.2917 for priority sector and 52.7086 for non-priority sector. This indicates that the share of non-priority advance to total advance varies widely between branches as compared to share of priority sector advance to total advance.

So far as year 1985 is concerned, this detailed break-up was not made available and hence the information regarding branchwise share of priority and non-priority advance, its average, standard deviation and c.v. could not be computed.

Thus, it may be concluded that variations are more among branches in the case of share of priority sector advance to total advance in comparison with the share of non-priority sector advance to total advance, for years 1989, 1990 and 1991, whereas reverse is the case for the years 1986 and 1987.

D. SHARE OF VARIOUS SUB-SEGMENT OF PRIORITY SECTOR TO PRIORITY SECTOR ADVANCE :

In this section an attempt is made to study the branchwise share of agricultural advance, SSI advance and advances to small borrowers to their respective priority sector advances for the years 1986 to 1991. The discussion presented here is from the year 1991 to the year 1986.

1. Year 1991 :

Table IV.19 reveals the information regarding branchwise share of agricultural advance, SSI advance and advance to small borrowers for the year 1991. It may be observed from the table that the number of respondents is lower as compared to previous information for the year 1991. The reason attributed by the respondents was that this, i.e. share of agricultural advance etc. being the detailed information it was very difficult for them to trace out this information from the records.

On an average the ratio is found to be highest for SSI advance to priority sector advance and lowest for agricultural advance to total advance.

Looking to branchwise data for bank branch No. 46 the ratio of agricultural advances to priority sector advance is as high as 0.7349 i.e. it is 73.49%. Looking to the ratio of SSI advance to total priority segment advance it is observed for three branches that out of total priority segment advance 99% were assigned to SSI. Further for twelve branches it was observed that the share of SSI advance to total priority segment advance was above 90% of priority sector advance.

TABLE IV.19

BRANCHWISE SHARE OF AGRICULTURE, SSI & SMALL
BORROWERS IN THE ADVANCES TO PRIORITY SECTOR

1991			
BANK NO	RATIO OF AGRI TO T PRIORITY	RATIO OF SSI TO T PRIORITY	RATIO OF S B TO T PRIORITY
1	0.3802	0.6010	0.0188
2	0.0126	0.8425	0.1450
3	0.0621	0.5341	0.4038
4	0.0000	0.7989	0.2011
5	0.0000	0.2054	0.7946
6	0.0000	0.5682	0.4318
7	0.0000	0.5133	0.4867
8	0.0000	0.0188	0.9812
9	0.0000	0.2010	0.7990
10	0.0000	0.6603	0.3397
11	0.0000	0.9950	0.0050
12	0.0358	0.4798	0.4844
13	0.0000	0.9032	0.0968
14	0.0000	0.5713	0.4287
15	0.0000	0.9734	0.0266
16	0.0000	0.6715	0.3285
17	0.6438	0.1653	0.1909
18	0.0461	0.8998	0.0541
19	0.0140	0.6140	0.3720
20	0.0578	0.5907	0.3515
21	0.0000	0.4244	0.5756
22	0.0015	0.8718	0.1267
23	0.0000	0.9470	0.0530
24	0.0349	0.5999	0.3652
25	0.0000	0.3479	0.6521
26	0.0000	0.6847	0.1153
27	0.0000	0.0340	0.9660
28	0.0777	0.6345	0.2678
29	0.0037	0.9395	0.0569
30	0.0000	0.6992	0.3008
31	0.0027	0.8655	0.1318
32	0.2339	0.4561	0.3099
33	0.0000	0.9539	0.0461
34	0.0000	0.8500	0.1500
35	0.0000	0.1905	0.8095
36	0.3122	0.4484	0.2394
37	0.0000	0.7613	0.2387
38	0.0000	0.9658	0.0342
39	0.0000	0.0106	0.9894

TABLE IV.19 CONTD

1991			
BANK NO	RATIO OF AGRI TO T PRIORITY	RATIO OF SSI TO T PRIORITY	RATIO OF S B TO T PRIORITY
40	0.0000	0.8239	0.1761
41	0.0000	0.0000	1.0000
42	0.0000	0.0000	1.0000
43	0.0126	0.6600	0.3274
44	0.0000	0.1569	0.8431
45	0.0000	0.9982	0.0018
46	0.7349	0.2389	0.0263
47	0.0001	0.9320	0.0679
48	0.0000	0.9299	0.0701
50	0.0000	0.9511	0.0489
51	0.0000	0.6138	0.3862
53	0.0000	0.3987	0.6013
58	0.0000	0.8087	0.1913
61	0.1304	0.6243	0.2453
62	0.0000	0.8257	0.1743
65	0.1954	0.1925	0.6121
66	0.0000	0.6256	0.3744
69	0.0014	0.9743	0.0244
72	0.0001	0.9422	0.0578
73	0.2378	0.2308	0.5314
75	0.0081	0.9614	0.0305
77	0.0000	0.9886	0.0114
79	0.0000	0.9910	0.0090
82	0.1032	0.8532	0.0436
83	0.0000	0.9873	0.0127
87	0.0000	0.8178	0.1822
89	0.1026	0.7340	0.1634
91	0.0019	0.7576	0.2406
94	0.3450	0.6026	0.0524
96	0.0504	0.5854	0.3642
101	0.0034	0.8791	0.1175
AVERAGE	0.0549	0.6397	0.3054
STD	0.1369	0.2988	0.2878
C.V.	249.2537	46.7179	94.2336

The average share of agricultural advance to priority advance is worked out to be 0.0549, i.e. 5.49%, and average share of SSI advance to priority advance is 0.6397 i.e. 63.97%. The average share of advances to small borrowers to priority advance is 0.3054 i.e. 30.54%.

Coming to the fluctuations which are observed in share of agricultural advance, SSI advance and advances to small borrowers to priority advances which are conveyed by standard deviation and c.v., the standard deviation of share of agricultural advance to priority advance is 0.1369 and c.v. is 249.2537. This may be on account of the fact that, generally so far as agricultural advances are concerned, for each bank one branch is fixed and it controls the agricultural advance. This was explained during the course of discussion with various branch managers.

The standard deviation of the share of SSI advance to priority advance was found to be 0.2988 and c.v. 46.7179, i.e. between the branches it varies by 46%. The standard deviation of share of advances to small borrowers to priority sector advance was found to be 0.2878 and c.v. was found to be 94.2336.

From above - going discussion it follows that variations are found to be highest for share of SSI and lowest for share of agricultural advance to priority advance when standard deviation for these two are compared. However, reverse is the case when comparison is made of c.v. of these two segments share (individually) to total priority sector advance. Here, c.v. is found to be lowest for SSI and highest for agricultural advances.

ii. Year 1990 :

Table IV.20 gives information regarding branchwise share of agricultural advance, SSI advance and advances to small borrowers to priority advance of respective branch for the year 1990.

The average share of agricultural advance, SSI advance and advances to small borrowers comes to 0.0649, 0.6185 and 0.3166 respectively. The extent of variations which is denoted by the standard deviation comes to 0.1441, 0.3023 and 0.2877 respectively for agricultural advances, SSI advances and advances to small borrowers. This indicates that the highest variations are found for the segment SSI and lowest for agriculture. However, when C.v. are worked out it is found to be 221.8414, 48.8814 and 90.8693 respectively for share of agricultural advance, SSI advance and advances to small borrowers to priority advance, i.e. here the reverse situation is observed as compared to that of standard deviation.

For share of agricultural advance to priority advance it has been observed that for one branch the share was 0.6620 whereas for another it was 0; i.e. in one branch 66.20% of the priority sector advance were to agriculture whereas some of the branches have no agricultural advance in their advance portfolio.

In the case of SSI also great variations are observed, i.e. for one branch the share of SSI advance to priority advance was 99%, whereas for another branch there were no SSI advance. Similarly high variations are also observed for advances to small borrowers. Whereas for one branch it was only 1/2% for the another

TABLE IV.20

BRANCHWISE SHARE OF AGRICULTURE, SSI & SMALL
BORROWERS IN THE ADVANCES TO PRIORITY SECTOR

1990			
BANK NO	RATIO AGRI TO T PRIORITY	RATIO SSI TO T PRIORITY	RATIO SB TO T PRIORITY
1	0.3892	0.5888	0.0220
2	0.0092	0.8107	0.1601
3	0.0790	0.5460	0.3750
4	0.0000	0.7966	0.2034
5	0.0000	0.2054	0.7946
6	0.0000	0.5251	0.4749
7	0.0000	0.4100	0.5900
8	0.0000	0.0000	1.0000
9	0.0000	0.2810	0.7190
10	0.0000	0.6146	0.3854
11	0.0000	0.9948	0.0052
12	0.1985	0.3973	0.4042
13	0.0000	0.7955	0.2045
14	0.0237	0.5330	0.4433
15	0.0000	0.9734	0.0266
16	0.0000	0.6555	0.3445
17	0.6620	0.1309	0.2071
18	0.0633	0.9020	0.0346
19	0.0139	0.6161	0.3700
20	0.0661	0.5359	0.3980
21	0.0000	0.5061	0.4939
22	0.0016	0.8703	0.1281
23	0.0000	0.9276	0.0724
24	0.0672	0.4959	0.4169
25	0.0000	0.3478	0.6522
26	0.0000	0.8630	0.1370
27	0.0000	0.0000	1.0000
28	0.4356	0.3789	0.1856
29	0.0072	0.9475	0.0453
30	0.0000	0.6353	0.3647
31	0.0049	0.8008	0.1943
32	0.2500	0.4500	0.3000
33	0.0000	0.9601	0.0399
34	0.0000	0.8120	0.1880
35	0.0226	0.2825	0.6949
36	0.4112	0.3047	0.2841
37	0.0000	0.7792	0.2208
38	0.0000	0.9720	0.0280
39	0.0000	0.0656	0.9344
40	0.0000	0.7823	0.2177
41	0.0000	0.0000	1.0000

TABLE IV.20 CONTD

1990			
BANK NO	RATIO AGRI TO T PRIORITY	RATIO SSI TO T PRIORITY	RATIO SB TO T PRIORITY
42	0.0000	0.0000	1.0000
43	0.0159	0.5171	0.4669
44	0.0000	0.1432	0.8568
45	0.0000	0.9984	0.0016
46	0.6466	0.3244	0.0290
47	0.0018	0.9081	0.0900
48	0.0000	0.9305	0.0695
50	0.0000	0.9582	0.0418
53	0.0000	0.3660	0.6340
54	0.0070	0.8500	0.1430
58	0.0000	0.8389	0.1611
61	0.1351	0.5571	0.3078
62	0.0033	0.7485	0.2482
65	0.2029	0.1895	0.6076
66	0.0000	0.6275	0.3725
68	0.0000	0.1984	0.8016
69	0.0015	0.9745	0.0239
71	0.0422	0.6854	0.2724
72	0.0003	0.9780	0.0200
73	0.2385	0.1970	0.5645
75	0.0308	0.9159	0.0533
77	0.0000	0.9912	0.0088
79	0.0000	0.9875	0.0125
82	0.0259	0.9062	0.0679
83	0.0002	0.9782	0.0216
87	0.0247	0.8537	0.1216
91	0.0025	0.8514	0.1461
94	0.3918	0.5284	0.0798
96	0.0423	0.6316	0.3261
101	0.0727	0.7804	0.1470
AVERAGE	0.0649	0.6185	0.3166
STD	0.1441	0.3023	0.2877
C.V.	221.8414	48.8814	90.8693

branch all advances of the priority sector advances were to the small borrowers.

(iii) Year 1989 :

The information regarding ratio of agricultural advance, SSI advance and advances to small borrowers to priority sector advance for the year 1989 are given in the Table IV.21.

Based on the data available, the average share of agricultural advance to priority advance was found to be 0.0925, the average share of SSI advance to priority advance was found to be 0.5919 and average share of advances to small borrowers to priority advance was found to be 0.3156.

Looking to the variations, the standard deviation for ratio of agricultural advance to priority advance was found to be 0.2087, for ratio of SSI advance to priority advance it is 0.3173 and for ratio of advances to small borrowers to priority advance it is 0.2987.

The highest share of agricultural advance to priority advance was found to be 0.8784 in case of bank branch No. 34. The area in which it is situated is eventhough part of Baroda City Region is nearby rural area. On the other hand there are also branches where there are no agricultural advance. This may be on account of the reason explained that so far as agricultural advances are concerned one branch is decided for each bank to be a centre for agricultural advances.

TABLE IV.21

 BRANCHWISE SHARE OF AGRICULTURE, SSI & SMALL
 BORROWERS IN THE ADVANCES TO TOTAL PRIORITY SECTOR

1989			
BANK NO	RATIO AGRI TO T PRIORITY	RATIO SSI TO T PRIORITY	RATIO S B TO T PRIORITY
1	0.4442	0.5394	0.0163
2	0.0104	0.8067	0.1829
3	0.0908	0.6138	0.2954
4	0.0000	0.7593	0.2407
5	0.0000	0.1216	0.8784
6	0.0000	0.6046	0.3954
7	0.0000	0.2155	0.7845
8	0.0000	0.0000	1.0000
9	0.0000	0.1627	0.8373
10	0.0000	0.4169	0.5831
11	0.0000	0.9928	0.0072
12	0.2079	0.4048	0.3873
13	0.0000	0.6287	0.3713
14	0.0000	0.3474	0.6526
15	0.0000	0.9764	0.0236
16	0.0000	0.6822	0.3178
17	0.7737	0.0587	0.1677
18	0.0938	0.8297	0.0764
19	0.0256	0.5507	0.4236
20	0.0955	0.3706	0.5339
21	0.0000	0.5779	0.4221
22	0.0013	0.8277	0.1711
23	0.0000	0.8260	0.1740
24	0.0893	0.5551	0.3556
25	0.0000	0.0523	0.9477
26	0.0000	0.0503	0.9497
27	0.0000	0.0000	1.0000
28	0.4535	0.4119	0.1347
29	0.0158	0.8974	0.0868
30	0.0000	0.5228	0.4772
31	0.0068	0.8777	0.1154
32	0.2368	0.4737	0.2895
33	0.0000	0.9546	0.0454
34	0.8784	0.0972	0.0243
35	0.1522	0.4348	0.4130
36	0.0000	0.9600	0.0400
39	0.0000	0.0914	0.9086

TABLE IV.21 CONTD

1989			
BANK NO	RATIO AGRI TO T PRIORITY	RATIO SSI TO T PRIORITY	RATIO S B TO TOTAL PRIORITY
40	0.0000	0.7780	0.2220
41	0.0000	0.0000	1.0000
43	0.0316	0.7407	0.2277
45	0.0000	0.9979	0.0021
46	0.5616	0.3936	0.0448
47	0.0037	0.8122	0.1841
48	0.0000	0.9411	0.0589
50	0.0000	0.9707	0.0293
53	0.0000	0.4414	0.5586
54	0.0175	0.8642	0.1183
58	0.0000	0.8665	0.1335
61	0.1457	0.4938	0.3605
62	0.0032	0.7381	0.2587
66	0.0000	0.7404	0.2596
69	0.0017	0.9729	0.0254
72	0.0004	0.9696	0.0300
73	0.2334	0.3012	0.4654
77	0.0000	0.9676	0.0124
79	0.0000	0.9823	0.0177
82	0.0526	0.8506	0.0968
83	0.0002	0.9795	0.0202
87	0.0293	0.6072	0.3635
89	0.1621	0.6417	0.1962
91	0.0002	0.9214	0.0785
96	0.0462	0.5674	0.3863
101	0.9631	0.0342	0.0027
AVERAGE	0.0925	0.5919	0.3156
STD	0.2087	0.3173	0.2987
C.V.	225.5659	53.6060	94.6375

The highest share of SSI advance to priority advance is found to be 0.9928 for bank branch No. 11. On the other hand, for three branches this share is found to be '0'. It may be noted that all these 3 branches viz. bank branch No. 8, 27 and 41 are dealing with small borrowers advances for priority sector advances.

For small borrowers it is observed that the highest ratio of small borrowers advance to priority advance was found to be 1 (i.e. all priority sector advances were to small borrowers) and minimum ratio of small borrowers advance to priority was found to be 0.0021.

iv. Year 1987 :

Table IV.22 gives information about the bifurcation of priority segment advances. The average ratio of agricultural advance, SSI advance and advances to small borrowers to priority advance came to be 0.1146, 0.4318 and 0.4034. The variation in the ratio, which are indicated by standard deviation, are found to be 0.2183, 0.3153 and 0.3204 respectively for share of agricultural advance to priority advance, share of SSI advance to priority advance and share of advances to small borrowers to priority advance. The c.v. is found to be 190.44, 65.445 and 79.428 respectively for share of agricultural advance, SSI advance and advances to small borrowers to priority advances. Thus looking from standard deviation the maximum variations between branches are observed for share of advances to small borrowers to priority sector advance and minimum for share of agricultural advance to

TABLE IV.22

 BRANCHWISE SHARE OF AGRICULTURE, SSI AND SMALL
 BORROWERS ADVANCE TO PRIORITY SECTOR ADVANCES

1987			
BANK NO	RATIO OF AGRI TO T PRIORITY	RATIO OF SSI TO T PRIORITY	RATIO OF S B TO T PRIORITY
1	0.5669	0.4164	0.0166
2	0.0157	0.7311	0.2531
3	0.0850	0.5421	0.3729
4	0.0000	0.5832	0.4168
5	0.0000	0.1146	0.8854
6	0.0000	0.6089	0.3911
7	0.0000	0.2222	0.7778
8	0.0000	0.0251	0.9749
9	0.0000	0.2431	0.7569
10	0.0016	0.4882	0.5101
11	0.0000	0.9925	0.0075
12	0.3233	0.4788	0.1979
13	0.0000	0.4570	0.5430
14	0.0000	0.1724	0.8276
15	0.0000	0.9765	0.0235
16	0.0000	0.6051	0.3949
17	0.7193	0.0498	0.2309
18	0.0741	0.8436	0.0623
19	0.0502	0.2902	0.6596
20	0.1195	0.3262	0.5543
21	0.0000	0.5669	0.4331
22	0.0057	0.9134	0.0809
23	0.0000	0.7416	0.2584
24	0.1483	0.3891	0.4626
25	0.0000	0.0728	0.9272
26	0.0000	0.0000	1.0000
27	0.0000	0.0000	1.0000
28	0.6029	0.0552	0.1419
29	0.0220	0.9137	0.0643
30	0.0000	0.4546	0.5452
31	0.0077	0.8464	0.1459
32	0.2647	0.4706	0.2647
36	0.6288	0.1660	0.2052
40	0.0000	0.3207	0.6793
41	0.0000	0.0000	1.0000
46	0.6276	0.3162	0.0562
50	0.0000	0.9632	0.0368
53	0.0000	0.4142	0.5858
61	0.2898	0.3054	0.4050
62	0.0000	0.7374	0.2626
72	0.0005	0.9742	0.0253
79	0.0000	0.9893	0.0107
82	0.0140	0.3273	0.6586
83	0.0006	0.9907	0.0057
101	0.3902	0.5893	0.0206
AVERAGE	0.1146	0.4819	0.4035
STD	0.2163	0.3154	0.3205
C V	190.4456	65.4455	79.4267

priority sector advances. Looking from c.v. the maximum variations are found for share of agricultural advance to priority advance and minimum for share of SSI advance to priority advance.

Between the branches the share of agricultural advance to priority advances varied from '0' to 80%, share of SSI advance to priority advances varied from '0' to 99% and share of advances to small borrowers to priority advance varied from 0.74% to 100%.

v. Year 1986 :

Table IV.23 gives information regarding branchwise share of agricultural advance, SSI advance and advances to small borrowers to priority sector advance - of the branch.

A look at the table indicates that the average ratio of agricultural advance to priority advance is 0.1115 i.e. for the branches under study about 11% of the total priority advance are devoted to agricultural advance. On an average about 45% of priority advance is devoted to SSI advance and on an average about 44% of priority advance is devoted to advances to small borrowers.

The highest share of agricultural advance to priority advance was observed to be 80.43% for bank branch No. 28 and the lowest is '0'. The highest share of SSI advance to priority advance was found to be 98.90% for bank branch No. 11 and the lowest the 0. So far as advances to small borrowers are concerned the highest share is found to be 100% (for bank branch No. 26 and 27); and the lowest share is found to be 1.5% for bank branch No. 1.

TABLE IV.23

BRANCH WISE SHARE OF AGRICULTURE, SSI AND SMALL
BORROWERS IN PRIORITY SECTOR ADVANCES

1986			
BANK NO	RATIO OF AGRI TO T PRIORITY	RATIO OF SSI TO T PRIORITY	RATIO OF S B TO T PRIORITY
1	0.5327	0.4519	0.0154
2	0.0678	0.6720	0.2602
3	0.0979	0.5702	0.3319
4	0.0000	0.1211	0.8789
5	0.0000	0.1130	0.8870
6	0.0000	0.7772	0.2228
7	0.0000	0.2528	0.7472
8	0.0000	0.0513	0.9487
9	0.0000	0.2771	0.7229
10	0.0021	0.6596	0.3383
11	0.0000	0.9880	0.0120
12	0.3434	0.5283	0.1283
13	0.0000	0.3788	0.6212
14	0.0482	0.2350	0.7168
15	0.0000	0.9757	0.0243
16	0.0000	0.6126	0.3874
17	0.7503	0.0065	0.2432
18	0.0764	0.8608	0.0628
19	0.0528	0.2795	0.6677
20	0.1459	0.3906	0.4635
21	0.0000	0.5582	0.4418
22	0.0061	0.9558	0.0381
23	0.0000	0.6448	0.3552
24	0.1009	0.4155	0.4836
25	0.0000	0.0678	0.9322
26	0.0000	0.0000	1.0000
27	0.0000	0.0000	1.0000
28	0.8043	0.0588	0.1369
29	0.0246	0.9100	0.0654
30	0.0000	0.7278	0.2722
31	0.0094	0.8602	0.1305
32	0.2424	0.5152	0.2424
46	0.5957	0.3342	0.0701
53	0.0000	0.3676	0.6324
62	0.0000	0.1681	0.8319
AVERAGE	0.1115	0.4510	0.4375
STD	0.2170	0.3063	0.3238
C.V.	194.6703	67.9088	73.9984

The variations in the share of these priority sector advances viz. agriculture, SSI and advances to small borrowers is denoted by the standard deviation which was found to be 0.2170, 0.3063 and 0.3238 respectively for share of agricultural advance, SSI advance and advances to small borrowers to priority sector advance and the c.v. is found to be 194.6703, 67.9088 and 73.9984 for share of agricultural advance, SSI advance and advances to small borrowers to priority sector advance. This indicates that so far as standard deviation is concerned, the maximum variations are observed for share of advances to small borrowers to priority sector advances whereas c.v. indicates the maximum variation for share of agricultural advance to priority sector advance.

E. PROPORTION OF EACH FACILITY OF ADVANCE TO TOTAL ADVANCE:

The present section throws light on the proportion of each facility of advance to total advance. Similar to all other sections, here also information which is collected from various respondents is not presented in a raw form, however, the proportion is worked out and the same is presented here.

i. Year 1991 :

Table IV.24 gives the information regarding proportion of each facility to total advance for the year 1991. The table reveals that cash credit constitutes the highest share of total advance. This is followed by term loan. The cash credit constitutes 36.20% of total advance and term loan constitutes 34% of total advance. The next is facility of BPBD which constitutes

TABLE IV.24

PROPORTION OF EACH FACILITY TO TOTAL ADVANCE OF THE BRANCH

1991					
BANK NO	TERM LOAN/ TOTAL ADVANCE	CASH CREDIT/ TOTAL ADVANCE	OVER DRAFT TOTAL ADVANCE	BP BD/ TOTAL ADVANCE	OTHERS/ TOTAL ADVANCE
1	0.2277	0.5832	0.0072	0.1552	0.0267
2	0.2525	0.4480	0.0404	0.2591	0.0000
3	0.3411	0.2666	0.2239	0.1684	0.0000
4	0.3998	0.2097	0.0577	0.1750	0.1578
5	0.5423	0.1329	0.0665	0.2583	0.0000
6	0.4915	0.3942	0.1143	0.0000	0.0000
7	0.4751	0.2585	0.0817	0.1847	0.0000
8	0.7004	0.0877	0.0356	0.1763	0.0000
9	0.5157	0.1566	0.1611	0.1666	0.0000
10	0.4567	0.2672	0.1101	0.1639	0.0000
11	0.1914	0.5726	0.0153	0.2176	0.0031
12	0.6216	0.1884	0.0440	0.0000	0.1458
13	0.2992	0.4802	0.0461	0.1745	0.0000
14	0.5661	0.1850	0.0787	0.1702	0.0000
15	0.0929	0.6375	0.0032	0.2436	0.0228
16	0.2615	0.3869	0.2837	0.0680	0.0000
17	0.5291	0.1436	0.0393	0.2881	0.0000
18	0.3742	0.3270	0.0462	0.2526	0.0000
19	0.2759	0.3039	0.3337	0.0865	0.0000
20	0.2861	0.2205	0.0657	0.4277	0.0000
21	0.3266	0.1494	0.2420	0.2820	0.0000
22	0.1585	0.4758	0.0430	0.3102	0.0125
23	0.6657	0.2298	0.0507	0.0538	0.0000
24	0.2967	0.1048	0.5896	0.0088	0.0000
25	0.4951	0.1322	0.1162	0.2564	0.0000
26	0.1376	0.1787	0.0179	0.0000	0.6659
27	0.4981	0.1325	0.2413	0.1281	0.0000
28	0.3776	0.5285	0.0552	0.0387	0.0000
29	0.1770	0.4894	0.0166	0.3170	0.0000
30	0.3034	0.3989	0.0620	0.2357	0.0000
31	0.4608	0.1534	0.0251	0.2486	0.1121
33	0.2767	0.5092	0.0127	0.1866	0.0148
38	0.2996	0.6112	0.0233	0.0273	0.0385
40	0.5821	0.3552	0.0113	0.0000	0.0514
47	0.2588	0.4095	0.0121	0.0550	0.2646
48	0.0232	0.6190	0.0359	0.3176	0.0043
50	0.3766	0.5738	0.0000	0.0496	0.0000
53	0.4750	0.5250	0.0000	0.0000	0.0000
58	0.2494	0.5422	0.0000	0.2084	0.0000
69	0.2713	0.2904	0.1624	0.2759	0.0000
72	0.1716	0.7409	0.0229	0.0647	0.0000

TABLE IV.24 CONTD

1991					
BANK NO	TERM LOAN/ TOTAL ADVANCE	CASH CREDIT/ TOTAL ADVANCE	OVER DRAFT TOTAL ADVANCE	BP BD/ TOTAL ADVANCE	OTHERS/ TOTAL ADVANCE
75	0.0286	0.9714	0.0000	0.0000	0.0000
77	0.0533	0.3080	0.1025	0.3042	0.2320
90	0.2970	0.2663	0.2308	0.2025	0.0034
96	0.2336	0.7264	0.0000	0.0400	0.0000
101	0.0241	0.0180	0.0296	0.9283	0.0000
103	0.5614	0.3258	0.0145	0.0280	0.0703
AVERAGE	0.3400	0.3620	0.0845	0.1745	0.0389
STD	0.1723	0.2041	0.1109	0.1568	0.1097
C. V	50.6548	56.3793	131.1947	89.8613	282.3860

17.45% of the total advance. Facility of overdraft constitutes only 8.45% of total advance and the miscellaneous category constitutes 3.88% of the total advance.

The maximum relative variations were observed in miscellaneous category where eventhough standard deviation was only 0.1097 (as compared to 0.2041 for share of cash credit to total advance) c.v. was found to be 282.3859. The minimum variations are observed for share of term loan facility to total advance which is denoted by minimum c.v. viz. 50.6548.

The proportion of each facility observed for the sample is found to be very much nearer to proportion of each facility at pan-India level. As on 31st March, 1991, the percentage of each facility to total advance is found as follows :

Cash Credit : 35.7%, Over draft : 7.8%, Term loan : 34% (in the published data demand loan, medium term loans and long-term loans are shown separately), the facility by BPRD constituted 16.3% (the published data gives information regarding all bills facilities separately) and the miscellaneous category constitutes 6.7% of the total advance.

ii. Year 1990 :

Table IV.25 gives the details regarding proper^{tion} of each facility to total advance during 1990 for the branches for which data were made available. The ratios indicate that about 41% of the advances were in the nature of term loan and about 38% of the total advances were in the nature of cash credit. This indicates

TABLE IV.25

PROPORTION OF EACH FACILITY TO TOTAL ADVANCE OF THE BRANCH

1990					
BANK NO	TERMLOAN TO TOTAL ADVANCE	CASHCREDIT TO TOTAL ADVANCE	OVER DRAFT TO TOTAL ADVANCE	BP BD TO TOTAL ADVANCE	OTHERS TO TOTAL ADVANCE
2	0.3779	0.4268	0.0756	0.1197	0.0000
3	0.2472	0.1630	0.2159	0.3740	0.0000
4	0.5676	0.1326	0.0415	0.2583	0.0000
5	0.9026	0.0579	0.0394	0.0002	0.0000
6	0.5711	0.3203	0.1025	0.0061	0.0000
7	0.6132	0.2379	0.0851	0.0639	0.0000
8	0.8458	0.0563	0.0963	0.0015	0.0000
9	0.7541	0.1435	0.1025	0.0000	0.0000
10	0.7475	0.1837	0.0656	0.0000	0.0000
11	0.2153	0.6655	0.0127	0.1065	0.0000
12	0.8151	0.1317	0.0402	0.0130	0.0000
13	0.3414	0.6562	0.0024	0.0000	0.0000
14	0.7311	0.1684	0.0038	0.0968	0.0000
15	0.1322	0.6608	0.0616	0.1455	0.0000
16	0.3009	0.3896	0.2601	0.0494	0.0000
17	0.7900	0.1611	0.0410	0.0080	0.0000
18	0.3421	0.3884	0.0361	0.2334	0.0000
19	0.3200	0.2211	0.4299	0.0290	0.0000
20	0.3482	0.3384	0.0685	0.2449	0.0000
21	0.5356	0.1887	0.1989	0.0768	0.0000
22	0.2616	0.5633	0.0362	0.1389	0.0000
23	0.4255	0.4164	0.0804	0.0778	0.0000
24	0.3661	0.1223	0.5116	0.0000	0.0000
25	0.7108	0.1174	0.1347	0.0371	0.0000
26	0.3501	0.1791	0.0136	0.4572	0.0000
27	0.5766	0.1446	0.2532	0.0256	0.0000
28	0.6065	0.3668	0.0267	0.0000	0.0000
29	0.3195	0.5653	0.0208	0.0945	0.0000
30	0.3996	0.4736	0.1067	0.0201	0.0000
31	0.6796	0.2012	0.0179	0.1011	0.0000
32	0.2843	0.3284	0.2500	0.0980	0.0392
33	0.2298	0.4995	0.0417	0.2089	0.0201
34	0.4047	0.4483	0.0374	0.0000	0.1096
38	0.2581	0.7350	0.0038	0.0031	0.0000
40	0.6275	0.2978	0.0130	0.0000	0.0617
41	0.5630	0.4370	0.0000	0.0000	0.0000
48	0.0639	0.6573	0.0000	0.2743	0.0046
50	0.4641	0.4491	0.0078	0.0387	0.0402
53	0.5003	0.1866	0.3131	0.0000	0.0000
58	0.1260	0.7244	0.0000	0.1497	0.0000
69	0.2840	0.5719	0.0000	0.1441	0.0000

TABLE IV.25 CONTD

1990					
BANK NO	TERMLOAN TO TOTAL ADVANCE	CASHCREDIT TO TOTAL ADVANCE	OVER DRAFT TO TOTAL ADVANCE	BP BD TO TOTAL ADVANCE	OTHERS TO TOTAL ADVANCE
72	0.1696	0.8092	0.0198	0.0000	0.0013
75	0.0490	0.9510	0.0000	0.0000	0.0000
77	0.1186	0.2503	0.1419	0.2898	0.1995
90	0.3191	0.4122	0.1532	0.1155	0.0000
94	0.3184	0.6800	0.0016	0.0000	0.0000
96	0.1736	0.7929	0.0000	0.0335	0.0000
101	0.0117	0.0094	0.0152	0.9636	0.0000
103	0.2470	0.6189	0.0396	0.0591	0.0354
AVG	0.4165	0.3816	0.0862	0.1053	0.0104
STD	0.2270	0.2325	0.1119	0.1633	0.0335
C V	54.4937	60.9133	129.8782	155.1941	321.1662

that these two were governing majority of the total advance. Facility provided in the nature of overdraft and BPBD constituted 8% and 10% respectively. Facility not falling in any of the above category i.e. miscellaneous constituted only 1% of the total advance.

The variations among branches which are denoted by standard deviation was found to be 0.2269, 0.2324, 0.1119, 0.1633 and 0.0335, for share of term loan, cash credit, over draft, BPBD and miscellaneous category to total advance. The c.v. is found to be 54.4937, 60.9133, 129.8781, 115.1940 and 321.1661 respectively for share of term loan, cash credit, over draft, BPBD and miscellaneous category to total advance. It means that variations are slightly lower in the case of term loan as compared to cash credit.

iii. Year 1989 :

Table IV.26 gives the details regarding proportion of term loan, cash credit, overdraft, BPBD and miscellaneous category to total advance for each branch for the year 1989. The table indicates that the share of term loan was the governing one which constituted about 50% of the total advance. Facility by cash credit constituted considerably lesser than share of term loan facility to total advance, which was found to be 29% of the total advance on an average. Facility by overdraft and BPBD constituted 9.59% and 9.86% of the total advance. Facility not falling in any of the above category i.e. miscellaneous category constituted about 1% of the total advance. The variations among branches which

TABLE IV.26

PROPORTION OF EACH FACILITY TO TOTAL ADVANCE OF THE BRANCH

1969					
BANK NO	TERM LOAN TO TOTAL ADVANCE	CASH CREDIT TO TOTAL ADVANCE	OVERDRAFT TO TOTAL ADVANCE	BP BD TO TOTAL ADVANCE	OTHERS TO TOTAL ADVANCE
1	0.0757	0.6423	0.0047	0.2772	0.0000
2	0.4558	0.3780	0.0600	0.1061	0.0000
3	0.4515	0.1790	0.3587	0.0107	0.0000
4	0.6613	0.0881	0.0197	0.2310	0.0000
5	0.8916	0.0665	0.0412	0.0007	0.0000
6	0.7097	0.2053	0.0850	0.0000	0.0000
7	0.4950	0.2669	0.1068	0.1313	0.0000
8	0.9258	0.0280	0.0458	0.0004	0.0000
9	0.7055	0.1375	0.1540	0.0031	0.0000
10	0.6742	0.1594	0.1217	0.0447	0.0000
11	0.2203	0.5873	0.0114	0.1810	0.0000
12	0.8330	0.1227	0.0333	0.0110	0.0000
13	0.4256	0.3537	0.2207	0.0000	0.0000
14	0.7801	0.2061	0.0029	0.0110	0.0000
15	0.1990	0.6717	0.0441	0.0852	0.0000
16	0.3700	0.2674	0.3355	0.0270	0.0000
17	0.7934	0.1734	0.0332	0.0000	0.0000
18	0.2577	0.3148	0.0768	0.3507	0.0000
19	0.3672	0.2390	0.3055	0.0882	0.0000
20	0.6173	0.2999	0.0785	0.0044	0.0000
21	0.6125	0.2433	0.0535	0.0907	0.0000
22	0.2192	0.2510	0.0434	0.4865	0.0000
23	0.6143	0.2196	0.1002	0.0660	0.0000
24	0.6064	0.0669	0.3039	0.0227	0.0000
25	0.7584	0.0970	0.0594	0.0851	0.0000
26	0.3760	0.0027	0.0408	0.5805	0.0000
27	0.6423	0.0590	0.2727	0.0260	0.0000
28	0.5784	0.3798	0.0415	0.0003	0.0000
29	0.2621	0.5793	0.0379	0.1208	0.0000
30	0.4571	0.4097	0.0916	0.0416	0.0000
31	0.6359	0.2425	0.0223	0.0993	0.0000
32	0.2656	0.3281	0.2604	0.1042	0.0417
33	0.2956	0.4838	0.0282	0.1802	0.0121
34	0.4732	0.4397	0.0000	0.0000	0.0871
42	0.8531	0.0281	0.1038	0.0000	0.0149
44	0.8982	0.0160	0.0858	0.0000	0.0000
47	0.3794	0.4806	0.0135	0.1248	0.0017
48	0.0798	0.9083	0.0000	0.0056	0.0062
53	0.4304	0.2649	0.3047	0.0000	0.0000
77	0.0766	0.2687	0.0792	0.3223	0.2532
96	0.1789	0.7389	0.0000	0.0766	0.0055
101	0.7533	0.0141	0.0205	0.2120	0.0000
103	0.2237	0.6949	0.0207	0.0335	0.0272
AVG	0.5019	0.2931	0.0959	0.0987	0.0105
STD	0.2420	0.2102	0.1026	0.1320	0.0403
C V	48.2269	74.4567	107.2366	133.8336	365.5809

are denoted by standard deviation are found to be 0.2420, 0.2182, 0.1028, 0.1320 and 0.0403 for share of term loan, cash credit, overdraft, BPBD and miscellaneous category to total advance respectively. The c.v. are found to be 48.2269, 74.4567, 107.2365, 133.8336 and 385.5809 for share of term loan, cash credit, overdraft, BPBD and miscellaneous category to total advance respectively.

This indicates that even though the standard deviation was minimum for share of miscellaneous category advances to total advance, the c.v. was found to be maximum for this. C.v. was found to be minimum for share of term loan facility to total advance even though standard deviation was highest.

iv. Year 1987 :

Table IV.27 gives details regarding proportion of each facility of advance to total advance, for each branch for the year 1987. The average share of term loan, cash credit, overdraft, BPBD and miscellaneous category to total advance are found to be 53.46%, 30.21%, 10.61%, 4.29% and 1.41% respectively.

The variations among the branches which are denoted by standard deviation are found to be 0.2142, 0.1922, 0.1253, 0.0496 and 0.0360 respectively for share of term loan, cash credit, overdraft, BPBD and miscellaneous category to total advances.

The c.v. which represents variations in relative terms are found to be 40.0718, 63.6387, 118.1173, 115.5076 and 254.2811 respectively for share of term loan, cash credit, overdraft, BPBD and miscellaneous category to total advance. This indicates that the

TABLE IV.27

PROPORTION OF EACH FACILITY TO TOTAL ADVANCES OF THE BRANCH

1967					
BANK NO	TERM LOAN TO TOTAL ADVANCE	CASH CREDIT TO TOTAL ADVANCE	OVERDRAFT TO TOTAL ADVANCE	BP BD TO TOTAL ADVANCE	OTHERS TO TOTAL ADVANCE
1	0.3228	0.5982	0.0078	0.0712	0.0000
2	0.4721	0.3723	0.0479	0.1077	0.0000
3	0.5470	0.3266	0.1132	0.0132	0.0000
4	0.8396	0.1171	0.0273	0.0161	0.0000
5	0.9016	0.0953	0.0032	0.0000	0.0000
6	0.4203	0.4843	0.0742	0.0212	0.0000
7	0.5512	0.1860	0.2474	0.0154	0.0000
8	0.7280	0.1064	0.1656	0.0000	0.0000
9	0.6731	0.1878	0.1282	0.0108	0.0000
10	0.6135	0.2237	0.1481	0.0147	0.0000
11	0.1946	0.7782	0.0043	0.0229	0.0000
12	0.6866	0.2281	0.0342	0.0512	0.0000
13	0.8262	0.1402	0.0267	0.0070	0.0000
14	0.8496	0.0713	0.0065	0.0726	0.0000
15	0.1983	0.6313	0.0669	0.1035	0.0000
16	0.2419	0.2493	0.4515	0.0573	0.0000
17	0.9464	0.0273	0.0127	0.0000	0.0136
18	0.3225	0.4283	0.1199	0.1293	0.0000
19	0.5835	0.1269	0.2863	0.0033	0.0000
20	0.4963	0.3232	0.0925	0.0016	0.0865
21	0.6174	0.2382	0.0687	0.0757	0.0000
22	0.1426	0.6680	0.0266	0.1628	0.0000
23	0.5991	0.3072	0.0937	0.0000	0.0000
24	0.3396	0.1037	0.5406	0.0161	0.0000
25	0.7220	0.1255	0.0997	0.0194	0.0334
26	0.8192	0.0958	0.0773	0.0077	0.0000
27	0.7622	0.0351	0.2027	0.0000	0.0000
28	0.6586	0.2896	0.0505	0.0013	0.0000
29	0.3031	0.5218	0.0520	0.1231	0.0000
30	0.5876	0.3119	0.0434	0.0572	0.0000
31	0.6453	0.2493	0.0129	0.0925	0.0000
32	0.2619	0.3274	0.2679	0.1071	0.0357
34	0.5350	0.3182	0.0000	0.0000	0.1468
40	0.6135	0.2203	0.0153	0.0000	0.1509
47	0.3467	0.4678	0.0083	0.1107	0.0666
53	0.4464	0.1864	0.3653	0.0000	0.0000
72	0.2777	0.5430	0.0077	0.1717	0.0000
99	0.5079	0.4242	0.0286	0.0392	0.0000
101	0.5629	0.2447	0.1924	0.0000	0.0000
103	0.2226	0.7035	0.0265	0.0143	0.0331
AVG	0.5347	0.3021	0.1061	0.0429	0.0142
STD	0.2142	0.1923	0.1253	0.0496	0.0360
C V	40.0718	63.6387	118.1174	115.5077	254.2811

minimum variations were found for the share of facility of term loan to total advance when c.v. are compared for share of various facilities to total advance.

v. Year 1986 :

Table IV.28 gives the details regarding the share of each facility of advance to total advance. The data available ^{were considerably less as compared to data available} for on the whole information. However, based on the information available it is found that the average share of facility by term loan, cash credit, overdraft, BPED and miscellaneous category to total advance comes to 48.91%, 31.47%, 11.97%, 5.53% and 2.08% respectively.

The variations among branches which are denoted by standard deviation is found to be 0.2255, 0.2058, 0.1560, 0.0595 and 0.0662 respectively for share of term loan, cash credit, overdraft, BPED and miscellaneous category to total advance. The c.v. which represents variations in relative terms are found to be 46.0996, 65.4018, 130.3202, 107.6164 and 317.1006 respectively for share of term loan, cash credit, overdraft, BPED and miscellaneous category to total advance.

This indicates that the minimum variations were observed for share of term loan to total advance and maximum variations were observed for share of miscellaneous category advances to total advance, when c.v. are compared for their share to total advance.

CONCLUSION :

In this chapter, in Section I the aspect of representativeness of sample is discussed and in Section II the information regarding

TABLE IV.28

PROPORTION OF EACH FACILITY TO TOTAL ADVANCE OF THE BRANCH

1986					
BANK NO	TERM LOAN TO TOTAL ADVANCE	CASHCREDIT TO TOTAL ADVANCE	OVERDRAFT TO TOTAL ADVANCE	BP BD TO TOTAL ADVANCE	OTHERS TO TOTAL ADVANCE
1	0.3074	0.5968	0.0079	0.0879	0.0000
2	0.3481	0.4715	0.0948	0.0856	0.0000
3	0.5678	0.3221	0.0920	0.0182	0.0000
4	0.8652	0.0653	0.0520	0.0174	0.0000
5	0.8611	0.0882	0.0498	0.0009	0.0000
6	0.3580	0.3706	0.0627	0.2067	0.0000
7	0.6893	0.2320	0.0471	0.0316	0.0000
8	0.6417	0.1184	0.1523	0.0877	0.0000
9	0.6871	0.2055	0.1020	0.0055	0.0000
10	0.4511	0.2615	0.0942	0.0177	0.1755
11	0.1984	0.6275	0.0074	0.1667	0.0000
12	0.8103	0.1356	0.0280	0.0262	0.0000
13	0.3625	0.5973	0.0403	0.0000	0.0000
14	0.5737	0.4104	0.0127	0.0032	0.0000
15	0.2608	0.5758	0.0485	0.1149	0.0000
16	0.2632	0.2491	0.4523	0.0354	0.0000
17	0.9001	0.0371	0.0624	0.0004	0.0000
18	0.3682	0.3919	0.0424	0.1775	0.0000
19	0.5816	0.2155	0.1935	0.0094	0.0000
20	0.5864	0.3041	0.0873	0.0222	0.0000
21	0.6529	0.3324	0.0147	0.0000	0.0000
22	0.0971	0.7941	0.0267	0.0820	0.0000
23	0.2157	0.3598	0.1248	0.0430	0.2568
24	0.2341	0.1049	0.5711	0.0899	0.0000
25	0.6430	0.1071	0.1802	0.0698	0.0000
26	0.7362	0.1245	0.1373	0.0000	0.0000
27	0.5011	0.0412	0.4577	0.0000	0.0000
28	0.8851	0.0768	0.0381	0.0000	0.0000
29	0.1606	0.4900	0.0000	0.0692	0.2803
30	0.4767	0.3858	0.0444	0.0932	0.0000
31	0.5122	0.2503	0.0781	0.1594	0.0000
32	0.2384	0.3023	0.3023	0.0968	0.0581
47	0.3466	0.4722	0.0092	0.1720	0.0000
53	0.3563	0.0146	0.6270	0.0000	0.0000
72	0.4521	0.5266	0.0206	0.0000	0.0007
99	0.7004	0.2191	0.0457	0.0344	0.0003
103	0.1851	0.7697	0.0245	0.0191	0.0016
AVG	0.4892	0.3148	0.1198	0.0553	0.0209
STD	0.2255	0.2059	0.1561	0.0596	0.0663
C V	46.0996	65.4018	130.3203	107.6165	317.1007

various ratios and the relationship of profit with other factors is examined.

The review of Section II over a span of five years gives an idea about the increase or decrease in profit with reference to advance or volume of business and the ratio of advances to deposits, share of priority advance to total advance and share of priority sector subsegment to priority advance.

As pointed out in the beginning of discussion as one goes in past the number of respondents reduces. If one wants to have a comparative idea over the time-horizon it should be studied for the same respondents. Hence over a period of five years i.e. right from 1986 to 1991, the common respondents were traced out for each ratio, or relationship individually and the summary is prepared about average of these ratios, excluding those respondents who have responded in one but not in another year. This summary is presented in Table IV.29.

TABLE IV.29
COMPARATIVE RATIOS OVER A PERIOD OF TIME

Particulars	1991	1990	1989	1987	1986
1. Advance-deposit ratio	0.6652	0.5749	0.6365	0.4418	0.4858
2. Profit to advance ratio	0.0870	0.0866	0.0951	0.1099	0.0546
3. Profit to volume of business	0.0200	0.0181	0.0216	0.0193	0.0125
4. Priority sector advance to total advance	0.4399	0.4688	0.4618	0.5470	0.5219
5. Non-priority sector advance to total advance	0.5601	0.5312	0.5382	0.4530	0.4781
6. Share of agricultural advance to priority advance	0.0669	0.0649	0.0889	0.0916	0.1114
7. Share of SSI advance priority sector advance	0.5993	0.6185	0.5065	0.4678	0.4510
8. Share of small borrowers advance to priority advance	0.3338	0.3166	0.4046	0.4406	0.4375
9. Share of term loan facility to total advance	0.3791	0.4822	0.5135	0.5317	0.4892
10. Share of cash credit facility to total advance	0.3207	0.3163	0.2774	0.3055	0.3148
11. Share of overdraft facility to total advance	0.0961	0.1120	0.1084	0.1091	0.1198
12. Share of BPPD facility to total advance	0.1618	0.0864	0.0985	0.0464	0.0553
13. Share of miscellaneous category advances to total advance	0.0423	0.0031	0.0022	0.0073	0.0209

The table shows that the advance to deposit ratio has increased over a period of time. In the case of ratio of profit to advance though it has increased in 1991 as compared to 1986 it is lower in comparison with other years. So far as profit to volume of business ratio is concerned an increase is found in it over a period of time.

The share of priority sector advance to total advance is found to be highest for the year 1987 and the lowest for the year 1991. The fluctuations in the share of priority advance to total advance also explains the fluctuations in share of non-priority advance to total advance.

The next three ratios relate to the share of each sub-segment of priority advance to the priority sector advance. All these three ratios are interrelated, i.e. increase or decrease in one ratio will directly affect to decrease or increase in another one ratio or both the other ratios.

The share of agricultural advance to priority sector advance has reduced over a period of time. The share was found highest in the year 1986 viz. 0.1114 and it declined to 0.0649 during the year 1990. In the year 1991 it has increased slightly and it has become 0.0669.

Over a period of time the share of SSI advance to priority sector advance has increased. The share was minimum for the year 1986 which was 0.4510 and it was found to be maximum during the year 1990 which is found to be 0.6185. This has slightly declined during the year 1991 to 0.5993.

An unstable movement is found in the share of small borrowers advance to priority sector advance. The share was 0.4375 during 1986, it increased to 0.4406 during 1987, it declined to 0.4076 during 1989 and it has further declined to 0.3166 during 1990 which is found to be minimum among the 5 years under study. The share is uplifted to 0.3338 during the year 1991.

The next five ratios relate to the proportion of each facility of advance to total advance. Hence these five ratios are interrelated, if one increases that is met by the decrease in other ratios. In the table, item No. 9 to 13 relates to these ratios.

The table shows that share of term loan facility has declined over a period of time, so far as branches under study are concerned. The share of cash credit in total advance has remained more or less constant during the period understudy. However the share of BPED facility and share of miscellaneous category have increased over a period of time.

Thus in this chapter is examined the relationship between various key factors of the branch's advance portfolio and its profitability. Equally important are the aptitude and approach of the lending officer, the procedure followed for loan sanctioning and the introduction of subjectivity aspect in judgement factor for loan portfolio. To study this another side of a coin, the analysis of qualitative questions which are included in the questionnaire is carried out. This follows in the next chapter i.e. Chapter V.