

CHAPTER FOUR

ANALYSIS OF ASSET MANAGEMENT

- 4.0 Introduction
- 4.1 Cash in hand and bank balance with other banks
- 4.2 Money at call and short notice
- 4.3 Investments
- 4.4 Advances
 - 4.4.1 Short term advances
 - 4.4.2 Medium term advances
 - 4.4.3 Long term advances
- 4.5 Fixed asset
- 4.6 Working Capital

CHAPTER NO.04

ANALYSIS OF ASSET MANAGEMENT

4.0 INTRODUCTION:

Some banks have the traditional deposit base and are also capable of achieving substantial growth rate in deposits by active deposit mobilisation using their branch network. The major concern of such banks is as how assets can be expanded securely and profitably? Under the asset management strategy, credit is the major key decision area for the bank management. While investment activity is driven by the need to maintain statutory liquidity ratio or as a function of liquidity management. The management strategy in such banks thus is biased towards asset management. In fact, the aspect of maturity and cost of deposits/ non-deposits being raised are not critical during the period of regulated interest rate on advances and deposits.

After realizing the theme of Asset Management, let us examine how the UCBs are managing their assets in both regulated and deregulated period. It is explained under different heads of assets.

4.1 CASH IN HAND AND BALANCE WITH OTHER BANKS:

This head is consist of cash and balance with other banks. It helps in the day-to-day working and maintaining the liquidity of the banks. To keep liquidity beyond a particular limit will drain the profitability of the banks. So banks should not hold more than 0.75% of total deposits in liquid forms according to RBI guidelines. However, banks can keep less than this limit based on their experience in this field. According to capital adequacy norms, a risk weighted of zero percent on cash balance and 20 per cent on balance with other banks is recommended.

In this head, the objective is to have minimum surplus over statutory requirement. Some banks have adopted a strategy, where the market rates are low, maintain negative gap (borrowing position) and take advantage of low inter banking lending rates in call money market by sourcing cheaper resources to fund the assets. This will no doubt bring down the cost of funds and thereby improve spreads. However, there is a risk to bank facing a liquidity crisis.

Therefore, the aim of every bank is always to maintain only the required minimum CRR that gives the banks a modest return on such balances. These measures improve the profitability among the banks.

Table 4.1: Averaged Cash in hand of Selected UCBs in Gujarat (1994-95 to 2003-04)

Rs. in lakhs

NAME	94-95	95-96	96-97	97-98	98-99	99-2000	2000-01	2001-02	2002-03	2003-04	AVG.
Anyonya	211.33	234.34	396.33	472.79	471.26	572.75	681.83	702.51	584.73	534.69	486.26
Bhavnagar	173.95	224.2	332.92	407.23	509.54	685.57	803.58	827.01	792.39	792.37	554.88
Dahod	100.09	130.96	175.21	214.80	259.39	301.75	341.17	399.73	445.37	390.62	275.91
Godhara	475.19	556.72	716.93	966.88	1239.70	1472.66	1634.57	1658.95	1595.60	1731.41	1204.86
Mehsana	164.36	188.25	411.11	809.45	1023.75	733.89	3033.52	4854.87	3823.88	3647.69	1869.08
Sardar	283.68	297.35	381.08	509.36	650.78	1428.31	1679.78	1666.61	1913.74	1619.62	1043.03
Kalupur	3130.16	3332.24	3686.18	4274.08	5927.02	8084.32	9154.24	10594.99	15597.18	20389.97	8417.04
Modasa	66.41	97.71	130.52	125.13	135.36	134.28	160.58	191.39	203.23	205.71	145.03
Rajkot	5015.02	6082.52	6668.83	7494.73	8422.67	8913.48	7822.29	6374.78	5146.57	4060.91	6600.18
Surat	1509.12	1881.82	2404.19	5136.3	8344.71	9265.59	11128.80	14284.67	16009.48	16048.64	8601.33

Cash with bank is the most liquid form of asset. The table no. 4.1 shows that Surat peoples' co-operative bank has Rs. 8601.33 lakhs under this head, which is the highest. The lowest amount of average cash in hand belongs to Modasa nagrik sahakari bank, which is just Rs.145.03 lakhs. The average cash in hand of Mehsana urban co-operative bank has gone up by 11.37 times during the period of study from 1994-95 to 2003-04. It can be clearly observed that averaged cash in hand of Godhara city co-operative bank, Kalupur commercial co-operative bank and Surat people's co-operative bank is continuously increasing where as for the other banks under study it is generally declining in the last two years i.e. 2002-03 and 2003-04.

Table No. 4.2: Averaged Bank balance with other banks of Selected UCBs in Gujarat (1994-95 to 2003-04)

Rs. in lakhs

NAME	94-95	95-96	96-97	97-98	98-99	99-2000	2000-01	2001-02	2002-03	2003-04	AVG.
Anyonya	1645.86	1508.19	2514.30	3703.48	4618.4	4789.51	4702.63	4494.41	3630.06	2237.45	3384.43
Bhavnagar	1691.23	1825.55	2567.78	4576.50	7341.5	10789	13268	13067.50	11834.90	11887.29	7884.93
Dahod	1312.39	1121.41	987.38	1431.38	2362.62	3059.19	3085.02	3461.28	3852.75	3742.25	2441.57
Godhara	7.80	8.98	7.02	7.69	9.59	31.46	88.00	149.93	255.12	237.73	80.33
Mehsana	560.94	904.73	1845.73	2700.12	4049.91	7043.79	5999.58	3286.22	3499.27	3771.52	3366.18
Sardar	3396.41	3332.23	2550.64	2741.15	4608.17	7324.15	8059.04	7590.19	7362.22	7567.03	5453.12
Kalupur	1849.45	1289.14	2732.72	8019.85	17113.7	21218.73	19899.09	12112.40	4777.38	4753.49	9376.60
Modasa	397.66	512.03	639.94	862.71	1170.52	1399.84	1367.06	926.70	673.36	674.76	862.46
Rajkot	1758.13	1793.32	1006.98	1303.89	2536.09	3932.44	2845.51	1513.22	3784.77	5656.00	2613.04
Surat	5387.95	4953.90	5059.98	3110.89	1498.80	2343.73	2043.24	980.00	895.20	1063.55	2733.72

Balance with other banks is another liquid form of asset. The table no. 4.2 shows that during the period of study from 1994-95 to 2003-04. The Kalupur co-operative bank has

the highest average balance of cash with other banks of Rs.9376.60 lakhs, where as the Godhara city co-operative bank has the least balance of cash with other banks of Rs.80.33 lakhs. The average balance of cash with other banks in case Mehsana urban co-operative bank has increased by almost six times. It can be noted that, the average balance of cash with other banks in case of most of the banks is increasing but for Surat Peoples' co-operative bank it is continuously decreasing.

4.2 MONEY AT CALLS AND SHORT NOTICE:

This head of asset side of banks includes the excess balance with the banks, which is invested in capital market in 1-14 day's securities / derivatives to strengthened the liquidity position. This head do not have any risk weighted and such investments are allowed to specific branches of the bank by the head office.

Table No. 4.3: Averaged Money at calls and short notice of Selected UCBs in Gujarat (1994-95 to 2003-04)

NAME	Rs. in lakhs										
	94-95	95-96	96-97	97-98	98-99	99-2000	2000-01	2001-02	2002-03	2003-04	AVG.
Anyonya	922.87	1350.20	908.58	678.27	671.48	325.02	0.00	0.00	0.00	0.00	485.64
Bhavnagar	78.00	463.00	463.00	133.43	133.43	0.00	0.00	0.00	0.00	0.00	127.09
Dahod	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27.50	27.50	5.50
Godhara	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mehsana	0.00	0.00	100.00	312.50	762.50	550.00	0.00	0.00	0.00	3690.00	541.50
Sardar	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	350.00	425.00	77.50
Kalupur	0.00	375.00	2375.00	2100.00	200.00	1100.00	2750.00	1750.00	750.00	750.00	1215.00
Modasa	24.00	0.00	0.00	7.50	7.50	0.00	0.00	30.00	50.00	35.00	15.40
Rajkot	1760.00	372.50	1687.50	1937.50	1831.50	1576.50	250.00	1050.00	2550.00	4500.00	1751.55
Surat	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	337.50	33.75

In the table no 4.3 for the period of study from 1994-95 to 2003-04, the average money at call and short notice, which can be invested in capital market in 1-14 day's securities is highest in case of The Kalupur co-operative bank of Rs.1215.00 lakhs, opposite to this Godhara city co-operative bank do not have any balance of money at call and short notice during the period of study. It is interesting to note that except The Kalupur co-operative bank and Rajkot nagrik sahakari Bank all other banks under study hardly make use of this head for the management of assets.

In the table no. 4.4 a comparison of average liquid assets and average deposits is made. Average liquid assets includes cash in hand, balance with other banks and call money. Average of such proportion is highest in case of Mehsana urban co-operative bank where as it is lowest in case of Rajkot nagrik sahakari bank. The proportion of average liquid

assets to average deposits indicates the proportion of amount remains in liquid form and not utilized by the bank for the purpose of advances. The above figures show that the proportion is continuously declining in case of Anyonya co-operative bank, Rajkot nagrik sahakari bank and Surat people's co-operative bank with exception in last three years of study. An abnormality can be observed in case of Mehsana urban co-operative bank, where in the year 2000-01 the proportion of average liquid assets to average deposits has suddenly came down from 0.81 to 0.14.

Table No. 4.4: Proportion of Average Liquid resources to Average Deposits of Selected UCBs in Gujarat (1992-93 to 2003-04)

NAME	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-2000	2000-01	2001-02	2002-03	2003-04	AVG.
Anyonya	0.58	0.59	0.55	0.46	0.45	0.42	0.39	0.29	0.28	0.28	0.25	0.16	0.39
Bhavnagar	0.48	0.46	0.45	0.46	0.45	0.54	0.60	0.69	0.68	0.64	0.61	0.62	0.56
Dahod	0.53	0.48	0.40	0.26	0.19	0.28	0.34	0.35	0.29	0.37	0.35	0.34	0.35
Godhara	0.34	0.31	0.35	0.31	0.38	0.39	0.38	0.35	0.35	0.34	0.37	0.44	0.36
Mehsana	0.40	0.38	0.30	0.52	0.67	0.55	0.63	0.40	0.55	0.31	0.51	0.40	0.50
Sardar	0.86	0.71	0.63	0.73	0.83	0.74	0.74	0.81	0.14	0.16	0.19	0.41	0.58
Kalupur	0.44	0.40	0.36	0.44	0.38	0.46	0.48	0.46	0.36	0.21	0.23	0.20	0.37
Modasa	0.45	0.36	0.39	0.25	0.35	0.26	0.34	0.23	0.12	0.14	0.19	0.19	0.27
Rajkot	0.28	0.33	0.41	0.44	0.29	0.19	0.22	0.28	0.42	0.34	0.40	0.40	0.33
Surat	0.73	0.47	0.34	0.36	0.26	0.26	0.22	0.23	0.22	0.26	0.27	0.26	0.32

Table No. 4.5: Proportion of Average Liquid resources to Average Working Capital of Selected UCBs in Gujarat (1992-93 to 2003-04)

NAME	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-2000	2000-01	2001-02	2002-03	2003-04	AVG.
Anyonya	0.45	0.46	0.45	0.37	0.37	0.35	0.33	0.23	0.21	0.20	0.17	0.10	0.31
Bhavnagar	0.30	0.27	0.27	0.28	0.27	0.33	0.35	0.38	0.48	0.45	0.69	0.67	0.39
Dahod	0.39	0.32	0.26	0.19	0.15	0.22	0.26	0.27	0.22	0.29	0.28	0.30	0.26
Godhara	0.28	0.24	0.27	0.25	0.32	0.32	0.32	0.30	0.30	0.29	0.31	0.35	0.30
Mehsana	0.20	0.14	0.10	0.11	0.20	0.19	0.21	0.18	0.18	0.13	0.21	0.18	0.17
Sardar	0.35	0.25	0.26	0.29	0.26	0.20	0.20	0.19	0.13	0.11	0.12	0.26	0.22
Kalupur	0.38	0.34	0.31	0.38	0.34	0.40	0.43	0.41	0.32	0.18	0.20	0.17	0.32
Modasa	0.36	0.29	0.31	0.20	0.28	0.21	0.27	0.19	0.10	0.10	0.14	0.14	0.21
Rajkot	0.20	0.24	0.31	0.33	0.21	0.14	0.16	0.22	0.31	0.27	0.32	0.31	0.25
Surat	0.51	0.33	0.24	0.25	0.19	0.18	0.16	0.16	0.16	0.19	0.20	0.19	0.23

The table no. 4.5 shows the proportion of average liquid assets to average working capital of selected urban co-operative banks in Gujarat. From the point view of liquidity Bhavnagar nagrik sahakari bank ranks first with a ratio of 39 per cent followed by Anyonya co-operative bank as 31 per cent and Godhara city co-operative bank as 30 per cent. The least of such average proportion belongs to the Kalupur co-operative bank with

just 17 per cent indicates that the bank cares for profitability than liquidity. As in case of table no. 4.4 of proportion of average liquid assets to average deposits this table also show that the liquid assets are continuously declining in case of Anyonya co-operative bank. Where as in case of Surat People's co-operative bank, Rajkot nagrik sahakari bank and Meshana urban co-operative bank shows a decline up to year 2000-01, however after that there is an increase in this proportion.

4.3 INVESTMENTS:

Bank's investment portfolio is of three types i.e., long term, short term and other investments depending upon whether they are meant for dealing or investments. Dealing securities are acquired and held with the intention of reselling them in the short term. Purchasing of security for trading purposes takes place only when the future increase in prices of securities is anticipated. Investment securities are acquired and held for yield or capital growth purposes and they are usually held till maturity. Current Investments like the quoted Government securities are valued at market rate. Treasury bills and Commercial papers are valued at lower of market value or net asset value.

"As per the capital adequacy norms, Government postal and other approved investments will have risk weighted of 2.5%, bonds and loans paper etc., of Govt. undertaking will have risk weighted of 20% and other investments 100+2.5 % risk weighted".¹

Table No. 4.6: Averaged Investments of Selected UCBs in Gujarat (1994-95 to 2003-04)

NAME	Rs. in lakhs										
	94-95	95-96	96-97	97-98	98-99	99-2000	2000-01	2001-02	2002-03	2003-04	AVG.
Anyonya	671.11	1077.33	1580.28	2128.65	2572.35	4146.91	5955.23	5363.53	3993.77	3207.95	3069.71
Bhavnagar	713.03	845.55	1101.30	1301.46	1803.54	2484.45	3352.79	3965.87	4230.06	5003.55	2480.16
Dahod	790.61	1016.78	1494.22	1852.56	2620.57	3477.21	4237.27	4513.86	3916.11	2945.37	2686.46
Godhara	52.15	51.95	48.75	128.25	482.75	804.75	928.33	1034.83	1084.28	1000.22	561.63
Mehsana	100.08	272.34	851.32	1762.59	3298.40	5159.87	9636.99	14660.41	14312.56	12089.98	6214.45
Sardar	720.41	1891.57	3471.95	4053.28	4044.79	3833.07	3967.93	4355.90	5088.03	6735.90	3816.28
Kalupur	14649.20	12343.44	12005.54	22031.65	38632.92	61378.47	65412.69	54239.04	51275.33	56955.11	38892.34
Modasa	31.73	32.40	42.95	74.20	243.08	565.80	879.47	1360.74	1751.70	1825.51	680.76
Rajkot	4857.26	6372.80	8761.43	10652.74	12506.71	16555.31	24864.10	31213.75	32634.55	41422.15	18984.08
Surat	6547.99	7949.65	12775.10	17549.72	21262.57	28186.38	34813.38	36800.90	32330.09	33292.57	23150.84

The table no. 4.6 reveals that during the period of study from 1994-95 to 2003-04, the average amount of investment is highest in The Kalupur co-operative bank of Rs.38892.34 lakhs followed by the Surat Peoples' co-operative bank of Rs.23150.84

¹ Shri R G Saraiya, the Committee report on "Co-operative Planning" 1946

lakhs and the Rajkot nagrik sahakari Bank of Rs.18984.08 lakhs. The Godhara city co-operative bank and Modasa nagrik sahakari bank has lowest average amount of investments of Rs.561.63 lakhs and Rs.680.76 lakhs respectively. It can be observed that averaged investments of Sardar Bhiladwala Pardi people's co-operative bank, The Modasa nagrik sahakari bank and The Rajkot nagrik sahakari bank is rising continuously against other banks where the averaged investments are reduced specially during the last two years of study. There are cases of huge investment in a particular year by some urban co-operative banks. For example Godhara city co-operative bank in the year 1997-98 and Modasa nagrik sahakari bank in the year 1998-99.

Table No. 4.7: Proportion of Average Investments to Average Deposits of Selected UCBs in Gujarat (1992-93 to 2003-04)

NAME	94-95	95-96	96-97	97-98	98-99	99-2000	2000-01	2001-02	2002-03	2003-04	AVG.
Anyonya	0.14	0.17	0.19	0.19	0.18	0.25	0.32	0.29	0.25	0.22	0.22
Bhavnagar	0.17	0.15	0.15	0.13	0.13	0.14	0.16	0.19	0.21	0.24	0.17
Dahod	0.24	0.26	0.29	0.27	0.31	0.35	0.39	0.39	0.34	0.28	0.31
Godhara	0.04	0.03	0.02	0.05	0.15	0.19	0.19	0.20	0.21	0.20	0.13
Mehsana	0.04	0.08	0.11	0.11	0.12	0.14	0.18	0.26	0.33	0.32	0.17
Sardar	0.10	0.22	0.34	0.32	0.25	0.19	0.16	0.17	0.21	0.28	0.22
Kalupur	0.46	0.35	0.30	0.42	0.47	0.53	0.54	0.57	0.69	0.71	0.50
Modasa	0.02	0.02	0.02	0.03	0.09	0.17	0.23	0.33	0.41	0.43	0.18
Rajkot	0.21	0.24	0.29	0.30	0.30	0.32	0.39	0.45	0.47	0.55	0.35
Surat	0.38	0.41	0.52	0.55	0.51	0.55	0.60	0.58	0.51	0.51	0.51

The table no. 4.7 provides an overview of proportion of average investments to average deposits for the period of ten years from 1994-95 to 2003-04. The proportion of average investments to average deposits is highest in case of Surat People's co-operative bank and neck-to-neck followed by Kalupur co-operative bank. The lowest proportion is in the name of Godhara city co-operative bank followed by Bhavnagar nagrik sahakari bank and Meshana urban co-operative bank both with 17 per cent. The average investments by selected urban co-operative banks do not show any abnormal pattern. The average investments of Dahod urban co-operative bank, Godhara city co-operative bank, Meshana urban co-operative bank, Modasa nagrik sahakari bank and Rajkot nagrik sahakari bank are continuously increasing during the period of study, indicates fair growth of investment by UCBs.

The table no 4.8 of proportion of average investment to average working capital endorse the analysis of the earlier table no. 4.7 where the comparison of average investment is made with average deposits. In this table also we can observe that proportion of average

investment to average working capital is highest in case of Surat People's co-operative bank and lowest in case of Godhara city co-operative bank and Bhavnagar nagrik sahakari bank. The case of high investment in proportion to working capital in one particular year 1998-99 by Modasa urban co-operative bank is worth noting, where the investment is nearly double as compare to previous year.

Table No. 4.8: Proportion of Average Investments to Average Working Capital of Selected UCBs in Gujarat (1994-95 to 2003-04)

NAME	94-95	95-96	96-97	97-98	98-99	99-2000	2000-01	2001-02	2002-03	2003-04	AVG.
Anyonya	0.11	0.14	0.15	0.16	0.15	0.20	0.24	0.21	0.17	0.15	0.17
Bhavnagar	0.10	0.09	0.09	0.08	0.08	0.08	0.10	0.13	0.15	0.17	0.11
Dahod	0.16	0.18	0.21	0.21	0.24	0.27	0.30	0.30	0.26	0.20	0.23
Godhara	0.03	0.02	0.02	0.04	0.13	0.17	0.16	0.17	0.17	0.17	0.11
Mehsana	0.03	0.07	0.10	0.10	0.11	0.12	0.16	0.22	0.23	0.21	0.14
Sardar	0.07	0.16	0.25	0.24	0.19	0.14	0.12	0.13	0.16	0.22	0.17
Kalupur	0.35	0.25	0.22	0.30	0.34	0.38	0.37	0.36	0.41	0.42	0.34
Modasa	0.02	0.02	0.02	0.03	0.08	0.15	0.21	0.29	0.36	0.37	0.15
Rajkot	0.17	0.19	0.22	0.24	0.23	0.26	0.31	0.35	0.35	0.41	0.27
Surat	0.27	0.28	0.37	0.40	0.37	0.40	0.43	0.42	0.37	0.37	0.37

4.4 ADVANCES:

Credit is the major item on the assets side and it is the major contributor to aggregate revenue in the form of interest income. The prerequisites in the strategy to attract quality credit are improved appraisal systems and better response time. Lending is a decentralized function at various levels. Credit business is both knowledge intensive and labour intensive. Loan asset quality determines the level of earnings. Banks should recognize there is nothing called zero risk in lending. Bank's credit risk managements depend largely on reporting system as to exposure, excessive lending concentration to a particular economic sector, exceeding prudent lending limits, excessive loan growth in contrast to banks historical growth, and its competitors. "The prudential norm of RBI stipulates the credit exposure limit of 20% in case of single borrower and 50% in case of group borrowers. Exposure shall include fund based and non-fund based credit limits".² Advances have risk weighted of 100 and above in all cases.

However, for calculation purpose 50% of non-fund based limits shall be taken into account. Many bank failures are due to poor quality of Risk Assets.

² RBI survey and study of all aspects of Urban Co-operative Banks during the year 1957-58, published in 1961

Table 4.9 Averaged Total Advances or Loans of Selected UCBs in Gujarat (1994-95 to 2003-04)

Rs. in lakhs

NAME	94-95	95-96	96-97	97-98	98-99	99-2000	2000-01	2001-02	2002-03	2003-04	AVG.
Anyonya	2485.49	3121.16	4308.49	5657.87	7455.55	9539.16	11266.53	11929.41	11270.96	9754.46	7678.91
Bhavnagar	3451.36	4289.41	5582.83	7054.43	8321.88	9172.04	9851.78	10416.52	10533.93	10687.88	7936.21
Dahod	2377.94	3029.15	3999.59	4692.75	4897.89	5118.7	5522.44	5824.12	6273.49	6223.01	4795.91
Godhara	1110.48	1306.07	1557.25	1744.25	1921.07	2326.85	2825.78	2991.17	2963.17	2708.74	2145.48
Mehsana	1894.01	2354.75	5100.29	10980.73	19281.83	28320.76	38806.96	43075.59	38472.73	32307.94	22059.56
Sardar	4771.96	5279.53	6462.47	8406.78	10258.11	12648.94	17007.22	18146.9	15392.55	13185.02	11155.95
Kalupur	20432.18	29292.02	32547.44	33656.09	49327.19	62899.07	73129.08	67404.68	49254.74	46838.6	46478.11
Modasa	1099.31	1232.66	1476.59	1730.1	1763.46	1758.59	2134.53	2573.75	2582.17	2643.2	1899.44
Rajkot	17568.36	21559.41	24672.3	25637.51	27987.85	34706.14	44504.33	49001.7	48897.02	45343.94	33987.86
Surat	9767.5	11737.25	12251.49	15543.78	22478.38	26477.83	27277.87	28716.44	31488.11	32218.94	21795.76

In table no 4.9 during the period from 1994-95 to 2003-04, the average total advances of The Kalupur co-operative bank is Rs.46478.11 lakhs, which is highest followed by The Rajkot nagrik sahakari bank of Rs. 33987.86 lakhs and Surat Peoples' co-operative bank of Rs.21795.76 lakhs. The Modasa Nagrik Sahakari bank and Godhara city co-operative bank are the lowest with the average total advances of Rs.1899.44 lakhs and Rs.2145.48 lakhs respectively. In Mehsana urban co-operative bank the average total advances have increased by 8.53 times in the years of study. However, it can be seen that Bhavnagar nagrik sahakari bank and The Surat people's co-operative bank are the only banks under study having a continuous growth in advances where as other banks shows a reduction in the amount of averaged total advances during last 2-3 years.

The loans and advances are compared with the deposits on the other side of the balance sheet that is popularly known as Credit Deposits (C/D) Ratio. In case of urban co-operative bank a C/D ratio of 60 to70 percent is appropriate. The table no 4.10 shows the C/D ratio of all ten selected UCBs for the period of twelve years from 1992-93 to 2003-04 based of average advances and average deposits for the same period.

The C/D ratio of Kalupur commercial co-operative bank and Meshana urban co-operative bank is more then twice as compare to what is required. Even if take individual UCB, except Surat People's co-operative bank all other banks have the C/D ratio, which is between 60 to 70 per cent. This is one of the criteria of strength that is full filled by all the UCBs under study.

Table 4.10: Credit Deposit Ratio of Selected UCBs in Gujarat (1992-93 to 2003-04)

NAME	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-2000	2000-01	2001-02	2002-03	2003-04	AVG.
Anyonya	0.57	0.52	0.50	0.51	0.51	0.50	0.55	0.60	0.61	0.69	0.73	0.74	0.59
Bhavnagar	0.85	0.81	0.80	0.76	0.74	0.66	0.56	0.49	0.47	0.52	0.53	0.52	0.64
Dahod	0.73	0.72	0.75	0.79	0.74	0.64	0.53	0.52	0.50	0.49	0.55	0.49	0.62
Godhara	0.80	0.80	0.73	0.78	0.73	0.67	0.54	0.58	0.56	0.58	0.56	0.55	0.66
Mehsana	1.73	1.17	1.62	3.24	1.68	1.22	1.30	0.83	1.40	0.99	0.90	0.74	1.40
Sardar	1.32	1.92	1.59	1.42	1.86	2.46	2.43	2.82	0.74	0.85	0.95	0.78	1.60
Kalupur	0.83	0.82	0.87	0.78	0.79	0.70	0.58	0.51	0.63	0.63	0.59	0.67	0.70
Modasa	0.82	0.78	0.78	0.86	0.76	0.71	0.63	0.71	0.69	0.72	0.68	0.53	0.72
Rajkot	0.72	0.66	0.62	0.61	0.66	0.68	0.62	0.61	0.76	0.66	0.58	0.52	0.64
Surat	0.52	0.53	0.61	0.59	0.43	0.54	0.53	0.50	0.44	0.46	0.52	0.46	0.51

The Advances of UCBs are segregated as

4.4.1 Short term advances

The loans repayable within a period of one year are called short-term advances.

Table 4.11: Averaged Short term Advances of Selected UCBs in Gujarat (1994-95 to 2003-04)

NAME	Rs. in lakhs											
	94-95	95-96	96-97	97-98	98-99	99-2000	2000-01	2001-02	2002-03	2003-04	AVG.	
Anyonya	1050.80	1371.57	1979.40	2481.46	2988.01	3497.59	3828.23	4078.85	4305.74	4141.49	2972.31	
Bhavnagar	71.56	90.82	122.64	165.93	141.64	119.77	196.42	156.83	62.33	229.86	135.78	
Dahod	779.41	1099.40	1610.95	1992.74	2122.43	2161.97	2309.90	2538.18	2766.14	2904.95	2028.61	
Godhara	474.71	622.37	772.67	928.64	1124.55	1426.90	1840.24	2038.04	2099.33	2016.01	1334.35	
Mehsana	1279.87	1583.34	3359.71	6307.04	10049.08	15128.88	21215.57	23814.25	21748.60	19688.62	12417.50	
Sardar	1639.44	1705.38	1988.12	2409.61	2867.79	3635.19	4792.6	5114.48	4453.34	3972.2	3257.82	
Kalupur	15891.26	21598.38	22003.75	20371.35	33597.38	44796.31	53866.13	49671.07	33511.53	32307.99	32761.52	
Modasa	599.62	657.80	687.11	822.05	941.50	982.67	1103.75	1174.25	1140.11	1206.53	931.54	
Rajkot	7616.20	10927.47	12354.25	12501.99	13832.87	17035.39	23448.68	26661.43	14737.53	1291.96	14040.78	
Surat	2794.91	3948.95	4256.71	4314.88	5398.23	6554.44	7121.32	7413.43	7697.02	8117.93	5761.78	

Short-term advances are those advances, which are generally made with an expectation to be returned within a period of one year. They play an important role in management of assets. The Kalupur co-operative bank has highest average short term advances of Rs.32761.52 lakhs, where as least belongs to Bhavnagar nagrik sahakari bank of Rs.135.78 lakhs during the period of study from the year 1994-95 to 2003-04. It is significant that the averaged short term advances of Dahod urban co-operative bank is continuously increasing over the period of study. In the year 2003-04 the averaged short term advances of The Rajkot nagrik sahakari bank is the least ever before during the period of study. In most of the banks the average short term advances are increasing in more or less same

proportion except for one bank in one year i.e. Bhavnagar nagrik sahakari bank in the year 2002-03.

Table 4.12: Proportion of Average Short term Advances to Average Total Advances of Selected UCBs in Gujarat (1992-93 to 2003-04)

NAME	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-2k	2k-01	01-02	02-03	03-04	AVG.
Anyonya	42.85	42.48	42.09	45.29	46.42	41.84	38.79	34.93	33.15	35.25	41.45	43.69	40.69
Bhavnagar	1.57	2.05	2.10	2.13	2.25	2.44	1.05	1.54	2.41	0.63	0.55	3.68	1.87
Dahod	31.35	31.62	33.78	38.13	41.96	42.93	43.74	40.86	42.73	44.40	43.82	49.92	40.44
Godhara	44.14	41.24	44.19	50.31	48.99	57.00	59.96	62.34	67.60	68.67	73.07	76.03	57.80
Mehsana	95.40	81.89	74.81	73.00	61.39	59.82	73.10	69.42	76.98	68.58	67.41	70.47	72.69
Sardar	59.37	68.21	66.96	67.43	65.29	53.42	51.33	54.96	54.46	56.19	56.92	65.93	60.04
Kalupur	68.88	54.75	54.36	52.46	41.90	52.68	54.13	57.56	47.48	43.91	44.42	46.74	51.61
Modasa	41.68	42.54	44.11	55.50	44.55	52.61	46.49	50.96	54.12	54.70	5.21	0.13	41.05
Rajkot	34.63	36.20	32.65	32.00	29.82	27.77	28.11	29.22	27.43	29.09	28.75	31.74	30.62
Surat	23.43	25.59	31.03	35.89	33.53	24.19	23.89	25.58	26.63	25.07	23.87	26.58	27.11

The proportion of short-term advances to total advances is highest in case of The Kalupur co-operative bank, which is 72.69 per cent of the average total advances. It is least in case of Bhavnagar nagrik sahakari bank with only 1.87 per cent of the average total advances. It is observed from the table no. 4.12 that there is no set pattern of short-term advances and such advances are made on the basis of local need of the people in a particular area of operation. There are few exceptions, like for Bhavnagar nagrik sahakari bank in the years 2001-02, 2002-03 and 2003-04 and Rajkot nagrik sahakari bank in the year 2002-02 and 2003-04.

4.4.2 Medium term advances

The loans repayable in over one year up to three years period is known as medium term advances.

Table 4.13: Averaged Medium term Advances of Selected UCBs in Gujarat (1994-95 to 2003-04)

NAME	94-95	95-96	96-97	97-98	98-99	99-2000	2000-01	2001-02	2002-03	2003-04	AVG.
Anyonya	1017.84	1322.30	1753.85	2195.70	2917.01	3823.55	4603.85	4697.26	3999.53	3128.27	2945.92
Bhavnagar	3274.86	4090.37	5361.87	6805.94	7665.28	7785.40	7832.02	8008.23	8037.10	7471.95	6633.30
Dahod	1446.76	1520.79	1955.37	2029.12	1737.52	2047.79	2195.84	2041.26	2225.32	2197.79	1939.76
Godhara	577.23	629.28	721.16	732.64	657.33	691.50	727.12	644.66	540.21	399.03	632.02
Mehsana	573.74	657.54	1128.03	1192.91	887.96	1078.80	3617.04	5269.31	6257.65	6212.60	2687.56
Sardar	3057.82	3490.4	4358.96	5824.72	7120.83	8028.49	8269.44	7106.11	5490.33	4260.73	5700.78
Kalupur	4334.58	7288.94	9631.05	12066	14443.56	15835.44	16324.01	14709.12	12583.79	11548.19	11876.47
Modasa	441.92	502.29	698.81	805.06	704.55	645.50	438.28	283.24	304.59	400.36	522.46
Rajkot	9876.98	10563.04	12253.52	13018.68	9169.02	6779.04	8068.10	8173.84	16721.26	25157.56	11978.10
Surat	6838.63	7618.01	7778.52	9017.87	11213.11	11802.01	11033.01	10061.50	8708.12	7641.4	9171.22

In table no. 4.13, in case of average medium term advances The Rajkot nagrik sahakari bank is the highest with Rs.11978.10 lakhs and Modasa nagrik sahakari bank is the lowest with Rs. 522.46 lakhs in the period of study from the year 1994-95 to 2003-04. It is clearly distinguished that the average amount of medium term loan by The Rajkot nagrik sahakari bank has almost double in the year 2002-03 as compare to the previous year figure of Rs. 8173.84 lakhs. In case of average medium term advances a trend of increase can be observed in all the banks except for some banks in the last two years of study. Kalupur co-operative bank, Modasa nagrik sahakari bank and Rajkot nagrik sahakari bank shows a continuous growth in medium term advances during the period of study from the year 1994-95 to 2003-04.

Table No. 4.14: Proportion of Average Medium term Advances to Average Total Advances of Selected UCBs in Gujarat (1992-93 to 2003-04)

NAME	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-2k	2k-01	01-02	02-03	03-04	AVG.
Anyonya	38.39	39.88	41.91	42.69	39.27	38.44	39.63	40.46	41.22	37.50	33.27	30.60	38.60
Bhavnagar	95.11	94.81	94.95	95.67	96.32	96.60	88.16	81.83	77.33	76.45	76.15	63.95	86.44
Dahod	52.92	61.87	59.95	43.11	53.40	33.91	37.04	42.73	36.99	33.18	37.53	32.81	43.79
Godhara	50.22	52.94	51.06	45.97	46.62	37.92	30.78	28.92	22.89	20.22	16.21	12.99	34.73
Mehsana	13.00	17.28	24.05	25.45	34.35	37.08	24.59	25.73	19.65	25.20	25.95	23.42	23.81
Sardar	39.19	30.69	29.91	26.53	20.47	5.95	3.79	3.82	13.30	11.06	22.25	15.48	18.54
Kalupur	26.02	40.25	40.16	41.28	52.05	41.46	38.38	35.10	9.99	11.95	11.63	18.28	30.55
Modasa	57.83	57.02	55.47	44.25	55.18	46.77	19.86	19.29	17.17	16.20	52.46	58.96	41.71
Rajkot	63.97	62.23	65.79	66.39	68.26	70.08	68.85	59.32	40.88	37.11	33.99	30.35	55.60
Surat	75.17	72.95	67.67	62.53	64.51	53.99	46.82	42.44	38.46	31.92	23.75	23.68	50.33

In table no. 4.14 during the period of study from 1992-93 to 2003-04, the proportion of medium term advances to total advances is highest for Bhavnagar nagrik sahakari bank that is 86.44 per cent of average total advances and it is lowest in case of The Mehsana urban co-operative bank as 18.54 per cent of average total advances. The point attracts in the table no 4.14 is that the proportion of medium term advances to total advances has double or more in case of The Mehsana urban co-operative bank and Rajkot nagrik sahakari bank during the year 2002-03. However points that disturb the trends can also be observed in the above table. For example Mehsana urban co-operative bank in the years 1997-98 to 2001-02 and Rajkot nagrik sahakari bank in the years 1998-99 to 2001-02.

4.4.3 Long term advances

The loans repayable after more than three years are called long term advances.

Table No. 4.15: Averaged Long term Advances of Selected UCBs in Gujarat (1994-95 to 2003-04)

Rs. in lakhs

NAME	94-95	95-96	96-97	97-98	98-99	99-2000	2000-01	2001-02	2002-03	2003-04	AVG.
Anyonya	416.85	427.3	575.24	980.71	1550.54	2218.02	2834.45	3153.3	2965.69	2484.7	1760.68
Bhavnagar	104.94	108.23	98.32	82.57	514.96	1266.87	1823.34	2251.47	2434.51	2986.08	1167.13
Dahod	151.78	408.96	433.28	670.89	1037.95	908.95	1016.7	1244.68	1282.03	1120.27	827.55
Godhara	58.55	54.43	63.43	82.98	139.2	208.45	258.43	308.48	323.64	293.7	179.13
Mehsana	40.41	113.88	612.56	3480.78	8344.8	12113.08	13974.36	13992.04	10466.49	6406.73	6954.51
Sardar	74.71	83.76	115.39	172.46	269.5	985.27	3945.18	5926.32	5448.88	4952.09	2197.36
Kalupur	206.34	404.71	912.65	1218.74	1286.26	2267.33	2938.95	3024.5	3159.43	2982.42	1840.13
Modasa	57.77	72.58	90.68	102.99	117.42	130.43	592.51	1116.26	1137.47	1036.32	445.44
Rajkot	75.19	68.9	64.53	116.84	4985.96	10891.71	12987.55	14166.44	17438.24	18894.43	7968.98
Surat	133.97	170.3	216.27	2211.03	5867.05	8121.38	9123.54	11241.52	15082.97	16459.62	6862.77

In table no 4.15 the average long term advances of The Rajkot nagrik sahakari bank is the highest with Rs.7968.98 lakhs where as the least is of Godhara city co-operative bank with Rs.179.13 lakhs. However the rate of increase in average long-term advances is more in case of The Mehsana urban co-operative bank, which is Rs. 40.40 lakhs in 1994-95 and increased to Rs.6954.51 lakhs in the year 2003-04 i.e., an increase of 163.19 times. A big jump by banks can be seen in case long term advances like Bhavnagar nagrik sahakari bank from Rs. 82.57 lakhs to 514.96 lakhs in the year 1998-99. Similarly, for Sardar Bhiladwala bank in the year 2000-01, Mehsana urban co-operative bank in the year 1996-97 and The Modasa nagrik sahakari bank in 2001-02.

Table No. 4.16 Proportion of Average Long term advances to Average Total Advances of Selected UCBs in Gujarat (1992-93 to 2003-04)

NAME	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-2k	2k-01	01-02	02-03	03-04	AVG.
Anyonya	18.75	17.64	15.99	12.02	14.31	19.72	21.59	24.61	25.63	27.25	25.28	25.71	20.71
Bhavnagar	3.32	3.14	2.95	2.19	1.43	0.96	10.79	16.63	20.25	22.92	23.30	32.37	11.69
Dahod	15.73	6.52	6.27	18.77	4.64	23.16	19.22	16.41	20.28	22.42	18.65	17.27	15.78
Godhara	5.64	5.82	4.75	3.72	4.39	5.08	9.26	8.74	9.51	11.11	10.73	10.98	7.48
Mehsana	1.60	0.83	1.14	1.54	4.25	3.10	2.31	4.85	3.37	6.23	6.63	6.11	3.50
Sardar	1.43	1.10	3.12	6.03	14.24	40.62	44.88	41.21	32.24	32.75	20.83	18.59	21.42
Kalupur	5.10	5.00	5.48	6.26	6.05	5.86	7.49	7.35	42.54	44.14	43.95	34.97	17.85
Modasa	0.49	0.44	0.42	0.25	0.28	0.62	33.64	29.75	28.72	29.10	42.32	40.91	17.24
Rajkot	1.40	1.57	1.56	1.61	1.92	2.15	3.04	11.46	31.69	33.81	37.25	37.91	13.78
Surat	1.40	1.46	1.30	1.58	1.96	21.82	29.29	31.98	34.91	43.00	52.38	49.74	22.57

The table no. 4.16 states that the percentage of long term advances to total advances is more in case of Surat Peoples' co-operative bank, which is 22.57 per cent of average total advances and least in case of The Kalupur co-operative bank i.e., 3.50 per cent during the years of study from 1992-93 to 2003-04. It is noticed that the proportion of long term advances to total advances is increasing in case of all the UCBs under the study considering the given period from the year 1992-93 to 2003-04. However inconsistency can be observed in some banks like Modasa nagrik sahakari bank and Surat people's co-operative bank in the year 1997-98 and Rajkot nagrik sahakari bank in the year 1998-99.

4.5 FIXED ASSETS:

It includes premises, building, furniture-fixtures and vehicles etc., after charging depreciation every year. Such assets has 100% risk weighted so banks should try to get away from unnecessary wear-tear and auction such assets as early as possible after appropriate accounting treatment.

Table No. 4.17 Averaged amount of Premises/Building (less- Dep) of Selected UCBs in Gujarat (1994-95 to 2003-04)

Rs.in lakhs

NAME	94-95	95-96	96-97	97-98	98-99	99-2000	2000-01	2001-02	2002-03	2003-04	AVG.
Anyonya	1.68	10.72	17.69	30.58	85.11	226.98	324.86	317.85	315.55	313.26	164.43
Bhavnagar	30.77	30.77	33.05	46.65	57.97	64.26	70.59	63.72	53.27	54.78	50.58
Dahod	0.00	0.00	0.00	0.00	0.00	0.00	0.00	66.19	129.07	132.93	32.82
Godhara	18.43	32.60	32.58	30.95	27.88	25.09	22.57	20.32	18.38	16.62	24.54
Mehsana	45.95	80.28	126.77	147.09	208.73	320.04	438.48	523.28	546.22	566.36	300.32
Sardar	62.52	93.82	105.57	140.05	197.90	226.38	252.49	268.76	249.12	229.91	182.65
Kalupur	153.60	292.93	443.61	498.23	546.50	618.39	703.67	781.88	852.28	889.42	578.05
Modasa	9.30	10.67	11.96	13.82	14.26	13.52	12.46	14.31	15.77	14.20	13.03
Rajkot	138.47	132.27	126.09	123.07	120.15	115.68	486.25	850.19	855.87	891.41	383.95
Surat	211.54	267.27	496.91	684.78	698.00	744.56	796.26	757.84	704.65	919.83	628.16

The rate of increase in the fixed assets as building and premises is comparatively high in case Anyonya co-operative bank. However the highest fixed assets in form of building and premises as per the table no. 4.17 is with The Surat Peoples' co-operative bank of Rs.628.16 lakhs and lowest of Rs. 13.03 lakhs with The Modasa Nagrik Sahakari bank. It is interesting to note that Dahod urban co-operative bank do not show any balance of building in their balance sheet till the year 2000-01. Perhaps the bank runs its business in a rented premises for that period.

Table No. 4.18 Averaged amount of Furniture and Fixtures (Depreciation) of Selected UCBs in Gujarat (1994-95 to 2003-04)

Rs in lakhs

NAME	94-95	95-96	96-97	97-98	98-99	99-2000	2000-01	2001-02	2002-03	2003-04	AVG.
Anyonya	15.22	32.34	49.97	79.40	133.07	160.43	153.25	127.11	96.56	77.16	92.45
Bhavnagar	41.60	50.60	62.67	77.45	95.02	121.38	140.85	97.56	43.81	25.50	75.64
Dahod	10.86	19.15	21.13	29.73	40.66	46.21	47.70	52.24	57.48	50.06	37.52
Godhara	14.68	20.97	20.18	24.16	27.87	25.89	27.16	33.48	34.57	31.39	26.04
Mehsana	13.33	38.59	70.36	88.17	125.50	166.23	230.01	270.38	231.24	178.83	141.26
Sardar	57.21	44.28	56.36	66.04	71.06	77.45	94.35	107.67	99.42	87.26	76.11
Kalupur	104.26	190.24	279.28	334.44	369.64	378.88	379.19	412.88	464.72	514.73	342.83
Modasa	20.08	21.32	22.15	22.87	24.06	23.95	24.23	23.67	21.14	26.52	23.00
Rajkot	140.35	172.19	214.15	244.71	253.30	279.55	322.20	342.93	364.84	397.99	273.22
Surat	127.14	141.18	142.48	136.52	169.47	243.46	284.96	267.35	221.03	307.01	204.06

As per the table no. 4.18 the average amount of furniture and fixture is more in case of Kalupur, Rajkot and Surat UCBs of Rs. 342.83 lakhs, Rs.273.22 lakhs and Rs.204.06 lakhs respectively. Where as it is least in case of Dahod, Godhara and Modasa urban co-operative bank of Rs.37.52 lakhs, Rs.26.04 lakhs and Rs.23.00 lakhs respectively.

Table No. 4.19 Proportion of Average Fixed Assets to Average Working Capital of Selected UCBs in Gujarat (1994-95 to 2003-04)

NAME	94-95	95-96	96-97	97-98	98-99	99-2000	2000-01	2001-02	2002-03	2003-04	AVG.
Anyonya	0.003	0.008	0.006	0.010	0.015	0.021	0.017	0.017	0.019	0.019	0.012
Bhavnagar	0.010	0.008	0.008	0.007	0.006	0.006	0.007	0.004	0.003	0.002	0.007
Dahod	0.003	0.004	0.003	0.004	0.004	0.004	0.003	0.012	0.012	0.013	0.005
Godhara	0.027	0.023	0.019	0.017	0.012	0.009	0.008	0.009	0.008	0.008	0.013
Mehsana	0.008	0.012	0.014	0.010	0.007	0.006	0.007	0.010	0.011	0.010	0.009
Sardar	0.021	0.035	0.018	0.011	0.011	0.011	0.012	0.012	0.013	0.013	0.017
Kalupur	0.020	0.017	0.015	0.013	0.011	0.009	0.008	0.008	0.007	0.009	0.013
Modasa	0.010	0.009	0.009	0.008	0.006	0.006	0.014	0.013	0.013	0.013	0.010
Rajkot	0.012	0.012	0.012	0.013	0.013	0.010	0.011	0.011	0.011	0.010	0.012
Surat	0.013	0.015	0.021	0.017	0.014	0.014	0.013	0.011	0.010	0.017	0.014

The table no. 4.19 shows the proportion of average fixed assets to average working capital of selected UCBs in Gujarat. This proportion ranges from 0.1 to 0.2 for all the banks under study. However, the proportion of average fixed assets to average working capital is least in the case of Kalupur co-operative bank even though the average amount of furniture and fixture are highest in this bank as observed in the earlier table.

4.6 WORKING CAPITAL:

Working capital is like lifeblood of any business. It helps in day-to-day functioning of the business. An effective provision of working capital ensures the success of a business. It is often referred to as Working fund or Circulating capital. In case of manufacturing or trading business working capital mean current assets minus current liabilities. However, for banking business working capital comprises of:

- Share capital
- Reserves
- Deposits
- Borrowings
- Other liabilities
- Portion of profit brought forward

We know that share capital and reserves together known as own funds. The total of all above items is regarded as working capital of the bank. In short, it is the total investment of the bank for banking business. As the other side of the coin, working fund are utilized as cash in hand, balance with other banks and RBI, securities, loans and advances and for banking and non-banking assets.

For the functioning of an urban co-operative banks working capital plays a very important role. "Higher the working capital, higher the efficiency of the bank".³

Following formula can be used to find out working capital of urban co-operative banks.

Working capital = Total Assets (-) Contra items (-) Over due interest reserves (-) Gratuity (-) Provident fund reserves (-) Investment deprecation reserves (-) State partnership fund (-) Accumulated loss (-) Net branch adjustments

As per the RBI guidelines working capital can be calculated as follows:

Working capital = Total Assets (-) Contra items (-) Bad and doubt debts (-) Over due interest reserves (-) Interest receivable on non-performing assets (-) Revaluation reserves (-) accumulated loss.

³ Shirish R. Kulkarni, Urban Co-operative Banks, Anmol publications, p 99

Working capital is an important item for the calculations in this study. Proportions of deposits to working capital, advances to working capital, profit to working capital, expenses to working capital etc are work out in this as well as further chapters. The averaged working capital of selected urban co-operative banks in Gujarat is given below.

Table No. 4.20: Averaged Working Capital of Selected UCBs in Gujarat (1994-95 to 2003-04)

Rs. in lakhs

NAME	94-95	95-96	96-97	97-98	98-99	99-2000	2000-01	2001-02	2002-03	2003-04	AVG.
Anyonya	6146.62	7628.77	10213.48	13390.2	16929.08	20854.46	24901.16	25648.07	23022.82	20794.91	16952.96
Bhavnagar	7229.4	9211.37	12267.28	16819.95	23619.02	31635.75	33099.79	29779.77	28922.89	30310.96	22289.62
Dahod	4910.16	5693.68	6999.98	8720.8	10797.83	12657.72	13957.25	15017.28	15255.08	14444.55	10845.43
Godhara	1868.82	2172.82	2535.77	3032.36	3858.29	4856.46	5736.86	6145.04	6213.26	5999.24	4241.89
Mehsana	2872.68	3972.81	8747.57	17248.75	29406.72	43220.61	58766.85	66835.65	61275.26	57026.62	34937.35
Sardar	10062.36	11544.38	13645.65	16753.04	20933.07	26954.6	32690.13	33400.59	31320.19	30684.99	22798.90
Kalupur	41422.81	48484.17	55702.94	72956.94	114941.9	159587.7	176623.4	151865.4	126171.3	134979.0	108273.54
Modasa	1510.6	1752.7	2165.83	2666.78	3161.37	3694.1	4263.24	4671.04	4874.07	4951.12	3371.09
Rajkot	28555.43	33147.82	38959.78	44897.76	53268.73	64614.56	79358.59	88889.95	92280.23	99844.97	62381.78
Surat	24698.45	28209.37	34640.47	44103.23	57182.97	71142.16	81065.31	87101.22	87271.14	89363.71	60477.80

If we say 'Higher the working capital, higher the efficiency of the bank', it can be observed from the table no. 4.20 that The Kalupur co-operative bank rank first with average working capital of Rs 108273.54 lakhs followed by Rajkot nagrik sahakari bank with Rs. 62381.78 lakhs and The Surat People's co-operative bank with Rs.60477.80 lakhs. The Modasa nagrik sahakari bank and Godhara city co-operative bank are the banks with the least working capital amongst the banks under study. But The Modasa nagrik sahakari bank is one of the UCBs where the average amount of working capital is continuously increasing. The other two banks with such feature are Rajkot nagrik sahakari bank and The Surat People's co-operative bank. For the other UCBs under study there is a decline in average working capital in last 1-2 years but most of them are recovering from the period of depression. Bhavnagar nagrik sahakari bank and Kalupur co-operative bank are the clear examples of such recovery.