

## 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<br>AMOUNT | DEPOSITS<br>AMOUNT | OFFICES<br>NOS. |
|--|--------------------|--------------------|-----------------|
|  |                    |                    |                 |
| 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            |

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|--|---------|----------|-------|
| 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   |

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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 Test<sup>1</sup> 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  $\sigma$  respectively. From the  $\sigma$  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  $\sigma$  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.

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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  $SE\bar{x} = \sigma/\sqrt{n}$ , where  $\sigma$  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  $\sigma$  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  $1.96 \text{ SEX}$  (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  $1.96 \text{ SEX}$  (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  $1.96 \text{ SEX}$  (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 <sup>comes</sup> 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<sup>is</sup> 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."<sup>2</sup>

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  
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 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<br>NO | RATIO OF ADVANCES<br>TO DEPOSITS | RATIO OF PROFITS<br>TO ADVANCES | RATIO OF PROFIT<br>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                           | 0.0568                          | 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      | 2.4600                        | 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).

(11) 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 Baroda.

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<br>NO | RATIO OF ADVANCES<br>TO DEPOSITS | RATIO OF PROFITS<br>TO ADVANCES | RATIO OF PROFITS<br>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 the 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 these 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<br>NO | RATIO OF ADVANCES<br>TO DEPOSITS | RATIO OF PROFITS<br>TO ADVANCES | RATIO OF PROFITS<br>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                        | 0.0689                       | 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 decending 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 thee 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<br>NO | RATIO OF ADVANCES<br>TO DEPOSITS | RATIO OF PROFIT<br>TO ADVANCES | RATIO OF PROFIT<br>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                           | 0.0736                         | 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     | 0.0988                        | 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<br>NO | RATIO OF ADVANCES<br>TO DEPOSITS | RATIO OF PROFIT<br>TO ADVANCES | RATIO OF PROFIT<br>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          | 0.0881                           | 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                      | 0.0285                            |
| 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 | 0.4858                        | 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 0.0125. 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<br>NO | RATIO OF ADVANCES<br>TO DEPOSITS | RATIO OF PROFIT<br>TO ADVANCE | RATIO OF PROFIT<br>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                           | 0.0617                        | 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*<br>(12.93928)  |
| 2. Deposit              | 0.5167 | -824.0217 | 0.0485*<br>(9.9718)    |
| 3. Volume of business   | 0.6149 | -1132.59  | 0.0309*<br>(12.18697)  |
| 4. Credit-deposit ratio | 0.0065 | 3687.517  | 1051.999<br>(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*<br>(18.8381) |
| 2. Deposit              | 0.6284 | -1174.06 | 0.0514*<br>(12.0603) |
| 3. Volume of business   | 0.7527 | -1348.75 | 0.0319*<br>(16.1780) |
| 4. Credit-deposit ratio | 0.0257 | 2137.126 | 2840.990<br>(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*<br>(20.8128) |
| 2. Deposits             | 0.6803 | -220.218 | 0.0474*<br>(12.8839) |
| 3. Volume of business   | 0.8219 | -407.549 | 0.0297*<br>(18.9727) |
| 4. Credit-deposit ratio | 0.0393 | 2131.023 | 2740.697<br>(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*<br>(21.8476) |
| 2. Deposits                   | 0.7112 | -59.0945 | 0.0348*<br>(12.1558) |
| 3. Volume of business         | 0.8937 | -340.46  | 0.0257*<br>(22.4621) |
| 4. Ratio of credit to deposit | 0.0072 | 2463.012 | 769.5942<br>(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*<br>(17.1846) |
| 2. Deposit               | 0.7717 | -242.296 | 0.0374*<br>(13.1313) |
| 3. Volume of business    | 0.9259 | -294.065 | 0.0247*<br>(25.2605) |
| 4. Advance-deposit ratio | 0.0548 | 1352.111 | 2577.998<br>(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*<br>(26.5836) |
| 2. Deposits             | 0.7152 | -288.421 | 0.0358*<br>(10.7477) |
| 3. Volume of business   | 0.9082 | -391.369 | 0.0236*<br>(21.3340) |
| 4. Credit-deposit ratio | 0.0672 | 772.0408 | 2734.259<br>(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.<sup>3</sup> 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 <sup>of</sup> 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<sup>thousand</sup> 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, up till 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<br>NO | RATIO OF PRIORITY ADVANCES<br>TO TOTAL ADVANCES | RATIO OF NON-PRIORITY ADVANCES<br>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   |
| 36      | 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<br>TO TOTAL ADVANCE | RATIO OF NON PRIORITY ADVANCE<br>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      | 0.8618  | 0.1382  |
| 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<br>NO | RATIO OF PRIORITY ADVANCES<br>TO TOTAL ADVANCES | RATIO OF NON PRIORITY ADVANCES<br>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<br>NO | RATIO OF PRIORITY ADVANCES<br>TO TOTAL ADVANCES | RATIO OF NON PRIORITY ADVANCE<br>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 info- 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<br>NO | RATIO OF<br>AGRI TO<br>T PRIORITY | RATIO OF<br>SSI TO<br>T PRIORITY | RATIO OF<br>S B TO<br>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                            | 0.8847                           | 0.1153                           |
| 27         | 0.0000                            | 0.0340                           | 0.9660                           |
| 28         | 0.0777                            | 0.6345                           | 0.2878                           |
| 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<br>NO | RATIO OF<br>AGRI TO<br>T PRIORITY | RATIO OF<br>SSI TO<br>T PRIORITY | RATIO OF<br>S B TO<br>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<br>NO | RATIO<br>AGRI TO<br>T PRIORITY | RATIO<br>SSI TO<br>T PRIORITY | RATIO<br>SB TO<br>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<br>NO | RATIO<br>AGRI TO<br>T PRIORITY | RATIO<br>SSI TO<br>T PRIORITY | RATIO<br>SB TO<br>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<br>NO | RATIO<br>AGRI TO<br>T PRIORITY | RATIO<br>SSI TO<br>T PRIORITY | RATIO<br>S B TO<br>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                         | 0.1218                        | 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<br>NO | RATIO<br>AGRI TO<br>T PRIORITY | RATIO<br>SSI TO<br>T PRIORITY | RATIO<br>S B TO<br>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<br>NO | RATIO OF<br>AGRI TO<br>T PRIORITY | RATIO OF<br>SSI TO<br>T PRIORITY | RATIO OF<br>S E TO<br>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         | 0.8029                            | 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         | 0.2896                            | 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                           | 0.0093                           |
| 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<br>NO | RATIO OF<br>AGRI TO<br>T PRIORITY | RATIO OF<br>SSI TO<br>T PRIORITY | RATIO OF<br>S B TO<br>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.

##### 1. 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<br>NO | TERM LOAN/<br>TOTAL ADVANCE | CASH CREDIT/<br>TOTAL ADVANCE | OVER DRAFT<br>TOTAL ADVANCE | BP BD/<br>TOTAL ADVANCE | OTHERS/<br>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         | 0.4507                      | 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<br>NO | TERM LOAN/<br>TOTAL ADVANCE | CASH CREDIT/<br>TOTAL ADVANCE | OVER DRAFT<br>TOTAL ADVANCE | BP BD/<br>TOTAL ADVANCE | OTHERS/<br>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 BPBD 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<sup>tion</sup> 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                      | 0.0658                      | 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

| 1989    |                            |                             |                            |                        |                         |
|---------|----------------------------|-----------------------------|----------------------------|------------------------|-------------------------|
| 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       | 0.0757                     | 0.6423                      | 0.0047                     | 0.2772                 | 0.0000                  |
| 2       | 0.4558                     | 0.3760                      | 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      | 0.8962                     | 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                   | 133.6336               | 305.5809                |

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 <sup>Were considerably less as compared to data available</sup> 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      | 0.7382                     | 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                     | 0.0988                 | 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 BPFD 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.