



A STUDY ON FINANCIAL PERFORMANCE OF URBAN CO-OPERATIVE BANKS IN BARASAT SUB-DIVISION ,NORTH 24-PARGANAS, WEST BENGAL

Mr. U. G. Nadargi

Department of Commerce A R Burla Mahila Mahavidyala , Solapur

ABSTRACT:

At Present profoundly focused and globalized business condition, Urban co-agent bank positioned a huge position in the Indian preparing division. We can without much of a stretch improve the effectiveness of a urban co-agent bank by improving stores, advances and advances , venture, Interest pay, Interest costs, Net Profit, Working Fund and so forth. An endeavor has been made by the analyst to contemplate the money related execution of the urban co-agent banks at Barasat Sub-division in North 24-Parganas, West Bengal , considering chosen factors amid the monetary year 2013-2014 to 2017-2018. The budgetary execution was broke down with the assistance of the proportion examination. The idea of information utilized for the examination was completely auxiliary.. After a through investigation of the distributed yearly reports and records of the bank, obviously, there is increment in stores, and the benefit of the bank and there was a decreasing pattern in NPA for the period 2013-2014 to 2017-2018, which is a pointer of development and gainfulness and recuperation effectiveness of the urban co-agent banks in barasat sub-division, north 24-parganas, West Bengal. The Co-agent bank should take legitimate inception to hold these money related position.

Keywords: Interest Income, Interest Expenses, Working Fund, Deposit, Loans and Advance and so forth..

I.INTRODUCTION

Co-agent banks in India has finished over 100 years. With the presentation of Co-agent Credit Societies Act in 1904, changed in the year 1912, has given it a three level government structure. Throughout the years Co-agent Banks has been making intrusions into changed circles of improvement, while maintaining an emphasis on low-salary gathering of the general public. Two imperative instances of co-task is Indian Joint Family System and Panchayat System in a town. The term Urban Co-agent Banks (UCBs), however not formally characterized, alludes to essential co-agent banks situated in urban and semi-urban territories. These banks, till 1996, were permitted to loan cash just for non-farming purposes. Helpful Banks has started every single business action like, retail managing an account, Corporate and business saving



money through the system of its branches in Metro and Urban territories. With the institution of the Bengal Co-agent Societies Act, 1940, the Bengal Province had its very own law on Co-agents. The co-agent managing an account structure in India is partitioned into 5 segments, for example, Primary Co-agent Credit Society, Central co-agent banks, State co-agent banks, Land advancement banks, Urban Co-agent banks.

Review Of The Literature:

Ganasekaran E., Dr. Anbalagan M., Nazar A.N (2012) in their paper titled "An examination on the Urban Co-Operative Bank Success and Growth in Vellore District-Statistical Analysis", have opined that to adapt up to the exceptionally aggressive and globalized business condition, there is a dire need of expert administration for the fruitful controlling and dealing with the issues of the Urban Co-agent Banks. They have referred to that solid development of the cooperative association is influenced by expanding political hinderance. They have expected proposals of RBI will be actualized by state government immediately. Thinking about monetary division changes and de-direction they have told helpful saving money area ought to be liberated from prohibitive arrangements to make them self reliant and self supporting. They have finished up the in general budgetary execution of the UCBs in all fronts in particular, enrollment, share capital, stores, advances and advances, benefit and save reserves, working capital, over duty, credits issued and so on are appearing smooth pattern.

Prof. Hiremath R.B. (2015) directed an investigation on "Examination of Financial Performance of Co-agent Bank in Bijapur District (Karnataka State) A Comparative Study". He has endeavored to think about the money related execution of all the 20 co-agent banks in Bijapur District, Karnataka State for the period from 2008-09 to 2012-13. His examination is enlightening and explanatory in nature. He has utilized optional information for the purpose. Using ANOVA test he has uncovered that there is a critical contrast in every one of the proportions among various co-agent banks under examination. He has reasoned that as opposed to having critical contrast in the monetary execution of the co-agent banks in Bijapur area, Karnataka state, still there is a requirement for in general improvement in the co-agent banks to make their position solid in the aggressive market.

Dr. Ranu N. directed an investigation on "Financial Performance of Urban Co-Operative Banks (A examine with unique reference to Tamil Nadu)". He has expressed that the urban co-agent bank the board today is confronting a two-sided difficulties. One is to improve their productivity and the other is to abridge their administration cost. He has opined that the survival of the Urban co-agent banks in residential areas is being undermined by both serious challenge and administrative (RBI) weight. He has endeavored to gauge how well UCBs in Tamil Nadu perform in serving their individuals/clients and in giving worthy comes back to their proprietors. For the reason he has utilized optional information his diagnostic investigation dependent on review technique

Objective Of The Study:

The main objective of the investigation is to ponder the budgetary execution of urban co-agent banks in barasat sub-division, north 24 parganas, west Bengal from 2013-2014 to 2017-2018. Uncommonly the targets are as per the following:

1. To measure the development of the matter of urban co-agent banks in barasat sub-division, 24-parganas, West Bengal.
2. To measure the benefit of the matter of urban co-agent banks in barasat sub-division, 24-parganas, West Bengal.

3. To gauge the recuperation execution of urban co-agent banks in barasat sub-division,24-parganas,West Bengal.

Research Methodology:

The investigation depends on optional information, comprising of yearly reports of urban co-agent banks in Barasat sub-division,north24parganas,west Bengal .there are some different reports like co-agent diaries, sites accessible on net, meeting of bank authorities and so on likewise has been utilized.

The investigation covers the time range of five years from 2013-2014 to 2017-2018. In this investigation just Nabapalli co-agent bank in Barasat sub-division, north 24parganas, West Bengal has been incorporated for the examination. Since barasat sub-division has just a single urban co-agent keep money with a little branch. So merged information has been utilized with the end goal of investigation of execution. To analyze the information proportion investigation and tables has been utilized for better comprehension of the issue under examination.

Limitations Of The Study:

1. The investigation covers just urban co-agent banks in Barasat sub-division, North 24Parganas, West Bengal, no other co-agent banks has been considered for the examination.
2. The examination depends on auxiliary information, no essential information has been utilized.

A. For analysing the income and expenses the following ratios have been used,

1. Interest Income to Total Income Ratio : Interest procuring in banks allude to subsidize based salary and displays the arrival on unadulterated saving money business. This proportion causes any one to know extent of premium pay in bank's complete pay. Higher proportion demonstrates the better gaining productivity. The equation of ascertaining this proportion is as per the following:

2. Net Profit to Total Income Ratio:This is the most vital proportion of any bank. With the assistance of proportion we can remark on bank's money related position and execution. On the off chance that the proportion is higher methods great profit for assets utilized and the bank's situation of giving profit to its individuals in the wake of looking after stores. Then again if the proportion is low , it implies wasteful aspects in the use of assets and the extent of working costs has been expanded. Equation for figuring the net benefit to add up to pay proportion is as per the following:

$$\text{Net Profit to Total Income Ratio} = \frac{\text{Net Profit}}{\text{Total Income}} * 100$$

Table 3: Net Profit to Total Income Ratio.

PARTICULARS	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Average
Net Profit	91.85	98.04	101.48	86.39	91.69	15.03
Total Income	604.32	600.14	613.73	658.65	656.79	
Ratio	15.20	16.34	16.53	13.12	13.96	

Source: Audited Final Accounts of The Nabopalli Co-operative Bank Ltd.

From the table-3 plainly net benefit to add up to salary proportion was 16.53% in the year 2015-2016 , which was the most noteworthy amid all the investigation period ,and it is additionally apparent that net benefit to add up to pay proportion was 13.12% in the year 2013-2014, was the least amid all the examination period . Taking all the examination period together, the normal of this proportion was

15.03%. For all the five years of the investigation this proportion was higher than its normal in all the multi year 2013-2014, 2014-2015, 2015-2016 and lower than its normal in the year, 2016-2017 and 2017-2018.

B. For analysing the profitability the following ratios have been used:

1. Interest Income to Working Fund Ratio :

Interest income is the most important source of bank's total income. Interest earning in banks signifies fund based income and exhibits the return from pure banking business. It shows to what extent working funds are effectively utilized for profit making. Formula for calculating interest income to working fund ratio is as follows :

$$\text{Interest Income to Working Fund Ratio} = \frac{\text{Interest Income}}{\text{Working Fund}} * 100$$

2. Non-Interest Income to Working Fund Ratio:

Although non-interest income occupy a very small portion in the bank's total income and it is inadequate to meet non-interest expenses, which may rise the burden of the institution. So improve the profitability of the bank and reduce the burden proper measures should be taken to improve the non-interest income to working fund. The formula for calculating other income to working fund ratio is as follows:

$$\text{Other Income to Working Fund Ratio} = \frac{\text{Non-Interest}}{\text{Working Fund}} * 100$$

Table-5: Non-Interest Income to Working Funds Ratio.

PARTICULARS	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Average
Non Interest Income	12.88	43.61	13.59	9.4	11.26	0.21
Working Fund	8213.15	8417.9	8767.62	9895.99	10718.46	
Ratio	0.16	0.52	0.16	0.09	0.11	

Source: Audited Final Accounts of The Nabopalli Co-operative Bank Ltd.

From the table-5 it is clear that non-interest income to working fund ratio was 0.52% in the year 2014-2015, which was the highest during all the study period, and it is also evident that non-interest income to working fund ratio was 0.09% in the year 2016-2017, was the lowest during all the study period. Taking all the study period together, the average of this ratio was 0.21%. For all the five years of the study this ratio was higher than its average in all the five year 2014-2015 and lower than its average in the year, 2013-2014, 2015-2016, 2016-2017 and 2017-2018.

Net Profit to Total Working Fund Ratio :

Net benefit to add up to working asset proportion is the valuable instrument to decide the bank's gainfulness. It is a marker of productivity with which a bank utilizes its all out working assets to amplify its benefits. Recipe for discovering net benefit to working asset proportion is as per the following :

$$\text{Net Profit to Total Working Fund Ratio} = \frac{\text{Net Profit}}{\text{Working Fund}} * 100$$

Table 6: Net Profit to Working Funds Ratio.

PARTICULARS	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Average
Net Profit	91.85	98.04	101.48	86.39	91.69	1.03
Working Fund	8213.15	8417.9	8767.62	9895.99	10718.46	
Ratio	1.12	1.16	1.16	0.87	0.86	

Source: Audited Final Accounts of The Nabopalli Co-operative Bank Ltd.

From the table-6 unmistakably net benefit to working asset proportion was 1.16% in the year 2014-2015 and 2015-2016, which were the most astounding amid all the examination period, and it is additionally clear that net benefit to working asset proportion was 0.86% in the year 2017-2018, was the least amid all the investigation period. Taking all the examination period together, the normal of this proportion was 1.03%. For all the five years of the investigation this proportion was higher than its normal in all the multi year 2013-2014, 2014-2015 and 2015-2016 and lower than its normal in the year 2016-2017 and 2017-2018.

C. For analysing the assets and debts the following ratios have been used,

1. Total Deposit to Total Working Fund Ratio :

The productivity of bank chiefly depends on the capacity of gathering of store. In the event that gathering is higher, that will elevate to smooth running of the saving money business just as shows altruism of bank. Equation for discovering absolute store to add up to working asset proportion is as per the following:

$$\text{Total Deposit to Total Working Fund Ratio} = \frac{\text{Total Deposit}}{\text{Working Fund}} * 100$$

Table 7: Total Deposits to Working Funds Ratio.

PARTICULARS	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Average
Deposits	6548.9	6582.11	6701.43	7732.4	8433.04	78.24
Working Fund	8213.15	8417.9	8767.62	9895.99	10718.46	
Ratio	79.74	78.19	76.43	78.14	78.68	

Source: Audited Final Accounts of The Nabopalli Co-operative Bank Ltd.

From the table-7 obviously complete store to working asset proportion was 79.74% in the year 2013-2014, which was the most astounding amid all the examination period, and it is additionally clear that all out store to working asset proportion was 76.43% in the year 2015-2016, was the least amid all the investigation period. Taking all the examination period together, the normal of this proportion was 78.24%. For all the five years of the investigation this proportion was higher than its normal in all the multi year 2013-2014, 2017-2018 and lower than its normal in the year 2014-2015, 2015-2016 and 2016-2017.

2. Advances to Deposit Ratio :

Fundamental wellspring of salary of a managing an account business is Interest on advances. So if the advances are high salary will be high. It is the extent of advance made by banks from stores got. With the assistance of the proportion we can translate the proficiency of the bank of making most extreme use of stores if the proportion is high, then again lower credit store proportion predicts wastefulness of credit production of the bank. Recipe for ascertaining advances to stores proportion is as per the following:

$$\text{Advances to Deposit Ratio} = \frac{\text{Advances}}{\text{Deposit}} * 100$$

Table 8: Advances to Deposits Ratio

PARTICULARS	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Average
Advances	1084.59	923.85	1093.8	1126.79	1223.92	15.20
Deposits	6548.9	6582.11	6701.43	7732.4	8433.04	
Ratio	16.56	14.04	16.32	14.57	14.51	

Source: Audited Final Accounts of The Nabopalli Co-operative Bank Ltd.

From the table-8 plainly advances to store proportion was 16.56% in the year 2013-2014 , which was the most noteworthy amid all the investigation period ,and it is likewise clear that net store to working asset proportion was 14.04% in the year 2014-2015, was the least amid all the examination period . Taking all the examination period together, the normal of this proportion was 15.20%.For all the five years of the investigation this proportion was higher than its normal in all the multi year 2013-2014,2015-2016and lower than its normal in the year 2014-2015,2016-2017 and 2017-2018

Conclusion:

After definite investigation of Nabapally Co-Operative Bank Ltd. It very well may be inferred that the bank has been working palatably in appreciation of budgetary execution. There are sure zones like net benefit ,all out pay need quick consideration. After examination of the benefit position of the bank , it tends to be contended that a decent execution in keeping money task is yet to be performed amid the last period of the investigation. At long last it very well may be presumed that in the years ahead the urban co-agent bank in barasat sub-division, north24-parganas, will most likely hold its present position unquestionably with the usage of new strategies and inventive managing an account rehearses.

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