

STUDY OF SELECTED URBAN CO-OPERATIVE BANKS BASED ON CAMEL MODEL

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ABSTRACT

Urban co-operative banks also like commercial banks channelize the savings of common persons to small and medium businessmen. They operate with limited resources. Still, they have to compete with public and private sector banks. Many times they have to wind up their business due to financial losses arising out of continuous high NPAs, low profitability, low volume of business, unsatisfactory operational efficiency, low capital base, etc. Such a failure of urban co-operative banks is not good for economic development.

Key Words: Urban Co-operative Banks, CAMEL MODEL, ANOVA

INTRODUCTION :

Urban co-operative banks are an integral part of the Indian banking system. They help in channelizing the small savings of the people into profitable ventures by helping small, medium, and nowadays some big entrepreneurs also. A period of 1966-2003 was a growth phase for urban co-operative banks. Due to the automatic conversion of credit societies into banks, UCBs increased from 403 to 1023. In 1966, However, a period from 2003-2008 was considered as a crisis phase for urban co-operative banks. It was observed that nearly one-third of the newly licensed UCBs became financially unsound within a short period. The number of UCBs declined from 1926 as of end-March 2004 to 1770 by the end of March 2008. From the year 2011-12 to 2016-17 the number of urban co-operative banks reduced from 1618 to 1562, which indicates a decrease in number by 3.46%. This is due to unsatisfactory operational efficiency, low profitability, ever-growing NPAs, and relatively low capital base. Further, during the last few years licenses of many UCBs have been canceled mainly due to financial insolvency. It is, therefore, imperative to evaluate their relative performance and understand the best practices for better survival. Hence, the researcher has selected the topic to study the financial performance of selected urban co-operative banks.

OBJECTIVES OF THE STUDY :

1. To analyze capital adequacy
2. To analyze asset quality.
3. To analyze management efficiency.
4. To analyze earning capacity.
5. To analyze liquidity.

REVIEW OF LITERATURE :

Das (2012) studied financial and operational viability of state cooperative Banks for the years 2002-09 in North East India during and found that there was a growth in capital, reserves, deposits, advances, collection, etc. increased with higher growth rate but it was also found that state co-operative banks in Northeast region were not at par with all India level.

Dr.K.V.S.N Jawahar Babu Principal (2012) KMM Institute of Technology & Science Tirupati, published a paper on Performance Evaluation of Urban Cooperative Banks In India . some UCBs have shown credible performance in the recent years, but a large number of banks have shown discernible signs of weakness. He also observed unsatisfactory operational efficiency, low profitability, ever-growing non-performing assets (NPA), and relatively low capital base. Also, urban cooperative banks have not been able to service the growing credit requirements of clients or the newer demands for loans in the field of personal finance. In the interest of healthy competition, the urban cooperative banks should be encouraged to grow.

Soni & Saluja (2013) studied the financial position of the DCC Bank Ltd Rajnandgaon by doing a ratio analysis technique and found that solvency, liquidity, and profitability of DCC Bank were sound but the banks failed in mobilizing deposits at a satisfactory level due to heavy competition from other banks and financial institutions. The DCC Bank Rajnandgaon was also suffering from high overdue during the study period.

Singh, A. (2013) found that big worry for the banks in India is NPA. The Indian banking sector faced a serious problem of NPAs. A high level of NPAs affects the profitability and liquidity of banks adversely.

Prof. Krupa R. Trivedi,(2013) studied the financial performance of Surat People Co-operative Bank using a CAMEL model. In her study, she studied the data of 10 years, which is from the year 2002-03 to 2011-12 She found that the overall state of capital adequacy of the bank was satisfactory. The overall earning capacity of the bank was not bad but the overall state of liquidity was below satisfactory and needed to improve.

Dr. Chobe Sanket Naryanrao (2017)published a paper on “Critical Analysis of Saraswat Co-operative Bank Limited (Scheduled Bank) by CAMEL model ” and found that management of the bank has maintained CRAR and Credit Deposit Ratio as per prescribed norms of RBI. He mentioned that the weak growth in own funds, increase in business per employee but a decrease in profit per employee, an increasing trend in NPAs, and a decreasing trend in return on assets.

Aarathi K. U., Aarya T. M., Shabu K. R. (2020) published a paper on “ Financial Performance of Bharat Co-Operative Bank – An Appraisal” by using camel model and used the annual reports of Bharat Co-operative Bank Ltd. for the period 2014-2018 and that capital adequacy, earning capacity and liquidity position was satisfactory but did not find satisfactory management efficiency ratio and asset quality ratio.

RESEARCH METHODOLOGY :

The study is descriptive and is based on secondary data drawn from the annual reports from the following banks of Pune district in Maharashtra.

1. Shree Sharada Sahakari Bank Ltd. (SSSBL)
2. The Muslim Co-operative Bank Ltd. (MCBL)
3. Pune Merchants Co-operative Bank Ltd. (PMCBL)
4. Sampada Sahakari Bank Ltd. (SSBL)

A data of 5 years that is from the year 2012-13 to 2016-17 have been taken into consideration for the study purpose. The financial performance of the above mentioned four banks has been assessed based on CAMEL Model. Various ratios have been calculated.

C	CAPITAL ADEQUACY RATIOS	(i)Capital Adequacy Ratio, (ii)Debt -Equity Ratio, (iii)Advances to Total Assets (vi)Government Securities to total Investment Ratio
A	ASSETS QUALITY RATIOS:	(i)Gross NPA to Net Advances, (ii)Net NPA to Net Advances, (iii)Total Investments to Total Assets Ratio (iv)Net NPAS to Total Assets Ratio.
M	MANAGEMENT CAPABILITY RATIOS:	(i)Total Advances to Total Deposits Ratio (ii)Business per Employee Ratio (iii)Profit Per Employee Ratio
E	EARNING RATIOS:	(i)Operating Profit to Working Fund Ratio, (ii)Spread to total Assets Ratio. (iii)Net Profit to Average Assets Ratio. (iv)Interest Income to Total Income Ratio. .
L	LIQUIDITY RATIOS:	(i)Liquid Assets to Total Assets Ratio. (ii)G-Sec. to Total Assets Ratio. (iii)Liquid Assets to Demand Deposits Ratio. (iv)Liquid Assets to Total Deposits Ratio

HYPOTHESIS :

- Ho1. There is no significant difference between the CRAR of the selected banks during the study.
- Ho2 There is no significant difference between the Debt-Equity ratio of the selected banks during the study.
- Ho3 There is no significant difference between Advances to Total Assets ratio of the selected banks during the study.
- Ho4 There is no significant difference between Government Securities to Total Investment ratio of the selected banks during the study.
- Ho5 There is no significant difference between Gross NPAs and Net Advances of the selected banks during the study.
- Ho6 There is no significant difference between NET NPAs and Net Advances of the selected banks during the study.
- Ho7 There is no significant difference between Total Investment total assets of the selected banks during the study.
- Ho8 There is no significant difference between Net NPA to total assets of the selected banks during the study.
- Ho9 There is no significant difference between Total Advances to total deposit ratio of the selected banks during the study.
- Ho10 There is no significant difference between the Business per employee ratio of the selected banks during the study.
- Ho11 There is no significant difference between Profit per employee ratio of the selected banks during the study.

- Ho12 There is no significant difference between Operating Profit to the Working Fund ratio of the selected banks during the study.
- Ho13 There is no significant difference between the Spread to the Total Asset ratio of the selected banks during the study.
- Ho14 There is no significant difference between Net Profit to the Average Asset ratio of the selected banks during the study.
- Ho15 There is no significant difference between Interest Income to Total Income ratio of the selected banks during study
- Ho16 There is no significant difference between Liquid Assets to Total Assets ratio of the selected banks during study
- Ho17 There is no significant difference between G-SEC to Total Assets ratio of the selected banks during study
- Ho18 There is no significant difference between Liquid Assets to Demand Deposits ratio of the selected banks during study
- Ho19 There is no significant difference between Liquid Assets to Total Deposits ratio of the selected banks during study

RESULTS AND DISCUSSIONS :

Various ratios have been calculated from the annual reports of the selected banks for the period from 2012-13 to 2016-17

Table - 1 : Analysis of Capital to Risk Asset Ratio

Ratio in %					
Year/Bank	SSSBL	MCBL	PMCBL	SSBL	Pooling Avg.
2012-13	18.62	19.15	18.68	15.13	17.895
2013-14	17.88	19.15	19.74	14.9	17.918
2014-15	20.58	19.78	21.40	13.88	18.910
2015-16	17.43	21.35	21.08	14.09	18.488
2016-17	19.69	24.38	22.35	13.64	20.015
Mean	18.84	20.762	20.65	14.328	18.645
S.D.	1.158292	1.979751	1.292006	0.58328	0.783
Max.	20.58	24.38	22.35	15.13	20.015
Mini.	17.43	19.15	18.68	13.64	17.895
ANOVA	F=19.94	FCrit = 3.24	Null Rejected at a 5% level of Sig.		
RANK	3	1	2	4	

Table - 1 shows that all the banks are having CRAR more than 17%. Ideal CRAR is 9% and MCBL has maintained maximum CRAR during the study period. Therefore, we can conclude that the position of CRAR is good for all the banks. Based on ANOVA results, it is concluded that CRAR differs significantly.

Table - 2: Analysis of Debt-Equity Ratio

Year/Bank	SSSBL	MCBL	PMCBL	SSBL	Pooling Avg.
2012-13	0.00	0.00	0.00	0.30	0.00
2013-14	0.20	0.00	0.00	0.00	0.20
2014-15	0.00	0.00	0.00	0.00	0.00
2015-16	0.00	0.00	0.00	0.00	0.00

2016-17	0.00	0.00	0.00	0.00	0.00
Mean	0.04	0	0	0.06	0.025
S.D.	0.08	0	0	0.12	0.080
Max.	0.2	0	0	0.3	0.200
Mini.	0	0	0	0	0
ANOVA	F=.0.69	FCrit = 3.24	Null accepted at a 5% level of Sig.		
RANK	2	3	4	1	

Table - 2 shows that almost all banks are having zero debt-equity ratios, which indicates that they are self-dependent. Based on ANOVA results, it is concluded that the debt-equity ratio does not differ significantly.

Table - 3: Analysis of Advances to Total Assets Ratio

Year/Bank	SSSBL	MCBL	PMCBL	SSBL	Pooling Avg.
2012-13	0.52	0.53	0.44	0.49	0.495
2013-14	0.55	0.53	0.45	0.50	0.508
2014-15	0.49	0.53	0.45	0.48	0.488
2015-16	0.54	0.52	0.46	0.49	0.503
2016-17	0.45	0.47	0.43	0.45	0.450
Mean	0.51	0.516	0.446	0.482	0.489
S.D.	0.036332	0.023324	0.010198	0.017205	0.020
Max.	0.55	0.53	0.46	0.50	0.508
Mini.	0.45	0.47	0.43	0.45	0.450
ANOVA	F=7.22	FCrit = 3.24	Null rejected at a 5% level of Sig.		
RANK	2	1	4	3	

Table- 3 shows that the advances to total assets ratio falls between 0.45 to 0.51, which indicates that the banks are not very much aggressive in their lending practices. Based on ANOVA results it is concluded that Advances to Total Asset ratio differs significantly.

Table - 4: Analysis of Government Securities to Total Investment Ratio

Year/Bank	SSSBL	MCBL	PMCBL	SSBL	Pooling Avg.
2012-13	0.51	0.63	0.45	0.82	0.603
2013-14	0.55	0.59	0.44	0.81	0.598
2014-15	0.67	0.58	0.62	0.67	0.635
2015-16	0.67	0.52	0.66	0.81	0.665
2016-17	0.73	0.64	0.83	0.67	0.718
Mean	0.626	0.592	0.60	0.756	0.644
S.D.	0.082365	0.042615	0.144914	0.070314	0.044
Max.	0.73	0.64	0.83	0.82	0.718
Mini.	0.51	0.52	0.44	0.67	0.598
ANOVA	F=2.70	FCrit =3.24	Null accepted at a 5% level of Sig.		
RANK	2	4	3	1	

Table 4 shows that on average all banks except SSBL show around 60 percent investment in government securities. And SSBL shows low risk in total investment as it has an investment in government securities, which is more than 75% Based on ANOVA results from it is concluded that Government Securities to Total Investment ratio does not differ significantly.

Table – 5: Analysis of Gross NPA To Net Advances

Year/Bank	SSSBL	MCBL	PMCBL	SSBL	Pooling Avg.
2012-13	0.02	0.04	0.07	0.05	0.045
2013-14	0.02	0.10	0.05	0.05	0.055
2014-15	0.02	0.06	0.02	0.06	0.040
2015-16	0.02	0.08	0.03	0.07	0.050
2016-17	0.04	0.10	0.03	0.07	0.060
Mean	0.024	0.076	0.04	0.06	0.050
S.D.	0.008	0.023324	0.017889	0.008944	0.007
Max.	0.04	0.1	0.07	0.07	0.060
Mini.	0.02	0.04	0.02	0.05	0.040
ANOVA	F=8.21	FCrit = 3.24	Null rejected at a 5% level of Sig.		
RANK	4	1	3	2	

Table 5 shows that SSSBL has a better quality of assets since on average it has low NPAs compared to other banks. Based on ANOVA results it can be concluded that Gross NPA to Net Advances ratio differs significantly.

Table – 6: Analysis of Net NPA to Net Advances

Year/Bank	SSSBL	MCBL	PMCBL	SSBL	Pooling Avg.
2012-13	0	-0.02	0	0.02	0.000
2013-14	0	0.04	0	0.01	0.013
2014-15	0	0	0	0	0.000
2015-16	0	0.03	0	0.01	0.010
2016-17	0	0.05	0	0	0.013
Mean	0	0.02	0	0.008	0.007
S.D.	0	0.026077	0	0.007483	0.006
Max.	0	0.05	0	0.02	0.013
Mini.	0	-0.02	0	0	0
ANOVA	F=1.94	FCrit=3.24	Null accepted at 5% level of sig		
RANK	3	1	4	2	

Table 6 shows that SSSBL and SSBL are showing the best performance in recovering the advances as their NPAs are zero. Based on ANOVA results it can be concluded that Net NPA to Net Advances does not differ significantly.

Table – 7: Analysis of Total Investment to Total Assets Ratio

Year/Bank	SSSBL	MCBL	PMCBL	SSBL	Pooling Avg.
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2012-13	0.41	0.35	0.47	0.25	0.370
2013-14	0.38	0.35	0.49	0.24	0.365
2014-15	0.41	0.34	0.44	0.26	0.363
2015-16	0.36	0.36	0.45	0.22	0.348
2016-17	0.44	0.34	0.46	0.27	0.378
Mean	0.40	0.348	0.462	0.248	0.365
S.D.	0.027568	0.007483	0.017205	0.017205	0.010
Max.	0.44	0.36	0.49	0.27	0.378
Mini.	0.36	0.34	0.44	0.22	0.348
ANOVA	F= 93.22	FCrit = 3.24	Null rejected at a 5% level of sig.		
RANK	2	3	1	4	

Table 7 shows that on average out of the total assets 40%, 35%, 46%, and 25% have been deployed in investment by SSSBL, MCBL, PMCBL, and SSBL respectively. Based on ANOVA results it can be concluded that Total Investment to Total Assets Ratio differs significantly.

Table – 8: Analysis of Net NPA to Total Assets

Year/Bank	SSSBL	MCBL	PMCBL	SSBL	Pooling Avg.
2012-13	0	0	0	0	0.000
2013-14	0	0.02	0	0	0.005
2014-15	0	0	0	0	0.000
2015-16	0	0.01	0	0	0.003
2016-17	0	0.02	0	0	0.005
Mean	0	0.01	0	0	0.003
S.D.	0	0.008944	0	0	0.002
Max.	0	0.02	0	0	0.005
Mini.	0	0	0	0	0.000
ANOVA	F=5	FCrit= 3.24	Null rejected at a 5% level of sig.		
RANK	2	1	3	4	

Table 8 shows that all the banks except MCBL show zero ratios, which indicates the better efficiency of the bank. and MCBL bank shows 1%, which is also not bad. Based on ANOVA results it can be concluded that Net NPA to Total Assets ratio differs significantly.

Table – 9: Analysis of Total Advances t Total Deposit Ratio

Year/Bank	SSSBL	MCBL	PMCBL	SSBL	Pooling Avg.
2012-13	0.60	0.67	0.55	0.63	0.613
2013-14	0.63	0.66	0.54	0.64	0.618
2014-15	0.56	0.65	0.54	0.62	0.593
2015-16	0.62	0.65	0.55	0.65	0.618
2016-17	0.51	0.58	0.55	0.61	0.563
Mean	0.584	0.642	0.546	0.63	0.601
S.D.	0.044091	0.031875	0.004899	0.014142	0.021
Max.	0.63	0.67	0.55	0.65	0.618

Mini.	0.51	0.58	0.54	0.61	0.563
ANOVA	F=9.77	FCrit= 3.24	Null rejected at a 5% level of sig.		
RANK	3	1	4	2	

Table - 9 shows an average of 58%, 64%, 55%, and 61% of SSSBL, MCBL, PMCBL, SSBL respectively, which indicates that in the case of SSSBL and PMCBL, there is still scope of converting deposits into advances. Based on ANOVA results it can be concluded that total Advances to Total Deposits ratio differs significantly.

Table – 10: Analysis of Business Per Employee Ratio

Year/Bank	SSSBL	MCBL	PMCBL	SSBL	Pooling Avg.
2012-13	3.76	2.70	3.44	2.83	3.183
2013-14	4.34	2.92	3.44	3.17	3.468
2014-15	4.63	3.13	3.11	3.33	3.550
2015-16	4.94	3.19	3.59	3.31	3.758
2016-17	5.26	3.71	3.73	3.40	4.025
Mean	4.586	3.13	3.462	3.208	3.597
S.D.	0.514649	0.337343	0.206436	0.203214	0.283
Max.	5.26	3.71	3.73	3.4	4.025
Mini.	3.76	2.7	3.11	2.83	3.183
ANOVA	F=15.75	FCrit=3.24	Null rejected at a 5% level of sig.		
RANK	1	4	2	3	

Table 10 shows that all the banks' business per employee falls between 3 to 4 crores. Based on ANOVA results it can be concluded that Business Per Employee Ratio differs significantly.

Table - 11: Analysis of Profit Per Employee Ratio

Year/Bank	SSSBL	MCBL	PMCBL	SSBL	Pooling Avg.
2012-13	0.04	0.02	0.02	0.02	0.025
2013-14	0.03	0.02	0.01	0.03	0.023
2014-15	0.03	0.02	0.02	0.03	0.025
2015-16	0.03	0.02	0.02	0.03	0.025
2016-17	0	0.02	0.02	0.02	0.015
Mean	0.026	0.02	0.018	0.026	0.023
S.D.	0.013565	0	0.004	0.004899	0.004
Max.	0.04	0.02	0.02	0.03	0.025
Mini.	0	0.02	0.01	0.02	0.015
ANOVA	F=1.21	FCrit=3.24	Null accepted at a 5% level of sig.		
RANK	1	3	4	1	

Table 11 shows that on an average profit per employee of all the banks fall under 1.80% to 2.60%. Based on ANOVA results it can be concluded that Profit Per Employee does not differ significantly.

Table – 12: Analysis of Operating Profit to Working Fund

Year/Bank	SSSBL	MCBL	PMCBL	SSBL	Pooling Avg.
2012-13	0.01	0.02	0.45	0.82	0.325
2013-14	0	0.01	0.44	0.81	0.315

2014-15	0.01	0.02	0.62	0.67	0.330
2015-16	0.01	0.01	0.66	0.81	0.373
2016-17	0	0.02	0.83	0.67	0.380
Mean	0.006	0.016	0.6	0.756	0.345
S.D.	0.004899	0.004899	0.144914	0.070314	0.026
Max.	0.01	0.02	0.83	0.82	0.380
Mini.	0	0.01	0.44	0.67	0.315
ANOVA	F=93.79	FCrit=3.24	Null rejected at a 5% level of sig.		
RANK	4	3	2	1	

Table 12 shows that on an average SSSBL, MCBL, PMCBL, and SSBL has earned 0.60%, 1.60%, 60%, and 75.60% respectively, operating profit from its operations. Based on ANOVA it can be concluded that Operating Profit to Working Fund ratio differs significantly

Table - 13 : Analysis of Spread to Total Assets

Year/Bank	Ratio in %				
	SSSBL	MCBL	PMCBL	SSBL	Pooling Avg.
2012-13	0.92	1.13	4.69	3.10	2.460
2013-14	0.68	1.11	3.26	3.63	2.170
2014-15	1.02	1.21	3.40	3.16	2.198
2015-16	0.81	0.88	2.85	3.09	1.908
2016-17	0.94	0.77	3.18	2.79	1.920
Mean	0.874	1.02	3.476	3.154	2.131
S.D.	0.117915	0.166373	0.633359	0.270599	0.204
Max.	1.02	1.21	4.69	3.63	2.460
Mini.	0.68	0.77	2.85	2.79	1.908
ANOVA	F=9.45	FCrit=3.24	Null rejected at a 5% level of sig.		
RANK	4	3	1	2	

Table 13 shows that on average the spread to total assets ratio of the selected banks falls between 1 % to 3 % only. Based on ANOVA results it can be concluded that the Spread to Total Assets ratio differs significantly.

Table - 14: Analysis of Net Profit to Average Assets

Year/Bank	SSSBL	MCBL	PMCBL	SSBL	Pooling Avg.
2012-13	0	0	0	0.01	0.003
2013-14	0	0	0	0.01	0.003
2014-15	0	0	0	0.01	0.003
2015-16	0	0	0	0.01	0.003
2016-17	0	0	0	0	0.000
Mean	0	0	0	0.008	0.002
S.D.	0	0	0	0.004	0.001
Max.	0	0	0	0.01	0.003
Mini.	0	0	0	0	0.000
ANOVA	F=16	F=Crit 3.24	Null rejected at 5% level of sig		
RANK	2	3	4	1	

Table 14 shows that all the banks have the return on assets that are zero except SSBL, who has 0.80% on average, which is not a good sign. Based on ANOVA results it can be concluded that Net Profit to Average Assets ratio differs significantly.

Table – 15: Analysis of Interest Income to Total Income

Year/Bank	SSSBL	MCBL	PMCBL	SSBL	Pooling Avg.
2012-13	0.96	0.97	0.98	0.93	0.960
2013-14	0.97	0.95	0.98	0.91	0.953
2014-15	0.94	0.98	0.93	0.76	0.903
2015-16	0.94	0.97	0.93	0.88	0.930
2016-17	0.88	0.93	0.92	0.87	0.900
Mean	0.938	0.96	0.948	0.87	0.929
S.D.	0.031241	0.017889	0.026382	0.058992	0.025
Max.	0.97	0.98	0.98	0.93	0.960
Mini.	0.88	0.93	0.92	0.76	0.900
ANOVA	F=4.76	FCrit=3.24	Null rejected at 5% level of sig		
RANK	3	1	2	4	

Table 15 shows that on an average interest income to total income ratio is more than 94% except for SSBL, who has 87% Based on ANOVA results it can be concluded that Interest Income to Total Income differs significantly

Table – 16: Analysis of Liquid Assets to Total Assets

Year/Bank	SSSBL	MCBL	PMCBL	SSBL	Pooling Avg.
2012-13	0.23	0.16	0.29	0.19	0.218
2013-14	0.21	0.18	0.31	0.20	0.225
2014-15	0.19	0.20	0.21	0.21	0.203
2015-16	0.16	0.21	0.19	0.20	0.190
2016-17	0.09	0.25	0.13	0.22	0.173
Mean	0.176	0.2	0.226	0.204	0.202
S.D.	0.048826	0.030332	0.066212	0.010198	0.019
Max.	0.23	0.25	0.31	0.22	0.225
Mini.	0.09	0.16	0.13	0.19	0.173
ANOVA	F=0.86	FCrit=3.24	Null accepted at 5% level of sig		
RANK	4	3	1	2	

Table 16 shows that on average the overall liquidity of l the banks is 17.60%, 20%, 22.60%, and 20.4% of SSSBL, MCBL, PMCBL, and SSBL respectively. Based on ANOVA results it can be concluded that Liquid Assets to Total Assets ratio does not differ significantly.

Table – 17: Analysis of G-Sec. to Total Assets

Year/Bank	SSSBL	MCBL	PMCBL	SSBL	Pooling Avg.
2012-13	0.21	0.22	0.21	0.21	0.213
2013-14	0.21	0.21	0.22	0.19	0.208
2014-15	0.27	0.20	0.27	0.17	0.228
2015-16	0.24	0.19	0.30	0.17	0.225
2016-17	0.32	0.22	0.38	0.18	0.275
Mean	0.25	0.208	0.276	0.184	0.230

S.D.	0.041473	0.011662	0.061514	0.014967	0.024
Max.	0.32	0.22	0.38	0.21	0.275
Mini.	0.21	0.19	0.21	0.17	0.208
ANOVA	F=4.65	FCrit=3.24	Null rejected at a 5% level of sig		
RANK	2	3	1	4	

Table 17 shows that on average there is an investment in Government Securities at 25%, 20.08%, 27.6%, and 18.4 % of SSSBL, MCBL, PMCBL, and SSBL respectively. Based on ANOVA results it can be concluded that G-Sec. to Total Assets ratio differs significantly.

Table – 18: Analysis of Liquid Assets to Demand Deposits

Year/Bank	SSSBL	MCBL	PMCBL	SSBL	Pooling Avg.
2012-13	1.08	0.42	1.21	0.83	0.885
2013-14	1.04	0.48	1.38	0.90	0.950
2014-15	1.00	0.54	1.03	1	0.893
2015-16	0.97	0.58	0.93	1	0.870
2016-17	0.91	0.65	0.58	1	0.785
Mean	1	0.534	1.026	0.946	0.877
S.D.	0.05831	0.079398	0.271042	0.069742	0.053
Max.	1.08	0.65	1.38	1	0.950
Mini.	0.91	0.42	0.58	0.83	0.785
ANOVA	F=9.68	FCrit=3.24	Null rejected at a 5% level of sig.		
RANK	2	4	1	3	

Table 18 shows that on average the ability of the bank to meet the demand from depositors is only 100%, 53.40, 102.60%, and 100% of SSBL, MCBL, PMCBL, and SSBL respectively... Based on ANOVA results it can be concluded G-Sec. to Total Assets ratio differs significantly.

Table – 19: Analysis of Liquid Assets to Total Deposits

Year/Bank	SSSBL	MCBL	PMCBL	SSBL	Pooling Avg.
2012-13	0.26	0.20	0.36	0.25	0.268
2013-14	0.24	0.23	0.38	0.25	0.275
2014-15	0.22	0.25	0.26	0.28	0.253
2015-16	0.21	0.26	0.23	0.26	0.240
2016-17	0.22	0.31	0.15	0.29	0.243
Mean	0.23	0.25	0.276	0.266	0.256
S.D.	0.017889	0.036332	0.084994	0.016248	0.014
Max.	0.26	0.31	0.38	0.29	0.275
Mini.	0.21	0.2	0.15	0.25	0.240
ANOVA	F=0.70	FCrit=3.24	Null accepted at a 5% level of sig.		
RANK	4	3	1	2	

Table 19 shows that on average liquidity position for total deposits is 23%, 25%, 27.60%, and 26.60% of SSSBL, MCBL, PMCBL, SSBL respectively. Based on ANOVA results it can be concluded that Liquid Assets to Total Deposits ratio does not differ significantly.

FINDINGS AND SUGGESTIONS :

1. CRAR position of all the banks is very much satisfactory. Hence, attempts should be made to maintain at least the same CRAR
2. As far as debts are concerned there is no burden of outside long term liabilities on all the banks. If required, they can opt for debt to a certain extent.
3. As far as advances are concerned all the banks show only 50% of the total assets. All the banks can follow a liberal policy to a certain extent for advances.
4. The position of the NPA is very much satisfactory. Hence attempts should be made not to increase the NPA.
5. There is still some scope for converting the deposits into advances. Hence, extensive efforts should be made in that direction. For example, some additional schemes of loans can be introduced.
6. The productivity of the employee is not bad but still, it can be improved by giving them training from time to time.
7. On average, only 2.30 % profit per employee of all the banks is not satisfactory. Hence, it should be improved.
8. On average it shows only 34.50% operating profit of all the banks, which should be improved.
9. Interest expenses of all the banks are more than the interest income, which indicates high costs of deposits, which should be reduced,
10. There is a good backing of all the banks for the demand depositors in the form of liquid assets except in case of MCBL, which should be improved

CONCLUSIONS :

Based on the ratios, CAMEL Model and ranking, and following tables, the conclusions can be drawn asunder.

Table – 1: CRAR

RATIOS	RANKING OF BANKS BASED ON RATIOS			
	SSSBL	MCBL	PMCBL	SSBL
CRAR	3	1	2	4
Debt - Equity Ratio	2	3	4	1
Advances TO Total Assets	2	1	4	3
Government Securities to Total Investments	2	4	3	1
MEAN	2	2.5	3.25	2.25
RANK	4	2	1	3

As far as CRAR is concerned PMCBL, MCBL, SSBL, and SSSBL stand first, second, third, and fourth respectively. Hence SSSBL and SSBL need to improve their CRAR.

Table – 2: Asset Quality Ratio

RATIOS	RANKING OF BANKS BASED ON RATIOS			
	SSSBL	MCBL	PMCBL	SSBL
NAME OF BANKS				
Gross NPA To Net Advances	4	1	3	2
NET NPA To Net Advances	3	1	4	2
Total Investment To Total Assets	2	3	1	4
Net NPA To Total Assets	2	1	3	4
MEAN	2.75	1.5	2.75	3

RANK	2	4	3	1
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As far as Asset quality is concerned SSBL, SSSBL, PMCBL, and MCBL stand first, second, third, and fourth respectively. And MCBL and PMCBL need to improve asset quality.

Table –3: Management Efficiency Ratio

RATIOS	RANKING OF BANKS BASED ON RATIOS			
	SSSBL	MCBL	PMCBL	SSBL
NAME OF BANKS				
TOTAL Advances to Total Deposits	3	1	4	2
Business Per Employee	1	4	2	3
Profit Per Employee	1	3	4	1
MEAN	1.67	2.67	3.33	2
RANK	4	2	1	3

As far as ratios under Management Efficiency is concerned, PMCBL, MCBL, SSBL and SSSBL stands 1st, 2nd, third, and 4th respectively. SSSBL and SSBL need to improve upon management efficiency.

Table – 4: Earning Ratios

RATIOS	RANKING OF BANKS BASED ON RATIOS			
	SSSBL	MCBL	PMCBL	SSBL
NAME OF BANKS				
Operating Profit To Working Fund	4	3	2	1
Spread to Total Assets	4	3	1	2
Net Profit To Average Assets	2	3	4	1
Interest Income to Total Income	3	1	2	4
MEAN	3.25	2.5	2.25	2
RANK	1	2	3	4

As far as Earning ratios are considered SSSBL, MCBL PMCBL, and SSBL stand 1st, 2nd, third and 4th respectively. PMCBL and SSBL need to improve earning ratios.

Table – 5: Liquidity Ratios

RATIOS	RANKING OF BANKS BASED ON RATIOS			
	SSSBL	MCBL	PMCBL	SSBL
NAME OF BANKS				
Liquid Assets to Total Assets	4	3	1	2
G-Sec. to Total Assets	2	3	1	4
Liquid Assets to Demand Deposits	2	4	1	3
Liquid Assets to Total Deposits	4	3	1	2
MEAN	3	3.25	1	2.75
RANK	2	1	4	3

As far as liquidity ratios are concerned MCBL, SSSBL, SSBL, and PMCBL stand 1st, 2nd, third and 4th respectively. SSBL and PMCBL need to improve upon liquidity.

Table - 6: Overall Ranking

OVERALL PERFORMANCE RATIOS	Overall Ranking			
NAME OF BANKS	SSSBL	MCBL	PMCBL	SSBL
Capital Adequacy Ratio	2	3	1	4
Asset Quality Ratio	2	4	3	1
Management Efficiency Ratio	4	2	1	3
Earning Ratios	1	2	3	4

Liquidity Ratios	2	1	4	3
MEAN	2.25	2.25	2.75	2.75
RANK	1	2	3	4

Finally, it can be concluded that as far as overall performance is concerned SSSBL, MCBL, PMCBL, and SSBL stands 1st, 2nd, 3rd, and 4th respectively. Hence, PMCBL and SSBL need to improve their overall performance.

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