

ECONOMIC STUDY OF PARSIK JANATA SAHAKARI BANK WITH RESPECT TO ASSETS AND INVESTMENTS.

S. D. Kuduk

Abstract:

1:1 Assets Classification:

A. Income Recognition and Assets Classification Norms (IRAC):

According to RBI orders the bank had received the prudential and asset grouping standards from the year 1995-96. The table given underneath demonstrates the rate of sub-standard and far fetched resources is low. Thusly NPAS is kept at least. The suspicious asset are extremely unimportant. Thus a shot of misfortunes is additionally least.

INTRODUCTION:

The sum extraordinary under Non-Performing Assets (NPAS) as on 31st March 2004 was Rs. 975.48 lakhs, gross advances as against the relating figure of Rs. 598.71 lakhs as on 31st March 2004.

The itemized order of advantages as on 31st March 2003 and 2004 are outfitted beneath.

Table 1.1 - Asset Classification

Asset Category	Amt. Outstanding as 31-3-2003	31-3-03 % of Share Provision to Total Advances	Provision	Amt. Outstanding as On 31-3-04	% of Share to Total Advances	Provision
Standard	13691.11	95.80	34.23	17078.80	94.60	42.70
Sub-Standard	439.71	3.08	43.97	732.78	4.06	73.28
Doubtful	158.97	1.11	75.62	242.67	1.33	143.00
Loss	0.03	0.01	0.03	0.03	0.01	0.03
Total	14289.82	100.00	153.85	18054.28	100.00	259.01

Source - Annual Reports of PJS Bank 1990 to 2004.

B. Interest Derecognised:

The quanta of investment de-perceived amid the year 2003 and also the current year 2004 are given underneath.

Table 1.2 - Derecognised Interest

Particulars	31.3.03	31.3.04
Derecognised income at the	42.21	84.6
Beginning of the year		

Source - Annual Reports of PJS Bank 1990 to 2004

The total interest de-recognised under report amounted to Rs. 42.21 lakhs as on 31st March 2003 and as against Rs. 84.60 lakhs as on 31st March 2004.

C. Provisions:

The aggregate procurements held by the Bank and the procurements held against NPAS for current year and also for the post two years are outfitted in the accompanying table.

Table 1.3– Provisions

Particulars	Year 2003	Year 2004
Provision against NPAS	550.00	975.80
Others (Frauds, Theft, Contingency)	125.68	225.68
1 Total	675.68	1201.48

Source - Annual Reports of PJS Bank 1990 to 2004

Keeping in view the guidelines given by RBI, the bank has made a provision of Rs. 550 lakhs as on 31st March 2003 and Rs. 975.80 lakhs as on 31st March 2004.

D. NPAS Management:

The sub-standard, doubtful and loss assets as at the end of current year and previous years are furnished below.

Table 1.4 - NPAS Management

	Particulars	31-3-2003	31-3-2004
a)	NPAS at the beginning of the year	774.98	598.71
b)	Recovery against NPAS during the year	283.46	156.24
c)	Addition to NPAS during the year	107.19	533.01
d)	NPAS at the end of the year	598.71	975.48
	Net - NPAS (NPA - provision)	(-) 1.29	(-) 0.32

	Net Advances	0.00	0.00
	(Gross Advances- provision)		

Source - Annual Reports of PJS Bank 1990 to 2004

As assets should be called as non-performing assets if the capital on it remains unpaid for more than 180 days after its due date.

During the year the bank has launched a vigorous drive reduce the NPAS.

1:5Investment:

Table 1.5 - Investment of the Bank

(Rs. In Lakhs)

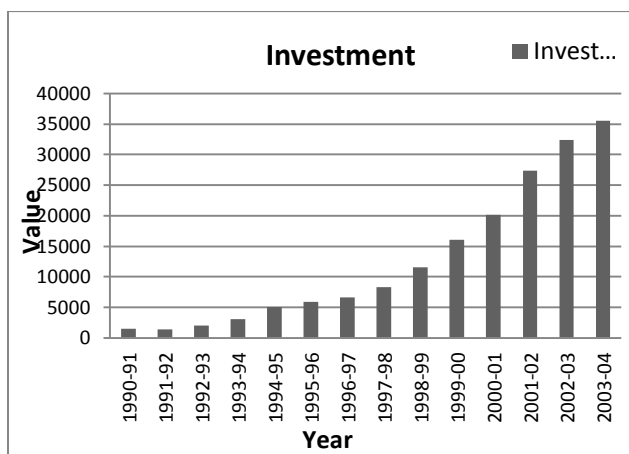
Year	Investment
1990-91	1508.24
1991-92	1383.48
1992-93	2003.11
1993-94	3045.59
1994-95	5087.59
1995-96	5892.65
1996-97	6621.61
1997-98	8337.67
1998-99	11560.80
1999-00	16103.31
2000-01	20199.36
2001-02	27329.07
2002-03	32381.41
2003-04	35554.30

Source - Annual Reports of PJS Bank 1990 to 2004

The investment of the bank was Rs. 1508.24 lakhs in 1990-91 which increased to Rs. 35554.30 lakhs over a period of study The increase is almost 23 times.

The graphical presentation of amount of the investment of the Bank in graph No. 3.03.

Graph No. 1.01 - Investment of the Bank



Source - Annual Reports of PJS Bank 1990 to 2004.

This bank is keen about its fund management. The bank adopts professional approach in maintaining its liquidity therefore invests its fund in liquid assets. The investment is also made to comply with RBI guidelines.

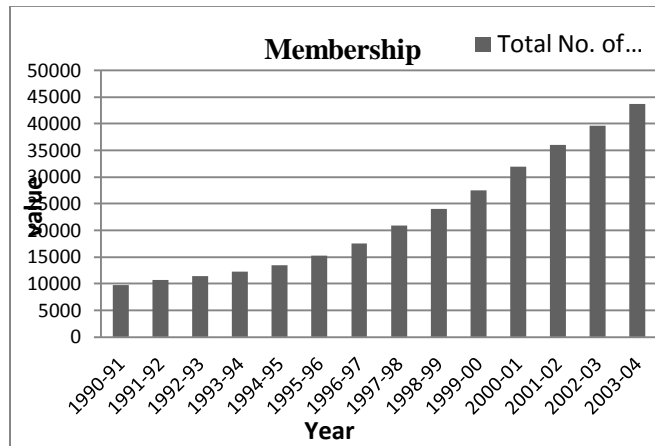
Table 1.6 - Growth of Membership of Bank

Year	Total No. of Members	% increase
1990-91	9783	3.03
1991-92	10678	3.31
1992-93	11369	3.53
1993-94	12251	3.79
1994-95	13496	4.17
1995-96	15294	4.74
1996-97	17533	5.43
1997-98	20909	6.47
1998-99	24087	7.46
1999-00	27481	8.52
2000-01	31898	9.87
2001-02	36040	11.16
2002-03	39683	12.29
2003-04	43762	13.55

Source - Annual Reports of PJS Bank 1990 to 2004

The graphical presentation of Membership of the Bank is in graph No. 3.04.

Graph No. 1.02 - Growth of Membership



Source - Annual Reports of PJS Bank 1990 to 2004

1:6 Membership:

The aggregate Membership (Shareholders) of the Bank have been expanded in the aggregate participation consistently by more than 22447.42 on a normal amid the year 1990 to 2004. At the point when contrasted with the aggregate urban populace, it is extremely unacceptable.

The participation of the Bank in wording has expanded from 9783 as on 30th June 1990 to 43762 as on 31st March, 2004. The normal participation every year has increase895 to 4079 amid the said period.

History has proven time and again that, the development of participation is not because of the increment In number of extensions/ however because of the endeavors to enlist new individuals made by the Bank In the locale, the development In enrollment Is Increased. It obviously shows the neighborhood confidence and certainty that the Bank has ready to pick up In Thane area.

Total 1.6 - Growth of Owned Funds of the Bank

(Rs. In lakhs)

Year	Owned Funds
1990-91	138.00
1991-92	187.00
1992-93	288.00
1993-94	383.00
1994-95	435.00
1995-96	558.00
1996-97	764.00

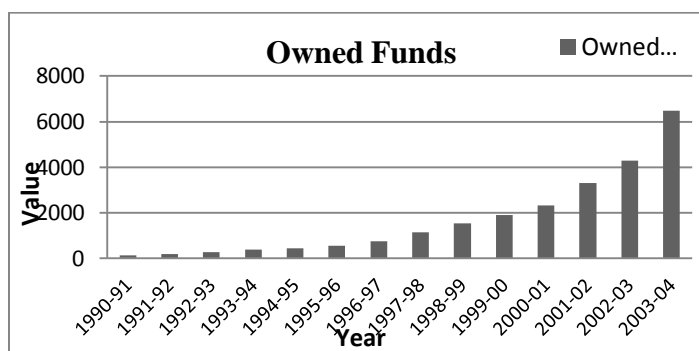
1997-98	1146.00
1998-99	1534.00
1999-00	1892.00
2000-01	2336.00
2001-02	3311.00
2002-03	4303.00
2003-04	6475.50

Source - Annual Reports of PJS Bank 1990 to 2004

The owned funds of the bank which was Rs. 138.00 lakhs increased to Rs. 6475.50 lakhs. The rise is almost 49 times.

The details of the Growth of Owned Funds in the Graph No. 3.05

Graph No. 1 .03 - Growth of Owned Funds



Source - Annual Reports of PJS Bank 1990 to 2004

A. Owned Funds:

The possessed trusts of the Bank involving paid-up offer capital, and holds in 1990 totaled Rs. 6475.50 lakhs as on 31st March 2004. Totally the ascent in claimed store enlisted amid 1990 to 2004 is more than 62 percent.

The measure of individuals acquiring has expanded from Rs. 1397.69 lakhs to Rs. 18054.27 lakhs amid 1990 to 2004. The reinforcing of offer capital base by virtue of receipt of offer capital from the state government is exceptionally irrelevant.

Notwithstanding the accumulation of offer capital, the Bank in Thane region has fortified their stores by allocations from benefits. There is significant increment in the stores from Rs. 138.00 lakhs to Rs. 6475.50 lakhs.

The normal yearly development rate in possessed trusts amid the period 1990 to 2004 is Rs 1696.42, the development of in wording ofowned stores is far more satisfactory than the development atearliest.

Table1.7 - growth of Deposit of the Bank

(Rs. in lakhs)

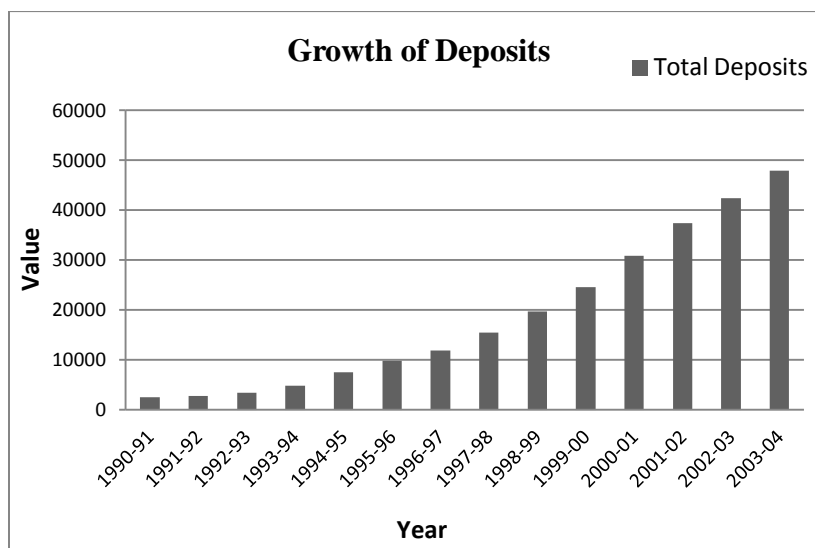
Year	Total Deposits
1990-91	2522.43
1991-92	2771.67
1992-93	3425.62
1993-94	4796.67
1994-95	7575.78
1995-96	9864.81
1996-97	11918.31
1997-98	15563.94
1998-99	19740.59
1999-00	24556.88
2000-01	30893.94
2001-02	37418.04
2002-03	42406.84
2003-04	47979.21

Source - Annual Reports of PJS Bank 1990 to 2004

The deposit of the bank in 1990 was Rs. 2522.43 lakhs which has increased upto Rs. 47979.21 lakhs. The rise in total deposits was almost 19 times over the period of this study.

The graphical presentation of Growth of Deposits of the Bank is in graph No. 3.06.

Graph No. 1.04 - Growth of Deposits



Source - Annual Reports of PJS Bank 1990 to 2004

B. Deposits:-

The Bank is essentially little people groups bank, and is required to act naturally dependent foundation fundamentally bank needs to rely on upon stores for their loanable trusts. Subsequently, bank is obliged to give careful consideration to the store preparation.

The stores of the Bank have expanded from Rs. 2522.43 lakhs as on 30th June 1990 to Rs. 47979.21 lakhs as on 31st March 2004.

The bank expanded stores Rs. 100 cr. Amid the June 1997-98 and bank got the status of 'Planned Bank'.

The development in the stores mirrors the capacity of the bank to activate neighborhood assets and the certainty which the bank charged with people in general.

Table 1.8 - The Break Up of Deposits

(Rs. In Lakhs)

Year	Total Deposit	Current Deposit	Saving Deposit	Fixed Deposit	Other Deposit	Loan	Net Profit
1990-91	2522.43	262.79	1056.35	1187.73	15.58	1397.69	64.12
1991-92	2771.67	347.86	1202.32	1206.32	15.18	1876.44	104.06
1992-93	3425.62	362.86	1465.07	1579.54	18.15	2036.07	108.60
1993-94	4796.67	610.97	2066.75	2099.69	19.26	2304.67	70.41

1994-95	7575.78	1069.61	3608.70	2880.24	17.23	3019.92	119.30
1995-96	9864.81	1483.75	4705.89	3658.12	17.03	4670.88	266.86
1996-97	11918.31	1577.97	5568.45	4756.03	15.87	6164.76	509.94
1997-98	15563.94	1960.61	6697.14	6900.71	5.48	7786.62	510.07
1998-99	19740.59	2104.23	8388.30	9246.45	1.62	8738.26	402.51
1999-00	24556.88	2489.51	9973.03	12092.77	1.57	9881.47	503.46
2000-01	30893.94	2117.78	12431.45	15543.64	1.07	12463.20	793.91
2001-02	37418.04	3330.20	15091.13	18995.62	1.09	13283.56	859.49
2002-03	42406.84	4443.68	17785.59	20176.48	1.09	14289.81	907.47
2003-04	47979.21	5852.44	21147.37	20978.49	0.91	18054.27	1059.89

Source - Annual Reports of PJS Bank 1990 to 2004

(Others: Include the schemes like, cash certificate, daily fund. Small saving, Peti Yojana and deposit which was matured etc.)

Table 3.11 Indicates that stores have been ordered into four sorts i) Fixed Deposit ii) Saving Deposit iii) Current Deposit iv) Other Deposit.

The accompanying derivations can be drawn from Table 3.11

1. Major Chunk fits in with settled class which have expanded from Rs. 1187.73 lakhs in 1990 to Rs. 20978.49 lakhs in 2004, recording in increment of around twenty times and half.
2. Saving stores have enlisted an increment from Rs. 1056.35 lakhs in 1990 to Rs. 21147.37 lakhs in 2004 showing an increment of around eighteen times
3. With respect to current stores, there has been a development from Rs. 262.79 lakhs in 1990 to Rs. 5852.44 lakhs in 2004 demonstrating an increment of around twenty- two times.

The present and sparing stores constituted 56.26 percent of the aggregate stores while those under extraordinary plans, for example, repeating stores, money testaments and so forth structured around 7% as on 31st March 2004. The remaining and the bigger segment which is 43.72 percent represented settled stores encouraging reusing of loanable trusts of the Bank. The normal aggregate stores of the Bank expanded from Rs. 2522.43 lakhs to Rs. 47979.21 lakhs amid 1990 to 2004.

As respects relative significance of each of the over three sorts of stores, the table uncovers that more dependence was demonstrated of settled stores when contrasted with other store blend of the bank under study couldn't be figured as a sound sign in light of the fact that it raises the expense of trusts. Exceptional consideration ought to, in this way be paid by the bank to activate additionally

sparing and current stores with a perspective to decreasing the expense of trusts. Different stores have diminished from Rs. 15.58 lakhs to Rs. 0.91 lakhs amid 1990 to 2004.

Table No. (3.11) demonstrates that; the rate of development in store of the bank ought to be considered against the foundation of specific compels with respect to preparation of stores. The extension for enlarging stores of the Bank is constrained because of their limited operational cutoff points. All the more over the bank was not perceived for acknowledgement of stores from trusts and Quasi- legislative bodies.

Aside from the higher rate of enthusiasm of 1 percent offered by the Bank at their circumspection and the customized administrations reached out by them to their demographic, a few inventive plans acquainted by bank have contributed with a significant degree to the rapid development of stores.

REFERENCES