

CHAPTER V

**COMPARATIVE PERFORMANCE ANALYSIS
OF SBI AND CANBANK**

This chapter is focussed on comparative evaluation of factoring and mutual fund in terms of physical and financial performance, liquidity, productivity, profitability aspects of SBI and CanBank .Further comparative growth analysis is carried out about Factoring and Mutual Fund.

5.1 COMPARATIVE STUDY OF GROWTH ANALYSIS OF SBI AND CANBANK FACTORS

The computed compound growth rates of selected variables of SBI Factors and CanBank Factor are displayed out in table 5.1 to determine the growth of factoring companies.. The selected seven variables include reserves and surplus, loan funds, total assets, working capital, total income, total expenses, sales and profit. It has been observed from the table that reserves and surplus of CanBank Factors have registered a higher growth of 51 percent than reserves and surplus growth of SBI Factors(21 percent). This reveals that profit earned by the CanBank Factors is quite good and helped in building adequate reserve fund .

It further signifies that CanBank Factors focussed more attention on building reserve fund. The loan fund of SBI Factors recorded higher growth than the growth of loan fund of CanBank Factors. In CanBank Factors, it recorded 55 percent while in SBI Factors it was registered at 61 percent, indicating the use of more borrowed fund in SBI Factors than the fund used in CanBank Factors . The use of more borrowed fund increase the cost and reduces profit. A higher borrowed funds by SBI Factors points out that debt to be paid to external parties. The overall growth of total assets of CanBank Factors has registered a higher growth of total assets of SBI Factors. The overall average growth of the CanBank Factors has been observed to be at 23 percent where as that of the SBI Factors it has been at 21 percent.

Total assets represents total investment made in fixed and current assets. Thus, it indicates that CanBank Factors has made more investment in fixed and current assets than the investment in current asset and fixed asset of SBI Factors. The overall average growth of working capital of SBI Factors is shown at 23 percent and CanBank Factors is at 8 percent. The more working capital in SBI Factors shows that its recovery of debts is slow. A quick recovery of debts would reduce the requirement working capital. Low working capital in Can Bank Factors signifies that the recovery procedure of debts employed were sound and healthy.

The total income of CanBank Factors registered at 23 percent of overall growth which is higher than the income growth of SBI factors (17 percent) . Total income includes income from factoring, investment, and other income. A higher compound growth of total income in CanBank Factors signifies that the factoring business of CanBank Factors has increased than the factoring business of SBI factors. The overall growth of total expenses recorded higher in CanBank Factors(35 percent) as compared to the growth of expenses SBI Factors(30 percent).An increase in total expenses in CanBank Factors would reduce profit ability of the business. It has been observed that the total income as well as expenses of CanBank Factors were on the upward trend. An increase in the expenses in CanBank Factors could be an expansion of factoring business.

The total expenses includes administrative expenses, interest and finance charges that area of purely variable in nature and their size is dependent upon the amount of fund borrowed from outside source. The overall compound growth of sales or factored debts of SBI Factors records at 35 percent and CanBank Factors

Table 5.1**Comparative compound growth rate of selected performance indicators of SBI and CanBank Factors for the period from 1991-92 to 2000-2001**

Sr. No	Variables (Y)	Constant (a)	Co-efficient (b)	R ²	T-value	CGR (%)
1	Reserves and Surplus					
	a) SBI Factors	-354.71	0.18	0.94	11.327	20
	b) CanBank Factors	-824.46	0.41	0.88	8.14	51
2	Loan Funds					
	a) SBI Factors	-955.03	0.48	0.93	8.131	62
	b) CanBank Factors	-887.91	0.44	0.48	2.76	55
3	Total Assets					
	a) SBI Factors	-378.8	0.19	0.90	8.783	21
	b) CanBank Factors	-422.61	0.21	0.70	4.412	23
4	Working Capital					
	a) SBI Factors	-370.89	0.18	0.92	9.668	20
	b) CanBank Factors	-422.6	0.21	0.74	4.769	8
5	Total Income					
	a) SBI Factors	-331.96	0.16	0.94	11.934	17
	b) CanBank Factors	-538.63	0.27	0.55	3.169	23
6	Total Expenses					
	a) SBI Factors	-530.11	0.26	0.84	6.499	30
	b) CanBank Factors	-607.57	0.30	0.56	3.252	35
7	Sales or Factored Debts					
	a) SBI Factors	-607.56	0.30	0.78	5.00	35
	b) CanBank Factors	-315.76	0.16	0.80	5.375	17

Source :- Annual Reports of SBI and CanBank Factors Ltd. for the period from 1991-92 to 2000-2001

registered at 17 percent. This clearly signifies that purchase of factored debts has increased in SBI Factors than the debts in CanBank Factors. Thus it has showed that a success of business depends upon the size of the turnover. The 35 percent of growth of factored debts in SBI Factors is excellent while in CanBank Factors is reasonably good.

Table 5.2

Comparative performance Analysis of SBI and CanBank Factors through Ratio Analysis for the period 1991-92 to 2000-01

Sr no.	RATIOS	SBI Factors	CanBank Factors
I	<i>Profitability ratios</i>		
1	Net profit Ratio	1.25	0.81
2	Operating profit	1.42	1.40
3	Expenses ratio	1.45	1.58
4	Return on share holders	6.46	14.63
5	Net profit to Total assets	2.00	3.00
6	Return on working capital	8.66	8.99
II	<i>Liquidity ratios</i>		
1	Current ratio	3.62	3.40
2	Liquid ratio	2.37	4.16
3	Cash to total assets	2.51	4.60
4	Cash to total current assets	2.54	4.95
5	Cash to current liabilities	12.00	12.61
6	Cash to working capital	9.84	7.50
III	<i>Activity ratios</i>		
1	Fixed assets to net worth	1.80	12.79
2	Current assets to Total assets	98.83	96.82
3	Working capital to sales	22.67	16.19
4	Total asset turnover (no of times)	3.56	3.96
5	Fixed asset turnover(no of times)	531.30	414
6	Current assets turnover (no of times)	3.59	4.11
7	Net fixed assets to Total assets	0.70	1.37
8	Fixed assets to long term fund	1.09	1.95
9	Debtors turnover ratio(no of times)	4.87	4.89
IV	<i>Productivity Ratios</i>		
1	Factoring income to Total income	78.95	89.75
2	Administrative expenses to Total expenses	60.13	15.59
3	Interest to expenses	29.42	66.36
4	Total expenses to total income	84.37	49.44

Note:- The ratios represent the ratios averaged over a period of 10 years

Source :- compiled from the tables of ratios of the SBI and CanBank Factors.

All the ratios are expressed in percentages except current ratio, liquid ratio, debtors turnover, fixed assets turnover, fixed asset ratio, current asset turnover, total asset turnover. They are expressed in number of times.

5.2 COMPARATIVE PERFORMANCE ANALYSIS OF SBI AND CANBANK FACTORS THROUGH RATIO ANALYSIS FOR THE PERIOD 1991-92 TO 2000-01

The efficiency of the two business enterprises can be determined through comparison with respect to profitability, liquidity, activity and productivity as financial and physical parameters. The comparison between SBI and CanBank Factors is made with computing profitability, liquidity, activity and productivity ratios for the period 1991-92 to 2000-01.

5.2.1 Comparative Profitability Analysis

The profitability ratios of SBI and CanBank Factors are presented in table 5.2. It is observed from the table that overall average operating profit ratio of SBI Factors recorded at 1.42 whereas in CanBank Factors it was 1.40 percent which is higher than the operating profit of CanBank Factors. Higher profitability indicates that SBI Factors earns more profit than CanBank Factors. The overall average expenses ratio recorded at 1.45 percent in SBI Factors and 1.58 in CanBank factors. Thus, it is shown that the expenses of CanBank Factors are higher than the expenses of SBI Factors.

It has been observed that higher expenses in CanBank could be due to the growth and expansion of business. The overall average return on shareholders fund of CanBank Factors registered at 14.63 percent and SBI Factors 6.46 percent respectively. Thus, it signifies that the shareholders of CanBank Factors i.e sponsor bank earned a satisfactory return of 14.63 percent where as the sponsor of SBI Factors i.e State Bank of India earned 6.46 percent which is considered to be reasonably low. A higher return of CanBank Factors indicates an efficient deployment of Canara bank funds. The return on working capital of CanBank Factors recorded 8.90 percent and SBI Factors 8.66 percent. It signifies that both the factoring companies earn reasonably low on working capital.

5.2.2 Comparative Liquidity Analysis

The liquidity status of SBI Factors and CanBank Factors is presented in table 5.2. It can be seen from table that overall average current ratio of SBI Factors and CanBank Factors was 3.62 and 3.40 percent respectively. Thus it signifies that the current ratio of SBI Factors is little higher than the current ratio of CanBank Factors. It has been observed that in both the factoring companies the current ratio is above the accepted standard norm of 2:1.

Thus the overall current ratio of SBI Factors is higher than the current ratio of CanBank Factors. The overall average liquidity ratio of SBI Factors was registered at 2.37 and CanBank Factors was at 4.16. It indicates that the liquidity ratio of CanBank Factors is higher than liquidity ratio of SBI Factors. The liquid

ratio of SBI Factors and CanBank Factors was recorded to be higher than accepted standard norm of 1:1.

The higher liquid ratio of CanBank Factors signifies that more funds are invested in liquid assets of CanBank Factors than funds invested in liquid assets of SBI Factors. The overall average cash to current assets ratio was recorded at 2.54 percent in SBI Factors and at 4.95 percent in CanBank Factors. It indicates that the proportion of cash in current assets is higher in CanBank Factors than the proportion of cash in current assets of SBI Factors. Cash to current liabilities of SBI Factors and CanBank Factors were recorded at 12.00 percent and 12.61 percent respectively. It states that the cash fund in CanBank Factors is higher than cash fund in SBI Factors.

5.2.3 Comparative Activity Analysis

The overall average current asset to total asset ratio was recorded as 98.33 percent for SBI Factors and as 96.82 percent for CanBank Factors respectively. The size of current assets of SBI Factors in total assets is higher than the size of current assets in total assets of CanBank Factors. A higher investment in current assets indicates more short term returns than the long term returns. The overall fixed asset turnover ratio was recorded to be 531.30 and 414 times respectively in SBI Factors and CanBank Factors.

In SBI factors, to generate sale a of hundred rupee , an investment in fixed asset required to be of Rs 0.18. Whereas in CanBank Factors it is required to be

Rs0.24 . Thus, it signifies that CanBank Factors requires more investment in fixed asset than the investment in fixed asset of SBI Factors to generate one hundred rupee. The total assets turnover ratio recorded 3.56 and 3.96 times respectively in SBI Factors and CanBank Factors. It indicates that, to generate one rupee sale the investment in total asset required to be Rs 0.28 in SBI Factors and in CanBank Factors investment in total asset was Rs 0.25. Thus it showed that SBI Factors requires more fund in the form of total assets to generate sales as compared to the funds in fixed assets of CanBank Factors. More investment in total assets in SBI Factors signifies the requirement of more fund which are borrowed from outside source which would increase the cost of capital. An increase in cost of capital would certainly augment expenses which in turn reduces profit.

Working capital to sales ratio of SBI Factors and CanBank Factors recorded at 22.67 percent and 16.19 percent respectively indicates that to generate a sale of hundred rupee Rs22.67 and Rs16.19 are required as working capital in SBI Factors and CanBank Factors respectively. Thus it, signifies that the requirement of working capital is more in SBI Factors than in CanBank Factors.

5.2.4 Comparative Productivity Analysis

The productivity ratio of SBI Factors and CanBank Factor are presented in table5.2 The average factoring income to total income of SBI Factors and CanBank Factors recorded at 78.95 percent and 89.75 percent respectively. It indicates that the factoring income of CanBank Factors is higher than that of factoring income of SBI Factors. Factoring income depends upon the amount of

debt purchased. Thus, higher income from factoring signifies that debt purchase transaction of CanBank Factors are more than SBI Factors.

The average administrative expenses of SBI Factors is higher than CanBank Factors. Average interest expenses to total expenses ratio SBI and CanBank Factors registered at 29.42 percent and 66.36 percent respectively. Interest and finance charges are incurred on the borrowed funds. When borrowed fund increases ,the interest and finance charges would obviously increase and vice-versa. The higher interest and finance charges in CanBank Factors shows that that fund borrowed for purchase of debts are higher. Thus, it signifies that purchase of factored debts are higher in CanBank Factors than SBI Factors. The average total expenses to total income of SBI Factors and CanBank Factors were registered at 84.37 percent and at 49.44 percent respectively. It was observed that SBI Factor recorded higher expense ratio as compared to CanBank Factors. A higher expense ratio indicates that CanBank factors earn more profit than SBI Factors.

5.3 COMPARATIVE ANALYSIS OF THE FACTORS INFLUENCING PROFITABILITY OF FACTORING COMPANIES

The selected variables have influenced profitability of the factoring companies. Income has been observed to have had a positive influence on profitability of CanBank Factors than the factoring income of SBI Factors. In SBI Factors it has been observed that an increase in income by one rupee results in an

increase in profit by Rs0.42 whereas in CanBank Factors , it is Rs0.86. This clearly indicates that the income of CanBank Factor generates more profit than the factoring income of SBI Factors. On the other hand expense variable has a negative influence on profit of SBI Factors and CanBank Factors. The degree of negative influence is higher in CanBank Factors than the degree of negative effect of SBI Factors. This shows that despite the increase in expenses ,the profit of CanBank factors has increased greater than SBI Factors. The sales or factored debts of CanBank Factors influence higher profit (Rs 1.02) than SBI Factors(Rs0.23) .Thus it demonstrates that sales or factored debts of CanBank Factors generates greater profit through Sales or factored debts than profit generated through sales or factored debts of SBI Factors. The R square indicates that all the variables selected are significant.

5.4 COMPARATIVE LIQUIDITY AND PROFITABILITY ANALYSIS OF SBI AND CANBANK FACTORS

Table 5.3

Comparative liquidity and profitability Analysis of SBI and CanBank Factors

peroid	SBI FACTORS				CANBANK FACTORS			
	CATA %	Liquidity rank	ROI %	Profita bility rank	CATA %	Liquid ity rank	ROI %	Profit ability rank
1991-92	95.13	10	8.03	3	97.80	3	4.52	9
1992-93	99.47	3	10.70	1	98.97	1	5.19	7
1993-94	98.50	9	8.37	2	98.54	2	3.21	10
1994-95	99.06	8	6.33	4	96.59	5	5.38	6
1995-96	99.17	7	4.06	7	96.51	6	6.10	3
1996-97	99.30	5	4.77	5	95.47	10	6.58	2
1997-98	99.25	6	4.71	6	95.90	8	5.60	5
1998-99	99.36	4	3.86	8	96.44	7	4.89	8
1999-00	99.48	2	2.94	9	95.78	9	7.33	1
2000-01	99.50	1	(0.15)	10	96.73	4	6.05	4

Source:- Annual reports of SBI Factors and CanBank Factors(various issues)

CATA- Current Asset to Total Asset

ROI - Return on investment

Table 6.4
PERFORMANCE RANKING SCOREBOARD OF SBI AND CANBANK FACTORS LTD.

Sr. No.	Name of the Company	Financial Parameters Average over a period of 8 years				Liquidity Parameters Average over a period of 10 years					Profitability Parameters Average over a period of 10 years					Activity Performance Average over a period of 10 years					Productivity Performance Average over a period of 10 years					Total Score	Rank
		Average Net Profit (in crores)	Average Operating Profit (in crores)	Factored Debts (in crores)	Segment Share	Cash/Current Assets (in %)	Cash/WC (in %)	Cash/Cur. Liability (in %)	Cash/Tot Assets (in %)	Segment Score	Expense Ratio	Net Profit/Shareholder's Fund (in %)	Net profit/Total assets (in %)	Net Profit/WC (in %)	Segment Score	Current Assets/Total Assets (in %)	Debtors Turnover Ratio (No. of times)	WC/Sales (in %)	Fix assets/Total assets (in %)	Segment Score	Factoring Income/Total Income (in %)	Adm. Exps./Total Exps. (in %)	Interest Exps./Total Exps. (in %)	Total Exps./Income (in %)	Segment Score		
1	SBI Factors Ltd.	1.2	2.79	395.18	30	2.64	9.84	12.02	2.51	27	1.25	6.46	0.02	8.66	38	98.83	3.56	22.67	0.71	46	78.95	60.13	29.42	50.46	32	173	II
		2	2	2	II	2	1	2	2	II	1	2	2	2	II	1	1	1	2	I	2	2	1	2	II		
		III	(1)	(1)		(1)	(2)	(1)	(1)		(2)	(1)	(1)	(1)		(2)	(2)	(2)	(1)		(1)	(1)	(2)	(1)			
2	CanBank Factors Ltd.	4.32	7.26	621.12	60	4.95	7.5	12.61	4.6	39	1.58	14.63	3	8.9	52	96.82	4.89	16.19	1.37	32	89.75	15.59	66.36	49.44	52	235	I
		1	1	1	I	1	2	1	1	I	2	1	1	1	I	2	2	2	1	II	1	1	1	1	I		
		II	(2)	(2)		(2)	(1)	(2)	(2)		(1)	(2)	(2)	(2)		(1)	(1)	(1)	(2)		(2)	(2)	(2)	(2)			

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The comparative liquidity and profitability analysis is disclosed in table 5.3. It is observed that liquidity of the factoring companies is measured through current asset to total asset ratio and profitability is measured through return on investment. The correlation between liquidity and profitability in the companies is computed by using Spearman's rank correlations coefficient. Return on investment (ROI) and current asset to total asset (CATA) were used as profitability and liquidity parameters. T-test was applied to test the significance of these coefficients. It has been observed in the table that rank correlation coefficient between liquidity and profitability of SBI Factors registered at -0.60 and T value at 77.447 . The rank correlations of CanBank factors recorded at -0.73 and T value at 133.127 . It is observed in both companies that the liquidity and profitability is inversely related to each other. As liquidity increases the profitability decreases. The rank correlations of CanBank Factors is stronger -0.73 than SBI Factor -0.60 . It implies that the degree of liquidity is strongly related to profitability.

5.5 COMPARATIVE GROWTH RATE ANALYSIS OF SBI AND CANBANK MUTUAL FUND

Table No 5.5

Comparative Growth Analysis of open ended schemes for the period 1991-2001

	Unit capital	Investible fund	Reserves & surplus	Gross Income	Gross Expenses
SBI Mutual Fund	43.18	3.01	24.73	10.65	6.83
Canbank Mutual Fund	14.33	18.29	1.20	16.88	5.80

Source: Annual report of SBI & CanBank Mutual Fund for the period 91-01.

It can be seen from the table 5.4 that the growth rate of unit capital is recorded at 43.18 percent of SBI Mutual Fund and 14.33 per cent of CanBank Mutual Fund. Thus, it indicates that growth of unit capital was higher in SBI Mutual Fund than growth of unit capital in CanBank Mutual Fund. Higher unit capital in SBI Mutual Fund signifies that good response by investors in SBI Mutual Fund as compared to the response by investors in CanBank Mutual Fund. Purchase of units by investors depends upon various factors such as reputation and goodwill of mutual fund organisation, capital appreciation, returns and liquidity etc. The growth of investible fund recorded 3.01 per cent in SBI Mutual Fund and at 18.29 percent in CanBank Mutual Fund. This indicates that growth of investible fund in CanBank Mutual Fund is greater than growth of investible fund in SBI Mutual Fund. The reserves and surplus was recorded at 24.73 percent in SBI Mutual Fund and at 1.20 per cent in CanBank Mutual Fund which shows that the growth of reserves and surplus in SBI Mutual Fund is higher than growth of reserves and surplus in CanBank Mutual Fund. Higher growth of reserves and surplus in SBI Mutual Fund indicates that more profits were earned annually on various schemes and liberal policy was followed in transferring reserve fund from annual profit. The gross income of SBI Mutual Fund was registered at 10.65 percent and at 16.88 per cent in CanBank Mutual Fund which signifies that the growth rate of gross income in CanBank Mutual Fund was relatively higher than growth of gross income of SBI Mutual Fund. However augment in gross income depends upon the income earned through the sale of securities in capital market and interest and dividend earned through fixed bearing securities. The gross expenses to investible fund of SBI Mutual Fund was recorded 6.83 percent and

5.80 percent in CanBank Mutual Fund which denotes that expenses of CanBank Mutual Fund were in control than expenses of SBI Mutual Fund.

Table 5.5
A comparative Growth rates of close ended schemes

	Unit capital	Investible fund	Reserves & surplus	Gross Income	Gross Expenses
SBI Mutual Fund	10.49	1.83	28.14	1.46	7.04
CanBank Mutual Fund	2.00	34.00	40.00	20.00	-

Source: Annual report of SBI & CanBank mutual fund for the period 91-01.

It is observed from the table that growth rate of unit capital in SBI Mutual Fund and CanBank Mutual Fund is recorded 10.49 per cent and 2.00 per cent respectively. Thus it denote that growth rate of unit capital in SBI Mutual Fund is higher than growth rate of unit capital in CanBank Mutual Fund. Growth rate of investible fund in SBI Mutual Fund and CanBank Mutual Fund is registered 1.83 percent and 34 percent respectively. It indicates that growth of investible fund in CanBank Mutual Fund is greater than growth of investible fund in SBI Mutual Fund. Reserves and surplus was posted growth rate of 28.14 per cent and 40 per cent respectively in SBI Mutual Fund and CanBank Mutual Fund. Thus it indicate that growth of reserves and surplus of CanBank Mutual Fund is greater than growth rate of reserves and surplus in SBI Mutual Fund.

The gross income has been documented 1.46 percent and 20 percent in SBI Mutual Fund and CanBank Mutual fund respectively. It indicates that growth rate of income is higher in CanBank Mutual Fund than growth rate of income in SBI Mutual Fund. The gross expenses in SBI Mutual Fund has been recorded 7.04

percent and in CanBank it is negligible rate thus it indicates that the expenses of SBI Mutual Fund is increased higher than the expenses of CanBank Mutual Fund.

5.6 COMPARATIVE EFFICIENCY THROUGH RATIO ANALYSIS

Table 5.6

Table showing comparative Efficiency through ratio Analysis for the peroid 1991-2001 of SBI and CanBank Mutual fund

Organisations	ROI	Gross Expenses to Gross Income	Gross expenses to Total investible fund
SBI Mutual Fund	5.39	72.27	6.32
CanBank Mutual Fund	6.77	37.62	15.40

Note:- All ratios are expressed in percentages and average over a period of 10years

Source:-Annual reports of SBI and Canbank mutual fund for the peroid 91-2001

The table 5.5 reveals the performance evaluation through ratio analysis. It can be noticed in the table that ROI was recorded 5.39 per cent in SBI Mutual Fund and 6.77 per cent in CanBank Mutual Fund which indicates that CanBank Mutual Fund has earned more return than SBI Mutual Fund. This signifies that investment of CanBank Mutual Fund have been properly channelised to get good return The gross expenses to gross income registered 72.27 percent in SBI Mutual Fund and 37.62 per cent in CanBank Mutual Fund which signifies that expenses of CanBank Mutual Fund incurred less than SBI Mutual Fund.

Lower expenses of CanBank Mutual Fund indicate that more fund will be left to unit holders in the form of dividend. The gross expenses to total investible

fund was posted 6.32 percent in SBI Mutual Fund and 15.40 percent in CanBank Mutual Fund which indicates that expenses as compared to investment fund were under control in CanBank Mutual Fund. This indicate that the efficiency of CanBank mutual fund is better than SBI Mutual Fund with regards to control of expenses. Overall it shows that CanBank Mutual Fund performance is better than SBI Mutual Fund.

Table 5.7

Table showing comparative efficiency of open ended schemes through ratio analysis for the peroid 1991-2001

Organisations	ROI	Gross Expenses to Gross Income	Gross expenses to Total investible fund
SBI Mutual Fund	4.69	129.72	8.50
CanBank Mutual Fund	11.36	52.95	8.43

Note:-All ratios are expressed in percentages and average over a period of 10 years

Source:-Annual reports of SBI and CanBank mutual fund for the peroid 91-2001

It can be observed from the table that ROI of open ended schemes of SBI Mutual Fund was recorded 4.69 percent and 11.36 per cent in Canbank Mutual Fund Higher ROI in CanBank Mutual Fund speaks that there is optimum use of investment which has resulted higher yield compared to SBI Mutual Fund. The gross expenses to gross income ratio has been registered 129.72 percent and 52.95 percent in CanBank Mutual Fund which signifies that expenses proportion of CanBank Mutual Fund is lower than SBI Mutual Fund. Low gross expenses in CanBank Mutual Fund gives us hint that they had effectively control the expenses of Mutual Fund .The gross expenses to total investible fund was recorded 8.50 per

cent in SBI Mutual Fund and 8.43 percent in CanBank Mutual Fund which denotes that CanBank mutual fund expenses were lower than SBI Mutual Fund. Overall it spotted from the that CanBank Mutual Fund performance is better than SBI Mutual Fund.

Table 5.8

Table showing the comparative efficiency of close ended schemes through ratio analysis for the peroid 1991-2001

Organisations	ROI	Gross Expenses to Gross Income	Gross expenses to Total investible fund
SBI Mutual Fund	5.02	64.48	5.77
CanBank Mutual Fund	(0.74)	175.60	25.27

Note:-All ratios are expressed in percentages and average over a period of 10 years

Source: Annual report of SBI & CanBank Mutual Fund for the period 91-92

It can be witnessed from the table that ROI of close ended schemes is registered 5.02 per cent in SBI Mutual Fund and (0.74) per cent in CanBank Mutual Fund Thus it signifies that return of investment of SBI Mutual Fund is better than CanBank Mutual Fund. The gross expenses to gross Income was posted at 64.48 per cent in SBI Mutual Fund and 175.60 per cent posted in CanBank Mutual Fund which indicates that CanBank mutual fund incurred more expenditure than SBI mutual fund.. The gross expenses to total investible fund has been registered 5.77 per cent posted in SBI Mutual Fund and 25.77 per cent in CanBank Mutual Funds. It indicates that expenses were higher in CanBank Mutual Fund with respect to total investible fund. Thus overall, it points out that efficiency of SBI Mutual Fund is better than CanBank Mutual Fund.

Conclusion

It was found in the study that:-

- 1) The Net profit ratio, operating ratio and expenses ratio was found satisfactory as compared to CanBank Factors
- 2) The liquidity position of CanBank Factors was higher as compared to SBI Factors.
- 3) Recovery of debts was found better in CanBank Factors compared to SBI Factors.
- 4) An rupee increase in variables viz income and sales or factored debts earns higher profit in CanBank Factors compared to SBI Factors.
- 5) Based on the total score obtained by each factor in all the five segments CanBank Factor performed better than SBI Factors.
- 6) The efficiency ratios of CanBank Mutual Fund was found satisfactory compared to SBI to SBI Mutual Fund.
- 7) The growth of financial variables viz unit capital ,reserves and surplus of open ended schemes and close ended schemes of SBI mutual fund was recorded satisfactory as compared to compound growth of unit capital and reserves and surplus of CanBank Mutual Fund