

CHAPTER III

FINANCIAL PERFORMANCE OF KOYANA CO-OPERATIVE BANK LTD, KARAD

3.1 :- Introduction :-

Financial performance of any bank can be evaluated by financial statement analysis as discussed in the previous chapter; there are various techniques of financial analysis. An attempt is made in this chapter to evaluate the financial performance of Koyana Co-operative Bank Ltd., Karad by using some of the techniques of financial Analysis. The techniques used are as follows :-

- 1) Comparative financial statements.
- 2) Commonsize financial statements.
- 3) Trend Percentages.

3.2 :- Comparative Financial Statements :-

Comparative financial statements are statements of the financial position of a business so designed as to provide time perspective to the consideration of various elements of financial position embodied in such statements usually, it is the balance sheet and Income statement which alone are prepared in comparative form because they are the most important statements of financial position.

Comparative Statements may be made to show.

- i) Absolute data (Money values or rupee amounts)
- ii) Increase and decreases in absolute data in terms of money values.
- iii) Increases or decreases in absolute data in terms of percentages.
- iv) Comparisons expressed in ratios.
- v) Percentage of totals.

Comparative financial statements are very useful to the analysis because they contain not only the data appearing in single statement but also information necessary for the study of financial and operating trends over a period of years. They indicate the direction of the movement with respect of financial position and operating results.

When financial statements are prepared at monthly or quarterly intervals, comparisons may be made with the corresponding month or quarter of the preceding accounting year,

Comparative financial statements present a review of the past activities.

3.2.1 :- Comparative Income statement :-

An Income statement shows the net profit or net loss resulting from the operation of a business for designated period of time. A comparative income statement shows the operating results for a number of accounting periods so that changes in absolute data from one period to another may be stated in terms of money and percentages.

Table No. 3.1 Comparative income statement for the years 2002-07.

(Rs. In Lakhs)

Particulars	31/03/03	31/03/04	Increase as on 31/03/04	31/03/04	31/03/05	Increase as on 31/03/05	31/03/05	31/03/06	Increase as on 31/03/06	31/03/06	31/03/07	Increase as on 31/03/07
A) Total income	235.34	264.23	28.89 (12%)	264.23	280.09	15.86 (6%)	280.09	310.15	30.06 (11%)	310.15	318.23	8.08 (3-%)
1) Interest Income	220.11	248.85	28.74 (13%)	248.85	275.86	27.01 (11%)	275.86	308.04	32.18 (12%)	308.04	314.19	6.15 (2%)
2) Non- Interest Income	15.23	15.38	0.15 (1%)	15.38	4.23	-11.15 (-72%)	4.23	2.11	-2.12 (-50%)	2.11	4.04	1. (91%)
B) Total Expenditure	205.10	236.34	31.24 (15%)	236.34	248.08	11.71 (5%)	248.05	264.29	16.24 (7%)	264.29	277.25	12.96 (5%)
1) Interest Paid	177.38	203.80	26.42 (15%)	203.80	216.84	13.04 (6%)	216.84	236.99	15.15 (7%)	236.99	236.54	4.55 (2%)
2) Administrative Expenses	25.89	30.84	4.95 (19%)	30.84	30.09	-0.75 (-2%)	30.09	30.80	0.71 (2%)	30.80	39.04	8.24 (27%)

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3) Other Expenses	1.83	1.70	-0.13 (-7%)	1.70	1.12	-0.58 (-34%)	1.12	1.50	0.38 (34%)	1.50	1.67	0.17 (11%)
C) Operating Profit (A-B)	30.24	27.89	-2.35 (-8%)	27.89	32.04	4.15 (15%)	32.04	45.86	13.82 (43%)	45.86	40.98	-4.88 (-11%)
D) Provisions	11.94	12.20	0.26 (2%)	12.20	16.08	3.88 (32%)	16.08	25.48	9.4 (58%)	25.48	35.62	10.14 (40%)
E) Net profit (C-D)	18.30	15.69	-2.61 (-14%)	15.69	15.96	0.27 (2%)	15.96	20.38	4.42 (28%)	20.38	5.36	-15.02 (-74%)

(Source: Audited financial Statements)

Observations –

1. Total Income and Interest Income shows an increasing trend over the period under study, but the increase is at fluctuating rate. The increase is lowest of 3% & 2% resp. during 2007.
2. Non Interest Income was Rs. 15.23 lakhs during 2003, It shows a slight increase of 1% & come to Rs. 15.38 lakhs during 2004, afterwards it shows a tremendous decrease of Rs. 11.15 lakhs i.e. of 72 % and come to Rs. 4.23 lakhs during 2005. Again it shows decrease of Rs. 2.11 lakhs during 2006, The Reason behind the decrease is, the bank has sold investments and earn a substantial profit during 2003 & 2004, which is included in non interest income. This profit was not earned during 2005& 2006.
3. An increasing trend is observed in total expenditure and interest expenditures which is at a fluctuating rate The increase in interest expenditure is highest of 15% during 2004 and lowest of 2% during 2007.
4. Administrative expenses show a fluctuating trend. It shows an increase of 19% during 2004, afterwards a decrease of 2% during 2005, but again it shows an increase of 2% and 27% resp. during 2006 & 2007. The administrative expenses are highest during 2007.
5. A fluctuating trend is seen in operating profit. The operating profit shows a decrease of 8% during 2004, afterwards, it shows increase of 15% and 43% resp. during 2005 & 2006, ^{It is due to} The increase in total income is more than sufficient to offset the increase in total expenses. Then it has decreased by 11% during 2007. The decrease is due to the higher increase in expenses compared to total income.

6. Net profit shows decrease of 14% during 2004, afterwards a slight increase of 2% during 2005 and a substantial increase of 28% during 2006, but again it has declined tremendously by 74% during 2007, which is due to decrease in operating profit and increase in provisions during this year .

3.2.2 Comparative Balance sheet :-

Increase and decrease in various assets and liabilities as well as in proprietor's equity or capital, brought about by the conduct of a business can be observed by a comparison of the balance sheets at the beginning and end of the period. Such observation often yields considerable information which is of value in forming an opinion regarding the progress of the enterprise and in order to facilitate comparison a simple device known as the comparative balance sheet may be used.

Table No. 3.2 Comparative balance sheet for the years 2002-07.

(Rs. In Lakhs)

Particulars	31/03/03	31/03/04	Increase as on 31/03/04	31/03/04	31/03/05	Increase as on 31/03/05	31/03/05	31/03/06	Increase as on 31/03/06	31/03/06	31/03/07	Increase as on 31/03/07
Cash & Bank Bal	71.80	86.07	14.27 (20%)	86.07	104.13	18.06 (21%)	104.13	146.83	42.7 (41%)	146.83	213.91	67.08 (46%)
Investments	895.85	881.32	-14.53 (-2%)	881.32	1144.62	263.30 (30%)	1144.62	1365	220.38 (19%)	1365	1123.61	-241.39 (18%)
Loans & Advances	960.41	1270.14	309.73 (32%)	1270.14	1502.99	232.85 (18%)	1502.99	1699.41	196.42 (13%)	1699.41	2038.56	339.15 (20%)
Short term loans	309.72	454.76	145 (47%)	454.76	517.84	63.08 (14%)	517.84	551.03	33.19 (6%)	551.03	750.80	199.77 (36%)
Medium term loans	612.88	776.54	163.66 (27%)	776.54	935.45	158.91 (20%)	935.45	1110.17	174.72 (19%)	1110.17	1253.33	143.16 (13%)
Long terms loans	37.80	38.84	1.04 (3%)	38.84	49.70	10.86 (28%)	49.70	38.21	-11.49 (-23%)	38.21	34.43	-3.78 (-10%)

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Interest receivable	15.84	18.48	2.64 (17%)	18.48	31.66	13.18 (71%)	31.66	47.94	16.28 (51%)	47.94	12.80	-35.14 (73%)
Bills for collection being B/R as per contra	3.18	3.61	0.43 (14%)	3.61	3.56	-0.05 -1%	3.56	2.81	-0.075 (-21%)	2.81	12.30	9.49 (338%)
Branch Adjustment	215.48	362.84	147.36 (68%)	362.84	348.94	-13.9 (-4%)	348.94	422.07	73.13 (21%)	422.07	-	-422.07 (-100%)
Fixed Assets	67.80	69.20	1.4 (2%)	69.20	60.95	-8.25 (-12%)	60.95	47.65	-13.3 (-22%)	47.65	39.36	-8.29 (-17%)
Other Assets	13.52	15.31	1.79 (13%)	15.31	12.87	-2.44 (-16%)	12.87	1.66	-11.21 (-87%)	1.66	12.31	10.65 (642%)
Provision for N.P.A Interest	-	-	-	-	-	-	-	-	-	-	66.93	-
Total Assets	2243.88	2706.91	463.09 (21%)	2706.97	3209.72	502.75 (19%)	3209.72	3733.37	523.65 (16%)	3733.37	3519.78	-213.59 (-6%)

(Source: Audited financial Statements)

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Comparative Balance Sheet.

(Rs. In Lakhs)

Particulars	31/03/03	31/03/04	Increase as on 31/03/04	31/03/04	31/03/05	Increase as on 31/03/05	31/03/05	31/03/06	Increase as on 31/03/06	31/03/06	31/03/07	Increase as on 31/03/07
Share Capital	96.62	118.13	21.51 (22%)	118.13	138.95	20.82 (18%)	138.95	152.73	13.78 (10%)	152.73	164.82	12.09 (81%)
Reserve Fund	15.72	20.57	4.85 (31%)	20.57	24.80	4.23 (20%)	24.80	29.06	4.26 (17%)	29.06	35.46	6.4 (22%)
Other Reserves	57.22	73.89	16.67 (29%)	73.89	92.42	18.53 (25%)	92.42	115.39	22.97 (25%)	115.39	147.80	32.41 (28%)
Deposits	1785.72	2060.97	275.25 (15%)	2060.97	2509.65	448.68 (22%)	2509.62	2885.63	376.01 (15%)	2885.63	3002.25	116.62 (4%)
• Saving Deposits	121.93	159.67	37.74 (31%)	159.67	244.10	84.43 (53%)	244.10	304.35	60.25 (25%)	304.35	254.94	-19.41 -6%
• Current Deposits	31.42	54.20	22.18 (73%)	54.20	59.60	5.4 (10%)	59.60	87.85	28.25 (47%)	87.85	214.88	127.03 (145%)
• Time deposits	1632.37	1847.10	214.73 (13%)	1847.10	2205.95	358.85 (19%)	2205.95	2493.43	287.48 (13%)	2493.43	2532.43	39 (1.5%)

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Interest payable	43.86	34.59	-9.27 (-21%)	34.59	50.17	15.58 (45%)	50.17	63.80	13.63 (27%)	63.80	71.85	8.05 (13%)
Provision for Interest	2.39	9.29	6.9 (288%)	9.29	18.79	9.51 (102%)	18.79	34.73	15.94 (85%)	34.73	66.93	32.20 (93%)
Other Liabilities	5.39	7.39	2 (37%)	7.39	6.48	-0.91 (-12%)	6.48	6.76	0.28 (4%)	6.76	12.99	6.23 (92%)
Profit & loss a/c	18.30	45.69	-2.61 (-14%)	15.69	15.96	0.27 (27%)	15.96	20.39	4.43 (28%)	20.39	5.36	-15.03 (-74%)
Total Liabilities	2243.88	2706.97	463.09 (21%)	2906.97	3209.72	502.75 (19%)	3209.72	3733.37	523.65 (16%)	3733.37	3519.76	-213.61 (-6%)

(Source: Audited financial Statements)

Observations –

1. The cash & bank bal. shows increase of 20% and 21% during 2004 & 2005; afterwards it shows a substantial increase of 41% and 46% during 2006 & 2007. It indicates that bank has maintained high liquidity during these years.
2. There is increase in investment during 2005 & 2006 and decrease during 2004 & 2007.
3. Loans & advances show an increasing trend. The increase is at a decreasing rate except during 2007. Short term & medium term loans show an increasing trend over the period under study while the long term loans show an increase during 2004 & 2005 and decrease during 2006 & 2007.
4. Fixed assets show a decreasing trend except during 2004. It due to fixed assets are shown at a depreciated value and no substantial addition is made to fixed assets.
5. The share capital shows increasing trend but the increase is at a diminishing rate. Increase in share capital shows confidence of investors in bank.
6. Reserve fund position shows an improvement over the period under study. The increase is at a decreasing rate except during 2007.
7. The deposit mobilization show increasing trend but the increase is at a fluctuating rate. It shows lowest increase of 4% during 2007.
8. Savings deposits shows an increasing trend except during 2007. While current deposits & time deposits show a continuous increasing trend. The increase was highest of nearly 1.5 times in current deposits and lowest of 1.5 % in time deposits during

2007. As the current deposits have increased tremendously the bank has kept a substantial cash & bank balance during this year.

9. Total assets & liabilities shows increase except in the year 2007, during which there is decrease of 6%.

General Conclusions –

An analysis of comparative financial statements gives the following general conclusions.

1. Total Income and Interest Income Shows increasing tendency, but the increase is lowest during 2007.
2. Administrative expenses show fluctuating trend, these expenses are highest during 2007.
3. The operating profit and Net profit shows a Fluctuating trend. It shows a highest decrease during 2007, As the increase in income is not sufficient to offset the increase in expenses during this year.
4. Cash & bank balance shows Continuous increasing tendency. The bank has maintained highest cash & bank balance during 2007.
5. The loans and advances of the bank shows increasing tendency the short term & medium term loans shows continuous increase during the period under study while the, long term loans show increase up to 2005 afterwards it shows decrease during 2006 & 2007.
6. The current and time deposits shows a continuous increasing trend. The rate of increase in current deposits is higher compared to time deposits. Current deposits shows highest increase during 2007, as a result the bank has maintained a substantial cash & bank balance during this year.
7. The share capital and Reserve fund shows an increasing trend over the period under study.

3.3 :- COMMON SIZE FINANCIAL STATEMENTS :-

Common size statements facilitates comparison of two or more business entities with a common base. In the case of balance sheet total assets or liabilities and capital can be taken as the common base and in case of income statement, net sales can be taken as the base.

Thus, the statement prepared to bring out the ratio of each asset or liability to the total of the balance sheet and the ratio of each item of expense or revenue to net sales is known as the common size statement.

Common size analysis reveals the sources of capital and all other sources of funds and the distribution or use or application of the total funds in the assets of a business enterprise. Comparison of common size statements over a number of years will clearly indicate the changing proportions of the various components of assets, liabilities costs, net sales and profits.

Computation of common size statement :-

- 1) Total assets, total liabilities and capital and total net sales are stated as 100 percent.
- 2) The ratio of each statement item to the statement total is found out by dividing individual money amounts by the total amount in the statement.

3.3.1 :- Common size income statement.

Common size income statement shows the amount / percentage that each item bears to the total income. comparison of common size income statement over a number of years will clearly indicate the changing proportions of each statement item

Table No. 3.3 Common size income statement for the years 2002-07.

(Rs. in lakhs)

Particulars	31/03/03		31/03/04		31/03/05		31/03/06		31/03/07	
	Figures	%	Figures	%	Figures	%	Figures	%	Figures	%
A) Total income	235.34	100	264.23	100	280.09	100	310.15	100	318.23	100
1) Interest Income	220.11	93.53	248.85	94.18	275.86	98.49	308.04	99.32	314.19	98.73
2) Non- Interest Income	15.23	6.47	15.38	5.82	4.23	1.51	2.11	0.68	4.04	12.70
B) Total Expenditure	205.10	87.15	236.34	89.44	248.05	88.56	264.29	85.21	277.25	87.12
1) Interest Paid	177.38	75.37	203.80	77.13	216.84	77.42	231.99	74.80	236.54	74.33
2) Administrative Expenses	25.89	11	30.84	11.67	30.09	10.74	30.80	9.93	39.04	12.27
3) Other Expenses	1.83	0.78	1.70	0.64	1.12	0.40	1.50	0.48	1.67	0.52
C) Operating Profit (A-B)	30.24	12.85	27.89	10.56	32.04	11.44	45.86	14.79	40.98	12.88
D) Provisions	11.94	5	12.20	4.62	16.08	5.74	25.48	8.22	35.62	11.19
E) Net profit (C-D)	18.30	7.78	15.69	5.94	15.96	5.79	20.38	6.57	5.36	1.68

(Source: Audited Financial Statements)

Observations -

1. The percentage of interest income in total income shows an increasing tendency. It is highest of 98.73% during 2007, which indicates a substantial part of total income.
2. The percentage of total exp to total income shows a fluctuating trend, it shows increase during 2004, afterwards decrease during 2005 & 2006 and again increase during 2007; the percentage is highest of 89.44% during 2004.
3. The percentage of interest expenses to total income is 75.37% during 2003, afterwards it shows increase during 2004 & 2005 and decrease during 2006 & 2007.
4. The percentage of administrative expenses to total income is 11% & 11.67 resp during 2003 & 2004, afterwards it shows decrease during 2005 & 2006 and again increase during 2007.
5. The percentage of operating profit in total income shows a fluctuating trend, it is 12.85% during 2003, afterwards it shows increase during 2004, and increase during 2005 & 2006 but again it shows decrease during 2007.

3.3.2 Common size Balance sheet

The common size balance sheet percentages show the relation of each asset item to total assets and each liability and capital item to total liabilities and capital. The balance sheet common size ratios may reflect a change in the individual item, a change in the total or a change in both.

Table No. 3.4 Common size Balance Sheet for the years 2002-07.

(Rs. In Lakhs)

Particulars	31/03/03	% Figures	31/03/04	% Figures	31/03/05	% Figures	31/03/06	% Figures	31/03/07	% Figures
Cash & Bank Bal	71.80	3.20	86.07	3.18	104.13	3.24	146.83	3.93	213.91	6.08
Investments.	895.85	39.92	881.32	32.56	1144.62	35.66	1365	36.56	1123.61	31.92
Loans & Advances	960.41	42.80	1270.14	46.92	1502.99	46.83	1699.41	45.52	2038.56	57.92
Interest receivable	15.84	0.71	18.48	0.68	31.66	0.99	47.94	1.28	12.80	0.36
Bills for collection being B/R as per contra	3.18	0.14	3.61	0.13	3.56	0.11	2.81	0.08	12.30	0.35
Branch Adjustment	215.48	9.60	362.84	13.40	348.94	10.87	422.07	11.31	-	-
Fixed Assets	67.80	-3.	69.20	2.56	60.95	1.90	47.65	1.28	39.36	1.12
Other Assets	13.52	0.60	15.31	0.57	12.87	0.40	1.66	0.04	12.31	0.35
Provision for N.P.A Interest	-	-	-	-	-	-	-	-	66.93	1.90
Total Assets	2243.88	100	2706.97	100	3209.72	100	3733.37	100	3519.78	100

(Source: Audited financial Statements)

contd.

Common Size Balance Sheet.

(Rs. In Lakhs)

Particulars	31/03/03	% Figures	31/03/04	% Figures	31/03/05	% Figures	31/03/06	% Figures	31/03/07	% Figures
Share Capital	96.62	4.3	118.13	4.36	138.95	4.33	152.73	4	164.82	4.68
Reserve Fund	15.72	0.7	20.57	0.76	24.80	0.77	29.06	0.78	35.46	1
Other Reserves	57.22	2.55	73.89	2.73	92.42	2.88	115.39	3	147.80	4.20
Deposits	1785.72	79.58	2060.97	76.14	2509.65	78.19	2885.63	77.29	3002.25	85.30
Bills for Collection being B/R as per contra	3.18	0.14	3.61	0.13	3.59	0.11	2.81	7.53	12.30	0.35
Interest payable	43.86	1.95	34.59	1.28	50.17	1.56	63.80	1.71	71.85	2
Provision for Interest	2.39	0.11	9.29	0.34	18.79	0.59	34.73	0.93	66.93	1.9
Other Liabilities	5.39	0.24	7.39	2.27	6.48	0.2	6.76	0.18	12.99	0.37
Branch Adjustment	215.48	9.6	362.84	13.4	348.94	10.10.8787	422.07	11.311.311	-	-
Profit & loss a/c	18.30	0.82	45.69	0.58	15.96	0.5	20.39	0.55	5.36	0.15
Total Liabilities	2243.88	100	2706.97	100	3209.72	100	3733.37	100	3519.76	100

(Source: Audited financial Statements)

Observations -

1. The percentage of cash & bank balance in total assets shows increasing trend except during 2004, it is highest of 6.08% during 2007, which indicates 6% portion of total assets consists cash & bank balances.
2. The percentage of investments in total assets shows a fluctuating trend.
3. The loans and advances in total assets is 42.80% during 2003 afterwards, it shows increase during 2004 & decrease during 2005 & 2006, but again it shows increase and came to 57.92% during 2007.
4. The share capital is 4.3% of total liabilities during 2003; afterwards it shows a slight increase & decrease.
5. The deposits are 79.58% of total liabilities during 2003, afterwards it shows a fluctuating trend in the coming years and come to 85.30% during 2007.

General Conclusions –

An analysis of common size financial statements gives the following general conclusions.

1. The percentage of interest income to total income shows on increasing tendency. It is highest during 2007 and the percentage of interest expenses & administrative expenses to total income shows a fluctuating trend.
2. The percentage of operating profit & net profit to total income shows a fluctuating trend. The percentage of net profit to total income is lowest of 1.68% during 2007.
3. The percentage of cash & bank balance is highest during 2007.
i.e. 6% of total assets .

4. Loans and advance percentage to total assets shows fluctuating trend. It is 57.92% during 2007.
5. The share capital is approx. 4% of total liabilities.
6. The percentage of deposits to total liabilities & capital shows a fluctuating trend it is highest during 2007.

3.4 :- TREND PERCENTAGES :-

INTRODUCTION :-

A series of financial statements may be analysed by determining and studying the trends of the data shown in the statements. This method of analysis is one of direction upward or downward and involves the computation of percentage relationship that each statement item bears to the same item in the base year which may be the earliest year in comparison or the latest year or any intervening year. Trend percentages or relatives to the base year, emphasize changes in the financial operating data from year to year and make possible a horizontal study of the data.

Also known as trend ratios, these percentages may be thought of as index numbers showing relative changes in the financial data resulting with the passage of time.

COMPUTATION OF TREND PERCENTAGES :-

- 1) A statement is taken as the base with reference to which all other statements are to be studied.
- 2) Every item is to be stated as 100 in the statement which is taken as the base.

3) If the amount of an item in another statement is less than that in the base statement, the trend percentage will be below 100 and if the amount is more than the base amount, the trend percentage would be above 100 percent.

4) Trend ratios can be computed by dividing each amount in the statements with the corresponding item in the statement taken as the base.

Trend ratios are generally not compared for all of the items in the statements as the fundamental objective is to make comparisons between items having some logical relationship to one another.

We will calculate the trend percentages for the major components of the financial statements viz. deposits, loans and advances, profits of the bank for the five years under study. We shall take the year 2003 as the base year.

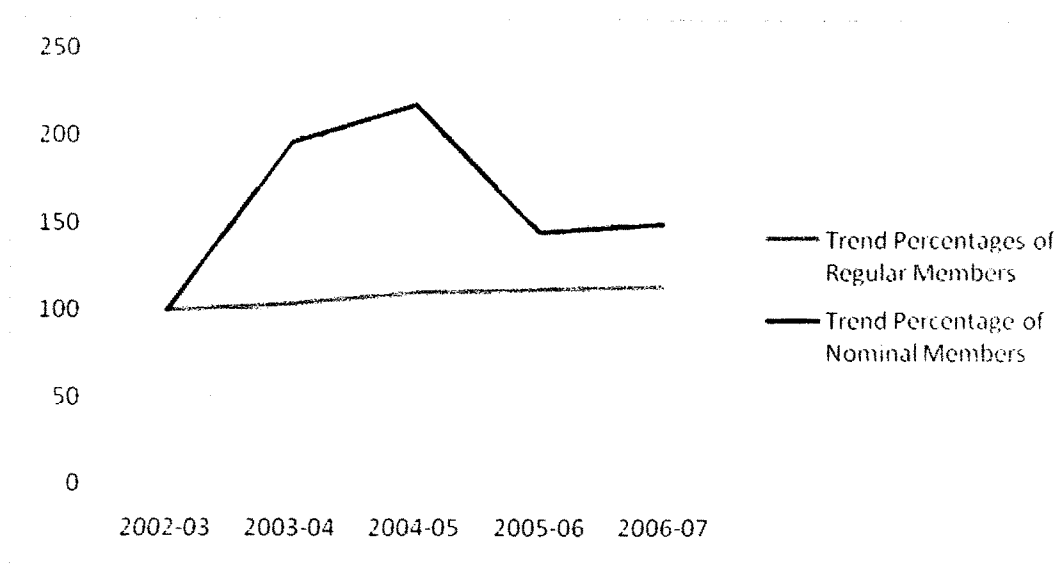
3.4.1 Trend percentages of Membership

Table No. 3.5: Table showing Trend percentages of Membership

Years	Regular Members	Trend Percentages base year 2003	Nominal members	Trend percentages base year
2002-03	2588	100	860	100
2003-04	2693	104	1685	196
2004-05	2845	110	1877	218
2005-06	2911	112	1244	145
2006-07	2950	114	1292	150

Source : Audited financial statements.

Chart No. 3.1 Line Chart showing trend percentages of membership



Observations –

1. The trend of regular members shows a continuous increasing tendency. The trend does not show any remarkable fluctuations over the period under study.
2. The trend of nominal members is clearly fluctuating; it shows increase of 96% i.e. nearly 1 times during 2004, then a increase of 118% i.e. more than 1 times during 2005, which shows a substantial increase. Afterwards it shows decrease during 2006, over the previous year. Again it shows a slight increase during 2007.
3. The increasing trend in regular members shows the trust of members in the bank

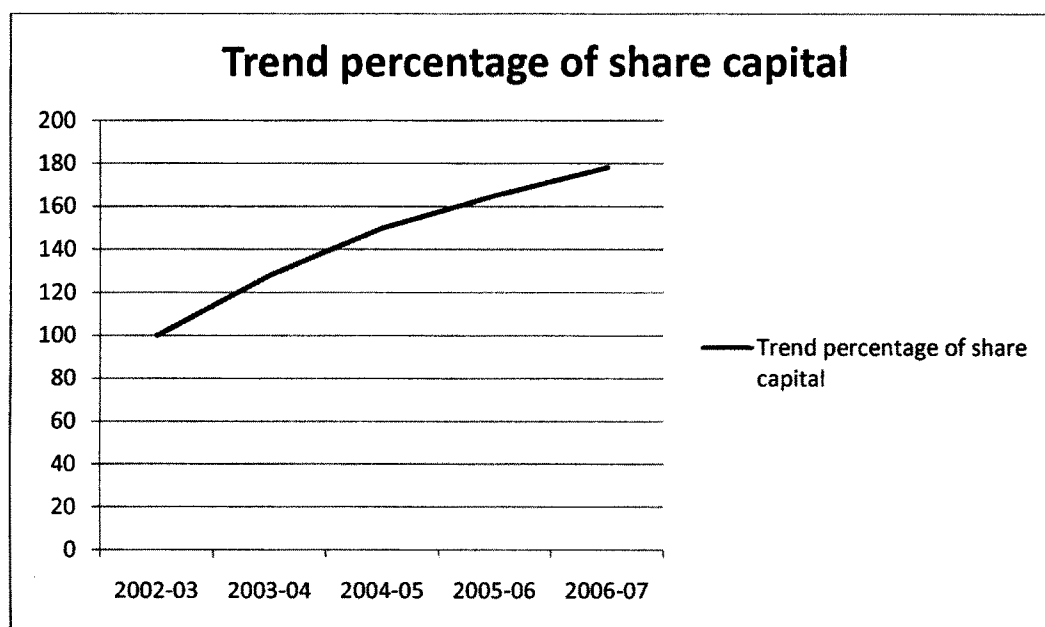
3.4.2 Trend percentages of share capital.

Table No. 3.6 Table showing trend percentages of share capital.

Years	Share Capital Rs. In lakhs	Trend percentages base year 2002-03
2002-03	92.62	100
2003-04	118.13	128
2004-05	138.95	150
2005-06	152.73	165
2006-07	164.82	178

Source: Audited financial statements

Chart No. 3.2 Line chart showing trend percentages of share capital



Observations

1. The trend of share capital shows an increasing tendency.
The trend of share capital shows an increase of 28% and

50% resp. during 2004 and 2005. The increasing trend continued and during 2006 and 2007, It shows an increase of 65% and 78% resp. compared to the base year.

2. The increasing trend depicts confidence in the minds of investors.

3.4.3: TREND PERCENTAGE OF DEPOSITS:-

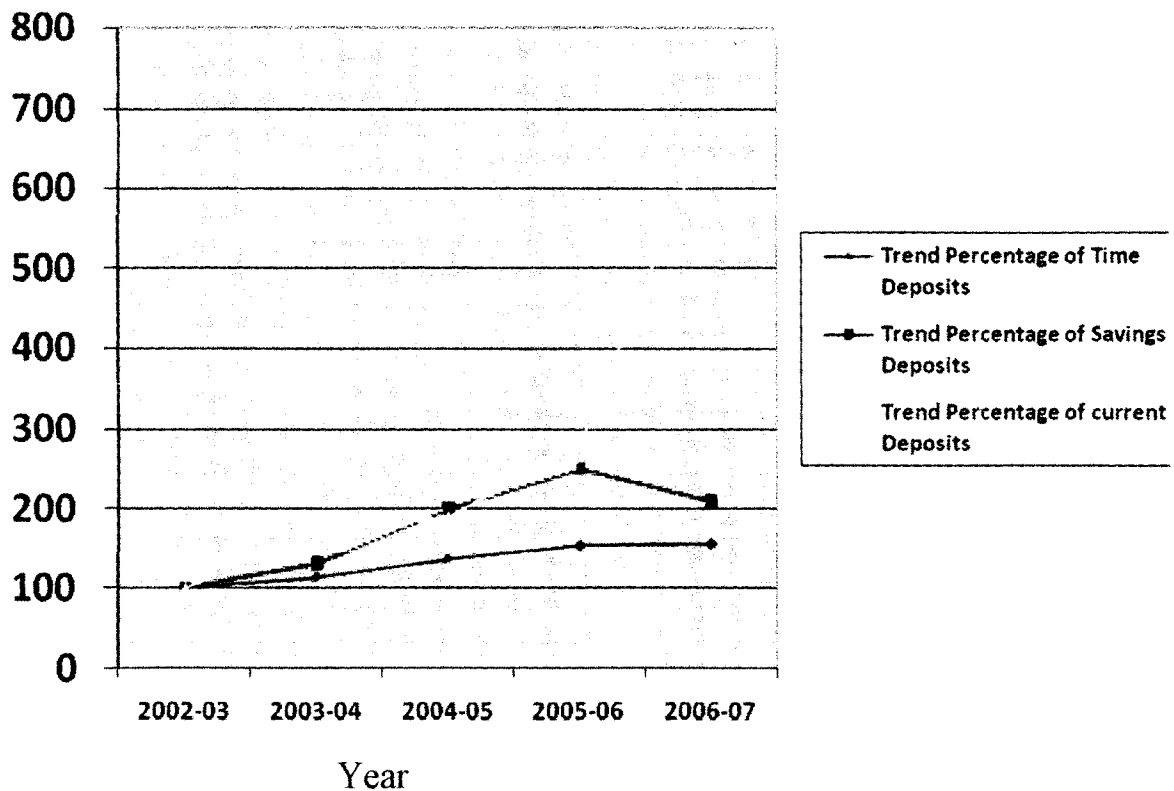
Table No. 3.7 :-Table showing trend percentage of deposits for

2002-07

Year	Amount of time deposits (Rs.in lakhs)	Trend percentage base year 2002-03	Amount of savings deposits (Rs.in lakhs)	Trend percentage base year 2002-03	Amount of current deposits (Rs. In lakhs)	Trend percentage base year 2002-03
2002-03	1632.37	100	121.93	100	31.42	100
2003-04	1847.10	113	159.67	131	54.20	173
2004-05	2205.95	135	244.10	200	59.60	190
2005-06	2493.43	153	304.35	250	87.85	280
2006-07	2532.43	155	254.94	209	214.88	684

(Source : Audited Financial Statements.)

Chart No. 3.3 :- Line chart showing trend percentage of deposits.



OBSERVATIONS :-

- 1) The trend of time deposits and current deposits shows an increasing tendency. In between time & current deposits, current deposits show a higher increasing tendency.
- 2) The increase in time deposits was 13% & 35% resp. during 2004 & 2005 compared to the base year. And 55% & 53% during 2006 and 2007. resp.
- 3) Current deposits show an increasing trend. It has increased by 73 % in 2003 and by 90% in 2004. The trend of increase continued and it shows a tremendous increase of more than 5.5 times i.e. of 584 %.

It shows that the trend of current deposits have shown a rising tendency year after year.

- 4) While the savings deposits show an increase of 31% compared to base year during 2004, afterwards in 2005 it shows a 1 times increase, then the increase has gone up to 1.5 times in 2006 but in 2007, it shows a decrease over the previous year.

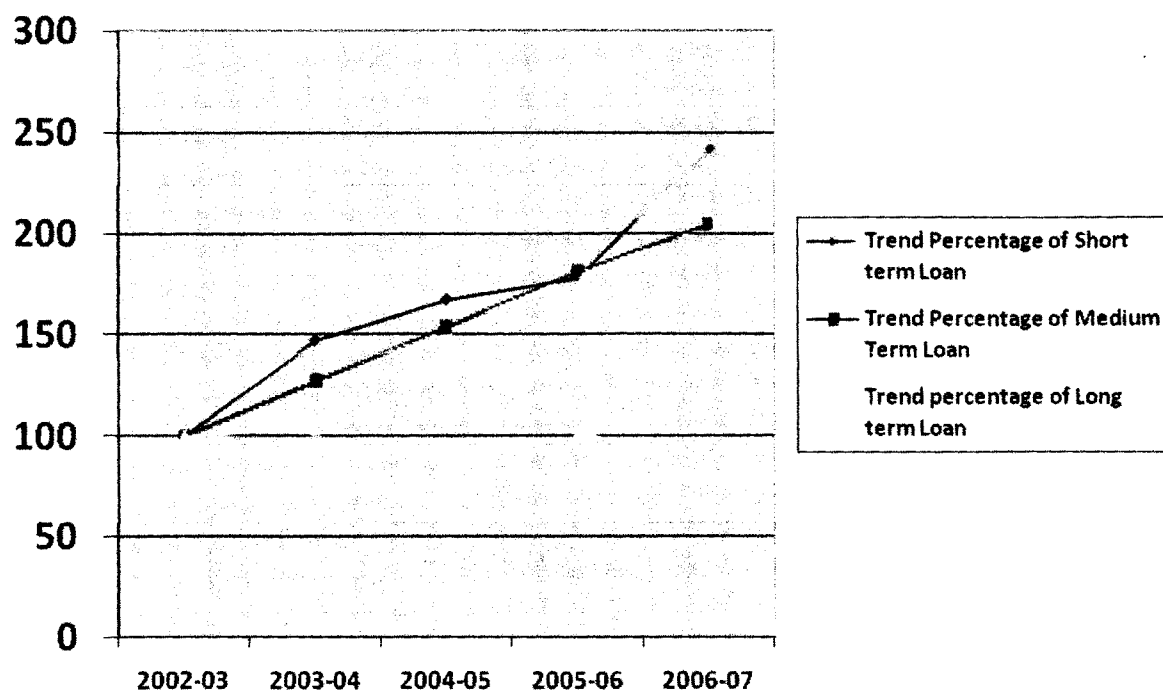
3.4.4 – Trend percentages of Loans & advances

Table No. 3. 8:- Table showing trend percentages of loans and advances for 2002-07

Year	Amount of short term loans (Rs.in lakhs)	Trend percentage base year 2002-03	Amount of medium term loans (Rs.in lakhs)	Trend percentage base year 2002-03	Amount of long term loans (Rs. In lakhs)	Trend percentage base year 2002-03
2002-03	309.72	100	612.88	100	37.80	100
2003-04	454.76	147	776.54	127	38.84	103
2004-05	517.84	167	935.45	153	49.70	131
2005-06	551.03	178	1110.17	181	38.21	101
2006.07	750.80	242	1253.33	204	34.43	91

(Source : Audited Financial Statements.)

Chart No. 3.4 :- Line chart showing trend percentage of loans & advances



Year

OBSERVATIONS :-

- 1) The above table shows that, the short term, medium term loans show an increasing trend. When we compare the increasing trend of these two types of loans, we find that the short term loans have increased faster than to medium term loans.
- 2) In 2004, short term loans and medium term loans have increased by 47% and 27% resp. afterwards the increasing trend continued and in 2006 the increase in short term loans was 78% while the increase in Medium Term Loans was 81%, as compared to the base year. It means that the increase in medium term loans during 2006 was higher than the short term loans, afterwards in 2007, the

increase in short term loans was nearly 1.5 times which was higher than the increase in medium term loans. i.e. of 1 times.

- 3) The long term loans show an increasing trend except in the years 2006 and 2007. The long term loans have increased by 3% and 31% during 2004 and 2005 resp. afterwards in the year 2006, the long term loans have decreased by Rs. 11.49 lakhs the decrease was 30% less than the previous year, then in 2007, it has also decreased, the decrease was 9% compared to base year.
- 4) Amongst the short term, medium term and long term *Loans* the increase in short term *Loans* is higher.

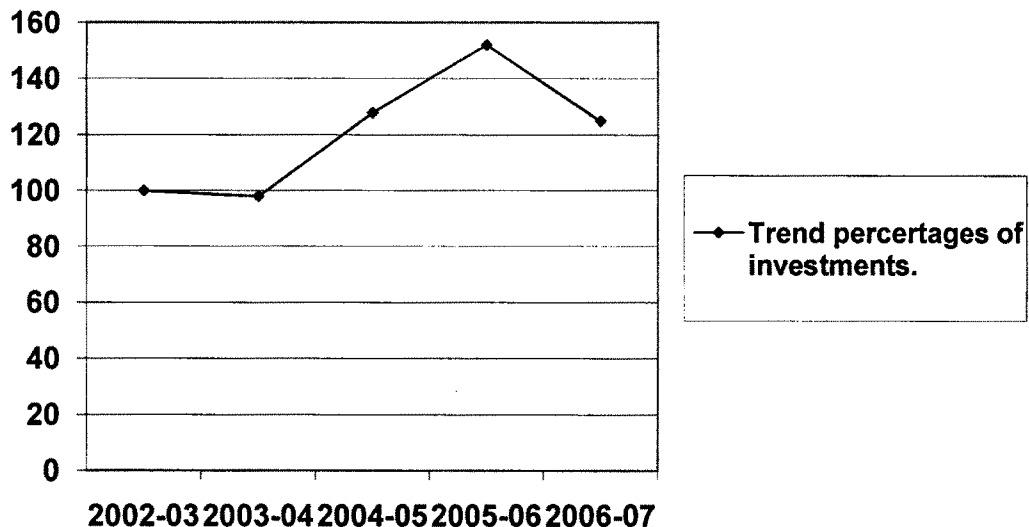
3.4.5 :- Trend percentages of Investments.

Table No. 3.9 :-Table showing trend percentage of investments for 2002-07

Year	Amount of investments. (Rs. In lakhs)	Trend percentages base year 2002-03
2002-03	895.84	100
2003-04	881.32	98
2004-05	1144.62	128
2005-06	1364.99	152
2006-07	1123.61	125

(Source : Audited Financial Statements.)

Chart No. 3.5 :- Line chart showing trend percentage of investments.



Years

Observations :-

- 1) The trend of investments shows increase during 2005 and 2006 & decrease during 2004 and 2007
- 2) The investments were Rs. 895.84 Lakhs in 2003, afterwards it has decreased by 2 % compared to the base year ^{during 2003}, then in the year 2005 and 2006 it shows increase of 28 % and 52 % respectively but again in 2007 it shows a decrease Over the previous year but still it is higher than base year.
- 3) The trend of investment is lower than base year only during 2004.

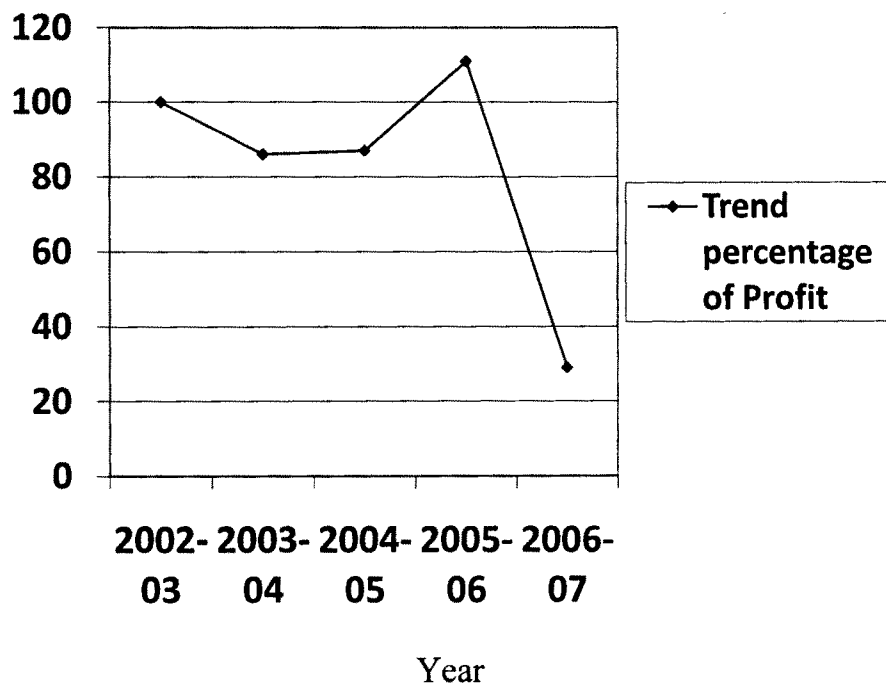
3.4.6 – Trend Percentages of profit:-

Table No. 3.10 :- Table showing trend percentages of profit for 2002-07

Year	Amount of profit (Rs.in lakhs)	Trend percentages base year 2002-03
2002-03	18.30	100
2003-04	15.70	86
2004-05	15.96	87
2005-06	20.38	111
2006.07	5.36	29

(Source : Audited Financial Statements.)

Chart 3.7 : Line chart showing trend percentages of profit.



OBSERVATIONS :-

- 1) The net profit trend shows a fluctuating trend during the period under study.
- 2) The net profit has decreased in the year 2004 by 14% compared to the base year afterwards it shows a slight increase in 2005, then in 2006 it has increased by 11 % compared to the base year. In the year 2007. Net profit has declined tremendously. The decrease is 71 % compared to the base year.
- 3) The trend of net profit is higher than base year only during the year 2006 and it is lowest of 29% during 2007.

General Conclusions :-

- 1) The trend of regular membership & share capital shows an increasing tendency. Which depicts the confidence of members in the bank.
- 2) The trend of current & time deposits show an increasing tendency while the trend of savings deposits show increasing tendency except during 2007.
- 3) The trend of short term & medium term loans shows an increasing tendency but the trend of long term loans shows increasing tendency up to the year 2005, afterwards it shows decrease.
- 4) The net profit trend shows that it was lowest than base year for the period under study except in 2006. It is lowest during 2007.