

<p>Chapter IV</p> <p>ANALYSIS AND INTERPREATION OF</p> <p>DATA</p>	
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Chapter IV

Analysis and Interpretation of Data

4.1 Introduction

4.2 General Information of Sahyadri Sahakari Bank Ltd., Karad,
Dist. Satara

4.3 Financial Aspects of Sahyadri Sahakari Bank Ltd., Karad
Dist. Satara

4.1 Introduction

The main object of this chapter is to analyse and interpret the data of the Bank relating to the performance reveal in general and financial aspects in particular.

This chapter is divided into two sections viz.

1. General Information
2. Financial Aspects of Sahyadri Sahakari Bank Ltd., Karad

General information of Sahyadri Sahakari Bank Ltd., Karad covers the areas like year of establishment, area of operation, number of branches, ownership of building and locker facility.

Financial Aspects of Sahyadri Sahakari Bank Ltd., Karad covers capital and liabilities, assets and properties, funds, loans and advances, sources of income and expenditure, payment of dividend and audit class obtained by this Bank.

4.2 General Information

4.2.1 Introduction

This sub chapter describes area of operation of this Bank, Branches of Bank, Status of Ownership of Building and Locker facility.

The object of this chapter is to describe the infrastructure facilities provided by the Bank to its members and its development from the year of establishments.

This analysis is divided into the following:

1. Classification of Branches of Sahyadri Bank according to date of establishment
2. Classification of Branches according to area of Operation.

3. Number of Branches according to status of Ownership of Building
4. Number of Branches of Bank having locker facilities.

4.2.2 Classification of Branches of Bank according to the date of establishment

Table 4.1

Sr. No.	Year of Establishment	No. Of Branches	Percentage
1	1995 to 1998	01	14.30%
2	1998 to 2002	03	42.85%
3	2002 to 2006	03	42.85%
	Total	07	100%

Table 4.1 reveals that:

1. Only one branch of this bank i.e. Main Branch was established during the year 1995-96.
2. During 1998 to 2002 three branches of Bank are opened.
3. It shows similar increased rate of branches during 2002 to 2006.

Source: 1. *Annual Reports of the Bank*
 2. *Interview of Senior Officer*

4.2.3 Classification of Branches according to area of operation

Table 4.2

Sr. No.	Period	Area of Operation
1	1995 to 1998	01 District
2	1998 to 2002	04 Districts
3	2002 to 2006	07 Districts

Table 4.2 shows that area of operation of Sahyadri Sahakari Bank has increased from one district to seven districts during the period from 1996 to 2006.

Source: 1. *Annual Reports of the Bank*
 2. *Interview of Senior Officer*

4.2.4 Classification of branches of Sahyadri Sahakari Bank according to status of ownership of building

Table 4.3

Sr. No.	Nature of office Building	No. Of Branches	Percentage
1	Owned	Nil	0 %
2	Rented	07	100 %
	Total	07	100 %

Table 4.3 reveals that all branches of Sahyadri Sahakari Bank are operating in rented building. Owned building requires large investment. Most of the branches of bank are able to create huge building reserve as they are working at village level.

Source: *Annual Reports and Personal Interview*

4.2.5 Classification of number of branches of Sahyadri Bank, having locker facility.

Table 4.4

Sr. No.	Having locker facility	No. Of Branches	Percentage
1	Yes	03	42.85 %
2	No	04	57.15 %
	Total	07	100 %

Above table shows that 42.85 % branches of bank are having locker facilities. Locker facility is available mostly in the area as they require it mostly. Only three branches are having locker facility because only these branches fulfill RBI conditions.

Source: Personal Interview of Senior Officer

4.3 Financial Aspect

4.3.1 Introduction

Finance is the lifeblood of entire banking system. Without finance no bank can fulfill its objectives. Finance is the most essential factor of urban co-operative banks. The viability of bank depends upon the availability of finance. The main activities are collection of deposits & disbursement of money to the needy members. Funds are available for further disbursement only when the loans are recovered efficiently. Success of urban co-operative bank depends on proper financial management.

Knowledge of financial management is helpful for managers & directors of urban co-operative banks in the proper utilization of funds. The main objective of financial management is to procure

funds at minimum possible cost & to provide them to needy. Urban co-operative banks have adopted different novel ideas for tapping deposits from different classes of people.

It is essential for urban co-operative banks to maintain the accounts systematically. They maintain the following books of accounts & registers according to Rule 65, of Co-operative Act.

1. Cash Book
2. General Ledger
3. Register of Shares
4. Register of Debentures & Bonds
5. Register of Members
6. Record of Assets & liabilities
7. Record of Regular expenditure & income

Urban co-operative banks have to prepare P & L A/c for the year ended & B/S as on 31'st March every year. These financial statements have to be placed before the members in annual general meeting for their approval.

Distribution of profit can be made to:

- 1) Reserve Fund
- 2) Building Fund
- 3) R. D. D.
- 4) Asset fluctuation Fund
- 5) Investment fluctuation Fund
- 6) Investment Depreciation Fund
- 7) Technology Development Fund
- 8) Members Welfare Fund
- 9) Employees Welfare Fund
- 10) General Reserve

The purpose of this chapter is to analyse the financial aspect of Sahyadri Sahakari Bank Ltd., Karad for the last eleven years i.e. from 1995–1996 to 2005–2006.

The analysis is divided into :

- 1) Capital & Liabilities
- 2) Assets & Properties
- 3) Sources of Income
- 4) Items of Expenditure
- 5) Profit or loss
- 6) Payment of Dividend
- 7) Audit class

4.3.2 Capital & Liabilities

Capital of UCB's is divided into the parts of equal value, this part is called share. Capital of UCB is to be collected by issue of shares. Authorised capital is the maximum amount of share capital which bank can raise. Paid up capital is the actual amount received from members. Paid up capital is the real capital of the bank. This capital is shown on the liability side of the B/S.

Every UCB should maintain Reserve fund at least 25 % of Net Profit every year. They can create other funds as shown in the above chart. Any amount of accumulated profit is included in the Reserves & Surplus.

Deposits constitute one of the most significant source of UCB. Urban co-operative Banks collect different types of deposits from members & non-members. Deposits are treated as the liability of the bank because they have to be returned to the owners whenever they demand. Deposits are of different types:

- 1) Current
- 2) Savings
- 3) Fixed
- 4) Recurring

Current liabilities & provisions include:

- 1) Unclaimed Dividend
- 2) Outstanding Expenses
- 3) Various Provisions
- 4) Provision for interest on deposits

Other liabilities includes loans from other banks dividend payable.

Chart No. 4.1

**Classification of Capital & Liabilities of Sahyadri Sahakari
Bank Ltd., Karad.**

Sr. No.	Category	Type of Liabilities
1	Share Capital	a) Paid up capital
2	Reserve Fund & Other Funds	a) Reserve fund b) Building fund c) Reserve for Bad Debts d) Assets fluctuation fund e) Investment fluctuation fund f) Depreciation Fund g) Technology Development fund h) Members Welfare fund i) Employees Welfare fund j) General Reserve Provision for Secured Loans
3	Deposits	a) Current Deposits b) Savings Deposits c) Fixed Deposits d) Recurring Deposits e) Damduppat Deposits f) Damtippat Deposits g) Other Deposits
4	Current Liabilities & Provisions	a) Unclaimed Dividend b) Outstanding Expenses c) Provision for Interest on Deposits
5	Other Liabilities	a) Loans form other banks b) Dividend Payable

4.4.2 Presentation of Capital & Liabilities

Presentation of Total liabilities of the Sahyadri Sahakari Bank, Ltd., Karad, Dist. Satara, as on 31.03.2006

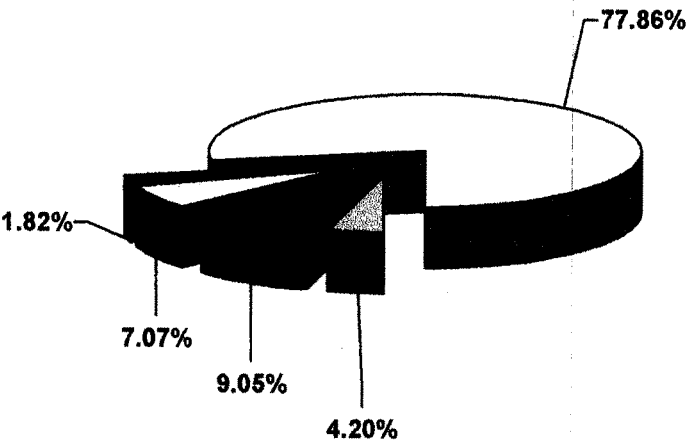
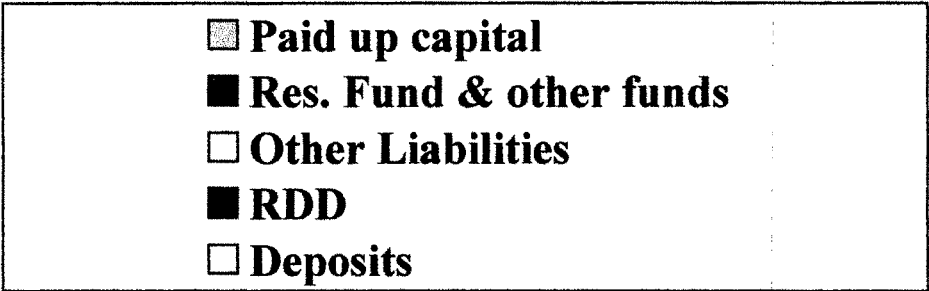


Table 4.5

Classification of Capital & liabilities of Sahyadri Sahakari Bank Ltd., Karad, Satara.

Particulars	Rs. In Lakhs										
	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06
Paid Up Capital	15.83 (20.75)	42.15 (18.15)	66.88 (12.90)	73.06 (12.08)	84.27 (9.90)	96.99 (8.10)	111.10 (6.57)	130.06 (5.49)	145.61 (4.78)	163.08 (3.84)	177.70 (4.21)
Reserve fund & other Reserve	0.15830 (0.20)	1.406 (0.60)	1.492 (0.30)	7.938 (1.32)	17.823 (2.10)	28.024 (2.34)	93.135 (5.51)	56.886 (2.40)	87.974 (2.90)	106.769 (2.51)	382.42 (9.07)
RDD	Nil	-	2.21 (0.43)	3.80 (0.62)	5.50 (0.64)	9.00 (0.75)	13.75 (0.81)	21.80 (0.92)	44.05 (1.44)	58.99 (1.39)	76.99 (1.82)
Deposits	59.84 (78.40)	188.68 (81.15)	447.29 (86.30)	518.47 (85.78)	742.78 (87.25)	1059.81 (88.50)	1439.89 (85.21)	2139.58 (90.37)	2746.49 (90.29)	3216.53 (75.85)	3588.58 (78.02)
Other Liabilities	0.50 (0.65)	0.24 (0.10)	0.41 (0.07)	0.80 (0.13)	0.90 (0.11)	13.90 (0.31)	31.76 (1.90)	19.10 (0.82)	17.51 (0.59)	27.74 (16.41)	14.54 (7.08)
Total	76.33 (100%)	232.49 (100%)	518.29 (100%)	604.37 (100%)	851.29 (100%)	1197.45 (100%)	1689.64 (100%)	2367.44 (100%)	3041.65 (100%)	4240.25 (100%)	4214.58 (100%)

Note: Figures in the bracket indicates percentage.

Source: Annual Reports of the Bank.

Table 4.5 indicates the following:

- 1) There is an increasing trend in the total amount of capital & liabilities of Sahyadri Sahakari bank Ltd., Karad for the period from 31.03.96 to 31.03.2006.
- 2) Deposits are a major source of funds of the bank as it covers 78 % of total funds.
- 3) There is wide fluctuation by 16.41 % in the capital & liabilities during the year 2004-05. The rate of increase in the amount of paid up capital is very low i.e. only 3.84 %. While deposits are decreased by 14.44 % due to decreasing rate of interest on deposits.
- 4) Though there is increase in the total amount of capital & liabilities during this period, the percentage of increase has been decreased.
- 5) The amount of other liabilities has been increased tremendously during the year 2004-05 i.e. by 15.82%
- 6) It is essential to note down that amount of Reserve fund & other reserves has been increased from Rs. 106.76 Lakh to Rs. 382.42 Lakh during the year 2005-06.

4.4.3 Classification of Funds:

Classification of funds of Sahydri Sahakari Bank Ltd.,
Karad, Dist. Satara as on 31.03.2006. (Amount in Lakhs)

Table 4.6

Sr. No.	Form of fund	Amount Rs. In Lakh	Percentage
1	Reserve fund	57.18	19.97 %
2	Building fund	66.28	23.15 %
3	Reserve for Bad & Doubtful Debts	76.99	26.88 %
4	Provision on Secured Loan	9.60	3.35 %
5	Asset Fluctuation fund	2.25	0.78 %
6	Investment fluctuation fund	28.54	9.97 %
7	Investment Depreciation fund	2.25	0.78 %
8	Technology Development fund	22.25	7.76 %
9	Members Welfare fund	4.00	1.40 %
10	Employees Welfare fund	0.50	0.18 %
11	General Reserve	16.56	5.78 %
	Total	286.40	100 %

Source : Annual Reports of the bank

Table 4.6 reveals the following facts:

- A) Share of Reserve fund is 19.97 % in the amount of total funds.
- B) The provision for Bad & Doubtful Debts is the highest amount of total funds i.e. 26.88 %
- C) The share of Building fund is 23.15 % which is essential for the purpose of own building.
- D) Technology Development fund is Rs. 22.25 lakh which is useful for application of modern technology.
- E) The share of Employees Welfare fund & Members Welfare Fund is negligible i.e. 0.18 % & 1.40 % respectively.

4.4.4 Classification of Deposits

Table 4.7 reveals the following :

- A) Total deposits of Sahyadri Bank shows increasing trend
- B) The share of fixed deposits is the highest in all deposits
- C) The share of current deposits is the lowest because the number of accountholders from businessman category is comparatively less.
- D) Deposits are increased at highest rate during the year 2002-03 i.e. by Rs. 699.69 Lakh because during this year Sahyadri Bank had declared attractive schemes of deposits.
- E) There is the lowest increase in the deposits during the year 1998-99 i.e. Rs. 71.18 Lakh because during this year the rate of interest on deposits was the lowest.

Table 4.7

Classification of Deposits of Sahyadri Sahakari bank Ltd., Karad

Type of Deposits	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06
Fixed Deposits	55.98	149.01	401.65	463.03	651.90	918.86	1103.60	1735.87	6348.86	2456.90	2791.27
Savings Deposits	03.09	36.83	42.07	51.58	83.51	126.07	286.43	366.14	335.60	521.98	646.40
Current Deposits	0.76	02.83	03.56	3.86	7.37	14.87	49.85	37.56	62.03	237.63	150.91
Total	59.84	188.68	447.29	518.47	742.48	1059.81	1439.89	2139.58	2746.49	3216.53	3588.58
Increase	-	128.84	258.60	71.18	224.31	317.02	380.07	699.69	606.90	470.04	372.05

Source : Annual Reports of the Bank

4.4.5 Assets & Properties.

Assets & properties of Sahyadri Sahakari bank Ltd., Karad are classified into following categories:

Chart No. 4.2

Sr. No.	Category	Type of Assets
1	Cash in Hand	Cash in Hand
2	Cash at Bank	Cash at Bank a) Savings A/c b) Current A/c
3	Investment	a) Investment in shares b) Govt. Securities c) Fixed Deposits with DCC Bank d) Fixed Deposits with other approved banks e) Other Deposits
4	Loans & Advances	a) General loans b) Over drafts c) Medium term security loans d) Deposit security loans e) Loan advance
5	Fixed Assets	a) Land & Building b) Plant & Machinery c) Furniture & Fixture d) Dead stock e) Vehicles etc.
6	Other Assets	a) Library Books b) Interest Accrued c) Other Income Receivable d) Accumulated losses (If any)

Table No. 4.8

Classification of Assets & Properties of Sahyadri Sahakari Bank, Ltd., Karad, for the period from 1995-96 to 2006-2006

Sr. No.	Type of Asset	Rs. In Lakhs										
		31.03.96	31.03.97	31.03.98	31.03.99	31.03.00	31.03.01	31.03.02	31.03.03	31.03.04	31.03.05	31.03.06
1	Cash in Hand	1.41 (1.42)	1.18 (0.51)	0.89 (0.15)	0.90516 (0.14)	0.97691 (0.10)	2.96 (0.23)	4.12 (0.24)	10.37 (0.41)	16.40 (0.51)	42.70 (1.13)	47.77 (1.14)
2	Cash at Bank	1.22 (1.24)	7.01 (2.96)	16.95 (3.09)	15.01 (2.38)	21.80 (2.44)	36.29 (2.87)	60.59 (3.53)	54.59 (2.20)	77.38 (2.40)	74.52 (1.97)	201.06 (4.78)
3	Investment	82.34 (83.39)	98.01 (41.47)	188.51 (35.45)	205.86 (32.75)	298.46 (33.46)	465.41 (36.80)	629.79 (36.75)	908.57 (36.62)	919.21 (28.60)	1458.14 (45.36)	1655.59 (39.28)
4	Loans & Advances	Nil	115.34 (48.71)	304.80 (57.48)	386.06 (61.45)	544.83 (61.09)	713.63 (56.44)	951.98 (55.56)	1439.76 (58.05)	2099.99 (65.33)	2081.73 (55.28)	2184.92 (51.85)
5	Fixed Assets	9.21 (9.34)	4.29 (1.91)	12.71 (2.30)	16.18 (2.55)	15.23 (1.70)	30.05 (2.37)	37.91 (2.21)	38.93 (1.56)	29.61 (0.92)	36.21 (0.96)	31.48 (0.75)
6	Interest Received	1.86 (1.88)	1.17 (0.56)	2.70 (0.50)	0.16 (0.02)	4.44 (0.49)	4.92 (0.38)	23.34 (1.36)	13.90 (0.56)	66.65 (2.07)	67.36 (1.78)	84.11 (2.00)
7	Other Assets	2.68 (2.73)	10.25 (4.38)	6.22 (1.15)	3.89 (0.60)	5.99 (0.67)	11.10 (0.87)	5.28 (0.30)	4.29 (0.28)	4.69 (0.14)	4.57 (0.12)	8.47 (0.20)
	Total	98.74 (100)	239.19 (100)	530.19 (100)	628.09 (100)	891.76 (100)	1264.39 (100)	1713.4 (100)	2480.45 (100)	3213.96 (100)	3765.26 (100)	4214.58 (100)

Note: Figures in the bracket indicates percentage
Source: Annual Reports of the bank

Every Co-operative bank must be able to meet any claim upon it in cash like call deposits. Therefore, Co-operative Bank has to maintain certain reserve of cash in hand and cash at DCC Bank.

Co-operative Banks invest money in fixed deposits and other deposits. They also invest money in shares of other Co-operative Banks and government securities.

The most important asset of bank is Loans and Advances. Co-operative Banks provide loans to their members for various purposes. Sound loan policy is essential for Urban Co-operative Bank. Bank has to consider principle of safety, liquidity, profitability. They have to take various documents for the security of loans.

Every Co-operative Bank requires Fixed Assets like Building, Machinery, Furniture and Vehicles for efficiency.

Other assets include Books, Interest Accrued, Incomes Receivable, Accumulate Losses if any. The financial information of the assets of Sahyadri Sahakari Bank Ltd., Karad for the period from 1995-96 to 2005-06 is analysed.

Table 4.8 shows the classification of Assets & Properties of Sahyadri Sahakari Bank Ltd., Karad for the period from 31st March 1996 to 31st March 2006.

Table 4.8 shows the increasing trend in the amount of assets of Sahyadri Sahakari Bank Ltd., Karad. The total amount of Assets is equal to the total amount of Capital & Liabilities. This table indicates the following trends:

- a. Loans & Advances is the most the important item of Assets of Sahyadri Sahakari Bank Ltd., Karad as it cover 51.85% amount of the total assets. It is followed by investments i.e. above 39.28%.

- b. The percentage of fixed assets is very less because investment in fixed assets require large amount of funds.
- c. The percentage of cash in hand and other assets is negligible.
- d. Percentage of interest received shows fluctuating trend.
- e. Investments covered 83.39% of total assets during the year 1995-96. After 1996 investment were decreased upto the year 1998-99. Afterwards the percentage of investment in total assets remained more or less the same.
- f. The percentage of loans and advances during the year 2003-04 was maximum i.e. 65.33% because bank declared various schemes of loans during this year.

**Presentation of Assets & Properties of Sahyadri Sahakari Bank Ltd.,
Karad**

■ Cash in Hand	■ Cash at Bank
□ Investment	■ Loans & Advances
□ Fixed Assets	■ Interest Received
■ Other Assets	

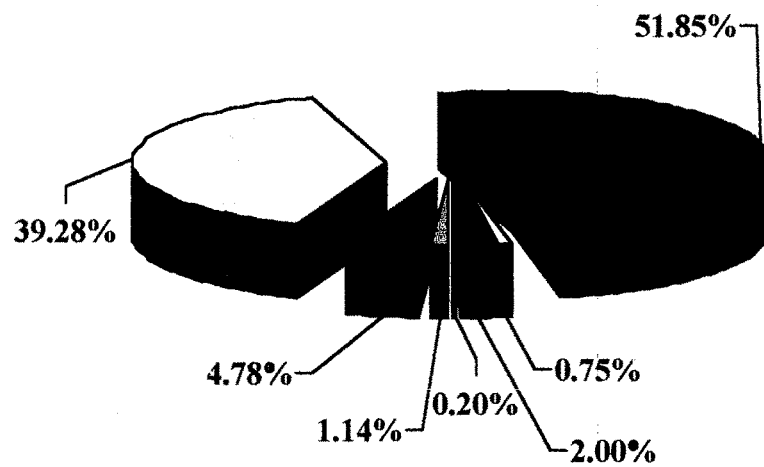


Table 4.9

Classification of Loans according to Type of Loans from the year 1995-96 to 2005-06

Type of Loan	(Rs. In Lakhs)										
	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06
Short Term Loans (Non-Mortgage)	---	429403 (3.73)	2517636 (8.26)	3765181 (9.75)	5116926 (9.39)	8689423 (12.18)	61480047 (40.84)	7611571 (12.23)	7457220 (3.55)	6735391 (3.25)	5961535 (2.73)
Medium Term Loans (Mortgage)	---	154896 (1.35)	27994650 (75.44)	27994433 (72.52)	41276125 (75.76)	49397394 (69.22)	71109638 (47.24)	99756354 (69.29)	117019780 (55.72)	14049096 8 (67.49)	147405289 (67.47)
Long Term Loans (Mortgage)	---	9761833 (84.62)	---	---	---	---	---	---	6990215 (3.33)	11571474 (5.57)	11626179 (5.32)
Short Term Secured Loans	---	1188467 (10.30)	4968603 (16.30)	6846725 (17.73)	8099881 (14.85)	13276376 (18.60)	17940411 (11.92)	26608720 (18.48)	748532131 (37.40)	49315294 (23.69)	53499837 (24.48)
Total	---	1153599 (100%)	30480890 (100%)	38606340 (100%)	54483933 (100%)	71363188 (100%)	150538096 (100%)	14397664 6 (100%)	209999347 (100%)	20817310 9 (100%)	218492838 (100%)

Note: Figures in Bracket indicate Percentage

Source: Annual Reports of the Bank

4.4.6 Loans & Advances

The Table 4.9 reveals the following things:

- a) The percentage of medium term secured loans is the highest. It cover 67.47% of total loans given during the year 2005-06.
- b) The medium term secured loans are at the highest level because the loans satisfy maximum needs of members as well as they have greatest security in repayment.
- c) The percentage of long term secured loans is less i.e. 5.32% during the year 2005-06 because, the Bank started to issue long term secured loans since 2003-04.
- d) The percentage of unsecured loans is the lowest i.e. 2.73% during the year 2005-06 because the security in repayment of these loans is less.
- e) Unsecured short term loans show decreasing trend.
- f) Short term secured loans show increasing trend. The percentage of these loans is 24.48% during the year 2005-06.
- g) Percentage of total secured loans is the highest i.e. 97.27% than unsecured loans during the year 2005-06.

4.4.7 Sources of Income

Earning profit is not the main objective of Co-operative Banks. They are established mainly with the object of providing service and earning profit is secondary motive. Co-operative Banks earn income mainly from interest received on loans and investments. Other sources of income are Members Subscription, Dividend Received, Commission Received, Notice Fee, Sale of Loan Application Forms.

The income of Sahyadri Sahakari Bank Ltd., Karad, Dist. Satara for last eleven years i.e. from 1995-96 to 2005-06 is analysed on the basis of different types of incomes.

Table 4.10

Classification of Income of Sahyadri Sahakari Bank Ltd., Karad for 11 years

Type of Loan	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06
Interest Received On Loans & Advances	---	481733 (22.10)	3872164 (68.25)	6440924 (72.85)	7940982 (69.50)	1162549 0 (71.68)	1452118 7 (67.42)	2034170 8 (70.99)	2823587 8 (73.98)	2865591 2 (76.03)	2876369 8 (72.80)
Interest Received on Investment	257116 (100%)	1665339 (76.37)	1735831 (30.60)	2319325 (26.25)	3395523 (29.72)	4471190 (27.57)	6666777 (30.96)	7917919 (27.63)	9280493 (24.32)	8220020 (21.81)	9346139 (23.66)
Commission Received	---	28094 (1.28)	37098 (0.65)	43730 (0.49)	54306 (0.48)	72061 (0.44)	230541 (1.07)	294336 (1.03)	325055 (0.85)	393960 (1.05)	583141 (1.48)
Dividend Received	---	---	---	---	---	---	---	---	---	---	---
Other Income	---	5464 (0.25)	28333 (0.50)	33299 (0.40)	34535 (0.30)	50234 (0.31)	118372 (0.55)	99248 (0.35)	323526 (0.85)	419983 (1.11)	815095 (2.06)
Total Income	257116 (100%)	2180630 (100%)	5673425 (100%)	8841278 (100%)	1142534 7 (100%)	1621834 7 (100%)	2153687 8 (100%)	2865321 2 (100%)	3816495 2 (100%)	3768981 5 (100%)	3950807 3 (100%)

Note: Figures in Bracket indicate Percentage

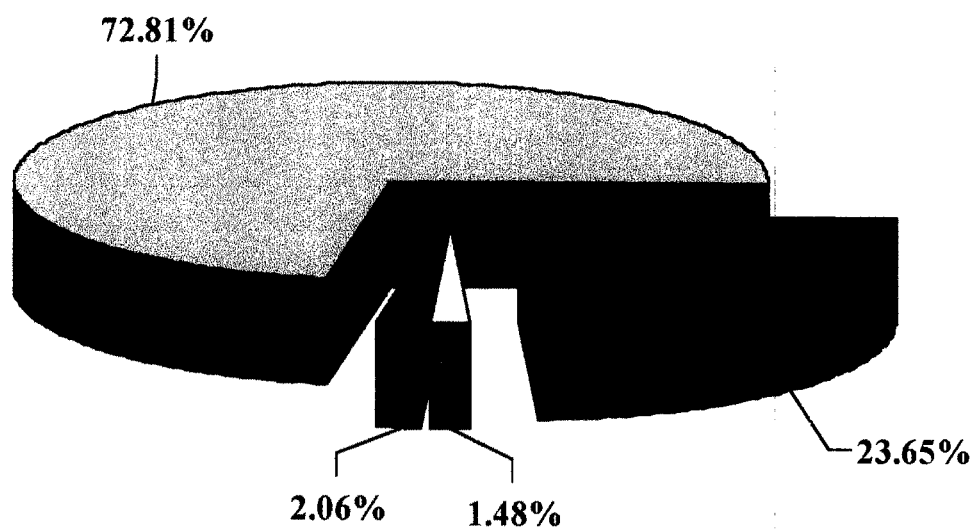
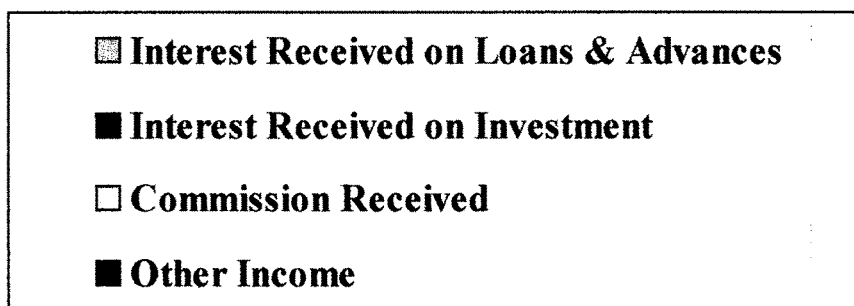
Source: Annual Reports of the Bank

Table 4.10 shows that:

- a) The total income for the year ended on 31st March, 1996 was Rs. 257116. This amount of income is increased by Rs. 39250957 upto the year 2005-06. The total income for year ended on 31st March, 2006 is Rs. 39508073.
- b) Total income of the bank show increasing trend since 1995-96 to 2005-06.
- c) Income of the Bank was increased by Rs. 9511740 during the year 2003-04. This increase is at the highest level during the period of 11 years (i.e. 1995-96 to 2005-06).
- d) Interest received on loans & investments is the main source of income of the Co-operative Bank as it covers more than 70% of total income.
- e) Income from other sources is negligible i.e. less than 1%. It is mainly because of high increase in the amount of loans and advances given by the Bank.
- f) There is low increase in the amount of interest received on investment in the year 2004-05.
- g) The income derived from interest received on loans & advances is the highest i.e. Rs. 28655912 (76%) during the year 2004-05.
- h) There is wide fluctuation in the percentage of increase in income during the 11 years (i.e. 1995-96 to 2005-06). The percentage of income from interest received on loans and advances is (between 67% to 76%) more or less the same.
- i) The percentage of income from interest received on investment lies between 22% to 31%.

- j) There is significant increase in the commission received during the period eleven years.
- k) During the year 1997 percentage of interest received on loans and advances the lowest (i.e. 22.10%) while percentage of interest received on investment is the highest (i.e. 76.37%)

Presentation of Income of Sahyadri Sahakari Bank Ltd., Karad
As on 31-3-2006



Items of Expenditure

Classification of expenses of Sahyadri Sahakari Bank Ltd., Karad, Dist. Satara

Table 4.3

Sr. No.	Category	Type of Expenditure
1	Interest Paid	a) Interest paid on Deposit b) Interest paid on Loans
2	Salaries & Allowances	a) Salary Paid to Staff b) Bonus to Staff c) Allowances to Staff
3	Depreciation	a) Depreciation on Building b) Depreciation on Furniture c) Repairs & Maintenance
4	Rent, Insurance & Tax	a) Rent b) Insurance c) Tax d) Electricity
5	Postage & Telephone	a) Postage & Telegram b) Telephone Charges
6	Printing & Stationery	a) Printing b) Stationery c) Advertisement
7	Provisions	a) Investment Fluctuation fund b) Technology Development Fund c) NPA d) Other Provisions
8	Other Expenses	a) Meeting Expenses b) Legal Expenses c) Sundry Expenses d) Travelling Expenses e) Audit Fees

Table 4.11

Classification of Items of Expenditure of Sahyadri Sahakari Bank Ltd., Karad

Type of Expenditure	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06
Interest Paid on Deposits	4633 (9.58)	1591235 (67.11)	350775 (61.70)	5803852 (65.64)	7528265 (65.89)	1060216 (65.37)	1320418 0 (61.31)	1803815 8 (62.95)	2439543 9 (59.39)	2443205 4 (64.83)	24352605 (61.64)
Salary & Allowance	62561 (24.33)	314189 (13.25)	471572 (8.31)	480996 (5.43)	509502 (4.46)	547821 (3.38)	897823 (4.17)	1389701 (4.85)	1883214 (4.58)	2399716 (6.36)	2901287 (7.35)
Depreciation	---	47888 (2.02)	196650 (3.47)	352791 (3.99)	533277 (4.67)	593076 (3.66)	1824917 (8.47)	1701336 (5.94)	2397429 (5.84)	1556372 (4.13)	1846837 (4.61)
Rent, Insurance & Tax	5535 (2.15)	44827 (1.89)	56094 (0.99)	90987 (1.03)	115529 (1.02)	196315 (1.21)	401325 (1.86)	514377 (1.79)	587868 (1.43)	1042546 (2.76)	1106929 (2.80)
Printing & Stationery	5778 (2.25)	140832 (5.94)	149600 (2.64)	206974 (2.34)	167194 (1.46)	220835 (1.36)	173852 (0.81)	346891 (1.21)	311822 (0.76)	348160 (0.92)	374795 (0.95)
Postage & Telephone	638 (0.25)	59637 (0.25)	28307 (0.50)	34863 (0.40)	55838 (0.50)	64618 (0.40)	62868 (0.56)	192719 (0.67)	228816 (0.56)	260020 (0.70)	257285 (0.65)
NPA & Provisions	---	5000 (0.21)	269918 (4.76)	377122 (4.28)	482960 (4.23)	760000 (4.68)	775000 (3.60)	1225000 (4.28)	2425000 (5.90)	2112500 (5.60)	2040000 (5.16)
Other Expenses	54572 (1.22)	221167 (9.33)	169317 (2.98)	1493693 (16.89)	1259257 (11.02)	605649 (3.74)	961848 (4.47)	1573443 (5.49)	4582593 (11.67)	1498847 (3.98)	1496440 (3.79)
Profit	103399 (40.21)	-190446 (-8.03)	831192 (14.65)	1381296 (15.62)	1730525 (15.15)	2628493 (16.20)	3176303 (14.75)	3671586 (12.82)	4262884 (10.38)	4039366 (10.72)	5131895 (12.99)
Total	257116 (100%)	2371077 (100%)	5673425 (100%)	8841278 (100%)	1142534 7 (100%)	1621897 5 (100%)	2153687 7 (100%)	2865321 1 (100%)	4107506 6 (100%)	3768975 (100%)	39508073 (100%)

Note: Figures in Bracket indicate Percentage

Source : Annual Reports of the Bank

Table 4.11 reveals increasing trend in the total expenditure of Sahyadri Sahakari Bank Ltd., Karad from the year 1995-96 to 2003-04, while it shows decreasing trend in the year 2004-05 & 2005-06.

The total amount of expenditure is equal to the total amount of income for the year ended on 31st March, 1996 i.e. Rs. 257116 and it is increased upto Rs. 39508073 during the year ended on 31st March, 2006.

Table 4.11 shows the following important facts:

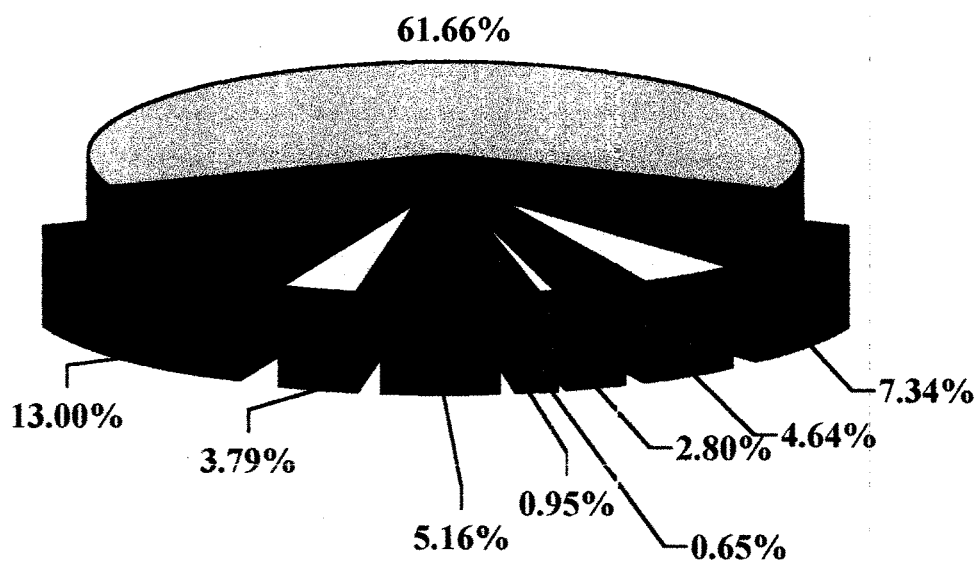
- a) Interest paid on Deposits is the main part of expenditure of the Bank as it covers above 60% amount of total expenditure.
- b) The expenditure on Salary & Allowances is below 10%
- c) The expenditure on NPA & Provisions and Depreciation is (followed by expenditure on Salary and Allowance) i.e. below 4% to 6%.
- d) Expenditure on NPA & Provisions show increasing trend from the year 1995-96 to 2005-06 while expenditure on depreciation shows fluctuating trend.
- e) The amount of percentage of postage & telegram, printing & stationery is negligible.
- f) The amount of Rent & Insurance is increasing since 1995-96 to 2005-06 because all branches of the Bank are operating in rented building and need of insurance is also increasing.
- g) The percentage of other expenses is higher than 15% in the years 1995-96, 1998-99 and higher than 10% in the years 1999-2000 & 2003-04 because it includes meeting, traveling and many other expenses.
- h) In the year 1996-97 the percentage of Interest Paid on Deposits is increased (by 57.53%) at highest rate because

bank collected deposits from members on large scale. While this percentage remained more or less the same during years 1996-97.

- i) The amount of depreciation has increased during the year 2001-02 (i.e. 8.47%) due to increase in the amount of fixed assets during this year.
- j) The amount of profit shows continuously increasing trend during the period of eleven years.

Presentation of Items of Expenditure as on 31st March, 2006

■ Interest Paid on Deposits & Loans	■ Salaries & Allowances
□ Depreciation	■ Rent, Insurance, Tax
□ Postage & Telephone	■ Printing & Stationery
■ Provisions & NPA	□ Other Expenses
■ Profit	



4.4.8 Profit or Loss made by Sahyadri Sahakari Bank Ltd., Karad

Profit & Loss account shows the position of net profit or net loss incurred during the financial year.

Table No. 4.12

**Profit [or Loss] of Sahyadri Sahakari Bank Ltd., Karad
incurred during the years from 1995-96 to 2005-06 (Eleven
Years)**

Year	Net Profit	Increase
1995-96	103399	---
1996-97	-190446	-87047
1997-98	831192	640746
1998-99	13812986	550104
1999-00	1730543	349247
2000-01	2628546	898003
2001-02	3176349	547803
2002-03	3671605	495256
2003-04	4262962	591357
2004-05	4039740	-223222
2005-06	5131945	1092205

Table No. 4.12 reveals the following facts:

- 1) During the year 1995-96, Bank earned profit of Rs. 103399. While during the year 1996-97 Bank has suffered loss of Rs. 190446, this is because of increase in expenditure than income of the Bank.

- 2) There is the highest increase in the Profit by Rs. 1092205 during the year 2005-06.
- 3) Profit is decreased by Rs. 223222 during the year 2004-05 because during this year expenditure on salary and allowance interest paid on deposits rent & Insurance in increased as compared to the year 2003-04.
- 4) The Profit of the Bank shows increasing trend during the period of eleven years because Bank has offered various schemes of loans and deposits to attract the members and to satisfy their needs.

4.4.9 Profit or Loss made by Sahyadri Sahakari Bank Ltd., Karad

Table 4.13

Number of brachnes of the bank earning profit or suffering losses for the year ended on 31st March, 2006

Sr. No.	Whether making Profit or Suffering Loss	No. of Branches	Percentage
1	Branches Earning Profit	07	100%
2	Branches Suffering Losses	NIL	0%

Table 4.13 shows classification of branches of Sahyadri Sahakari Bank Ltd., Karad which are earning profit and suffering losses. It is remarkable that 100% branches of the Bank are earning profit.

Distribution of Profit

Table 4.14

Distribution of Profit for the year ended as on 31st March, 2006

Sr. No.	Distribution of Profit	Amount Rs.	Percentage
1	Reserve Fund	1282986	25%
2	Payment of Dividend	1270280	24.75%
3	Building Fund	2000000	38.97%
4	General Reserve	578664	11.27%
5	Balance of Profit	15	0.01%
		5131945	100%

Source – Annual Reports of the Bank

Table 4.14 reveals the following facts:

- 1) The Bank has transferred 25% of their Profits to Reserve Fund.
- 2) The percentage of Profit transferred to Building Fund is the highest i.e. 38.97% because the Bank need their own Building for their functions which require large amount of funds.
- 3) The percentage of amount spent on payment of Dividend out of Profit is 24.75%. It shows that, members have received some amount by the way of dividend from the Bank.
- 4) The percentage of Profit transferred to General Reserve is 11.27%
- 5) During the year 2005-06, the Bank has not transferred any amount out of the Profit to Technology Development Fund, Employees Welfare Fund, Member's Welfare Fund, Reserve for Bad & Doubtful Debts, because the Bank has transferred large amount towards these funds before the year 2005-06.

4.4.10 Dividend Payment by Sahyadrai Sahakari Bank Ltd., Karad

Table 4.15

Table showing the payment of Dividend in the year from 1995-96 to 2005-06

Particulars	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06
Rate of Dividend	---	---	---	6%	9%	9%	9%	8%	8%	7%	7.5%
Amount of Dividend in Rs.	---	---	---	400998	692255	804882	927244	955143	1107249	1073090	1270280
Increase	---	---	---	400998	291257	112627	122362	27899	180005	117947	197190
Increase in Percentage	---	---	---	100%	72.63 %	16.26 %	15.20 %	3.00%	18.84%	10.65%	18.37%

Note: Figures in Bracket Indicate Percentage

Table 4.15 indicates the following :

- 1) During the first three years i.e. from 1995-96 to 1997-98, the Bank has not given any dividend because the Bank has preferred to transfer the amount of dividend to Reserve Fund and other funds considering the financial emergencies in future.
- 2) During the year 1998-99, Bank issued Dividend to the members at 6%. This percentage increased upto 9% upto the year 1999-2000.
- 3) The amount spent for payment of dividend shows increasing trend.
- 4) Though the amount of dividend shows increasing trend, the rate of dividend has remained constant during the years from 1999-2000 to 2001-02 i.e. 9%.
- 5) The rate of dividend is reduced upto 7% during the year 2004-05 and again increased upto 7.5% during the year 2005-06.

Table 4.16

Table Showing Percentage of Net NPA of Sahyadri Sahakari Bank Ltd., Karad
for the period of Eleven Years

Particulars	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06
Percentage of Net NPA	--	--	7.20%	9.75%	5.41%	5.24%	3.16%	1.31%	0.6%	0.34%	0%
Provision for NPA (Lakh)	No Need	No Need	2.69	3.77	5.50	9.00	13.75	21.80	44.05	59.00	77.00

Source – Annual Reports of the Bank

Table 4.16 shows that

- 1) Percentage of Net NPA was 7.20% during the year 1997-98.
- 2) Provision for NPA shows increasing trend.
- 3) Percentage of Net NPA has increased during the year 1998-99 by 2.55%.
- 4) The percentage of Net NPA shows decreasing trend since 1999-2000.
- 5) Percentage of Net NPA was 0% during the year 2005-06. Percentage of Net NPA has been reduced due to increasing provision for NPA.

Table 4.17

Table showing the Audit Class given to Sahyadri Sahakari Bank Ltd., Karad during the period of eleven years from 1995-96 to 2005-06.

Particulars	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06
Audit Class	A	A	A	A	A	A	A	A	A	A	A
Branches	07	07	07	07	07	07	07	07	07	07	07
Percentage	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source – Annual Reports of the Bank

Table 4.17 reveals the following

- 1) All the Branches of the Banks have obtained Audit Class 'A' during the period of eleven years from 1995-96 to 2005-06.
- 2) The Bank has obtained Audit Class 'A' continuously because of various reasons as follows:
 - a. The Branches of the Bank are classified as Class A, B, C & D from the audit point of view. The audit class depends upon the financial position of the Bank.
 - b. The Auditor examines whether the bank has kept day to day recordings of its transactions. He examines that assets shows in the Balance Sheet are in existence.
 - c. He checks the amount of Deposits, Loans & Advances.
 - d. He observes overdues of the Bank.
 - e. On the basis of his observations and facts audit class is given to the Bank.
 - f. Sahyadri Sahakari Bank Ltd., Karad, Dist. Satara has fulfilled all the conditions for obtaining audit class 'A' during the eleven years from 1995-96 to 2005-06.
- b. Audit class is given on completion of audit. Audit class may be one of A, B, C & D.

Audit class indicates

- 'A' → Excellent
- 'B' → Good / Medium Quality
- 'C' → General / Lower Quality
- 'D' → Bad / Poor Quality

While giving audit class the following factors are considered:

- 1) Life of the Co-operative Bank.

- 2) Efficiency of the Bank in Operations
- 3) Upto Date Accounts
- 4) Satisfactory rectification of Reports
- 5) Financial Stability
- 6) Staff and their efficiency
- 7) Internal Control System
- 8) Managerial Skill
- 9) Overdues

From the Table 4.17, it seems clearly that working of Sahyadri Sahakar Bank Ltd., Karad is excellent and satisfactory. It has obtained Audit Class A since its establishment (i.e. from 1995-96) upto the year 2005-06. The Bank has obtained ISO 9001:2000 Accreditation.