

**CHAPTER V**  
**ANALYSIS AND INTERPRETATION OF DATA**

**5.1 INTRODUCTION**

**5.2 GROWTH OF THE BANK**

**5.3 NPA ANALYSIS OF THE BANK**

**5.4 RATIO ANALYSIS AND INTERPRETATION**

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## 5.1 Introduction:-

After a thorough discussion with officials of the bank and data collected through secondary sources, researcher has analyzed and interpreted it with technique of financial analysis. i.e. Ratio Analysis. The researcher has analyzed the data related to analysis of NPA. The various ratios like profitability, solvency, liquidity, operating and activity ratios have been calculated and interpreted accordingly.

## 5.2 Growth of the bank:-

**Table No.5.1**  
**Growth of Capital, Reserves and Membership of the**  
**Shri.SatyavijaySahakari Bank Ltd; Kundal.**

(Rs. in Lakhs)

Year	Capital		Reserves		Membership	
	Amount	Growth (%)	Amount	Growth (%)	Units	Growth (%)
2006-07	251.34	100	487.97	100	7163	100
2007-08	263.26	104.74	559.93	114.75	7456	104.09
2008-09	281.05	111.50	612.52	124.14	7821	108.99
2009-10	327.57	128.05	702.05	138.76	8369	115.99
2010-11	367.65	140.29	779.56	149.80	8709	120.05
Mean	298.174	116.916	628.406	125.49	7903.6	109.824

(Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal)

From the above analysis it is clear that the overall growth of the bank in terms of capital, reserves and membership has increased considerably. The above table analyzed the funds of Shri. SatyavijaySahakari Bank Ltd; Kundal and their trend in terms of Capital, Reserves and Membership. The amount of capital is Rs. 251.34 lakhs in 2006-07, it has been gradually increased and reached to Rs. 367.65 lakhs in 2010-11 with a percentage of 40.29% (140.29 - 100). In case of reserves, they are Rs. 487.97 lakhs in 2006-07, whereas in 2010-11 it was recorded Rs. 779.56 lakhs with 49.8% (149.8 - 100) growth. In case of Membership in Shri.SatyavijaySahakari Bank Ltd;Kundal have been increased to 20.05% with the membership of 8709 (thousands) in 2010-11.

**Table No.5.2**  
**Growth of Deposits, Loans & Advances and Working Capital of**  
**the Shri.SatyavijaySahakari Bank Ltd; Kundal.**

(Rs. in Lakhs)

Year	Deposits		Loans & Advances		Working Capital	
	Amount	Growth (%)	Amount	Growth (%)	Amount	Growth (%)
2006-07	6677.46	100	4466.69	100	7653.80	100
2007-08	6003.85	-89.91	3767.14	-84.34	7065.39	-92.31
2008-09	6557.41	109.22	3984.21	105.76	7742.52	109.58
2009-10	8555.36	139.69	5545.99	144.96	9849.89	136.80
2010-11	9754.06	153.70	6544.40	162.96	11268.06	151.20
Mean	7717.67	82.54	4861.69	85.87	8715.93	81.05

(Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal)

The above table shows the growth of Deposits, Loans and Advances and Working Capital of the bank. The deposits which are registered Rs. 6677.46 lakhs in 2006-07 to 2010-11 has been increased to Rs. 9754.06 lakhs in 2010-11. The average deposits mobilized by bank are 82.54%. Whereas credit deployment of Shri. SatyavijaySahakari Bank Ltd; Kundal is Rs. 6544.40 lakhs in the year 2010-11. The mean value of credit issued by the banks is Rs. 4861.69 lakhs. Co-operative banks are service oriented institutions which credit to agriculture, trade and commerce, industry for their smooth functioning. Working capital of the bank has been increased over a period of study. It was recorded Rs.11268.06 lakhs in 2010-11 with the 51.2% (151.2 - 100) growth trends.

**Table No. 5.3**  
**Growth of Investment of Shri.SatyavijaySahakari Bank Ltd;**  
**Kundal.**

(Rs. in Lakhs)

Year	SLR Investment	Other SLR Investment	Total	Annual Growth Rate for total (% age)
2006-07	2475.97	73.72	2549.69	100
2007-08	2418.10	53.82	2471.92	-3.05
2008-09	2578.79	50.82	2629.61	6.38
2009-10	3201.86	0.82	3202.68	21.79
2010-11	3736.36	0.82	3737.18	16.69
Mean	2,882.22	36.00	2,918.22	28.36

(Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal)

As per the RBI norms the co-operative banks should maintain 25% as SLR and this 25% investment is called as statutory liquidity reserve (SLR) investment and the rest of the investment is called as other SLR investment. The above table shows that the growth of the SLR and other SLR investment of a bank. The total investment made by the bank varies one period to another. The mean value of the SLR and other SLR investment is Rs. 2882.22 lakhs and Rs.36.00 lakhs respectively. This table shows that the bank has been invest their funds more than in government securities. It is indication of higher liquidity position of bank.

### 5.3 NPA ANALYSIS OF THE BANK:-

Table No. 5.4

#### Assets Quality of Shri.SatyavijaySahakari Bank Ltd; Kundal

(Rs. in Lakhs)

Years	Total Loans & Advances	Standard Assets	Sub-Standard Assets	Doubtful Assets (up to 1 year)	Doubtful Assets (1 to 3 year)	Doubtful Assets (above 3 year)	Loss Assets
2006-07	4466.69	3,852.97 (86.26)	225.57 (5.05)	98.71 (2.21)	165.27 (3.70)	124.17 (2.78)	NA ( )
2007-08	3767.14	3,371.21 (89.49)	77.60 (2.06)	41.44 (1.10)	123.19 (3.27)	133.36 (3.54)	20.72 (0.55)
2008-09	3984.21	3,559.09 (89.33)	146.22 (3.67)	68.13 (1.71)	65.74 (1.65)	131.08 (3.29)	13.94 (0.35)
2009-10	5545.99	5,050.18 (91.06)	112.58 (2.03)	86.52 (1.56)	171.37 (3.09)	110.92 (2.00)	14.97 (0.27)
2010-11	6544.4	6,132.10 (93.70)	81.81 (1.25)	51.70 (0.79)	88.35 (1.35)	173.43 (2.65)	17.02 (0.26)
Mean	4,861.69	4,393.11 (89.97)	128.76 (2.81)	69.30 (1.47)	122.78 (2.61)	134.59 (2.85)	16.66 (0.35)

(Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal)

The above table shows that the Assets quality of Shri. SatyavijaySahakari Bank Ltd; Kundal as per prudential norms provided by RBI. It can be reveals that the standard assets means performing assets have ranged between 86.26% to 93.70% from 2007-2011. The mean value of the standard assets stand 89.97% the reason behind of this the bank has good revenue generating power because out of 100 assets above 89.97% assets are so employed or say above 89.97% of loans are so distrusted that they have been generating the regular and steady income in terms

of interest. It is concluded that the bank has remained very alert about the alarming signals of NPAs on one hand and achieved good consistency in maintain its assets quality. The total of mean values of sub-standard assets, doubtful assets (including three) and loss assets appears to be 10.09% (2.81+1.47+2.61+2.85+.035), which indicates that only around 10% of banks total assets have come under the non performing. This reveals that banks management has successfully been preventing their assets from decline to NPA. Doubtful assets and loss assets shows the efficient recovery mechanism. The mean value of Doubtful assets (above 3 years)and loss assets are 2.85% and 0.35% respectively. The above table assets quality clearly shows that there is strong recovery management in the Shri. SatyavijaySahakari Bank Ltd; Kundal.

**Table No. 5.5**  
**Magnitdde of NPA of Shri.SatyavijaySahakari Bank Ltd;**  
**Kundal**

(Rs. in Lakhs)

Years	Gross NPA	GNPA to Loans & Advances	Net NPA	Net NPA to Loans & Advances
2006-07	478.98	10.72	280.38	6.54
2007-08	595.49	15.81	294.22	8.49
2008-09	505.82	12.70	176.25	4.82
2009-10	467.97	8.44	100.65	1.94
2010-11	334.06	5.10	-9.99	-0.16
Mean	476.464	10.554	168.302	4.326

(Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal)

The above table shows that the magnitude of NPA of Shri. SatyavijaySahakari Bank Ltd; Kundal. The table shows movement of Gross and Net NPA of the bank during the period of study. As per the RBI norms it is must to every cooperative bank the gross NPA should never be allowed going beyond 15% and the Net NPA beyond 10%. It can be seen in the above table the bank has never crossed the limit of lending during the study period. The Gross NPA has decreased over a period of study. In respect of Net NPA it is also decreased as 6.57%, 8.49%, 4.82%, 1.94% and – 0.16% from 2006-07 to 2010-11.

**.Table No. 5.6**  
**Differential Values of NPA of Shri.SatyavijaySahakari Bank Ltd;**  
**Kundal**

(Rs. in Lakhs)

Years	% of GNPA to loans & Advances	Differential Values	% of NNPA to loans & Advances	Differential Values
2006-07	10.72	-	6.57	-
2007-08	15.81	5.09	8.49	1.92
2008-09	12.70	-3.11	4.82	-3.67
2009-10	8.44	-4.26	1.94	-2.88
2010-11	5.10	-3.34	-0.16	-2.11
Mean	10.55	-1.40	4.33	-1.68

(Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal)

It is very important to take a close and refined look at the NPA movement of the bank over the period of study. It is observed that in the above table the difference mean value of percentage of gross NPA to loans and advances is - 1.40% while that of percentage of net NPA to loans and advances is -1.68. This clearly indicates that the Shri.SatyavijaySahakari Bank Ltd; Kundal, management has done very good working in respect of recovery of loans and advances.

## 5.4 RATIO ANALYSIS AND INTERPRETATION:-

### 5.4.1 Profitability Ratios

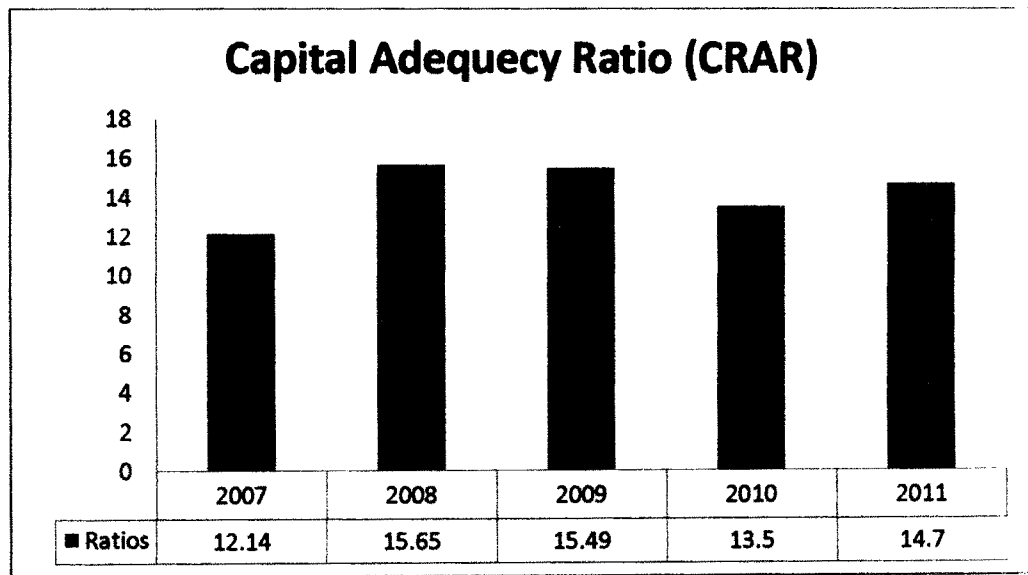
**Table No. 5.7 Capital Adequacy Ratios (CRAR)**

(Rs. in Lakhs)

Years	Capital + Reserve	Risk Assets	Ratio (%)
2006-07	483.17	3981.33	12.14
2007-08	498.12	3182.18	15.65
2008-09	543.39	3507.09	15.49
2009-10	614.74	4554.48	13.5
2010-11	776.51	5281.95	14.7

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.7**



The above table shows that the capital risks to assets risk ratio during the year 2006-07 to 2010-11. As per the RBI norms the co-operative banks should maintain 9% CRAR. It is observed that the ratio has fulfilled the minimum requirement of capital to risk assets ratio i.e. 9%. The ratio decreased in the year 2010 as compared to 2009 but in the year 2011 it has been increased.

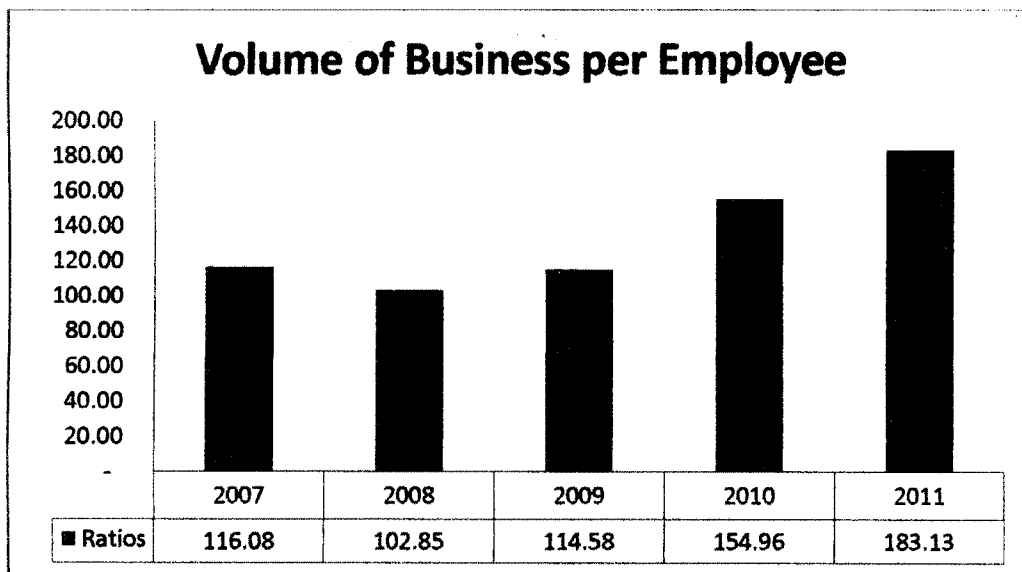
**Table No. 5.8 Volume of Business per Employee:**

(Rs. in Lakhs)

Years	Volume of Business	Employee	Amounts
2006-07	11144.15	96	116.08
2007-08	9770.99	95	102.85
2008-09	10541.62	92	114.58
2009-10	14101.35	91	154.96
2010-11	16298.42	89	183.13

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.8**



From the above table it reveals that the volume of business increased year by year from Rs. 11144.15 lakhs during 2007-08 and Rs. 16298.42 lakhs in 2010-11 except in the year 2007-08. But the number of employees shows the decreasing trend. The ratio ranges 102.85 to 183.13.



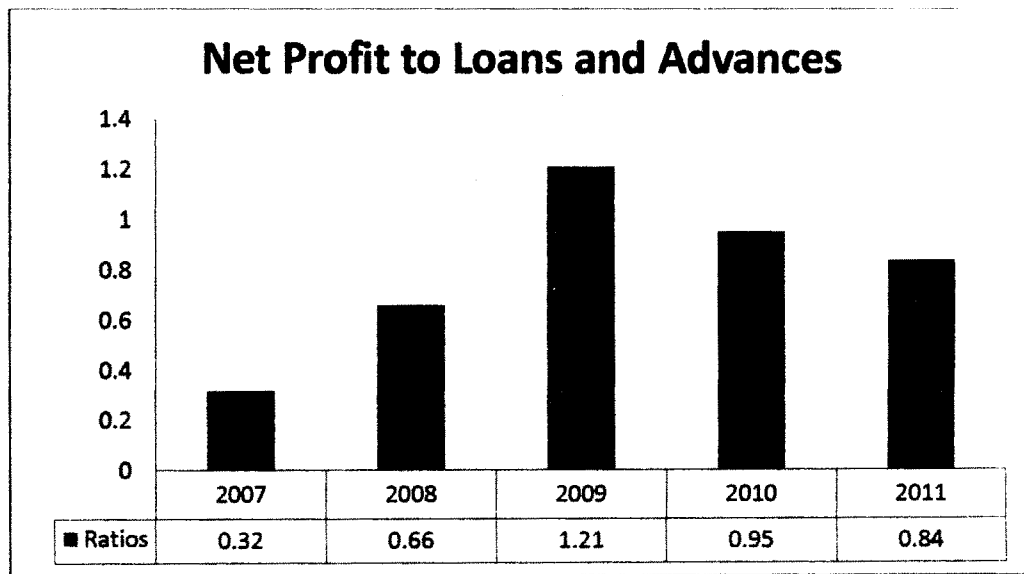
**Table No. 5.9 Net Profit Ratio**

(Rs. in Lakhs)

Year	Net Profit	Total Loans & Advances	Ratio(%)
2006-2007	14.12	4466.69	0.32
2007-2008	24.8	3767.14	0.66
2008-2009	48.32	3984.21	1.21
2009-2010	52.96	5545.99	0.95
2010-2011	55.19	6544.40	0.84

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.9**



The above table shows that the relationship between net profits to loans and advances. The ratio ranges 0.32% to 1.21%. In case net profit increased from the 2006-07 to 2010-11 but instead of total loans and advances has been fluctuated.

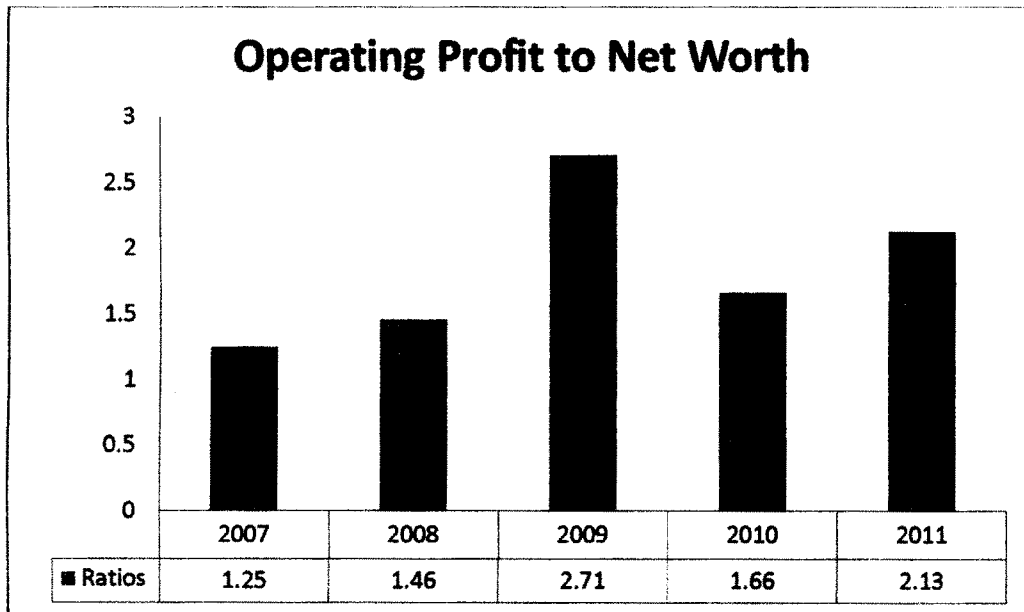
**Table No. 5.10 Operating Profit to Net Worth:**

(Rs. in Lakhs)

Years	Operating Profit	Net Worth	Ratio(%)
2006-07	9.24	739.32	1.25
2007-08	12	823.19	1.46
2008-09	24.26	893.58	2.71
2009-10	17.12	1029.62	1.66
2010-11	24.43	1147.21	2.13

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.10**



The above table shows that the relationship between operating profit to net worth, the operating profit has been increased from year by year. The ratio ranges 1.25 to 2.71. The net worth included capital and reserves of the bank. It has been also increased over a study period.

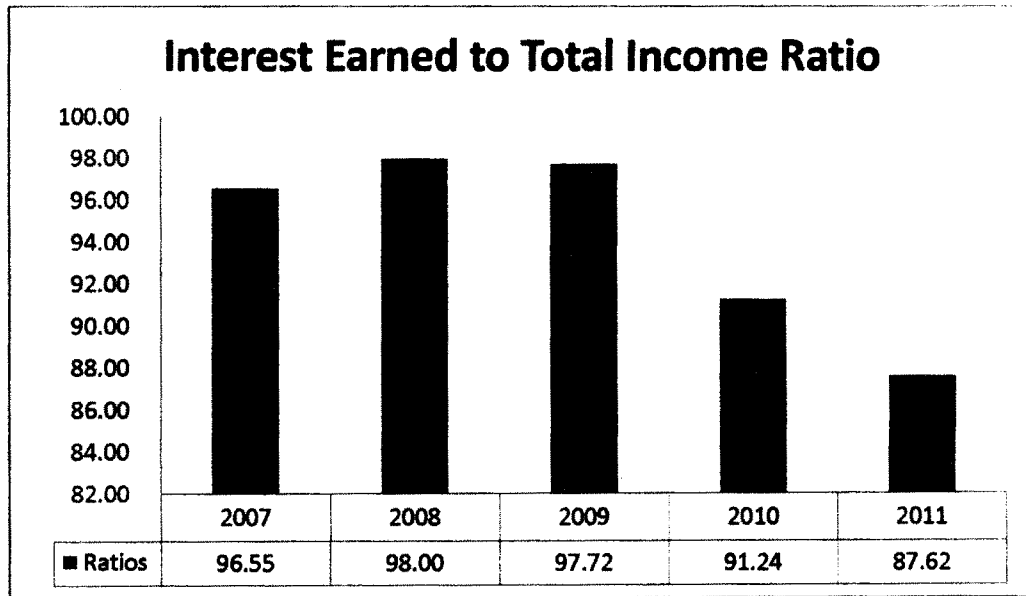
**Table No. 5.11 Interest Earned to Total Income Ratio**

(Rs. in Lakhs)

Year	Interest Earned	Total Income	Ratio (%)
2006-2007	899.59	931.7	96.55
2007-2008	916.13	934.83	98.00
2008-2009	981.29	1004.18	97.72
2009-2010	1084.96	1189.15	91.24
2010-2011	1027.44	1172.65	87.62

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.11**



The above table shows that the income of the bank during the 2006-07 was Rs. 1027.44 lakhs, which was higher than that of the year 2006-07. It is clear that there is uniform growth in its position. The table also shows that the ratio varied between 87.62% and 97.72% during the study period.

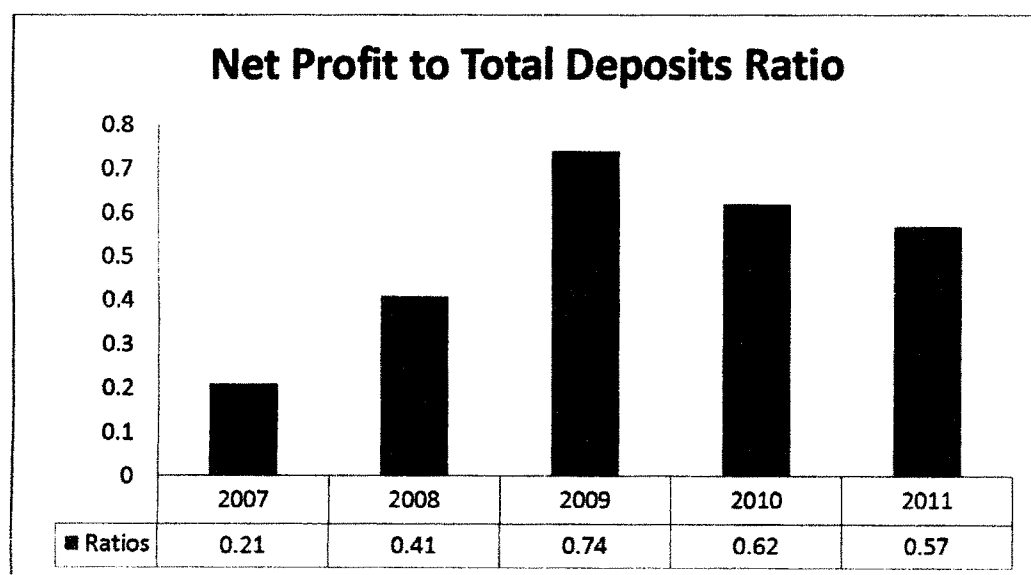
**Table No. 5.12 Net Profit to Total Deposits Ratio**

(Rs. in Lakhs)

Year	Net Profit	Total Deposit	Ratio (%)
2006-2007	14.12	6677.46	0.21
2007-2008	24.8	6003.85	0.41
2008-2009	48.32	6557.41	0.74
2009-2010	52.96	8555.36	0.62
2010-2011	55.19	9754.06	0.57

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.12**



It is observed from the above table that the total deposit has been increased from year by year. This ratio shows the relationship between net profits to total deposits. The ratio ranges between 0.21 to 0.74. The ratio has been fluctuated trend during the study period.

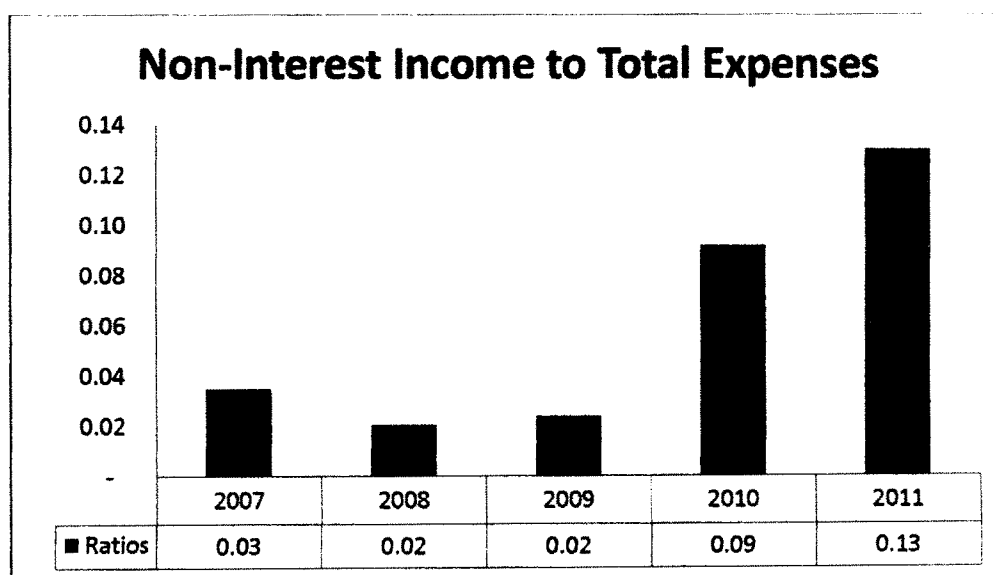
**Table No. 5.13 Non-Interest Income to Total Expenses**

(Rs. in Lakhs)

Years	Non-Interest Income	Total Expenses	Ratio(%)
2006-07	32.11	917.58	0.03
2007-08	18.70	910.03	0.02
2008-09	22.88	955.86	0.02
2009-10	104.18	1136.18	0.09
2010-11	145.18	1117.47	0.13

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.13**



It is informed from above table that during 2007-08 to 2008-09 the ratio of non-interest income to total expenses remained same at 0.02 level. Both non-interest income and total Expenses shows increasing trend. From 2006-07 to 2010-11, but the ratio varied between 0.02 to 0.13 it is clear from the table that bank has not spent much amount on other services.

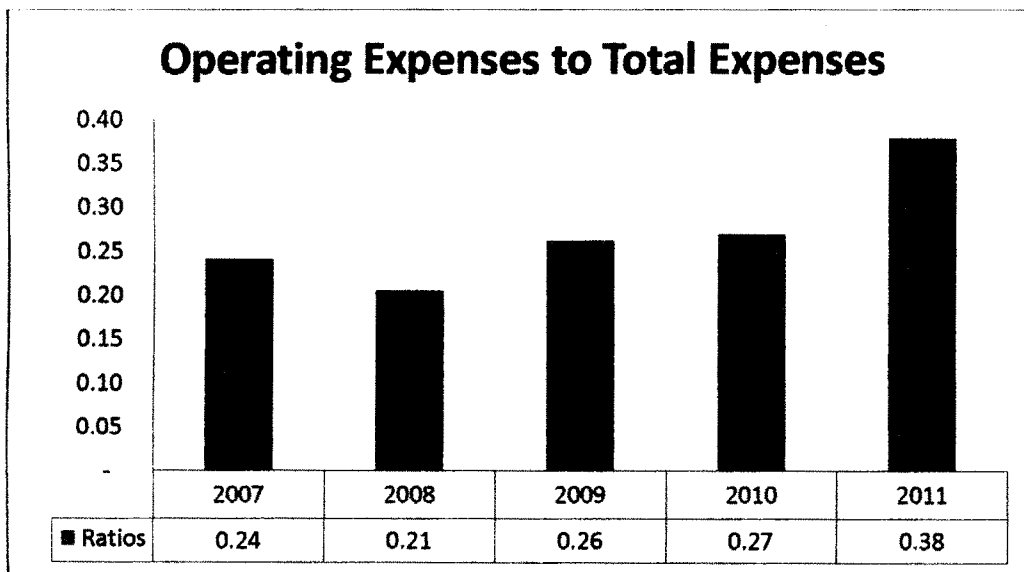
**Table No. 5.14 Operating Expenses to Total Expenses**

(Rs. in Lakhs)

Years	Operating Expenses	Total Expenses	Ratio(%)
2006-07	221.41	917.58	0.24
2007-08	186.83	910.03	0.21
2008-09	250.70	955.86	0.26
2009-10	306.03	1136.18	0.27
2010-11	423.09	1117.47	0.38

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.14**



The above table shows that the ratio of operating expenses to total expenses was varied between 0.21 to 0.38. The operating expenses steadily increased from Rs. 221.41 lakhs in the year 2006-07 to Rs. 423.09 lakhs in 2010-

11

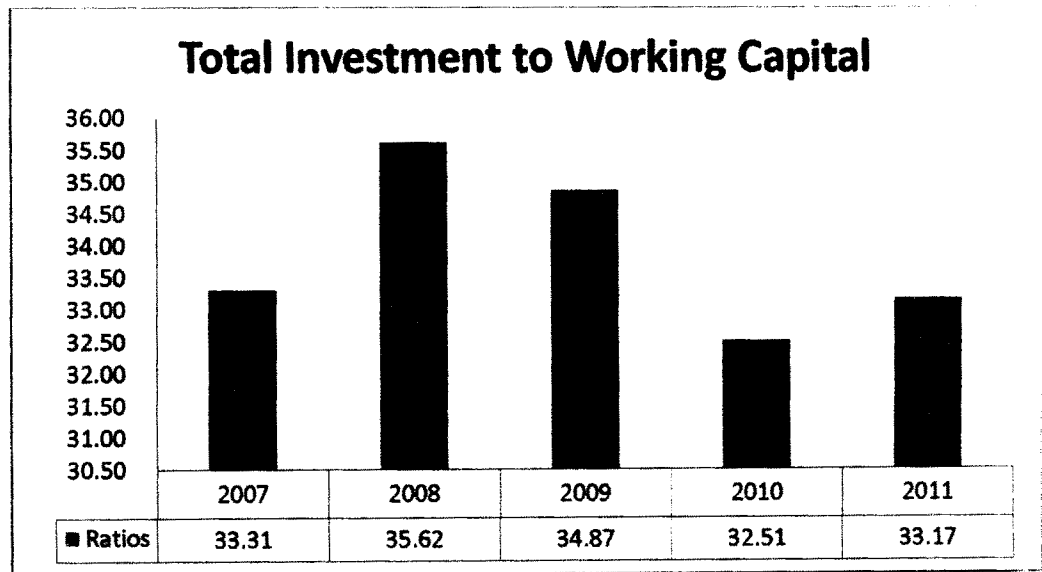
**Table No. 5.15 Total Investment to Working Capital**

(Rs. in Lakhs)

Years	Total Investment	Working Capital	Ratio(%)
2006-07	2549.78	7653.80	33.31
2007-08	2516.92	7065.39	35.62
2008-09	2699.61	7742.52	34.87
2009-10	3202.67	9849.89	32.51
2010-11	3737.17	11268.06	33.17

Source: compiled data from Satyavijay Sahakari Bank Ltd; Kundal

**Chart No. 5.15**



It is clear from the above table that the investment of the bank has been increased year by year and it reached the maximum amount of Rs. 11267.06 lakhs during the year 2010-11. It also clear that the ratio of investment to working capital varied between 33.17% to 35.62%.

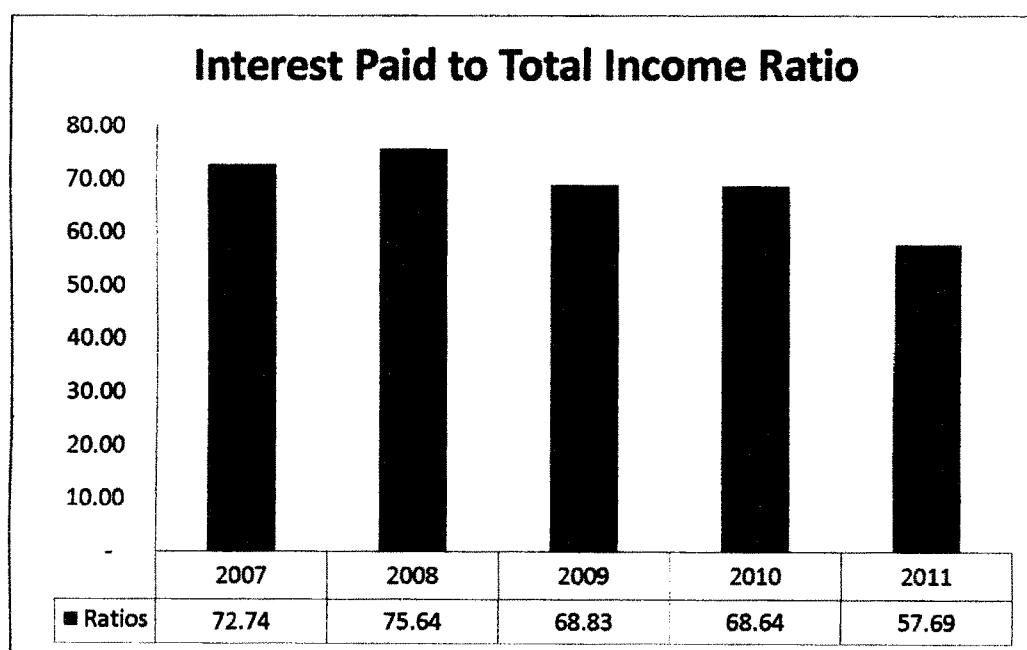
**Table No. 5.16 Interest Paid to Total Income Ratio**

(Rs. in Lakhs)

Year	Interest Paid	Total Income	Ratio (%)
2006-2007	677.7	931.7	72.74
2007-2008	707.1	934.83	75.64
2008-2009	691.13	1004.18	68.83
2009-2010	816.28	1189.15	68.64
2010-2011	676.56	1172.65	57.69

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.16**



The above table focused on the interest paid to total income during the study period. The total income has been increased as compared the interest paid by the bank to its customers. The ratio has fluctuated, the ratio ranges the 57.69% to 75.64%.



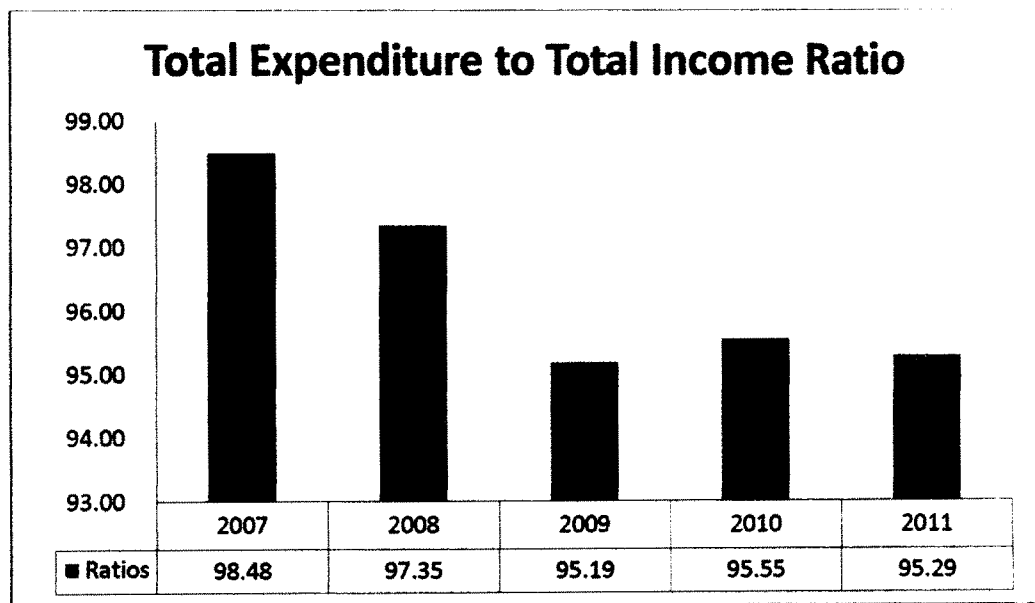
**Table No. 5.17 Total Expenditure to Total Income Ratio**

(Rs. in Lakhs)

Year	Total Expenditure	Total Income	Ratio (%)
2006-2007	917.57	931.7	98.48
2007-2008	910.03	934.83	97.35
2008-2009	955.86	1004.18	95.19
2009-2010	1136.18	1189.15	95.55
2010-2011	1117.46	1172.65	95.29

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.17**



The above table shows that the ratio of total expenditure to total income during the study period. The ratio has been fluctuated trend from 2006-07 to 2010-11. The amount of Total expenditure and total income were also fluctuated during the study period.

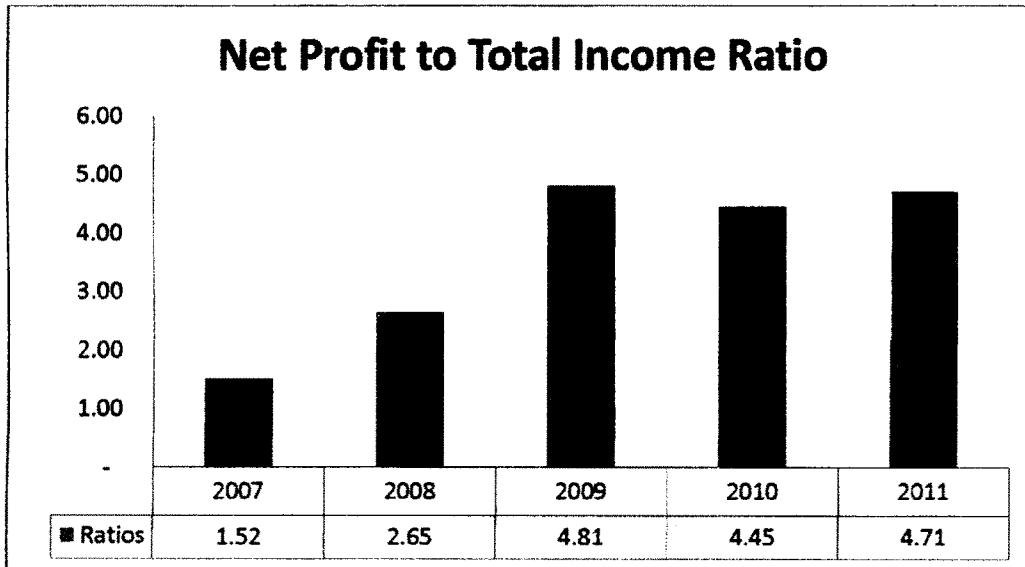
**Table No. 5.18 Net Profit to Total Income Ratio**

(Rs. in Lakhs)

Year	Net Profit	Total Income	Ratio (%)
2006-2007	14.12	931.7	1.52
2007-2008	24.8	934.83	2.65
2008-2009	48.32	1004.18	4.81
2009-2010	52.96	1189.15	4.45
2010-2011	55.19	1172.65	4.71

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.18**



The above table reveals the relationship between the net profits to total income. The ratio shows the fluctuating trend during the study period. The amount of net profit increased and also total income are increased. The ratio varied between 1.52 to 4.81 during the study period.

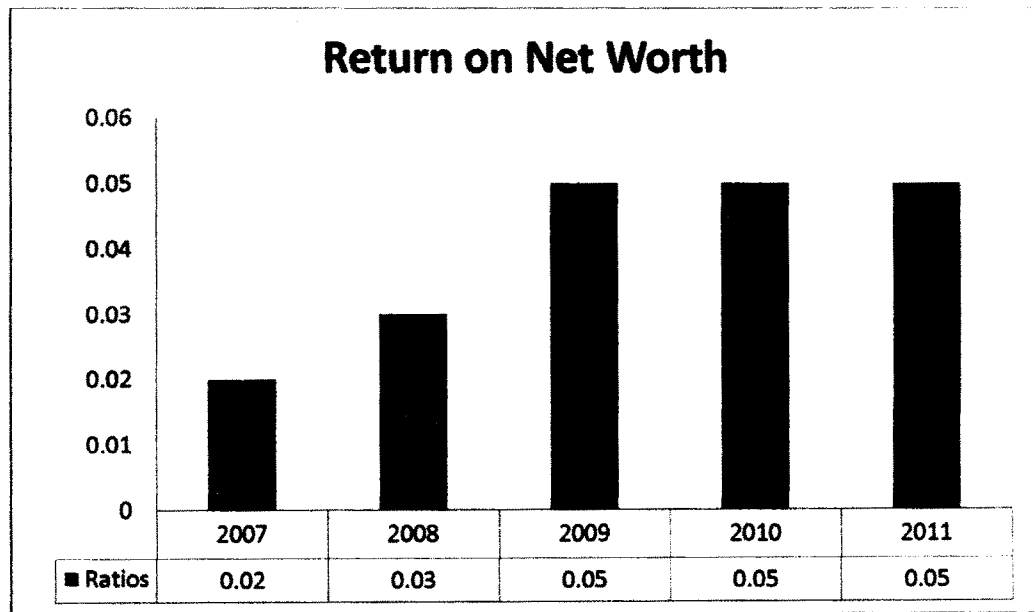
**Table No. 5.19 Return on Net Worth**

(Rs. in Lakhs)

Years	Net Profit	Net Worth	Ratio(%)
2006-07	14.12	739.32	0.02
2007-08	24.8	823.19	0.03
2008-09	48.32	893.58	0.05
2009-10	52.96	1029.62	0.05
2010-11	55.19	1147.21	0.05

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.19**



In the above table shows that the return on net worth. The ratio shows the stability in the year 2008-09 to 2010-11 is 0.05. It means the net profit of the bank has been given the sufficient returns of net worth. The net worth shows the increasing trend during the study period.

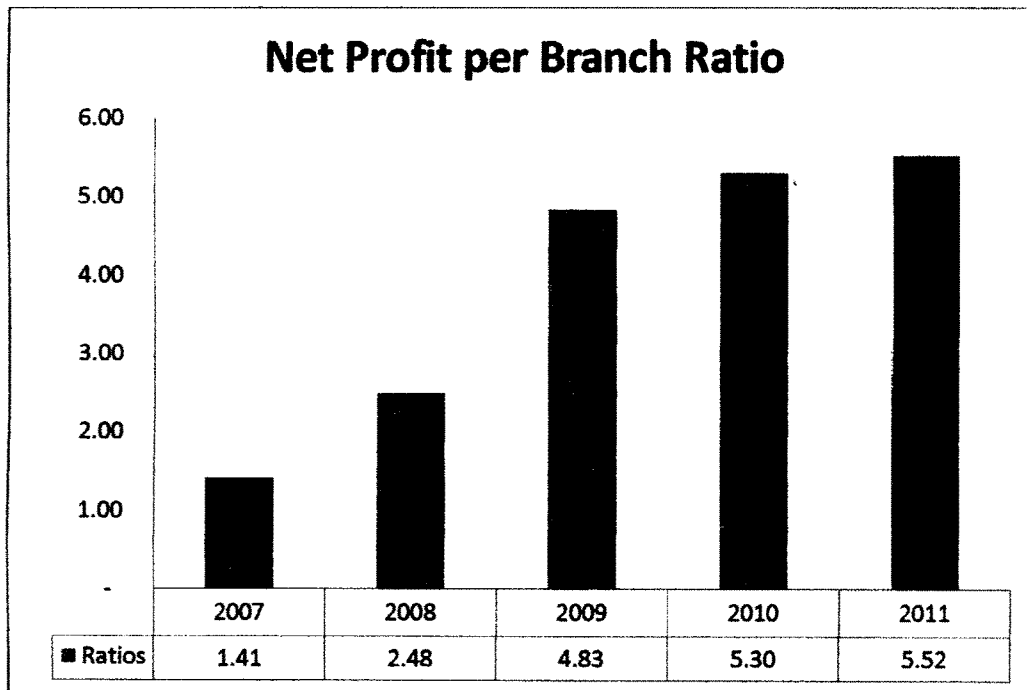
**Table No. 5.20 Net Profit per Branch Ratio**

(Rs. in Lakhs)

Year	Net Profit	No. of Branch	Amounts
2006-2007	14.12	10	1.41
2007-2008	24.8	10	2.48
2008-2009	48.32	10	4.83
2009-2010	52.96	10	5.30
2010-2011	55.19	10	5.52

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.20**



The above table shows that the net profit per branch during the study period. The ratio shows the number of branches increased profitability up to 1.41 to 5.52. The number of branches shows the stability.

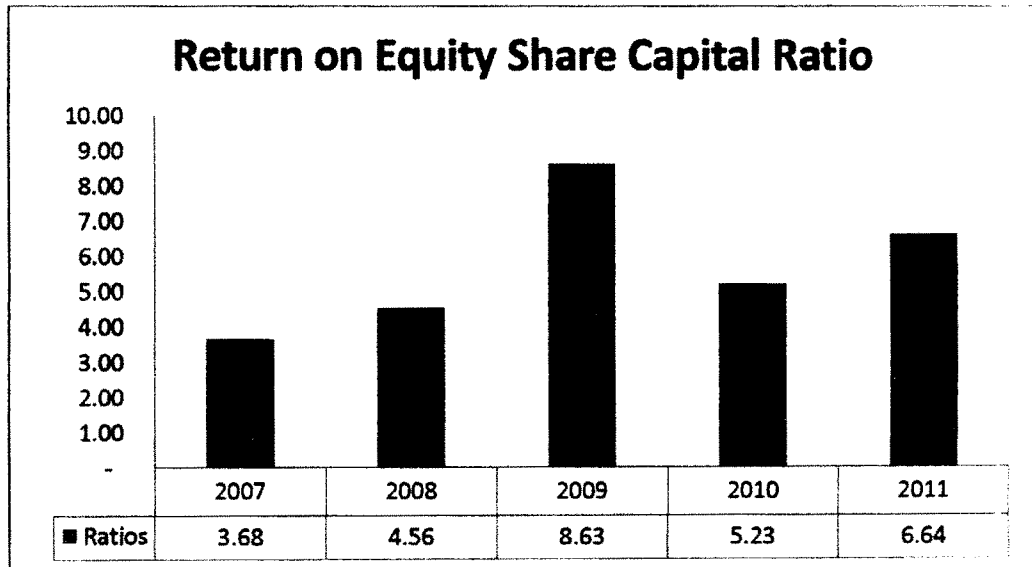
**Table No. 5.21 Return on Equity Share Capital Ratio**

(Rs. in Lakhs)

Year	Net Profit	Equity capital	Ratio (%)
2006-2007	9.24	251.34	3.68
2007-2008	12	263.26	4.56
2008-2009	24.26	281.05	8.63
2009-2010	17.12	327.57	5.23
2010-2011	24.43	367.65	6.64

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.21**



The above table focused on the relationship between profits of a bank on equity share capital. The minimum equity share capital reached the Rs. 251.34 lakhs during the year 2006-07 and the maximum equity share capital reached the Rs. 367.65 lakhs in the year 2010-11. The ratio varied between 3.68 % to 8.63 %.

## 5.4.2 Solvency Ratios

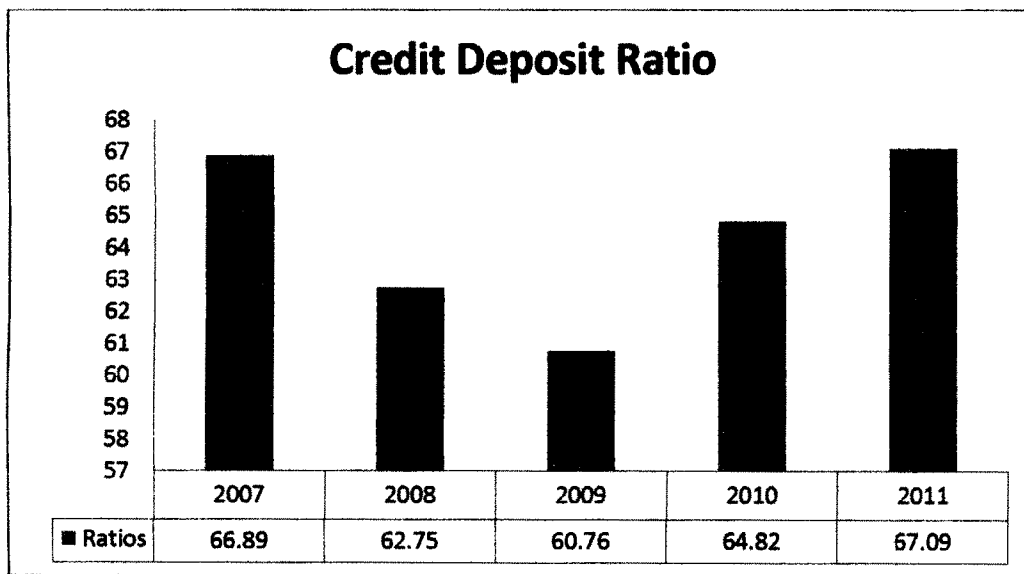
Table No. 5.22 Credit Deposit Ratio

(Rs. in Lakhs)

Year	Total Loans & Advances	Total Deposits	Ratio (%)
2006-2007	4466.69	6677.46	66.89
2007-2008	3767.14	6003.85	62.75
2008-2009	3984.21	6557.41	60.76
2009-2010	5545.99	8555.36	64.82
2010-2011	6544.40	9754.06	67.09

Source: compiled data from Satyavijay Sahakari Bank Ltd; Kundal

Chart No. 5.22



The above table shows the solvency position of the bank. It clears that the amount of deposits has been increased year by year and it has reached the maximum of Rs. 9754.06 lakhs during the year 2010-11. It is also clear that the ratio of credit deposit indicates that the deposits were fully utilized for credit and investment during the study period.

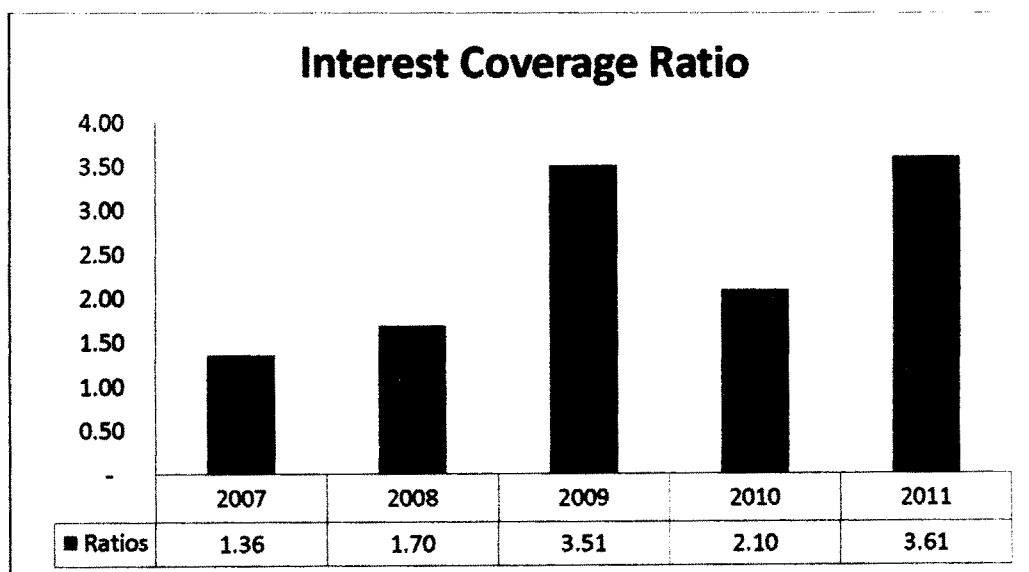
**Table No. 5.23 Interest Coverage Ratio**

(Rs. in Lakhs)

Years	Net Profit Before Interest & Tax	Interest Paid	Ratio(%)
2006-07	9.24	677.7	1.36
2007-08	12	707.1	1.70
2008-09	24.26	691.13	3.51
2009-10	17.12	816.28	2.10
2010-11	24.43	676.56	3.61

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.23**



From the above table it is clear that the net profit before interest and tax gradually increased during the study period. From 2006-07 to 2010-11 the ratio of net profit before interest and tax to interest paid was more than one. It indicates that the bank kept more amount of profit. It shows that the profit is sufficient to meet interest obligations. In the chart of interest coverage ratios it is clear that the ratio was minimum in the year 2010 as compared to 2009 and again it was increased in the year 2010-11 i.e. 3.61%.

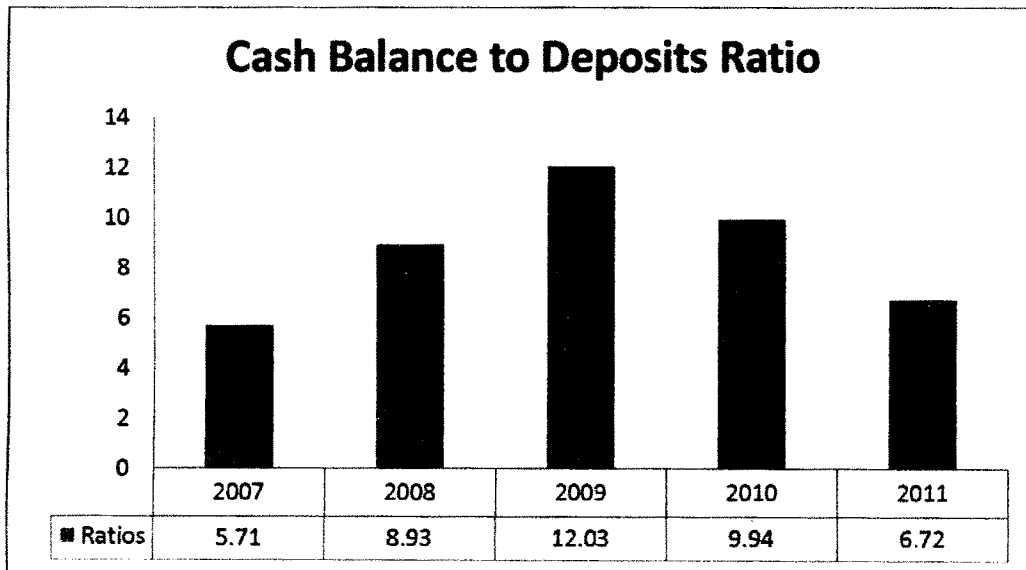
**Table No. 5.24 Cash Balance to Deposit Ratio**

(Rs. in Lakhs)

Year	Cash	Total Deposit	Ratio(%)
2006-2007	381.08	6677.46	5.71
2007-2008	536.02	6003.85	8.93
2008-2009	788.85	6557.41	12.03
2009-2010	850.62	8555.36	9.94
2010-2011	655.03	9754.06	6.72

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.24**



The above table shows that the relationship between the cash balance to deposits ratio. The ratio varied between 5.71 to 12.03. The cash balance fluctuated during the study period. More cash balance shows the proper returns of principle and interest amounts of deposits to the customers.



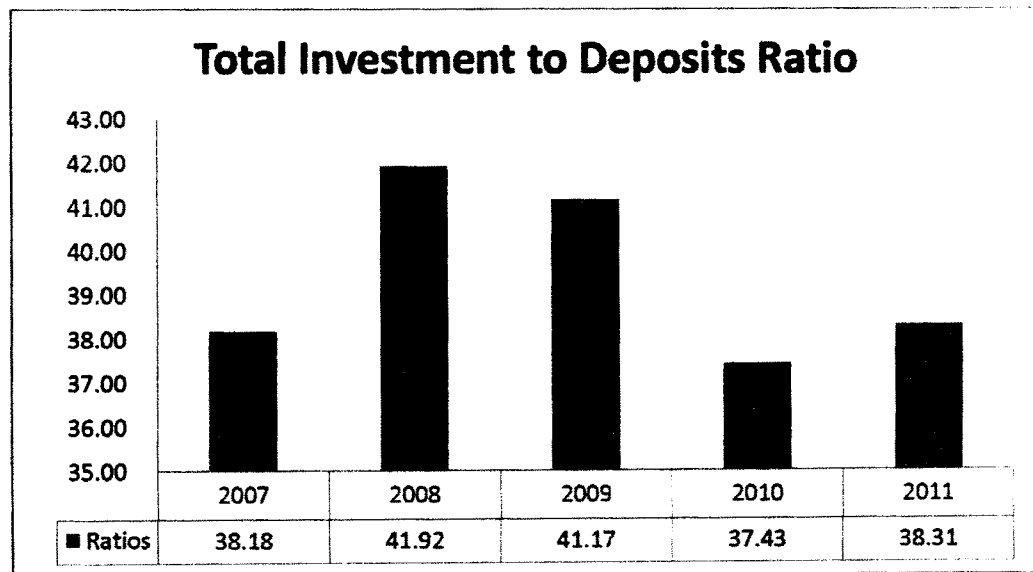
**Table No. 5.25 Total Investment to Deposits Ratio**

(Rs. in Lakhs)

Year	Investment	Total Deposit	Ratio (%)
2006-2007	2549.78	6677.46	38.18
2007-2008	2516.92	6003.85	41.92
2008-2009	2699.61	6557.41	41.17
2009-2010	3202.67	8555.36	37.43
2010-2011	3737.17	9754.06	38.31

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.25**



The above ratio focused on the relationship between the total investments to total deposits. The amount of total investment has been increased during the study period and it was reached the maximum of Rs. 3737.17 lakhs in the year 2010-11. The ratio of the total investment of total deposits ranges between the 38.18 to 41.92.

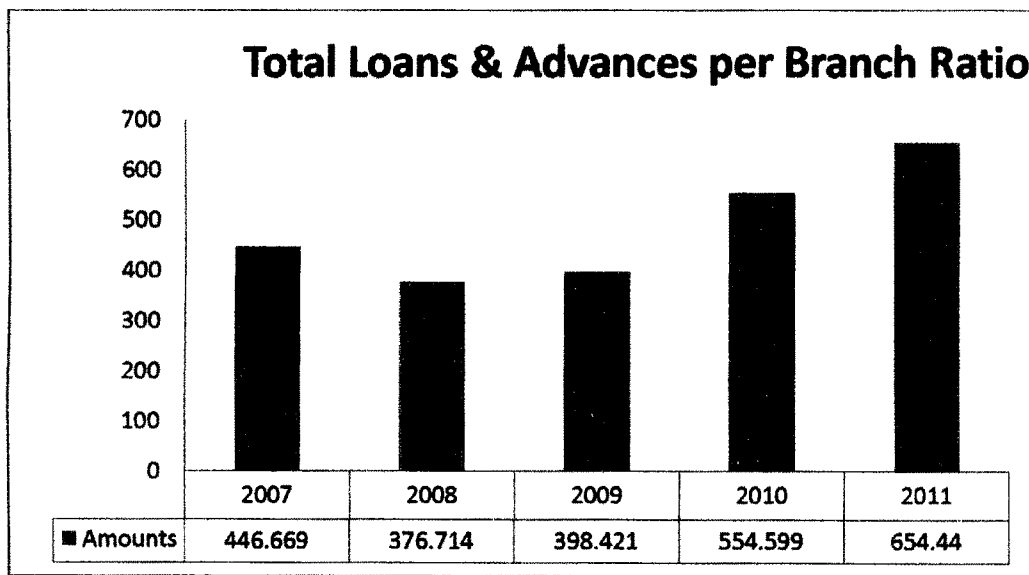
**Table No. 5.26 Total Loans & Advances per Branch Ratio**

(Rs. in Lakhs)

Year	Total Loans & Advances	No. of Branches	Amounts
2006-2007	4466.69	10	446.669
2007-2008	3767.14	10	376.714
2008-2009	3984.21	10	398.421
2009-2010	5545.99	10	554.599
2010-2011	6544.40	10	654.44

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.26**



The above table shows that the loans and advances issued by the bank. The ratio shows the relationship between the total loans and advances to number of branches of the bank. It is clear from the above table that the bank has been fluctuated credit under its various branches.

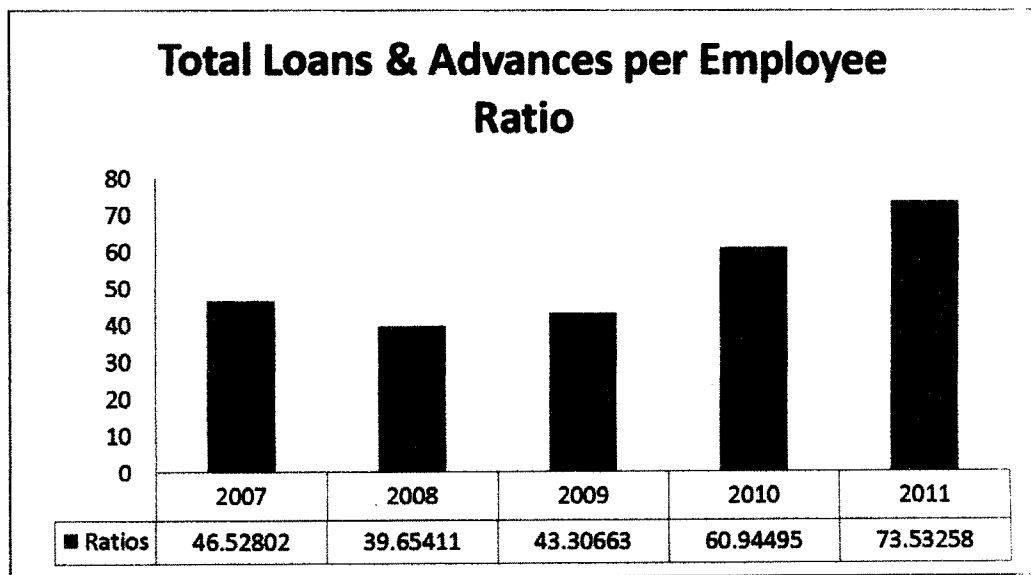
**Table No. 5.27 Total Loans & Advances per Employee Ratio**

(Rs. in Lakhs)

Year	Total Loans & Advances	No. of Employee	Amounts
2006-2007	4466.69	96	46.53
2007-2008	3767.14	95	39.65
2008-2009	3984.21	92	43.31
2009-2010	5545.99	91	60.94
2010-2011	6544.40	89	73.53

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.27**



The total loans and advances per employee ratio show the proportion between the loans issued by the bank per employees. The amount of per employee loans and advances varied between the Rs. 39.65 lakhs to Rs. 73.53 lakhs during the study period.

### 5.4.3 Liquidity Ratios

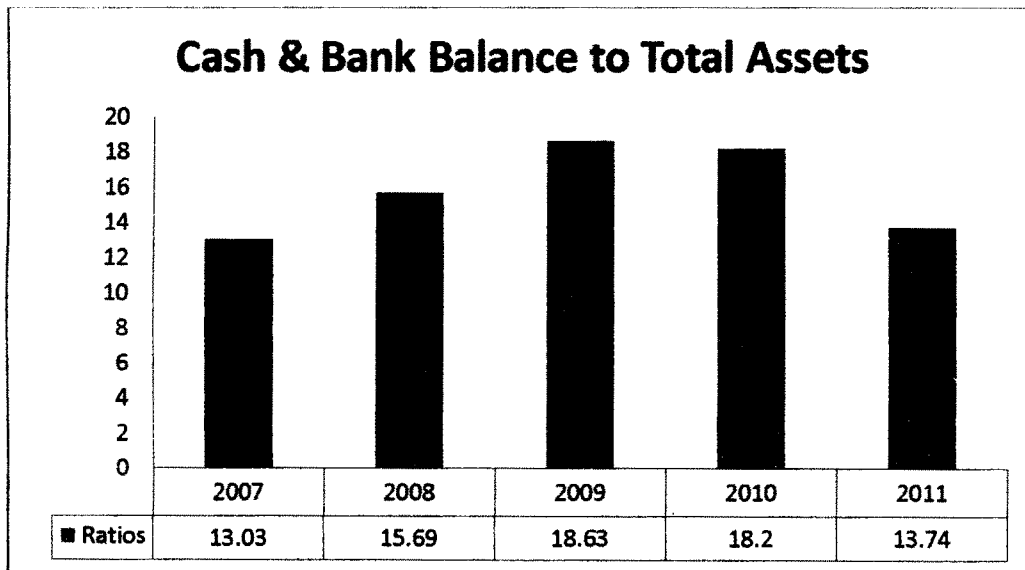
**Table No. 5.28 Cash & Bank Balance to Total Assets**

(Rs. in Lakhs)

Years	Cash & Bank Balance	Total Assets	Ratio (%)
2006-07	1033.18	7930.66	13.03
2007-08	1160.43	7397.60	15.69
2008-09	1510.76	8108.52	18.63
2009-10	1827.53	10044.01	18.20
2010-11	1561.93	11369.62	13.74

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.28**



The ratio shows the liquidity position of the bank. The ratio reveals that the relationship between the cash and bank balance of a bank to total assets of a bank. The ratio ranges between 13.03 to 18.63. The cash balance and bank balance of the bank has been increased during the study period.

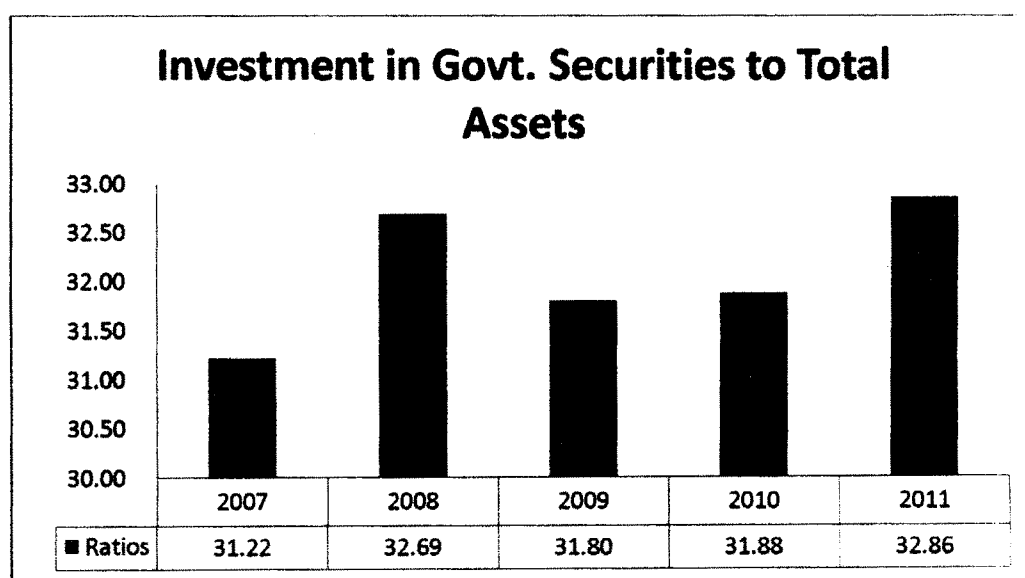
**Table No. 5.29 Investments in Govt. Securities to Total Assets**

(Rs. in Lakhs)

Years	Investment in Govt. Securities	Total Assets	Ratio(%)
2006-07	2475.97	7930.66	31.22
2007-08	2418.10	7397.60	32.69
2008-09	2578.79	8108.52	31.80
2009-10	3201.86	10044.01	31.88
2010-11	3736.36	11369.62	32.86

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.29**



The above table focused investment in the government securities to total assets. This ratio shows the proportion of the investment in the government securities by the bank. Out of total assets the bank has been invested the maximum 32.86% amount in the government securities. It shows that the bank followed the RBI norms.

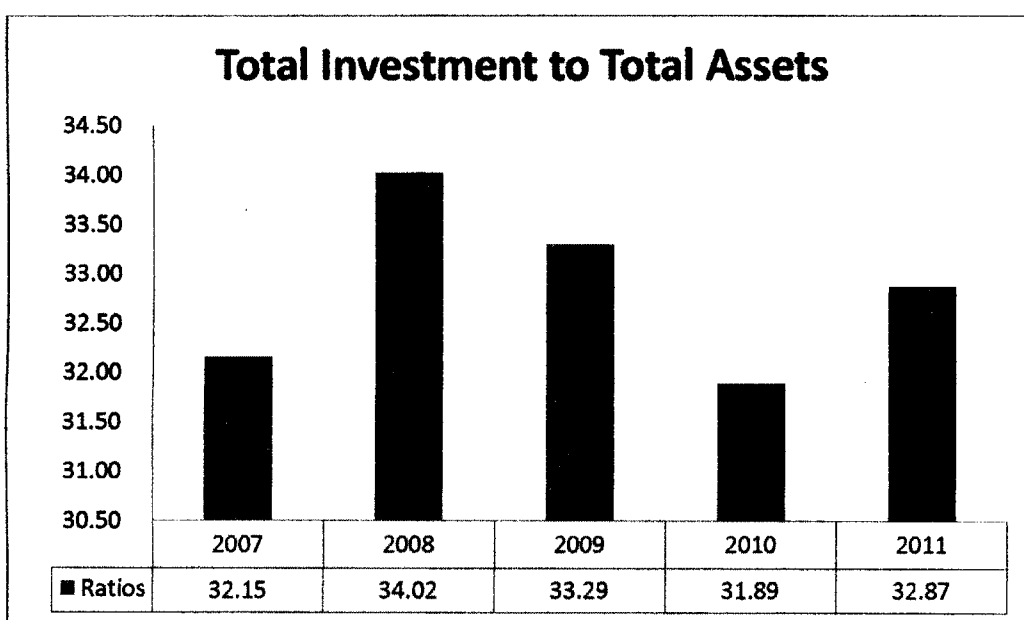
**Table No. 5.30 Total Investments to Total Assets**

(Rs. in Lakhs)

Years	Total Investment	Total Assets	Ratio(%)
2006-07	2549.78	7930.66	32.15
2007-08	2516.92	7397.60	34.02
2008-09	2699.61	8108.52	33.29
2009-10	3202.67	10044.01	31.89
2010-11	3737.17	11369.62	32.87

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.30**



The above table shows that the ratio of total investment to total assets of the bank. The ratio shows the bank has been invest the more in the government securities. These ratios similar to the investment of government securities to total assets, but in this ratio the total investment are to be included and the total investments were reached to Rs.3737.17lakhs in the year 2010-11.

### 5.4.4 Operating Ratios

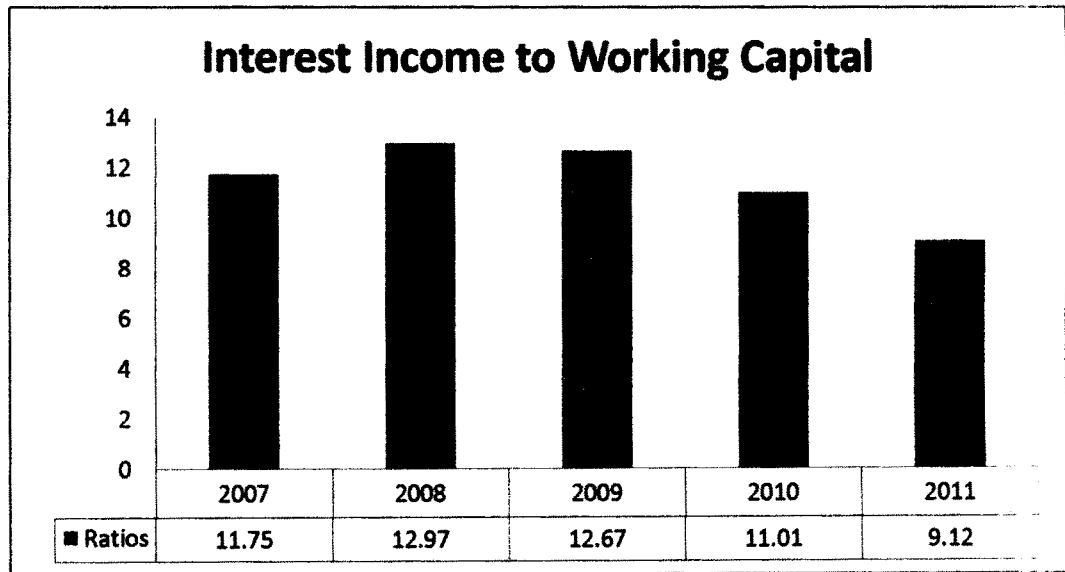
**Table No. 5.31 Interest Income to Working Capital**

(Rs. in Lakhs)

Years	Interest Income	Working Capital	Ratio(%)
2006-07	899.59	7653.80	11.75
2007-08	916.13	7065.39	12.97
2008-09	981.29	7742.52	12.67
2009-10	1084.96	9849.89	11.01
2010-11	1027.44	11268.06	9.12

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.31**



The interest income to working capital ratio shows the growth over a period of study. The interest income of the bank has been increased from Rs. 899.59 lakhs to Rs. 1027.44 lakhs from the 2006-07 to 2010-11. The ratio ranges between the 9.12 % to 12.97%.

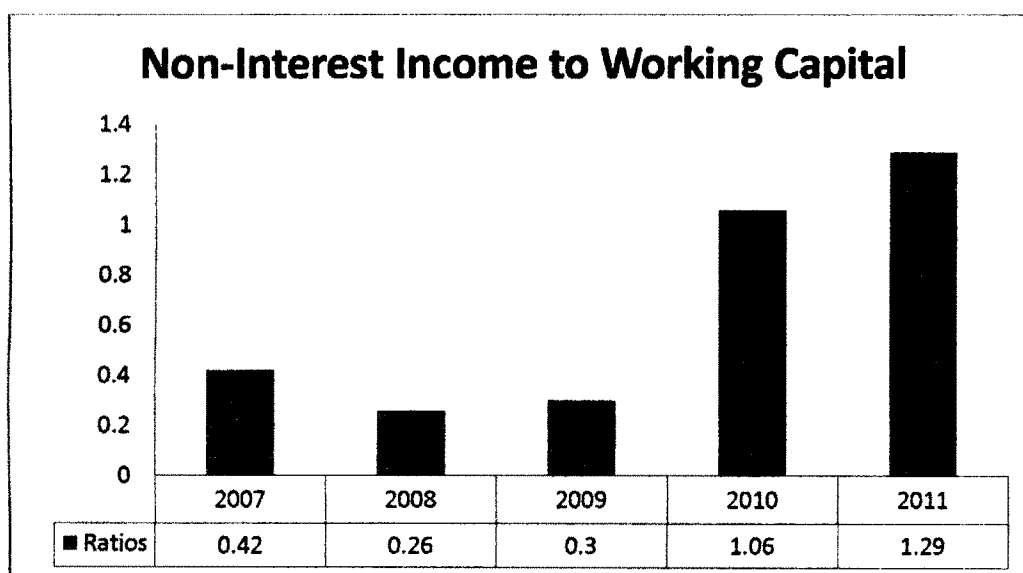
**Table No. 5.32 Non-Interest Income to Working Capital**

(Rs. in Lakhs)

Years	Non-Interest Income	Working Capital	Ratio(%)
2006-07	32.11	7653.80	0.42
2007-08	18.70	7065.39	0.26
2008-09	22.88	7742.52	0.30
2009-10	104.18	9849.89	1.06
2010-11	145.18	11268.06	1.29

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.32**



It is observed in the above table that the non interest income of the bank has been increased from Rs. 32.11 lakhs to Rs. 145.18 lakhs. The ratio has fluctuated during the study period. The ratio varied between 0.26 % to 1.29 %. The non-interest income useful to increase the working capital.



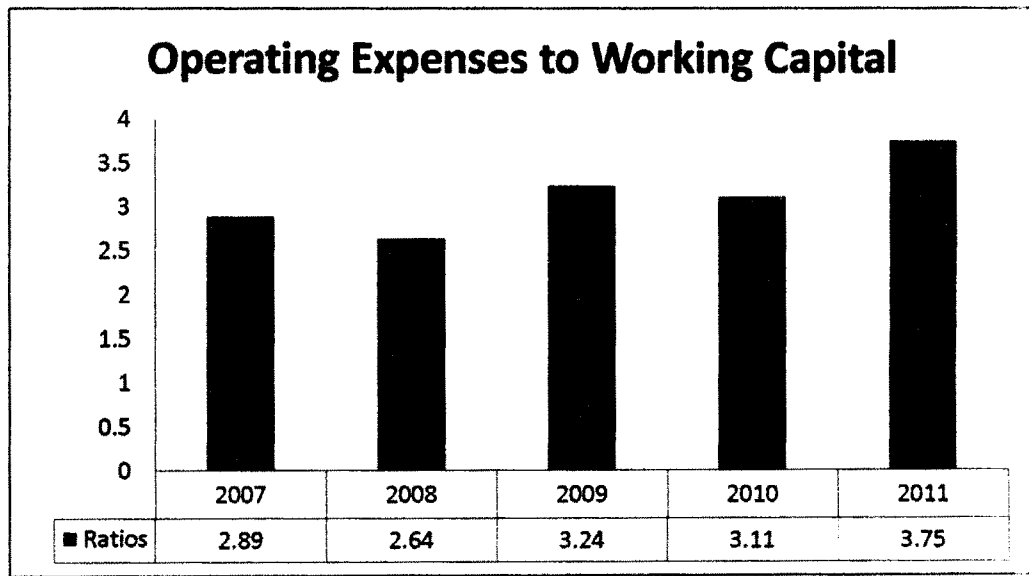
**Table No. 5.33 Operating Expenses to Working Capital**

(Rs. in Lakhs)

Years	Operating Expenses	Working Capital	Ratio(%)
2006-07	221.41	7653.80	2.89
2007-08	186.83	7065.39	2.64
2008-09	250.70	7742.52	3.24
2009-10	306.03	9849.89	3.11
2010-11	423.09	11268.06	3.75

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.33**



The above table shows that the operating expenses to working capital ratio. The relationship between the working capital helps to pay the operating expenses of the bank. The ratio varied between the 2.64 % to 3.75 %. Higher working capital helps to operating activities of the bank.

## 5.4.5 Activity Ratios

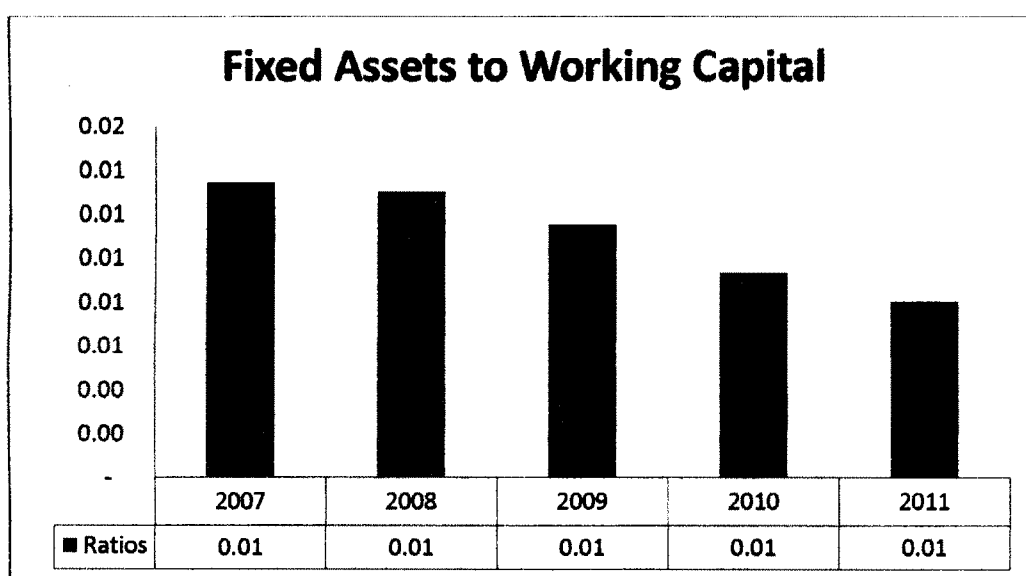
**Table No. 5.34 Fixed Assets to Working Capital**

Years	Fixed Assets	Working Capital	Ratio(%)
2006-07	102.89	7653.80	0.013443
2007-08	91.98	7065.39	0.013018
2008-09	89.20	7742.52	0.011521
2009-10	91.94	9849.89	0.009334
2010-11	90.38	11268.06	0.008021

(Rs. in Lakhs)

Source: compiled data from Satyavijay Sahakari Bank Ltd; Kundal

**Chart No. 5.34**



From the above table the ratio of fixed assets to working capital has shown a favorable result 0.0080 at the end of the year 2010-11. Minimum ratio less amount invested in fixed assets by the bank. It is clear that the fixed asset has been fluctuated, but as compared with working capital it is good for the bank.

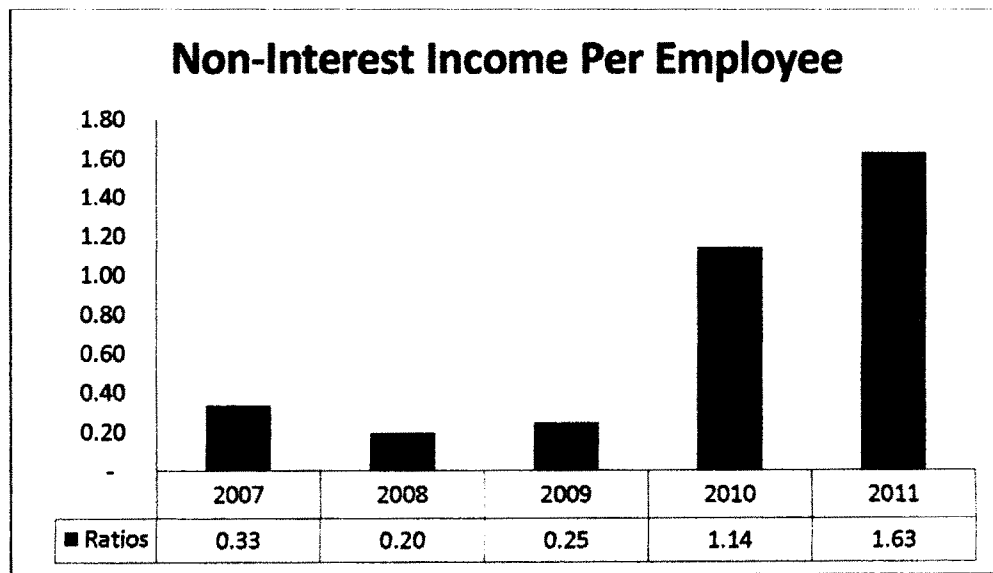
**Table No. 5.35 Non-Interest Income per Employee**

(Rs. in Lakhs)

Years	Non-Interest Income	Employee	Amounts
2006-07	32.11	96	0.33
2007-08	18.70	95	0.20
2008-09	22.80	92	0.25
2009-10	104.18	91	1.14
2010-11	145.18	89	1.63

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.35**



It is clear from the above table the amount of Non-interest income varied between Rs. 18.70 lakhs during 2007-08 and Rs. 145.18 lakhs in 2010-11. Similarly, the ratio shows a fluctuated trend with a minimum of 0.20 and a maximum of 1.63.

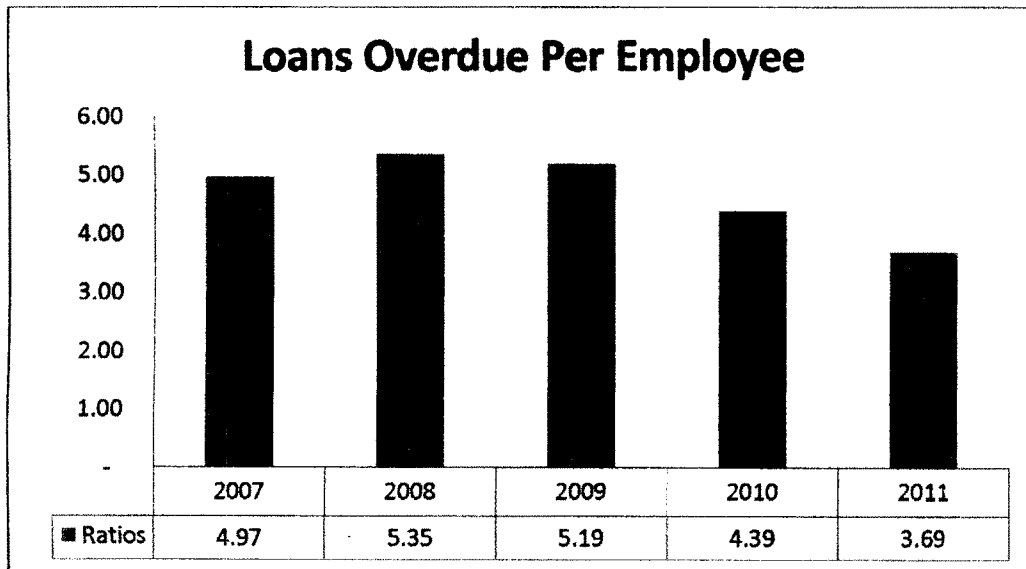
**Table No. 5.36 Loans Overdue Per Employee**

(Rs. in Lakhs)

Years	Loans Overdue	Employee	Amounts
2006-07	476.75	96	4.97
2007-08	508.38	95	5.35
2008-09	477.03	92	5.19
2009-10	399.54	91	4.39
2010-11	328.34	89	3.69

Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal

**Chart No. 5.36**



It is reveals from the above table that the ratio of overdue of total loans to number of employees was worked out at a minimum of Rs. 3.69 lakhs during the year 2010-11 and maximum of Rs. 5.35 lakhs during 2007-08. This reveals that the employees should make some special efforts to collect the dues.

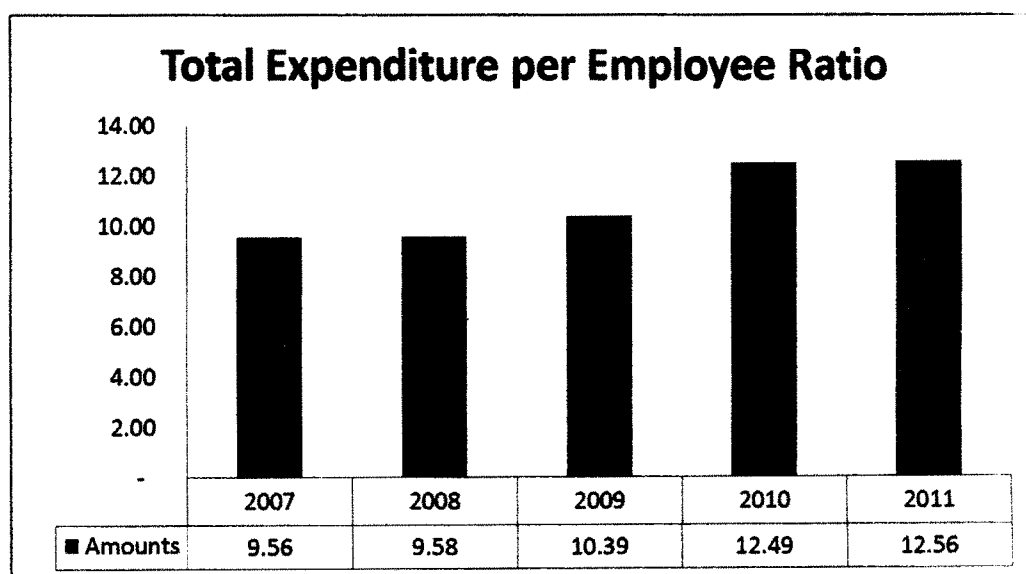
**Table No. 5.37 Total Expenditure per Employee Ratio**

(Rs. in Lakhs)

Year	Total Expenditure	No. of Employee	Amounts
2006-2007	917.57	96	9.56
2007-2008	910.03	95	9.58
2008-2009	955.86	92	10.39
2009-2010	1136.18	91	12.49
2010-2011	1117.46	89	12.56

Source: compiled data from SatyavijaySahakari Bank Ltd, Kundal

**Chart No. 5.37**



It is observed in the above table the expenditure of the bank has been increased during the study period. The ratio ranges between 9.56 % to 12.56 % and it is increasing trend during the study period, but the number of employees of the bank has been decreased.

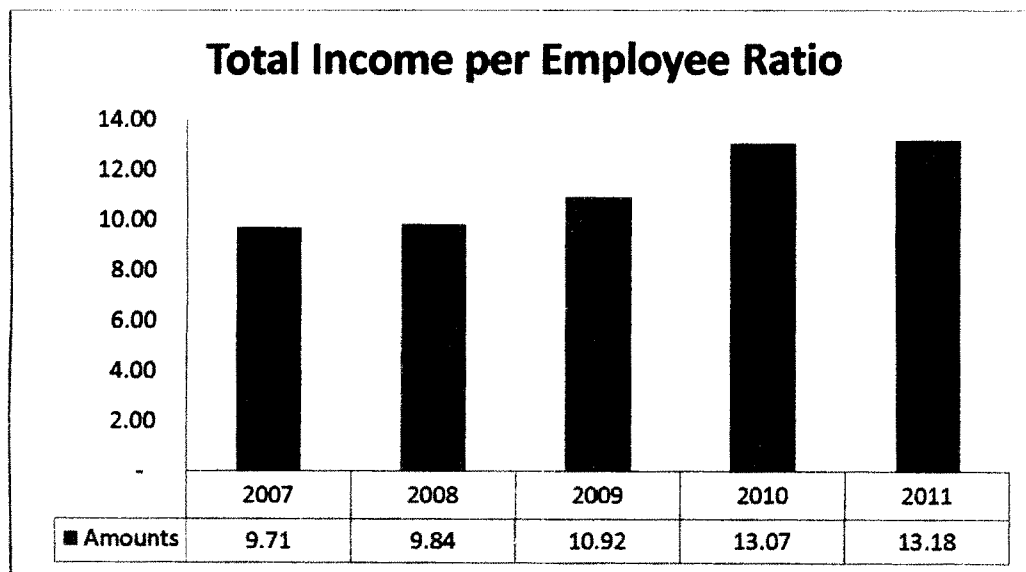
**Table No. 5.38 Total Income per Employee Ratio**

(Rs. in Lakhs)

Year	Total Income	No. of Employee	Amounts
2006-2007	931.7	96	9.71
2007-2008	934.83	95	9.84
2008-2009	1004.18	92	10.92
2009-2010	1189.15	91	13.07
2010-2011	1172.65	89	13.18

Source: compiled data from Satyavijay Sahakari Bank Ltd; Kundal

**Chart No. 5.38**



The above table shows that the total income of per employee during the study period. The amount of per employee has been increased in Rs. 9.71 lakhs in the year 2006-07 to Rs. 13.18 lakhs in 2010-11. it helps to show management efficiency of the bank.

### 5.5 Testing of Hypothesis: -

#### Alternative Hypothesis:

1. The overall financial performance of the bank is sound.
2. The bank has to reduce Non Performing Assets (NPA).

#### Null Hypothesis:

1. The overall financial performance of the bank is not sound.
2. The bank does not require to reduce Non Performing Assets (NPA).

Table No. 5.39

### Growth of Overall Financial Performance of SSB Ltd - Descriptive Statistics

Descriptive Statistics	Capital	Reserves	Membership	Deposits	Loans & Advances	Working Capital	Investment
Mean Value	298.17	628.406	7903.6	7717.67	4861.69	8715.93	2,918.22
Minimum	251.34	487.97	7163	6003.85	3767.14	7065.39	2471.92
Maximum	367.65	779.56	8709	9754.06	6544.4	11268.1	3737.18
S. D.	48.47	115.04	636.58	1,744.71	1,164.45	1,774.76	540.81
C. V. (%)	16.26	18.31	8.05	22.61	23.95	20.36	18.53
CAGR(%)	7.90	9.82	3.99	7.87	7.94	8.04	7.95

(Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal)

Table No.5.40

**Profitability Ratios of SSB Ltd – Descriptive Statistics**

Year	CRAR	BPE	NPR	OPNW	IETI	NPTD	NIITE	OETE	TIWC	IPTI	TETI	NPTI	RNW	NPPB	RESC
2006-07	12.14	116.08	0.32	1.25	96.55	0.21	0.03	0.24	33.31	72.74	98.48	1.52	0.02	1.41	3.68
2007-08	15.65	102.85	0.66	1.46	98	0.41	0.02	0.21	35.62	75.64	97.35	2.65	0.03	2.48	4.56
2008-09	15.49	114.58	1.21	2.71	97.72	0.74	0.02	0.26	34.87	68.83	95.19	4.81	0.05	4.83	8.63
2009-10	13.5	154.96	0.95	1.66	91.24	0.62	0.09	0.27	32.51	68.64	95.55	4.45	0.05	5.3	5.23
2010-11	14.7	183.13	0.84	2.13	87.62	0.57	0.13	0.38	33.17	57.69	95.29	4.71	0.05	5.52	6.64
Mean	14.30	134.32	0.80	1.84	94.23	0.51	0.06	0.27	33.90	68.71	96.37	3.63	0.04	3.91	5.75
Minimum	12.14	102.85	0.32	1.25	87.62	0.21	0.02	0.21	32.51	57.69	95.19	1.52	0.02	1.41	3.68
Maximum	15.65	183.13	1.21	2.71	98	0.74	0.13	0.38	35.62	75.64	98.48	4.81	0.05	5.52	8.63
S.D.	1.48	33.62	0.33	0.58	4.59	0.21	0.05	0.06	1.30	6.81	1.47	1.47	0.01	1.85	1.94
C.V.(%)	10.32	25.03	41.77	31.72	4.88	40.26	85.69	23.74	3.82	9.92	1.53	40.52	35.36	47.30	33.75
CAGR(%)	3.90	9.55	21.29	11.25	-1.92	22.10	34.08	9.63	-0.08	-4.53	-0.66	25.38	20.11	31.38	12.53

(Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal)



**Table No. 5.41****Solvency Ratios of SSB Ltd – Descriptive Statistics**

<b>Year</b>	<b>CDR</b>	<b>ICR</b>	<b>CBTD</b>	<b>TITD</b>	<b>TL&amp;APB</b>	<b>TL&amp;APE</b>
2006-07	66.89	1.36	5.71	38.18	446.669	46.528
2007-08	62.75	1.7	8.93	41.92	376.714	39.6541
2008-09	60.76	3.51	12.03	41.17	398.421	43.3066
2009-10	64.82	2.1	9.94	37.43	554.599	60.945
2010-11	67.09	3.61	6.72	38.31	654.44	73.5326
Mean	64.46	2.46	8.67	39.40	486.17	52.79
Minimum	60.76	1.36	5.71	37.43	376.714	39.6541
Maximum	67.09	3.61	12.03	41.92	654.44	73.5326
S.D.	2.72	1.04	2.53	2.00	116.45	14.13
C.V.(%)	4.22	42.42	29.15	5.08	23.95	26.76
CAGR(%)	0.06	21.56	3.31	0.07	7.94	9.59

(Source: compiled data from SatyavijaySahakari Bank Ltd; Kundal)

**Table No. 5.42****Liquidity Ratios of SSB Ltd – Descriptive Statistics**

<b>Year</b>	<b>CBTA</b>	<b>IGTA</b>	<b>TITA</b>
2006-07	13.03	31.22	32.15
2007-08	15.69	32.69	34.02
2008-09	18.63	31.8	33.29
2009-10	18.2	31.88	31.89
2010-11	13.74	32.86	32.87
Mean	15.86	32.09	32.84
Minimum	13.03	31.22	31.89
Maximum	18.63	32.86	34.02
S.D.	2.53	0.68	0.86
C.V. (%)	15.98	2.11	2.63
CAGR(%)	1.07	1.03	0.44

(Source: compiled data from SSBank Ltd; Kundal)

**Table No. 5.43****Operating Ratios of SSB Ltd – Descriptive Statistics**

Year	IIWC	NIIWC	OEWC
2006-07	11.75	0.42	2.89
2007-08	12.97	0.26	2.64
2008-09	12.67	0.3	3.24
2009-10	11.01	1.06	3.11
2010-11	9.12	1.29	3.75
Mean	11.50	0.67	3.13
Minimum	9.12	0.26	2.64
Maximum	12.97	1.29	3.75
S.D.	1.54	0.48	0.42
C.V.	13.39	71.38	13.33
CAGR	-4.94	25.16	5.35

(Source: compiled data from SSBank Ltd; Kundal)

**Table No. 5.44****Activity Ratios of SSB Ltd – Descriptive Statistics**

Year	FAWC	NIPE	LOPE	TEPE	TIPE
2006-07	0.01344	0.33	4.97	9.56	9.71
2007-08	0.01302	0.2	5.35	9.58	9.84
2008-09	0.01152	0.25	5.19	10.39	10.92
2009-10	0.00933	1.14	4.39	12.49	13.07
2010-11	0.00802	1.63	3.69	12.56	13.18
Mean	0.01	0.71	4.72	10.92	11.34
Minimum	0.00802	0.2	3.69	9.56	9.71
Maximum	0.01344	1.63	5.35	12.56	13.18
S.D.	0.00234	0.64	0.68	1.51	1.69
C.V.	21.16	90.39	14.41	13.80	14.92
CAGR	-0.003	37.64	-5.78	5.49	6.30

(Source: compiled data from SSBank Ltd; Kundal)

Table 5.39, 5.40, 5.41, 5.42, 5.43 and 5.44 shows that reflects a brief picture of descriptive statistical information about overall financial performance of SSB Ltd. Table 5.39 shows that the mean value of capital, reserves, membership, deposits, loans & advances, working capital and investment is 298.17, 628.41, 7903.6, 7717.6, 4861.69, 8715.93 and 2918.22 respectively. The Compounded Annual Growth Rate (CGAR) capital, reserves, membership, deposits, loans & advances, working capital and investment is 7.90%, 9.82%, 3.99%, 7.87%, 7.94%, 8.08% and 7.95% respectively. This CGAR show the bank has been growing considerably during the study period. Table 5.41 reveals that the solvency position of the bank is good. Out of the six solvency ratios all ratios shows satisfactory results over a study period. The CAGR of CD Ratio, ICR, CBTD, TITD, TL&APB and TL&APE is 0.06%, 21.56%, 3.31%, 0.07%, 7.94% and 9.59% respectively. Table 5.40 reveals that the profitability ratios which shows the consistency in performance of the SSB Ltd. These were 15 ratios are to be calculated and out of these only four ratios given negative results during the study period. The CAGR of major ratios of profitability of CRAR, BPE, NPR, NPTD, NPTI and NPPB is 3.90%, 9.55%, 21.29%, 22.10%, 25.38% and 31.38% respectively. The liquidity position of the SSB Ltd shows ability to meet the obligations. The CAGR of liquidity ratios are 1.07%, 1.03% and 0.44%. In respect of operating ratios the IWC ratio shows negative result but NIIWC and OEWC shows the positive results because the bank earn more non-interest income and also control on the operating expenses of the bank. Table 5.44 shows the descriptive statistics of activity ratios of SSB Ltd. In this there are two ratios shows the negative results and rest of these are shows the positive results. The activity ratio shows that the bank employees are working actively on the overall financial performance over a period of study.

The analysis of the variables like capital, reserves, membership, deposits, loans & advances, working capital and investment. Also various ratios like profitability, solvency, liquidity, operating and activity ratios are to be studied through various descriptive statistical tools and techniques. The C. V. (Coefficient of Variation) in respect of all these ratios are also indicates that there is consistency in overall financial position and soundness of SSB Ltd.

With the help of this analysis the first hypothesis the overall financial performance of the bank is sound is accepted and Null Hypothesis ( $H_0$ ) is rejected.

**Table No. 5.45**  
**Non-Performing Assets Quality of SSB Ltd – Descriptive Statistics**

<b>Descriptive Statistics</b>	<b>Total Loans &amp; Advances</b>	<b>SA</b>	<b>Sub-SA</b>	<b>DA (up to 1 year)</b>	<b>DA (1 to 3 year)</b>	<b>DA (above 3 year)</b>	<b>Loss Assets</b>
Mean	4,861.69	4,393.11	128.76	69.3	122.78	134.59	16.66
Minimum	3,767.14	-93.70	-5.05	-2.21	-3.70	-3.54	-0.55
Maximum	6544.4	6132.1	225.57	98.71	171.37	173.43	20.72
S. D.	1,164.45	1,171.26	60.75	23.71	46.38	23.4	2.99
C.V.(%)	23.95	26.66	47.18	34.22	37.78	17.39	17.94

(Source: compiled data from SSB Ltd; Kundal)

**Table No. 5.46**  
**Non-Performing Assets of SSB Ltd - Descriptive Statistics**

<b>Descriptive Statistics</b>	<b>Gross NPA</b>	<b>GNPA to Loans &amp; Advances</b>	<b>Net NPA</b>	<b>Net NPA to Loans &amp; Advances</b>
Mean	476.464	10.554	168.302	4.326
Minimum	334.06	5.1	-9.99	-0.16
Maximum	595.49	15.81	294.22	8.49
S. D.	94.06	4.08	127.32	3.47
C.V.(%)	19.74	38.63	75.65	80.33

(Source: compiled data from SSB Ltd; Kundal)

Table 5.45 shows that the descriptive statistics of assets of quality of the SSB Ltd. It clearly indicates that the management of assets quality of SSB Ltd is very good because bank strongly focused on standard assets. It reduces the pressures of recovery of loans and advances on other assets.

In the table 5.46 the Non-Performing Assets of the bank has been reduced up to -0.16. The S. D. of the NPA ratio is 3.47% and it shows standardisation of recovery management of SSB Ltd. Though the NPA (Net) is decreasing which is a good sign for bank. But the statistics shows that there is further scope to reduce NPA. After the descriptive statistical analysis the second one hypothesis the bank has reduce Non-performing Assets is accepted and  $H_0$  is rejected.

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