

A STUDY OF PROFITABILITY ANALYSIS OF UTHAMAPALAYAM COOPERATIVE URBAN BANK

Dr. V. Alagu Pandian,

Mr.S.Kather Meeran,

Faculty Member, Institute of Cooperative Management, Madurai

Assistant Professor, Dr.Zakir Husain College, Ilayangudi.

ABSTRACT

The banking system is a crucial part of the overall economic system. It is critical to mobilize the savings and channelizing them into high priority investments and more efficient use of the resources available. As a result, banking is better described for the economic development. The overall financial performance of the bank is good and comparatively the credit deposit ratio and the net interest margin maintained by the bank are good. However, the bank should pay more attention on enhancing the profitability ratio, won fund position to achieve the capital adequacy norms in an effective manner. The existing resource position of the bank gives much scope for further development and it will certainly form road to the prosperity of the bank in future. Further, the bank should focus much attention on rendering technology based services, adoption of good governance structure, strengthening of human resource to provide value added services to the members and customer mainly to achieve the task of sustainable development and inclusive growth.

Introduction

The banking system is a crucial part of the overall economic system. It is critical to mobilize the savings and channelizing them into high priority investments and more efficient use of the resources available. As a result, banking is better described for the economic development. If money lending is equated with banking, it may be as old as civilization itself. Modern banking, on the other hand, is much more than just lending. It is far more complex and sophisticated.

Banks play a more formative and purposeful role in developing economies than they do in developed economies. People's banking habits in a developing country are still developing. It becomes a difficult task of establishing and disseminating banking habits and mobilising national resources. In this respect, the banks play a key role in forming road to the prosperity nation.

Statement of the Problem

In the present competitive environment the banks should involve in analyzing the profit and profitability at periodical interval to assess their financial health. But in practice many banks are not undertaking this operations and it has results in imprudent utilization of available resources and impair the profit and profitability either in the short run or in the long run. Enhancing the profit and profitability mainly to retain the market share and to win the customer confidence becomes need of the hour. Hence, the study has been undertaken to suggest suitable measures for the Uthamapalayam Cooperative Urban Bank to design or redesign funds and investment portfolio mainly to enhance the profit and profitability.

Objectives of the Study

The major objectives of the study are as follows:

- ✚ To analyse sources and application of funds
- ✚ To analyse the funds and investment position mainly to analyze the profit and profitability

Methodology

In order to achieve the objectives of the study and to analyze the profit and profitability in a deep and intensive manner a **“Case Study”** has been adopted.

Data Source

The study has employed both primary and the secondary data. The primary data has been collected by using the interview schedule method and the secondary data were collected mainly from the books and records of the bank in general and the annual report in particular.

Sampling

The members and the customers are satisfied with the service provided by the bank and it has also earned many awards for its effective performance in the last two decades. Hence, **“Purposive Sampling”** has been adopted to select the Uthamapalayam Cooperative Urban Bank

Period of the Study

The study covers a period of seven years commencing from from 2013-2014 to 2019-2020.

Tools used for data analyses

The study is having wide scope to use various tools and techniques to analyze the data. But by considering the objectives of the study limited tools has been used and it includes ratio analysis, computation of growth rate and compound growth rate and calculation of Co-efficient of Correlation.

Sources of funds - Interest income and noninterest income

The sources of funds of a urban cooperative bank is generally classified into two categories and one is called as fund based income or interest income and other one is called as non-fund based income or non-interest income. The interest income includes interest on loans and advances and investments and the non-interest income consist of income from locker rent, demand draft commission etc. The details of both interest income and the non-interest income earned by the bank are presented in table 1.

Table - 1

Interest income and none interest income

(Rupees in lakhs)

Year	Interest Income (Rs)	Other Income (Rs)	Total Income(Rs)
2013-14	144.2 (95.30)	7.11 (4.70)	151.31 (100.00)
2014-15	149.22 (97.81)	3.34 (2.19)	152.56 (100.00)
2015-16	146.65 (96.79)	4.86 (3.21)	151.51 (100.00)
2016-17	136.28 (94.08)	8.57 (5.92)	144.85 (100.00)
2017-18	132.33 (97.51)	3.38 (2.49)	135.71 (100.00)
2018-19	117.70 (97.63)	2.86 (2.37)	120.56 (100.00)
2019-20	112.24(99.31)	0.78 (0.69)	113.02 (100.00)
Compound Growth Rate			-5.07

Note: [The figures in parenthesis represent the percentage]

The above table reveals the composition of total income and its growth rate. While comparing the proposition of interest income and non-interest income over total income, the proportion of interest income constitutes more than the non-interest income.

The proportion of interest income over total income ranges from 73.25 per cent to 54.34 per cent and on the other hand the proportion of non-interest income over total income ranges from 26.75 per cent to 45.66 per cent. The compound growth rate has recorded a negative growth of – 5.53 per cent.

Application of funds - Interest expenses and non- interest expenses

The expenditure incurred by the bank for various purposes is called application or deployment of funds.

The expenditure incurred by the bank are classified into three categories and it includes interest expenses generally interest paid on deposits, non-interest expenses or operating expenses and generally includes establishment cost and the last category of expenditure is called other expenditure and it includes management and other cost. The interest expenses and non-interest expenses like establishment cost, management cost are the major application of funds for the bank and same has been presented in the table 2.

Table – 2

Interest expenses and non- interest expenses

(Rupees in lakhs)

Year	Interest expenses (Rs)	Operating and Other expenses (Rs)	Total Expenses (Rs)
2013-14	92.11 (61.34)	58.05 (38.66)	150.16 (100.00)
2014-15	100.13 (66.58)	50.26 (33.42)	150.39 (100.00)
2015-16	109.01 (73.25)	39.80 (26.75)	148.81 (100.00)
2016-17	104.45 (72.67)	39.28 (27.33)	143.73 (100.00)
2017-18	75.12 (56.30)	58.31 (43.70)	133.43 (100.00)
2018-19	63.49 (54.68)	52.62(45.32)	116.11 (100.00)
2019-20	59.13 (54.34)	49.69(45.66)	108.82(100.00)
Compound Growth Rate			-5.53

Note: [The figures in parenthesis represent the percentage]

The above table reveals the proportion of interest expenses and non-interest expenses over total expenditure incurred by the bank and it shows a fluctuation trend. The interest expenses over total expenses ranges from 73.25 percent to 94.08 percent and on the other hand the proportion of operating and other expenses over total expenditure ranges from 27.33 percent to 45.66 percent. The compound growth rate of the total expenses has recorded a negative growth of -5.53 percent.

Net interest income

The term net interest income means the difference between the interest received and the interest paid by the bank and it is otherwise known as interest spread or Net Interest Margin (NIM). The net interest income is the most important factor which decides the profit and profitability position of the bank. An increase the net interest income results in increase in the profit and profitability of the bank and a decrease in the net interest income results in the decrease in the profit and profitability position of the bank. Hence, the bank should always make an attempt to enhance the net interest income. The details of the net interest income earned by the bank during the period under study is presented in the table 3

Table - 3

Net interest income/ Spread

(Rupees in lakhs)

Year	Interest Received (Rs)	Interest Paid (Rs)	Net Interest income / spread
2013-14	144.20	92.11	52.09
2014-15	149.22	100.13	49.09
2015-16	146.65	109.01	37.64
2016-17	136.28	104.45	31.83
2017-18	132.33	75.12	57.21
2018-19	117.70	63.49	54.21
2019-20	112.24	59.13	53.11
Compound Growth Rate			2.44

The above describes in detail about the methods involved in calculation of net interest income or interest spread. The net interest income earned by the bank varies from one period to another. The standard compound growth rate pertaining to net interest income is 2 to 3 per cent. The compound growth rate of net interest income earned by the bank has recorded a positive growth 2.44 per cent. Hence, the bank is well placed with regard to its net interest income or interest spread

Ratio of net interest spread to advances

The urban cooperative bank should prepare a loan policy with the approval of their board's transparent policies and guidelines for credit dispensation, in respect of each broad category of economic activity, keeping in view the credit exposure norms and various other guidelines issued by the RBI from time to time. The Uthamapalayam Cooperative Urban Bank has designed different loan products to suit the needs of the members and customer and extent credit facilities as per the loan policy approved by the board. In the changing banking scenario and our experience reveals that the income earned by the bank from out of investments are not fetching adequate amount of return particularly the SLR investments. Hence, the banks are mainly depending on the interest income from advances and it act as an important parameter to enhance the profit and profitability of the urban cooperative bank. The details of the advances made by the bank, net interest spread and the ratio of spread to advances is presented in the table No.4

Table - 4

Net interest spread to advances

(Rupees in lakhs)

Year	Net interest spread	Advances (Rs)	Ratio (%)
2013-14	52.09	733.39	7.10
2014-15	49.09	641.31	7.65
2015-16	37.64	710.63	5.30
2016-17	31.83	615.62	5.17
2017-18	57.21	539.80	10.60
2018-19	54.21	481.42	11.26
2019-20	53.11	451.09	11.77

The above table deduces the ratio of net interest spread to advances and it fluctuates from one period to another. The amount of advance made by the bank and the ratio of net interest spread are to a certain extent inversely propionate. The amount of advance made by the bank is Rs.

451.09 lakhs and ratio is 11.71 per cent during the year 2019-20 and on the other hand the amount advanced by the bank is Rs. 733.39 lakhs and the ratio is 7.10 during the year 2013-14. On an average the ratio of net interest spread to advances constitutes 8.40 per cent.

YIELD ON ADVANCES

The yield on advances is another important factor which decides the profit and profitability position of the bank. An increase in the yield on advances results in increase in the profit and profitability and the decrease in the yield on advances results in decrease in the profit and profitability position. The method involved in calculation of yield on advances and ratio of interest received to total advances is presented in the table No. 5

$$\text{Yield on Advance} = \frac{\text{Interest Received}}{\text{Total Advance}} \times 100$$

Table -5

Computation of Yield on Advances

(Rupees in lakhs)

Year	Interest Received (Rs)	Total Advances (Rs)	Yield On Advances (%)
2013-14	144.20	733.39	19.66
2014-15	149.22	641.31	23.27
2015-16	146.65	710.63	20.64
2016-17	136.28	615.62	22.14
2017-18	132.33	539.80	24.51
2018-19	117.70	481.42	24.45
2019-20	112.24	451.09	24.88

The above table postulate the calculation of yield on advances and the yield on advances ranges from 24.88 per cent to 19.66 per cent and on an average the yield on advances constitutes 22.79 per cent

COST OF DEPOSIT

Deposits are classified based on the cost incurred in mobilising each category of deposits. Hence, the deposits are classified into “no cost” deposits, ‘low cost.’ deposits and high cost deposits. The savings bank deposit and the current account deposits are collectively called as CASA deposits and fixed deposits is called as high cost deposits. The details of the total deposits mobilised, interest paid on deposits and the method involved in calculation of cost of deposits is presented in the table number 6.

Table - 6

Cost of Deposit

(Rupees in lakhs)

Year	INTEREST PAID	Total DEPOSITS	COST OF DEPOSITS (%)
2013-14	92.11	1222.27	7.54
2014-15	100.13	1297.65	7.72
2015-16	109.01	1397.73	7.80
2016-17	104.45	1404.89	7.43
2017-18	75.12	1245.25	6.03
2018-19	63.49	1202.90	5.28
2019-20	59.13	1077.72	5.49

The above table reveals the method involved in calculation of cost of deposits. The table further reveals the both the quantum of deposits mobilised by the bank and the ratio of interest paid on total deposits and it is showing a declining trend during all the period under study.

SPREAD TO DEPOSITS

As a part of the financial sector reforms the Reserve bank of India has deregulated the interest rates for all kinds of deposits. Offering more interest rate on fixed deposits and recurring deposits will reduce the level of savings bank deposits. But in practice, the savings bank deposit are very potential kind of deposits and supports the bank to a greater extend in enhancing the profit and profitability. On this line the ratio of spread to deposits plays a vital role in determining the profit and profitability of the urban cooperative bank. The ratio of spread to deposits is presented in the table No 7

Table - 7

Spread to Deposits

(Rupees in lakhs)

Year	SPREAD	DEPOSITS	RATIO (%)
2013-14	52.09	1222.27	4.26
2014-15	49.09	1297.65	3.78
2015-16	37.64	1397.73	2.69
2016-17	31.83	1404.89	2.27
2017-18	57.21	1245.25	4.59
2018-19	54.21	1202.90	4.51
2019-20	53.11	1077.72	4.93

The above table deduces the ratio of spread to total deposits mobilised by the bank and it varies from one period to another and on an average the ratio of spread to deposits constitutes 3.86 per cent.

CREDIT DEPOSIT RATIO

An Expert Group was constituted by Government of India under Chairmanship of Shri Y.S.P. Thorat, M.D., NABARD to go into the nature and magnitude of the problem of low credit deposit (CD) ratio across States / Regions and to suggest steps to overcome the problem. The Expert Group examined the problems and causes of low CD ratio and submitted its report to Government of India. The recommendations of the Group have since been examined and accepted by the Government of India with certain modifications. The credit deposit ratio is an important factor which decides the profit and profitability of the urban cooperative bank. An increase in the credit deposit ratio results in the increase in the profit and profitability position and a decrease in the credit deposit ratio results in decrease in the profit and profitability position. Further, a decrease in the credit deposit ratio paves way for increase in the investment to deposits ratio. Because, the credit deposit ratio and the investment to deposits ratio are inversely proportionate. The details of credit deposit ratio and the formula for calculation of credit deposit ratio is given below.

Credit deposit ratio = Advances divided by deposits and multiplied by 100

Table - 8

Credit Deposit Ratio

(Rupees in lakhs)

Year	CREDIT (ADVANCES) (Rs)	DEPOSITS (Rs)	CD RATIO (%)
2013-14	733.39	1222.27	60.00
2014-15	641.31	1297.65	49.42
2015-16	710.63	1397.73	50.84
2016-17	615.62	1404.89	43.82
2017-18	539.80	1245.25	43.35
2018-19	481.42	1202.90	40.02
2019-20	451.09	1077.72	41.86

The above table reveals the credit deposit ratio maintained by the bank during the period under study. As per the RBI directives the credit deposit ratio maintained by the bank should not go beyond 70 per cent. If the credit deposit ratio maintained by bank is above 50 per cent it is considered to be comparatively good. During the year 2013-14 to 2015-16 the bank has maintained good credit deposit ratio and subsequently the credit deposit ratio maintained by the bank is started declining

GROWTH OF NET PROFIT

One of the important parameter adopted the RBI to assess the financial health of the urban cooperative bank is that it should be continuously on profit during profit during the last three years. The bank since establishment in general and during the study period in particular has not incurred any loss. Hence, financial health of the bank is comparatively good.

Table - 9

Net Profit

(Rupees in lakhs)

Year	Net Profit	Growth Rate (%)
2013-14	1.15	---
2014-15	2.17	88.70
2015-16	2.70	24.42
2016-17	1.12	-58.52
2017-18	2.28	103.57
2018-19	4.45	95.18
2019-20	4.20	-5.62
CGR		20.21

The above table reveals the growth rate of the net profit earned by the bank during the period under study and it has fluctuated from one period to another. Further, it has also recorded a negative growth during the year 2016-17 and 2019-20. However, the compound growth rate constitutes 20.21 per cent.

PROFITABILITY RATIO

The profitability ratio reveals the overall profitability position of the bank and this ratio act as an important parameter to assess the overall financial health of the bank. The formula used to calculate the profitability ratio is given below.

Profitability ratio = Net profit divided by working capital multiplied by 100

Table 10

PROFITABILITY RATIO

(Rs in lakhs)

Year	Net Profit	Working Capital	Ratio (%)
2013-14	1.15	132.55	0.87
2014-15	2.17	139.51	1.56
2015-16	2.70	147.28	1.83
2016-17	1.12	157.69	0.71
2017-18	2.28	158.17	1.44
2018-19	4.45	143.12	3.11
2019-20	4.20	139.88	3.00

The above table highlights the profitability ratio. As per the standard this ratio should range from 2 per cent to 2.5 per cent. The table further reveals that during the year 2018-19 and 2019-20 the profitability ratio maintained by the bank is above the standard. Whereas during the year 2013-14 and 2016-17 the profitability ratio maintained the bank is less than one per cent and it is a clear indication of imprudent management of funds during the year 2013-14 and 2016-17

RATIO OF NET PROFIT TO TAL ASSETS

This ratio studies the relationship between net profit to total assets and also reveal the share of net profit over total assets. The ratio of net profit to total assets is presented in the table No. 11

Table - 11

Ratio of net profit to total assets

(Rupees in lakhs)

Year	Net Profit (Rs)	Total Assets (Rs)	Ratio (%)
2013-14	1.15	1466.24	0.08
2014-15	2.17	1558.65	0.14
2015-16	2.70	1669.61	0.16
2016-17	1.12	1647.43	0.07
2017-18	2.28	1496.32	0.15
2018-19	4.45	1462.18	0.30
2019-20	4.20	1336.90	0.31

The above table describes the ratio of net profit to total assets and it varies from one period to another and on the other hand it is less than one per cent during all the period under study.

GROSS NPA TO TOTAL ASSETS

The ratio of gross NPA to total assets studies the relationship between gross NPA and total assets and this ratio has been calculated by using the formula given below

$$\text{Gross NPA to Total Assets Ratio} = \text{NPA} / \text{Total Assets} \times 100$$

Table -12

Gross NPAs as a percentage of Total Assets

(Rupees in lakhs)

Year	Gross NPA	TOTAL ASSETS	RATIO (%)
2013-14	34.33	1466.24	2.34
2014-15	36.39	1558.65	2.33
2015-16	37.01	1669.61	2.22
2016-17	32.03	1647.43	1.94
2017-18	39.68	1496.32	2.65
2018-19	46.94	1462.18	3.21
2019-20	54.49	1336.90	4.08

The above table explain the ratio of gross NPA to total assets and it ranges from 1.94 per cent during the year 2016-17 to 4.08 per cent during the year 2019-20 and on an average the ratio of gross NPA to total assets constitute 2.68 per cent and as per RBI norms it is comparatively under control.

GROSS NPA TO TOTAL ADVANCES RATIO

The ratio of gross NPA to total advances studies the relationship between gross NPA and total advances and this ratio has been calculated by using the formula given below

$$\text{Gross NPA to Total Advances Ratio} = (\text{Gross NPA} / \text{Total Advances}) \times 100$$

Table - 13

Gross NPAs as a percentage of Total Advances

(Rupees in lakhs)

Year	NPA	TOTAL ADVANCES	RATIO (%)
2013-14	34.33	733.39	4.68
2014-15	36.39	641.31	5.67
2015-16	37.01	710.63	5.21
2016-17	32.03	615.62	5.20
2017-18	39.68	539.80	7.35
2018-19	46.94	481.42	9.75
2019-20	54.49	451.09	12.08

The above table explain the ratio of gross NPA to total advances and it ranges from 4.68 per cent during the year 2013-14 to 12.08 per cent during the year 2019-20 and on an average the ratio of gross NPA to total advances constitute 7.13 per cent and it is comparatively little more than the norms prescribed by the RBI

RATIO OF GROSS NPA TO NETWORTH

The ratio of gross NPA to net worth studies the relationship between gross NPA and the net worth of Uthamapalayam urban cooperative bank and this ratio has been calculated by using the formula given below The ratio of Gross NPA to Net Worth = (Gross NPA / Net Worth) X 100.

Table - 14

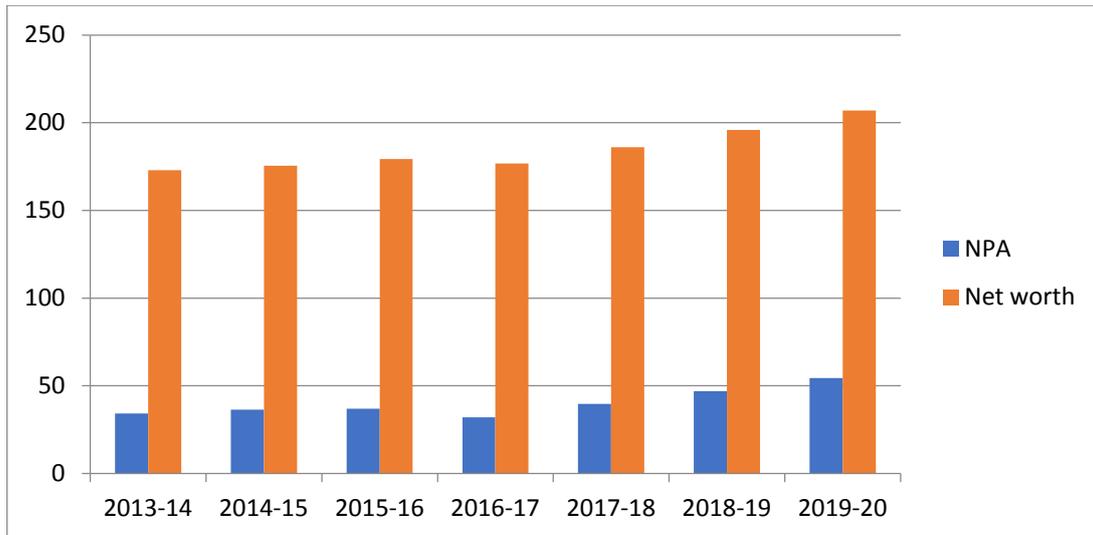
NPA to Net worth (Rupees in Lakhs)

Year	NPA	Net worth	RATIO (%)
2013-14	34.33	172.89	19.86
2014-15	36.39	175.43	20.74
2015-16	37.01	179.27	20.64
2016-17	32.03	176.81	18.12
2017-18	39.68	185.97	21.34
2018-19	46.94	195.95	23.96
2019-20	54.49	206.93	26.33

The above table explain the ratio of gross NPA to net worth and it ranges from 18.12 per cent during the year 2016-17 to 26.33 per cent during the year 2019-20 and on an average the ratio of gross NPA to net worth constitutes 7.13 per cent.

Chart: 7

NPA to Net worth (Rupees in Lakhs)



THE UPM URBAN BANK'S QUANTITATIVE VARIABLES AND PROFITABILITY:

Using the co-efficiency technique of correlation, the current study attempted to analyse the extent of influence of interest income, other income, interest expenses, operating and others, and the profitability of urban banks.

CORRELATION

Correlation is the relationship that exists between two variables. The quantitative economic variables presented in tables 1, 2, and 3 were compared to the profitability of the urban bank over the years under consideration. The queue of the correlation coefficient formula is

The researcher in this study uses the correlation technique to ascertain the relationship between the following:

- Interest earned and profits.
- Other income and profits.
- Interest Paid and Profits
- Operating and others expenses to Profits

The table 18 below depicts the relationship between quantitative variables and UPM Urban Bank's profitability.

S. NO	QUANTITATIVE VARIABLES	CORRELATION
1	Interest earned and Net Profit.	-0.77
2	Other income and Net Profit.	-0.84
3	Interest Paid and Net Profit	-0.75
4	Operating and others expenses to Net Profit	0.77

✚ There is a moderate degree of a negative relationship between interest earned and Profitability.

✚ There is a high degree of Negative relationship between other income and Profitability.

✚ There is a moderate degree of the negative relationship between interest paid and Profitability.

✚ There is a moderate degree of a positive relationship between operating and other expenses to Profitability.

FINDINGS

✚ The compound growth rate of the total income of urban bank was -5.07 percent over the study period. The proportion of interest received to total income of the bank fluctuates, ranging from 94.08 percent in 2016-17 to 99.31 percent in 2019-20

✚ The proportion of interest received to total income fluctuates, ranging from 94.08 percent in 2016-17 to 99.31 percent in 2019-20.

✚ The proportion of interest paid to total bank expenses fluctuates, ranging from 73.25 percent in 2015-16 to 94.08 percent in 2016-17.

✚ The proportion of interest paid to total bank expenses fluctuates, ranging from 73.25 percent in 2015-16 to 94.08 percent in 2016-17.

✚ The proportion of operating and other expenses in total expenditure at the bank ranged from 27.33 percent to 45.66 percent. During the study period, the compound growth rate of the total expenses was -5.53 percent. Throughout the study period, the amount of interest spread fluctuates. In 2016-17, it was Rs.31.83 Lakhs, which increased to Rs.57.21 Lakhs in 2017-18. For the study period, the compound growth rate of spread was 2.44 percent.

✚ Another noteworthy aspect of the study is that the net profit to total assets ratio was less than 1%.

✚ During the study period, the yield on the advances of the urban bank fluctuated between 19.66 percent and 24.88 percent. In 2019-20, the highest yield on advances ratio of an urban bank was 24.88 percent.

✚ During the study period, Credit Deposit ratio of the bank ranged from 40.02 percent to 60.00 percent. The highest credit deposit ratio was 60.00 percent in 2013-14, while the lowest was 40.02 percent in 2018-19.

✚ The NPA to Total Assets ranged from 2.27 percent to 4.93 percent over the study period.

✚ The ratio of gross NPA to total advances over the study period fluctuates between 4.68 percent in 2013-14 and 12.08 percent in 2019-20.

✚ The relationship between interest earned and profitability is moderately negative.

✚ The relationship between interest earned and profitability is moderately negative.

✚ There is a strong inverse relationship between other income and profitability.

✚ The relationship between interest paid and profitability is moderately negative. Operating and other expenses have a moderately positive relationship with profitability.

Suggestions

Based on the research findings, the following suggestions are made to enhance the profitability of UPM Urban Bank.

✓ Should take prompt action to collect overdue payments from borrowers. This will assist banks in earning more profits in the future.

✓ Should introduce new technology to improve operational efficiency. Computerization and automation will aid in the reduction of inefficient and costly operations.

✓ Non-interest income accounts for less than 5% of total income, so banks should take steps to increase it, such as collecting cheques and bills, providing guarantees, locker facilities, acting as agents providing merchant banking services, and so on.

✓ Banks should conduct loan repayment and saving habits education programmes for the rural poor.

✓ In terms of deposits, current deposits pay no interest. As a result, banks must focus on mobilising more current deposits.

✓ Banks should offer some subsidiary services, such as marketing assistance, technological assistance, insurance facilities, export facilities, and so on, to maintain a steady growth rate of deposits.

✓ Banks should also make efforts to reduce operating expenses through various means.

CONCLUSION

The urban cooperative banks are functioning in a highly competitive environment. Continuously earning profit by overcoming the emerging competition and the technological development in the area of banking is very difficult. The Uthamapalayam urban cooperative bank is earning profit since its establishment and it is a great achievement on the part of the bank. The overall financial performance of the bank is good and comparatively the credit deposit ratio and the net interest margin maintained by the bank are good.

However, the bank should pay more attention on enhancing the profitability ratio, won fund position to achieve the capital adequacy norms in an effective manner. The existing resource position of the bank gives much scope for further development and it will certainly form road to the prosperity of the bank in future. Further, the bank should focus much attention on rendering technology based services, adoption of good governance structure, strengthening of human resource to provide value added services to the members and customer mainly to achieve the task of sustainable development and inclusive growth.

REFERENCES

- ❖ Annual Reports of Uthamapalayam Urban Cooperative Bank .
- ❖ Rajni and Dr.Navikiranjit Kaur Dhaliwal ,Profitability Performance of Primary Agricultural Development Bank in Punjab, Abhinav Journal of Research in Commerce and Management, Volume No 2 ,Issue No.10, October 1-10
- ❖ S.P.Gupta, “Statistical Methods”, Sultan Chand and Sons, New Delhi, 2005, pp.613-618.
- ❖ Subbiah.A.and Selva Kumar M, Regional Rural Banks and Agricultural Credit, Kurucshetra New Delhi, Dec 2005,pp45-47
- ❖ M.Selvakumar and P.G.Kathiravan, Profitability performance of Public sector Banks in India, Indian Journal of Finance, September 2016, pp.3-13.