



"NAVIGATING THE FINANCIAL MAZE: DECIPHERING THE SELECTED URBAN COOPERATIVE BANK'S FINANCIAL STATEMENTS WITH SPECIAL REFERENCE TO DINDIGUL DISTRICT IN TAMIL NADU"

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Abstract:

This study delves into the financial intricacies of a selected Urban Cooperative Bank, focusing on its operations within the Dindigul district of Tamil Nadu. Through an in-depth analysis of the bank's financial statements, the study aims to unravel the complexities of its financial landscape. Emphasizing the significance of understanding financial statements in the context of cooperative banking, the research navigates through the maze of financial data to shed light on the bank's performance and viability. By deciphering these financial statements, the study seeks to provide insights into the financial health and operational efficiency of the Urban Cooperative Bank, contributing to a deeper understanding of the cooperative banking sector in the region.

Key Word: *Urban Cooperative Bank, Financial Statements, Dindigul District, Tamil Nadu, Financial Analysis, Financial Health, Operational Efficiency, Cooperative Banking Sector.*

Introduction

“The Urban Cooperative Banks (UCBs) have a significant impact on the growth of the Indian economy. It is mostly situated in metropolitan and semi-urban regions and restricts its financing to non-agricultural uses. The indigenous banking system and the contemporary banking system are India's two primary banking streams. The British Banking System served as the basis for the contemporary banking system. In India, modern banks first appeared in the second part of the 19th century. The Indian banking system was designed to support the country's deliberate economic growth after it attained independence in 1947. The strategy of the banks experienced a fundamental transformation in 1969 when fourteen of the largest commercial banks in the nation were nationalized. The last 50 years have seen a rapid expansion of the financial system”.

Objectives of the Urban Cooperative Banks

- ❖ To borrow money from other people and members in order to provide loans to members for beneficial purposes.
- ❖ To collect bills drawn, accepted, or endorsed by its members and constituency, to execute bill collection, to discount member checks and member bills, and to operate as an agent for the joint purchase of domestic and other necessities of its members.
- ❖ To promote collaboration, self-help, and thrift among members.
- ❖ Issuing and honoring draughts from other banks.
- ❖ To make plans for the secure custody of members' and constituents' important papers and assets.

Significance of the Study

“The need for Urban Cooperative Banking arises in India but the Joint-Stock Banks are not interested in providing credit to the urban middle class. This is because it is not advantageous for joint-stock banks in developing the business of small loans on account of the high cost of advancing and receiving them. Further, joint-stock banks are not likely to have under ordinary circumstances, full and intimate knowledge of the standing and resources of persons of moderate means; they will not advance loans on personal securities. In such circumstances, the man with limited means, in an urban area, may approach a money lender. The establishment of an Urban Cooperative Bank is the most suitable alternative for these customers”.

Statement of the Problems

The study examines the use of working capital funds, mobilization methods, and recovery procedures in urban cooperative banks. It also explores the financial outcomes, causes of non-performing assets, and the satisfaction of operating capital, liquidity, profitability, and solvency. Empirical research is conducted to understand the financial analysis of an urban cooperative bank in the Dindigul District.

Objectives of the study

1. To Study the General Working profile of the selected Urban Cooperative Banks.
2. To measure the Financial Analysis of the selected Urban Cooperative Banks.
3. To give suitable suggestions to improve the effective financial Performance of the selected Urban Cooperative Banks.

Hypothesis of the study

- ✓ H₀: There is no significant effect on changes in working capital and changes in loans and advances.
- ✓ H₀: There are more investment and will loans and advances lead to increased profitability and solvency of the selected banks.

Methodology

“This study is both empirical and analytical. The performance analysis of the Urban Cooperative Banks and the members' satisfaction with various services offered by the banks were analysed in detail with appropriate statistical tools. The primary and secondary data were gathered from various sources, such as

annual reports, reputed journals, and various relevant websites. The Primary data were collected from the respondents through the questionnaire”.

Selection of the Sampling

The research study focuses on the Dindigul District of Tamil Nadu, a region known for its Agricultural, Industrial, Educational, and Cooperative Credit Institutions. The study uses the Purposive Sampling procedure to select four urban cooperative banks from Ten Revenue Taluks in the district: Dindigul Urban Cooperative Bank (DCUB), Battalagundu Urban Cooperative Bank (BUCB), Kodaikanal Urban Cooperative Bank (KCUB), and Palani Urban Cooperative Bank (PUCB). These banks cater to small entrepreneurs and cater to various scales of entrepreneurs.

Sampling Procedure

Name of the District	Name of the Urban Cooperative Bank	No. of Respondents		
		I	II	III
Dindigul	Dindigul Urban Cooperative Bank Ltd	164	132	120
	Battalagundu Urban Cooperative Bank Ltd	164	122	120
	Kodaikanal Urban Cooperative Bank Ltd	164	135	120
	Palani Urban Cooperative Bank Ltd	164	127	120
Total		656	516	480

Selection of the Respondents

“In the year 2018-2019, there were totally 52,265 members in the selected Urban Cooperative Banks. Although Rao Soft determined 382, this study sample size is determined at 656 respondents with a Rao Soft confidence level of 99%. Out of 656 questionnaires, One Hundred Forty questionnaires were not duly filled and questionnaires were not received back from the respondents. Hence, 480 respondents have provided their willingness to answer”.

Statistical tools used for the study

“The collected data have been used for analysis with the help of financial ratios, and statistical tools namely, Descriptive Statistics, Ratio Analysis, Linear Multiple Regression Model, Correlation Analysis, Percentage Analysis, Factor Analysis, and ANOVA, were used for interpreting the data and assessing the performance analysis of the Urban Cooperative Banks The purpose of using statistical tools is to make the analysis more comprehensive and to draw meaningful inferences. A summary of key findings was made based on inferences”.

Period of the study

“The period covered by the study is ten years from 2009-2010 to 2018-2019. In the case of members, it covered a period of one the financial year 2018-2019”.

Scope of the study

“This study measure the financial analysis of the Urban Cooperative Banks with reference to Membership, Share capital, Deposits, Reserve Fund, Borrowing Working capital, Loans and Advances, Investment, Gross NPA, Loan outstanding, Overdue, Recovery Performance, Net Profit, Liquidity, business operation, Productivity, Profitability, Solvency of the selected Urban Cooperative The results of this study help in identifying the drawbacks of financial analysis of the UCBs to frame policies for better performance of the selected Urban Cooperative Banks”.

Review of Literature

“The introduction to UCBs and its history in India, as well as all the legal and other requirements that come with the organization, were covered in the preceding chapter. The purpose of this chapter is to demonstrate

how a review of the literature was compiled and examined in order to identify the research gap. The aims and hypotheses are established to examine research pertaining to the subject field based on this research gap”.

Selvakumar and Kathiravan (2019) in their study entitled, " Non-Performing Assets A Hurdle to urban Co-operative Banks" highlighted that the assets quality of Urban Co-operative Banks improved during the year 1996 as reflected in the decline of Non-Performing Assets in absolute as well as performing Assets under control and reduce the Non-performing Assets to the expected level so that the bank did not fall in lower category.

Bhaskaran (2020) in his study entitled, "A study on the performance of Tamilnadu Industrial Co-operative Bank Ltd" revealed that there was an increasing trend in the number of members, share capital Reserve Fund, deposits, Loans and Advances. Annual turnover and profit.

Sandip Mallick and Subhamoy Das (2020) studied the relation among capital adequacy, management ability and profitability in scheduled urban co-operative banks operating in India. The study was based on accounting and statistical analysis of 46 scheduled urban cooperative banks over a period of last 10 years. The research concluded that the Non- Interest Income to Working Fund (NNIWF) has a positive impact on profitability. The management ability and profitability in terms of NNIWF is positively correlated while there is a negative correlation between the management ability and cost of deposit and business per employee. The study has raised concern on the efficiency of the management team when it comes to decision making. It recommended the improved management decision making ability to maximize profitability.

Srivastava, D. A., Upadhyay, A., & Saxena, N. (2020), stated that UCBs are facing the capital adequacy norm as per advanced Basel approaches resulting in requirement of more capital for fulfilling the same. This study has analyzed three crucial aspects of capital regarding the composition, management & redemption for the period of financial year commencing from 2017 to 2019. The researcher noted that UCBs are having a refundable or with short holding period which do not ensure longevity & good quality. Paper suggests that the borrowing linked capital system should be eliminated for having consistent & good quality capital subject to the conditions as prescribed by the Reserve Bank of India. The researcher strongly recommended the effective amendments of Banking Regulation Act, 2020 for improving the capital management by working in the legal structure built for the issuance of various instruments.

Bhadrapa Haralayya (2021) performed a comparative study of Urban Bank and ICICI Bank in Karnataka with regards to management of NPA. The Gross as well as Net NPA of Urban Bank has shown increasing trend while that of ICICI Bank has shown decreasing trend during the period of study i.e., 2015 to 2018. The sectorial distribution of NPA has noted that the NPA of the agricultural sector is much higher for Urban Bank as compared to ICICI Bank.

CMA, Mondula Risbud & Dr.Supriya lakhangaonkar (2022) was Studied; literature Review on the History of the Financial Development of Selected Urban cooperative Societies before the Establishment of the ministry of Cooperation" Study Concluded that, inclusive growth is required for the development of Society as well as economy of the Century. There is a need to Nature of UCBs for upcoming generations for moving towards financial inclusion. In the UCB should be allowed to run the Business with help of Cooperative principles.

Conclusion

The foregoing reviews of the studies conducted by the different academicians lead to the conclusion that the functioning of urban cooperatives banks was satisfactory level. But adequate studies have not been made for analyzing the financial on quality of services offered by the urban cooperative banks in the Dindigul District in Tamilnadu State. Hence, the present study is aimed to analyses the financial analysis of the selected Urban Cooperative Banks.

Results of Linear Multiple Regression Analysis – Effect on Working Capital Ratios with Palani Urban Cooperative Banks

The effect of independent variables on the dependent variable namely working capital ratio of selected Palani urban Cooperative banks (year), Linear Multiple Regression model was employed. Four independent variables were statistically related to dependent variable.

Effect on Working Capital ratios with Selected Palani Urban Cooperative Banks

Model Summary ^b										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.955 ^a	.912	.841	322.99052	.912	12.891	4	5	.008	1.803

ANOVA ^a						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5379137.080	4	1344784.270	12.891	.008 ^b
	Residual	521614.370	5	104322.874		
	Total	5900751.449	9			

Coefficients ^a						
	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	744.184	1918.223		.388	.714
	Owned fund ratio	-1.196	1.338	.216	-.893	.013
	Deposit ratio	.688	.388	.622	1.771	.137
	Borrowing ratio	-5401.099	3296.045	-.669	-1.639	.162
	Net profit ratio	5.870	5.773	.214	.0117	.056

The above table describes, the model was significant and the value was 955 percent i.e., 95 percent, the effect on the dependent variable is working capital ratio with selected Palani Urban Cooperative Banks has been indicated at 95 percent level. With regard to Palani Urban Cooperative Bank, Owned fund ratio(0.013) such as share capital, deposit and reserve fund have effected significantly for high realisation on period of association with selected urban cooperative bank. Moreover, Net profit ratio (0.056) is also positive significant effect on working capital of the selected Palani Urban cooperative Bank. Whereas, Deposit ratio (0.137) and Borrowing ratio (0.162) have negative significant effect on working capital in the Palani Urban Cooperative Bank. Hence, the hypothesis (Ho) was rejected and alternative hypothesis (H1) is accepted. Further, the R square value is 91 percent and Durbin Watson value is 1.803 percent. Finally the study concludes that, there will be positive significant effect on owned fund and net profit ratio in the Palani Urban cooperative bank.

Results of Linear Multiple Regression Analysis – Effect on Working Capital ratio with Dindigul Urban Cooperative Banks

The effect of independent variables on the dependent variable namely working capital of selected Dindigul urban Cooperative banks (year), Linear Multiple Regression model was employed. Four independent variables were statistically related to dependent variable.

Effect on Working Capital ratios with Selected Dindigul Urban Cooperative Banks

Model Summary ^b										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.999 ^a	.998	.997	45.53292	.998	767.529	4	5	.000	2.620

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6365113.087	4	1591278.272	767.529	.000 ^b
	Residual	10366.236	5	2073.247		
	Total	6375479.323	9			

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-46.235	57.227		-.808	.456		
	Owned fund ratio	-.826	.516	-.051	-1.599	.091	.322	3.102
	Deposit ratio	1.134	.039	1.029	29.294	.000	.263	3.797
	Borrowing ratio	-2.091	1.239	-.033	-1.688	.152	.855	1.169
	Net profit ratio	.832	1.511	.012	.550	.006	.683	1.464

The table analysis the effect on independent variable on the dependent variable namely working capital of selected Dindigul Urban Cooperative Bank the Linear Multiple Regression model was employed. In Palani Urban Cooperative Banks the model has been indicated at 99 percent significant level. Owned fund ratio (0.091), deposit (0.000) and Net profit ratio (0.006) have effected significantly for high realisation with selected urban cooperative bank. Whereas, Borrowing ratio (0.152) has negative significant effect on working capital in the Dindigul Urban Cooperative Bank. Further, the R square value is 99 percent and Durbin Watson value is 2.620 percent. The standardised Coefficient β value is 46.235, which is greater than the other variable. Therefore, the null hypothesis (Ho) was rejected and alternative hypothesis (H1) is accepted. Finally, the study concludes that, there will be positive significant effect on owned fund, Deposits and net profit ratio in the Dindigul Urban cooperative bank.

Results of Linear Multiple Regression Analysis – Effect on Working Capital ratios with Battalagundu Urban Cooperative Banks

The effect of independent variables on the dependent variable namely working capital of selected Battalagundu urban Cooperative banks (year), Linear Multiple Regression model was employed. Four independent variables were statistically related to dependent variable.

Effect on Working Capital with Selected Battalagundu Urban Cooperative Banks

Model Summary ^b										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.986 ^a	.971	.949	136.60052	.971	42.553	4	5	.000	1.951

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3176098.234	4	794024.558	42.553	.000 ^b
	Residual	93298.515	5	18659.703		
	Total	3269396.749	9			

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	197.135	271.648		.726	.501		
	Owned fund ratio	-1.755	5.725	-.043	-.307	.771	.290	3.454
	Deposit ratio	.929	.156	.868	5.945	.002	.268	3.730
	Borrowing ratio	-.035	5.081	-.001	-.007	.995	.259	3.868
	Net profit ratio	.654	.649	.150	1.008	.060	.259	3.867

The table shows that the effect on working capital ratio of selected Battalagundu Urban Cooperative Bank the Linear Multiple Regression model was analysed. As far as, Owned fund ratio (0.771), Borrowing ratio (0.995) have not significant effect with selected Dindigul Urban Cooperative Bank. Whereas, deposit ratio (0.002) and Net profit ratio (0.060) have effected significantly for high realisation with selected urban cooperative bank. Moreover, the R square value is 986 percent i.e., 98 percent have high realisation on deposit and net profit ratio and Durbin Watson value is 1.951 percent. The standardised Coefficient β value is 197.135, which is greater than the other variable. Therefore, the null hypothesis (Ho) was rejected and alternative hypothesis (H1) is accepted. It concludes that, there will be positive significant effect on Deposits and net profit ratio in the Dindigul Urban cooperative bank.

Results of Linear Multiple Regression Analysis – Effect on Working Capital ratios with Kodaikanal Urban Cooperative Banks

The effect of independent variables on the dependent variable namely working capital of selected Kodaikanal urban Cooperative banks (year), Linear Multiple Regression model was employed. Four independent variables were statistically related to dependent variable.

Effect on Working Capital with Selected Kodaikanal Urban Cooperative Banks

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.645 ^a	.416	-.051	6571.76148	.416	.891	4	5	.532	2.091

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	153879537.184	4	38469884.296	.891	.532 ^b
	Residual	215940244.543	5	43188048.909		
	Total	369819781.727	9			

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-18567.858	14966.991		-1.241	.270		
	Owned fund ratio	194.468	179.824	.700	1.081	.329	.279	3.584
	Deposit ratio	.600	4.599	.088	.130	.901	.259	3.857
	Borrowing ratio	84.073	154.788	.252	.543	.610	.544	1.839
	Net profit ratio	-.055	9.054	-.003	-.006	.995	.665	1.504

a. Dependent Variable: working capital

The above table explore that the effect on working capital ratio of selected Kodaikannel Urban Cooperative Bank the Linear Multiple Regression model was employed. With regard to Owned fund ratio (0.329), Deposits (0.901) Borrowing ratio (0.995) and Net profit ratio (0.995) have not significant effect with selected Kodaikannel Urban Cooperative Bank.. The standardised Coefficient β value is -18567.85, which is greater than the other variable. Therefore, the null hypothesis (Ho) was rejected and alternative hypothesis (H1) is accepted. Therefore, this study sum-up that, there is no significant effect on Owned fund, Deposit, borrowing and net profit ratio in the Kodaikannel Urban cooperative bank. The reason behind that, most of the members are involved very limited services from this urban cooperative bank.

Consolidated result on Lenoir Multiple Regression (LMR) effect on Working Capital with selected Urban Cooperative Banks.

Independent variable	PUCB	DUCB	BUCB	KUCB
Owned Fund Ratio	$\sqrt{(0.013)}$	$\sqrt{(0.091)}$	$\sqrt{(0.002)}$	-
Deposit Ratio	-	$\sqrt{(0.000)}$	-	-
Borrowing Ratio	-	-	-	-
Net Profit Ratio	$\sqrt{(0.056)}$	$\sqrt{(0.006)}$	$\sqrt{(0.060)}$	-

Results of Linear Multiple Regression Analysis – Effect on Profitability Ratios with Palani Urban Cooperative Banks

The effect of independent variables on the dependent variable namely Profitability ratios of selected Palani urban Cooperative banks (year), Linear Multiple Regression model was employed. Five independent variables were statistically related to dependent variable.

Effect on Profitability ratios with Palani Urban Cooperative Banks

Model Summary										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.984 ^a	.967	.927	1.45920	.967	23.774	5	4	.004	2.285

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	253.104	5	50.621	23.774	.004 ^b
	Residual	8.517	4	2.129		
	Total	261.621	9			

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-5.500	3.300		-1.667	.171		
	Investment to Deposits	11.264	2.969	.654	3.794	.019	.274	3.650
	Current Ratio	-.001	.007	-.032	-.101	.024	.079	12.594
	Net profit to Deposit	-.145	.557	-.082	-.260	.808	.081	12.385
	Return on Assets	-.323	.170	-.496	-1.899	.130	.119	8.377
	NPA to total assets	.683	.285	.330	2.398	.075	.429	2.332
	NPA to total loan outstanding	.178	.198	.560	1.955	.319	.022	30.275

a. Dependent Variable: Profitability

The above table explained that the model was significant and the value was 984 i.e.,98 percent, the effect on the dependent variable in selected bank and independent ratio are investment to deposits ratio, Current Ratio, Net profit to Deposits ratio, Return on Assets Ratio, Non-Performing Asset to Total assets and Non-performing assets to total loan outstanding. With regard to Palani Urban Cooperative Bank, Investment to Deposit ratio (0.019), Current Ratio (0.024) and Non-performing assets to total assets ratio (0.075) have high level significant effect on profitability of the selected urban cooperative bank. Whereas, Net profit to Deposits (0.808) , Return on Assets(0.130) not effect on significant level on profitability. Hence, the hypothesis (Ho) was rejected and alternative hypothesis (H1) is accepted. Further, the R square value is 97 percent and Durbin Watson value is 2.285 percent. Finally, the study concludes that, there will be positive significant effect on Investment to deposit ratio, Current Ratio and NPA to total Assets ratios in the Palani Urban cooperative bank.

Results of Linear Multiple Regression Analysis – Effect on Profitability ratios with Dindigul Urban Cooperative Banks

The effect of independent variables on the dependent variable namely NPA to total loan outstanding of selected Dindigul urban Cooperative banks (year), Linear Multiple Regression model was employed. Five independent variables were statistically related to dependent variable.

Effect on NPA to total loan outstanding with Dindigul Urban Cooperative Banks

Model Summary ^b										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.987 ^a	.975	.943	2.67321	.975	30.598	5	4	.003	1.084

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1093.271	5	218.654	30.598	.003 ^b
	Residual	28.584	4	7.146		
	Total	1121.855	9			

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-21.549	40.446		-.533	.622		
	Investment to Deposits	.159	.070	.286	2.264	.086	.399	2.509
	Current Ratio	-.082	.078	-.251	-1.060	.091	.113	8.815
	Net profit to Deposit	34.497	35.721	.150	.966	.389	.265	3.778
	Return on Assets	.043	.339	.024	.127	.905	.181	5.515
	NPA to total assets	.373	.071	.796	5.278	.006	.280	3.571
	NPA to total loan outstanding	2.104	.183	2.111	2.207	.019	.120	3.624

a. Dependent Variable: Profitability

The table depicts that the effect on the dependent variable selected bank on independent ratio the Linear Multiple Regression model was analysed. With regard to Dindigul Urban Cooperative Bank, Investment to Deposit ratio (0.086), Current Ratio (0.091) and Non-performing assets to total assets ratio (0.006) and Non-performing assets to total loan outstanding (0.019) have high level significant effect on profitability of the selected urban cooperative bank. Whereas, Net profit to Deposits (0.389) , Return on Assets(0.905) not effect on significantly on profitability. Hence, the hypothesis (Ho) was rejected and alternative hypothesis (H1) is accepted. Further, the R square value is 98 percent and Durbin Watson value is 1.084 percent and factor value is 30.59 percent. Lastly, the study concludes that, there will be positive significant effect on Investment to deposit ratio, Current Ratio and NPA to total Assets ratios and NPA to total loan outstanding in the Dindigul Urban cooperative bank.

Results of Linear Multiple Regression Analysis – Effect on Profitability ratios with Battalagundu Urban Cooperative Banks

The effect of independent variables on the dependent variable namely NPA to total loan outstanding of selected Battalagundu urban Cooperative banks (year), Linear Multiple Regression model was employed. Five independent variables were statistically related to dependent variable.

Effect on NPA to total loan outstanding with Dindigul Urban Cooperative Banks

Model Summary										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.998 ^a	.997	.991	1.08617	.997	157.987	6	3	.001	1.172

ANOVA ^a						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1118.316	6	186.386	157.987	.001 ^b
	Residual	3.539	3	1.180		
	Total	1121.855	9			

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.667	17.189		.097	.929		
	Investment to Deposits	.140	.029	.251	4.839	.017	.390	2.564
	Current Ratio	-.169	.037	-.515	-4.597	.019	.084	11.926
	Net profit to Deposit	19.734	14.863	.086	1.328	.276	.252	3.962
	Return on Assets	-4.555	1.007	-2.518	-4.521	.020	.003	294.887
	NPA to total assets	.430	.031	.917	13.755	.001	.237	4.222
	NPA to total loan outstanding	1.304	.283	2.811	4.607	.019	.003	353.873

a. Dependent Variable: Profitability Ratios

The study found that the investment to deposit ratio, current ratio, net profit to deposits ratio, return on assets ratio, non-performing asset to total assets ratio, and non-performing assets to total loan outstanding have a significant effect on the selected bank, Battalagundu Urban Cooperative Bank. However, only net profit to deposits had no significant effect. Therefore, the hypothesis (Ho) was rejected and the alternative hypothesis (H1) was accepted. The factor value was 157.98 percent and the Durbin Watson value was 1.172 percent. The study concluded that there will be a positive significant effect on these ratios in the Battalagundu Urban Cooperative Bank.

Results of Linear Multiple Regression Analysis – Effect on Profitability ratios with Kodaikanal Urban Cooperative Banks

The effect of independent variables on the dependent variable namely NPA to total loan outstanding of selected Kodaikanal urban Cooperative banks (year), Linear Multiple Regression model was employed. Five independent variables were statistically related to dependent variable.

Effect on NPA to total loan outstanding with Kodaikanal Urban Cooperative Banks

Model Summary										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.999	.999	.998	1.98139	.999	689.452	6	3	.000	2.171

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16240.277	6	2706.713	689.452	.000 ^b
	Residual	11.778	3	3.926		
	Total	16252.055	9			

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-186.951	55.127		-3.391	.043		
	Investment to Deposits	.182	.052	.086	3.486	.040	.398	2.510
	Current Ratio	.000	.083	.000	-.002	.999	.055	18.305
	Net profit to Deposit	177.075	50.090	.202	3.535	.138	.074	13.523
	Return on Assets	-45.494	20.178	-3.165	-2.255	.109	.000	8159.190
	NPA to total assets	21.650	9.306	3.145	2.326	.102	.000	7563.071
	NPA to total loan outstanding	1.178	.198	.660	5.955	.219	.020	50.875

a. Dependent Variable: Profitability

The table reveals that the effect on the dependent variable is selected Urban Cooperative bank and independent variable such as investment to deposits ratio, Current Ratio, Net profit to Deposits ratio, Return on Assets Ratio, Non-Performing Asset to Total assets and Non-performing assets to total loan outstanding. As far as to Kodaikannel Urban Cooperative Bank there is only one with effect on significantly in Investment to Deposit ratio (0.040),. Whereas, Current Ratio (0.999), Net profit to deposit (0.138), Return on Assets (0.109), Non-performing assets to total assets ratio (0.102) and Non-performing assets to total loan outstanding (0.219) not significant effect on selected urban cooperative bank. Hence, the hypothesis (Ho) was rejected and alternative hypothesis (H1) is accepted. The factor value is 689.45 percent and Durbin Watson value is 2.171 percent. Finally, the study concludes that, there will be positive significant effect on Investment to deposit ratio than other variable.

Consolidated result on Lenoir Multiple Regression (LMR) effect on Profitability with selected Urban Cooperative Banks.

Independent variable	PUCB	DUCB	BUCB	KUCB
Investment to Deposit Ratio	$\sqrt{(0.019)}$	$\sqrt{(0.086)}$	$\sqrt{(0.017)}$	$\sqrt{(0.040)}$
Current Ratio	$\sqrt{(0.024)}$	$\sqrt{(0.091)}$	$\sqrt{(0.019)}$	-
Net Profit to Deposit	-	-	-	-
Return on Assets	-	-	$\sqrt{(0.020)}$	-
NPA to Total Assets	$\sqrt{(0.075)}$	$\sqrt{(0.006)}$	$\sqrt{(0.001)}$	-
NPA to Total Loans Outstanding	-	$\sqrt{(0.019)}$	$\sqrt{(0.019)}$	-

Suggestions

The goal is to improve the financial position of selected Urban Cooperative Banks (UCBs), strengthen working capital, and increase net profit. New deposits schemes and attractive interest rates will be provided to improve the banks' funds. Subsidies for loan overdues will reduce non-performing assets. To compete with commercial and private banks, UCBs may introduce net banking facilities and increase ATM centers.

Conclusion

To sum up this study, the working profile of the selected banks comparatively among the four banks, Palani Urban Cooperative banks is satisfactory level than others. Because of actively involved by the members through business activities of small traders, issued of house mortgage loan and educational loan. Similarly, the perception on members about bank overall performance were good in all selected banks. Even though, there was high significant in Palani, Dindigul and Battalagundu UCB.

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