

## An Analysis Of Capital Adequacy Of Tamilnadu State Apex Co-Operative Bank Ltd

Uma S<sup>1</sup>, Dr. S.Malathi<sup>2</sup>

<sup>1</sup>Ph.D. Scholar, Department of Commerce Annamalai University.

<sup>2</sup>Assistant Professor in Commerce, Annamalai University.

Key words:	Abstract
Cooperative, bank, capital adequacy, financial efficiency, deposits, borrowings and internal fund.	The state apex cooperative bank is the backbone for the development of entire cooperative system in the state. Having strong financial performance of the bank will aid for development of rural economy. In this context, the researcher studied one of the components of financial performance, i.e., capital adequacy of Tamilnadu State Apex Cooperative Bank Ltd. for the study period of 11 years from 2013-14 to 2023-24. The study collected financial data from annual reports of the bank. The researcher used seven financial ratios which could bring out the results of capital adequacy of the bank. Apart from the above ratios, the researcher also applied simple percentage, mean, standard deviation and CAGR. The study found that borrowings of Tamilnadu State Apex Cooperative Bank increased drastically during the study period. Deposits of the bank increased at a very lower rate. Deposits are the major components of the total liabilities, but during last two years, borrowings occupied in the position of having major portion of total liabilities. It indicates that the bank increased its borrowings level during the study period and it is not a good trend and therefore the banks should reduce borrowings in future. Among various types of deposits, the growth rate of current deposits is high. Where as term deposits increased at a lower rate. The capital adequacy position of the bank was good in terms of capital adequacy ratio having higher ratio than the standard. Its capital adequacy position in terms of deposits to own funds ratio demand deposits to total deposits ratio is also good during the study period. Capital adequacy in terms of deposits to total liabilities ratio is at satisfactory level and lower internal fund generation rate was found during the study period.

### Introduction

Cooperative banking in India plays a vital role in promoting financial inclusion and providing banking services to rural and urban areas. These banks are owned and managed by their members, who are both customers and owners of the bank. Cooperative banks in India cater to the financial needs of small and medium-sized businesses, farmers, and individuals who may not have access to traditional banking services. They provide a range of services such as savings and deposit accounts, loans, and insurance products. With their focus on community development and sustainable growth, cooperative banks contribute significantly to the economic development of India. The structure of cooperative banking in India is characterized by a three-tier system consisting of primary credit societies at the grass-root level, central cooperative banks at the district level, and state cooperative banks at the apex level. Primary credit societies are the foundation of the cooperative banking structure and operate at the village or town level, providing financial services to local communities. Central cooperative banks act as intermediaries between primary societies and state cooperative banks, extending credit facilities and banking services to their affiliated societies. State cooperative banks, functioning at the state level, oversee and coordinate the activities of central cooperative banks and provide financial assistance and guidance to the entire cooperative banking sector in the respective states. This hierarchical structure ensures a decentralized approach to banking and enables cooperative institutions to cater to the financial needs of rural and semi-urban areas effectively.

The Tamil Nadu Apex Cooperative Bank, established with the vision of promoting cooperative banking in the state, plays a pivotal role in enhancing financial inclusion among its members. As the

highest tier of the cooperative banking structure in Tamil Nadu, this bank serves not only individual customers but also cooperative societies and various institutions, providing essential financial services tailored to the needs of its members. With a network of branches spread across the state, the Tamil Nadu Apex Cooperative Bank aims to deliver efficient banking services that foster economic growth and stability within the cooperative sector. It offers a range of products, including savings accounts, fixed deposits, loans for agriculture, and small-scale industries, making it a vital partner for local economic development. In its operations, the bank emphasizes transparency, accountability, and community involvement, ensuring that the welfare of its members is always a priority. By leveraging technology and innovative banking solutions, the Tamil Nadu Apex Cooperative Bank stands as a testament to the strength of cooperative values in banking and finance.

Capital adequacy is crucial for the stability and growth of cooperative banks. Adequate capital ensures that the bank can absorb unforeseen losses and maintain its financial health. Cooperative banks rely on their capital base to support lending activities, maintain liquidity, and meet regulatory requirements. Having sufficient capital also enhances depositor confidence and protects their funds. It enables the bank to weather economic downturns, mitigate risks, and continue serving its members effectively. Additionally, a strong capital position allows cooperative banks to expand their services, invest in technology, and adapt to changing market conditions. Capital adequacy is vital for the long-term sustainability and success of cooperative banks, ensuring they can fulfill their mission of supporting local communities and promoting financial inclusion.

### **Literature Review**

**Jayasree T.O., & Gangadharan K. (2018)** attempted to evaluate capital adequacy of urban cooperative banks in India since its inception by RBI. The study found that about ninety four percent of the urban cooperative banks in India satisfies capital adequacy ratio stipulated by the Reserve Bank which implies the strong financial strength of the urban cooperative bank, in spite of its merger or amalgamation. **Mallick S., & Das S. (2020)** aimed to find out any affiliation among capital adequacy, management ability and profitability in scheduled urban co-operative banks in India. The study found that the affiliation of management ability with profitability in terms of cost of deposits and business per employee was found negatively related and non-interest income to working fund had a positive impact on profitability. **Aarathi K.U., Aarya T.M., & Shabu K.R. (2020)** studied the financial performance of Bharat Cooperative bank. The study found that the state of capital adequacy was satisfactory. While considering Asset quality it was not up to the level, that is, it is not in a good state. The state of Management efficiency was also not up to the standard. **Veeramani R. (2021)** studied the financial performance of Bharat cooperative bank. The study evidenced that the state of capital adequacy was satisfactory. While considering Asset quality it was not up to the level, that is, it is not in a good state.

**Kumar S., & Ramesh S. (2023)** evaluated the financial performance indicator of Nizamabad DCCBs using the CAMEL model. The study found DCCBs' Capital Adequacy and Earning Capacity were positively correlated with its profitability while financial indicators such as Asset Quality, Management Capacity and Liquidity Ratio were favorably correlated with banks' probability. Capital adequacy and liquidity were the ratio that would reduce bank profitability while financial indicators such as Asset quality, Management and Earning Capacity increase the profitability of bank DCCBs. **Sakharam B.S., & Agarwal S. (2023)** studied the capital efficiency of urban cooperative banks. The study found that the minimum most ratio of -67.10 obtained belongs to Amanath Cooperative Bank Ltd, and the highest ratio of 56.67 per cent belonging to Kalupur commercial Cooperative Bank Ltd. Abnormality of negative value in the capital adequacy was found during the period of study with some banks namely Amanath Cooperative Bank, Ichalkaranji Janata Sahakari Bank Ltd. **Syamala A., & Ramesh S. (2023)** attempted to evaluate the financial performance indicator of Khammam DCCBs using the CAMEL model. The study identified that Capital Adequacy and Earning Capacity were positively correlated with its profitability while financial indicators such as Asset Quality, Management Capacity and Liquidity Ratio were favorably correlated with banks ' probability.

**Amala A.K., & Anilkumar K. (2024)** attempted to evaluate the financial performance of UCB using the CAMEL Model including capital adequacy. The study found that the bank's overall performance was satisfied with its asset quality being good. It was in a decent recovery position, but its financial

condition in terms of capital adequacy, liquidity, earning rate, and management efficiency metrics was shabby, needing quick intervention. **Vinay M., & Umamaheshwari (2024)** in their study analysed the financial performance of Karnataka State Co-Operative Apex Bank Ltd., BSK III Stage. The study concluded that the overall performance of The Karnataka state co-operative apex bank was Good. It successfully improved its financial performance. It was working in order to strengthen its financial viability. The Karnataka state co-operative state Apex bank was considered to be reliable one. **Shekhar C. (2025)** made a study to analyse RBI Restrictions on New India Co-operative Bank: Regulatory and Customer Impact. The study evidenced that the bank failed to meet the Capital Adequacy Ratio (CAR) and Liquidity Coverage Ratio (LCR) contributed to RBI's intervention. Poor internal controls and fraudulent lending practices further exacerbated financial stress were found.

### Objectives

The study has been done with the following objectives.

- To study the growth and trend of various sources of funds of The Tamilnadu State Apex Cooperative Bank Ltd. and
- To analyse the capital adequacy of The Tamilnadu State Apex Cooperative Bank Ltd.

### Methodology

The study has been done to analyse the capital adequacy position of The Tamilnadu State Apex Cooperative Bank Ltd. The period of the study was 11 years spanning between 2013-14 and 2023-24. The study required secondary data for analysis, they were financial data. These data were collected from annual reports of the respective bank retrieved from the official website of the concerned bank. The study is analytical in nature. The researcher analysed one of the components of CAMEL model, i.e., capital adequacy. For this purpose the researcher used seven financial ratios which could bring out the results of capital adequacy of the bank (Capital Adequacy Ratio of Tier I Capital (CAR Tier I), Capital Adequacy Ratio of Tier II Capital (CAR Tier II), Capital Adequacy Ratio of Total Capital (CAR TC), Deposits to Own Fund Ratio (DPOFR); Deposits to Total Liabilities Ratio (DPTLR); Demand Deposits to Total Deposits Ratio (DDTDR); Internal Fund Generation Rate (IFGR)). Apart from the above ratios, the researcher also applied the statistical tools of simple percentage, mean, standard deviation and compound annual growth rate for analysis.

### Results and Discussion

Financial efficiency is primary one for banks for long survival, which will help not only the bank but also it helps for public and the economy. In particular, the co-operative banks are backbone for rural economical development. These co-operative banks are being regulated and aided by state apex banks. It is important for having good financial efficiency for apex banks, it will have positive impact on cooperative movement in the state. There are many components in testing financial efficiency, the CAMEL model tests, capital adequacy, assets management, managerial capacity, earnings capacity and liquidity. Capital adequacy is base for all other components of financial efficiency. Hence, the study has been undertaken to analyse the capital adequacy of Tamilnadu State Apex Cooperative Bank Ltd. This section of the paper presents the results and discussion of the above aspect.

Capital is one of the important components of total liabilities of a cooperative bank. in order to know the weightage of capital among total liabilities, the components of total liabilities are being analysed and presented in table 1.

**Table 1: Components of Total Liabilities**

₹ crore							
Year	SHF	Deposits	Borrowings	Interest Payables	Other Liabilities	Total Liabilities	% Growth
2013-14	989.93	9507.33	2766.18	183.46	1065.33	14512.22	NA
2014-15	1022.11	7767.79	3309.24	155.94	1122.47	13377.55	-7.82

2015-16	1059.54	8212.37	3768.72	206.11	1154.01	14400.76	7.65
2016-17	1090.69	9090.32	4605.05	188.05	1540.48	16514.59	14.68
2017-18	910.04	8305.54	2844.20	147.53	1297.41	13504.72	-18.23
2018-19	924.60	8384.60	3222.90	158.20	1347.99	14038.30	3.95
2019-20	1202.33	11081.93	4199.40	159.01	1323.17	17965.84	27.98
2020-21	1344.60	10679.41	9567.30	247.20	1273.91	23112.42	28.65
2021-22	1655.10	12819.62	13530.12	296.82	388.92	28690.58	24.13
2022-23	1766.42	12486.51	16375.98	370.94	484.12	31483.97	9.74
2023-24	1910.93	11517.36	16962.25	443.23	563.94	31397.70	-0.27
Mean	1261.48	9986.62	7377.39	232.41	1051.07	19908.97	
SD	357.78	1810.94	5673.86	98.49	390.53	7390.89	
CAGR	6.16	1.76	17.92	8.35	-5.62	7.27	

It is known from table 1 that the total liabilities of the bank increased during the study period with the annual average growth rate of 7.27%, it is considered low and therefore the total liabilities of the bank went up at a lower rate. The bank achieved high growth rate of total liabilities during the years 2019-20 to 2021-22. The bank recorded major decrease in total liabilities during 2017-18 (-18.23%). Among various components, borrowings of the bank increased at a rapid rate during the study period (CAGR: 17.92%), the bank increased its borrowings drastically during the study period, it went up from ₹2,766.18 crore to ₹16,962.25 crore. Followed by, interest payable by the bank for its borrowings and deposits increased at a considerable rate (CAGR: 8.35%). Shareholders' fund of the bank increased during the study period from ₹989.93 crore to ₹1,910.93 crore, it recorded an average annual growth rate of 6.16%. Deposits of a bank is one of the important sources of finance for doing business. Hence high growth of deposits of a bank will increase its financial efficiency. Deposits of the bank recorded a very poor growth rate during the study period, it increased from ₹9507.33 crore to ₹11517.36 crore, it accounted for an average annual growth rate of 1.76%. Other liabilities of the bank decreased during the period with the average annual growth rate of -5.62%. Table 2 describes the results of percentage composition of components of total liabilities of the bank.

**Table 2: Percentage Composition of Components of Liabilities**

%						
Year	SHF	Deposits	Borrowings	Interest Payables	Other Liabilities	Total Liabilities
2013-14	6.82	65.51	19.06	1.26	7.34	100.00
2014-15	7.64	58.07	24.74	1.17	8.39	100.00
2015-16	7.36	57.03	26.17	1.43	8.01	100.00
2016-17	6.60	55.04	27.88	1.14	9.33	100.00
2017-18	6.74	61.50	21.06	1.09	9.61	100.00

2018-19	6.59	59.73	22.96	1.13	9.60	100.00
2019-20	6.69	61.68	23.37	0.89	7.36	100.00
2020-21	5.82	46.21	41.39	1.07	5.51	100.00
2021-22	5.77	44.68	47.16	1.03	1.36	100.00
2022-23	5.61	39.66	52.01	1.18	1.54	100.00
2023-24	6.09	36.68	54.02	1.41	1.80	100.00
Mean	6.52	53.25	32.71	1.16	6.35	100.00

Table 2 shows that deposits of Tamilnadu State Apex Cooperative Bank occupied major proportion of total liabilities. The percentage components of deposits of the bank ranged from 36.68% to 65.51%. It was noticed that the during the initial years of the study period, deposits of the bank occupied about two third of the total liabilities, but this proportion has been gradually decreasing over the study period and it went down below 50% from the year 2020-21. It is not an welcome trend, and therefore the bank should concentrate on increasing its deposits. On the other hand, borrowings of the bank was increasing over the study period. The percentage composition of borrowings of the bank ranged between 19.06% and 54.02% during the study period. During the initial years of the study period, the percentage composition of borrowings of the bank was low and it increased and reached more than 50% during the last two years of the study period. The bank may try to reduce the borrowings from further increase, otherwise the bank will be pulled in the position to high interest payout for borrowings and the same will decrease profitability position in future. Shareholders' fund occupied lower proportion of total liabilities of the bank. The percentage composition of shareholders' fund of the bank ranged from 5.61% to 7.64% during the study period. Other liabilities and liability through interest payable occupied very lower proportion of total liabilities of the bank during the study period.

Share capital and reserves are the components of shareholders' fund of Tamilnadu State Apex Co-operative Bank Ltd. Table 3 presents the results regarding the growth and trend of shareholders' fund and its components during the study period.

**Table 3: Trend of the Components of Shareholders' Fund**  
₹ crore

Year	Trend						% Composition	
	Share Capital	% Growth	Reserves	% Growth	SHF	% Growth	Sh. Cap.	Reserves
2013-14	289.59	NA	700.33	NA	989.93	NA	29.25	70.75
2014-15	302.70	4.52	719.42	2.72	1022.11	3.25	29.61	70.39
2015-16	307.56	1.61	751.98	4.53	1059.54	3.66	29.03	70.97
2016-17	312.03	1.45	778.66	3.55	1090.69	2.94	28.61	71.39
2017-18	312.03	0.00	598.01	-23.20	910.04	-16.56	34.29	65.71
2018-19	316.49	1.43	608.11	1.69	924.60	1.60	34.23	65.77
2019-20	334.78	5.78	867.55	42.66	1202.33	30.04	27.84	72.16

2020-21	383.82	14.65	960.78	10.75	1344.60	11.83	28.55	71.45
2021-22	514.10	33.94	1141.00	18.76	1655.10	23.09	31.06	68.94
2022-23	560.34	8.99	1206.08	5.70	1766.42	6.73	31.72	68.28
2023-24	631.19	12.64	1279.74	6.11	1910.93	8.18	33.03	66.97
Mean	387.69		873.79		1261.48		30.66	69.34
SD	121.52		240.55		357.78			
CAGR	7.34		5.63		6.16			

SHF – Shareholders’ Fund; Sh. Cap.– Share Capital

Shareholders’ fund of Tamilnadu State Apex Cooperative Bank Ltd. increased considerably during the study period. it met high growth rate during the years 2019-20 and 2021-22, it attained negative growth during the year 2017-18, since reserves of the bank went down drastically during the study period. There was lower level of deviation in shareholders’ fund of the bank from the mean value as shown by the results of mean (₹1,261.48 crore) and standard deviation (₹357.78 crore). Share capital of the bank increased at a higher rate than reserves. Share capital of the bank went up from ₹289.59 crore to ₹631.19 crore during the study period, it recorded an annual average annual growth rate of 7.34%. On the other hand, reserves of the bank increased at a lower rate than share capital. It went up from ₹700.33 crore to ₹1279.74 crore, it accounted for an annual average growth rate of 5.63%. Both share capital and reserves recorded a lower level of deviation from their respective mean values during the study period. The results of percentage composition of the components of shareholders fund indicated that reserves occupied major portion of shareholders’ fund during all the years of the study period. The percentage composition of reserves of the bank ranged from 65.71% to 72.16% and the percentage composition of share capital of the bank ranged between 27.84% and 33.03%.

Deposits are the major source of fund of banks for doing their business more successfully. The sample bank accepts current deposits, savings deposits and term deposits. They classified these deposits and deposits which are matured are reported separately. Accepting term deposits will enhance its liquidity position, since it can be utilised for long periods of time. Current and savings deposits are demand deposits and they have lesser liquidity and matured deposits are due during the current period for withdrawals. Table 4 gives the results of growth and trend of various types of deposits of Tamilnadu State Apex Cooperative Bank Ltd. during the study period.

**Table 4: Trend of Various Types of Deposits**

										₹ crore
Year	Current	% Growth	Savings	% Growth	Term	% Growth	Matured	% Growth	Total Deposits	% Growth
2013-14	224.70	NA	688.05	NA	8592.00	NA	2.58	NA	9507.33	NA
2014-15	256.61	14.20	777.35	12.98	6731.69	-21.65	2.14	-17.17	7767.79	-18.30
2015-16	297.02	15.75	829.34	6.69	7083.95	5.23	2.06	-3.50	8212.37	5.72
2016-17	319.82	7.68	962.23	16.02	7806.07	10.19	2.19	6.43	9090.32	10.69
2017-18	116.56	-63.55	982.51	2.11	7204.76	-7.70	1.70	-22.33	8305.54	-8.63
2018-19	275.72	136.54	1013.11	3.11	7093.63	-1.54	2.14	25.47	8384.60	0.95

2019-20	780.47	183.07	1053.29	3.97	9245.41	30.33	2.75	28.55	11081.93	32.17
2020-21	434.70	-44.30	1164.04	10.51	9078.36	-1.81	2.31	-16.13	10679.41	-3.63
2021-22	1748.63	302.26	1213.33	4.23	9855.24	8.56	2.42	5.19	12819.62	20.04
2022-23	905.33	-48.23	1266.60	4.39	10312.29	4.64	2.29	-5.42	12486.51	-2.60
2023-24	701.39	-22.53	1353.14	6.83	9460.12	-8.26	2.71	18.07	11517.36	-7.76
Mean	551.00		1027.54		8405.78		2.30		9986.62	
SD	471.62		209.91		1269.37		0.31		1810.94	
CAGR	10.90		6.34		0.88		0.44		1.76	

Total deposits of Tamilnadu State Apex Cooperative Bank Ltd. increased at a lower rate during the study period. It went up from ₹9507.33 crore to ₹11,517.36 crore, this growth recorded an average annual growth rate of 1.76%. Total deposits of the bank increased at higher rate during 2019-20 and 2021-22 by 32.17% and 20.04% respectively over the previous year. Total deposits of the bank met decreased during five years out of ten years of the study period. Current deposits of the bank increased at a higher rate during the study period, its calculated CAGR stood at 10.90%. Current deposits of the bank achieved rapid growth during 2021-22 (302.26%), followed by 2018-19 and 2019-20 by 136.54% and 183.07% respectively. High level of deviation was found in current deposits of the bank from its mean value as shown by the results of mean (₹551 crore) and standard deviation (₹471.62 crore). Savings deposits of the Tamilnadu State Apex Cooperative Bank increased at a low rate. It increased from ₹688.05 crore to ₹1,353.14 crore, it accounted for a CAGR of 6.34%. The deviation level was low from its mean value. Both term deposits and matured deposits went up at very low rates, their calculated CAGR were 0.88% and 0.44% respectively.

The financial performance of Tamilnadu State Apex Cooperative Bank Ltd. in terms of capital adequacy has been investigated using seven financial ratios. The results of these ratios are presented in table 5.

**Table 5: Capital Adequacy Ratios**

Year	CAR Tier I (%)	CAR Tier II (%)	CAR TC (%)	DPOFR (Ratio)	DPTLR (%)	DDTDR (Ratio)	IFGR (%)
2013-14	11.50	1.20	12.70	9.60	65.51	0.10	2.52
2014-15	11.60	1.12	12.72	7.60	58.07	0.13	3.31
2015-16	13.23	1.25	14.48	7.75	57.03	0.14	3.38
2016-17	15.00	1.25	16.25	8.33	55.04	0.14	3.32
2017-18	15.03	1.25	16.28	9.13	61.50	0.13	8.14
2018-19	13.80	1.25	15.05	9.07	59.73	0.15	8.02
2019-20	10.72	1.25	11.97	9.22	61.68	0.17	6.83
2020-21	15.98	1.25	17.23	7.94	46.21	0.15	10.10

2021-22	10.56	1.25	11.81	7.75	44.68	0.23	13.13
2022-23	10.05	1.25	11.30	7.07	39.66	0.17	5.93
2023-24	8.95	1.25	10.20	6.03	36.68	0.18	5.82
Mean	12.40	1.23	13.64	8.13	53.25	0.15	6.41

CAR – Capital Adequacy Ratio; TC – Total Capital; DPOFR – Deposits to Own Fund Ratio; DPTLR – Deposits to Total Liabilities Ratio; DDTDR – Demand Deposits to Total Deposits Ratio; IFGR – Internal Fund Generation Rate.

Table 5 shows that the capital adequate ratio of Tier I capital was more than 10% during all the years of the study period except during 2023-24. The ratio ranged from 8.95% to 15.98% and it was found that the ratio was gradually decreasing over the study period. The mean value of capital adequacy ratio of tier I capital stood at 12.40%, it is considered high. On the other hand, the capital adequacy ratio of tier II capital was almost stable during entire period of the study. The ratio ranged from 1.12% to 1.25%, the mean value of the ratio was 1.23% and it was observed that in majority of the years the ratio was 1.25%. The capital adequacy ratio of total capital of the bank ranged from 10.20% to 17.23%, during the year, its calculated compound annual growth rate stood high at 13.64%. The bank has recorded higher capital adequacy ratio than the standard ratio as prescribed by the Reserve Bank of India (9%) during all the years of the study period and in majority of the years it was very high, hence the capital adequacy position of the bank was good in terms of capital adequacy ratio during the study period. The deposits to own fund ratio of the bank ranged from 6.03 to 9.60 during the study period, its calculated mean value stood at 8.13. It is considered good and therefore the bank has accepted more deposits than its own fund. In other words, the bank's deposits are more than 8 times of its own fund. The ratio of deposits to total liabilities ratio of the bank ranged between 36.68% to 65.51%, its calculated mean value stood at 53.25%. It was noted that, the ratio was high during initial years of the study period and it was gradually decreasing in the latter years. It shows that the bank had accepted more deposits in the beginning of the study period and it was not so during the rest of the study period. Demand deposits to total deposits ratio of the bank ranged from 0.13 to 0.18, its calculated mean value stood low at 0.15. The bank's capital adequacy in terms of demand deposits to total deposits ratio was good during the study period, since the bank lower proportion of demand deposits on its total deposits, it will enhance its long term funds performance and make way for good financial performance. The internal fund generation rate of Tamilnadu State Apex Cooperative Bank was low during the study period. The ratio ranged from 2.52% to 13.13%, its calculated mean value is 6.41%. It shows that the bank capitalized its internally generated fund at a lower rate during the study period.

## Conclusion

Stable and uniform economic growth irrespective of are, i.e., rural or urban is important for a country. Rural economic growth is assured and aided by cooperative movements in India. The cooperative institutions and banks are being regulated and managed by State Apex Cooperative Bank of the concerned state. Hence, strong financial performance of the above bank is important for the development of cooperative system of the state. In this context, the researcher studied the component of capital adequacy of Tamilnadu State Apex Cooperative Bank Ltd. for the study period of 11 years from 2013-14 to 2023-24. The study found that borrowings of Tamilnadu State Apex Cooperative Bank increased drastically during the study period. The average annual growth rate of borrowings of the bank was very high at 17.92%. Deposits of the bank increased at a very lower rate during the study period. The study noted that deposits are the major components of the bank during the period of the study period except during last two years, during such years borrowings occupied in the position of having major portion of total liabilities. It indicates that the bank increased its borrowings level during the study period and it is not a good trend and therefore the banks should reduce borrowings in future, since it will lead of higher interest payout, instead of that the bank should try to accept more deposits and it can be utilized for its banking business. Among various types of deposits, the growth rate of current deposits

of the bank was high (CAGR: 10.90%). Where as term deposits of the bank increased at a lower rate (CAGR: 0.88%). But increase of term deposits will help the bank for having good financial stability in long term. The capital adequacy position of the bank was good in terms of capital adequacy ratio, the bank recorded higher ratio than the standard during entire period of the study period. Its capital adequacy position in terms of deposits to own funds ratio demand deposits to total deposits ratio is also good during the study period. Capital adequacy in terms of deposits to total liabilities ratio is at satisfactory level and lower internal fund generation rate was found during the study period.

## References

1. Aarathi K.U., Aarya T.M., and Shabu K.R. (2020). Financial Performance of Bharat Co-Operative Bank – An Appraisal. *International Journal of Recent Technology and Engineering*, 8.6, 571-576. DOI:10.35940/ijrte.F7376.038620
2. Amala A.K., and Anilkumar K. (2024). Examining the Financial Efficiency of Urban Co-Operative Banks in Kerala - A CAMEL Model Analysis. *Commerce & Business Researcher*, 14.2, 1-12.
3. Jayasree T.O., and Gangadharan K. (2018). Capital Adequacy and Financial Stability of Urban Co-operative Banks in India : A Temporal Analysis. *Finance India*, 31.4, 1295-1306.
4. Kumar S., and Ramesh S. (2023). Effect of Financial Performance Indicators on Profitability of Nizamabad DCCB – A Study. *International Research Journal of Education and Technology*, 5.1, 188-194.
5. Mallick S., and Das S. (2020). Association between Management Capacity and Profitability of Scheduled Urban Co-Operative Banks in India. *Indo-Asian Journal of Finance and Accounting*, 1.1, 45-63.
6. Saktharam B.S., and Agarwal S. (2023). Capital Efficacy in Urban Cooperative Banks. *Asian Journal of Management and Commerce*, 4.2, 295-298.
7. Shekhar C. (2025). Analysis of RBI Restrictions on New India Co-operative Bank: Regulatory and Customer Impact. *International Journal of Research Publication and Reviews*, 6.2, 2735-2747.
8. Syamala A., and Ramesh S. (2023). Effect of Financial Performance Indicators on Profitability of Khammam DCCB – A Study. *International Journal of Research Publication and Reviews*, 4.7, 1544-1548.
9. Veeramani R. (2021). Financial performance of Bharat Co-operative Bank – A Case Study, *International Research Journal of Modernization in Engineering Technology and Science*, 3.10, 1273-1281.
10. Vinay M., and Umamaheshwari (2024). A Study on Loans and Advances at Karnataka State Co-Operative Apex Bank Ltd., BSK III Stage. *International Journal of Creative Research Thoughts*, 12.9, b558-b562.