



A STUDY ON WORKING PERFORMANCE OF COIMBATORE DISTRICT CENTRAL COOPERATIVE BANK LTD. COIMBATORE DISTRICT, TAMILNADU

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Abstract

District Central Cooperative banks are one among the strongest unit in the Indian cooperative banking structure. The district central cooperative banks which forms a part of the three tier credit system occupy strategic position. It is the spokesman or higher financing agency not only for the Primary Agricultural Credit Societies in a district but also for other types of cooperative institution. The success of Primary Agricultural Credit Societies at the village base level and State Cooperative Banks at the apex level depend much on the strength and the efficient operation of the district central cooperative banks. A sound and strong District Central Cooperative Bank is capable of providing the required financial assistance to PACS's and also support the apex cooperative banks in ensuring greater flow of credit from the National Bank for Agricultural and Rural Development (NABARD). As the federating institution of Primary Agriculture Cooperative Societies, district central cooperative banks have an important role to play in guiding, supervising and even directing financial operation. A study attempt to analyse the working performance of CC Bank.

Key words: *Central Cooperative Bank, Agri Credit Societies, NABARD.*

1. Introduction

The introduction of the Cooperative Credit Society Act in 1904 for providing production credit to farmers marked the beginning of the institutionalization of cooperative banking system in India. The Act of 1904 was amended in 1912 to facilitate the establishment of central cooperative banks at the district level, thereby giving them a three tier federal character. Central cooperative banks occupy key place in the cooperative credit structure. They play a distinct and significant role in growth and development of cooperative credit in both agricultural and non-agricultural sectors and act as the leader of the cooperative movement at the district level. An attempt is made in this organ, growth and development of DCCB's in general profile of DCCB's in also given for making in-depth analysis of their working. The Central Cooperative Banks are been comes under apex cooperative bank in India there are 31 cooperative apex banks. There are 24 District Central Cooperative Banks in TamilNadu. The role of DCCB's have been assigned the leaders in rural finance at the district level, the study of performance of the DCCB's assumes importance.

2. Statement of the Problem

The DCCB's form an integral part of the rural banking system in performing their activities on cooperative principles. Similarly to study the extent the impact of the financial assistance extended by these banks to membership are the beneficiaries. This can be done by assessing the working of these banks in terms of deposits, recoveries and over dues to the bank that is their financial position. The central cooperative banks have to function under constraints of finance. The present study is undertaken with a view to examine the financial position of CDCC Bank by analyzing annual reports for a period of ten year from 2009-2010 to 2018-2019.

3. Objectives of the Study

1. To study the financial position of the Bank in terms of Share Capital, Deposits, Borrowings, Reserve Fund etc.



2. To evaluate the performance of banks in terms of profit earned.
3. To study the other services providing by the CDCC Bank.
4. To offer suggestions for improving the performance of CDCC bank.

4. Research Methodology

The study is mainly based on the secondary data. These data were collected from the records of the annual audit report for the period from 2009-2010 to 2018-2019. The data collected is analyzed with the help of statistical tools like Growth Rate, Growth Index etc.

5. Bank Profile

A profile of Coimbatore District Central Cooperative Bank Ltd.

The Coimbatore District Central Cooperative Bank Limited was registered on 30.09.1910 and was assigned to start its business form 16.10.1910. The bank has entered 110 year. The responsibility of district central cooperative banks is providing timely adequate and other allied services to individuals through its affiliated Primary Agriculture Cooperative Societies by way of crop loans, investment loan, loan promoting and financing for strong marketing facilities. The flow of the National Bank for Agricultural and Rural Development funds depends primarily on the fulfillment of financial discipline by the district central cooperative banks and their capacity to absorb at least a certain amount of overdue from its own resources.

6. Financial Performance of CDCCB's

6.1 Share Capital

The share capital occupies an important position among the owned funds. Share capital is very foundation of any business organisation and in case of an cooperative bank. In this bank, Share capital is primarily funded in financial support.

S.No	Year	Share Capital	Growth Rate	Growth Index
1	2009-2010	24.25	-	-
2.	2010-2011	27.42	13.07	113.07
3.	2011-2012	31.54	13.63	130.06
4.	2012-2013	34.5	8.58	142.27
5.	2013-2014	38.02	9.26	156.78
6.	2014-2015	18.43	-51.53	76.00
7.	2015-2016	17.52	-5.19	72.25
8.	2016-2017	23.93	26.79	98.7
9.	2017-2018	13.53	-76.87	55.8
10.	2018-2019	27.52	50.84	113.5

The above table highlight the share capital position of the bank. It shows the fluctuating trend during the study period. The quantum of share capital at the end of study period showing Rs.27.52 Crores registering the Growth Index of 113.5. Though the growth rate is highly fluctuating, it stood at 13.07 in the year 2010-2011, and it stood at 50.84 in the year 2018-2019.

6.2 Deposits

In the process of economic development, the bank deposits play an important role and in coping with increasing demand for credit requirement in particular. Bank get the financial support next to the share capital is possibility of getting the deposit. Deposit was collected from members and non-members.

Table -2 Deposit Position **Rs.inCrores.**

S.No	Year	Deposits	Growth Rate	Growth Index
1	2009-2010	624.37	-	-
2.	2010-2011	695.49	10.23	111.4
3.	2011-2012	763.85	8.95	118.3
4.	2012-2013	948.1	19.43	134.15
5.	2013-2014	919.88	-3.06	147.33
6.	2014-2015	824.31	-11.59	132.02
7.	2015-2016	758.52	-8.7	121.49
8.	2016-2017	865.11	12.32	138.56
9.	2017-2018	850.21	-1.75	136.17
10.	2018-2019	769.05	-10.55	123.17

The above table shows the deposition position of the bank. The deposit position Rs.624.37 in the year 2009-2010 to it increased Rs.769.05 in the year 2018-2019. But it shows the fluctuating trend during the study period. Though the growth rate is highly fluctuating, it stood at -10.55 in the year 2018-2019. The deposit at the end of period showing Rs.769.05 Cores registering the Growth Index of 123.17.

6.3 Reserve Fund

Reserves of the cooperative banks are the very basis of its soundness and longevity. For the benefit of bank, unexpected loss in business certain percentage of amount was kept as a reserve fund from the net profit.

Table-3: Reserve Fund Position **Rs. in Crores**

S.No	Year	Reserve Fund	Growth Rate	Growth Index
1	2009-2010	179.54	-	-
2.	2010-2011	139.18	-29.00	77.52
3.	2011-2012	154.85	10.12	85.05
4.	2012-2013	345.01	55.12	192.16
5.	2013-2014	483.07	28.6	269.06
6.	2014-2015	324.31	-48.6	180.63
7.	2015-2016	192.49	-68.5	107.21
8.	2016-2017	115.49	-66.7	64.33
9.	2017-2018	146.46	21.15	81.57
10.	2018-2019	169.36	13.52	94.33

The above table reveals the reserve fund position. It shows the fluctuating trend during the study period. The Growth Rate -29.00 in the year 2009-2010 it increase to 13.52 in the year 2018-2019. The Reserve Fund at the end of the study period Rs.169.36 Crores registering the Growth Index of 94.33.

6.4 Borrowings

The borrowings of cooperative banks from other financial agencies have always been negligible as compared to those agricultural credit societies. The CC Bank borrow from State Cooperative Bank.

Table-4 Borrowing Position **Rs. in Crores**

S.No	Year	Borrowings	Growth Rate	Growth Index
1	2009-2010	106.31	-	-
2.	2010-2011	162.23	34.5	152.60
3.	2011-2012	239.3	32.20	225.10
4.	2012-2013	351.85	32.00	331.00

5.	2013-2014	350.50	-0.39	329.70
6.	2014-2015	351.35	0.24	330.50
7.	2015-2016	243.65	-44.20	229.20
8.	2016-2017	263.58	7.56	248.00
9.	2017-2018	241.26	-9.25	227.00
10.	2018-2019	222.47	-13.79	209.30

It reveals the borrowing position of the bank. The borrowing position shows the fluctuating trend during the study period. But it has increased from Rs.106.31 in the year 2009-2010 to 222.47 in the year 2018-2019. The borrowing position at the end of study period showing Rs.222.47 Crores registering the Growth Index of 209.30. Though the growth rate is highly fluctuating it stood at -13.79 in the year of 2018-2019.

6.5 Loans and Advances

The resources of the cooperative banks are invested in the forms of Loans and Advances. The lending policy of an cooperative bank is laid down in its byelaws. Loan is the financial support of society plays a vital role of the cooperative banks.

Table-5: Loans and Advances position **Rs.in Crores**

S.No	Year	Loans and Advances	Growth Rate	Growth Index
1	2009-2010	534.41	-	-
2.	2010-2011	734.53	27.24	137.45
3.	2011-2012	1269.11	42.12	237.48
4.	2012-2013	1016.6	-24.84	190.23
5.	2013-2014	1475.2	31.09	276.04
6.	2014-2015	1015.63	-45.25	190.05
7.	2015-2016	1214.99	16.41	227.35
8.	2016-2017	1217.68	0.22	227.86
9.	2017-2018	1201.54	-1.34	224.83
10.	2018-2019	1182.62	-1.60	221.29

The above table depicts the loans and advances position. The loans and advances increased Rs.534.41 Crores in the year 2009-2010 to Rs.1182.62 Crores in the year 2018-2019. The growth rate recorded fluctuating trend over the period. The quantum of loans and advances at the end of study period showing Rs.1182.62 Crores registering the Growth Index of 221.29.

6.6 Net Profit

Net profit is the absolute difference between total revenue and total cost during a specific period, normally an accounting year. Whereas profitability is a relation of the profits expressed as a percentage of the total volume of business. It expresses the success in the productive use of resources under the supervision of the bank management.

Table-6: Net Profit Position **Rs. in Crores**

S.No	Year	Net Profit	Growth Rate	Growth Index
1	2009-2010	68.46	-	-
2.	2010-2011	70.07	2.3	102.35
3.	2011-2012	79.78	12.2	116.53
4.	2012-2013	76.81	-3.8	112.2
5.	2013-2014	47.20	-62.7	68.95
6.	2014-2015	33.27	-41.9	48.6
7.	2015-2016	32.25	-3.2	47.11



8.	2016-2017	28.90	-11.6	42.21
9.	2017-2018	27.85	-3.77	40.7
10.	2018-2019	26.79	-3.96	39.13

The above table indicates the Net Profit position of the bank. The bank was continuously running on profit. The average profit per year was Rs.49.14 Crores. But it shows the fluctuating trend during the study period. Though growth is highly fluctuating, it stood at -3.96 the year 2018-2019 to 2.3 in the year 2010-2011. The Net Profit position was to the extent of Rs.68.46 Crores in the year 2009-2010, it has heavily declined over the years and stood at Rs.26.79 Crores registering the Growth Index of 39.13.

7. Findings

1. The Share Capital position of the bank reveals the fluctuating trend in the total years.
2. Deposit position of the bank also wide fluctuating trend during the study period.
3. The Reserve Fund shows it stood increased some years afterwards it shows the fluctuating trend from 2014-2015 to 2018-2019.
4. Borrowing position of the bank increased from year to years.
5. Loans and advances shows the increased trend particular year afterwards it shows the fluctuating trend.
6. Net Profit shows that there is wide fluctuations in the profitability position of the bank.
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8. Suggestions

1. The Bank must undertake all the measures to mobilize more deposits to strengthen the financial position.
2. The Bank provide ATM facilities nearby all branches in Coimbatore District.
3. The Bank provide appropriate Technology for access control and serving the area of great concern in today highly competitive Environment.
4. The Bank have to more alternation for information technology.
5. Government should provide financial and other infrastructure facilities to Bank.
6. The Bank are compulsory adopt core banking system in national level.

9. Conclusion

The Coimbatore District Central Cooperative Bank Ltd., is functioning in an effective manner so as to satisfy the needs of its members and non-members. The bank moving towards core banking solutions system in order to connect all the branches, so that value added services like ATMs, debit cards, net banking facilities can be provided so as to attract new customers and retain existing customers.

The story of Coimbatore District Central Cooperative Bank reveals that the working performance of the bank is going in a healthy direction, and it has evolved new strategies to strengthen its business activities and to compete with other commercial bank. In this way, the fruits of cooperation have reached the baskets of each member. The Coimbatore District Central Cooperative Bank are facing challenges because of the high competition from public sector banks, private sector banks, rural banks foreign banks. Coimbatore District Central Cooperative Bank have concentrate on their major expansion activities launching the several attractive scheme for the collection of deposits and issued loans. The banks must increase their activities at all levels.

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