



A STUDY ON FINANCIAL ANALYSIS OF DISTRICT CENTRAL CO-OPERATIVE BANKS IN TAMILNADU

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ABSTRACT

The present study intends to analyze the critical evaluation of cooperative credit sector in India as well as in Tamil Nadu. The study examines the causes of slow progress and highlights the emerging role and challenges of the cooperative sector. The data was collected by personally visiting the bank officials at district level as well as State level. Library Books, Published Annual Reports of the DCCBS, Journals, Statistical abstracts, Audit Reports, office records will be the main source to secondary data.. Cooperatives considered having immense potential to deliver goods and services in areas where both the state and the private sector have failed.

KEY WORDS: Cooperative bank, credit sector, Tamil Nadu.

1. INTRODUCTION:

Around the world modern co-operatives have developed for over 200 years. Cooperative institutions exist all over the world providing essential services, which would otherwise be unattainable. Globally, co-operatives have been able to elevate its position as powerful economic model (Arvind, 2006) .Co-operatives are the most successful community-based economic democracies in the world. More than 725 million people around the world, in every nation and culture, use co-operatives to meet their economic and social needs. Co-operatives operate successfully in every area of business activity.

Cooperative institutions in India were completed 100 years of their existence in the year 2004 (Vaze & Pawar, 2005). This institution has contributed significantly to different aspects of national life in the last century. Cooperative credit sector, for instance, has played a historic role in creation of institutional infrastructure in rural and urban India. It has helped develop banking habit among the people of small means, and secured mobilization of their savings for economic development. During the last few years, the Cooperative movement in India has made considerable progress. However, it has yet to make its impact felt on the economic life of a large number of people. Even among the membership, which has been covered by the cooperative movement, it has yet to infuse real Cooperative spirit, which will enthuse them in intelligent participation in the working of their societies.



As per the latest figures more than 75 per cent of India's population lives in rural areas, majority of which depends on agriculture for its livelihood. Indian agriculture is typically characterized with small and medium sized holdings, large number of agricultural workers spread over a large area, low income generation

and low savings as a result of which the farmers look upon agriculture not as business but only as a way of life. A substantial proportion of farmers' credit needs are now met by cooperative societies. The Cooperative societies have led to the use of better farming methods such as the use of improved seeds, fertilizers, etc. The marketing and processing societies have helped members to buy their requirements cheaply and sell their agricultural produce at acceptable prices. The Cooperative structure in India consists of different constituents. At the bottom of this structure are the primary societies, which render various types of services. Of this large number about 80 percent is concerned with agriculture. Most of these societies, about 60 per cent deal with credit only. Thus a large majority of primary societies are related to agriculture and credit. They perform various functions such things as credit, irrigation, marketing, transports etc.

These are generally divided into two groups-

1. *Credit societies and*
2. *Non-credit societies*

Each of these two sub groups is further split up into sub groups:

1. *Agricultural societies and*
2. *Non -agricultural societies.*

Agricultural societies (both credit and non-credit are found in rural areas, but non-agricultural societies both credit and noncredit) are found in urban areas. Since majority of the population of Tamil Nadu lives in the rural areas and is involved in agricultural activity, the Cooperative movement here assumes greater significance.

2. REVIEW OF LITERATURE:

The following are the various literature reviews, which have been collected to find out the research gap& the present study.

Shah (2001-02)¹ in his study analyzed the performance of Kolhapur District Central Cooperative Bank (KDCCB) during the pre and post-reform period. It was found that the financial health of KDCCB has improved in loan advances, deposits, membership and return on owner's equity in the post-economy reform period. But the share of net worth in its total liability, liquidity ratio is declining in the post-reform period. As the return on owner's equity has increased significantly during the post-reform period, it could be interpreted that financial health and economic viability of KDCCB has improved considerably in recent times.

Jadhav,K.L and Kasar.D.V (2005)² examined the performance of District Central Co-operative Banks in Maharashtra. They have found that there is need to pay attention to the borrower members, which will lead to increase in the share capital and loan disbursement of agricultural purposes. They have suggested that efforts should be made to enhance deposit mobilization and investment of funds in government securities and fixed deposits for transparency in financial management.

Oliver Bright,A (2005)³ has analyzed the role of Kanyakumari District Central Co-operative Bank (KDCCB) in Tsunami Credit. He has observed that DCCBs grant loans and advances to the rural dwellers both for agricultural and non agricultural purposes. But the infrastructure aids are totally neglected by them. He has suggested that the DCCBs must identify the investment portfolios for credit plans.

Ramachandran,T and Seilan,A (2006)⁴ in his analysis examined the role of Kanyakumari District Central Co-operative Bank (KDCCB) in promoting Self-Help Groups(SHG). They have observed that the DCCB makes PACSs to play the role of NGOs in the promotion and financing SHGs and PACSs have also realized the advantages in SHGs promotion and linkage. They have concluded that the KDCCB is playing an important and pivotal role in social transformation, welfare activities and has served the cause of woman empowerment and socio-economic betterment of the poor.

Namasivayam,N (2006)⁵ has observed the working performance of the Madurai District Central Co-operative Bank Ltd., and states that it has been impressive in terms of deposit mobilization and credit deployment. He has concluded that the success of the co-operative bank depends on effective manpower planning and management.

Lakshmanan,C and Dharmendran.A (2007)⁶ in his article, studied the impact of Non Performing Assets (NPAs) on performance variables in Chennai Central Co-operative Bank. They examined performance variables namely, net profit, investment, legal expenses and spread. They observed that the results of NPAs on all the above performance variables were negative and insignificant at 5 percent level in all the equation. They concluded that the effective management of NPAs is essential to strengthen the financial position of the bank.

Singh et al. (2007)⁷ in his article examined the economic performance of District Central Cooperative Bank (DCCB), Raipur and its Mandir Hasaud Branch in Chattisgarh state for the time period 1991-92 to 1998-99. The various parameters selected for analyzing the performance were number of borrowers, amount advanced, recovery and over dues. During the period of study, the number of borrowers and the number of advances had increased but at the same time rate of over dues had also increased. It was suggested that the over)dues should be checked by improving the recovery performance of the bank. It was also suggested that there should be provision to convert the kind loan in cash if the farmers are reluctant to kind portion of loan, this will increase the level of recovery.

Sujatha (2007)⁸ had attempted to summarize the financial performance of Krishna Cooperative Central Bank Ltd. for a period of 11 years from 1995 to 2005. To analyze performance various liquidity, productivity and profitability ratios were used. It was found that the strength of the bank is: higher level of owned funds, reasonable cost of deposits & borrowings, low expense ratio, favourable burden ratio but the bank has the weakness of high level of liquid & cash assets, low credit to deposit ratio and low yield on advances. It was suggested that the bank should launch deposit mobilization campaign and there is need to diversify the loan portfolio. Also the bank should enforce the provisions to recover loans in order to reduce its NPAs.

Mayil Murugan,A (2009)⁹ made an empirical analysis on capital adequacy ratio in central co-operative banks. He observed that capital adequacy has reduced the likelihood of failure and increases liquidity of the bank. He has concluded that fulfilling the capital adequacy norm is not at all the problem for the bank for ever.

Raikar (2011)¹⁰ made an attempt to study the performance of District Central Cooperative Banks (DCCBs) in India for the period 2002-03 to 2007-08. For analyzing the performance, ratio analysis and Data Envelopment Analysis (DEA) were used. It was found that number of CCBs on efficient frontier and above efficiency score showed a fluctuating but declining trend, this indicates declining efficiency of CCBs over the study period. It was also found that there is significant growth of CCBs in terms of financial parameters, i.e., reserves, deposits, investments, loans & advances, income etc. But the performance was deteriorating due to weak capital base and huge NPAs. It was suggested that to improve the performance of CCBs, there was need to improve their recovery performance.

3. RESEARCH GAP:

The review of literature clearly reveals that no research was previously conducted on the financial performance analysis of cooperative banks in Salem district of the Tamil Nadu, Hence the research aims to fill the gap by analyzing the financial performance of Co-operative Banks in Salem District of Tamil Nadu, with some specified ratios and applying statistical tools to analyze the progress and profitability of selected Co-operative banks in Salem district of the state Tamil Nadu.

4. NEED OF THE STUDY:

Financial inclusion as the process of ensuring access to financial services and timely and adequate credit where needed by valuable groups such as weaker sections and low income groups at an affordable cost. Co-operative bank a play a free dominate role to fulfill this gap. The present study is intended to appraise the financial performance of selected Co-operative Banks in Salem District with particular reference to finance.

5. OBJECTIVES OF THE STUDY:

The major objectives of the study are as follows:

1. To study the published financial statements of Cooperative banks in Tamil Nadu.
2. To find out the factors affecting profitability of DCCBs.
3. To make a study of the performance of DCCBs in Tamil Nadu.

4. To know the major trends and changes in the banking operations of Cooperative banks in Tamil Nadu.

6. HYPOTHESES:

The study was based on certain hypotheses which are follows:

H₀: The District Central Cooperative Banks in Tamil Nadu has made satisfactory progress during the study period.

H₁: The District Central Cooperative Banks in Tamil Nadu hasn't made satisfactory progress during the study period.

7. RESEARCH METHODOLOGY:

The present study is based mainly on both secondary as well as primary data. The data was collected by personally visiting the bank officials at district level as well as State level. Library Books, Published Annual Reports of the DCCBs, Journals, Statistical abstracts, Audit Reports, office records will be the main source to secondary data. The data with regard to Capital, Loans, Advances, Expenditures and Incomes to be collected from published sources. Personal interview technique is used to collect information and discuss with officers and personnel of Cooperative banks to know the performance of Cooperative banks. In order to get the information in regard to the performance of District Central Cooperative Bank a structured interview will be conducted with Bank Managers & Loan Officers.

8. SCOPE & LIMITATIONS OF THE STUDY:

The study deals with, the work done by District Central Cooperative Banks in its -area of operation i.e. Tamil Nadu. The detailed study covers only from the year 2006-07 to 2015-16. The functioning of District Central Cooperative Bank thus becomes the universe of the present study. A detailed investigation on the functioning of DCCBs and sample respondents (Bank Managers) would certainly disclose and highlighted the factors affecting the performance of the DCC Banks. The scope of this research work is restricted only to a study of the various aspects mentioned in the objectives.

Cooperative Banking sector is very vast in nature. Here the researcher selected only District Central Cooperative Banks in Tamil Nadu for the performance study. 'Performance' is be find out in the nature of Capital, Deposits, Loans, Borrowings, Income, Expenditure, etc. from the published records of DCCBs. For the data and information researcher is depends on the interview of selected Bank Managers and published annual reports of DCCBs.

9. DATA ANALYSIS:

The progress of the District Central Cooperative Banks in Tamil Nadu can be seen from the following figures:

TABLE - 0I: NUMBER OF DISTRICT CENTRAL COOPERATIVE BANKS IN TAMILNADU.

S.No	Years	No's	Increase / Decrease
1	2006-07	23	100
2	2007-08	23	100
3	2008-09	23	100
4	2009-10	23	100
5	2010-11	23	100
6	2011-12	23	100
7	2012-13	23	100
8	2013-14	23	100

9	2014-15	23	100
10	2015-16	23	100

(Sources: National Federation of State Cooperative Banks Ltd., (NAFSCOB), Navi Mumbai)

Inference: Table 1 shows the total number of District Central Cooperative Banks in Tamil Nadu during the study period. It shows that during the year 2006-07 to 2015-16 there were 23 DCCBs working in Tamil Nadu State which indicates that no new DCCBs has been started in the study area during the study period.

TABLE - 02: NUMBER OF BRANCHES OF DISTRICT CENTRAL COOPERATIVE BANKS INCLUDING HEAD OFFICE.

S.No	Years	No's (In Thousands)	Increase / Decrease
1	2006-07	733	100
2	2007-08	732	100
3	2008-09	734	100
4	2009-10	784	100
5	2010-11	782	100
6	2011-12	733	101
7	2012-13	732	107
8	2013-14	734	109
9	2014-15	784	107
10	2015-16	782	111

(Sources: National Federation of State Cooperative Banks Ltd., (NAFSCOB), Navi Mumbai)

Inference: Table 2 shows the total number of branches of DCCBs in Tamil Nadu during the year 2006-7 to 2015-16. In the year 2006-07 the number of branches of DCCBs was 733 which were increased to 784 in the year 2009-10. Further, there were no much different in the subsequent years.

TABLE - 03: TOTAL MEMBERS OF DISTRICT CENTRAL COOPERATIVE BANKS

S.No	Years	No's (In Thousands)	Increase / Decrease
1	2006-07	16325	100
2	2007-08	16266	100
3	2008-09	16277	100
4	2009-10	15749	96
5	2010-11	15473	95
6	2011-12	16252	100
7	2012-13	16118	99
8	2013-14	16177	99
9	2014-15	16705	102
10	2015-16	16915	104

(Sources: National Federation of State Cooperative Banks Ltd., (NAFSCOB), Navi Mumbai)

Inference: Table - 3 shows the total number of members of DCCBs during the year 2006-7 to 2015-16. In the year 2006-07 the total number of members was 16325. There are no much fluctuations in the total number of members of DCCBs in the first three years. It has decreased in the 2009-10 by 4%. In the year 2011-12, it has restored the number of members. In the last two years, it is evident that the increasing trend in the total number of members in DCCBs.

TABLE - 04: SHARE CAPITAL OF DISTRICT CENTRAL COOPERATIVE BANKS IN TAMILNADU.

S.No	Years	Rs. In Lakh)	Increase / Decrease
1	2006-07	72794	100
2	2007-08	91366	126
3	2008-09	113829	156
4	2009-10	231371	318
5	2010-11	124990	172
6	2011-12	130656	179
7	2012-13	126099	173
8	2013-14	136236	187
9	2014-15	128560	177
10	2015-16	136502	188

(Sources: National Federation of State Cooperative Banks Ltd., (NAFSCOB), Navi Mumbai)

Inference: Table - 4 shows about the Share Capital of DCCBs in Tamil Nadu. It is evident from the above table that the share capital of DCCBs shows the increasing trend for the first four years of the study period. Especially, during the year 2009-10, the share capital has gone up by 218%. In the year 2010-11, it has decreased by 146%. Thereafter, the share capital has shown the increasing trend.

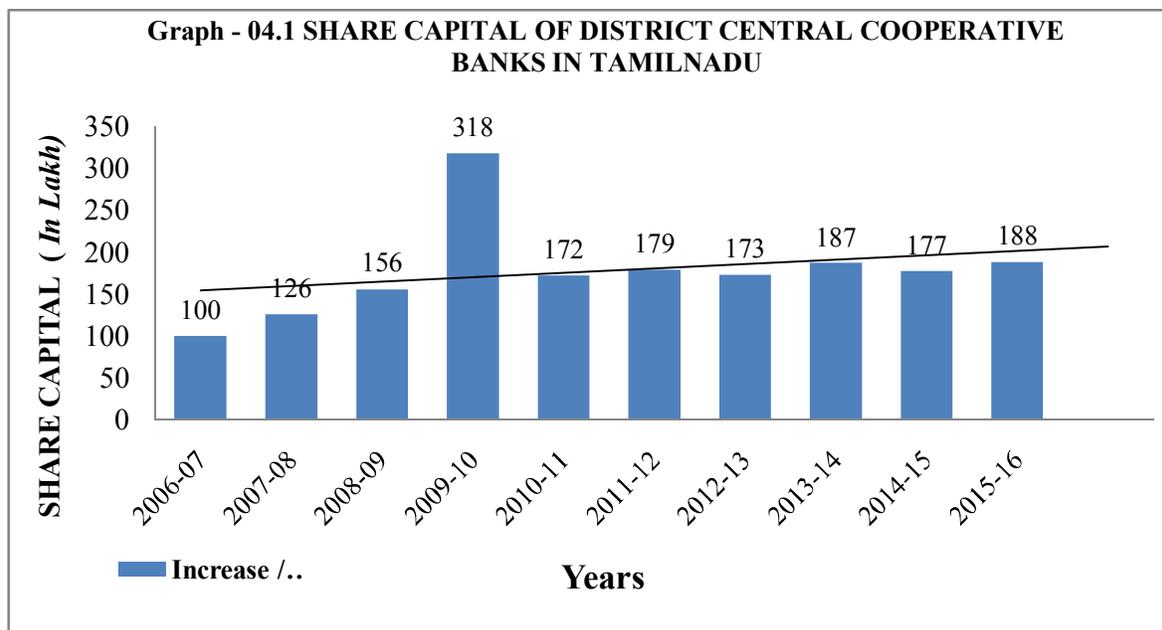


TABLE - 05: SHARE CAPITAL OF DISTRICT CENTRAL COOPERATIVE BANKS OCCUPIED: BY GOVERNMENT

S.No	Years	Rs. <i>In Lakh</i>)	Increase / Decrease
1	2006-07	25895	100
2	2007-08	32823	127
3	2008-09	55195	213
4	2009-10	161811	625
5	2010-11	53528	207
6	2011-12	50023	193
7	2012-13	57943	224
8	2013-14	42828	165
9	2014-15	22471	87
10	2015-16	21647	84

(Sources: National Federation of State Cooperative Banks Ltd., (NAFSCOB), Navi Mumbai)

Inference: Table -5 shows the share capital occupied by the State Government of Tamil Nadu of DCCBs during the study period. In the year 2006-07, the government undertakes Rs. 25,895 Lakhs of share capital of DCCBs. It also indicates that the increasing trend in share capital held by the state government for the first four years. Particularly, in the year 2009-10, the capital has increased by more than 5 times of the same held during the year 2006-07. Further, from the year 2013-14, there was a decreasing trend in the amount of share capital held by the state government in DCCBs.

TABLE - 06: OWNED FUNDS OF DISTRICT CENTRAL COOPERATIVE BANKS INTAMILNADU

S.No	Years	Rs. <i>(In Lakh)</i>	Increase / Decrease
1	2006-07	43735	100
2	2007-08	45952	105
3	2008-09	48748	111
4	2009-10	57946	132
5	2010-11	65462	150
6	2011-12	76665	175
7	2012-13	66924	153
8	2013-14	73373	168
9	2014-15	105674	242
10	2015-16	114598	262

(Sources: National Federation of State Cooperative Banks Ltd., (NAFSCOB), Navi Mumbai)

Inference: Table - 6 reveals the owned funds of DCCBs in their share capital during the study period. In the year 2006-07 the owned fund of DCCBs was Rs. 43,735 lakhs which was increased up to Rs. 45,952 lakhs in the year 2007-08. It also indicates that the owned funds of DCCBs have an increasing trend in the subsequent years. Further, it has gone up to 1,14,598 Lakhs during the year 2015-16.

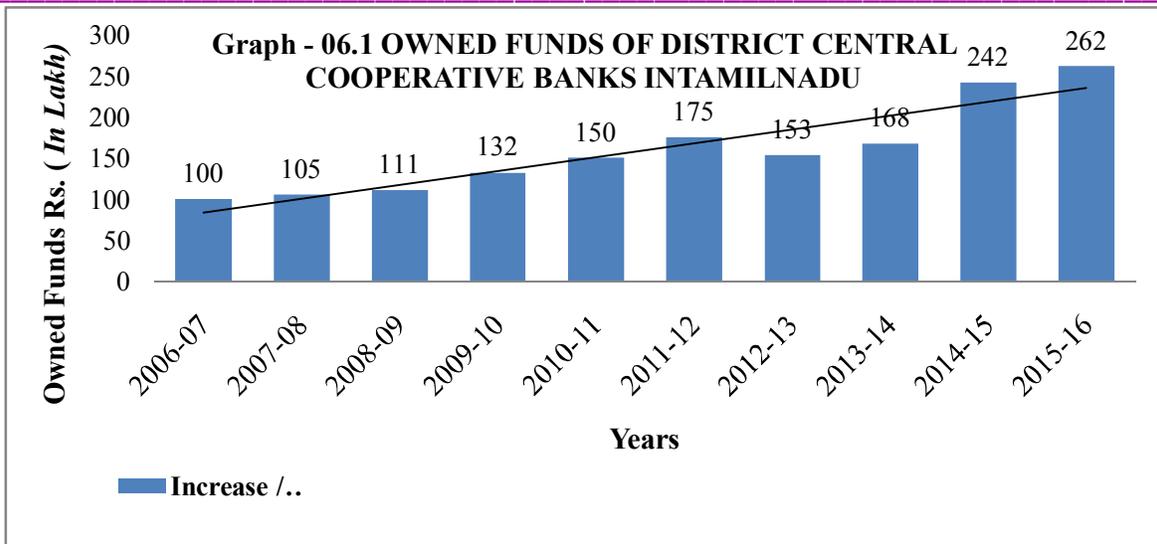


TABLE - 07: DEPOSITS WITH DISTRICT CENTRAL COOPERATIVE BANKS IN TAMILNADU.

S.No	Years	Rs. In Lakh)	Increase / Decrease
1	2006-07	123491	100
2	2007-08	22398	18
3	2008-09	27591	22
4	2009-10	27534	22
5	2010-11	17089	14
6	2011-12	63383	51
7	2012-13	94815	77
8	2013-14	90877	74
9	2014-15	149808	121
10	2015-16	435160	352

(Sources: National Federation of State Cooperative Banks Ltd., (NAFSCOB), Navi Mumbai)

Inference: Table 7 shows the total deposits of DCCBs during the period 2006-07 to 2015-16. The table shows the amount of deposits in the year 2006-07 was Rs.1,23,491 lakhs which was increased up to Rs. 4,35,160 lakhs up to the year 2015-16. The study concludes that the amount of deposits was increased by 352 per cent during the study period.

TABLE - 08: BORROWING OUTSTANDING OF DISTRICT CENTRAL COOPERATIVE BANKS IN TAMILNADU

S.No	Years	Rs. In Lakh)	Increase / Decrease
1	2006-07	197010	100
2	2007-08	171341	87
3	2008-09	168321	85
4	2009-10	220080	112
5	2010-11	374137	190
6	2011-12	527948	268

7	2012-13	678096	344
8	2013-14	605803	307
9	2014-15	555103	282
10	2015-16	506900	257

(Sources: National Federation of State Cooperative Banks Ltd., (NAFSCOB), Navi Mumbai)

Inference: Table 8 shows the borrowing outstanding of DCCBs during the study period. It is evident from the table that there was Rs. 197010 lakhs borrowing outstanding in the year 2006-07 which has increased up to Rs. 678096 lakhs in the year 2012-13. But from the year 2013-14 it has gradually decreased. It is concluded that that borrowing outstanding was increased by 244 per cent during the eight years period.

TABLE - 09: WORKING CAPITAL OF DISTRICT CENTRAL CO.OPERATIVE BANKS IN TAMILNADU

S.No	Years	Rs. In Lakh)	Increase / Decrease
1	2006-07	1247814	100
2	2007-08	1266848	102
3	2008-09	1537802	123
4	2009-10	1830532	147
5	2010-11	1940562	156
6	2011-12	2353751	189
7	2012-13	2751437	221
8	2013-14	3138533	252
9	2014-15	3473794	278
10	2015-16	3717436	298

(Sources: National Federation of State Cooperative Banks Ltd., (NAFSCOB), Navi Mumbai)

Inference: Table 9 reveals the working capital of DCCBs during the study period. The Table shows that the position of working capital in the year 2006-07 was Rs. 12,47,814 Lakh continuously increased, up to the year 2015-16 is Rs. 37,17,436. It is concluded from the table that the working capital increased of: DCCBs during the study period by 298 per cent.

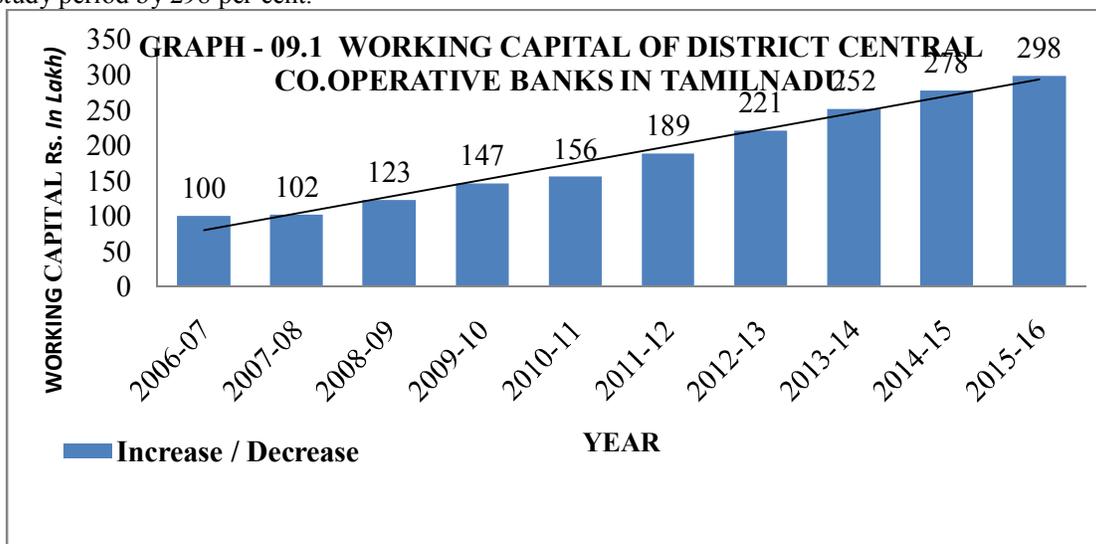


TABLE- 10: LOANS ADVANCED BY DISTRICT CENTRAL COOPERATIVE BANKS IN TAMILNADU.

S.No	Years	Rs. <i>In Lakh</i>)	Increase / Decrease
1	2006-07	1072669	100
2	2007-08	1040515	97
3	2008-09	1189133	111
4	2009-10	1690595	158
5	2010-11	1985536	185
6	2011-12	2253557	210
7	2012-13	2965535	276
8	2013-14	3118234	291
9	2014-15	2909574	271
10	2015-16	2756936	257

(Sources: National Federation of State Cooperative Banks Ltd., (NAFSCOB), Navi Mumbai)

Inference: Table 10 shows the loans advanced by DCCBs in Tamil Nadu during the study period. It indicates that the loan amount advanced by DCCBs in the year 2006-07 was Rs. 10,72,669 lakhs which has decreased 3% in the year 2007-08. But from the year 2008-09 to 2013-14, it has progressively increased. There after it has again decreased slowly.

TABLE - 11: LOANS OUTSTANDING OF DISTRICT CENTRAL COOPERATIVE BANKS IN TAMILNADU.

S.No	Years	Rs. <i>In Lakh</i>)	Increase / Decrease
1	2006-07	897277	100
2	2007-08	966234	108
3	2008-09	1103274	123
4	2009-10	1358696	151
5	2010-11	1601784	179
6	2011-12	1974701	220
7	2012-13	2418106	269
8	2013-14	2518590	281
9	2014-15	2485131	277
10	2015-16	2481926	277

(Sources: National Federation of State Cooperative Banks Ltd., (NAFSCOB), Navi Mumbai)

Inference: Table 11 exhibits the loans outstanding of DCCBs in Tamil Nadu during the study period. The table reveals that the loan outstanding during the year 2006-07 was 8,97,277, which has increased gradually year by year up to 2013-14. Further, during the last two years there are no changes in loans outstanding of DCCBs in Tamil Nadu.

TABLE - 12: RECOVERY OF LOANS OF DISTRICT CENTRAL COOPERATIVE BANKS IN TAMILNADU.

S.No	Years	Rs. <i>In Lakh</i>)	Increase / Decrease
1	2006-07	472346	100
2	2007-08	419186	89

3	2008-09	663917	141
4	2009-10	795516	168
5	2010-11	914152	194
6	2011-12	1341662	284
7	2012-13	1951592	413
8	2013-14	2231015	472
9	2014-15	2126244	450
10	2015-16	2006391	425

(Sources: National Federation of State Cooperative Banks Ltd., (NAFSCOB), Navi Mumbai)

Inference: Table 12 illustrates the recovery of loans of DCCBs in Tamil Nadu. The table demonstrates that the recovery of loans during the year 2016-17 was Rs. 4,72,346 which has decreased by 11% in the year 2007-08. Further, from the year 2008-09, it has increased significantly up to year 2014-15. During the year 2015-16, it has decreased slightly.

TABLE - 13: LOANS OVERDUE OF DISTRICT CENTRAL COOPERATIVE BANKS IN TAMILNADU

S.No	Years	Rs. In Lakh)	Increase / Decrease
1	2006-07	88923	100
2	2007-08	64802	73
3	2008-09	96400	108
4	2009-10	77704	87
5	2010-11	87127	98
6	2011-12	92395	104
7	2012-13	106362	120
8	2013-14	254711	286
9	2014-15	153774	173
10	2015-16	166233	187

(Sources: National Federation of State Cooperative Banks Ltd., (NAFSCOB), Navi Mumbai)

Inference: Table 13 shows the loans overdue of DCCBs in Tamil Nadu. It indicates that the loans overdue in the year 2006-07 were Rs. 88,923 lakhs, which has significantly decreased during the year 2007-08 by 27%. Further, there is a fluctuation in the size of loans overdue during the next couple of years. During the year 2013-14, there is an immense increase in the volume of loans overdue of DCCBs in Tamil Nadu.

TABLE - 14: PERCENTAGE OF OVERDUE TO OUTSTANDING OF DISTRICT CENTRAL COOPERATIVE BANKS IN TAMILNADU

S.No	Years	Percentage In Lakh)	Increase / Decrease
1	2006-07	15.84	100.00
2	2007-08	13.39	84.53
3	2008-09	12.68	80.05
4	2009-10	8.90	56.19
5	2010-11	8.70	54.92
6	2011-12	6.44	40.66

7	2012-13	5.17	32.64
8	2013-14	10.25	64.71
9	2014-15	6.74	42.55
10	2015-16	7.65	48.30

(Sources: National Federation of State Cooperative Banks Ltd., (NAFSCOB), Navi Mumbai)

Inference: Table 14 indicates the percentages of overdue to outstanding of DCCBs in Tamil Nadu during the last 10 years. It is apparent from the above table that the percentage of overdue to outstanding decreased year by year during the period 2006-07 to 2012-2013. Further, it was slightly increased during the year 2013-14 and again decreased in the next year.

TABLE - 15: NUMBER OF DISTRICT CENTRAL COOPERATIVE BANKS IN PROFIT IN TAMILNADU

S.No	Years	Numbers	Increase / Decrease
1	2006-07	473	100
2	2007-08	431	91
3	2008-09	517	109
4	2009-10	523	111
5	2010-11	578	122
6	2011-12	569	120
7	2012-13	478	101
8	2013-14	475	100
9	2014-15	475	100
10	2015-16	431	91

(Sources: National Federation of State Cooperative Banks Ltd., (NAFSCOB), Navi Mumbai)

Inference: Table 15 shows the number of DCCBs in profit in Tamil Nadu during the study period. In the year 2006-07 there were 473 DCCBs in profit and it was decreased during the year 2007-08 by 38 numbers. But, in the subsequent three years more number of DCCBs earns profit. Further, during the year 2011-12 onwards the DCCBs fail to make profit.

TABLE - 16: AMOUNT OF PROFIT OF DISTRICT CENTRAL COOPERATIVE BANKS IN TAMILNADU.

S.No	Years	Rs. (In Lakh)	Increase / Decrease
1	2006-07	13977	100
2	2007-08	12220	87
3	2008-09	22270	159
4	2009-10	37176	266
5	2010-11	17159	123
6	2011-12	16809	120
7	2012-13	19922	143
8	2013-14	24422	175
9	2014-15	23731	170
10	2015-16	27070	194

(Sources: National Federation of State Cooperative Banks Ltd., (NAFSCOB), Navi Mumbai)

Inference: Table 16 shows the amount of profit of DCCBs in Tamil Nadu for the past 10 years. It is evident from the table that the amount of profit was Rs. 13,977 lakh in the year 2006-07 which was decreased in the year 2007-08 by 13%. But in the subsequent two years it shows the increasing trends, especially in the year 2009-10 the DCCBs earned higher profit likely to say more than 150% of the base year. In the year 2010-11 the profit went down. But, there after the DCCBs show the increasing trend in earning profit.

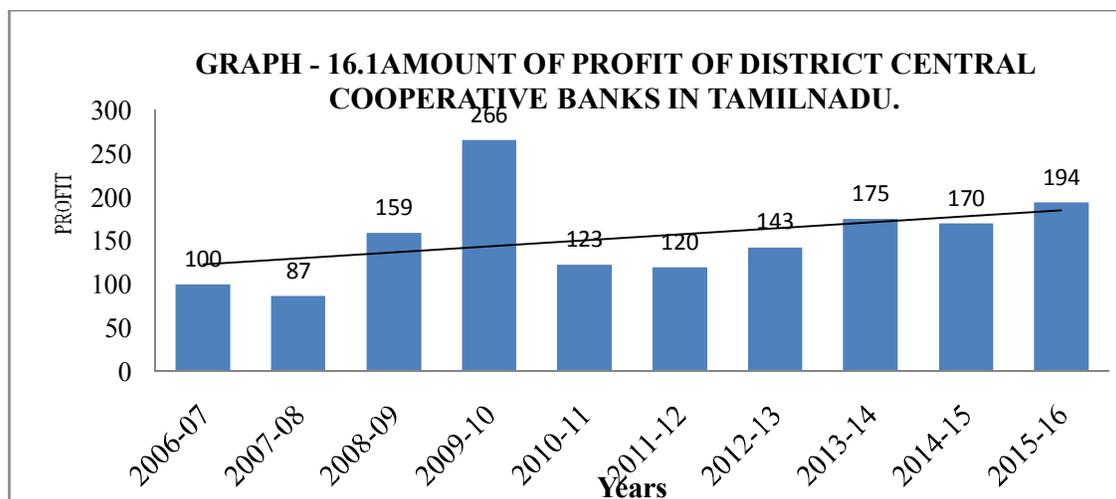


TABLE - 17: NO OF DISTRICT CENTRAL COOPERATIVE BANKS IN LOSS IN TAMILNADU

S.No	Years	Numbers	Increase / Decrease
1	2006-07	123	100
2	2007-08	179	146
3	2008-09	119	97
4	2009-10	146	119
5	2010-11	85	69
6	2011-12	126	102
7	2012-13	100	81
8	2013-14	128	104
9	2014-15	166	135
10	2015-16	206	167

(Sources: National Federation of State Cooperative Banks Ltd., (NAFSCOB), Navi Mumbai)

Inference: The amount of loss of DCCBs has been shown in Table -17. The table shows that the number of DCCBs in loss during the year 2006-07 was significantly increased during the periods 2007-08, 2014-15 and 2015-16 which indicates that the performance of DCCBs was bad during those periods. On the other hand loss making DCCBs considerably decreased during the periods 2010-11 and 2012-13 which indicates that the performance of DCCBs was good during the said periods.

10. FINDINGS & SUGGESTIONS:

From the analysis of the 10 years (2006-07 to 2015-16) financial statements of DCCBs in Tamil Nadu, it has found that there are no more changes in number of DCCBs in Tamil Nadu. Further, the number branches of DCCBs have also increased. There is no much more difference in number of members of DCCBs. Hence, it may focus to increase the members to strengthen the society. The share capital of DCCBs has shown the increasing trend during the study period. The owned funds of DCCBs have increased significantly during the study period which indicates the solvency position of DCCBs. The deposit of DCCBs

shows the immense increase in the year 2015-16, which shows that the DCCBs have mobilizing more deposits during that year. The working capital of DCCBs shows the increasing trend which reveals the liquidity position of DCCBs during the study period. The loans advance by DCCBs has increased year by year which indicates that the DCCBs has created credit well during the study period. The profit of DCCBs has increased during the study period which shows the performance of DCCBs of Tamil Nadu.

11. CONCLUSION:

In the present study, the financial performance of DCCBs in Tamil Nadu has been analyzed. All the indicators such as solvency position, liquidity position, profitability and funds mobilization of DCCBs have been analyzed and interpreted to make the study effective. Wherever necessary, the charts have also been used to explain the performance of DCCBs. Further, findings from the analyses have been shown separately and the necessary suggestions have also been given which may help to improve the performance of DCCBs in future. Eventually, the research gap has been filled through this present study.

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