



# A STUDY OF INCOME AND EXPENDITURE ANALYSIS OF MADURAI DISTRICT CENTRAL COOPERATIVE BANK.

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## ABSTRACT

In this paper, the researcher has analyzed the components of the income and expenditure pattern of Madurai DCCB. He has also explored the growth of interest income, growth of other income, growth of total income, growth of interest paid, growth of operating and other expenses, and net profit growth of MDCCB. The share of interest income to the total income of Madurai DCCB was more than 90 percent in all the years of the study period. On the other hand, interest paid had a significant share of Madurai DCCB. It indicates that the Madurai DCCB concentrated only on traditional businesses like accepting deposits and providing loans.

## INTRODUCTION

In this paper, the researcher has analyzed the components of the income and expenditure pattern of Madurai DCCB. He has also explored the growth of interest income, growth of other income, growth of total income, growth of interest paid, growth of operating and other expenses, and net profit growth of MDCCB.

## STATEMENT OF THE PROBLEM

Evaluating the success of the Cooperative movements, in general, depends on the effective functioning of the Cooperative banking business. Therefore, the DCCBs can be referred to as a leader of the Cooperative movement, and they undertake various developmental and promotional activities. In addition, DCCB is considered a social banker because they take banking facilities to rural areas and bring lower segment people under financial inclusion through their member societies.

This background is planned to attempt to study the Income and Expenditure Analysis of Madurai District Central Cooperative Bank in the State of Tamilnadu.

## **OBJECTIVES OF THE STUDY**

- ❖ To analyze the income, expenditure, and profits of Madurai DCCB.
- ❖ To offer suitable suggestions based on the findings of the study.

### **Period of Study**

This study covers a period of ten years from 2010-11 to 2019-20.

### **Methodology**

The present study is mainly based on secondary data. The data required for the study were collected from head office of Madurai. The data have also been taken from the annual reports, occasional papers of NABARD, brochures, press releases, RBI Bulletin, journals, magazines, books, and websites.

### **PLAN OF ANALYSIS**

To know the significant difference in the growth rates of incomes, expenditure, and profits of Madurai DCCB.

### **LITERATURE REVIEW**

Gupta N(2019)<sup>7</sup> Revealed that Over the period covered by the study, the quantity of board registration, loans, operating capital, extraordinary advances, advance propelled, overdue, and cost expanded. The PCARDB relies exceptionally on the various credit and administration exercises on assets obtained for higher budgetary organizations.

Selvaraj N & Balaji Kumar P (2015)<sup>8</sup> Found that the overall Study Unit deposits showed positive growth, with a growth rate significantly over the period under the study of

7.184 percent. Much of the DDCC bank's stationary deposits came from the deposits of individuals. There is a mixed trend in the proportion of individual deposits.

Suwendra I. W., Sujana I. N. and Harris I. A (2018)<sup>9</sup> Found that growth and learning with a Score of 100 percent, i.e., 20 percent of total performance, was obtained in indicators of workers' satisfaction, managerial productivity, and human resources quality development and management system. This Score falls into the very good category.

Khajamoinuddin M & Rambabu, G (2017)<sup>10</sup> they concluded that the rate of growth in deposits of the two banks during the study period is increased. It is observed that both banks have increased their share capital. In comparison to the KDCCB, the proportion of share capital of the WDCCB is small. The credit and advance growth rate in both banks decreased. During the study period, the banks are satisfactory in their liquidity position. During the study period, the banks maintained a low loan deposit ratio.

Maroor J.P (2013)<sup>11</sup> Found that the cooperative banking sector is significant in the context of several problems, such as deposits, savings accounts, government control, and customer expectations. The race is very close. It is essential to have obligatory customer discipline to survive throughout the financial competition. Always concentrate on customer focus. Try to identify clients, create a client database and regularly update as appropriate. It is very important to establish and maintain customer relationships at all times.

## **COMPONENTS OF INCOME OF MDCC BANK**

The total income of MDCCB of interest income and other income. Table 4.1 given below shows the components and their share in the total income of MDCCB.

**Table 1**  
**Classification of Income of MDCCB**

Year	Interest Income	Percentage to Total	Other Income	Percentage to Total	Total Income
2010-11	7386.6	95.15	376.26	4.85	7762.86
2011-12	9402.76	97.51	239.73	2.49	9642.49
2012-13	11815.82	98.77	146.64	1.23	11962.46
2013-14	14104.33	98.15	266.19	1.85	14370.52
2014-15	13156.51	98.63	182.65	1.37	13339.16
2015-16	10782.4	98.08	210.98	1.92	10993.38
2016-17	11539.01	97.36	313.16	2.64	11852.17
2017-18	11980.88	96.82	393.5	3.18	12374.38
2018-19	11413.89	96.33	434.31	3.67	11848.21
2019-20	12122.83	98.33	206.22	1.67	12329.06

Source: Annual Reports of MDCCB from 2010-11 to 2019-20.

From the above Table 1, it is found that the total income of MDCCB has shown a fluctuating trend. It stood at Rs.7762.86 lakhs in 2010-11 and increased to Rs. 14370.52 in 2013-14. The percentage of interest income in total income has recorded more than 95 percent over the period under study, which had ranged between 95.15 percent in 2010-11 and 98.33 percent in 2019-20. But the share of other incomes in total income had constituted only less than 5 percent, which has ranged between 1.23 percent and 4.85 percent during the period under study.

## COMPONENTS OF EXPENDITURE OF MDCCB

Table 2 reveals the various components of expenditure of MDCCB

**Table 2**

### Details of Expenditure of MDCCB (Rs. In Lakhs)

Year	Interest Paid	Percentage to Total	Operating and Other Expenses	Percentage to Total	Total Expenditure
2010-11	5242.41	70.64	2178.42	29.36	7420.83
2011-12	6866.66	72.99	2541.26	27.01	9407.92
2012-13	8881.45	76.26	2764.76	23.74	11646.21
2013-14	9949.26	71.41	3984.27	28.59	13933.53
2014-15	9025.87	72.97	3343.22	27.03	12369.09
2015-16	7901.74	76.83	2383.36	23.17	10285.1
2016-17	8400.71	73.02	3104.56	26.98	11505.27
2017-18	7668.87	69.55	3357.23	30.45	11026.1
2018-19	6790.75	59.89	4547.35	40.11	11338.1
2019-20	8149.27	69.29	3611.68	30.71	11760.95

Source: Annual Reports of MDCCB from 2010-11 to 2019-20.

It is seen from Table 2 that the total expenditure of MDCCB grouped under interest paid, operating, and other expenses, which together in absolute increased from Rs.7420.83 lakhs in 2010-11 to Rs.13933.53 lakhs in 2013-14. The share of interest paid in total expenditure was 59.89 percent in 2018-19, which had increased to 76.83 percent in 2015-16.

## NET PROFIT OF MDCCB

Table 3 presents the growth of net profit of MDCCB during the period under study.

**Table 3**  
**Growth of Net Profit of MDCCB**

Year	Net Profit (Rs in Lakhs)	Increase/ Decrease	Growth Rate
2010-11	342.03	----	---
2011-12	234.57	-107.46	-31.42
2012-13	316.25	81.68	34.82
2013-14	436.99	120.74	38.18
2014-15	970.07	533.08	121.99
2015-16	708.28	-261.79	-26.99
2016-17	346.9	-361.38	-51.02
2017-18	1348.28	1001.38	288.67
2018-19	510.11	-838.17	-62.17
2019-20	568.11	58	11.37

Source: Annual Reports of MDCCB from 2010-11 to 2019-20.

It is found from Table 3 that the net profit of MDCCB steadily increased from Rs.342.03 lakhs in 2010-11 to Rs.1348.28 lakhs in 2004-05, which was more than a ten-fold increase. But the growth rates of net profit stood at 693.63 percent in 2017-18. But the trend of growth rates of net profit had fluctuated trend from -62.17 percent to 288.67 percent during the study period.

## Summary of Findings

- ❖ The interest incomes of MDCCB were Rs.7386.6 lakhs in 2010-11 and Rs.14104.33 lakhs in 2013-14. AGB's growth rates of interest income had shown a fluctuating trend ranging between -18.05 percent in 2015-16 and 27.29 percent in 2010-11. Further it is seen from the table that the interest income had shown a fluctuating trend.
- ❖ The other incomes of MDCCB increased from Rs.146.64 lakhs in 2012-13 to Rs.434.31 lakhs in 2018-19, three times more than the period.
- ❖ The total income of MDCCB was Rs.7762.86 lakhs in 2010-11, which had increased to Rs. 14370.52 lakhs in 2013-14, registering during the period.
- ❖ The total expenditure of MDCCB grouped under interest paid, operating, and other expenses, which together in absolute increased from Rs.7420.83 lakhs in 2010-11 to Rs.13933.53 lakhs in 2013-14. The share of interest paid in total expenditure was 59.89 percent in 2018-19, which had increased to 76.83 percent in 2015-16.
- ❖ The interest paid by MDCCB has recorded a fluctuating trend from 2010-2020. Interest paid by MDCCB was Rs.524241 lakhs in 2010-11, which had gone up to Rs.9949.26 lakhs in 2013-14. The growth rate of interest paid was -12.45 percent 2015-16, which increased to 30.98 percent in 2010-11.
- ❖ The growth rate of operating expenditure was -20.58 percent in 2019-20, which increased to 35.45 percent in 2018-19.
- ❖ The total expenditure of MDCCB recorded Rs.7420.83 lakhs in 2010-11 and Rs.13933.53 lakhs in 2013-14. It had shown a fluctuating trend against the fluctuating trend of growth rates of total expenses.
- ❖ The net profit of MDCCB steadily increased from Rs.342.03 lakhs in 2010-11 to Rs.1348.28 lakhs in 2004-05, which was more than a ten-fold increase. But the growth rates of net profit stood at 693.63 percent in 2017-18. But the trend of growth rates of net profit had fluctuated trend from - 62.17 percent to 288.67 percent during the study period.



## Suggestions

- ✓ To increase non-interest income, the bank should do things like collecting checks and bills, giving guarantees, providing lockers, acting as an agent, and so on.
- ✓ It is suggested that to mobilize more fixed deposits from the rural areas, the banks should introduce a 'Mobile Banking' system during the harvest season.
- ✓ In regard to deposits, interest rates on current deposits are at zero. To meet this demand, banks must concentrate on accumulating new deposits.
- ✓ It is recommended that banks give their customers additional services, such as marketing assistance, technological assistance, insurance facilities, and so on.

## CONCLUSION

Total income of the bank consists of interest income and other incomes. The share of interest income to the total income of Madurai DCCB was more than 90 percent in all the years of the study period. On the other hand, interest paid had a significant share of Madurai DCCB. It indicates that the Madurai DCCB concentrated only on traditional businesses like accepting deposits and providing loans.

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