

# FINANCIAL PERFORMANCE OF SOUTH CANARA DISTRICT CENTRAL CO-OPERATIVE BANK LIMITED

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## Abstract

The present paper focuses on the financial growth, of the bank and different types of loans and advances, provided by the SCDCCB. Study is based on the secondary data collected through office records of SCDCCB, annual reports, journals and news paper. Simple statistical tools like, CAGR, Mean, Standard Deviation, and Co-efficient of Variation are used to analyze the data. The study period was from 2001-02 to 2016-17. Through selective indicators it is found that all the financial variables viz., Membership, Share Capital, Reserves, Deposits, Borrowings, Working Capital, Investments, Loans Outstanding, over dues and Profit increased during the study period.

**Keywords:** SCDCCB, Membership, Share Capital, Reserves, Deposits, Borrowings, Working Capital, Investment and Profit.

## Introduction

The history of co-operative movement in India is about a century old. The movement was started in India with a view to encourage and promote thrift and mutual help for the development of persons of small means such as agriculturists, artisans and other segments of the society. It was also aimed at concentrating the efforts in releasing the exploited classes out of the clutches of the money lenders. Keeping this as one of the objectives, credit societies were formed under Co-operative Societies Act of 1904. The 1904 Act was largely based on the English Friendly Societies Act, 1896. Under this Act, only primary credit societies were permitted to register and non-credit and federal organizations of primary co-operative credit societies were left out. The Co-operative Societies Act 1912 paved the way for the organization of central co-operative banks throughout the country.

The Banking business has done wonders for the world economy. The simple looking method of accepting money deposits from savers and then lending the same money to borrowers, banking activity encourages the flow of money to productive use and investments. This in turn allows the economy to grow.

The District Central Co-operative Bank is popularly known as DCC Bank. It is a co-operative banking network established in India to serve co-operatives and rural areas. It was established to provide banking to rural hinterland for agriculture sector with the branches primarily established at rural and semi-urban areas. The Banking model consists of a district central bank for each District in every state of India known with a name as a respective District Central Co-operative Bank. The members and their elected directors who represent a multitude of professional cooperative bodies like Milk Unions,

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Urban co-operatives, rural co-operatives, agricultural and non agricultural co-operatives and various others, in turn would elect the bank's President. These banks are collectively represented by a State Apex Central Cooperative bank for each state and it acts as the ultimate bank and apex body for the DCCs under each state.

### **Profile of SCDCCB**

The passing of Indian Co-operative Societies Act 1912 is an important land mark in the co-operative movement in the country, as a result of this, a number of co-operative societies had been organized in the district. The bank came existence on 30<sup>th</sup> November 1913, The South Canara District Central Co-operative Bank (SCDCCB) which was formally started in its work on 24<sup>th</sup> January 1914 with Head office at Puttur, and this bank was founded by Late. Molahalli Shiva Rao, this bank was started in 1914 as 7<sup>th</sup> Central Co-operative Bank in the Madras presidency at Puttur which was later shifted to Mangalore in 1927. The bank has 101 branches including service branch spreading over the undivided district of south canara.

The SCDCC bank has given the top priority for financing agricultural sector. It is serving farmers by providing timely and adequate finance through the primary agriculture societies at the ground level. The SCDCC bank is taking active participation in Government Scheme such as SGSY Swarojgar Credit Card Scheme and this bank has issued 90,749 Mangala Kissan Credit Cards to the members of the Primary Agriculture of Credit Co-operative Societies (PACS) out of which 71389 members have been insured under personal accident insurance scheme, and crop loans is also covered by crop insurance scheme sponsored by the government SCDCC bank has also financed Rs. 1080.72 Crores to non-farm sector. The bank has provided financial support to sugar sector under consortium arrangement and advanced Rs.19.88 Crores to 6 sugar factories in various districts of the Karnataka State.

The SCDCCB has taken participation in promoting and financing Self-Help Groups (SHGs) and has promoted 40336 SHGs groups under the supervision of the Navodaya Grama Vikasa Charitable Trust (R) Mangalore. The SCDCCB got state level awards for the best performance

of SHGs from NABARD, since 11years. These groups have mobilized Rs. 131.59 Crores as savings, and 31497 groups are credit linked with Rs. 158.52 Crores advances to them.

“The bank has been awarded as **“Best DCC Bank”** from KSC Apex Bank, Bangalore”

### Objectives of the Study

The main objectives of the study are as follows;

- 1) To evaluate the financial performance of the South Canara District Central Co-operative Bank Limited.
- 2) To study the Bank on wheels initiative of SCDCCB.

### Methodology

The present study is based on Secondary data. The secondary data collected form web sites, News paper, publication, Annual Reports, Journal, Office Documents of Reports of SCDCC Bank Limited Mangalore District. The data analysis carried out by using simple statistical technique like Mean, Standard Deviation and Co-efficient Variation. The study period covers a period of 16 years (2001-02 to 2016-17).

### BANK ON WHEELS

The SCDCC Bank Limited has introduced “Banking on wheels”, which is the first in the history of Banking in India. The ashok Leyland eco met 1212 vehicle is used and specially designing for the Bank on wheels project. It is well equipped with AC system, ATM, Customer Counter, Manager Cabin and light music and it is well furnished with three computer systems, UPS system and Printers. A hidden camera is installed to provide security for the mobile and pledged jewels and cash received from the customers.

Mobile bank is a unit of our Kodialbail branch. We have insured the mobile bank from IFFCO Insurance Company. All the banking transaction done in mobile bank are directly connected to Kodiabail branch , all types of work like Debit, Credit, issue of D.D, F.D, Jewel Loans, all personal Loans.

## Different Types of Loans and Advances of SCDCC Bank Limited

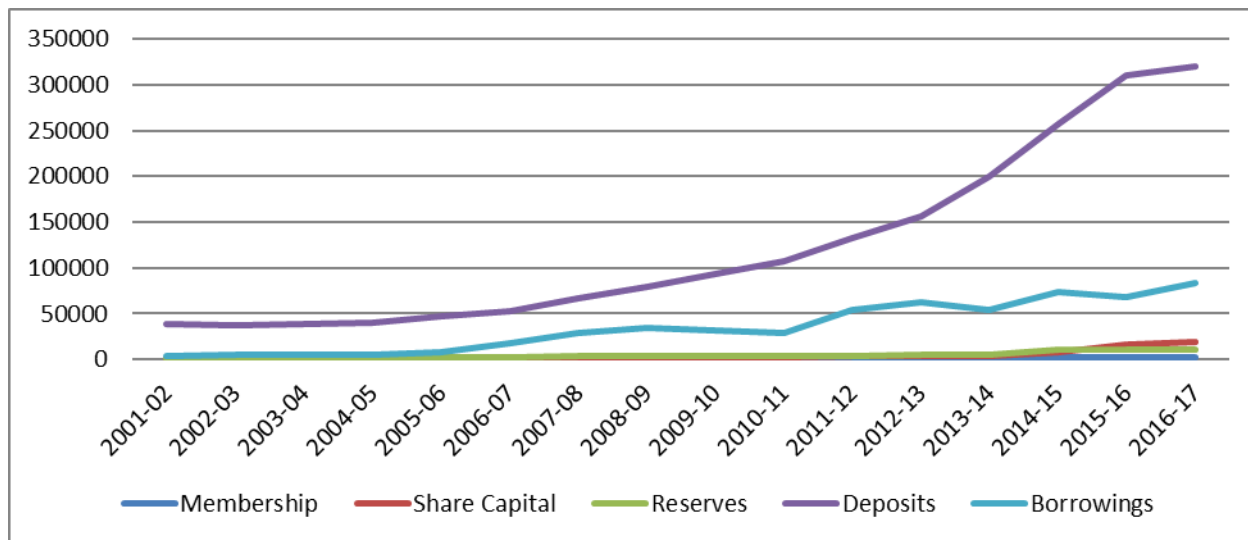
The SCDCC Bank Limited provide different types of loans like, Crop Loans, Pledge loans, Agriculture loan, Loans to Societies, Deposit Loan, Jewel loan, Vehicle loan, Home loan, Education loan, Swarojgar loan, Small business loans, Special cash credit loan, Solar energy system loan, Navodaya scheme loan, Mangala kisan card loan, Salary earners loans, Consumer durable loan.

**Table-1 Financial Growth of South Canara District Central Co-operative Bank Limited, Mangalore (2001-02 to 2016-17)**  
(Rs in Lakhs)

Year	Membership (Societies & Associates)	Share Capital	Reserves	Deposits	Borrowings
2001-02	788	743.2	533.78	38189.27	2972.05
2002-03	818	759.51	903.15	37397.58	4322.46
2003-04	928	755.85	1,188.20	38336.61	5549.38
2004-05	969	787.83	1539.86	40400.46	4719.17
2005-06	998	1059.8	2031.77	47036.73	8413.91
2006-07	1031	1349.88	2491.32	52143.66	16893.55
2007-08	1061	1601.71	2892.28	67100.39	29365.81
2008-09	1198	1999.95	2984.37	78601.1	34174.64
2009-10	1230	2281.38	3344.24	92706.82	31047.33
2010-11	1314	2430.59	3738.31	107119.2	28249.43
2011-12	545	2925.47	4123.52	131748.1	54108.3
2012-13	1632	3490.78	4842.2	156623.4	62577.93
2013-14	1879	3648.32	5534.91	200114.4	53989.93
2014-15	2149	7398.49	9890.55	256882.73	73501.83
2015-16	2465	16468.27	9990.26	309911.88	68565
2016-17	2806	19068.62	10080.05	320164.06	82955
<b>Total</b>	<b>21811</b>	<b>66769.65</b>	<b>66108.77</b>	<b>1974476.39</b>	<b>561405.72</b>
<b>CAGR</b>	<b>7.55</b>	<b>23.07</b>	<b>19.23</b>	<b>17.44</b>	<b>25.76</b>
<b>Mean</b>	<b>1363.19</b>	<b>4173.10</b>	<b>4131.80</b>	<b>123404.77</b>	<b>35087.86</b>
<b>SD</b>	<b>646.85</b>	<b>5585.19</b>	<b>3212.71</b>	<b>98133.76</b>	<b>27415.69</b>
<b>CV</b>	<b>47.45</b>	<b>133.84</b>	<b>77.76</b>	<b>79.52</b>	<b>78.13</b>

**Source:** Annual Reports 2001-02 to 2016-17, South Canara District Central Co-operative Bank Limited, Mangalore.

**Graph-1 Financial Growth of South Canara District Central Co-operative Bank Limited, Mangalore (2001-02 to 2016-17)**



The table-1 and graph-1 indicate that the financial growth of South Canara District Central Co-operative Bank Limited in Mangalore District. It is clear from the analyzed the Membership (Societies and Associates) was 788 lakh in 2001-02 which has increased to 2806 lakh in 2016-17. The Share Capital was Rs.743.2 lakhs in 2001-02 which has increased to Rs.19068.62 lakhs in 2016-17. The Reserves was Rs.533.78 lakhs in 2001-02 which has increased to Rs.10080.05 lakhs in 2016-17. The Deposits was Rs.38189.27 lakhs in 2001-02 which has increased to Rs.320164.06 lakhs in 2016-17. The Borrowings was Rs. 2972.05 lakhs in 2001-02 which has increased to Rs. 82955 lakhs in 2016-17.

**Table-2 Financial Growth of South Canara District Central Co-operative Bank Limited, Mangalore (2001-02 to 2016-17)**

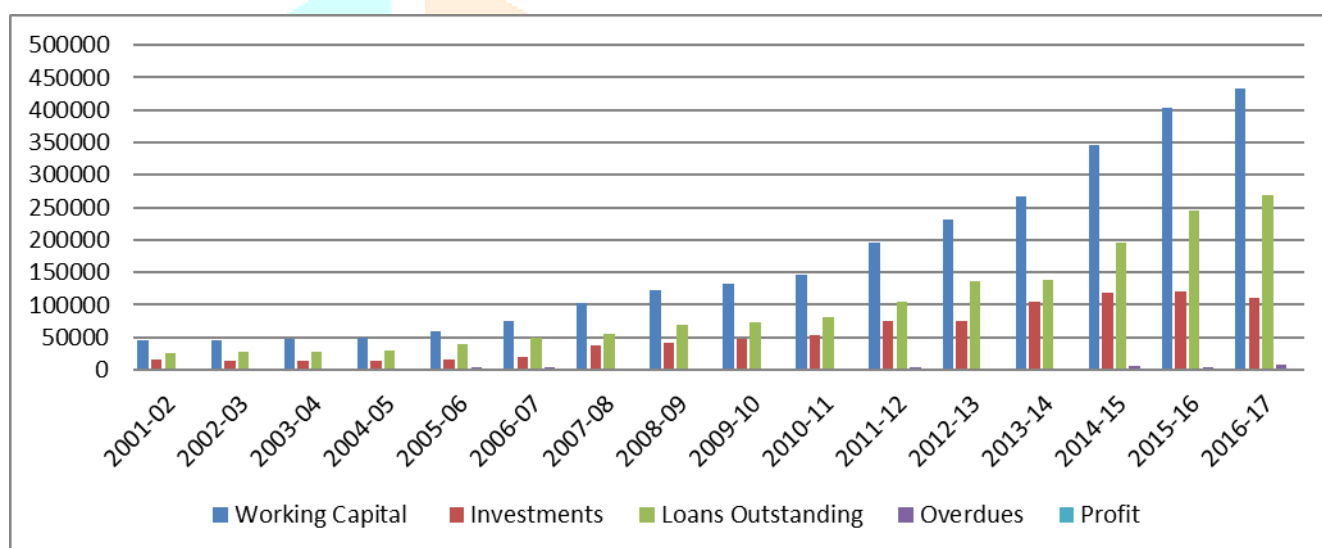
(Rs in Lakhs)

Year	Working Capital	Investments	Loans Outstanding	Over dues	Profit
2001-02	44670.94	15223.51	25253.1	980.78	259.89
2002-03	44975.65	13365.73	27110.3	1596.74	404.48
2003-04	47471.07	14428.18	28736.2	2813.82	405.16
2004-05	49697.2	14599.66	29951.9	3014.11	459.97
2005-06	60142.69	15955.29	38845.57	3159.98	507.18
2006-07	74734.6	19385.32	49345.82	3158.05	587.02
2007-08	103808.8	38148.19	55725.23	2987.09	645.17
2008-09	121892.5	42145.14	68961.04	2743.88	759.4
2009-10	133174.2	48294	73837.66	3058.73	873.28
2010-11	145845.9	54306.82	80686.56	2966.44	781.7
2011-12	196475.4	75509.52	105717.8	3540.35	826.17

<b>2012-13</b>	230676	75224.13	135932.1	2900.03	1033.88
<b>2013-14</b>	266785.1	105892.44	139051.48	3072.17	1047.69
<b>2014-15</b>	346145.8	119504.87	196823.25	5240.02	1120.65
<b>2015-16</b>	403680.24	120471.84	244947.24	3533.06	1431.94
<b>2016-17</b>	433603.7	110991.69	268180.81	7332.17	1752.01
<b>Total</b>	<b>2703779.79</b>	<b>883446.33</b>	<b>1569106.06</b>	<b>52097.42</b>	<b>12895.59</b>
<b>CAGR</b>	<b>18.42</b>	<b>19.01</b>	<b>18.04</b>	<b>7.25</b>	<b>11.02</b>
<b>Mean</b>	<b>168986.24</b>	<b>55215.40</b>	<b>98069.13</b>	<b>3256.09</b>	<b>805.97</b>
<b>SD</b>	<b>131518.82</b>	<b>40729.09</b>	<b>78583.52</b>	<b>1403.08</b>	<b>400.56</b>
<b>CV</b>	<b>77.83</b>	<b>73.76</b>	<b>80.13</b>	<b>43.09</b>	<b>49.70</b>

**Source:** Annual Reports 2001-02 to 2016-17, South Canara District Central Co-operative Bank Limited, Mangalore.

**Graph - 2 Financial Growth of South Canara District Central Co-operative Bank Limited, Mangalore (2001-02 to 2016-17)**



The table-2 and graph-2 indicate that the financial growth of South Canara District Central Co-operative Bank Limited in Mangalore District. It is clear from the analyzed the Working Capital was Rs. 44670.94 lakhs in 2001-02 which has increased to Rs. 433603.7 lakhs in 2016-17. The investment was Rs. 15223.51 lakhs in 2001-02 which has increased to Rs. 110991.69 lakhs in 2016-17. The Loans outstanding was Rs. 25253.1 lakhs in 2001-02 which has increased to Rs. 268180.81 lakhs in 2016-17. The Over dues was Rs. 980.78 lakhs in 2001-02 which has increased to Rs. 7332.17 lakhs in 2016-17. The Profit was Rs. 259.89 lakhs in 2001-02 which has increased to Rs. 1752.01 lakhs in 2016-17.

### Conclusion

The SCDCC Bank has given the top priority for financing agricultural sector. The bank taken participation in promoting and financing, Self-Help Groups and promoted

40336 SHGs groups under the supervision of the Navodaya Grama Vikasa Charitable Trust, Mangalore District. It is introduced banking on wheels which is the first in the history of banking in India, a unique introduction of mobile bank to facilitate banking services to the rural areas, a customer can avail all banking transactions like, depositing, withdrawals and loan facility, this bank is inter connected with all branches of the bank through any banking facility.

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