

AN ANALYSIS OF CURRENT SCENARIO AND FUTURE PROSPECTS FOR DISTRICT CENTRAL COOPERATIVE BANK RAIPUR, CHHATTISGARH, INDIA

Abstract

In India, cooperative banks play a crucial role in providing financial services to rural and urban areas. Members of these banks, who are usually from the same community or profession, own and run these institutions. The present study intends to analyse the critical evaluation of the cooperative credit sector in India as well as in Raipur. The study examines progress well and highlights the emerging role and challenges of the cooperative sector. The district-level bank representatives were personally visited to gather the data. The primary sources of secondary data will be the DCCBs' published annual reports, journals, audit reports, and office documents. Cooperatives are considered to have immense potential to deliver goods and services in areas where both the state and the private sector have failed.

Keywords: Cooperative bank, DCCB Raipur, trend analysis, and financial performance.

I. Introduction

A cooperative bank is considered as a financial entity that fits its members who are the owner's customers of the bank. The main aims of these banks are to serve their members and they have completed 100 years of existence in India. Cooperative banks started in India in the year 1904, called the Cooperative Credit Society Act. The cooperative banking system in India has played a significant role in providing financial services to rural and urban areas, especially to those who may not have access to traditional banking institutions. Additionally, cooperative banks often offer lower interest rates and more personalized service compared to traditional banks, making them a popular choice for many individuals and small businesses. Their unique structure, which is based on the principles of self-help and mutual assistance, has helped foster a sense of trust and cooperation among members, leading to long-term financial stability and growth within communities.

Furthermore, cooperative banks prioritize the needs of their members over profit-making, leading to a more community-oriented approach to banking. This has resulted in a more equitable distribution of financial resources and opportunities, ultimately contributing to overall economic development in India.[18-20] Central Cooperative Bank Raipur, Chhattisgarh is a leading financial institution that provides a wide range of banking services to the residents of Raipur and surrounding areas. With a strong focus on community development and financial inclusion, the bank has played a crucial role in supporting local businesses and individuals in achieving their financial goals.

II. Review of literature

In his research, Shah (2001-02) examined Kolhapur District Central Cooperative Bank's (KDCCB) pre- and post-reform operations. It was discovered that throughout the post-economy reform period, KDCCB's loan advances, deposits, membership, and return on owner's equity had all improved. However, throughout the post-reform period, the percentage of net worth in its total liabilities and liquidity ratio has decreased. The post-reform period has seen a notable improvement in the return on owner's equity, suggesting that KDCCB's financial standing and economic sustainability have improved significantly.

Jadhav and Kasar (2005) examined the Performance of District Central Co-operative Banks in Maharashtra. They found out that to enhance share capital and provide loans for agricultural purposes, it is necessary to give attention to the borrower members. For more financial management transparency, they have recommended that measures be taken to improve deposit mobilisation and fund investments in government securities and fixed deposits.

Ramachandran, and Seilan, (2006), in an analysis, mined the role of Kanyakumari District Central Co-operative Bank (KDCCB) in promoting Self-Help groups (SHGs). They have noticed that PACSs are forced by the DCCB to act as NGOs in the financing and promotion of SHGs, and PACSs have also come to understand the benefits of connecting and promoting SHGs. They have concluded that the KDCCB is essential to welfare initiatives, social transformation, women's empowerment, and the socioeconomic advancement of the underprivileged.

Namasivayam, (2006), has observed the working performance of the Madurai District Central Cooperative 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 cooperative bank depends on effective manpower planning and management.

Pandian and Sharma (2013) found no significant difference between the selected sample variables of District Cooperative Banks and Urban Cooperative Banks in Dehradun. The variables measured were: the growth rate of interest income, total income, interest paid, total expenditure, and net profit of DCB, Dehradun, and Urban Cooperative Bank, Dehradun.

Kale *et. al.* (2016) showed in their research paper that the share capital of DUCB was ₹11.00 lakh in the year 2008-09, which increased to 18.01 lakh in the year 2012-13, registering an increase of 116.10% throughout the 5 years. The reserves and surplus, which were just ₹ 93.85 lakh during 2008–09, rose to ₹ 126.89 lakh at the end of the year 2012–13. The increase in reserves and surplus was 107.48%. The term loan and current liabilities of DUCB increased by 122.75% and 121.72%, respectively, from 2008–09 to 2012–13. During 2010–11 to 2012–13, fixed assets posted a huge growth of 120.18%. Long-term investments increased twice from 2011–12 to 2012–13. Current assets increased in the first three years but decreased in the last year, from 2011–12 to 2012–13.

III. OBJECTIVES OF THE STUDY:

1. To study the published financial statements of cooperative banks in Raipur.
2. To make a study of the performance of DCCB Raipur.

IV. METHODOLOGY:

The majority of the data used in this study comes from primary and secondary sources. The information was gathered through in-person meetings with bank representatives at both the district and state levels. The primary sources of secondary data will be library books, published annual reports of the DCCBs, journals, statistical abstracts, audit reports, and office records. Information about capital, advances, loans, expenses, and incomes will be gathered from published sources. The approach of conducting personal interviews is

employed to gather data and hold discussions with officers and staff of cooperative banks to assess the performance of these institutions.

V. SCOPE & LIMITATIONS OF THE STUDY:

The study deals with, the work done by District Central Cooperative Banks in their area of operation, i.e., Raipur, Baladabazar-Bhatapara, Mahasamund, Dhamtari, and Gariabandand. The detailed study covers only the years 2011–12 to 2021–22. The functioning of the district Central Cooperative Bank thus becomes the universe of the present study. The elements influencing the performance of the DCC Banks would undoubtedly be revealed and highlighted by a thorough examination of the operation of DCCBs and sample respondents (bank managers).

The scope of this research work is restricted only to a study of the various aspects mentioned in the objectives. The cooperative banking sector is very vast. Here, the researcher selected only District Central Cooperative Banks in Raipur for the performance study. 'Performance' is found in the capital, deposits, loans, borrowings, income, expenditures, etc. from the published records of DCCBs. The data and information researcher depends on the interviews of selected Bank managers and the published annual reports of DCCBs.

VI. DATA ANALYSIS:

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

Table 1 Number of Offices:

S.No.	Year	No. of Branches	Change from Base year 2011-12	%Change from Base year 2011-12
1	2011-12	59	-	-
2	2012-13	59	0	0
3	2013-14	60	1	1.69
4	2014-15	60	1	1.69
5	2015-16	61	2	3.39
6	2016-17	61	2	3.39
7	2017-18	61	2	3.39
8	2018-19	65	6	10.17
9	2019-20	66	7	11.86

10	2020-21	68	9	15.25
11	2021-22	70	11	18.64

The District Central Cooperative Bank in Raipur, Chhattisgarh, has experienced a steady increase in the number of branches over the years. From 2011–12 to 2021–22, the bank has seen consistent growth in its branch network, starting with 59 branches and reaching a total of 70 branches by the end of 2021–22. This expansion reflects the bank's commitment to providing accessible financial services to the community.

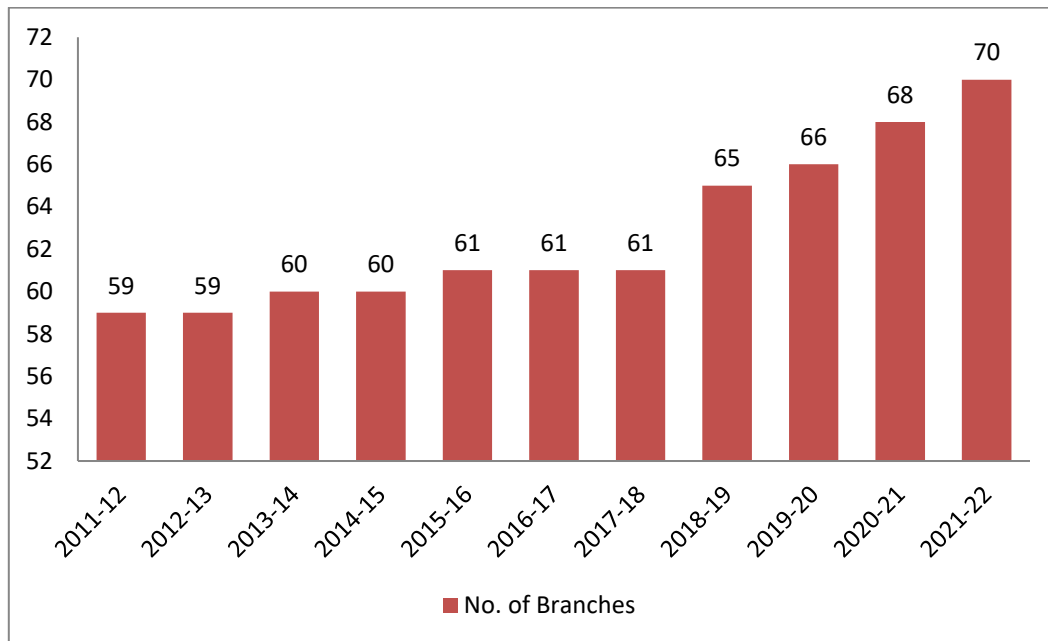


Fig. 1 No. of branches

Table 2 Share capital during 2011-12 to 2021-22

S.No.	Year	Share Capital (Amount in Lakh)	Change from Base year 2011-12	%Change from Base year 2011-12
1	2011-12	4576.58	-	-
2	2012-13	4763.47	186.89	4.08
3	2013-14	5062.01	485.43	10.60
4	2014-15	5301.83	725.25	15.84
5	2015-16	5768.89	1192.31	26.05
6	2016-17	5978.32	1401.74	30.62
7	2017-18	6725.68	2149.1	46.95

8	2018-19	7212.64	2636.06	57.59
9	2019-20	8350.79	3774.21	82.46
10	2020-21	9701.26	5124.68	111.97
11	2021-22	10083.56	5506.98	120.32

Share capital shows the financial growth and stability of a company over a period of time. The table displays the share capital values for each year from 2011–12 to 2021–22, showcasing a consistent increase in share capital over the years. This indicates that the company has been able to attract more investors and generate higher profits, leading to an overall positive financial performance.

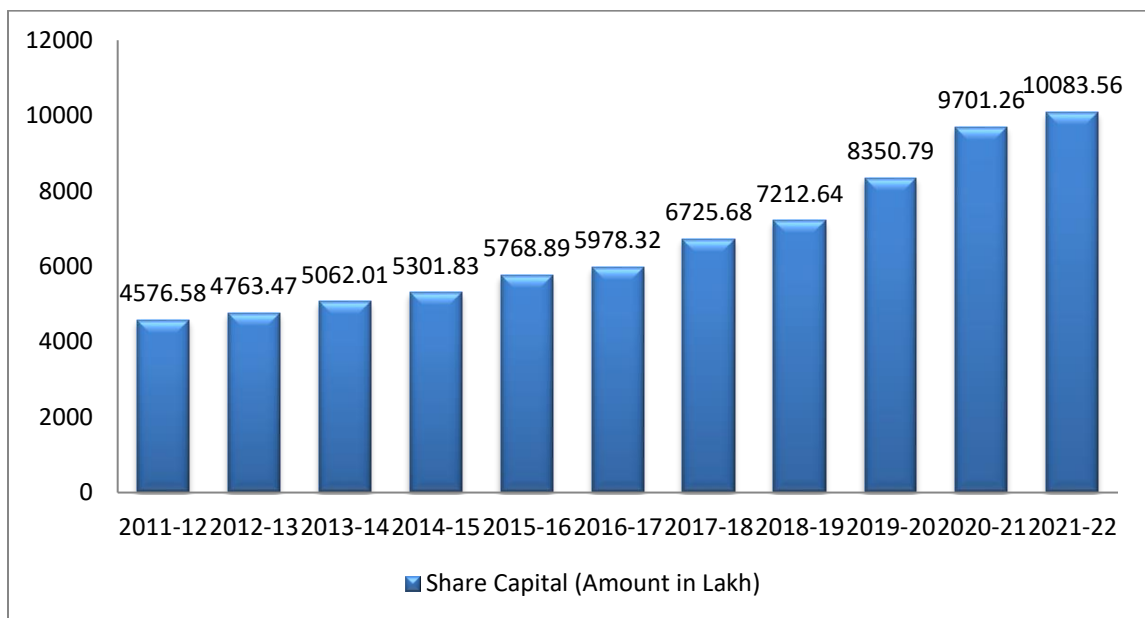


Fig. 2 Share capital

Table 3 Fund during 2011-12 to 2021-22 year

S.No.	Year	Fund (Amount in Lakh)	Change from Base year 2011-12	%Change from Base year 2011-12
1	2011-12	12929.03	-	-
2	2012-13	18686.77	5757.74	44.53
3	2013-14	23959.52	11030.49	85.31
4	2014-15	29231.15	16302.12	126.08
5	2015-16	32916.36	19987.33	154.59
6	2016-17	38517.96	25588.93	197.91
7	2017-18	43738.68	30809.65	238.29

8	2018-19	49351.35	36422.32	281.70
9	2019-20	50911.01	37981.98	293.77
10	2020-21	53268.81	40339.78	312.00
11	2021-22	56674.33	43745.3	338.34

The table provides information on the annual funds of DCCB Raipur from 2011 to 2022. The funds have steadily increased over the years, with a significant jump from 2016–17 to 2017–18. The highest amount of funds recorded was in the years 2021–22, reaching a total of ₹ 56,674.33 lakh.

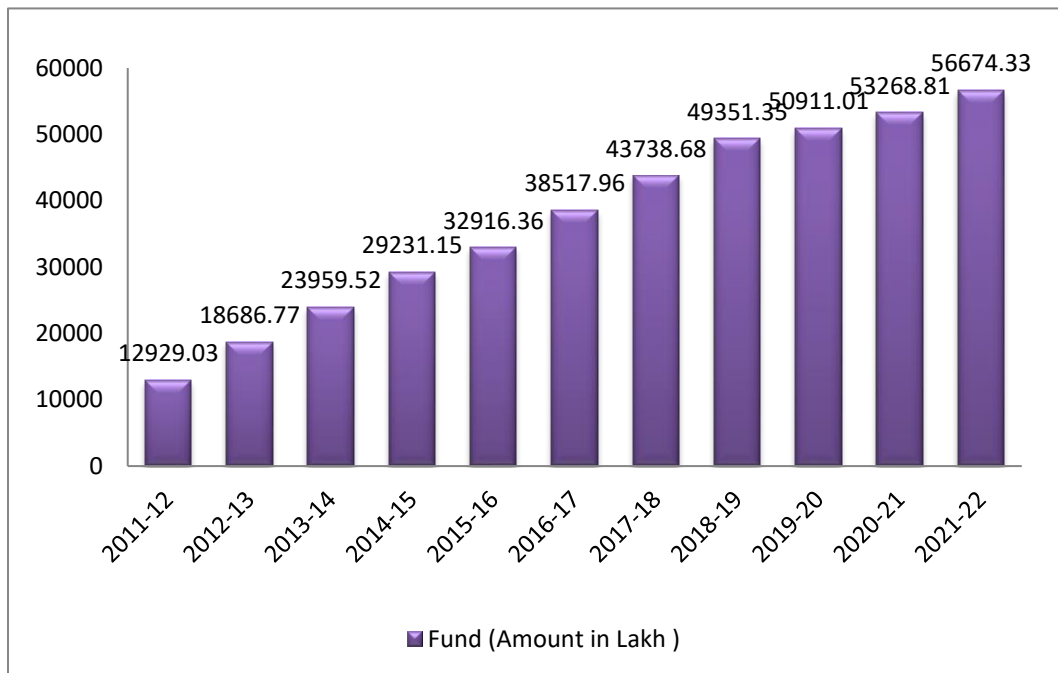


Fig. 3 Total Fund

Table 4 Total borrowings during 2011-12 to 2021-22 year

S.No.	Year	Total borrowings(Amount in Lakh)	Change from Base year 2011-12	%Change from Base year 2011-12
1	2011-12	18786	-	-
2	2012-13	4995	-13791	73.41
3	2013-14	4995	-13791	73.41
4	2014-15	4995	-13791	73.41
5	2015-16	4995	-13791	73.41
6	2016-17	29673	10887	57.95
7	2017-18	26793	8007	42.62
8	2018-19	42780	23994	127.72

9	2019-20	6190	-12596	67.04
10	2020-21	6190	-12596	67.04
11	2021-22	6190	-12596	67.04

DCCB Raipur's total borrowings have shown a significant increase over the years, reaching their peak in the financial year 2018-19, with borrowings amounting to ₹ 42,780 lakh.

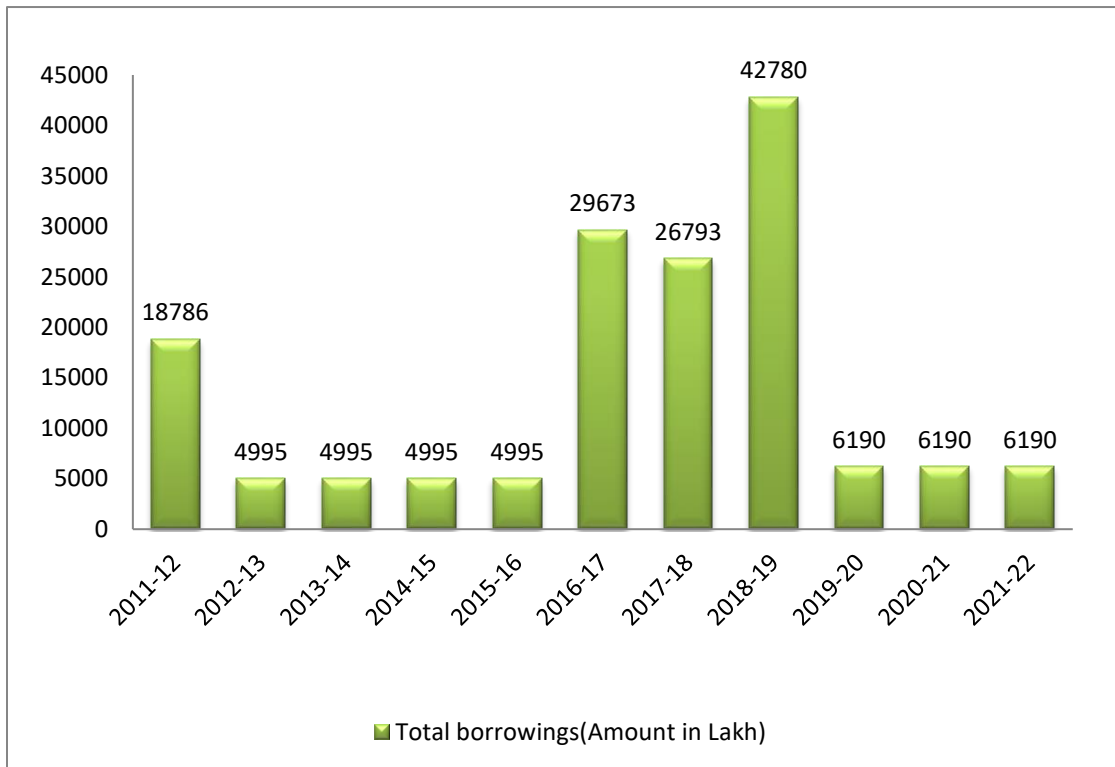


Fig. 4 Total borrowings

Table 5 Total outstanding during 2011-12 to 2021-22 year

S.No	Year	Total outstanding(Amount in Lakh)	Change from Base year 2011-12	%Change from Base year 2011-12
1	2011-12	33380	-	-
2	2012-13	36577	3197	9.58
3	2013-14	36577	3197	9.58
4	2014-15	36577	3197	9.58
5	2015-16	41710	8330	24.95
6	2016-17	43272	9892	29.63
7	2017-18	55714	22334	66.91
8	2018-19	67645	34265	102.65

9	2019-20	67645	34265	102.65
10	2020-21	67645	34265	102.65
11	2021-22	42749	9369	28.07

Table 5, show a slight decline in borrowings in the total loan and outstanding of DCCB Raipur depict a fluctuating trend over the years. In 2011–12, the loan and advances stood at ₹ 350.73 crore, which increased to ₹ 365.78 crore in 2012–13.



Fig. 5 Total outstanding

Table 6 loan & Advances during 2011-12 to 2021-22 year

S.No.	Year	Loan & advances(Amount in Crore)	Change from Base year 2011-12	%Change from Base year 2011-12
1	2011-12	350.73	-	-
2	2012-13	365.78	15.05	4.29
3	2013-14	380.74	30.01	8.56
4	2014-15	412.81	62.08	17.70
5	2015-16	417.1	66.37	18.92
6	2016-17	432.71	81.98	23.37
7	2017-18	557.14	206.41	58.85

8	2018-19	676.44	325.71	92.87
9	2019-20	319.38	-31.35	8.94
10	2020-21	344.67	-6.06	1.73
11	2021-22	427.47	76.74	21.88

The data indicates a fluctuating trend, with an increase in loans and advances from 2011–12 to 2014–15, followed by a slight decrease in 2015–16. From 2016–17 to 2021–22, there has been a significant increase in loans and advance, reaching its highest point in 2021–22.

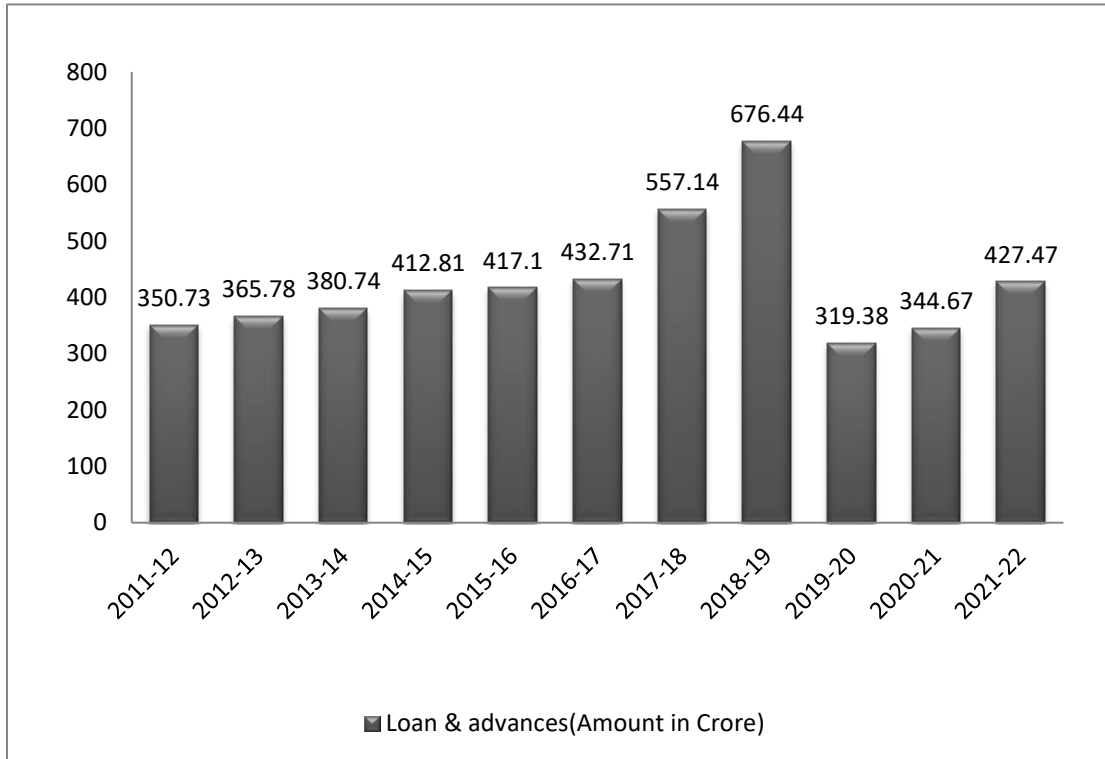


Fig. 6 Loan & advances

Table 7 Total overdue during 2011-12 to 2021-22 year

S.No.	Year	Total overdue(Amount in Lakh)	Change from Base year 2011-12	%Change from Base year 2011-12
1	2011-12	14369	-	-
2	2012-13	15735	1366	9.51
3	2013-14	15735	1366	9.51
4	2014-15	15735	1366	9.51
5	2015-16	21158	6789	47.25
6	2016-17	23147	8778	61.09
7	2017-18	20474	6105	42.49

8	2018-19	38702	24333	169.34
9	2019-20	38702	24333	169.34
10	2020-21	38702	24333	169.34
11	2021-22	19613	5244	36.49

This represents the total overdue amount in lakhs for each year from 2011-12 to 2021-22, as reported by Nafscob. The data shows that the total overdue amount remained relatively stable from 2011-12 to 2014-15 but experienced a significant increase in the following years, reaching its peak in 2018-19, 2019-2020 and 2020-21. After that, there was a slight decrease in overdue amounts over the next years.

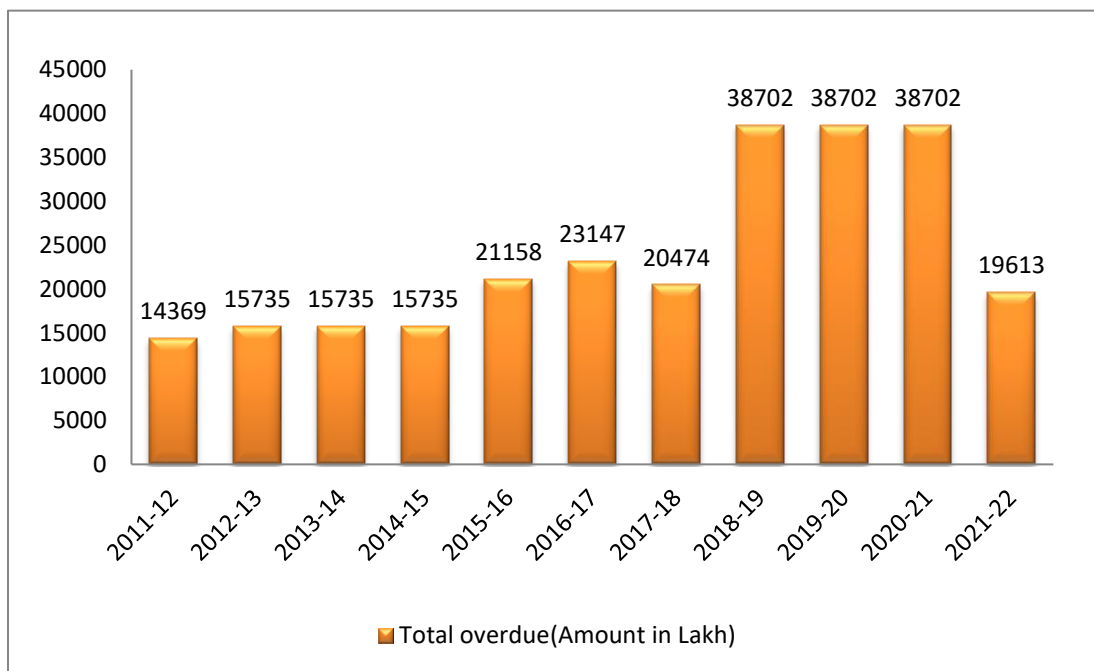


Fig. 7 Total overdue

VII. Findings and Suggestions:

- The District Central Cooperative Bank's expansion indicates its dedication to serving a wider customer base and meeting the growing financial needs of the region. This growth also signifies the bank's success in establishing a strong presence in Raipur, Chhattisgarh, and contributing to the local economy.

- The trend of increasing share capital is a positive sign for the company's financial health and investor confidence. It suggests that the company has been successful in its operations and is likely to continue growing in the future.
- Overall, the data indicates a positive trend in the financial growth of DCCB Raipur, showcasing consistent improvement year after year. This steady increase in funds reflects positively on the financial health and stability of the organization.
- This increase in borrowings indicates a growth in the financial activities of DCCB Raipur, potentially leading to more opportunities for investment and expansion in the future. It is important for the organization to carefully manage these borrowings to ensure sustainable financial health and continued growth.
- Overall, the trend in loans and advances shows a general upward trajectory over the years, with some fluctuations along the way. This indicates a positive growth pattern in this aspect of the financial data.
- DCCB has been facing challenges in managing overdue amounts, with a notable increase in recent years. Efforts to address this issue should be a priority for the DCCB to ensure financial stability and sustainability. The trend of increasing overdue amounts from 2011–12 to 2020–21 indicates a potential issue with loan repayments within the sector. However, the slight decrease in overdue amounts in 2021–22 may suggest some improvement in repayment behaviour or changes in lending practices.

VIII. CONCLUSION

The District Central Cooperative Bank (DCCB) Raipur has experienced significant growth, indicating its commitment to serving a wider customer base and meeting the region's financial needs. The bank's increasing share capital and consistent improvement in financial growth reflect its stability and growth potential. However, DCCB has faced challenges in managing overdue amounts, with a notable increase in recent years. The slight decrease in overdue amounts in 2021-22 may suggest improvements in repayment behavior or changes in lending practices. Despite these challenges, DCCB Raipur's growth and stability are expected to continue.

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