1.1 INTRODUCTION:
Finance is a life blood of every productive activity. Agriculture in India has always been a way of life, rather than a business and has suffered from stagnation due to low productivity arising from inadequate investment. Majority of farmers being small and marginal, they were unable to afford capital investments from their own savings, because their income from farm operations is barely sufficient to provide the minimum necessities of life.¹ this makes the farmers to go for borrowed funds to a large extent. The Indian cooperative banks have a unique position in the rural credit delivery system of India. Challenges before the cooperative banks are two folds, on the one hand they are supposed to provide cheap and timely credit to rural masses and on the other hand they have to ensure their profitability and viability in turbulent interest regime. To be able to create a balance between their social objectives and economic compulsions, these banks were needed to change working strategy. So as a result, cooperative banks have diversified their areas of operation. Prior to the institutionalization of credit, the farmers where excessively dependent on the non-institutional credit sources especially a private money-lenders, who failed to provide the farmers the necessary and timely credit at cheaper rate. In order to overcome the above problem, the institutionalization of credit was started with the establishment of cooperatives. In 1892 Madras state government send fedrick Nicholson to Germany to study the establishment process of co-operative banks for agricultural purpose. The co-operative in India established on Germany Raiffsen model. The first co-operative credit society act passed on 25th March 1904. In 1914 Adward Maclagen committee study the problem of Agriculture credits and recommended three tier co-operative organizations. In 1919, as per the constitutional reform the subject of co-operation was transformed from central to state list and each state passed their own independent co-operative societies act. In 1925 Mumbai government passed first independent co-operative act as Mumbai co-operative institution act. The concept of co-operation is totally based on the proverbs “One for all, all for one”.² Co-operative banks means a mutual society formed, composed and governed by working people themselves, for encouraging regular saving and granting small loan on an easy terms of interest and repayment. State Co-operative Bank is at top stage of three tier short term credit structure working as apex bank. District Central Co-operative bank is at middle stage of
three tier short term credit structure working at district level. At bottom stage of three tier short term credit structure Primary Agriculture Co-operative Credit Society working at village level. A. D. Gorwala committee (1954) recommended one central cooperative bank for each district. DCC bank makes a link between ultimate credit disbursing outlets, viz., Primary Agricultural Credit Societies (PACS) at the base level, and State Cooperative Banks (SCB) at the apex level. The District central co-operative bank (DCCB) operates at district level by providing finance to the primary credit societies, accepting of deposits, granting of loans/advances, fixed deposits, receipts, gold/bullion, collection of bills, cheque, safe custody of valuables and agency services.

Around three hundred and seventy two District central co-operative banks (DCCB’s) with large number of branches and extension counters cater to the needs of one lakh societies in rural India. Most of states including Maharashtra state, DCC banks nature are mixed central co-operative type. In Maharashtra 31 DCC banks with more than 3600 branches have been facilitating self-sufficiency in food grain production, creation of better employment opportunities and organizational strength to the rural people through banking services.

In western Maharashtra Sangli and Satara are two major districts in co-operative movement. In these two districts, there are well known non financial co-operative institutions like sugar factories, spinning mills, milk federations, Shetkari Sahakari sale purchase Sanghs, agriculture allied businesses, small scale enterprises, farmers from irrigated and non irrigated areas, all of them requires short term and medium term finance with low interest, reasonable terms and at required time. Sangli and Satara DCC banks play a leading role in boosting these two district people’s economic positions by encouraging productivity, entrepreneurship, training and education. For the present research study have profile of Sangli and Satara DCC banks. Firstly, The Sangli DCC bank established as on 28th March, 1927 by late C. A. Patvardhan. The well known personalities late Ex-Chief Minister of Maharashtra Mr. Vasantraodada Patil, Rajarambapu Patil, Gulabrao Patil, Rambhau Arwade are the pioneers who have contributed a lot in the field of Co-operative development of Sangli district. As per annual report 2010-11, Sangli DCC bank has provided banking services through 218 branches to rural & urban area of Sangli district. Sangli DCC bank has 3948 societies’ member and 363 individual’s member. Sangli DCC bank’s share capital, reserves & surplus are Rs. 233.89 crore. Sangli DCC has a lion share in development of agriculture.
sector (specially grapes & turmeric production), agriculture allied services sector (specially Poultry firms and animal husbandry), trade sector, self help groups, sugar Factory industry, Spinning mill industry etc. creation of employment opportunities which results improvement in financial position of peoples of Sangli district. Secondly, The Satara DCC established as on 15th August, 1949. Today it has emerged as a leading name in co-operative banking. Core credit for this due must go to the great visionary minds of late Ex-Deputy prime Minister of India Mr. Yashwantrao Chavan, Balasaheb Desai and Kisan Veer who with their dedication, hard work and team spirit have turn it into a success story in 60 years. As per annual report 2010-11, Satara DCC has 250 branches & 17 extensions counters. Bank has 2644 society’s member and 134 individuals’ member. Satara DCC bank’s share capital, reserves & surplus are Rs. 262.11 crore. DCC bank has won National level “Best performance Award” from National Bank for Agriculture and Rural Development (NABARD) for six times. The Maharashtra State Co-operative Bank’s Association, Mumbai has given “Special prize” in the year 2008 for the best performance for last consequently three years. Transparency, service render to the customer and norms prescribed by NABARD (apex bank) are fulfilled by the bank. The Satara DCC bank is the nucleus of a flourishing movement that is bringing prosperity, well being and better standard of living to the rural atomic areas in the district. Aiming at full utilization of their hard-earned resources.

1.2 SIGNIFICANCE OF THE RESEARCH STUDY:
The present study should be important to the District Central Cooperative Banks in the development process of cooperative banks at the district level. Because the District Central Cooperative Banks have perform the leadership between farmers and banking at the district level. District Central Co-operative banks have been playing imperative role in Indian financial system with broad network in both rural and urban areas. Recently the scams in co-operative sector, failure and closure of unviable branches, huge decline in productivity and efficiency, unrealizable debts are the few significant reasons which persuade to inquire into the financial affairs of the co-operative institutions. Considering Satara and Sangli district, the overall environment including agriculture, Industry, working culture of people are similar however, these two banks financial results differ from each other. The Satara DCC bank which has won NABARD awards for six times, Best DCC bank award
consequently seven times from Maharashtra Co-operative Bank Association ltd. The District Central Cooperative bank having the good amount of recovery of loans and it impact on the provision for the Non Performing Assets which could reduce year by year. This research study will go to help for the measurement of the how one can determine the customers about the recovery of loans and how it is possible to earn the profit for the welfare of the banking functions. With the help of this study researcher are interpreted the financial variation and try to evaluate causes and made suggestions regarding it. This study signifies the comparative financial performance of the District Central Cooperative Banks and the way banks has put the theoretical accounting procedure for the practical usage. The present study is enabled to know the improvement in certain areas, decline in some strength, weakness, efficiency in utilizing funds as well as other resources etc. The present research study is tried to investigate into the financial and operational affairs of District Central Cooperative.

This research work as a whole very useful to get a practical knowledge and experience in the field of financial management which is aid to management in taking appropriate decisions on the basis of analysis.

1.3 STATEMENT OF THE PROBLEM:

The rural cooperative credit institutions may be divided into short term credit cooperatives and long term credit cooperatives. At the central level District level District Central Cooperative Banks function as a link between farmers and banking industry. As against three tier structure of short term credit cooperatives, the long term cooperative credit structure has two tiers, in many states with Primary Cooperative Agricultural and Rural Development Banks (PCARDB) at the primary level. The District Cooperative banking sector has faced the challenges of increasing competition, emerging opportunities and withdrawal of government support and may have to abandon its social objectives. But cooperative banking system has some inherent strength in the form of its sound infrastructure and intimate relations with its customers, these banks have made a vital contribution to nation’s development. Cooperative banking system has progressively matured and is preparing itself to successfully meet new challenges and problems. The Satara DCC Bank and Sangli DCC Bank has also faced lots of modern challenges and problems related to mobilization of deposits, lending loans and advances, adequacy
of profitability, high NPA, maintain the liquidity and effective deployment in capital etc. Some of the external factors are affects on the banks like fluctuating interest rates, changes in various norms and regulations, political interference, customer satisfaction etc. Therefore the researcher has decided to studied on, “The Comparative Study of Financial Management of Satara District Central Co-operative Bank Ltd. and Sangli District Central Co-operative Bank Ltd.”

1.4 OBJECTIVES OF THE STUDY:
The major objectives of the present research study are as follows.
1. To study and examine comparative financial Position of Satara DCC bank & Sangli DCC bank.
2. To study the annual growth of Satara DCC bank and Sangli DCC Bank.
3. To study the recovery performance and NPA analysis of both the DCC banks.
4. To study the financial management analysis of Satara DCC bank & Sangli DCC bank.
5. To suggest few measures for augmenting working Performance of Satara DCC bank and Sangli DCC bank.

1.5 HYPOTHESES OF THE STUDY:
The hypotheses of the present research study are as follows:
1. There is no significant growth in financial performance of Satara DCC Bank and Sangli DCC Bank.
2. There is no significant difference in trends of financial measures of Satara DCC Bank and Sangli DCC Bank.

1.6 RESEARCH METHODOLOGY:
The researcher has selected two banks for the purpose of present research work namely Satara District Central Cooperative Bank and Sangli District Central Cooperative Bank. The present study is based on the case study method.
1.6.1 Collection of Data:

For the present research study researcher has collected the primary and secondary data. The primary data has been collected through unstructured interview and discussion with chief executive officer, managing director, administrator, planning and development officer, loan recovery officer, accountant, etc. The secondary data has been collected from official websites of State Cooperative Bank, Annual Reports of the both the DCC banks, NPA statements, annual planning report, audit report, year wise profile of both the banks etc. The secondary data related to advances outstanding, non-performing advances for the period of 2003-2004 to 2012-2013.

1.6.2 Data Analysis:

Researcher has made data analysis with the help of various techniques of financial management which consisted Trend analysis, Ratio analysis, Working Capital Management analysis, Comparative Financial Statement analysis, etc. Consistent with the objectives of the study, simple descriptive statistical techniques like frequencies, percentages, graphs, mean, standard deviation, coefficient of variance, etc. along with this for the comparison of actual trends independent sample t-statistic test has been used. For the second hypotheses the researcher has used non-parametric test called Mann-Whitney U and Wilcoxon W statistics test.

1.7 SCOPE OF THE STUDY:

The noteworthy scope of the present research study is as follows.

1. The present study is restricted to Satara District Central Co-operative Bank and Sangli District Central Co-operative Bank only.
2. The present research study is limited with the constraints of time, finance and response given by concerned people.
3. The period of research study is limited to last 10 years during the study period.
4. The researcher has focused only few techniques of financial management which related to DCC banks.
1.8 CHAPTER SCHEME:

The present study has divided into following chapters.

I. INTRODUCTION AND RESEARCH METHODOLOGY:

In this chapter researcher has dealt with introduction of Co-operative bank movement in India, Co-operative banking structure, Maharashtra Co-operative bank movement, Role of District Central Co-operative Bank. This chapter deals with introduction of research subject in respect of title of research subject, significance of research, statement of problem, objective of the research, hypothesis, Scope and limitation etc. The chapter covered research methodology in respect of Nature and source of data, financial indicators, Ratio analysis, and Comparative statements.

II. REVIEW OF LITERATURE AND CONCEPTUAL BACKGROUND

In this chapter researcher has covered brief review of relevant literature from academic journals, thesis, reports, Magazines, books, News papers, Periodicals etc. relating to research. Along with this researcher has covered introduction of finance, financial management, financial statement, various techniques of financial management, historical background of cooperative banking sector and the information related with district central cooperative banks in India with proper conclusion.

III. PROFILES OF THE BANKS:

The chapter revealed brief description of selected banks contains following aspects:

- Basic information of bank. (Historical review and Organizational Chart)
- Bank Functions
- List of Directors
- Membership and bank branches
- Special features of bank
- Special achievements of bank
IV. ANALYSIS AND INTERPRETATION OF DATA:

This chapter contained the presentation of analysis and interpretation of data considering the both DCC banks. The financial data has been summarized on the basis of balance sheet and profit and loss items with year wise. For the analysis the researcher has used techniques of financial management such as trend analysis, ratio analysis, and working capital management analysis, comparative financial statement analysis etc. along with this non-performing asset analysis has been made with help of records. The testing of hypotheses has been made on the basis of above analysis and interpretation of data.

V. FINDINGS, SUGGESTIONS AND CONCLUSION:

On the basis of analysis and interpretation of data there are some findings and suggestions have been made for the further improvements of the both banks. This chapter also included overall conclusion of the study.

1.9 CONCLUSION:

Though the cooperatives banks are service oriented, they have to earn the reasonable amount of profit which can able to continue their activity of serving their members in best way. Therefore, it is important to analyze the financial performance of the district cooperative banks. In this present study researcher has tried to find out the various aspects of financial management of these banks with the help of various financial management techniques.

REFERENCE: