A) REVIEW OF LITERATURE:-

2.1 INTRODUCTION:-

This chapter is concerned with literature on the concern topic. Attempts are made to study the recent and relevant literature on the financial management of District Central Co-operative Banks in India. In India many researchers have studied on various aspects of District Central Co-operative Bank. Most of the studies are related to the financial performance, working performance, fund management, NPA management, and individual financial management techniques but the whole management concept is not covered. Given below are some of the literatures related to Financial Management in Distract Central Co-operative Bank and other Co-operative banks. The main objective of the reviews of the study was to understand the research gaps and methodological gaps of the present study. It gives comprehensive overview of other relevant research studies. The researcher has also reviewed the published articles, Research papers, M. Phil dissertations and Ph.D theses etc.

2.2 REVIEW OF LITERATURE:-

1. Thirupatai Rao ¹ (1995), Research paper entitled “Financial Management of District Central Co-operative Bank- Shrikakulam” in this paper he has studied and analyzed that the financial functions and financial operations of the bank, he has observed that the Shrika Kulam DCCB was rigorous disciplined for the Registrar of Co-operative, borrowings, lending, and investment and followed the highly regulations of the Reserve Bank of India. Finally he found that the DC CB was failed in financial Management operations, so there was deficit in the maintaining the required Cash Reserve Ratio (CRR), Liquidity Assets, during the study period from 1980 to 1993 and its impact on banks’ financial position and the bank was down grading.

2. Kulwantsingh and Singh ² (1998) in their published research paper titled “Identified the Overall Performance of the Himachal Pradesh Co-operative Banks”. On the basis of certain indicators such as branch expansion, share capital, working capital, deposits mobilization, loan assistance and recovery of loans and advances they concluded that the performance of the bank in terms of membership drive, share capital, deposit mobilization and working capital had improved over a period of research study. However, recovery performance was unsatisfactory and over dues had increased steadily. This was due to the effects of loan waiver scheme.
3. **Ramesh and Patil** (1999), in their published research paper “Toward Measuring Co-operative Performance” the researcher has analyzed with the help of various analytical tools and techniques for measuring performance of Co-operative banks. The researcher found that the Co-operatives registered an excellent growth in selected variables. However, unstable profits, higher liquid assets, upward trend in over dues were some of the major problems affecting badly the overall performance of Co-operatives banks.

4. **Namasivayam** (2006), examined the “Working performance of the Madurai District Central Co-operative Bank Ltd”. He concluded that the performance had been quite impressive in terms of deposit mobilization and credit deployment. The success of the Co-operative bank depends on effective manpower, planning and management.

5. **Singh Fulbag and Singh Balwinder** (2006), in their research paper “The Funds Management in the DCC Bank of Punjab with Specific Reference to the Analysis of Financial Margin”, researchers have studied about fund management. It concluded that higher proportion of own funds and the recovery concerns have resulted in the increasing margin of the central Co-operative banks and thus had a larger provision for Non-Performing Assets.

6. **Dutta Uttam and Basak Amit** (2008), they have published research paper entitled “Appraisal of Financial Performance of Urban Co-operative Banks- A Case Study.” They studied the performance of urban Co-operative banks and suggested that Co-operative banks should improve their recovery performance, adopt new system of computerized monitoring of loans and implement proper prudential norms.

7. **Singh V.** (2008), he published research paper “Financial Performance of the Rohtak Central Co-operative Bank ltd (Haryana).” The researcher highlighted the deposits, advances, investment, NPA reduction, and profitability position of the bank. He found that the aggregate deposits of the bank increased with low growth rate and bank did not make good performance in terms of advances to the beneficiaries. The researcher also found that the bank could not reduce NPA amount.

8. **Chander Ramesh**, (2010), he published Research paper “Financial Viability and Performance Evaluation of Co-operative Credit Institutions in Haryana (India). This research paper focused on Co-operative credit institution in Haryana. In this research paper the researcher has calculated profitability, liquidity, solvency- efficiency, risk, financial viability, bank ruptcy of DCCBs etc. For the purpose of analysis of bankruptcy and financial viability the researcher has used Altman Z-Score model.
(1968). On the basis of the analysis and interpretation the researcher has found that the DCCBs play important role in the rural banking system. Yet failure/bankruptcy of these banks raised many doubts about their viability and sustenance. The researcher has concluded that the results reveal that banks performed better on one parameter but weaken on other which led to dwindling situation.

9. **Parua Anupam and Joshi Lalit Kumar** (2010), in their research paper entitled, “Trends in Performance and Profitability of Co-operative Banks: A Case Study of Vidyasagar Central Co-operative Bank Ltd; Midnapore”, they stated that the present bank facing problems of lower profitability. This lack of profitability is attributable to different reasons. Notable amongst these are slower rate in comparison with its burden ratio. This also hints at the banks inefficiency in the matter of capturing new and different channels of banking businesses. In the regime of interest rate cut, the bank with its normal banking operations is bound to suffer in terms of its profitability.

10. **Gaikwad** (2011), the research paper is entitled “An Analysis of Working of the Solapur District Central Co-operative Bank Ltd; Solapur.” The important objective of this paper is to study the structure and progress made in the share capital and to study the position of working capital and credit provided by the bank. This research covers a period of five years from the year 2005 to 2010. For the purpose of data collection the researcher has used secondary data (i.e. annual reports and records of the bank). The researcher mainly focused on the membership, share capital, reserve funds and other funds, working capital and cost of management. The members are the pillars of Co-operative movement on which it rest. The SDCCB consists of two types of members one is institutional and another is individual (Members and non members). It is found that the individual and other membership is constant whereas the institutional membership increased. The researcher found that the share capital of the bank increased during the study period. In this paper it has observed that the large amount of share capital of SDCCB has been risen through institutional members. The researcher suggested that the bank should reduce the cost of management so that it will increase profit of the bank.

11. **Chandel** (2012), the research paper is titled, “Financial Performance of DCCBs in Haryana – A Comparative Analysis” The paper has been divided into four sections. In this paper researcher has profound comparative financial analysis of eleven DCCBs operating in Ambala and Rohtak divisions in Haryana state. The researcher has tried to cover five key financial areas profitability, liquidity, solvency, efficiency and risk.
On the basis of these parameters the researcher has set up five hypotheses in which the researcher hypothesized that the all financial areas are poor during the study period. The study encompasses twelve year period from the financial year 1998 to 2009. The requisite data has been obtained from the published annual reports of the DCCBs. The researcher has calculated various ratios related to profitability, liquidity, solvency, efficiency and risk. In the analysis for the purpose of hypotheses testing the researcher has used t-test and all of five hypotheses were accepted. The results reveal that all the DCCBs performed poorly on profitability, liquidity, solvency, and efficiency but were little comfortable on risk parameter. The researcher found that the performance of the DCCBs in Rohtak division was better than the DCCBs in Ambala division for profitability, solvency and risk parameter. The researcher has suggested that there is a great need of change in the vision and strategies in these banks for better services to people of the country. These DCCBs should focus on becoming more competitive and vivacious. The researcher suggested that the bank should reduce the cost of management.

12. Nallusamy (2012), in his research paper “Financial Performance of the Salem District Central Co-operative Bank since Computerization – Evidence from Multi Discriminate Model,” he has studied the objective to examine the relationship between bank profitability and its determinants through multi-discriminates model. The present study is mainly based on the secondary data. Ratio analysis has been applied to assess the performance evaluation of the financial strength and profitability of the bank. The study period covered into a pre-computerized period from 1992 to 2000 and post computerization period is 2000-08. In the analysis and interpretation 20 ratios are calculated.

13. Patel and Desai (2012), in their research paper entitled, on the “Financial Performance of Urban Co-operative Bank”, they stated that the UCBs sector witnessed substantial growth, possibly encouraged by the liberalized policy environment in post reform period. They suggested that the UCBs should proactively adopt corporate governance and should not wait for its imposition by statue for the development of UCBs sector. The implementation of corporate governance board of director plays very crucial and vital role. Therefore, the board of directors of UCBs should implement professional management approach.
14. **Thripathi Kapchu** 14 (2012) the researcher has studied the ‘Performance Evaluation of DCCBs in India: A Study.’ He has studied the Growth of DCCBs in India through selective financial indicators and growth of membership, deposits, loans and advances, investment by DCCBs in India. The researchers have found that the DCCBs in India have performed very negatively during the study period. He has concluded that the growth of number of DCCBs and their branches have negative trend up to certain period. Later there was negligible positive trend where membership in Cooperatives has been increasing. He has also suggested that government should formulate specific policies and should implement for the upliftment of DCCBs in India.

15. **Soni and Singh Saluja** 15 (2013) the title of the paper is “Financial Ratio Analysis of DCC Bank Ltd; Rajnandgaon.” The main objective of the research paper was to analyze the financial ratios of the DCC bank and to evaluate the ratios contributing to financial performance of the DCC bank. For the purpose of the research work the researchers have focused on the both primary and secondary data collection. The success of Co-operative credit movement in a district largely depends on the financial institutions. The Rajnandgaon District Central Co-operative Bank ltd. has played a significant role in the development of rural and urban masses. In this the researcher has made an attempt to analyze the Liquidity Ratios, Solvency Ratios, Profitability Ratios, and Efficiency Ratios. The research paper was based on the three years data (2008-2009 to 2010-2011).

16. **Patil** 16 (1995) has published research article on “Performance of Primary Co-operative and Agriculture and Rural Development Banks in Karnataka”, he has attempted to evaluate the performance of these grass root level investment credit Cooperatives in Karnataka. The research has incorporate the parameters like membership, share capital, working capital, Deposits, loans, overdues cost of management , profit and loss etc. His study reveals that PCARD Banks in Karnataka have become sick units. They are weak in terms of recourses and non- variable in term of business.

17. **Dharmendran** 17 (2011), the research article is entitled, “Management of NPAs in DCCBs in India – An Empirical Assessment”. This research work has assessed the position and growth of NPAs in DCCBs in India. The researcher focused on major reasons for high NPAs of DCCBs in India. It includes slow, inefficient and decrepit legal system, demand recession, changes in government policies etc. In this NPA
analysis the researcher studied doubtful assets, loss assets, NPA, standard assets, sub-standard assets. For the purpose of this research paper, the researcher used only secondary data. This paper is limited to only eight years 2000-2008. In the analysis the researcher studied trends of NPAs and Compounded Average Growth Rate (CAGR) are to be calculated. On the basis of the research work the researcher found that the growth rates of Gross NPAs and Net NPAs in all DCCBs in India were 9 percent and -6 percent per annum respectively. The positive growth rates in provision for NPAs in all the DCCBs with 14.37 percent per annum result in the growing problem of the existence of NPAs. The researcher suggested that the quality of assets must be improved through an effective credit delivery system and effective recovery mechanisms.

18. Kadam 18 (2012), he has published article “Performance Of Sangli District Central Co-operative Bank Ltd; Sangli” in respect of agriculture finance. The paper mainly focused on agriculture finance, particularly small farmers. He also studied the problems faced by the bank in respect of administration. He suggested improving speedy loan sanction procedure while providing loans to agriculture sector.

19. Patil 19 (2012), in his research article entitled, “The Study of Impact of New Economic Policy on the DCCBs”, he has focused on the period of 1991 to 2005. He has studied the impact of New Economic Policy on DCCBs. Also he has analyzed the economic development during the 1991 to 2005. In the period of 1991 to 2005 the researcher also analyzed the problems DCCBs in India. The researcher has found that after the New Economic Policy accepted by the Government of India the Share capital of the DCCBs in India, has been decreased over the period study.

20. Kuchakar 20 (2013), has published article on, “The Role of District Central Co-operative Bank in the Co-operative Movement in India” The main objective of the research paper is to study the functions of DCCBs in respect of rural development in India. The researcher has analyzed the role of DCCBs for Co-operative movement in India. The researcher has presented the DCCBs limitations on its functions i.e. coordination, political interference, lack of skilled employee, improper planning, lengthy loan sanction process, low deposits, increasing administrative expenses and low profit. The researcher has also analyzed the growth and progress of DCCBs in India. After the analysis the researcher found that the net profit decreased year by year. The liquidity position of DCCBs is satisfactory. The total loans and advances were decreased over a period of study and its affect to minimize the non performing
assets. Finally, the researcher has concluded that the DCCBs have played an important role to balance economic condition of the country.

21. **Niranjanaj U. and Chitambaram** (2000) in their article from “NAFSCOB Bulletin” they have measured the performance of 14 District Central Co-operative Banks (DCCBs) in Kerala with the help of 23 parameters of measuring the growth. And they found inefficiency in their operations with lower capital and poor application of fund in the DCCBs.

22. **Jain** (2001), in his article in “NAFSCOB Bulletin”, he has studied Comparative Performance Analysis Of DCC Banks Of Western India, Namely Maharashtra, Gujarat and Rajasthan and found that DCCBs of Rajasthan have performed better in profitability and liquidity position as compared to Gujarat and Maharashtra.

23. **Gaikwad** (1986) submitted his M.Phil Dissertation work entitled “The Role of Maharashtra State Co-operative Land and Development Bank in Walwa Taluka.” The researcher has focused on various types of loans provided by the bank to the agricultural sector in the jurisdiction area. In this dissertation the researcher has identified the recovery performance of the loans and advances of the bank during the study period. He analyzed the various types of loans like short term, medium term and long term which category wise was provided by the bank to agriculture sector. For the purpose of analysis the researcher has used various tools and techniques of financial management like- trend analysis, ratio analysis etc. The researcher found that the bank has decreasing trend except in 1982-83. It was also found that the average loan overdue of the bank in Walwa taluka was more than 26%. It was found that in the Ashta sub-branch has provided more than 43 % loans out of average loans provided by the MSCLDB in Walwa taluka. The researcher has suggested that the bank has focused on the only land development farmers apart from this the bank has to provide loans and advances to the dairy farmers and poultry farmers etc. Finally researcher concluded that as main role and function of the bank was to provide loans and advances to the land development farmers. The performance of the recovery of the loans by the bank was satisfactory.

24. **Palani** (2006), has submitted M.Phil. Dissertation entitled “A Study of Financial Performance In Salem District Central Co-operative Bank Ltd; Salem. He has focused on the working of SDCC bank during the study period. The main objective of the research work is to study the operations of Central District Co-operative Banks in India and Tamil Nadu and to study the role of Co-operatives regarding the agriculture
credit. The performance of the Salem DCC Bank has also analyzed by the researcher. The researchers also find out the short-term solvency and profitability position of the bank. The Data related to eleven years from 1990-91 to 2000-2001 have been collected by the researcher from the Salem District Central Co-operative Bank Limited. The researcher has divided work in five chapters. The present researcher has found that the bank has performed well as per the norms of RBI and Co-operative Societies Act. The bank under study has worked fairly well and has to considerable extent achieved the main objectives with which the bank was started, i.e., to mobilize finance and to make them available to the needy through the credit societies.

25. Patil 25 (2008), in her M.Phil. Thesis on “The Financial Management of Ashta People’s Co-operative Bank Ltd; Ashta”, she has studied the objects to build up Loans & deposits, to the loan mortgage or with mortgage to members or to other with permission of registers. The bank has provided safe deposit, Voltas and related services to provide finance and technology for small scale industry and for cottage industry and to provide aid to self employed entrepreneur to build up his entrepreneurship. He has analyzed the financial parameters like Share capital analysis, ratio analysis, Solvency Ratio, Asset Quality Ratio, Deposits Ratio etc, capital adequacy ratio and profitability Ratio and finally his findings that paid up share capital of the bank shows increasing trend during the study period (1996 to 2005). Bank has maintained satisfactory growth of working capital and bank has earned sufficient amount of profit. Dividend Rate is fluctuating trends in the study period. Bank branches have expansion during the period. The medium term loan in total loan is excess as compared to short and long term loan during the study period. Finally suggestions that, the Bank should make efforts to mobilize more savings and current deposits by all possible method. The Bank should draw up a program to recover overdues by all possible methods. Bank should consider N.P.A. problem and to make a provision for N.P.A.

26. Shelke 26 (2009), in her, M.Phil Dissertation on “The Financial Management and Challenges before the Sangli District Central Co-operative Bank Ltd. Sangli”, She examines working position, liquidity, Solvency and profitability position of the Sangli District central Co-operative Bank Ltd. Sangli. She found from the above study that current Ratio of Sangli DCCB’s not constant It is fluctuating year by year. In 2005 to 2008 the ratio is decreased up to 1.34:1. The Standard Ratio of current and saving to
total deposits is contribution of fixed deposits it is more as compared to current and saving deposits. The deposits ratio is also satisfied. The research reveals that non-Performing Asset of the bank is increasing due to lower recovery and increasing the over dues. It affects the profitability of the bank.

27. **Deshmukh** 27 *(1992)* has submitted Ph.D Thesis titled, “Management of District Central Co-operative Banks in Maharashtra”, in this thesis the researcher has focused on the organizational structure and management pattern of DCCBs in Maharashtra. The objective of the study was to analyze the operations for five years from 1982-83 to 1986-87. In this research the researcher found that the DCCBs in Maharashtra state were bifurcated into two parts according to their recovery and performance. The recovery of loans and advances in the state of Maharashtra was made by banks from Pune division followed by Nashik division. The overdues of the DCCBs in Maharashtra were increased every year. During the study period it was found that the total cost of management of DCCBs increased year by year. The researcher found that the DCCBs has faced problems such as increased overdue, high management cost etc. hence, it was suggested that there is a need to provide proper attention to management of DCCBs as they play a unique role in nurturing the Co-operative movement.

28. **Tonape.** 28 *(1994)*, in his Ph.D thesis on “Management Practices in Vikas Co-operative Bank Ltd. Solapur”. He studied the management practices adopted by the bank in its working. The banks have maintained books of accounts, registers form etc. as per requirement of Co-operative Act. The procedure of appointment of staff and the training programmes are adopted. To evaluate the clean loan granted by the managers, he checked the application of managerial Functions and his observations that management practices adopted by Vikas Bank, in respect of planning organizing, directing, controlling etc. The management is vested in the hands boards of directors. It consists of one person as a representative from weaker section and one is from backward class representative. Bank maintained as per low in required form accounts, register etc. He kept stock register, dead stock, liquidity statement up to date. It is observed that profits are allocated in different funds, as per to the guidelines received from the Reserve Bank of India time to time. Also the rate of Interest on Deposits, and loans and advances changed, they are charged to the amendments made in this respect by Reserve Bank of India. Finally he concluded that, the progress made by the Vikas Co-operative Bank Ltd. Solapur during the last half decade is remarkable both from the vital and execution of management practices. The banks have recorded a suitable
increase in their own funds. The Bank has considerably reduced unnecessary wastages and is financing the growing need of the societies.

29. **Shouche** *(1996)*, his Ph.D Thesis entitled “A Study of Management of Funds of Selected Urban Co-operative Banks in Maharashtra” there are five objectives set up by the researcher. In this the main objective of the study is the existing structure of owned funds and borrowed funds and their relation, to study the collection of fund and the application of funds, the researcher also examined the contribution of owned, borrowed and investment funds in total working capital. For this research work primary and secondary data has been used and analyzed the sources of funds and applications of funds. The result of the study shows the share capital of the UCBs has been increased by 2.2%. The average growth rate of the owned funds i.e. shares capital and total funds and reserves was 24.6% during the study period. It is only because of the high amount of provisions of NPA. It is found that the selected UCBs do not reviewed the assets every year and made appropriate provisions of depreciation. The loans and advances, total working capital was increased during the study period. The share of total funds and reserves was 4.4% in total working capital as on 1983 was increased up to 7.0%in total working capital as on 1994. The average growth rate of reserves and funds was 27% during the study period. It is suggested that the restriction of that maximum share holding of Rs. 50,000/- should be relaxed. It is suggested that the restriction of declaration of dividend to the members should be enhanced up to 25%.

30. **Enugandula** *(1998)* has submitted Ph.D thesis titled “Performance Of Karimnagar District Central Co-operative Bank Ltd”. He studied different financial ratios to evaluate performance of Karimnagar District Co-operative Central Bank, Andhra Pradesh, and he has concluded with that the bank had not maintained a reasonable level of solvency position and was unable to cover its medium and long term obligations. The net worth decreased over the period of the study and the net capital ratio was unity indicating that the assets of the DCC bank were insufficient to cover its liabilities.

31. **Hasabe** *(1998)* has submitted of Ph.D thesis entitled “Critical Study of Lending Policies of Satara DCC Bank Ltd Satara”. It is noted that Satara DCC Bank lending policy was production oriented and related to the repaying capacity of the borrower rather than security which was positively results on the recovery position of the bank. Finally the researcher has concluded that the Satara DCC Bank ltd has emphasized on
to growing scope for agriculture exports. For this purpose bank has setup hi-tech agriculture industry counter for giving advice and expertise to farmers. The bank has concentrated on deposit growth schemes.

32. **Kulkarni** (2001), his Ph.D thesis entitled “Pattern of Financing to Small Scale Industries in Sangli District by Co-operative Banks”. In his research he has discussed views of SSI borrowers and Co-operative banks regarding finance, post disbursement supervision etc. He has observed procedure of monitoring production capacity, working capital management system, fund utilization, problems faces by SSI borrowers for getting required finance. In each aspect, experience of borrower and the bank in the light of RBI guide lines is discussed and know the deficiencies of both banker and borrower.

33. **Chavan** (2001), his Ph.D thesis title is “An Enquiry Into Management Information Adopted By District Central Co-operative Banks In Maharashtra”, he has suggested that there was proper inter communication and effective management information system between PACS’s, DCC banks and SCBs which helps to increase productivity, efficiency in banks operation. Suitable management information system helps in getting feedback within proper time and remedial actions can be implemented at right time.

34. **Langekar** (2001), his Ph.D thesis title is “A Study of Performance Evaluation of Selected Banks in Satara District”. He has done comparative performance evaluation of selected banks in Satara district and suggested that banks should have other sources of income by providing various agency and ancillary services to their customers.

35. **Nashi** (2001), his Ph.D Thesis entitled “Financial Management of Belgaum District Central Co-operative Bank” he has observed that the financial performance of BDCC was low and due to the slow growth of the BDCC Bank in this research the bank had not commercial view and bank had not provided facilities to customers which are provided by commercial bank.

36. **Karalatti** (2002), his Ph.D Thesis is entitled “Performance Evaluation of Co-operative Credit Societies in Athani Taluka in Belgaum District”, in this thesis he has evaluated the selected urban credit Co-operative societies in the Athani taluka. The researcher has analyzed the financial trend of the urban credit Co-operative societies in the Athani taluka. The CCS in Athani taluka was growing consistently. The growth of the share capital, reserve funds, has been increased during the study period. The deposits of the CCS has
launched various innovative deposits schemes. For the purpose of this research work the researcher has used ratio analysis technique. In this ratio analysis the profitability, solvency, liquidity and efficiency and operational position have been analyzed. The profitability ratio shows that the CCS in Athani taluka was profitable during the study period. The growth of the working capital and loans and advances granted by such societies registered an increasingly more than two times during the study period. On the basis of the analysis and interpretation it was concluded that the overall performance of the Co-operative Credit Societies in Athani taluka is satisfactory.

37. **Gavali (2005)**, on his Ph.D thesis, is entitled “Performance Evaluation of Kolhapur District Central Co-operative Bank Ltd; Kolhapur.” The researcher studied financial position of the KDCC Bank ltd; Kolhapur, in respect of the Share Capital, Deposits, Loans and Advances, Working Capital, Investment and Fixed Assets etc. He analyzed the loan recovery position of the bank during the study period. The researcher focused on the agriculture loan provided by the bank. The researcher has identified the customer satisfaction regarding the various services and banking facilities provided by the bank. In this research the researcher has used ratio analysis technique for the purpose of the analysis. He found that the Share Capital, Deposits, Working Capital, Investment and Fixed Assets of the bank have been increased during the study period. Loans and advances show the negative growth during the study period. The customer of the bank was satisfied with various services and facilities provided by the bank. It was found that the bank has issued short term, medium term and long term loans and advances to all sectors but the recovery of the short term and long term loans was satisfactory. In respect to the medium term loans and advances the recoveries of the loans were in weak position and it has affected to increase overdue of the bank. The researcher concluded that the bank has performed very well with facilitate the banking services to the customers and their shareholders.

38. **Kulkarni (2005)**, in her Ph.D thesis, “A Study of Control Systems in Urban Co-operative Banks in Sangli District” she has focused on the control system at different level of management. In this level of management the researcher studied top level management, middle level management and lower level management. Analysis of the study indicates that the levels of management regarding the use of planning and controlling have positive effect on the bank. In the analysis the researcher studied strategic planning at top level, tactical or performance evaluation at middle level and operational planning and control at lower level. It shows that the Sangli Urban Co-
operative Bank has used techniques of planning and controlling with positive and gainful manner. The researcher suggested that the bank should develop computerized system for controlling she has also suggested that the bank should setup the strategies for the purpose of recovery of loans and advances and to reduce the NPA percentage.

39. **Kulkarni** 39 (2006), his Ph.D. Thesis, is entitled “A Critical Study of Non Performing Assets of Public Sector Banks with Special Reference to Sangli District” The main objective of the study was to analyze the Non Performing Assets of the public sector banks in Sangli district. In this the researcher studied the impact of the Non Performing Assets on the solvency position of the public sector banks in Sangli district. The researcher analyzed the standard assets, sub-standard assets, doubtful assets (including three types) and bad debts. The researcher also refereed some RBI guidelines for the purpose of the Non Performing Assets movement. Non Performing Assets adversely affect on the lending activity of the banks. Non Performing Assets affect the viability and solvency of the public sector banks and private sector banks. Internal as well as external responsible factors which affects to increase and decrease Non Performing Assets of public sector banks. The researcher found that the public sector banks have got success to reduce the NPA at low level. The researcher finally suggested that the public sector banks should adopt the preventive detective and corrective techniques to reduce NPA.

40. **Thomas** 40 (2007), in his Ph. D thesis entitled, “A Study on the Deposits and Lending of Commercial Bank in Kerala – A Comparative Study with Co-operative Banks,” has studied the deposits and lending of commercial and Co-operative bank objective of the study was to evaluate the various deposits and loan schemes provided by the commercial and Co-operative banks in the state. In this research the researcher studied financial performance related to profitability, solvency, liquidity and efficiency position of the commercial and Co-operative banks in the state. The researcher examined the impact factor of Non-performing assets on the commercial and Co-operative banks in the state. In this for the purpose of analysis the researcher has used ratio analysis techniques. He studied the various deposit and loans schemes in this annual growth rate as well as actual amount of the deposits were analyzed. The researcher found that the NPA management of the commercial banks is more effective than Co-operative banks. The researcher concluded that the commercial banks were able to mobilize more deposits than the Co-operative banks during the study period. The commercial banks have provided various types of deposits and loan schemes than
Co-operative banks in the Kerala state. The researcher suggested that the Co-operative banks should adopt the modern technology like core banking which is already adopted by the commercial banks in the Kerala state.

41. Bhushan (2010), in his Ph. D thesis entitled, “An Appraisal of the Financial Performance of the District Central Co-operative Bank in India” (A Case Study of Guntur District Central Co-operative Bank ltd; Andhra Pradesh), he has examined the trends of financial status, growth and overall performance of GDCC Bank in Andhra Pradesh. The main objective of the study was to assess the credit risk and NPA management of GDCC bank. In this the researcher analyzed the growth of the share capital, members of the bank, deposits, loans and advances, investments, working capital, and borrowings of the bank. The various ratios have been calculated by the researcher like profitability ratios, solvency ratios, liquidity ratios and operational ratios. The researcher has analyzed performance of the GDCC bank with the help of the CAMEL analysis. The researcher found that the DCC banks in India had shown almost stagnant position. Particularly in respect of the GDCC bank the researcher found that the percentage of the recovery of NPA was varying during the study period. Working capital of the GDCC bank has negative growth rate in 2008-09 i.e. -13.91%. The capital adequacy ratio shows the positive results. On the basis of the analysis and interpretation the researcher has suggested that the bank should focus on the mobilization low cost deposits as well as chief borrowings in order to gain comfortable interests spread to ensure profit. It is also suggested that the GDCC bank should diversify their traditional loans to low yield crops loans to high yield non farm sector that impact on the bank profitability. The researcher finally concluded that the DCC banks in India and GDCC bank performed satisfactorily.

42. Rana (2010), in his Ph. D thesis entitled, “Management of Performance and Non Performing Assets – A Study of Selected Urban Co-operative Banks in South Gujarat”, the researcher has selected 33 registered UCBs in South Gujarat as on 31st March, 2009. In this study main objective was to know the effectiveness of strategies adopted by the UCBs. Another important objective is to study the NPA and to detect the discrepancies of the Co-operative banks in order to minimize the events of defaults that lead to NPA of UCBs. The ratio analysis technique has been used for the purpose of the analysis of performance and NPA. In this financial statement analysis was done with the help of the various tools and techniques of statistics i.e. mean standard deviation, percentile, coefficient of variation etc. The researcher found that
the Capital Adequacy Ratio shows the satisfactory position which was more than 9% (minimum requirement by RBI) of all selected UCBs in South Gujarat. It was found that the NPA of the UCBs in South Gujarat low. On the basis of overall study the researcher suggest that the UCBs in South Gujarat should maintain their CA Ratio, CD Ratio, and focus on the reduction of NPA. The researcher has also suggested that the UCBs should follow the RBI guidelines, which are helpful to increase the banking business.

43. Vijayalakshmi 43 (2010), in the Ph.D work entitled, “Performance Evaluation of the Thoothukudi District Central Co-operative Bank Ltd”. She has focused on the study of Co-operative bank continue to be a part of a set of institutions which are engaged in financing rural and agricultural development. In this the researcher has analyzed the functioning of the bank with regard to deposit mobilization, issues of loans and advances, recovery of loans, financial aspects and views of employees regarding the working performance of the TDCC bank. The researcher has analyzed the financial parameters’. Share capital, annual above parameters growth and profitability of the bank, she has used tools the of the ratio analysis for the financial management, i.e. Solvency Ratio, Asset Quality Ratio, Deposits Ratio, capital adequacy ratio and profitability Ratio. The researcher has found that the Share Capital, Deposits, Working Capital, Investment and Fixed Assets of the bank have been increased during the study period. Loans and advances show the negative growth during the study period. The researcher concluded that the TDCC bank has played significantly role in respect of the providing loans and advances to the agriculture sector which is the main function of the DCC bank.

44. Jeur 44 (2011), in his Ph.D thesis “Performance of Urban Co-operative Banks in Western Maharashtra during the Reforms Regime”, he studied the origin and growth of urban Co-operative banks in India. He has checked the overall position of urban Co-operative Bank’s in Maharashtra. To study the prudential norms of urban Co-operative banks implemented by the RBI during the reforms regime. I.e. income recognition, Asset classification, Provisioning against NPAs and capital to Risk Assets Ratio. To assess the business performance of urban Co-operative banks in respect of membership, share capital, reserves, owned funds, deposits, loans and advances, working capital, borrowings, net profit, over dues / (NPAs) and priority sector loans in Pune region and study of the non performing assets (NPAs) / over dues of sample urban Co-operative banks in Western Maharashtra. To study these aspects
he applied the ratio analysis of sample urban Co-operative banks in Western Maharashtra. His conclusion of the performance of UCBs during the period 1989-1990 during post per reform period that is 1966 to 1990, UCB in India and Maharashtra realized better success. The number of UCBs, owned funds, deposits, advances, working capital increased in considerable size simultaneously borrowings and overdues increased but profitability and C.D. ratio declined. Alongside the quantitative progress created several difficulties such as mismanagement, unethical lending, low recovery and mounting overdues, low profitability, lack of professionalism, least customer friendly services, reckless needs of the staff, increasing political influence etc caused the reforms in regulations from R.B.I.

45. Mane (2011), In his Dissertation on “A Study of Working of Sangli District Co-Op. Bank Ltd. Sangli,” he has examined the financial position of the Sangli District Central Co-operative Bank has evaluate growth of Bank, he has identified the operational efficiency examined the problems recovery overdues and NPA position and he has checked the working performance of Sangli DCCB’s for five yearly i.e. from 2005-06 to 2009-10 he finally concluded that, the Sangli DCCB’s is profit making bank but the Bank is suffered by losses last years. Because the inefficient financial management. The over dues is serious in the Sangli DCCB’s the main reason of over dues is low rate of recovery of loans and advances from agricultural and non agricultural sector. Increase in business and ancillary activities have maximization of income. Efficient functioning of branches by way of professional management in the bank and the bank should start the monitoring the sanctioned and disbursed loan to the borrower about the utilization of the loan.

46. Pujari  (2011), in his Ph. D thesis on “Performance Evaluation of Urban Co-operative Credit Societies in Gadhinglaj Taluka Of Kolhapur District.” he has studied the growth of urban Co-operative credit societies in Gadhinglaj Taluka, in terms of share capital, deposits, advances, working capital and profitability and evaluated the Analysis of the financials performance of urban Co-operative credit societies on the basis of financial ratios. He analyzed and evaluated the working capital management, he has found from the study that efficiently and proper use of sources and capital. DCC’s have poor recovery performance for loan advances, the working capital has small size, and they do not function efficiently. The financial Management is poor and there are some problems with management e.g. high rate of Interest on loans advanced, improper recovery system, Absence of proper Services, inefficient Board
of directors, compounding of Interest, Higher management expenses and No refund of deposits etc. Finally, he has suggested all financial system will be efficiently functioning in UCBs and use of norms by the Co-operative Department of Government. Relating to recovery of loans and advances and to reduce the NPA percentage.

47. Linganna 47 (2014), in the Ph.D titled, “Financial Performance: A Comparative Study of Gulbarga District Central Co-operative Bank Limited and Bidar District Central Co-operative Bank Limited”, the researcher has observed that the financial performance of the both DCC banks. The main objective of the study is to examine the trends in financial status, growth and overall performance of both the DCC Banks. The researcher has focused on the comparison of the mobilization of deposits, funds and performance in the terms of recovery of loans and advances. He has calculated the various ratios like profitability, solvency, liquidity, and activity of both the DCC banks. The researcher has found that the capital of the GDCC Bank has increased than the BDCC bank. But it has been found by the researchers that the overall performance of the BDCC bank is higher than the GDCC Bank during the study period. Finally he has to suggested to the both the DCC Banks that they should taken care about the lending operation at the time of loans and advances and recovery of loans and advances. The financial statements of BDCC bank have more strong than the GDCC Bank during the study period. This discloses that management efficiency and maintenance of the quality of assets in BDCC banks is better than the GDCC bank.

48. Bedi and Mathur 48 (1966) They have published a book the titled “Land Development Banking In India and Co-operative Agricultural Development Banking In India”. The state level studies and project including the part of Co-operative bank was considered to be some of the best in dealing in detail not only theoretical part, but also of presented in the book practical aspects like loaning procedure, appraisal of loan application and other relevant matters. They have recommended that there was very big time lag between the date of application and date of disbursement and the land evaluation was not done on scientific bases. As results, the farmer did not get adequate loan to meet their investment requirement. Small farmers were totally neglected and no provision was made for spot technical guidance. And the another aspect of long term agriculture finance revealed that there was diversion of loan and also underutilization of assets mainly due to inadequate after services by the bank.
The loan of the banks delay in disbursement of loans had been due to cumbersome procedure.

49. **Shrivastava** 49 *(1979)*, has published a book “Financial Management” The book includes five broad and organizational and legal frameworks for financial management, Ratio analysis, and fund flow statements capital structure. An attempt is also made to identify the nature of financial decision and examine the impact of different forces upon the financial decision. The separate chapter is presented to detail in idea the techniques of financial analysis used frequently in taking financial decision. In the Section from second to fifth, it includes four major processes of financial management- planning for fund, rising of funds allocation of funds and controlling of funds. The book includes many ideas to the government body of literature in financial management. The section first includes an introduction to financial management by bringing out meaning and scope of business finance, traditional and modern concept of finance functions.

50. **Karthikeyan** 50 *(1990)*, he has published book entitled “A Comparative Study of The Long Term Finance Supplied By The CARD Bank and Commercial Bank In Tamilnadu”, he has revealed that commercial bank activities was mainly ‘non land based’ while Credit for Agriculture and Rural Development (CARD) banks’ finance was land based. The quantum of loan provided by the commercial banks was comparatively small. In CARD Bank, land and its mortgage were the pre-requisite where as the asset acquired out of loan the main security in lending of commercial bank was. He found that target oriented lending resulted in poor recovery, thereby reducing the CARD banks’ eligibility to receive fresh loan resulting in a decline in the total term loans disbursed, when compared to commercial bank. The researcher is finally concluding that the problem of CARD banks i.e. the cumbersome procedure followed by the bank has defective loan policies.

51. **Solunke** 51 *(2005)*, in his book “Primary Agriculture Credit Societies and Rural Credit in India”, he has explained an analytical and comprehensive account of the rural credit system and related issues. It also presents a brief critical assessment of the Cooperative rural credit structure in Maharashtra and India. It thoroughly examines the problems involved in the working of Primary Agriculture Credit Societies (PACS) and suggests suitable measures to improve the efficiency of their Financial Management for existing credit flow to the farmers independent India. Rural credit is
life blood of the agriculture sector and rural economy. So it has more relevance to the Indian economy in recent times.

52. Prasad and Syan (2013) in the book entitled, “Bank Lending” the authors cover the basic principles of lending policies, meaning of borrowers and its types, forms of advances, various types of financial statements and its tools and techniques, i.e. ratio analysis, comparative analysis, common size statement analysis, fund flow statement analysis, trend analysis etc. The authors also focused on the working capital management and its assessment, credit monitoring, recovery management and Non-performing assets. In this book authors have written that the lending procedure is the most sensitive. The demand for the financial assistance highly increased from the customers. Hence, bank should take care about the lending of loans and advances. The bank official should be fully aware of lending techniques and be able to supervise and control the advances. For that purpose the subjects focused on the bank lending or bank operations and methods are introduced in various disciplines.

2.3 CONCLUSION:

The researchers have reviewed various literatures of in the M. Phil. dissertation Ph.D. Theses, articles from magazines and journals, and books the review shows that there are many researchers who have studied on various aspects of District Central Co-operative Banks, Urban Co-operative Bank etc. Few have thrown light on the financial statement analysis and performance evaluation. Some have studied about Fund flow statement analysis and working capital management, Non – performing assets analysis, over dues, lending policies, deposits and advances etc. and the banks positions in reforming scenario of RBI and economic policy etc. but no one has focused on entire financial management practices in any DCC bank. Here the present researcher has tried to study the financial management practices in two DCC Banks in western Maharashtra, which is innovative and bulky work, but at the same time useful for the apex body of Co-operative banking.
2.4 RESEARCH GAP:

While studying the various literatures of review of Co-operative banks in India the researcher felt that the most of the study was conducted on the working performance of the Co-operative banks. Which was the case study particularly one DCC Bank, some selected Co-operative banks or urban Co-operative banks. These researchers used techniques of Financial Management i.e. Ratio Analysis, Trend Analysis, etc. some of the researcher studied on the management structure of the DCC Banks and UCBs. So after the reviewing all the literature the researcher comes out the topic on comparison between two DCC Banks in Maharashtra state. In this the researcher wants to identify the overall financial management of these banks and to examine the financial performance of the bank also. The researcher focused on the use of professionalization management in Co-operative sector.

The reviews of literature clearly reveal that no research was previously conducted on in the financial management in Maharashtra. Hence the researcher aims to fill the gap by analyzing the financial management of the Sangli DCC Bank and Satara DCC Bank with same specified ratio, and applying statistical tools to analyses the financial management of DCC Bank in Maharashtra. It is sincere effort to go in detail about the study of DCC Banks so that future plans and strategies can be framed by Government.
B) INTRODUCTION OF CO-OPERATIVE MOVEMENT:-

2.5 HISTORICAL BACKGROUND OF COOPERATIVE MOVEMENT:

The Co-operative banks have stronghold in agricultural financing and numerically their concentration is on rural areas. The place of Co-operative banks in the Indian banking systems must be viewed from this stage angle. A Co-operative bank is a financial entity which belongs to its members, who are at the same time the owners and the customers of their bank. Co-operative banks are often created by persons belonging to the same local or professional community of sharing a common interest. Co-operative banks generally provided their members with a wide range of banking and financial services (loans, deposits, banking accounts etc.) Co-operative banks differ from stockholder banks by their organization, their goals, their values and their governance. In most contrite they are supervised and controlled by banking authorities and have to respect prudential banking regulations. This put them at a level playing field with stockholder banks depending on countries, this control and supervision can be implemented directly by state entities or delegated to a Co-operative federation or central body.

The largest number of the Co-operative banks in India consists of short term and medium term agricultural credit structure which have three tier federal structures. The three tiers is formed by the primary agricultural credit societies at the base, organized at village level, district central Co-operative banks at district level and state Co-operative banks at state level. Though primary agricultural credit societies undertake certain banking activities they are do not come under the purview at the banking regulation act (as applicable to Co-operative societies). For all practical purposes they are called as Co-operative banks. All other Co-operative banks under the purview of the Co-operative banking act.

In India Co-operative bank, structure is at top stage of three tiers 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. A bottom stage of three-tier short-term credit structure is primary agriculture Co-operative credit society working at village level.

A. D. Gorwla committee (1954) recommended one central Co-operative 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 Co-operative banks (SCBS) at the apex level.

2.5.1. Genesis of the Co-operative Movement:-

Co-operation has not an accidental birth although the circumstances differ but every country has an economic history behind the development of this event. In most of the countries with Western Civilization Co-operative institutions arose as spontaneous and unaided reactions of varying degree of complexity.

Co-operation means, “Working together”, the principle of co-operation is as old as human society. It is truly based on domestic and social life. What is known as Co-operative effort is ultimately the group instinct in man which enables him to live together, work together, and help each other in times of stress and strain. “Co-operation is the universal instrument of creation.”

“The final destination
Of the Co-operative movement is
Not the differences but
The harmony, enrichment, success
And happiness
Of the community”

- Mahatma Gandhi

In the last century, the condition of agriculturists was deplorable. The joint family was breaking down. Because of increase in population and the absence of rapid industrialization, more and more people depend upon agriculture resulting too much pressure on land. The land got increasingly divided and sub-divided. They were in the clutches of the moneylenders. Rural debt was increasing and this economic position was deteriorating and he was finding himself in a hopeless condition, the farmer did not have the incentive or the ability to improve his condition. For that purpose Government of India took action in 1882, during the British rule, Sir Fredrick Nicholson a British Officer in India suggested to introduce Raiffesen model of German agricultural credit Co-operatives in India. He produced a monumental report on the subject and emphatically opined that India must find its own Raiffesen who could organize and effectively nurture a Co-operative movement in the country.

While Sir Fredrick Nicholson enquires were in progress, Mr. Dupernex of the Indian Civil Service, after a careful study of the problem, began to experiment with
village banks in U.P. and published an interesting and suggestive book entitled, “Peoples Bank for Northern India”. These two reports came to the notice of the government of India in 1900 and as a result, a strong committee under Sir Edward Law was appointment to make proposals for consideration of the government. The conclusion of which they arrived was that Co-operative societies were worthy of every encouragement and of a prolonged trial. They drew up model schemes of management for both rural and urban societies and discussed the form of legislation needed to secure the privileges which recommended for them and to provide for their due working and supervision. Their recommendations proved into law in 1904, as the Co-operative Credit Societies Act, 1904.

In 1904 to 1912 the Co-operative movement outgrew the expectations of its promoters and the act was found inadequate to cover non-credit activities. For example, there was no provision in the act for the formation of federation or central societies for supervision, control and finance. The basis of classification of the societies into rural and urban was arbitrary. To remedy these and other minor defects, the Government of India re-examined the whole provision and passed the Co-operative Societies Act, 1912. In 1912, another Co-operative Societies Act was enacted to fill the lacunas of the earlier act. The Co-operative Societies Act II of 1912 was drafted with the intention of removing the deficiencies of the old act while retaining its main features, viz. simplicity, clarity and elasticity. The object of the act as mentioned in the preamble was to give legal protection and facilities for the formation of Co-operative Societies for promoting thrift and self help among agriculturists, artisans and persons of limited means. Thus provisions were made for the registration of all types of Co-operative societies and supervising unions by making provisions for their registration.

The Government of India was keenly watching the progress of the movement. To examine whether the movement was developing on sound lines and to suggest measures for further improvement, the Government of India appointed Maclagan Committee in 1914. The committee gave the report that number of central banks and unions was growing rapidly and the confidence of the public was being won in greater measure. The committee classified societies as Primary Agriculture Credit Societies, Unions, Central Banks, Provincial Banks and made recommendations regarding the constitution, financial arrangements, audit and supervision which were adopted by Co-operative departments in all the provinces. The committee pointed out the extreme
care that should be taken in the formation of rural credit societies and urged the importance of carefully and systematically including the principles of Co-operative both before and after the registration of a society. Under 1919, Administrative Reforms Act was made a provincial subject making each province responsible for Co-operative development. At the same time of the appointment of the Royal Commission on Agriculture in 1926. The Royal Commission on Agriculture in 1926 with Mr. Calvert as chairman was set up during this period. The commission sounded a note of warning in its famous words, “if co-operation fails, there would fail the best hope of rural India”.

In 1929, the world economic depression set in and gave the movement a rude shock. From 1935 to 1939, there were three main developments in the field of co-operation. In 1935, the Reserve Bank of India was established and its Agricultural Credit Department was charged with the duty of studying various problems relating to agricultural credit. In 1936, an All India Conference of Registrars of Co-operative Societies pointedly stressed the need for development of long-term credit through Co-operative Land Mortgage Banks. Thirdly, the concept of Primary Societies being organized as multi-purpose Co-operatives came to be increasingly accepted. The working of land mortgage banks came to a sustain standstill as borrowers made unusually heavy advance repayment which could not be utilized properly. Quite contrary to the happening in the earlier period of the depression, the central financing agencies showed improvements in deposits and working capital the over dues also reduced considerably.

In 1942, the British Government enacted the Multi-Unit Co-operative Development Act, 1942 with an object to cover societies whose operations are extended to more than one state. The impulses of the Indian freedom movement gave birth to many initiatives and institutions in armed with an experience of 42 years in the of Multi-Unit Co-operative Societies, the central government enacted a comprehensive act known as Multi-State Co-operative Societies Act, 1984 regarding the act of 1942.

Since the attainment of independence, the Co-operative movement has been making rapid progress in various directions. The circumstances which promoted its rapid growth during the Second World War persisted even afterwards, thereby accelerating the spread of Co-operative institutions. Alongside, the government has from time to time taken important steps to reorganize and to develop the Co-operative
movement in terms of the recommendations of various committees like, the Co-operative Planning Commission, 1946, the All India Rural Credit Committee, 1954 and Vaikunthlal Mehta Committee, 1960 etc. the Co-operative societies have an important role to play as the most suitable medium for the democratization of economic planning.

The planning commission of India started the five years plan for the proper planning of development through the rural, social, financial as well as Co-operative and agriculture sector. As an instruments of democratic planning, combining initiatives, mutual benefits and social purpose. Co-operation must be essential features of the programmed for the implementing five year plans.

1. First Five Year Plan (1951-1956)\textsuperscript{55}

The First Five Year Plan recognized co-operation as an, “instrument of planned economic action in democracy”, suiting to the requirement of the government for implementing the development plans particularly for agriculture and the weaker sections of the society. On the basis of the plan, “as it is the purpose of the plan to change the economy of the country from an individualistic to social and Co-operative basis, its success should be judged among other things, by the extent to which it is implemented through co-operation organization. The main objectives of the First Five Year Plan is, “As an instrument of democratic planning, combining initiative, mutual benefit and social purpose etc. and an attempt should be made to have in each village a Co-operative organization which will cater to the multiple needs of its members.

From the figures it may be seen that by the end of the First Five Year Plan the number of Primary Agriculture Credit Societies (PACSs) has been increased from 1, 15,462 to 1, 59,939 and membership has been increased from 51.54 lakhs to 77.91 lakhs.

2. Second Five Year Plan (1956-1961)\textsuperscript{56}

The Second Five Year Plan recognized the need for building a Co-operative sector as part of the scheme of planned development. The plan emphasized that the area of operation of a primary Co-operative should be large enough to make it efficient unit and at the same time it should not be so large that it might become difficult to secure amongst members the knowledge, the sense of mutual obligations and concern for rehabilitation of the weaker sections of the community. The board objective of the Second Five Year Plan is to provide agriculture credit to rural sector through Co-operative organizations.
The targets laid down for the disbursement of rural credit by the end of the Second Five Year Plan period were, short-term credit Rs. 150 crores, medium-term credit Rs. 50 crores and long-term credit Rs. 25 crores.

3. Third Five Year Plan (1961-1966)\(^{57}\)

The Third Five Year Plan laid emphasis on the organization of strong Co-operatives in all economic activities. A rapidly growing Co-operative sector, with special emphasis on the needs of the peasant, the worker and the consumer was considered to be a vital factor for social stability. The Third Five Year Plan regarded co-operation as one of the principal means for bringing about changes of a fundamental nature within the economy. The main objectives of Third Five Year Plan is to targets for Co-operative credit were fixed Rs. 530 crores of advances of short and medium term and Rs.150 crores of outstanding long-term agricultural loans in the year of the Third Five Year Plan.

It may be seen from the achievements in respect of the short-term and medium-term credit worked out to be only 64 \(\%\) i.e. Rs. 341 lakhs. The loans outstanding at Rs. 163 crores as at the end of 1965-66 exceeded the targets of Rs. 150 crores.

4. Fourth Five Year Plan (1969-1974)\(^{58}\)

In the Fourth Five Year Plan, “Growth with stability” shall be the key-note of the Co-operative movement during the 1969 to 1974. The plans ensures that Co-operative have large and varied opportunities before tem for effective use. The Co-operatives are being helped to equip themselves in important aspects like finance, organization and trained personnel. Finance is the main source of development of agriculture sector short-term and medium term loans and advances has been achieved in the year 1973-74 is Rs. 750 crores and long term loans and advances is Rs.700 crores.

5. Fifth Five Year Plan (1974-1979)\(^{59}\)

The draft of Fifth Five Year Plan stated that, “co-operation is eminently suited to bring about desired socio-economic challenges in the context of the existing conditions in the country. There is no other instrument as potentially powerful and full of social purpose as the Co-operative movement. So the main objective of the Fifth Five Year Plan is to strengthen the network of agricultural Co-operative and to make efforts towards the correction of regional imbalances in the level of Co-operative development particularly in the sphere of agricultural credit.
6. Sixth Five Year Plan (1979-1985)\textsuperscript{60}

The sixth five year plan which came into force from 1977 up to 1998 emphasized the importance of Co-operative efforts being more systematically directed towards ameliorating the economic conditions of rural poor. This plan recommended that to re-organize primary agriculture societies into strong and viable multi-purpose units. At that time NABARD act was passed in 1981 and it was set up to provide re-finance support to Co-operative banks and supplement to the resources of commercial banks and to enhance RRBs credit flow to the agriculture and rural sector. In 1984 the Multi-State Co-operative Societies Act was passed for the bringing of uniformity in Co-operative administration and management.

7. Seventh Five Year Plan (1985-1990)\textsuperscript{61}

In 1985 the planning commission of India declared 7\textsuperscript{th} Five Year Plan regarding the progress in credit, over recovery of loans and high level of over dues where concerns. This plan recommended that multiple viable units, realignment of policies and procedure to expand flow of credit and ensure inputs and also services related to the weaker sections. Plan focused on to promote professional management for the Co-operatives sectors.

8. Eighth Five Year Plan (1992-1997)\textsuperscript{62}

After the adopting the New Economic Policy i.e. Liberalization, Privatization and Globalization regarding this matter the eighth five year plan came in to existence in the year 1992. The plan lay emphasized on building up the Co-operative movement as a self managed, self regulated and self reliant institutional set up by giving it more autonomy and them democratizing the movement. This plan also spoke about enhancing the capability of Co-operative for improving economic activities and creating employment opportunities for small farmers, labourers, artisans, SC, ST, Women etc.

9. Ninth Five Year Plan (1997-2002)\textsuperscript{63}

The Ninth Five Year Plan came in force from 1997 up to 2002, this plan has not been mentioned specifically about the Co-operative sector as a part of plan. Since co-operation is state subject and re-organizing the difficulties in having the existing state Co-operatives acts amended on the lines of the Model Co-operative Act, 1990, a section of Co-operative and civil society initiated action to put in place parallel Co-operative legislation for self-reliant Co-operative sector.
10 Tenth Five-Year Plan (2002-2007)\textsuperscript{64}

Tenth Plan laid down that continued emphasis will be placed on progressive institutionalization for providing timely and adequate credit support to farmers with particular focus on small/ marginal farmers and weaker sections of society to enable them to adopt modern technology and improved practices for increasing agriculture production and productivity. The functioning of the Co-operative banks with serious financial weaknesses is inconsistent with the objective of transforming them into strong, viable and self-sustaining institutions capable of channeling enhanced credit flow as envisaged for the Tenth Plan.

11. Eleventh Five-Year Plan (2007-2012)\textsuperscript{65}

Co-operative sector is aim for improving socio economic status of the weaker section of the society and in turn arrest the tendency of their exploitation. In the present condition, the Co-operative societies have to face tough competition from private sector. Therefore, for a Co-operative it is essential to have a strong share 1996-capital bases for achieving maximum borrowing capacity for attaining economic viability and profitability. For strengthening Co-operative credit structure efforts will be made for expansion and extension of credit disbursement facilities in the short term and long term sectors. Eleventh Five Year Plan states that Co-operatives have the largest nominal outreach amongst the rural financial institutions including the commercial banks. Presently, they are at a crossroad owing to resource constraints, poor governance, bad management, and inefficiency. Based on recommendations of the Vaidyanathan Committee, the Goi has formulated a revival package for restructuring and strengthening of the rural Co-operative credit institutions.

2.5.2 Meaning and Definitions of Co-operation:-

Literally, Co-Operation means, “Working together”, to be more appropriate, co-operation as acting together to accomplish the common goal through Co-operative principles. Likewise, a Co-operative society may be defined as an organization of individuals, commonly laborers, or persons of small means, formed for running in common of a business, the profits being shared in accordance with the amount of labour or capital contributed by each.\textsuperscript{66}

Co-Operation has been defined in a number of ways from time to time. For the meaning of co-operation, we will see some of the definitions of co-operations given below
“A Co-operative society is an association for the purpose of joint trading, originating, among the weak, and conducted always in an unselfish spirit, on such terms that all who are prepared to assume the duties of membership may share in its rewards, in proportion to the degree in which they make use of their association.”

- Mr. C.R. Fay,

“A Co-operative society is an enterprise formed and directed by an association of users, applying itself the rules of democracy and directly intended to serve both its own members and the community as a whole.”

- Prof. Paul Lambert,

“Co-Operation is a form of organization in which persons voluntarily associate together on a basis of equality for the promotion of their economic interests.”

- The Co-operative Planning Commission, 1946.

The Indian Co-operative Societies Act, 1912 has not given any definition of Co-Operation. Section 4 (c) considers a Co-operative society as “a society which has its object the promotion of the economic interests of its members in accordance with Co-operative principles.”

- The Indian Co-operative Societies Act, 1912.

2.5.3 Introduction of Co-operative Bank:-

A Co-operative bank as “an agency which is in a position to deal with the small man on his own terms accepting the security he has without drawing on the protection of the rich. That agency must not be a channel for pouring charity or subsidizing the small man out of the public funds, instead the material help must be backed by moral improvement and strengthening the fiber.”

A Co-operative bank promotes economic activity and provides banking facilities and services to the people. Thrift and savings is the fulcrum of the working of Co-operative banks. “Services” rather than “Profit” is the main motto of the Co-operative banks. The Co-operative banks are associations of persons and not of capital. The affairs of the Co-operative banks are managed democratically, based on the principle of “One man one vote” of personalization of credit is the special feature of the Co-operative banking. Co-operative banks the significant role in the agriculture economy. Hence, most of the Co-operative banks finance only the agriculture sector. The Co-operative banks teach the agriculturists to borrow at the right time and in right amounts and right purpose and to repay on the right dates.
2.5.4 Definition of Co-operative Bank:-

“A mutual society formed, composed and governed by working people themselves for encouraging regular savings and generating small loans on easy terms of interest and repayment.”\(^\text{72}\) - Devine,

“One which transacts the business of banking which means the accepting, for the purpose of lending and investment, of deposits of money from the public, repayable on demand or otherwise and withdrawals by cheque, draft, order or otherwise.”\(^\text{73}\) - The Banking Regulation Act, 1949

2.5.5 Co-operative Banking Structure:-

The Co-Operation banking structure is paramedical in character. The Apex Bank or Reserve Bank of India is the central bank which regulates the functioning of all banks operating within the country. Co-Operation banking structure consists in scheduled and unscheduled banks. At the state level there is State Co-operative banks, at the district level there is District Central Co-operative Banks and at the rural, semi-urban and urban level there is Urban Co-operative Banks are working. The state Co-operative banks working as apex bank of the state and this apex or State Co-operative bank is closely linked with RBI, which provides the considerable assistance to the Co-operative credit structure.

The Co-operative banking system is an integrated one and because of its three tier structures been enabled to extend credit to agriculturists, artisans and small men in general. The three tier system also allows a rationalized flow of resources from the metropolitan centers to the villages and combines this with fairly low cost of operations. In India public sector banks, private sector banks, foreign banks and regional rural banks considered as commercial banks.

<table>
<thead>
<tr>
<th>Apex Bank</th>
<th>Working at state level.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>District Central Co-Operative Bank (DCCB)</th>
<th>Bridge between SCB and PACCS.</th>
<th>Working at District level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Primary Agriculture Co-operatie credit Society (PACC)</th>
<th>Direct loan lender</th>
<th>Working at village level.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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 lakhs societies in rural India. DCCB is a federation of PACCS and play significant role in financial assistance to other Co-operative institutions of district. DCC Bank has two types a) Pure Central Co-operative bank b) Mixed Central Co-operative Bank.

In Pure Central Co-operative bank only Primary Agriculture Co-operative Credit Society (PACCS) can become members of the DCC bank. Individuals are not eligible to become members of DCC bank. This type of banking system found in states of Haryana, Punjab, Rajasthan, Orissa, and Kerala. Contrary in the Mixed Central Co-operative bank type both PACCS and individual are eligible for membership. Most of the states including Maharashtra state, DCC banks nature are mixed central Co-operative type.

2.5.6 Role & Functions of Co-operative Banks:-

The Co-operative sector contribute general economic development, in so far as Co-operative banks are concerned, they have important role and functions as per the following. Co-operative sector can organize and bring together middle and working classes in rural and urban areas includes them as self help and acquaint them with the ordinary banking principles. Mobilization of savings through Co-operative sector drawing of urban resources into the apex and central Co-operative banks which wants to have funds to finance rural, industrialists, and others to contribute general economic development.

To providing the reasonable terms credit to the middle classes, they can able to rescue them from the exploitation of moneylenders and unscrupulous agencies. It is important context of rising prices and cost of living. Co-operative sector contributes significant industrial development by providing finance to the individual industrialist and artisans working in urban areas.

Co-operative sector also provides banking facilities like remittance of funds, they can also contribute active leadership, intelligent through the Co-operative movement. Along with role playing by the Co-operative banks, recently these Co-operative banks also performs various functions. These functions are as follows:
1. To mobilize the deposits and provide to needy peoples is the important function of Co-operative banks.

2. To create customers and motivate them for banking with their various services.

3. To organize seminars and workshops for their customers, members and investors in respect of investment decisions and financial planning.

4. To take more awareness about the recovery of the loans and advances and reduces NPA of the bank.

5. To launching new and beneficial deposit and loan schemes to their customers.

6. To provide financial assistance to agriculture sector for their development.

7. To keep proper accounts with regard to their financial statement.

2.6 INTRODUCTION DISTRICT CENTRAL CO-OPERATIVE BANKS IN INDIA:

2.6.1 Meaning:

The District Central Co-operative Banks (DCCBs) occupy a position of cardinal importance in three-tire structure. They come into existence due to the failure of PACCs to collect the required resources of village community on one hand and to inspire the habit of thief saving among the members to provide strong capital base on the other. The PACCs could not meet the credit requirement of the members. Hence the need was felt to provide parental help to primaries. In Uttar Pradesh the primary credit Co-operative society worked as central bank in 1906. The first central bank was started at Ajmer in 1911. However, the second Co-operative society’s act of 1912 paved the way for the registration of district central Co-operative bank, with an objective of providing financial assistance to primary societies. As per the Montague Chelmsford Reform, 1919, certain central subjects were handed over to provinces in India. When co-operative become the subject of the provinces each state enacted its own Co-operative societies act and took keen interest in the expansion of Co-operative movement. These banks constituted an integral part of the three-tire structure Co-operative credit system. The policy of organization in central Co-operative bank for each district originated from a recommendation of Maclagan committee on Co-operative in India in 1995.

The DCCBs was started as federation of primary Co-operative at the district level to top the required finance from the members and other well to do people and from higher finance institutions in the form of borrowing, in order to fulfill the credit need
of the affiliated societies. The chief objectives of DCCBs are to meet the credit requirements of the member societies.

2.6.2 Definition of DCC bank -

“District Central Co-operative Bank, the bank means which is established in special district and which also finance to primary credit Co-operative so cities and other societies as per the rule and guideline of state Co-operative bank and as per capital efficiency of credit Co-operative societies and also compel the banking transaction.”

“According to Maharashtra state Co-operative Societies Act”

“A district central Co-operative bank means, a bank collecting Co-operative funds from district and using it for financing to primary credit Co-operative and other Co-operative this bank is not primary urban Co-operative bank.”

“According Niyogi.J.P.”

2.6.3 Objectives of DCC Bank’s:-
The main objectives of DCCBs are as follows.
1. To meet the short term and medium term credit requirement of PAACs and other affiliated societies in the district.
2. To collect deposits and arrange funds for the purpose of lending.
3. To act as a balancing center for the surplus funds of the societies.
4. To arrange supervision and inspection of borrowing societies.
5. To provide safe place for investing the resources of primary societies.
6. To develop and extent banking services in the area of operation.
7. To undertake such work that will promote the causes of Co-operative in the district.
8. To implement the credit policy and programs of both government and NABARD to provide various banking facilities to the member as well as to other customers.

2.6.4 Functions of District Central Co-operative Banks:
The main functions of district central Co-operative bank are as follows.
1. To meet the credit requirement of the primary credit Co-operative societies for production, marketing and sales and supply operation by providing them a regular flow of credit.
2. To carry out ordinary commercial banking business the DCC Banks accept deposits from the people, collect light, phone bills, and other bills, cheques, hundies, railway receipt securities and advancing loans to member against fixed deposits against gold, silver etc. in rural areas.

1. To maintain close contact with primary credit societies.
2. To undertake non-credit activities such as supply as seeds, fertilizers manures, foodstuff and consumers.
3. To act as a friend, philosopher and guide to the primary credit societies and to make them an available surplus of their time need.
4. To develop Co-operative movement in district on sound lines and extend banking facilities to the members and rural area.

2.7 Financial Performance of District central Co-operative Banks in India and Maharashtra:

The District Central Co-operative Banks in India are playing a key role in growth of agriculture expansion of rural development and social cultural activities. What the DCCBs provide is financial entities, which belong to its members, who are at the same time the owners and the customers of their bank. The banks provide their own members with a wide range of banking and financial services i.e. loan, deposits, banking accounts, other banking services, the DCCBs is key financing institution at the District level which shareholders responsibility to meet credit need of different types of Co-operative in the district. It is an act as balancing institution by accepting surplus funds of Co-operatives and using this money to meet the credit requirement of needy Co-operatives. Today DCCBs is important as role their number is increasing, but presently increasing new challenges are increasing before the DCCBs in India and Maharashtra.

The researcher has made the context of the present study the financial performance of the district central cooperative bank in India and Maharashtra. In the analyses and interpretation of the year wise and state wise financial performance in India and the Maharashtra, the year wise and district wise evolution the growth in the considering the financial indicator share capital, borrowing, deposits, loan and advances, investment, working capital, and profit and loss etc.
<table>
<thead>
<tr>
<th>S.N.</th>
<th>State Name</th>
<th>No. Of DCCs</th>
<th>Share Capital</th>
<th>Reserves</th>
<th>Deposits</th>
<th>Borrowings</th>
<th>Loans &amp; Advances</th>
<th>Investment</th>
<th>Working Capital</th>
<th>Profit &amp; Loss (+/-)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Andhra Prade.</td>
<td>22</td>
<td>105279</td>
<td>150670</td>
<td>490866</td>
<td>649973</td>
<td>637918</td>
<td>309958</td>
<td>1463030</td>
<td>+7359/-1965</td>
</tr>
<tr>
<td>2</td>
<td>Bihar</td>
<td>23</td>
<td>15874</td>
<td>5948</td>
<td>116162</td>
<td>38346</td>
<td>64601</td>
<td>63241</td>
<td>195765</td>
<td>+990/-9904</td>
</tr>
<tr>
<td>3</td>
<td>Chhattisgarh</td>
<td>7</td>
<td>20601</td>
<td>47791</td>
<td>384996</td>
<td>66625</td>
<td>286142</td>
<td>351386</td>
<td>542351</td>
<td>+2855/-772</td>
</tr>
<tr>
<td>4</td>
<td>Gujarat</td>
<td>18</td>
<td>41750</td>
<td>315068</td>
<td>1575494</td>
<td>350918</td>
<td>1245233</td>
<td>936758</td>
<td>2111231</td>
<td>+98161/-9192</td>
</tr>
<tr>
<td>5</td>
<td>Haryana</td>
<td>19</td>
<td>37235</td>
<td>54010</td>
<td>549271</td>
<td>692841</td>
<td>930106</td>
<td>224133</td>
<td>1110548</td>
<td>+7727/-4799</td>
</tr>
<tr>
<td>6</td>
<td>Himachal Prad.</td>
<td>2</td>
<td>501</td>
<td>69835</td>
<td>627181</td>
<td>23224</td>
<td>147481</td>
<td>393563</td>
<td>69806</td>
<td>+2896/-3088</td>
</tr>
<tr>
<td>7</td>
<td>Jammu &amp;Kash.</td>
<td>3</td>
<td>827</td>
<td>8401</td>
<td>158347</td>
<td>1527</td>
<td>19975</td>
<td>64257</td>
<td>149945</td>
<td>+0/-3566</td>
</tr>
<tr>
<td>8</td>
<td>Jharkhand</td>
<td>8</td>
<td>3324</td>
<td>4793</td>
<td>59854</td>
<td>2392</td>
<td>1919</td>
<td>49126</td>
<td>91147</td>
<td>+779/-658</td>
</tr>
<tr>
<td>9</td>
<td>Karnataka</td>
<td>21</td>
<td>46702</td>
<td>95322</td>
<td>984285</td>
<td>403906</td>
<td>1155383</td>
<td>423379</td>
<td>1614126</td>
<td>+10624/-1</td>
</tr>
<tr>
<td>10</td>
<td>Kerala</td>
<td>14</td>
<td>23590</td>
<td>134715</td>
<td>2291578</td>
<td>270815</td>
<td>2329110</td>
<td>648946</td>
<td>2676351</td>
<td>+3866/-5469</td>
</tr>
<tr>
<td>11</td>
<td>Madhya Prad.</td>
<td>38</td>
<td>70442</td>
<td>189714</td>
<td>965261</td>
<td>478731</td>
<td>1557101</td>
<td>683483</td>
<td>1786564</td>
<td>+6551/-1740</td>
</tr>
<tr>
<td>12</td>
<td>Maharashtra</td>
<td>31</td>
<td>218774</td>
<td>731685</td>
<td>5195260</td>
<td>493459</td>
<td>3947258</td>
<td>2196647</td>
<td>6993396</td>
<td>+10196/-0</td>
</tr>
<tr>
<td>13</td>
<td>Orissa</td>
<td>17</td>
<td>59464</td>
<td>25398</td>
<td>547751</td>
<td>362936</td>
<td>609109</td>
<td>394520</td>
<td>1128922</td>
<td>+83101/-9377</td>
</tr>
<tr>
<td>14</td>
<td>Punjab</td>
<td>20</td>
<td>16574</td>
<td>107592</td>
<td>930149</td>
<td>579754</td>
<td>1457700</td>
<td>295750</td>
<td>1672875</td>
<td>+2430/-9064</td>
</tr>
<tr>
<td>15</td>
<td>Rajasthan</td>
<td>29</td>
<td>38477</td>
<td>72091</td>
<td>795597</td>
<td>543881</td>
<td>1479292</td>
<td>462207</td>
<td>1430619</td>
<td>+3803/-120</td>
</tr>
<tr>
<td>16</td>
<td>Tamilnadu</td>
<td>23</td>
<td>126099</td>
<td>276088</td>
<td>1790819</td>
<td>707195</td>
<td>2965355</td>
<td>546273</td>
<td>2751437</td>
<td>+5632/-80</td>
</tr>
<tr>
<td>17</td>
<td>Uttar Pradesh</td>
<td>50</td>
<td>67863</td>
<td>166934</td>
<td>1129675</td>
<td>361320</td>
<td>961008</td>
<td>777487</td>
<td>1720833</td>
<td>+4057/-930</td>
</tr>
<tr>
<td>18</td>
<td>Uttarakhnad</td>
<td>10</td>
<td>4093</td>
<td>48065</td>
<td>400955</td>
<td>72597</td>
<td>212847</td>
<td>275082</td>
<td>525223</td>
<td>+4703/-0</td>
</tr>
<tr>
<td>19</td>
<td>West Bengal</td>
<td>17</td>
<td>13855</td>
<td>32909</td>
<td>579142</td>
<td>72676</td>
<td>289114</td>
<td>353939</td>
<td>767955</td>
<td>+2777/-998</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>372</td>
<td>911324</td>
<td>2537029</td>
<td>19572643</td>
<td>6173116</td>
<td>20296832</td>
<td>9405085</td>
<td>28802124</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Sources: National Federation of State Co-operative Bank Reports, Mumbai)
The above table 2.1 reveals that, the state wise financial performance of District Central Co-operative Bank in India. In the year as on 31st March 2013 the total DCCBs in India in Nineteen States are 372 DCCBs. In the state of Uttar Pradesh are Fifteen (50) DCCBs is highest number of DCCBs and Madhya Pradesh (38) having the second largest number of DCCBs and Maharashtra is third state having largest number of DCCBs. The minimum number of DCCBs is in the state of Himachal Pradesh (2), Jammu & Kashmir (3) and Chhattisgarh (7) because all the three states are small. The total share capital amount is Rs.911324 lakhs, at the end of year 2013, total share capital in Maharashtra was highest share capital amount of Rs.218774 lakhs and in Tamilnadu was second highest amount of Rs.126099 lakhs and minimum share capital was Rs.501 lakhs in Himachal Pradesh. There is total Reserve amount of Rs.2537029 lakhs in India in year 2013, there in the maximum reserve and surplus amount of Rs.731685 lakhs in Maharashtra and minimum amount Rs.4093 lakhs in Uttarakand.

As on 31st march 2013 the total deposits is 19572643 lakhs. Among all the states the maximum deposits is of Maharashtra state i.e. 5195260 lakhs, and minimum amount of Rs. 59854 lakhs in state of Jharkhand. The total amount of Borrowing in India is Rs.617116 lakhs in the year 2013, the maximum amount of Rs. 707195 lakhs is in the lowest amount of Rs. 1527 is in J & K.

Total Loan and Advances of all the states DCCBs amount is Rs. 20296832 lakhs, the maximum share in it is of Maharashtra state i.e. Rs.3947258 lakhs as compared with other states and the minimum amount of shares of Rs.11019 lakhs in Jharkhand. The total amount of investment in India is Rs. 9405085 lakhs, the maximum amount of it is Rs.2196647 lakhs in Maharashtra and minimum amount of Rs. 49126 lakhs in Jharkhand. The total of Working Capital is Rs. 28802124 lakhs, the maximum working capital is of Madhya Pradesh i.e. 6993396 lakhs, and minimum amount is Rs.69806 in Himachal Pradesh.

Finally the Profit and Loss, in it the Gujarat state is + 98161 lakhs and the amount of loss is -9192 lakhs. The lowest amount of profit is in Jammu and Kashmir and minimum amount of loss is of Maharashtra and Uttarakhand state i.e. -0, (minimum zero).
The picture clears the financial performance of all the states DCCBs in India. It is found that the Maharashtra financial performance growth rate is highest among all the state. There is large number of DCCBs in Uttar Pradesh and Madhya Pradesh as compared to Maharashtra, but the financial performance growth rate is low of these two states. The faster growth rate is in the state of Maharashtra, Tamilnadu, and Andhra Pradesh, Karnataka, Kerala, Punjab, Rajasthan and Gujarat and the lower performance of the Uttar Pradesh, Madhya Pradesh, Bihar, Orissa, and West Bengal etc.

The following table 2.2 indicates that the Growth of DCCBs in India in financial performance during the study period 2004 to 2013. In the term of No. of DCCBs of the bank they have fluctuating increase from 2004 to 2013. Similarly the numbers of offices also have fluctuating growth. In the case of membership in DCCBs it is increased to 45.19 percent with the membership 3915657 (thousands) in 2012-13 as compared to 2004-05 with the membership of 2145876 (thousands). There is decrease in membership in 2010-11 with 32% percent amount 3146070 (thousands). In the sources of Funds in DCCBs in India is the capital, Reserves, and Borrowings are the growth increasing trends. The amount of capital is 415447 lakhs in 2004-05 it has been increased by 54.84 percent amount Rs.911324 lakhs in 2012-13. In case of reserves, they are Rs.1267286 lakhs in 2004-05 whereas in 2012-13 it was recorded Rs.2537029 lakhs with 50.04 percent growth trend. The borrowings are collected by the banks meet the short term and long term credit needs. The borrowings of DCCB in India during the year 2004-05 are Rs.2155710 lakhs, the growth of borrowing have increasing trends, finally the borrowings are recorded 6173116 lakhs in the year 2012-13 with 65.07 percent. The average growth of capital Reserves and borrowings of DCCBs in India mean is 713924 lakhs, 673588 lakhs and 4461109 lakhs respectively. The S.D. of Capital is 265912 lakhs, Reserves are 673588 lakhs and borrowing 2073396 lakhs and the C.V. of Capital 37.24%, Reserves 33.14% and Borrowings 46.4772. As compared to the S.D. of Capital Reserve, Borrowings, the Capital and Borrowings have more consistent than Reserves.
Table No 2.2
Year Wise Financial Performance of District Central Co-operative Banks in India
As on 31st March 2013
Rs. in lakhs

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of DCCBs</td>
<td></td>
<td>368</td>
<td>370 (0.54)</td>
<td>371(0.80)</td>
<td>372 (1.07)</td>
<td>373 (1.34)</td>
<td>372 (1.07)</td>
<td>371(-0.26)</td>
<td>371 (0.81)</td>
<td>372 (1.07)</td>
<td>370.33</td>
<td>2.08</td>
<td>0.5621</td>
</tr>
<tr>
<td>No. of Offices</td>
<td></td>
<td>12858</td>
<td>12991(1.0)</td>
<td>12928(0.5)</td>
<td>13151(2.2)</td>
<td>13233(2.8)</td>
<td>13181(2.4)</td>
<td>13327(3.5)</td>
<td>13495 (4.72)</td>
<td>13655(5.8)</td>
<td>13336</td>
<td>421.62</td>
<td>3.1615</td>
</tr>
<tr>
<td>Total Membership</td>
<td></td>
<td>2145876</td>
<td>2267850 (5.37)</td>
<td>3264849 (49.34)</td>
<td>3396881 (36.82)</td>
<td>3528802 (39.18)</td>
<td>3975660 (4.02)</td>
<td>3146070 (32.00)</td>
<td>3420520 (37.26)</td>
<td>3915657 (45.19)</td>
<td>3160684</td>
<td>913054</td>
<td>28.887</td>
</tr>
<tr>
<td>Capital</td>
<td></td>
<td>411547</td>
<td>451147 (8.72)</td>
<td>509813 (19.27)</td>
<td>382913 (-7.47)</td>
<td>607141 (32.21)</td>
<td>777653 (47.07)</td>
<td>725768 (43.29)</td>
<td>818900 (49.74)</td>
<td>911324 (54.84)</td>
<td>713924</td>
<td>265912</td>
<td>37.246</td>
</tr>
<tr>
<td>Reserves</td>
<td></td>
<td>1267286</td>
<td>1408294 (10.01)</td>
<td>1550512 (18.26)</td>
<td>1643573 (22.89)</td>
<td>1780801 (28.83)</td>
<td>2013296 (37.07)</td>
<td>2069202 (38.75)</td>
<td>2292000 (44.77)</td>
<td>2537029 (50.04)</td>
<td>2032105</td>
<td>673588</td>
<td>33.147</td>
</tr>
<tr>
<td>Borrowings</td>
<td></td>
<td>2155710</td>
<td>2320213 (7.08)</td>
<td>2794060 (22.84)</td>
<td>3053334 (29.39)</td>
<td>2847764 (24.10)</td>
<td>3035483 (28.98)</td>
<td>3910118 (44.87)</td>
<td>5054500 (57.35)</td>
<td>6173116 (65.07)</td>
<td>4461109</td>
<td>2073396</td>
<td>46.477</td>
</tr>
<tr>
<td>Deposits</td>
<td></td>
<td>8049350</td>
<td>8665222 (7.10)</td>
<td>9218136 (12.67)</td>
<td>10599372 (24.05)</td>
<td>12372182 (34.94)</td>
<td>14630314 (44.98)</td>
<td>16130882 (50.09)</td>
<td>17671100 (54.44)</td>
<td>19572643 (58.87)</td>
<td>15097697</td>
<td>6177651</td>
<td>40.917</td>
</tr>
<tr>
<td>Loans &amp;Adv.</td>
<td></td>
<td>6533578</td>
<td>6931761 (5.74)</td>
<td>7670321 (14.82)</td>
<td>8729209 (25.09)</td>
<td>8802869 (25.78)</td>
<td>11052929 (40.89)</td>
<td>13775717 (52.57)</td>
<td>16255432 (59.80)</td>
<td>20937088 (68.79)</td>
<td>11186956</td>
<td>4890768</td>
<td>43.718</td>
</tr>
<tr>
<td>Loans Out.</td>
<td></td>
<td>6155483</td>
<td>6548656 (6.00)</td>
<td>8545975 (27.97)</td>
<td>9597423 (35.86)</td>
<td>9720682 (36.67)</td>
<td>10499715 (41.37)</td>
<td>12279548 (49.07)</td>
<td>14476300 (57.47)</td>
<td>17151300 (64.11)</td>
<td>12594361</td>
<td>5734393</td>
<td>45.531</td>
</tr>
<tr>
<td>Working Cap.</td>
<td></td>
<td>12263289</td>
<td>13124185 (6.55)</td>
<td>14608363 (15.05)</td>
<td>16813752 (27.06)</td>
<td>18403787 (33.36)</td>
<td>20691834 (40.73)</td>
<td>23543017 (49.91)</td>
<td>25730600 (52.33)</td>
<td>28802124 (57.42)</td>
<td>19331216</td>
<td>5790366</td>
<td>29.953</td>
</tr>
<tr>
<td>Investment</td>
<td></td>
<td>3478322</td>
<td>3712739 (6.31)</td>
<td>4079112 (14.73)</td>
<td>4824662 (28.52)</td>
<td>6104124 (43.01)</td>
<td>7562446 (54.00)</td>
<td>7262446 (52.10)</td>
<td>9113300 (61.83)</td>
<td>9405085 (63.01)</td>
<td>6171360</td>
<td>2283924</td>
<td>37.008</td>
</tr>
<tr>
<td>Percentage of</td>
<td></td>
<td>100</td>
<td>106.1</td>
<td>118.71</td>
<td>128.06</td>
<td>133.82</td>
<td>142.22</td>
<td>148.74</td>
<td>155.21</td>
<td>161.17</td>
<td>185.01</td>
<td>66.35</td>
<td>35.861</td>
</tr>
</tbody>
</table>

(Sources: National Federation of State Co-operative Bank Reports, Mumbai)
The above table depicted that during the 2004-05 the Deposits are registered Rs.8049350 lakhs, it has increased to Rs.19572643 lakhs in 2012-13. The mobilizations of deposits have been increased gradually during the study period, and the mean deposits mobilized by bank are 15097697.67 and S.D. 6177651. Whereas credit deployment of DCCBs in India is Just Rs. 6155483 in 2004-05, it has been increased with 64.11 percent with the amount of Rs.1715130 lakhs in the year 2012-13. The mean of credit issued by the bank is 5734393 lakhs. These banks are services oriented institutions which supply credit to industry, trade commerce, and agriculture in the form of loans and advances for their smooth fluctuating. The Working Capital of DCCBs in India has increasing trends. In the year 2004-05 amount Rs.12263289 has been increased gradually year by year and recorded Rs.9405085 lakhs in the year 2012-13 with growth rate. 63.01 % percent. The average mean investment of the bank is Rs.6171360 lakhs during the study period. The standard deviation is Rs. 2283924 lakhs and the C.V. is 37.00 which is higher. It indicates low degree of homogeneity as well as heterogeneity of the series.

Finally concluding that the financial performance of the District Central Co-operative Banks in India is increasing, overall growth of number of DCCBs, Membership, Capital, and Reserves and Borrowing, Deposits, Loans and advances investment are more than doubled during the study period. The growth rate is in 2004-05 the base of the 100 percent to (increased) 85% means (185%) percent during 2012-13. The highest in increased growth rate is 128.06 percent during 2006-07 and minimum increased 133.82 percent during the year 2007-08.
<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of District</th>
<th>No. of Branch with H.O.</th>
<th>Number of Members PACCS</th>
<th>Number of Members Individual</th>
<th>Total Share Capital</th>
<th>Reserves</th>
<th>Total Deposits</th>
<th>Total Borrowings</th>
<th>Loans &amp; Advances</th>
<th>Investment</th>
<th>Working Capital</th>
<th>Profit / Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ahmednagar</td>
<td>283</td>
<td>5619</td>
<td>1122</td>
<td>9177</td>
<td>63464</td>
<td>347575</td>
<td>10942</td>
<td>56783</td>
<td>204181</td>
<td>429042</td>
<td>1564</td>
</tr>
<tr>
<td>2</td>
<td>Akola</td>
<td>107</td>
<td>1368</td>
<td>1105</td>
<td>7377</td>
<td>20026</td>
<td>169184</td>
<td>23347</td>
<td>106059</td>
<td>76202</td>
<td>227565</td>
<td>550</td>
</tr>
<tr>
<td>3</td>
<td>Amravati</td>
<td>92</td>
<td>1810</td>
<td>1382</td>
<td>3737</td>
<td>1660</td>
<td>90576</td>
<td>17</td>
<td>43175</td>
<td>45221</td>
<td>125977</td>
<td>410</td>
</tr>
<tr>
<td>4</td>
<td>Aurangabad</td>
<td>142</td>
<td>1603</td>
<td>59</td>
<td>6665</td>
<td>26142</td>
<td>125925</td>
<td>1107</td>
<td>77608</td>
<td>46644</td>
<td>170719</td>
<td>2940</td>
</tr>
<tr>
<td>5</td>
<td>Beed</td>
<td>63</td>
<td>2629</td>
<td>130</td>
<td>5755</td>
<td>39577</td>
<td>73811</td>
<td>24589</td>
<td>42356</td>
<td>17404</td>
<td>153589</td>
<td>-1190</td>
</tr>
<tr>
<td>6</td>
<td>Bhandara</td>
<td>40</td>
<td>1183</td>
<td>88</td>
<td>2630</td>
<td>9751</td>
<td>64873</td>
<td>5000</td>
<td>51734</td>
<td>39659</td>
<td>91731</td>
<td>432</td>
</tr>
<tr>
<td>7</td>
<td>Buldhana</td>
<td>83</td>
<td>1376</td>
<td>1351</td>
<td>5161</td>
<td>25205</td>
<td>59391</td>
<td>10791</td>
<td>12914</td>
<td>12189</td>
<td>83768</td>
<td>15262</td>
</tr>
<tr>
<td>8</td>
<td>Chandrapur</td>
<td>80</td>
<td>1507</td>
<td>440</td>
<td>4421</td>
<td>18424</td>
<td>147547</td>
<td>12543</td>
<td>80308</td>
<td>62834</td>
<td>187211</td>
<td>765</td>
</tr>
<tr>
<td>9</td>
<td>Dhule &amp; Nandurbar</td>
<td>91</td>
<td>3775</td>
<td>1</td>
<td>10662</td>
<td>9495</td>
<td>59256</td>
<td>1500</td>
<td>34079</td>
<td>27438</td>
<td>84452</td>
<td>-7856</td>
</tr>
<tr>
<td>10</td>
<td>Gadchiroli</td>
<td>46</td>
<td>965</td>
<td>41</td>
<td>1160</td>
<td>2979</td>
<td>67456</td>
<td>2215</td>
<td>15816</td>
<td>44010</td>
<td>86618</td>
<td>843</td>
</tr>
<tr>
<td>11</td>
<td>Gondia</td>
<td>30</td>
<td>1043</td>
<td>120</td>
<td>3090</td>
<td>6188</td>
<td>58244</td>
<td>4300</td>
<td>20817</td>
<td>21925</td>
<td>76763</td>
<td>304</td>
</tr>
<tr>
<td>12</td>
<td>Jalana</td>
<td>65</td>
<td>1435</td>
<td>1</td>
<td>5213</td>
<td>9655</td>
<td>19418</td>
<td>10355</td>
<td>14805</td>
<td>1122</td>
<td>41475</td>
<td>730</td>
</tr>
<tr>
<td>13</td>
<td>Jalgaon</td>
<td>247</td>
<td>4810</td>
<td>2624</td>
<td>13768</td>
<td>16354</td>
<td>216798</td>
<td>11338</td>
<td>138147</td>
<td>101725</td>
<td>286897</td>
<td>1252</td>
</tr>
<tr>
<td>14</td>
<td>Kolhapur</td>
<td>192</td>
<td>10947</td>
<td>710</td>
<td>12484</td>
<td>30008</td>
<td>223803</td>
<td>20616</td>
<td>310298</td>
<td>82304</td>
<td>297772</td>
<td>1469</td>
</tr>
<tr>
<td>15</td>
<td>Latur</td>
<td>113</td>
<td>1211</td>
<td>0</td>
<td>5866</td>
<td>30106</td>
<td>101784</td>
<td>38036</td>
<td>167274</td>
<td>32564</td>
<td>180685</td>
<td>740</td>
</tr>
</tbody>
</table>

Table No 2.3
District Wise Financial Performance of District Central Co-operative Banks in Maharashtra
As on 31st March 2013

Amount Rs. in lakhs
<table>
<thead>
<tr>
<th></th>
<th>Mumbai</th>
<th>45</th>
<th>15852</th>
<th>1789</th>
<th>7164</th>
<th>68990</th>
<th>296778</th>
<th>2997</th>
<th>95650</th>
<th>177811</th>
<th>392313</th>
<th>2081</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>Nagpur</td>
<td>86</td>
<td>2621</td>
<td>157</td>
<td>6378</td>
<td>1810</td>
<td>109623</td>
<td>7500</td>
<td>60756</td>
<td>31100</td>
<td>153088</td>
<td>7447</td>
</tr>
<tr>
<td>17</td>
<td>Nanded</td>
<td>80</td>
<td>2290</td>
<td>114</td>
<td>4961</td>
<td>38760</td>
<td>36655</td>
<td>10975</td>
<td>28360</td>
<td>15188</td>
<td>84094</td>
<td>0</td>
</tr>
<tr>
<td>18</td>
<td>Nasik</td>
<td>213</td>
<td>7569</td>
<td>1845</td>
<td>15631</td>
<td>47495</td>
<td>319141</td>
<td>37514</td>
<td>294024</td>
<td>75211</td>
<td>418520</td>
<td>7993</td>
</tr>
<tr>
<td>19</td>
<td>Osmanabad</td>
<td>102</td>
<td>2343</td>
<td>0</td>
<td>6171</td>
<td>5478</td>
<td>46930</td>
<td>16459</td>
<td>32391</td>
<td>17929</td>
<td>117878</td>
<td>7717</td>
</tr>
<tr>
<td>20</td>
<td>Parbhani</td>
<td>104</td>
<td>2938</td>
<td>1</td>
<td>5264</td>
<td>19857</td>
<td>66605</td>
<td>12738</td>
<td>28992</td>
<td>17379</td>
<td>108924</td>
<td>855</td>
</tr>
<tr>
<td>21</td>
<td>Pune</td>
<td>252</td>
<td>9199</td>
<td>2519</td>
<td>21588</td>
<td>57075</td>
<td>609083</td>
<td>39303</td>
<td>780639</td>
<td>275253</td>
<td>762395</td>
<td>4767</td>
</tr>
<tr>
<td>22</td>
<td>Raigad</td>
<td>56</td>
<td>728</td>
<td>967</td>
<td>1605</td>
<td>14342</td>
<td>145328</td>
<td>1668</td>
<td>108833</td>
<td>80480</td>
<td>170610</td>
<td>4148</td>
</tr>
<tr>
<td>23</td>
<td>Ratnagiri</td>
<td>74</td>
<td>1727</td>
<td>259</td>
<td>3365</td>
<td>6300</td>
<td>100583</td>
<td>3026</td>
<td>110819</td>
<td>34217</td>
<td>117341</td>
<td>780</td>
</tr>
<tr>
<td>24</td>
<td>Sangli</td>
<td>218</td>
<td>3956</td>
<td>363</td>
<td>9742</td>
<td>31617</td>
<td>274459</td>
<td>9715</td>
<td>289733</td>
<td>91424</td>
<td>329589</td>
<td>49</td>
</tr>
<tr>
<td>25</td>
<td>Satara</td>
<td>257</td>
<td>2648</td>
<td>119</td>
<td>9569</td>
<td>24367</td>
<td>350732</td>
<td>29656</td>
<td>256172</td>
<td>141301</td>
<td>431902</td>
<td>1900</td>
</tr>
<tr>
<td>26</td>
<td>Sindhudurg</td>
<td>98</td>
<td>1026</td>
<td>235</td>
<td>2636</td>
<td>6868</td>
<td>96300</td>
<td>11711</td>
<td>103304</td>
<td>36064</td>
<td>121304</td>
<td>600</td>
</tr>
<tr>
<td>27</td>
<td>Solapur</td>
<td>220</td>
<td>4090</td>
<td>2724</td>
<td>14814</td>
<td>29118</td>
<td>347645</td>
<td>100118</td>
<td>333709</td>
<td>83370</td>
<td>517193</td>
<td>1801</td>
</tr>
<tr>
<td>28</td>
<td>Thane</td>
<td>102</td>
<td>5331</td>
<td>184</td>
<td>2334</td>
<td>52037</td>
<td>392324</td>
<td>47</td>
<td>128911</td>
<td>237751</td>
<td>472923</td>
<td>15702</td>
</tr>
<tr>
<td>29</td>
<td>Wardha</td>
<td>46</td>
<td>715</td>
<td>92</td>
<td>2877</td>
<td>444</td>
<td>36933</td>
<td>5725</td>
<td>25479</td>
<td>6159</td>
<td>55363</td>
<td>-331</td>
</tr>
<tr>
<td>30</td>
<td>Yavatmal</td>
<td>83</td>
<td>1440</td>
<td>422</td>
<td>7508</td>
<td>17590</td>
<td>140501</td>
<td>27584</td>
<td>97313</td>
<td>50488</td>
<td>216695</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>3710</td>
<td>105754</td>
<td>20964</td>
<td>218773</td>
<td>731182</td>
<td>5195261</td>
<td>493432</td>
<td>3947258</td>
<td>2186547</td>
<td>6994396</td>
<td>+83101/-9377</td>
</tr>
</tbody>
</table>

(Sources: National Federation of State Co-operative Bank Reports, Mumbai)
The above table 2.3 explained that District wise financial performance of District Central Co-operative Banks in Maharashtra. It gives detailed information at the position of the No. of Branches, Number of Members of PACCs, and individual, total share capital, Owned funds, Deposits, working capital as well as total asset of District Central Co-operative Banks in Maharashtra. Which has In Maharashtra there are 31 DCCBs and total number of branches is 3710 with 283 head offices, The Ahmednagar DCCB has highest branches in Maharashtra. Than Satara (257) DCCB has second highest number of branches and third highest no of branches is in Jalgaon DCCB (247) branches. And the lowest number of branches (30) is of Gondia DCCB in Maharashtra.

The total membership of the PACCs is 105754(thousand) in Maharashtra, and total individual members in DCCBs are 20964(thousand) the PACCs members are more than the individual members. As compared to the other DCCBs in Maharashtra the number of members of Wardha DCCB is low again Osmanabad DCCB has no individual member. Dhule and Nandurbar, Jalana and Parbhani BCCBs have only are individual members. The highest number of member of PACCs and individual are Mumbai. i.e. 17642 as compared to other DCCBs in Maharashtra as on 31st march 2013.

The total share capital in Maharashtra DCCBs was Rs.218773 lakhs in the year 2012-13. The Pune DCCBs was share capital is more as compared with other DCCBs, i.e. Rs.21588 lakhs and less amount of capital of Rs.1160 lakhs is in Gadchroli DCCB.

The total sources of funds position of DCCBs in Maharashtra as on 31st March 2013 that are the Reserves, Deposits, and Borrowings. The total Reserves amount is of Rs.731182. The highest amount of reserve is Rs.68990 lakhs in Mumbai DCCBs and lowest amount is Rs.444 lakhs in Wardha DCCB. The highest amount is the Rs.392324 lakhs in Thane DCCB and lowest amount of total deposits is Rs.36655 lakhs in Nanded DCCB. Total Borrowings amount is Rs 493432 lakhs in all DCCBs. In that the more amount of borrowing are Rs.100118 lakhs in Solapur DCCB and less amount Rs.47 lakhs in Thane DCCBs because the Thane DCCBs total deposits are more amount as compared to other District DCCBs in Maharashtra.

The above table clears other financial indicators that loans & advances of DCCBs in Maharashtra, the total Loans & Advance amount is Rs.3947258 lakhs in year 2013. The more amounts of Rs.333709 lakhs is in solapur DCCB because of high
amount of borrowed fund and high landing operation as compared with other DCCBs in Maharashtra. And fewer amounts are Rs. 6159 lakhs in Wardha DCCB. The Maharashtra DCCBs investment during year 2013 is Rs.2186547 lakhs, and there is big contribution of Pune DCCB with Rs. 275253 lakhs as compared to other DCCBs. In the working capital in the year 2013 the total amount is of Rs.6994396 lakhs.

It includes more amount of Rs.762395 lakhs of Pune DCCB because highly business operation of Pune DCCB. In the picture of profit in Maharashtra DCCBs which is the more profit amount Rs.15262 lakhs in Bhandara DCCBs during 2013 and second profit rank Thane DCCBs profit amount 15702 lakhs and more going on loss - 7865 lakhs in Dhule & Nandurbar DCCBs and Wardha amounted Rs.-331 lakhs in wardha DCCBs.

Finally the financial performance of DCCBs in Maharashtra during the year 2012-13 the position is as follows are district wise explained that the Pune, Mumbai, Nasik, Jalgaon, Satara, Thane, and Solapur, DCCBs are faster going on financial performance. And the dhule& Nandurbar, Yavatmal, Sangli, Nanded and Beed DCCBs are going on low financial performance in year 2013. The Maharashtra DCCB needs proper financial management to be efficiently and effectively because the many of DCCBs in Maharashtra are going on loss. The weaker financial position is because of the increasing overdue and increasing NPA. Many of the banks have appointed administrators because of this reasons, hence to improve the financial conditions they need the commercial views in Maharashtra DCCBs and proper utilization of the funds.
### Table No. 2.4
Year Wise Financial Performance of District Central Co-operative Banks in Maharashtra
As on 31st March 2013

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of DCCBs</td>
<td>31(0.00)</td>
<td>31(0.00)</td>
<td>31 (0.00)</td>
<td>31 (0.00)</td>
<td>31 (0.00)</td>
<td>31 (0.00)</td>
<td>31 (0.00)</td>
<td>31 (0.00)</td>
<td>31 (0.00)</td>
<td>31</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>No. of Offices</td>
<td>3748 (-1.18)</td>
<td>3704 (-1.93)</td>
<td>3677 (-1.90)</td>
<td>3677 (-1.93)</td>
<td>3680 (-1.85)</td>
<td>3715 (-0.88)</td>
<td>3737 (-0.29)</td>
<td>3710 (-1.24)</td>
<td>3702.89</td>
<td>27.11</td>
<td>0.73221</td>
<td></td>
</tr>
<tr>
<td>Total Membership</td>
<td>114612 (1.36)</td>
<td>116197 (3.43)</td>
<td>120404 (4.81)</td>
<td>112272 (6.26)</td>
<td>123020 (6.83)</td>
<td>125235 (8.48)</td>
<td>125761 (0.88)</td>
<td>126218 (9.19)</td>
<td>121378</td>
<td>4210.64</td>
<td>3.46903</td>
<td></td>
</tr>
<tr>
<td>Capital (Amount &amp; trends %)</td>
<td>99330 (6.76)</td>
<td>106537 (12.76)</td>
<td>127788 (22.26)</td>
<td>136030 (27.00)</td>
<td>157644 (37.00)</td>
<td>164600 (39.65)</td>
<td>187338 (46.97)</td>
<td>218774 (54.59)</td>
<td>145767</td>
<td>39820.4</td>
<td>27.3178</td>
<td></td>
</tr>
<tr>
<td>Reserves (Amount &amp; trends %)</td>
<td>413201 (6.66)</td>
<td>442931 (13.54)</td>
<td>501643 (17.63)</td>
<td>566708 (28.70)</td>
<td>579580 (33.33)</td>
<td>619860 (37.26)</td>
<td>658656 (43.48)</td>
<td>731185 (43.48)</td>
<td>554608</td>
<td>105022</td>
<td>18.9363</td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>223748 (99.88)</td>
<td>248283 (13.54)</td>
<td>418666 (46.55)</td>
<td>308160 (27.39)</td>
<td>393577 (43.15)</td>
<td>361325 (38.07)</td>
<td>459895 (51.34)</td>
<td>4867429 (95.40)</td>
<td>850508.44</td>
<td>1508310</td>
<td>177.342</td>
<td></td>
</tr>
<tr>
<td>Deposits</td>
<td>2664092 (-2.01)</td>
<td>2611466 (1.58)</td>
<td>3145457 (15.30)</td>
<td>372117 (28.12)</td>
<td>435734 (38.85)</td>
<td>4687366 (43.16)</td>
<td>4867429 (45.26)</td>
<td>5195260 (48.72)</td>
<td>3400862</td>
<td>1534022</td>
<td>45.1069</td>
<td></td>
</tr>
<tr>
<td>Loans and Advances</td>
<td>1396754 (2.26)</td>
<td>1535153 (9.01)</td>
<td>1894748 (26.28)</td>
<td>1684291 (15.26)</td>
<td>2227679 (37.30)</td>
<td>2664293 (47.58)</td>
<td>3169819 (81.94)</td>
<td>3947258 (64.81)</td>
<td>2212634</td>
<td>886570</td>
<td>40.0685</td>
<td></td>
</tr>
<tr>
<td>Loans Outstanding</td>
<td>1827249 (2.37)</td>
<td>2127290 (14.10)</td>
<td>2417054 (24.40)</td>
<td>2270760 (19.53)</td>
<td>2382466 (23.30)</td>
<td>2816617 (35.12)</td>
<td>3272184 (44.15)</td>
<td>3756522 (51.35)</td>
<td>2526861</td>
<td>645029</td>
<td>25.5269</td>
<td></td>
</tr>
<tr>
<td>Working Capital</td>
<td>3389132 (5.67)</td>
<td>3593158 (9.67)</td>
<td>4437568 (23.62)</td>
<td>5006629 (32.42)</td>
<td>5560668 (39.05)</td>
<td>6108458 (44.61)</td>
<td>6508574 (47.42)</td>
<td>6993396 (51.53)</td>
<td>5038879</td>
<td>1333511</td>
<td>26.4644</td>
<td></td>
</tr>
<tr>
<td>Investment</td>
<td>1199074 (1.01)</td>
<td>1195089 (-0.33)</td>
<td>1387425 (13.57)</td>
<td>1911590 (37.27)</td>
<td>2255639 (46.84)</td>
<td>2359719 (49.18)</td>
<td>2281322 (47.43)</td>
<td>2196647 (45.41)</td>
<td>1777543</td>
<td>519798</td>
<td>29.2425</td>
<td></td>
</tr>
<tr>
<td>Percentage of Growth</td>
<td>100 (108.71)</td>
<td>107.15</td>
<td>121.6</td>
<td>108.22</td>
<td>137.19</td>
<td>143.09</td>
<td>147.38</td>
<td>159.58</td>
<td>112.833</td>
<td>76.93</td>
<td>0.80131</td>
<td></td>
</tr>
</tbody>
</table>

(Sources: National Federation of State Co-operative Bank Reports, Mumbai)
The table 2.4 reveals the financial performance of District Central Co-operative banks in Maharashtra during the year 2004 to 2013, that table explain that growth in No. of DCCBs, No. of offices, total membership capital, Funds, and Assets and total overall performance of DCCBs in Maharashtra. In Maharashtra 31 DCCBs are constant during the study period, the total number of offices was fluctuating there is negative growth. In the year 2004 the number of offices was 3748 (thousand) it decreases up to 3710(2013) with – 1.24 percent in year 2013.

The total membership are increasing during the study period excluding the year 2011-12 with the growth rate 0.88 percent, the total number of members in year 2004-05,was 114612 (thousand) and it is increased by 126218 (thousand) during 2012-13. That amount of capital is increasing, the share capital increasing from 993.30 lakhs in 2004-05 to Rs. 218774 lakhs in 2012-13 with 54.59 percent.

The funds of Reserves, Borrowing and deposits are increasing. Deposits amount Rs. 2664094 lakhs was the year 2004 and reached up to 5195260 lakhs in the year 2013. In the trends of loans and advances it is fluctuating trends during the study period excluding in the year 2008-09 decreased loans & advances. And more amounts of loans advances Rs.31698119 lakhs with (81.94%) in the year 2011-12. Outstanding loans increased from Rs.1827249 lakhs to Rs. 3756522 lakhs with 51.35 percent in year 2013. In the trend of working capital it has been increasing the amount 3389132 lakhs in year 2004-05 to Rs.6993396 lakhs in the year 2012-13. The investment of Maharashtra DCCBs has increasing trend amount to Rs.1199074 lakhs to amount Rs.2196647 lakhs in the year 2004-05 to 2012-13 but excluding the year 2006-07 the trend of (-0.33 percent) amounted Rs.1195089 lakhs.

The overall performance shows of the increasing growth trend, but increasing outstanding loans to high percentage and because of it Overdues financial health of Central Co-operative Banks are affected seriously.
## Table No 2.5
### Progress of District Central Co-operative Bank in India & Maharashtra
As on 31st March 2013

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Items</th>
<th>All India</th>
<th>Maharashtra</th>
<th>Percentage of All India to Maharashtra</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Number of DCCBs</td>
<td>372</td>
<td>30</td>
<td>4.08%</td>
</tr>
<tr>
<td>2</td>
<td>Membership Societies Individual</td>
<td>3915427</td>
<td>126211</td>
<td>3%</td>
</tr>
<tr>
<td>3</td>
<td>Paid up Capital Total Government</td>
<td>911324</td>
<td>218774</td>
<td>24%</td>
</tr>
<tr>
<td></td>
<td>Deposits Total Co-operative Individual</td>
<td>5897889</td>
<td>1428071</td>
<td>24.21%</td>
</tr>
<tr>
<td></td>
<td>Borrowings</td>
<td>6173116</td>
<td>493459</td>
<td>8%</td>
</tr>
<tr>
<td>7</td>
<td>Working Capital</td>
<td>28802124</td>
<td>6993396</td>
<td>24.28%</td>
</tr>
<tr>
<td>8</td>
<td>Loan Outstanding Total Loans Issued</td>
<td>20937088</td>
<td>3947258</td>
<td>19%</td>
</tr>
<tr>
<td></td>
<td>Demand During</td>
<td>15482531</td>
<td>2537101</td>
<td>16.38%</td>
</tr>
<tr>
<td>10</td>
<td>Collection</td>
<td>12329501</td>
<td>1596096</td>
<td>13%</td>
</tr>
<tr>
<td>11</td>
<td>Overdues</td>
<td>3153030</td>
<td>941005</td>
<td>30%</td>
</tr>
<tr>
<td>12</td>
<td>Percentage of Overdues to Demand</td>
<td>20.37</td>
<td>37.09</td>
<td></td>
</tr>
</tbody>
</table>

(Sources: National Federation of State Co-operative Bank Reports, Mumbai)

The above table 2.5 clears that the comparative progress of District Central Co-operative banks in India and Maharashtra in the year 2013. In the total number of DCCBs in India are 372 in those total 30 DCCBs in Maharashtra with 8.06%. In the total membership in India the total members are 7317853 (thousand). In Maharashtra total members 126211 (thousand) with 3 %, in paid capital in India total amount Rs, 1055540 lakhs in that including 30% ,in Maharashtra of total capital amount Rs. 227145 lakhs.
The funds of the DCCBs in India is reserves, total Deposits, Borrowings, including the shares in Maharashtra is 29%, 74.75%, and 8%, respectively. The total deposits highest proportion in Maharashtra as compared other states. In working capital is 24.28% the shares in Maharashtra as including camperd to India. Total loan outstanding in Maharashtra is 22%, and loans issued 19% total percentage of India. Demand during in Maharashtra has been 16.38% and collection is 13% it is including India. The overdue total in India including 30% in Maharashtra and percentage of overdues to demand in India 20.37%, and 37.09% in Maharashtra, that is Maharashtra is more the percentage as compared in India.

Finally concluding that, the progress of Maharashtra DCCBs is lion shares in India that is total share capital, capital and working capital it has been more percentage than other states from India. The percentage of overdue increased the need of recovery in the Maharashtra DCCBs.

2.8 Conclusion:

The main reason for the introduction of the Co-operative movement in India was the failure Taccavi loans. The loans issued by the government had lot of defects. The irrigation commission pointed out defects such as the high rate of interest, rigidity of collection, the one resource terms regarding periods of repayment delays in distribution and condition relating to securities required etc. The Co-operative bank in India in the largest number consists of short term and medium term agricultural credit structure, which have three tire federal structures.

The three tiers is formed by the primary agricultural credit societies at the base, organized at village level, district central Co-operative banks at district level and state Co-operative banks at state level. Though primary agricultural credit societies undertake certain banking activities, they are not coming under the purview at the banking regulation act (as applicable to Co-operative societies). For all practical purposes, they are called as Co-operative banks. All other Co-operative banks come under the purview of the Co-operative banking act.

In this chapter researcher has explained Genesis of the Co-operative movement in India and the planning commission of India started the five years plan for the proper planning of development through the rural, social, financial as well as Co-operative and agriculture sector.
As an instrument of democratic planning, combining initiatives, mutual benefits and social purpose. Co-operation must be essential feature of the programme for the implementing five-year plans. The researcher focused on District Central Co-operative Bank in India, state wise financial performance, and district central Co-operative bank in Maharashtra the financial performance district wise and year wise and finally found that the Maharashtra DCC Bank has better financial performance as compared other state in India and the progress financial indicators is more in Maharashtra DCC Bank than the other state in India.
C) CONCEPTUAL FRAMEWORK:

2.9 INTRODUCTION

Financial management plays an important role in any business organization for the accomplishment of aim or objective. Researcher has explained the theory of financial management which is related to the research area, he has also mentioned various tools and techniques of the financial management, and the technique of financial statement analysis used for the purpose appraisal is a scientific evaluation of the profitable financial strength of any banking business. The financial statement ‘Analysis’ is the simplification of the data incorporated in the financial statement and interpretation of financial statement means explaining the meaning and significance of the data simplified. The trend analysis is one of the important techniques indicate the financial data increased or decreased pattern in last year and current year and predict the trend of future for the decision making in financial management. The relation of the two figures was expressed in the tools of Ratio Analysis this technique explains and determine the financial position, liquidity, solvency, and activity position of the business organization. Working capital management is also one of the important parts of the financial management. It is concerned with short-term finance of the business concern which is a closely related trade between profitability and liquidity. Efficient working capital management leads to improve the operating performance of the business concern and it helps to meet the short-term liquidity. Hence, study of working capital management is not only an important part of financial management but also is overall management of the business concern

In the recent banking business most important concept is the Non Performing Asset, the criteria of Gross NPA as well as Net NPA percentages cannot be the only yardsticks for measurement of a bank’s financial strength or performance with respect to NPA position or management. Moreover, the techniques adopted by the banks for NPA reduction vary and play important role in the quality of NPA management.

All the above tools and techniques are helpful in financial management in Co-operative banks to the efficiently and effectively manage the funds and help to the decision making for the management and formation of the future policy. Researcher has covered the conceptual framework with the related research topic in a significant manner.
2.10 Introduction of Finance:-

Finance is the life blood of business. Finance is required for establishing, developing and operating the business efficiently. Finance means, money or the acts of providing the means of payment. It may deal with the ways in which businessmen, investors, governments, financial institutions and individuals handle their money. Thus, finance is the study of money management. Every business activity requires financial support; hence finance is related to different specialized areas.

Finance is all about managing ‘BUSINESS MONEY’ i.e. the ‘money’ employed commercially to generate surplus for the business. In other words finance is an art, and science of using, managing and controlling the business funds.77

2.10.1 Meaning of Finance:

Finance may be defined as the art and science of managing money. It includes financial Service and financial instruments. Finance is also referred as the provision of money at the time when it is needed. Finance function is the procurement of funds and their effective utilization in business concerns. The concept of finance includes capital, funds, money, and amount. But each word has unique meaning. Studying and understanding the concept of finance has become an important part of the business concern.

2.10.2 Definition of Finance

“Finance is the art and science of managing money”78

Khan and Jain,

2.10.3 Functions of Finance

I) The fund requirement decisions
II) The investment decisions
III) The financing decisions
IV) The dividend decisions

2.11 Meaning of Financial Management

2.11.1 Meaning:

Business concern needs finance to meet their requirements in the economic world. Any Kind of business activity depends on the finance. Hence, it is called as lifeblood of business organization. Whether the business concerns are big or small,
they need finance to fulfill their business activities. In the modern world, all the activities are concerned with the economic activities and very particular to earning profit through any venture or activities. The entire business activities are directly related with making profit, a business concern needs finance to meet all the requirements. Hence finance may be called as capital, investment, fund etc, but each term is having different meanings and unique characters. Increasing the profit is the main aim of any kind of economic activity.

2.11.2 Definition of Financial Management -
“Financial Management deals with procurement of funds and their effective utilization in the business”

S.C. Kuchal

2.11.3 Objectives of Financial Management:

The main aim of financial management is the effective procurement and efficient use of finance leads to process utilization of finance by the business concern. The financial management’s essential objectives may be broadly classified into two parts.

Profit maximization: It is traditional objective of financial management, which aims at maximization profit concern. Profit maximization is also called as cashing per share maximization it leads to maximize the business operation for profit maximization. The ultimate aim of the business concern is earning profit hence it considered all the possible ways to increase profitability of the concern, this objective help to reduce the risk of the business. Profit is the parameter of measuring the efficiency of the business concern so it shows the entire position of the business concern.

Wealth maximization: Wealth maximization is one of the modern approach objectives of the financial management, it involves the term of wealth means shareholders wealth or wealth of the person who are involved in the business. Wealth maximization is also known as value maximization or net present worth maximization. This objective is a universally accepted concept in the field of the business aim of this objective is to improve the value or wealth of the share holder’s wealth maximization considered.
2.11.4 Scope Financial Management:-
Financial Management includes THREE important decisions i.e. financial decision, Investment decision and Dividend decision.

1. **Financial Decision**:
Financial decisions are concerned with deciding the sources of finance to be topped and also deciding the debt, Equity mix. In Co-operative debt equity mix is decided by the provisions of Co-operative societies Act. The rules tramped there under and by-laws of the society.

2. **Investment decision**:
Investment decision is concerned with the investing funds in fixed as well as current assets. Efficient and effective use of the assets should be acquired and there should be safe girding from wear and tear, theft, misappropriation.

3. **Dividend Decision**:
Dividend decision is concerned with deciding dividing payment and about caring to retain in the business. Their decisions are important in Co-operative organization as well. In case of Co-operative organization payment of dividend and the earning to retain are governed by legal provision of Co-operative society’s act of the concerned state. The decisions in all these three area constitute and financial decisions are directed towards minimization of cost of capital effective utilization of funds maximization of return on capital.

2.12 MEANING FINANCIAL STATEMENT ANALYSIS

2.12.1 Meaning:
The analysis of Financial statement or financial analysis or financial appraisal here the same meaning and are generally used as synonymous. The technique of financial statement analysis are used for the purposed appraisal is a scientific evaluation of the profitability it and financial strength of any banking business. In other words financial appraisal is an evaluation of the financial performance as also of the financial position of concern unit financial performance is judged based on financial data as contained in the profit and loss A/c. whereas financial position is evaluated on the basis of figures in the position statement or Balance sheet of concerned unit. The Financial Statement analysis means breaking the statement into process of re-arrangement,
regrinding, calculating ratio etc. Analysis of financial statement helps in diagnosing the financial health and weakness of banking business.

Interpretation means a mental process of forming opinions or drawing interest about the wealth, Profit etc based upon the analysis. Financial statements are providing financial data. This required to analysis by comparison and interpretation for taking decision by the users of accounting information. External users like shareholders, investors, creditors take their decisions after careful analysis of financial statements, in the point of view of internal users it will be analyzed for evaluating efficiency of management.

2.12.2 Definitions -

“Analyzing financial statement is a process of evaluating the relationships between component parts of financial statement to obtain a better understanding of a firm’s position and performance.”

- Metcalf and Titard

“Financial Management is the operational activity of a business that is responsible for obtaining and effectively utilizing the funds necessary for effective operations.”

- Joseph L. Massie

2.12.3 Objectives of Financial Statement Analysis

Financial statement analysis is an integral part of interpretation of results disclosed by financial statements. It supplies to decision makers crucial financial information and points out the problem areas, which can be investigate.

The terms “financial Statement” refers mainly to two statements viz. income statement or (profit and loss account) and balance sheet. These statements are generally prepared at the end of the accounting period i.e. year. Income/profit and loss accounting shows trading result i.e. profit/loss earned/sustained during the year, whereas balance sheet shows financial position as on the last date of trading period.
The financial statement reflects a combination of recorded facts, accounting conventions and personal judgments and the convention applied affect them materially. The financial statements prepared in absolute manner are of very little significance to the management. The figures in the financial statements, standing alone, convey no meaning to the management. The management wants to know the financial strength of the business, the liquidity and solvency position of the business, its earning capacity, trends and future prospects. The ‘Analysis’ consist of breaking down a complex set of facts or figures into simple elements and arranging them in such a manner that they can be easily understood.

2.12.4 Analysis of Financial Statement:
Analysis is the process of critically examining in detail accounting information given in the financial statement. In other words financial analysis attempts to unveil the meaning and significance of the items in the financial statement so as to assist the management in the formation of sound operating financial policies. It involves calculation of strategic relations between the different items of income and position statements, their presentation and interpretation so as to assist the management, owners and creditors in taking a financial decision.
In short ‘Analysis’ is the simplification of the data incorporated in the financial statement.

2.12.5 Interpretation of Financial Statement Analysis:
Interpretation is the drawing or inference and stating what the figure in the financial statements really means. Interpreter must have experience, understanding and intelligence to draw correct and reliable conclusions from the analyzed data. In short ‘Interpretation’ is explaining the meaning and significance of the data simplified.

2.12.6 Requirements of the Analysis of Financial Statements:
1. Systematic compilation and study of financial data.
2. Methodical classification of data.
3. Scientific arrangement of the classified groups of data.
5. Supplementing with sound comments.
6. Devising suitable tools of analysis.
7. Establishing relationship with related data for further comparison horizontal.
8. Interpretation of the analysis obtained.
2.12.7 Types of Financial Statement Analysis:

a) Horizontal or Dynamic Analysis

When financial statements for a certain number of years or different firms are examined analytically, the analysis is called horizontal or dynamic analysis. In such analysis, fluctuations in the various items of the balance sheet and profit and loss account of different years or firms are studied. This type of comparison helps to identify the trend in various indicators of performance. Here current year figures are compared with the base year for figures are presented horizontally over a number of columns.

b) Vertical or Static Analysis

Vertical or static analysis is the study of mutual relationship between different components or their totals of the financial statements for a definite period of time. This type of analysis expresses present relationship at a specific date and not the fluctuations. It is useful in comparing the performance, efficiency and profitability of several companies in the same group or divisions in the same company.

c) Internal Analysis

When analysis of financial statements is made by somebody internally related to the enterprise such as executives, employees etc. it is said to be internal analysis. It is performed by those who are in the organization. It is done on the basis of information obtained from the internal and unpublished records and books, such an analysis is available to the analyst. It is useful for managerial decision making.

d) External Analysis

An analysis made by a person not internally related to the enterprise and meant for external users of the financial statements is called external analysis. Such type of analysis is made by banks, investing agencies, creditors, research scholars and the government. These external people have to rely only on these published financial statements for important decision making.
2.13 TECHNIQUES OF FINANCIAL MANAGEMENT:-

2.13.1 Trend Analysis:

Trend percentages analysis moves in one direction—either upward or downward progression or regression. This method involves the calculation of percentages relationship that each statement bears to the same item in the base year. The base year may be any one of the periods involved in the analysis but the earliest period is mostly taken as the base year. This trend percentage can be represented in various ways. They may be shown in a horizontal or vertical manner. They can be plotted on a chart or on a graph by slotting curves. They are sometimes calculated using the trend “X” as index.

2.13.1.1 Definition of Trend Analysis:

“An aspect of technical analysis that tries to predict the future movement of stock based on past data, trend analysis is based on the idea that what has happened in the past gives traders an idea of what will happen in the future”\(^\text{82}\).

2.13.1.2 Methods of Calculation of Trend Percentage

a) The Statement of any of the years is taken as the base.
b) Every item in the base year statement is taken as 100
c) Trend ratios are computed by dividing each figure in the other years statement with the Corresponding item in the base year statement and the result is expressed as percentages.

2.13.2 Ratio Analysis:-

2.13.2.1 Meaning:

Financial statement reveals the financial performance of the firm, its management efficiency and the future prospects of growth. Each type of the statement gives a peculiar understanding of the firm’s performance. The balance sheet gives the firm’s financial position at a point of time. Ratio analysis has emerged as the principal technique of analysis of financial statements. It is an attempt to present the information of the financial statements in simplified, systematized and summarized from by establishing the quantitative relationship of the items or group of items of financial statements. The system of analysis of financial statements by means of ratios was first made in 1919 by Alexander Wall,
Ratio is the indicated quotient of two mathematical expressions and as the relationship between two or more things. The information/figures revealed by the financial statements do Ratios help to express large financial data in brief and analysis the qualitative as well as quantitative position of the firm the profit and loss statement reveals the profitability of the firm over period of time. Ratio analysis is the method or process by which the relationship of items or group of items in the financial statements are computed, determined and presented. Ratio analysis is an attempt to drive quantitative measures or guides concerning the financial health and profitability of a business enterprise. Ratio analysis can be used both in trend and static analysis.

2.13.2.2 Definition:
“Ratio is one number expressed in terms of another.” The relationship between the two figures expressed mathematically is called a ratio. Ratio is the indicated quotient of two mathematical expressions and as the relationship between two or more things”. 83

According to Robert Anth

2.13.2.3 Analysis and Interpretations of Ratios:
The analysis or interpretations in question may be of various types. The following approaches are usually found to exist:
(a) Interpretation or Analysis of an Individual (or) Single ratio.
(b) Interpretation or Analysis by referring to a group of ratios.
(c) Interpretation or Analysis of ratios by trend.
(d) Interpretations or Analysis by inter-firm comparison.

2.13.2.4 Classification of Ratio Analysis:
There were various ratios calculated in the ratio analysis. The main ratios calculated under the ratio analysis are as follows.
1. Profitability Ratios:
These ratios measure the earning capacity, profitability of bank. They reveal the total effect of the business transactions on the profit positions of the bank.
2. Solvency Ratios:
These ratios measure the short term as well as long term solvency of the business. It was showing the business ability to meet the interest and principle payment to the customers. It is important ratio to long term future of the business.

3. Liquidity Ratios:
These ratios are used to measure the ability of the bank to meet its short-terms obligation resources. Such ratios highlight short term solvency of the bank.

4. Operating Ratios:
This ratio is useful to measure the operating activities done by the management of the bank. This ratio is important to improve the management efficiency of the bank.

5. Activity Ratios:
These ratios are designed to indicate the effectiveness of the bank in utilizing its degree of efficiency and its standards of performance. Hence, they are also known as ‘Efficiency and performance ratios’.

2.13.2.5 Formula of the Ratio Analyses:-
1. Interest Earned to Total Income Ratio-
   The main function of the bank to provide loans and advances to their customers, naturally the income of bank depends upon interest received on such loans and advances. If the interest earned to total income ratio is higher it shows that the earning capacity of the bank is high.

   \[
   \text{Interest Earned to Total Income} = \frac{\text{Interest earned}}{\text{Total Income}} \times 100
   \]

2. Interest Paid to Total Income-
This ratio has been computed by the amount interest paid divided by total income.

   \[
   \text{Interest Paid to Total Income} = \frac{\text{Interest Paid}}{\text{Total Income}} \times 100
   \]

3. Credit Deposit (CD) Ratio –
Bank mobilizes the deposits from the customer and the granted loans and advances to needy people. If it is low cost lending, it will increase the profitability of the bank. Higher ratio indicates the extent of utilization of deposits for providing loans and advances.
4. **Total Investment to Total Deposits Ratio**-
This ratio shows that out of the total deposits what portion of the investment made by a bank. Higher ratio shows the more investment of a bank to other institutions.

\[
\text{Total Investment to Total Deposits Ratio} = \frac{\text{Total Investment}}{\text{Total Deposits}} \times 100
\]

5. **Total Loans & Advance per Branch**-
This ratio is used to measure the performance of the bank. This ratio is calculated by total loans and advances divided by number of branches of the bank.

\[
\text{Total Loans & Advance per Branch} = \frac{\text{Total Loans & Advance}}{\text{No. of Branches}} \times 100
\]

6. **Net Profit & Loss to Loans and Advances Ratio**-
Net Profit ratio is used to measure the overall profitability of the bank. The ratio is very useful as if the net profit is not sufficient, the bank should not be able to achieve a satisfactory return on its investment, higher ratio cause to better profitability.

\[
\text{Net Profit} = \frac{\text{Net Profit}}{\text{Total Loans & Advances}} \times 100
\]

7. **Net Profit to Total Deposits Ratio**-
Net Profit to Total Deposits ratio shows that the productivity reflection. It indicates deposit mobilized by the bank.

\[
\text{Net Profit to Total Deposits Ratio} = \frac{\text{Net Profit}}{\text{Total Deposits}} \times 100
\]
8. Net Profit or Loss to Total Income-
This ratio has been computed by the amount total net profit of the bank divided by
total income of a bank.

\[
\text{Net Profit or Loss to Total Income} = \frac{\text{Net Profit or Loss}}{\text{Total Income}} \times 100
\]

9. Return on Equity Share Capital (ROEC) Ratio:-
The ratio is more meaningful to the equity shareholders who are interested to know
profits earned by the bank higher are the ratio better for bank.

\[
\text{ROEC Ratio} = \frac{\text{Net Profit (After Tax & Pref. Dividend)}}{\text{Equity share capital}} \times 100
\]

10. Net Profit or Loss per Branch –
This ratio shows the relationship between the net profit and branches earning of the
bank. If the ratio is high, it means more amount of profit has been earned by bank.

\[
\text{Net Profit or Loss per Branch} = \frac{\text{Net Profit or Loss}}{\text{No. of Branches}} \times 100
\]

11. Volume of Business per Employee –
Volume of business concludes aggregate deposits and advances. Productivity of the
any bank is measured in terms of per employee business. Higher ratio shows more
business done by the employees.

\[
\text{Volume of business} = \frac{\text{Total Business}}{\text{No. of Employee}} \times 100
\]

12. Total Loans & Advance per Employees-
Total Loans & Advance per Employees shows the relationship between the credit
assistance by bank to number of employees.

\[
\text{Total Loans & Advance per Employees} = \frac{\text{Total Loans & Advance}}{\text{Number of Employees}} \times 100
\]
13. Total Income per Employees Ratio-
This ratio shows the overall performance of the employees of the bank. It is computed with the help of total income divided by number of employees.

\[
\text{Total Income per Employees Ratio} = \frac{\text{Total Income}}{\text{No. of Employees}} \times 100
\]

14. Cash & Bank Balance to Total Assets Ratio -
This ratio indicates the proportion of cash & bank balance in the total assets of a bank. High ratio shows the more involvement in total assets.

\[
\text{Cash & Bank Balance to Total Assets Ratio} = \frac{\text{Cash & Bank Balance}}{\text{Total Assets}} \times 100
\]

15. Total Investment to Total Assets Ratio-
This ratio indicates how a bank is leveraging its resources to credit and investment. This ratio shows the liquidity position at the time of the interbank comparison.

\[
\text{Total Investment to Total Assets Ratio} = \frac{\text{Total Investment}}{\text{Total Assets}} \times 100
\]

16. Total Expenditure to Total Income Ratio-
The ratio of total expenditure to total income is a vital indicator for the final operational results of the Bank. The total expenditure incurred in mobilizing funds and performing the banking operations is always to be controlled and contained without affecting the progress of the overall banking business operations. The total income earned is the outcome of employing the funds mobilized. The income has to be enhanced in all possible ways.

\[
\text{Total expenditure to Total Income Ratio} = \frac{\text{Total Expenditure}}{\text{Total Income}} \times 100
\]

17. Net Profit or Loss to Net worth Ratio-
The ratio of net profit to net worth shows whether profitability is being maintained or not.

\[
\text{Net Profit to Net Worth Ratio} = \frac{\text{Net Profit}}{\text{Net Worth}} \times 100
\]
18. Total Expenditure to Number of Employee Ratio-
The total expenditure to number of employee ratio measures the efficiency and controlling expenditure of the bank.

\[
\text{Total Expenditure to Number of Employee Ratio} = \frac{\text{Total Expenditure}}{\text{Number of Employee}} \times 100
\]

19. Interest Received to Loans and Advances

\[
\text{Interest Received to Loans and Advances Ratio} = \frac{\text{Interest Received}}{\text{Loan and Advances}} \times 100
\]

20. Interest Paid to Total Deposits

\[
\text{Interest Received to Total Deposits Ratio} = \frac{\text{Interest Paid}}{\text{Total Deposits}} \times 100
\]

2.13.3 Comparative Financial Statement Analysis:

2.13.3.1 Meaning:

The comparative Financial Statement is one of the important techniques this statement are the indicators of the two significant factor which is profitability and financial soundness of the any business organization. Analysis and interpretation of comparative financial statements, refers to such a treatment of the information contained in the Income Statement and Balance Sheet, so as to afford full diagnosis of the profitability and financial soundness of the business organization. The analysis and interpretation are made two deferent terms. The term analysis means methodical classification of the data given in the financial statements. The figures given in the financial statements will not help one unless they are put in simplified form.

The comparative study of financial statements is the comparison of the financial statements of the business with the previous year’s financial statements. It enables identification of weak points and applying corrective measures. Practically, two financial statements (balance sheet and income statement) are prepared in comparative form for analysis purposes.

- Absolute data (money values, or rupee amount)
- Increase or reduction in absolute data in term of money values
- Increase or reduction in absolute data in term of percentage
2.13.3.2 Definition:

“The presentation of comparative financial statement in annual and other reports enhance the usefulness of such report and bringing out more clearly the nature and trend of current changes effecting the enterprise. Such presentation emphasizes the fact that statement for a series of periods is far more significant than those of a single period and that accounts of one period are but an installment of what is essentially a continues history. In any one year, it is ordinarily desired that the Balance Sheet, the income statement and the surplus statement be given for one or more preceding years as well as for the current year”.

According to the American Institute of Certified Public Accountants

2.13.3.3 Comparative Balance Sheet:

The comparative balance sheet shows the different assets and liabilities of the firm on different dates to make comparison of balances from one date to another. The comparative balance sheet has two columns for the data of original balance sheets. A third column is used to show change (increase/decrease) in figures. The fourth column may be added for giving percentages of increase or decrease. While interpreting comparative Balance sheet the interpreter is expected to study the following aspects:

(I) Current financial position and Liquidity position

(II) Long-term financial position

(III) Profitability of the concern

(i) For studying current financial position or liquidity position of a concern one should examine the working capital in both the years. Working capital is the excess of current assets over current liabilities.

(ii) For studying the long-term financial position of the concern, one should examine the changes in fixed assets, long-term liabilities and capital.

(iii) The next aspect to be studied in a comparative balance sheet is the profitability of the concern. The study of increase or decrease in profit will help the interpreter to observe whether the profitability has improved or not.

After studying various assets and liabilities, an opinion should be formed about the financial position of the concern.
2.13.3.4 Comparative Profit And Loss Account:
The income statement provides the results of the operations of a business. This statement traditionally is known as trading and profit and loss A/c. important components of income statement are net sales, cost of goods sold, selling expenses, office expenses etc. The figures of the above components are matched with their corresponding figures of previous years individually and changes are noted. The comparative income statement gives an idea of the progress of a business over a period of time. The changes in money value and percentage can be determined to analyze the profitability of the business. Like comparative balance sheet, income statement also has four columns. The first two columns are shown figures of various items for two years. Third and fourth columns are used to show increase or decrease in figures in absolute amount and percentages respectively.

2.13.4 Working Capital Management Analysis:-
2.13.4.1 Meaning:
Working capital management is also one of the important parts of the financial management. It is concerned with short-term finance of the business concern which is a closely related trade between profitability and liquidity. Efficient working capital management leads to improve the operating performance of the business concern and it helps to meet the short-term liquidity. Hence, study of working capital management is not only an important part of financial management but also is overall management of the business concern. Working capital is described as the capital which is not fixed but the more common uses of the working capital is to consider it as the difference between the book value of Current assets and current liabilities. The process of planning and controlling both the level and mix of the firms’ current assets and current liabilities is called working capital management. Working capital management refers to the administration of all aspects of current assets, namely cash, marketable securities, debtors, inventories and current liabilities.

2.13.4.2 Definition:-
“Working capital management is concerned with the problems that arise in attempting to manage the current asset, current liabilities and the interrelationship that exist between them”.

According to K.V, Smith
“Working capital generally stands for excess of current assets over current liabilities. Working capital management therefore refers to all aspects of the administration of both current assets and current liabilities”.

**According to Weston and Brigham,**

**2.13.4.3 Working Capital in District Central Cooperative Bank:**

In theory working capital means current assets less current liabilities or working capital means current assets. The RBI has been using working capital as entire liabilities side of the balance sheet excluding contra items which are in the nature off-setting each other and accumulated losses. The RBI concept of calculating working capital can be symbolically put in the form of the following equation.

\[
\text{Working Capital} = X - (Y + Z)
\]

Where,

- **X** - Total liability side of the balance sheet,
- **Y** - Contra items which are in the nature of off-setting each other,
- **Z** - Other intangible and fictitious assets mainly accumulated losses if any.

The practice of SDCCB reveals that the functional meaning of working capital is total of any one side of the balance sheet less contra items. For the purpose of this study the working capital is taken as the total of any one side of the balance sheet less contra items. In DCCB working capital management means, management of reserves (SLR and CRR), management of deposits, management of borrowings at the liability side and at the asset side, management of cash, management of investment, management of loans and advances, management of NPA and recovery management.

The balance sheet of DCC Bank includes the following important items at the asset and liability side. The analysis of these items, which gives the more idea about to understand the financial and overall performance of the bank, cost of each source of funds and returns, is considered in the following chart and also it is helpful in the management of working capital of the bank.
BALANCE SHEET OF DCC BANK

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid up share capital</td>
<td>Cash</td>
</tr>
<tr>
<td>Reserve fund and other provision</td>
<td>Investments</td>
</tr>
<tr>
<td>Deposits</td>
<td>Loans and Advances</td>
</tr>
<tr>
<td>Borrowings</td>
<td>Fixed Assets</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>Other Assets</td>
</tr>
</tbody>
</table>

For the detailed information the comparative balance sheet is enclosed here with. The balance sheet shows statistical data in detail, item wise for the ten years period i.e. 2004 to 2013. On liability side the major item is deposits. On asset side the major item is loans and advances and investments for all the ten years. Moreover the researcher has given comparative profit and loss account for the ten years period. In each year all the expenses item and provisions are given. The major items of expenses are interest paid on deposits and borrowings and salary and other allowance and provision for bad and doubtful debts. On income side major item is interest received on loans and advances and investments.

These are the following ratios have been calculated.

1. **Interest Received to Working Capital Ratio**-
   This ratio shows that the bank ability to leverage its average to total resources in enhancing its main stream operational interest income. This ratio expressed as a percentage.

   
   Interest Received

   Interest Income to W. C. Ratio = ---------------------------- X 100
   Working Capital

2. **Fixed Assets to Working Capital Ratio**-
   This ratio indicates to the extent the working capital has been utilized for investment in fixed assets. Higher ratio indicates the more amounts invested in fixed assets.

   
   Fixed Assets

   Fixed Assets to W.C. Ratio = ---------------------------- X 100
   Working Capital
3. **Investment to Working Capital Ratio**
   The ratio indicates diversify the risk and to meet the claims of demand and time liabilities, some portion of the funds of the bank is invested in the deposits of other banks, Government securities and bonds. The proportion of income from investment will increase the income of the bank. If the ratio is higher, risk is less and vice versa.

   Investment
   
   \[
   \text{Investment to Working Capital Ratio} = \frac{\text{Investment}}{\text{Working Capital}} \times 100
   \]

4. **Interest Paid to Working capital**
   The ratio expresses that the Prompt payment of interest to depositors and borrowers is essential. At the same time more amount of interest payment reduces the income of the bank and curtails the availability of working funds for loans and advances, which bring income to the bank. Higher ratio indicates reduction in the availability of the Working capital.

   Interest paid
   
   \[
   \text{Interest Paid to Working Capital} = \frac{\text{Interest paid}}{\text{Working Capital}} \times 100
   \]

5. **Management expenses to Working capital Ratio**
   The relationship between management expenses and working capital is significant to measure advanced effects of future lucrative results. The ratio also reveals the working capital and its implications for the effective cost of management in the respective financial institution. Since the cost of management is an essential element of working capital it has its own weightage to decide optimistic management of the banks.

   Management Expenditure
   
   \[
   \text{Management Expenditure to W. Capital Ratio} = \frac{\text{Management Expenditure}}{\text{Working Capital}} \times 100
   \]

6. **Other Income to Working Capital Ratio**
   This ratio indicates the other income earning position of the bank. The more ratios more earning and less vice versa.

   Other income
   
   \[
   \text{Other income to Working Capital} = \frac{\text{Other income}}{\text{Working Capital}} \times 100
   \]
2.14 NON-PERFORMING ASSETS ANALYSIS:-

2.14.1 Meaning of NPA

An asset which ceases to generate income for the bank is called a Non-Performing Asset. A ‘non – performing asset’ (NPA) can be defined as a credit facility in respect of which the interest and / or installment of principal has remained ‘past due’ for a specified period of time.

2.14.2 Types of NPA

NPAs are of Two Types: (I) Gross NPA (ii) Net NPA

Gross NPAs are the sum total of all loan assets that are classified as NPAs as per RBI guidelines as on Balance Sheet date. Gross NPA reflects the Quality of the loans made by banks. It consists of all the non – standard assets viz., as sub – standard Doubtful and loss assets.

Net NPAs are those type of NPAs from which the bank has deducted the provisions regarding NPAs. Net NPA shows the actual burden of banks. The provisions against the NPAs are to be made as per RBI guidelines.

2.14.3 Non Performing Assets (NPAs) Norms:

The prudential norms were introduced to SCBs and DCCBs by RBI from June 1996. As per the norms, advances on which interest/installment of principal remained past due, for four quarters from the year ending 31.03.1997, for the three quarters for the year ended 31.03.1998, the two quarters for the year ending 31.03.1999 onwards, was treated as NPA. Interest and /or installment of principal remain overdue for a period of more than 90 days in respect of a Term Loan. The account remains ‘out of order’ for a period of more than 90 days in respect of an overdraft/cash credit. 166 Interest and/or installment of principal remains overdue for two harvest seasons or for a period not exceeding two half years in the case of advances granted for agricultural purpose, and in respect of agricultural loans, identification of NPAs would be done as on the basis of non-agricultural advances. Any amount to be received remains overdue for a period of more than 90 days in respect of other accounts.The international practice in banking is that a loan account is treated as ‘Non-Performing Asset’ (NPA) if either the interest or an installment is overdue for a specific period of time. All income that accrues in such accounts is not recognized as income. Simultaneously, all loan accounts which are classified as NPA are required to be provided for in anticipation of possible losses. These loans are classified into three categories:
I. Sub Standard Assets

II. Doubtful Assets

III. Loss Assets

As per the existing norms, the DCCBs are required to provide 20%, 30% and 60% of the outstanding amount respectively for the above three sub-classifications. The provisions shall be increased to 100% by 31st March 2010 for the third category of doubtful assets. The last category is the loss assets which are loan accounts identified by the banks, or its auditors or supervisors (NABARD/RBI) as unrecoverable for any reason. 100% of such loans shall have to be provided for certain relaxations, however, have been allowed for loans for agricultural purposes. In this case, loan is considered as NPA only if it is overdue for two seasons and the 90 days norm is not applicable.

Apart from the provisions for the delinquent loan assets, the banks are required to provide 0.25% and non agriculture loan purpose 0.40% of all outstanding standard loan assets to provide cover for any normal business losses that may arise in future.89

2.14.4 Assets Classifications Of NPA:-

The primary (urban) cooperative banks should classify their assets into the following broad groups.

1) Standard Assets
2) Sub – standard Assets
3) Doubtful Assets
4) Loss Assets

1) Standard Assets.

Standard Asset is one which does not disclose any problem and which does not carry more than normal risk attached to the business. Such an asset should not be an NPA.

2) Sub – standard Assets. With effect from March 31, 2005 an asset would be classified as sub – standard if it remained NPA for a period less than or equal to 12 months. In such cases, the current net worth of the borrowers / guarantors or the current market value of the security charged is not enough to ensure recovery of the dues to the banks in full. In other words, such assets will have well defined credit weaknesses that jeopardize the liquidation of the debt and are characterized by the distinct possibility that the banks will sustain some loss, if deficiencies are not corrected. An asset where the terms of the loan agreement regarding interest and principal have been renegotiated or rescheduled after commencement of production,
should be classified as substandard and should remain in such category for at least 12 months of satisfactory performance under the renegotiated or rescheduled terms.

In other words, the classification of an asset should not be upgraded merely as a result of rescheduling, unless there is satisfactory compliance of this condition

3) **Doubtful Assets**

With effect from March 31, 2005 an asset would be classified as substandard if it remained NPA for a period less than or equal to 12 months. As in the case of substandard assets, rescheduling does not entitle the bank to upgrade the quality of an advance automatically. A loan classified as doubtful has all the weaknesses inherent as that classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently known facts, conditions and values, highly questionable and improbable.

A term loan which deserves to be classified as doubtful asset cannot be upgraded to a standard asset by just reschedulement of principal and interest and thereby notionally wiping out the over dues. After reschedulement, the account will continue to be classified as doubtful assets at least one year.

For the purpose of provisioning, a doubtful asset is again classified into the following three subs - categories:

<table>
<thead>
<tr>
<th>Category</th>
<th>Status as Doubtful Assets</th>
<th>Status as NPA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doubtful –1</td>
<td>Up to 1 year</td>
<td>Up to 21/2 years only</td>
</tr>
<tr>
<td>Doubtful –2</td>
<td>More than 1 to 3 years</td>
<td>More than 2½ to 4½ years</td>
</tr>
<tr>
<td>Doubtful –3</td>
<td>More than 3 years</td>
<td>More than 4½ years</td>
</tr>
</tbody>
</table>

4) **Loss Assets**

A loss asset is one where loss has been identified by the bank or internal or external auditors or by the Co-Operation Department or by the Reserve Bank of India inspection but the amount has not been written off, wholly or partly. In other words, such an asset is considered uncollectible and is of such little value that its continuance as a bankable asset is not warranted although there may be some salvage or recovery value.

2.14.5 **Ratio Analysis and Non – Performing Assets (NPA)**

In recent years it has been observed that while the gross and net NPA levels of most banks have come down in percentage terms, but in absolute terms the NPA level
is increasing. It has been possible because of rapid growth in gross credit in recent times. Therefore, the criteria of gross NPA as well as net NPA percentages cannot be the only yardsticks for measurement of a bank’s financial strength or performance with respect to NPA position or management. Moreover, the techniques adopted by the banks for NPA reduction vary and play important role in the quality of NPA management. For example, the NPA reduction by maximum compromise and write-off is significantly different from the NPA reduction by upgradation and cash recovery. Therefore, to assess the financial strength, quality of the loan assets and also quality of the NPA management with respect to non–performing assets. Various ratios with respect to NPA have been employed and their significance is discussed below. All the ratios are expressed in percentage terms.90

1. Gross NPA Ratio (GNR)

Gross NPA is the sum total of all loan assets that are classified/declared as NPA as per the RBI guidelines. GNR is defined as the ratio of gross NPA to gross advances of the bank.

\[
\text{Gross NPA Ratio} = \frac{\text{Gross NPAs}}{\text{Gross Advances}} \times 100
\]

2. Net NPA Ratio (NNR)

Net NPA is determined by deducting from the gross NPAs the provisions held in respect of the non-performing assets; the interest accrued & charged to the borrower, but not recognized as income by the bank and kept in an interest suspense account; claims receivable/ received from Deposit Insurance Credit Guarantee Corporation of India (DICGC/ECGC) and held in the suspense account and such other items. The net NPA ratio is the ratio of net NPA to net advances expressed in terms of percentage.

\[
\text{Net NPA Ratio} = \frac{\text{Net NPAs}}{\text{Net Advances}} \times 100
\]

\[
= \frac{\text{Net NPAs} - \text{Provisions}}{\text{Net Advances} - \text{Provisions}} \times 100
\]
3. **Gross Problem Asset Ratio (GPAR)**

   It is the ratio of Gross NPAs to Total Assets of the bank.

   \[
   \text{Gross Problem Asset Ratio} = \frac{\text{Gross NPAs}}{\text{Total Assets}} \times 100
   \]

   GPAR has direct bearing on the Return on Assets as well as liquidity risk management of the banks.

4. **Net Problem Asset Ratio (NPAR)**

   It is the ratio of Net NPAs to Total Assets of the bank. It indicates the proportion of the risky assets, a bank carries, for which no provision has been made.

   \[
   \text{Net Problem Asset Ratio} = \frac{\text{Net NPAs}}{\text{Total Assets}} \times 100
   \]

5. **Depositors’ Safety Ratio (DSR)**

   It is also known as standard assets to total outside liabilities ratio. Here, standard assets mean total standard loans and investments. Outside liabilities are total borrowings and deposits of the banks. Depositors’ Safety Ratio is the ratio of standard assets to total outside liabilities. It indicates the degree of safety of the depositors’ money. High ratio means high safety to the depositors.

   \[
   \text{Depositors’ Safety Ratio} = \frac{\text{Total Standard Asset}}{\text{Total outside Liabilities}} \times 100
   \]

6. **Provision Ratio (PR)**

   It is the ratio of total provisions held in respect of non-performing loans to the gross NPAs of the bank. It indicates the degree of safety measures adopted by the banks. It has direct bearing on profitability. If the provision ratio is less, it indicates that the bank has not made adequate provision for the probable loan losses.

   \[
   \text{Provision Ratio} = \frac{\text{Total Provisions}}{\text{Gross NPAs}} \times 100
   \]

7. **Sub-Standard Assets Ratio (SSAR)**

   It is the ratio of total substandard assets to gross NPA of the bank. It indicates scope of upgradation of NPAs. If this ratio is increasing, it indicates that there is high degradation of performing assets in the bank.
Total Substandard Assets
Substandard Ratio = \frac{Total Substandard Assets}{Gross NPAs} \times 100

8. Doubtful Assets Ratio (DAR)
It is the ratio of total doubtful assets to gross NPAs of the bank. It indicates scope of compromise for NPA reduction. If this ratio is increasing, it indicates that the management of non-performing loans in the bank is poor.

\text{Doubtful Asset Ratio} = \frac{Total Doubtful Assets}{Gross NPAs} \times 100

9. Loss Asset Ratio (LAR)
It is the ratio of total loss assets to gross NPAs of the bank. This ratio should be much lower. If this ratio increases, it indicates that there is incidence of high erosion of securities of the loan assets.

\text{Loss Asset Ratio} = \frac{Total Loss Asset}{Gross NPAs} \times 100

2.15 Statutory Liquidity Reserves Ratio:
In terms of section 24 (2A) of the BR Act, 1949 (AACS), every Co-operative bank in addition to the Cash Reserve required to be maintained under section 18 (1), shall maintain in India, liquid assets, the value which shall not be less than such percentage as may be specified by Reserve Bank in the Official Gazette from time to time and not exceeding forty percentage of its DTL in India as on the last Friday of the second preceding fortnight.

2.16 Capital Risk Adequacy Ratio Risk CRAR:
The Capital Risk Adequacy Ratio Risk adjusted assets would mean weighted aggregate of funded and non-funded items. The Degrees of credit risk expressed as percentage weightings have been assigned to Balance Sheet assets and conversion factors to off-Balance Sheet items. The value of each asset/item shall be multiplied by the relevant weights to produce risk-adjusted values of assets and of off-Balance Sheet items. The aggregate will be taken into account for reckoning the minimum capital ratio. The weights allotted to each of the items of assets and off-Balance Sheet items are furnished in computation of free reserve asset was taken for proportion of the Risk Weighted.
2.17 Conclusions:

In the earlier chapter the researcher has given about the theoretical background of the study. In this chapter, the detailed information has been given about the financial management of DCC Bank. Financial management means how the source are raised of finance and how their application of the finance with the related concept of fund flow statement, working capital management, Non performing Assets Management this theory is presented in this chapter, and financial management practices application tools and techniques of Ratio Analysis, trend analysis, comparative financial statement etc is given in detail with explanation of important items.

References:

2. Kulwantsingh and Singh (1998), Research Paper Overall Performance of the Himachal Pradesh Co-operative Banks,
51. Solunke. R. S. (2005), Published book, Primary Agriculture Credit Societies and Rural Credit in India. Published by Mr. S.D. Kachole. Prakashan. ‘chandan’ Fazaipura’ Aurangabad. First editing
55. Eighth Five-Year Plan (1990-95), Planning Commission, Government of India.
58. First Five-Year Plan (1951-56), Planning Commission, Government of India.
64. Tenth Five-Year Plan (2002-07), Planning Commission, Government of India.
81. Pillai R. S. N. and Bagavathi S. Uma. (2008), Advanced Accounting Published by S. Chand and Company Ltd. New Delhi. 110 005, second edition, P 970
87. Suhas Mahajan and Mahesh Kulkarni (2013), Financial Management, Published by Nirali Prakashan 119, Budwar peth, Jogeshwari Mandir Pune. pp 2.1 to 2.5.
88. Sahoo Banambar (2000), Bankers Handbook on NPA, Published by Asia Law House Hyderabad.

Dissertation / Thesis:

**Journals Research Paper and Article:**

96 A. Selvaraj (2014), Performance of Urban Co-operative Bank, A Study in Erode District of Tamil Nadu., journal of Indian Cooperative Review Published by Mohan Mishra for the National Cooperative Union of India, New Delhi pp 14-21.


Books:


122. Qureshi, Anwar Iqbal; Coatman, J.; and Anstey, Vera (1947), the Future of the Co-operative Movement in India, Oxford University Press, Madras, pp.6, 9.
128. S. Nakkiran, Co-operative Banking In India., Published by Rainbow publication 471, M. T. Road Coimbatore, pp 1-10, 28-41,181-190, 211-215.
129. Suhas Mahajan and Mahesh Kulkarni (2013), Financial Management, Published by Nirali Prakashan 119, Budwar peth, Jogeshwari Mandir Pune, pp 2.1 to 2.5

Report:

132. Reserve bank of India’s publication: development in cooperative banking, chapter and bulletin released by the RBI of various issues i.e. 2000-01 to 2012-13.
133. Report for the Co-operative Movement at glance in Maharashtra 44th issues, 2007, published by office of the commissioner for co-operation and registrar of Co-
134. Annual Reports of DCCBs in India

**Website:**

135. [www.bdu.ac.in](http://www.bdu.ac.in)
136. [www.ifrand.org](http://www.ifrand.org)
137. [www.rbi.org.in](http://www.rbi.org.in)
138. [Www.rbi.org.in/scripts](http://www.rbi.org.in/scripts) publication ICAI, International Co-operative Banks Association by
139. [Http: www.nabard.org](http://www.nabard.org)
140. [www.google.org](http://www.google.org) e-articles and pdf research paper.
   1) Management of NPAs in DCCBs in India
   2) Performance of DCC Bank in Maharashtra