CHAPTER - VI
SUMMARY OF FINDINGS, POLICY IMPLICATIONS AND CONCLUSION

6.1 Introduction

The objectives of the present study were accomplished in three stages. First of all the performance evaluation of Thoothukudi District Central Co-operative Bank at Thoothukudi were analysed. It was followed by a study on the customers’ perception towards the bank and the problems encountered by them. In the third stage the financial performance towards the bank and the measure to improve the functioning of the bank were analysed. Results of the analysis were presented and discussed in the earlier chapters. The work done and the findings are summarised in the chapter to draw specific inferences and their policy implications.

The specific objectives of the study were:

To study the profile of Thoothukudi District Central Co-operative Bank Ltd. and socio economic profile of the sample respondents.

To examine the factors motivating the respondents to avail the service of Thoothukudi District Central Co-operative Bank Ltd.

To analyse the trend, growth and magnitude of variability of share capital, deposits, borrowings, loans and advances, working capital and the like.

To ascertain the perception of the customers of Thoothukudi District Central Co-operative Bank towards the service rendered.

To find out the problems faced by the customers and to suggest solutions to solve the problems based on the findings of the research.
The concept and methodology were formulated according to the objectives of the study with the help of comprehensive review of previous studies. The secondary data about the performance evaluation of Thoothukudi District Central Co-operative Bank were collected from reports and records of the bank.

For the primary data, a sample of 850 customers of Thoothukudi District Central Co-operative Bank were selected at the rate of 50 from each bank. It was found that ten interview schedule were incomplete and there by rejected. Thus, the total sample size was 840. The convenience sampling technique was applied in collecting data from the customers. The data collected from different customers constitutes 280 samples from salaried employees, 280 samples from businessmen and 280 samples from agriculturists.

The collected data were analysed with the help of appropriate tools

- Compound growth rate and semi-log or exponential function.
- The magnitude of variability
- Simple regression
- Factor analysis
- One-way analysis of variance
- Garrett Ranking Technique
- Simple percentage analysis
- Index Number
6.2 Findings

The findings of the present study were classified under five headings namely, findings regarding the customers of Thoothukudi District Central Co-operative Bank, findings regarding the financial aspects of Thoothukudi District Central Co-operative Bank, findings regarding the financial aspects of all district Central Co-operative Bank in Tamil Nadu as a whole, findings regarding the financial aspects of Tamil Nadu State Co-operative Bank and findings regarding the financial aspects of State Co-operative Banks in India.

6.2.1 Findings Regarding the Customers of Thoothukudi District Central Co-operative Bank

The dominant age group among the customers are 35-45 years. The male customers have more banking transactions than that of female customers. Regarding marital, status most of the customers of the bank are married.

The common level of education among the customers are graduation. Most of the respondent have monthly income that ranges from Rs. 10,000 to Rs. 20,000. Most of the respondent belong to the rural areas.

The dominant years of members in this bank is 5-10 years. Maximum respondent customers have savings account in this bank. Most of the respondent opened an account for getting financial assistance.

Factors motivating the customer to prefer central cooperative bank are narrated by ‘loan scheme’, ‘service’, ‘accounts related operation’, ‘deposits’ and ‘interest rate’ by means of factor analysis. The five factors are extracted
Eigen value for the first factor ‘loan scheme’ is 3.467, which indicates that the factors contain very high information than that of other factors. The factor ‘loan scheme’ provides the maximum insight of customers decisions of banking in the study area.

The co-efficient of determination ($R^2$) indicating that 70.4 percent of the variation in the banking decision behaviour of salaried employees be explained by all the independent variables. The co-efficient of determination ($R^2$) indicating that 72.85 percent of the variation in the banking decision behaviour of business people be explained by all the five independent variables. In the case of agriculturist, it is 71.1 percent. Also, the co-efficient of determination ($R^2$) indicating that 70.8 percent of the variation in the banking decision behaviour of overall customers be explained by all the five independent variables.

The F-value indicates that the fitted log linear multiple regression is significant at one percent level and it is valid to draw inference. All the five independent variables are found to be statistically significant.

One percent increase in the level of efficiency in ‘Loan scheme’, keeping all other factors constant will increase the buying decision behaviour by 35.4 percent from its mean level. The variable ‘Service’ would increase the banking decision behaviour by 19.0 percent. The variable ‘accounts related operation’ is one of the important factors contributing to banking decision behaviour which would increase by 65.0 percent from its mean level. The
banking decision behaviour is also influenced by the variable ‘Deposits’ which would increase by 11.3 percent. Also, the variable ‘Interest Rate’ is increased by 94.0 percent.

The customers’ attitudes are analysed with the help of mean score on the six factors among the customers. For which the mean scores on six factors are calculated from the score respective variables in it among the three groups of customers separately.

The business people perceived highly on all aspects of ‘Loans and advances’ more than that of salaried employees and agriculturist. The highly perceived factors among the business people are jewel loan, small business loan and consumer loan since the respective mean scores are 4.375, 4.035 and 4.025. Among the business people, the number of business people who have an ATLAI of 50-75 percent constitute 69.6 percent whereas among the salaried employees and agriculturist, it constitutes 67.5 percent and 65.7 percent of its respective total.

It is observed that the business people perceived highly on all aspects of ‘services’. The highly perceived factors among the business people are counter service, depositary service and cheque service since the respective mean scores are 4.875, 4.400 and 4.175. The business people constitute 41.8 percent whereas among the salaried employees and agriculturist, it constitute 30 and 27.5 percent.
It could be found that the business people perceived highly on all aspects of ‘new technologies’. The highly perceived factors among the business people are computerized accounting system, cash counting machine and electronic jewel weighing machine since the respective mean scores are 4.975, 4.275 and 4.250. Among the business people, the number of customers who have an ATNTI of 50-75 percent constitute 62.1 percent of its respective total.

It is inferred that the agriculturist perceived highly on all aspects on ‘Infrastructure’ more than that of salaried employees and business people. The highly perceived factors among the agriculturist are space in the bank building, water facility, and car parking since the respective mean scores are 4.775, 4.100 and 3.575. Among the agriculturist, the number of customers who have an ATII of 50-75 percent constitute 71-8 percent of its respective total.

It is observed that the agriculturist perceived highly on all aspects of ‘customers relationship’ more than that of the salaried employees and business people. The highly perceived factors among the agriculturist are getting loan, customers meeting and customers complaints since the respective mean scores are 4.400, 4.350 and 3.150. Among the agriculturist, the number of customers who have an ATCRI 50-75 percent constitute 83.6 percent of its respective total.

The customers’ problems are studied by F-statistics method by taking the aspect of problems related to enquiry counter, operation of account, personal/home loan and safety locker for which the mean scores on five factors
are calculated from the score respective variables in it among the three groups of customers separately.

The salaried employees perceived highly on all aspects of ‘Enquiry counter’. The highly perceived factors among the salaried employees are the non-availability of enquiry counter, insufficient information and irreverent advice since the respective mean scores and 4.000, 3.425 and 2.300. Among the salaried employees, the number of salaried employees, who have an PTECI of 50-75 percent constitute 62.5 percent of its respective total.

It is observed that the agriculturist perceived highly on all aspects in ‘Operation of Account’. The highly perceived factors among the agriculturist are core banking system, non-availability of ATM and absence of evening and holiday counter. Among the agriculturist, the number of customers who have a PTOAI of 50-75 percent constitute 73.1 percent.

The agriculturist perceived highly on all aspects of personal loan/home loan more than that of the salaried employees and business people. The highly perceived factors among the agriculturist are collateral securities, penal interest and rate of interest. Among the agriculturist, the number of customers who have a PTPHI of 50-75 percent constitute 86.8 percent of its respective total.

It is inferred that the salaried employees perceived highly on all aspects in ‘safety locker’. The highly perceived factor among the salaried employees are not able to access in the unaccessibility during emergency, delay in getting
the required locker size since the respective mean scores are 3.564, 3.507 and 3.421. Among the salaried employees, the number of customers who have a PTSLI of 50-75 percent constitute 61.1 percent.

The customers’ suggestions are analysed with the help of the mean score on the fifteen factors among the customers. For which the mean scores on fifteen factors are calculated from the score respective variables in it among the three groups of customers separately.

It is observed that the agriculturist perceived highly on all aspects of suggestions more than that of the salaried employees and business people. Also, the highly perceived factors among the agriculturist are implementation of the suggestions of Professor Vaithiyanathan Committee, simplification of loan sanctioning procedures, freedom of operational autonomy, separate customer care centre, increase of own funds since the respective mean scores are 4.250, 3.932, 3.718, 3.325 and 3.204.

The significant difference among the three groups of customers are identified regarding suggestions in central co-operative bank especially in implementation of the suggestions of Professor Vaithiyanathan Committee, improvement of operational efficiency, collection of overdue loan, interest and bad debits, smooth flow of credit prompt recovery of dues and credit discipline, efficient fund management and better monitoring system and simplification of loan sanctioning procedures since the respective F-statistics are significant at one percent level.
Factor analysis of fifteen suggestions relating to the behaviour of customers identified by five suggestion factors. It is observed five factors are extracted out of fifteen variables. Eigen value for the first factor ‘Policy Implication’ is 4.624, which indicates that the factor contains very high information than that of other factors. It provides the maximum insight of customer’s suggestions in the study area.

The second important factor called ‘Inspection and welfare schemes’ accounts for 13.380 percent variation. The third factor ‘New Technologies’ account for 8.854 percent variation with the Eigen value 1.328. The fourth and fifth factors ‘customer care’ and ‘loans and advances’ account for 8.490 and 6.981 percent variation with the Eigen value of 1.273 and 1.047 respectively.

6.2.2 Findings Regarding the Financial Aspects of Thoothukudi District Central Co-operative Bank

The number of PACBs of Thoothukudi DCCB ranged a maximum of 155 in 2001-02 and a minimum of 147 in 2006-07. The number of PACB-increased from 147 in 2006-07 to 48 in 2007-08 having 0.68 percent increase over the precious year. Also, it increased from 148 in 2008-09 to 152 in 2009-10 with 2.70 percent increase over 2008-09. The number of PACB decreased from 155 in 2002-03 to 149 in 2003-04, making 3.89 percent short-fall over the precious year. Also, it decreased from 148 in 2005-06 to 147 in 2006-07, making 0.68 percent short-fall over 2005-06. It is due to the liquidation of primary agricultural co-operative banks.
The trend in number of PACB of Thoothukudi DCCB is positive and statistically significant at five percent level. It indicates that there is a significant increase in the number of PACB in Thoothukudi DCCB. The value of $R^2$ is 0.633 percent. The compound Growth Rate of the number of PACB in Thoothukudi DCCB has increased at the rate of 14.29 percent per annum. The analysis also reveals that there is 50.72 percent variation in the number of PACB during the period under study.

The share capital of Thoothukudi DCCB ranged from a minimum of 6.73 crores in 2001-02 to a maximum of 21.40 crores in 2007-08. The share capital increased from 6.73 crores in 2001-02 to 7.00 crores in 2002-03 bringing 4.01 percent increase over the previous year. In 2009-10 share capital declined sharply by 12.67 crores over the previous year 2008-09 making 49.26 percent reduction in share capital in the above mentioned years that resulted mainly due to the refund of share capital.

The share capital of Thoothukudi DCCB is negative and statistically not significant. $R^2$ value is 0.008 percent. It is also revealed that the share capital has decreased at the rate of 4.95 percent per annum. The co-efficient of variation is 100.91 percent per annum during the period under study.

The resume of Thoothukudi DCCB was the highest with 62.06 crores during 2004-05 and was the lowest with 1.37 crores during 2003-04. The reserve declined substantially from 53.13 crores in 2002-03 to
1.37 crores in 2003-04 making a 97.72 percent short fall over 2003-04. The slump in reserve was ceased by the utilisation of reserves.

The trend in reserve of Thoothukudi DCCB is positive but not significant. $R^2$ value is 0.378 percent. The reserves had increased at the rate of 3.75 percent per annum. The analysis also reveals that there is 18.07 percent variation in the reserves of Thoothukudi DCCB during the period under study.

The deposits of Thoothukudi DCCB which stood at 138.32 crores in 2001-02 increased to its 2.09 crores in 2002-03 resulting in a positive annual growth rate of 9.96 percent when compared to that of 2001-02.

The trend deposits of Thoothukudi DCCB is positive and significant at five percent level. It reveals that the deposits witnessed a significant growth during the period under study. $R^2$ value is 0.531 percent. The compound growth rate of deposits increased at the rate of 19.95 percent. The magnitude of variability is 108.32 percent per annum during the period under study.

The borrowings of Thoothukudi DCCB increased from 11.63 crores in 2001-02 to 11.99 crores in 2002-03 bringing 3.10 percent over the previous year. The borrowings declined substantially from 24.65 crores in 2003-04 to 14.69 crores in 2004-05 making 40.41 percent short-fall over 2003-04 and also the borrowings decreased from 20.13 crores in 2006-07 to 10.13 crores in 2007-08 having 49.68 percent short-fall over the previous year. It is because of repayment of loan.
The borrowings are positive and significant at five percent level. R² value is 0.778 percent. The compound growth rate of borrowings had increased at the rate of 8.39 percent per annum. The coefficient of variation is 31.98 percent per annum during the period under study.

Loans and advances outstanding increased by 19.4 percent in 2001-02, 5.96 percent in 2005-06, 21.88 percent in 2007-08, 16.19 percent in 2008-09, 15.00 percent in 2009-10 and also 33.19 percent in 2010-11 when compared to that of the corresponding previous years. The loans and advances outstanding experience a negative annual growth rate 4.78 percent during the period 2006-07 when compared to that of the previous year. It is due to the recovery of loans and advances.

The loans and advances outstanding of Thoothukudi DCCB is positive and significant. R² value is 0.288 percent. The compound growth rate is 3.51 percent per annum and the co-efficient of variation is 19.81 percent during the period under study.

The investment of Thoothukudi DCCB increased from 42.65 crores in 2001-02 to 45.33 crores in 2002-03 yielding 6.28 percent over the previous year. The investment declined substantially from 45.33 crores during 2002-03 to 34.17 crores during 2003-04 making a short-fall of 24.62 percent over the previous year. The decrease in investment in the above mentioned year was mainly due to withdrawal of investment.
The investments are positive but not significant. The value of $R^2$ is 0.329 percent. The investments have increased at the rate of 3.75 percent per annum. The magnitude of variability is 18.98 percent during the period under study.

The working capital of Thoothukudi DCCB which stood at 56.67 crores in 2001-02 increased to 244.17 crores in 2002-03 resulting in a positive annual growth rate of 55.85 percent when compared to that of 2001-02.

The working capital decreased from 246.18 crores in 2006-07 to 179.92 crores in 2007-08 making 26.92 percent short-fall over 2006-07. It is due to the repayment of deposit and repayment of loans by Central Cooperative Bank, Thoothukudi district.

The working capital of Thoothukudi DCCB is Zero and not significant. The $R^2$ value is 0.006 and the compound growth rate is nil. The magnitude of variability is 0.95 during the period under study.

Of the ten years under study, the bank had incurred losses for eight years due to the introduction of financial sector reforms involving income recognition and asset classification.

The bank had earned profit only for two years and had incurred losses for eight years. This shows the poor profitability performance of bank.
The poor recovery performance resulted in the provision of higher amount for non-performing asset reserve. This indirectly increased the other expenditure.

6.2.3 Finding Regarding the Financial Aspects of All District Central Co-Operative Bank in Tamilnadu as a Whole

The number of PACBs of all DCCB in Tamil Nadu as a whole increased from 4593 in 2002-03 to 5213 in 2003-14. This results in 13.50 percent increase over the previous year. The number of PACB decreased from 5213 in 2003-04 to 4497 in 2004-05 making 13.73 short-fall over the previous year. It is because of the liquidation of primary agricultural co-operative banks.

The trend in number of PACBs of all DCCBs in Tamil Nadu as a whole is positive and significant at one percent level. The co-efficient of variation is 58.01 percent per annum during the period under study.

The share capital of all DCCB in Tamil Nadu as a whole ranged from 355.05 crores in 2001-02 to 1656.80 crores in 2010-11 during the period under study. The share capital made a remarkable increase from 251.41 crores in 2005-06 to 827.39 crores in 2006-07 bringing 58-68 percent increase over the previous year.

The trend in share capital of all DCCBs in Tamil Nadu as a whole is positive and significant at one percent level. The magnitude of variability is 30.67 percent per annum.
The reserves of all DCCBs in Tamil Nadu as a whole ranged from 801.76 crores in 2001-02 to 22213.17 in 2010-11 during the period under study. The reserves experienced a positive annual growth rate of 5.83 percent in 2010-11 when compared to that of 2009-10. Also, it experienced a negative annual growth rate of 5.80 percent during the period 2007-08 when compared to that of 2006-07. This slump in reserves was ceased by the utilization of reserves.

The trend in reserves of all DCCBs in Tamil Nadu as a whole is positive and statistically significant at one percent level. The co-efficient of variation is 27.29 percent per annum during the period under study.

The Deposits of all DCCBs in Tamil Nadu as a whole ranged a maximum of 13339.27 crores in 2010-11 to a minimum of 6850.22 crores in 2001-02. It increased from 6850.22 crores in 2001-02 to 7320.84 crores in 2002-03 bringing a 6.89 percent increase over the previous year. The deposits experienced a negative annual growth rate of 2.99 percent in 2003-04 when compared to that of the previous year.

The trend in deposits is positive and significant at five percent level. The co-efficient of variation is 37.92 percent per annum.

The borrowing of all DCCBs in Tamil Nadu as a whole were in the highest with 4489.91 crores in 2010-11 and were the lowest with 1508.86 crores in 2002-03. The borrowings which stood at 1508.86 crores in
2002-03 increased to 1963.69 crores in 2003-04 resulting in a positive annual growth rate of 30.14 percent when compared to that of 2002-03. The borrowings which stood at 1511.44 crores in 2001-02 decreased to 1508.86 crores in 2002-03 resulting in a negative annual growth rate of 0.17 percent, when compared to that of the previous year. It is because of the repayment of loan by all district Central Co-operative banks in Tamil Nadu.

The trend in borrowings is positive and significant at one percent level. The co-efficient of variation is 36.21 percent during the period under study.

The loans and advances of all DCCBs in Tamil Nadu as a whole ranged from 6429.94 crores in 2001-02 to 18101.74 crores in 2010-11. The loans and advances made a remarkable increase from 14540.45 crores in 2009-10 to 18101.74 crores in 2010-11 thus making 24.49 percent increase over the previous year.

The trend is positive and significant at five percent level. The magnitude of variability is 18.39 percent during the period of study.

The investments of all DCCBs in Tamil Nadu as a whole were the highest with 4081.15 crores in 2010-11 and were the lowest with 2505.71 in 2006-07. The investments made a remarkable increase from 3361.31 crores in 2008-09. The annual growth rate of investment decreased by 5.92 percent and 4.94 percent, when compared to that of the corresponding previous years. The
decrease in investments in the above mentioned years was mainly due to the withdrawal of investment.

The trend is positive and significant at one percent level. The co-efficient of variation is 28.08 percent per annum during the period of analysis.

The working capital of all DCCBs in Tamil Nadu as a whole ranged a minimum of 1009.45 crores in 2001-02 to a minimum of 22924.77 crores in 2010-11. The working capital increased from 19254.57 crores in 2009-10 to 22924 crores in 2010-11 having 19254.57 crores in 2009-10 to 22924 crores in 2010-11 having 19.06 percent increase over the p ervious year.

The trend is positive and significant at one percent level. The co-efficient of variation is 35.28 percent per annum.

6.2.4 Findings Regarding the Financial Aspects of Tamil Nadu State Co-Operative Bank

The share capital of Tamil Nadu state Co-operative Bank was highest during 2010-11. The share capital made a remarkable increase from 61.07 crores in 2009-10 to 95.82 crores in 2010-11 thus making 56.90 percent increase over the previous year.

The share capital is positive and significant at one percent level. The co-efficient of variations is 17.50 under the period of study.
The reserve fund increased substantially from 107.50 crores in 2001-02 to 130.46 crores in 2002-03, giving 21.36 percent increase over the previous year.

The reserve fund is positive and significant at one percent level. The magnitude of variability is 33.41 percent during the period under study.

The owned fund of Tamil Nadu state Co-operative Bank ranged from 233.51 crores to 781.08 crores during the period under study. The owned fund increased substantially from 71.174 crores in 2009-10 to 781.08 crores in 2010-11 giving 8.22 percent increase over the previous year.

The owned fund of Tamil Nadu state Co-operative bank is positive and significant at one percent level. The co-efficient of variation is 26.14 during the period under study.

The deposits of Tamil Nadu state C-operative Bank were the highest with 5435.84 crores in 2010-11 and were the lowest with 2727.29 crores in 2001-02. The deposits declined from 3119.87 crores in 2003-04 to 3062.58 crores in 2004-05 making 1.84 percent short-fall over the pervious year. It is because of the repayment of deposits.

The trend in deposits is positive and not significant. The co-efficient of variation is 44.04 percent during the period under study.
The borrowings of Tamil Nadu State Co-operative Bank ranged from a minimum of 2177.7 crores in 2010-11 to a minimum of 608.40 crores in 2007-08. The borrowings made a remarkable increase from 896.21 crores in 2009-10 to 2177.77 crores in 2010-11 with 143.00 percent increase over 2009-10. The borrowings declined from 815.00 crores in 2001-02 to 732.29 crores in 2002-03 making a 10.15 percent short-all over the previous year. This decrease is caused by the repayment loan by the TNSC bank.

The trend in borrowings is positive and significant at one percent level. The analysis reveals that there is 43.14 percent variation during the period under study.

The advances outstanding of Tamil Nadu State Co-operative Bank ranged from 1925.82 crores in 2002-03 to 6798.78 crores in 2010-11 during the period under study. It increased from 1925.82 crores in 2002-03 to 2427.49 crores in 2003-04 resulting in a positive annual growth rate of 26.05 percent when compared to that of 2002-03. The advances outstanding decreased from 1938.23 crores in 2001-02 to 1952.82 crores in rate of 12.41 percent when compared to that of 2001-02. It is ceased by the recovery of loans and advances.

The trend is positive and significant at five percent level. The magnitude of variation is 28.18 percent during the period under study.
The investments of Tamil Nadu State Co-operative Bank were the highest with 2320.3 crores in 2009-10 and were the lowest with 1083.74 crores in 2006-07. The investments at 1646.57 crores in 2008-09 made a remarkable increase to 2320.21 crores in 2009-10 making 40.92 percent increase over the previous year. It is declined from 2320.31 crores in 2009-10 to 1953.04 crores in 2010-11 making 15.83 percent decrease over 2009-10. It is due to the withdrawal of investments.

The trend in Tamil Nadu State Co-operative Bank is positive and significant at one percent level. The value of co-efficient of variation is 30.44 percent during the study period.

The working capital of Tamil Nadu State Co-operative Bank ranged from 9458.82 crores in 2010-11 to 3988.000 crores in 2011-12. It is increased substantially from 7691.96 crores in 2009-10 to 9458.82 crores in 2010-11 bringing 22.97 percent increase over the previous year. There is no short-fall in the annual growth rate.

The trend in working capital is positive and significant at one percent level. The co-efficient of variation is 5.30 percent during the period under study.

The number of branches of Tamil Nadu State Co-operative Bank ranged from 45 to 40 during the period under study. The number of branches increased
from 40 in 2002-03 to 41 in 2003-04 having 2.50 percent increase over the previous year.

The trend is positive but not significant. The magnitude of variations is 43.21 percent during the period under study.

The net profit of Tamil Nadu State Co-operative Bank ranged from a minimum of 15.12 crores in 2007-08 to a maximum of 50.7 crores in 2001-02. The annual growth rate of net profit decreased by 68.96 percent in 2002-03 when compared to that of the previous year.

The trend in net profit of Tamil Nadu State Co-operative Bank is positive and significant at five percent level. The magnitude of variation is 52.25 percent during the period under study.

6.2.5 Findings Regarding the Financial Aspects of State Co-operative Banks in India

The share capital of state co-operative banks in India ranged from a maximum of 1780.05 crores in 2010-11 and a minimum of 380.13 crores in 2004-05. The share capital declined substantially from 492.48 crores in 2001-02 to 460.64 crores in 2002-03 making 6.47 percent shortfall over the previous year. This slump in share capital was ceased by the refund of share capital.

The trend is positive and significant at one percent level. The magnitude of variation is 47.48 percent during the period under study.
The reserves of state co-operative banks in India were the highest with 9546.12 crores in 2010-11 and were the lowest with 2612.66 crores in 2001-02. The reserves experienced a positive annual growth rate of 65.40 percent during the period 2005-06, when compared to that of the previous year. The reserves experienced a negative annual growth rate of 43.43 percent during the period 2004-05, when compared to that of the previous year. It is because of the utilization of reserves.

The trend is positive and significant at one percent level. The co-efficient of variation is 47.99 percent during the period under study.

The owned funds ranged from a minimum of 2951.03 crores in 2004-05 to a minimum of 12218.14 crores in 2010-11. The owned funds made a remarkable increase of 3498.26 crores in 2002-03 to 6102.37 crores in 2003-04, thus making 74.444 percent increase over 2002-03. The owned funds decreased from 6102.37 crores in 2003-04 to 2951.03 crores in 2004-05 having 51.64 percent reduction over the previous year. This reduction is mainly due to the decrease in share capital and reserve fund.

The owned funds witnessed a significant growth during the period under study. The magnitude of variability is 55.91 percent during the period under study.

The deposits of state co-operative banks in India ranged from 12535.57 crores in 2004-05 to 82397.44 crores in 2009-10. The deposits made
a remarkable increase from 24583.56 crores in 2005-07 resulting in a positive annual growth rate of 66.58 percent over 2005-06. The deposits declined from 35006.69 crores in 2003-04 to 12535.57 crores in 2004-05, making 64.19 percent reduction over the previous year. This slump in deposits ceased by the repayment of deposits.

The trend is positive and significant at one percent level. The co-efficient of variation is 64.51 percent during the period under study.

The borrowings of state co-operative banks in India were the highest with 3184.58 crores in 2010-11 and was the lowest with 5242.96 crores in 2002-03. The borrowings made a remarkable increase from 5925.04 crores in 2005-06 to 12517.37 crores in 2006-07, bringing 111.26 percent when compared to that of the previous year. The annual growth rate of borrowings decreased by 16.65 percent in 2004-05, 22.81 percent in 2005-06, when compared to that of the corresponding previous years. It is due to the repayment of loan by state co-operative banks in India.

The trend in borrowings is positive and significant at five percent level. The magnitude of variability is 49.20 percent under the period of study.

The investments of state co-operative banks in India ranged from 6228.26 crores in 2004-05 to 5681.82 crores in 2009-10. The investments declined substantially from 56814.82 crores in 2009-10 to 52122.99 crores in 2010-11, resulting in a negative annual growth rate of 8.26 percent when
compared to that of 2009-10. This reduction is because of the withdrawal of
investment.

The trend is positive and significant at five percent level. The magnitude
of variability is 49.20 percent during the period under study.

The loans and advances of state co-operative banks in India ranged from
a maximum of 65197.67 crores in 2010-11 to a minimum of 14817.42 crores in
2004-05. The loans and advances increased from 20549.43 crores in 2002-03
to 27549.24 crores in 2003-04 bringing 34.06 percent increase over the
previous year. It decreased from 27549.24 crores in 2003-04 to
14819.42 crores in 2004-05, making 46.21 percent short-fall over the previous
year. It is due to the recovery of loans and advances.

The trend is positive and significant at five percent level. The
co-efficient of variation is 55.76 percent during the period under study.

The working capital was the highest with 127382.64 crores in 2010-11
and was the lowest with 24316.92 crores in 2004-05. The working capital
increased from 83265.8 crores in 2007-08 to 104082.06 crores in 2008-09 thus
making 25.00 percent increase in annual growth rate over the previous year
2008-09. The working capital declined from 52580.3 crores in 2003-04 to
24316.92 crores in 2004-05, making 53.75 percent short-fall over 2004-05. It
is due to repayment of deposits and repayment of loans by state Co-operative
Banks in India.
The trend in working capital of state Co-operative Banks in India is positive but not significant. The co-efficient of variation is 42.18 percent during the period under study.

### 6.3 Policy Implications

Based on the findings of the study, the following suggestions are to be carried out to strengthen the Thoothukudi District Central Co-operative Bank.

Professor Vaithiyanathan Committee’s recommendation should be implemented in full swing.

The viability of the Tuticorin District Central Co-operative Bank can be achieved through improving productivity by efficient fund management and better monitoring system.

For the recovery of agricultural loan, the central government should draw up a long term policy on the subject and get the state government to adopt it.

In order to improve the operational efficiency of the bank, steps should be taken to increase the volume of business, by cutting down the transaction cost and minimising bad loans.

The state government should take appropriate steps for the smooth flow of credit prompt recovery of dues and the maintenance of credit discipline.

Freedom of operational autonomy to Central Co-operative Bank should be provided by eliminating the existing restrictive provision in the co-operative societies act.

Own funds should be increased and their profit should be utilized properly.
Collection of overdue loan, interest and bad debts should be done promptly. This may help the reduction of non performing assets.

Timely inspection of bank by NABARD and TNSC bank should be conducted for effective supervision.

Government welfare schemes should be offered in the bank.

The Government of India, state government, RBI and NABARD should make concerted efforts to ensure the development of co-operatives by revamping the entire co-operative credit structure.

Uniform rural credit policies for all the states in India did not yield positive results. Therefore region-specific and state specific rural credit policies should be formulated.

NABARD should formulate policies to ensure viability of the co-operative credit institutions and also ensure smooth and continuous flow of credit to the farmers.

Election should be held to the board, so that there will be a democratic management of the bank by the members themselves.

National policy on co-operation should be formulated by the Central government as a distinct economic entity which is an integral part of the socio-economic system in India.

Greater autonomous and operational freedom should be given to co-operatives.

Structural reforms should be initiated to improve the functioning of co-operatives at different levels for ensuring greater efficiency and viability.

Core and net banking system should be introduced as in the case of nationalised banks.

Customer grievances meeting should be conducted to ensure personal attention on customers.
Thoothukudi district Central Co-operative Bank has to set up separate department for promotional activities. Enough human resources should be allotted.

Bank has to advertise about deposit covered under insurance scheme so that people’s doubt on safety of deposits will be clarified.

Interest rate on jewel loan should be reduced as it will be very helpful to the rural people.

Locker facilities should be given to all the branches of Thoothukudi district Central Co-operative bank.

ATM facility should be introduced by Thoothukudi Central Co-operative Bank to retain existing customers and motivate people to become the new customers of bank.

Thoothukudi District Central Co-operative Bank should have separate customer care centre.

Thoothukudi District Central Co-operative Bank has to continue their very valuable lending services to agriculture sector.

Infrastructure facilities of Thoothukudi District Central Co-operative bank must be improved in the following ways: 1. enough space for the customers, 2. car parking facilities, 3. drinking water, 4. special counter for the senior citizens, physically challenged people.

Thoothukudi District Central Co-operative Bank should allocate enough fund on infrastructure facilities.

Thoothukudi District Central Co-operative Bank must appoint a separate customer relation officer to manage the customers’ affairs.

Seperate staff must be appointed in enquiry counter.

Awareness must be given to the customers on agency services of Thoothukudi District Central Co-operative Bank.
Thoothukudi District Central Co-operative Bank must appoint a committee to review the needs for new types of loans.

6.4 Conclusion

The main objective of this research is the analysis of financial performance, customers’ perception to find solution to overcome all the drawback and maintain positive aspects of Thoothukudi District Central Co-operative bank. If suggestions are implemented in Thoothukudi District Central Co-operative bank, it will march forward to success.

Co-operative bank’s success depends on successful financial management, human resource management and customer relation management.

6.5 Areas for Future Researches

The following are areas where future researches may be carried out.

Customer’s perception of Thoothukudi District Central Co-operative bank can be compared with that of other district Central Co-operative Banks in Tamil Nadu.

Employee’s perception of Thoothukudi District Central Co-operative Bank can be compared with employee’s perception of other district Central Co-operative Banks.

Human resource management of all district Central Co-operative Banks in Tamil Nadu and other states.

Financial management of Thoothukudi District Central Co-operative bank can be compared with that of other states’ district Central Co-operative Banks.
A study of job satisfaction among the employees of Thoothukudi District Central Co-operative Bank.

A study of human resource management of Thoothukudi District Central Co-operative Bank.