



DEPOSIT MOBILISATION OF TIRUCHENGODE COOPERATIVE URBAN BANK LTD.

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ABSTRACT

A sound financial system is indispensable for a healthy and vibrant economy. The banking sector constitutes a predominant and component of financial services industry and the performance of any economy, to a large on the performance of the banks. Banking institution in our country have been assigned a significant role in financing the process of planned growth. In 1969, 14 banks were nationalized with the objective of extending credit facilities to all segments of the economy and also to mitigate seasonal imbalances in their availability. Since nationalization, the banking system in India has witnessed structured and dimensional change. A number of steps were taken in close succession, enabling the nationalized bank to play an active role in economic development. The second step in the process of nationalizing the banks was taken in 1980, when six other major banks were nationalized. Directed interest rates on deposit and lending, exchange controls, directed credit become the hallmark of their tightly regulated new structure

KEY WORDS: Members, Share capital, Deposit, Loans and advances of Tiruchengode Cooperative Urban Bank Ltd.,

INTRODUCTION

Cooperatives banks are an important of the Indian financial system. The cooperative movement originated in the west, but the important that banks have assumed in India is rarely paralleled in the world. Their role in rural financing continuous to be important even today and their business in the urban areas also have increased in recent years mainly due to the sharp increase in the number of cooperative banks. A cooperative is voluntary association of members of self-help catering to the financial on a mutual basis. In India, the cooperative urban banks were started with the chief object of catering to the banking and credit requirement of the urban middle class e.g. the small trader (or) workers, the salaried people with limited fixed income in urban (or) semi-urban areas.

The Urban Cooperative Credit movement in India started for catering to the banking and credit needs of the urban middle classes, the traders, business man, artisans factory workers and salaried people with fixed incomes in urban, semi urban areas

The Credit Cooperative movement is more than 105 years old in India. The Urban Cooperative Bank has been organised for accepting deposits from the public which are usually repayable to cheque and which carryout normal banking business. The Tiruchencode Urban Bank is located in Namakkal District. The main function of the bank is to provide short term and medium term credit.



The Tiruchengode cooperative urban bank is functioning in Tiruchengode municipality. The Tiruchengode Cooperative Urban Bank was registered on 18.10.1923 and started its function from 22.02.1924. It was started by some important persons who had lived in this place. This bank is having branches at Kuttapalli, colony, and Mahadev Vidhyalaya compound.

STATEMENT OF THE PROBLEM

A Cooperative is a voluntary Association of members of self-help catering to the financial on a mutual basis. It was importance role playing in Indian financial system. Even though it has some weakness in the banking services in the sense researcher has attempt the study about the financial performance of Urban Cooperatives in Namakkal District. Hence a meticulous attention is needed to resolve the following matters.

- What rate of growth has been achieved by TCUB over ten years?
- What is level of financial efficiency of TCUB?

TITLE OF THE STUDY

The title of the study is “Statistical Analysis of Tiruchengode Cooperative Urban Bank Ltd.,”

OBJECTIVES OF THE STUDY

To evaluate the financial performance of Tiruchengode Cooperative Urban Bank from the following.

- To analyze the general function of the Banks.
- To analyse the financial performance through the Statistical Tool.
- To give suggestion for the better performance of the bank

METHODOLOGY

I. TOOLS FOR DATA COLLECTION

Secondary data regarding membership growth, share capital, reserve fund, deposit, loan operation. Were collected from audit reports, annual reports of the bank and necessary clarifications were also obtained through personal discussion with the bank officials.

II. FRAME WORK OF ANALYSIS.

In the process of analysing the data collected were analysed and presented in the form of tables, graph, growth index, Financial Performance for better understanding of the problem under the study.

III. PERIOD OF THE STUDY

The study covered a period of ten years from 2003-2004 to 2012-2013

IV. AREA COVERED BY THE STUDY

The area covered by the study is confined to whole of Tiruchengode Taluk

V. ANALYTICAL TOOLS

The following tools were employed for the study: -

- Simple percentage analysis is used to calculate growth rate
- Statistical tool is used to calculate for analysis of financial performance.

LIMITATION OF THE STUDY

The limitations of the study are:

- They are some problems in collecting the Information.
- There is lack of time for collecting the data.

- The secondary data only used for this study. The data obtained from annual report, audit report of the bank.

MEMBERSHIP

The membership of Urban Cooperative Bank is those who are living in urban areas. Membership is open to all persons with in the area of operation. There are two types of members

1. 'A' class members
2. Associate members

Table 1
MEMBERSHIP

S.NO	YEAR	MEMBERSHIP (No. of members)
1.	2003-04	15836
2.	2004-05	16089
3.	2005-06	16157
4.	2006-07	16105
5.	2007-08	16052
6.	2008-09	15997
7.	2009-10	15927
8.	2010-11	15838
9.	2011-12	15823
10.	2012-13	18343

From the table 1 it could be seen that the membership of the Tiruchengode Cooperative Urban bank over ten years between 2003-04 and 2012-13. It was high as 18343 in 2012-13 while the same was low as 15823 in 2011-12 hence the pace of growth of membership was fluctuating in every year.

WORKING CAPITAL

The sources of working capital consist of share capital, reserves, borrowings, and deposits from members and nonmembers. The following table shows the working capital position of the bank for the past ten years.

Table 2
WORKING CAPITAL – I (Rs.in lakhs)

S.NO	YEAR	SHARE CAPITAL	GROWTH INDEX	RESERVE FUND	GROWTH INDEX
1.	2003-04	52.94	-	93.68	-
2.	2004-05	54.69	103.30	93.68	100
3.	2005-06	53.59	97.98	93.68	100
4.	2006-07	51.78	96.62	93.68	100
5.	2007-08	50.61	97.74	141.20	150.72
6.	2008-09	49.82	98.43	141.20	100
7.	2009-10	47.39	95.12	141.20	100
8.	2010-11	44.85	94.42	141.20	100
9.	2011-12	45.04	100.42	141.20	100
10.	2012-13	57.29	134.99	173.90	123.15

From the table 2 it could be seen that the share capital of the Tiruchengode cooperative urban bank over ten years between 2003-04 and 2012-13. It was high Rs 57.29 lakhs in 2012-13 while the same was low as Rs 44.85 lakhs in 2010-11 Hence the pace of growth of share capital was increased from the year 2010-2011 to 2012-13

The Reserve fund of the Tiruchengode cooperative bank for the past ten years. In the year 2003-04 to the 2006-07 the reserve fund was same in Rs.93.68 lakhs. Further it has been increased to Rs.173.90 lakhs in the year 2012-13.

Table 3
WORKING CAPITAL II (Rs.in lakhs)

S. NO	YEAR	DEPOSITS	GROWTH INDEX	BORROWING	GROWTH INDEX
1.	2003-04	21.50	-	31.11	-
2.	2004-05	19.50	90.69	45.26	136.9
3.	2005-06	17.56	90.05	49.89	114.78
4.	2006-07	17.45	99.37	55.76	84.89
5.	2007-08	18.77	107.56	68.67	115.79
6.	2008-09	19.06	87.71	67.03	110.61
7.	2009-10	21.73	114.01	72.45	186.67
8.	2010-11	22.33	102.76	76.45	144.54
9.	2011-12	26.34	117.95	86.34	81.17
10.	2012-13	33.46	127.03	99.46	149.81

The above table shows the deposits of the tiruchengode cooperative urban bank for the past ten years. In the year 2003-04 the deposits was Rs.21.50 lakhs. It has been increased to Rs.33.46 lakhs in the year 2012-13.

The Borrowing of the Tiruchengode Cooperative Urban Bank bank for the past ten years. In the year 2003-04 the Borrowing was Rs.31.11 lakhs. It has been increased to Rs.99.46 lakhs in the year 2012-13.

MEASURES OF CENTRAL TENDENCY

A measure of central tendency gives a single representative value for a set usually unequal value. The single value is the point of location around which the individual values of the set cluster. The measures of central tendency are hence known as “measures of location”. They are population called averages. We are using the following measures for our study.

- Arithmetic mean
- Median
- Geometric mean

ARITHMETIC MEAN

Arithmetic mean is the total of the values of the items divided by their number.

$$\text{Arithmetic mean} = \frac{\sum X}{N}$$

MEDIAN

Median is the value of the middle most item when all the items are in the order of magnitude.

$$\text{Median} = N + 1/2$$

GEOMETRIC MEAN

Geometric mean of N values is the Nth root of the product of the N values.

$$G.M = \text{Antilog} (\sum \log x) / N$$

MEASURES OF DISPERSION

In a series, all the items are not equal. There is difference or variation among the values. The degree of variation is evaluated by only two measures of dispersion used for their study.

RANGE

Range is the difference between the greatest (largest) and the smallest of the values.

$$\text{Range} = L - S$$

L-Largest value

S-smallest value

STANDARD DEVIATION

Standard deviation is the root mean square deviation of the values from their arithmetic mean.

$$\text{Standard deviation, } \sigma = \frac{\sqrt{\sum x^2}}{N}$$

TYPES OF DEPOSIT

- Fixed Deposit
- Current Deposit
- Recurring Deposit
- Saving Deposit

FIXED DEPOSIT

A fixed deposit is the deposit of a fixed amount of money for a fixed period of the time. No fixed deposit shall be received for a sum less than Rs.500 or for a period less than fifteen days.

SAVING DEPOSIT

The secretary may subject to the terms and conditions laid down by the board of directors from time to time, permit any person to open a saving account with the society. An account once opened shall not be closed within one year of its commencement; if, however, the party concerned desires it, it may be closed provided a penalty of one year paid there for.

CURRENT DEPOSIT

The current deposit is generally opened by business houses, public institutions, corporate bodies and other organizations. Every 6 months once service charges are to be collected as Rs.25

RECURRING DEPOSIT

Recurring deposit is made every month at fixed amount. The account to make the people of cultivate the habit of saving on regular basis.

Table-4
DEPOSIT (Rs.in lakhs)

Year	F.D	Growth Rate	S .D	Growth Rate	C. D	Growth Rate	R.D	Growth Rate
2003-04	12.31	–	9.12	–	1.32	–	2.34	–
2004-05	15.42	25.26	12.32	35.84	2.44	84.84	3.12	33.33
2005-06	18.51	20.26	16.11	30.76	4.23	73.36	5.72	83.33
2006-07	22.93	16.09	18.22	13.09	7.56	78.72	9.35	63.46
2007-08	27.33	15.18	21.44	2.58	8.14	7.67	11.78	25.98
2008-09	32.15	17.63	22.01	24.22	9.23	13.39	12.84	8.99
2009-10	39.22	21.99	27.34	9.53	10.11	25.93	16.82	24.21
2010-11	41.55	5.94	19.15	19.48	12.08	19.23	19.82	29.95
2011-12	44.63	7.41	23.17	3.72	12.53	28.25	25.42	20.99
2012-13	47.62	6.69	28.89	18.35	14.83	9.04	27.78	24.68
TOTAL	301.62		197.77		82.47		134.99	
	AVERAGE GROWTH RATE	13.645		15.757		34.042		31.492
MEAN	30.162		19.777		8.247		13.499	
MEDIAN	29.74		21.72		8.685		12.31	

From table 4.1, it is cleared that the average growth rate of fixed deposit is positive 301.62 the annual growth rate from 5.94 to 25.26. The average annual growth rate is 13.645. The average growth rate of saving deposit is 197.77. The annual growth rate range between 2.58 and 35.84. the average annual growth rate is 15.757. The average growth rate of current deposit is 82.47. The annual growth rate range between 7.67 and 84.84 .the average annual growth rate is 34.042. The average growth rate of Recurring deposit is 134.99 the annual growth rate range between 8.99 and 83.33. The average annual growth rate is 31.492. In this regard highest positive average growth rate is Fixed deposit 301.62 in performance of Tiruchengode Cooperative Urban Bank from 2003-13.

LOANS

Loans are Classified into two categories

- Short term loans
- Long term loan

SHORT TERM LOANS

JEWEL LOAN

The jewel loan of the bank over ten years between 2003-04 and 2012-13. The jewel loan was Rs 3.15 lakhs in the years 2003-04. It has been increased to Rs 89.2 lakhs in the year 2012-13. Finally it shows increased trend.

DEPOSIT LOAN

The deposit loan of the bank over ten years between 2003-04 and 2012-13. The deposit loan was Rs 5.32 lakhs in the years 2003-04. It has been increased to Rs 94.66 lakhs in the year 2012-13. Finally, it shows increased trend.

CONSUMER LOAN

The consumer loan of the bank over ten years between 2003-04 and 2012-13. The consumer loan was Rs 3.92 lakhs in the years 2003-04. It has been increased to Rs 96.7 lakhs in the year 2012-13. Finally, it shows increased trend.

MEDIUM TERM LOANS**SURETY LOAN**

The surety loan of the bank over ten years between 2003-04 and 2012-13. The surety loan was Rs 8.14 lakhs in the years 2003-04. It has been increased to Rs 39.01 lakhs in the year 2012-13. Finally, it shows increased trend.

MORTGAGE LOAN

The mortgage loan of the bank over ten years between 2003-04 and 2012-13. The mortgage loan was Rs 20.15 lakhs in the years 2003-04. It has been increased to Rs 69.60 lakhs in the year 2012-13. Finally, it shows increased trend.

VEHICLE LOAN

The vehicle loan of the bank over ten years between 2003-04 and 2012-13. The vehicle loan was Rs 5.75 lakhs in the years 2003-04. It has been increased to Rs 54.78 lakhs in the year 2012-13. Finally, it shows increased trend.

NET PROFIT

The profit earner by the bank after meeting all the expenses called net profit. The following table indicates the profit for past ten years

TABLE - 3.8
NET PROFIT

(Rs. in lakhs)

S.NO	YEAR	NET PROFIT	GROWTH INDEX
1	2003-04	14.89	-
2	2004-05	11.29	75.48
3	2005-06	16.39	145.17
4	2006-07	24.30	148.26
5	2007-08	16.11	66.29
6	2008-09	20.69	128.42
7	2009-10	26.24	126.82
8	2010-11	28.32	107.92
9	2011-12	30.11	106.32
10	2012-13	31.39	104.25

The net profit of the bank over ten years between 2003-04 and 2012-13. The net profit was Rs 14.89 lakhs in the years 2003-04. It has been increased to Rs 31.39 lakhs in the year 2012-13. Finally, it shows increased trend.

CONCLUSION

Growth rate is the important parameter to measure the financial performance of TCUB. The growth rate of TCUB Ltd., during the study period (i.e. from 2004-05 to 2012-13) was



quite satisfactory. The annual compound rate of deposits, short term loan, medium term loan, and long term loan shows a growth in TCUB Ltd,. Hence an increase in such growth indicators aid the bank expanded branches forth coming years.

It is high time Urban Cooperative Banks considered developing profitable business in new areas. To take advantage of opportunities in the competitive economy, the Tiruchengode Cooperative Urban Bank have to assimilate modern management practices and information technology and cost effective measures while maintaining high standards in product quality. The success of Tiruchengode Cooperative Urban Bank depends on the loyalty of the members based on commercial benefits accruing to them, and harmonious relationship between the members and the elected leaders. The major challenge for Tiruchengode Cooperative Urban Bank today is their capacity to integrate themselves with their national global counterparts without sacrificing their own cultural ethos.

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