



ACHARYA INSTITUTE OF TECHNOLOGY

(Affiliated to Visvesvaraya Technological University, Belagavi, Approved by AICTE, New Delhi and Accredited by NBA and NAAC)

Date: 25/05/2018

CERTIFICATE

This is to certify that **Mr. Sharath N T** bearing USN **11A16MBA38** is a bonafide student of Master of Business Administration course of the Institute 2016-18 batch, affiliated to Visvesvaraya Technological University, Belagavi. Project report on “**A Study on Financial Performance Analysis**” at **Kodagu DCC Bank, Kodagu** is prepared by him under the guidance of **Prof. Swarupa Ranjan Panigrahi** in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belagavi, Karnataka.

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ACHARYA

THE KODAGU DISTRICT CO-OPERATIVE CENTRAL BANK LTD.

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(ESTABLISHED 1921)

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Madikeri - 571 201
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No. 531/18-19

Date: 25/05/2018

CERTIFICATE

This is to certify that, **SHARATH.N.T (USN: 11A16MBA38)** studying at Acharya Institute of Technology, Soladevanahalli, Hesaraghatta Main Road, Bangalore- 560090, (Affiliated to Visvesvaraya Technological University, Belgaum), has successfully completed the project "**A Study on Financial Performance Analysis**" at our Bank, during 15th January 2018 to March 24th 2018, as a partial fulfilment for the award of degree in "**Master of Business Administration**".

During the period of training his conduct was good.

We wish him success in his life and career.


Chief Executive Officer
The Kodagu District Co-Operative
Central Bank Ltd., Madikeri - 571 201

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It's a pleasure to acknowledge with thanks to the people who guide me to complete this project successfully.

I would like to thank my external guide **MR T.G. GIRISH**, PLANING AND DEVELOPMENT, DEPARTMENT, MANAGER, KDCC BANK, MADIKERI, who helped me to complete my project successfully by providing guidance and encouragement.

I'm thankful to my internal guide **Prof. SWARUPA RANJAN PANIGRAHI** MBA DEPARTMENT, ACHARYA INSTITUTE OF TECHNOLOGY, BANGALORE, for this constant support, suggestion, guidance, and encouragement to complete the project successfully.

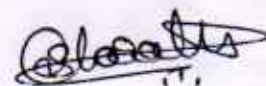
I am grateful to **Dr. Saranabasava C Pilli, Principal** for his kind co-operation and encouragement.

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Finally, I'm grateful to every hand that rendered help directly or indirectly for their guidance, support and encouragement.

Place: Bangalore

Date: 30/5/2018



SHARATH.N.T

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DECLARATION

I SHARATH.N. T from 3rd semester student of MBA in AIT do hereby declare that this project work report

titled "PROJECT REPORT ON CUSTOMER SATISFACTION TOWARD SERVICE QUALITY ON KODAGU DISTRICT CO-OPERATIVE CENTRAL BANK LIMITED", MADIKERI has been submitted by me in partial fulfilment of the requirement for the award of the degree of Master of Business Administration by Visvesvaraya Technological University, Belgaum, Karnataka during the academic year 2016-2018.

I have undergone a summer project for a period of 10 weeks, I further declare that this project is based on the original study undertaken by me and has not been submitted for the award of any degree/diploma from any other university/institution.

Place: ~~30~~ Bangalore

Date: 30/5/2018


SHARATH.N.T

USN:11A16MBA38

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EXECUTIVE SUMMARY

In Karnataka, the DCC Banks occupy an important place in the three-tier co-operative credit structure, extending short and medium-term production credit to farmers. The DCC Banks is a federation of PACS's in the district and forms an important link between the Apex co-operative Bank and the PACS's. The DCC Banks are at the district level, directly connected with PACS's at the base level. As a district level institution, the DCC Bank is responsible for promoting of developmental activities in the rural areas of Karnataka.

The Kodagu Dcc Bank was originally registered on 28th June 1921 and started working from 1st February 1922. A band of enthusiastic Co-operators, Officials and non-officials with Sri. Kodandera Cootaiah as the President, set their hands to work for their central organisation. The Bank began with 45 Co-operative societies and 16 individual members with a paid-up share capital of Rs.4400.00 and deposit of Rs.10000/-. Since then it has made spectacular progress in its transaction in all spheres of Co-operative Banking activities. At present, there are 271 Co-operative member societies with total share capital of Rs 1771.20 lakhs and the total business of the bank is Rs.1400 crores. It is being second district cooperative central bank in the state to secure licence from RBI in the year 1995.

Though advancement in the banking sphere was a challenge to the co-operatives, but with the sponsorship of NABARD our Bank is fully under Core Banking System with RTGS/NEFT facilities, SMS, Customer information system. With the great guidelines of NABARD our farmers are given prominence and all KCC holders have come to the streamline to enjoy the benefits of modern Banking.

We, at Kodagu D.C.C. Bank Ltd., are committed to become leading bank of state by providing prompt, latest, state of the art, value added banking services and products to customers through competent & affectionate team of workforce and continual improvement in our operations and performance.

The Kodagu DCC Banks will give an all types of service to the customers and also some facilities. That kind of services will help the rural peoples to improve their life style. Under that DCC Banks will helps some small-scale business. It will give loan facilities to the farmers, self-employment group, and also the small-scale Business with give a low rate interest margin.

CHAPTER – I INTRODUCTION

1.1 INTRODUCTION ABOUT THE PROJECT:

The financial report including the financial position statement and the Income statement is not provided the complete information relating to financial processes of the company, bank will offer valuable data to the level that the financial position data for specific date in relations of construction of properties(Assets), obligations(liabilities) and institute holder's equity capitals and income or loss account to be displayed the grade of process throughout the year. So, the financial statement states a brief opinion to the firm. In next direction to study the firm the attentive inspection of the respected project reports and the statements done from financial evaluation and the ratio is to be required.

The Financial Reports are the essential foundations of the data to the firms for an extensive variability of the customer's. Individuals have been using the financial account information consist of firm's management sides, stockholders, government agency and the inside income services. Operators of monetary report data is not essentially want to see the whole thing around accounting to usage the info in the elementary of the reports. Though, the current use of financial report data is useful to know the limited simple concept and to the acquainted with the important features of elementary of financial accounts. A Financial Report is a prepared by gathering of data rendering to rational and the reliable accounting measures. Financial data is needed to expect, compare and estimate the firm's earning capability. its determination is also to carry and the considerate to some monetary characteristics of a firm.

Aim of the study:

Our 10 weeks project work in the organization is aims to get an industrial exposure and to understand the functioning of the organization in corporate world. it also intended to help the student to connect to understand the corporate management practices in the organization based on theory aspects as well as practical aspects.

The study is useful for assessing the quality and performance of the company and also provides a better knowledge at the functional level of department such as services, work, finance and personnel etc., apart from that interaction and interrelationships between various departments are also identified.

Data collection:

- Primary data

- Secondary data

I. Primary data:

- Observation
- Personal interview

II. Secondary data:

- Company brochures
- Company website etc.,

1.2 INDUSTRY PROFILE:

Introduction:

The Bank in India in the current intelligence it was initiated in the previous periods of the 18th century. Amongst the initial banks is the Bank of Hindustan, and it was recognized in the year 1770 and honored in the year 1829/1832, and General Bank of India, it was recognized in year 1786 then unsuccessful or failure in the year 1791.

Bank is an institute which transactions in terms of cash and credits. it has received the deposits from to the customers and sanctions credits and loans to the public persons and they who need of money for the several purposes. Institute is a movement in which it involves receipt of money or credits for the persistence of loaning. In adding to taking money and loaning of capitals, funding also includes provided that several other facilities to the customers sideways by its the institutions main activity. That is the primarily activity facilities but it also comprised several over-all facilities as good.

The institute is unique who commences finance actions, to receive the credits and advancing money for a unlike purpose. The Banking Regulatory Act of 1949 expresses that, the finance is the action of receiving the money from the customer for the determination of advancing.

its main important features are as follows:

- i) Receiving the deposits from the public
- ii) venture of the public Money.
- iii) Related to the actions of accepting money for loaning to the customers, the institute commence some other activities are as–
 - a) Encouraging and activating the savings of the public and client's or customers
 - b) Giving money to craft, employment generation to the business, discounting of the bills, overdraft services, and cash credit facility, and transmission of funds from one place to another place,

Market Size of Banking Industry:

The Indian banking system is containing of 27 public sector banks, and 26 are the private sector banks, and 46 are the foreign banks, and 56 are the regional rural banks, 1,574 are the urban cooperative banks and the 93,913 are the rural cooperative banks, in addition to the cooperative credit organizations. Public-sector institution to be regulator of more than the 70% of banking system properties, thus send off a discreetly lesser share in the secluded aristocracies. Institution are hopeful to their clients to succeed their funds using smart mobiles.

ICRA is approximations of credit growing in the Indian banking segment as be at 7-8% in FY of 2017-18.

Co-operative Banks in India:

The Banks in India have developed an essential share in the achievement of Indian Monetary system. They take accomplished several revolutions since their formation and it helps to an ordinary rural India to impression more authorized and safe.

History of the Co-operative Banking in India:

The ancient origins in the Co-operative Banking Program in the creation days back to beings of desolation and to suffering in Europe challenged to public people who don't have access to credit finance to account their elementary wants. The knowledge was binge once the landmass was met with an economic complaint which run massive populations to live at existence level without they don't having any economic safety. The People are imposed for the problems like deficiency. it is the idea form the, the Hermann Schulze in the year 1808-83 and Friedrich Wilhelm Raiffeisen in the year 1818-88 which took number as cooperative banks today at across the world. They promote their idea to easy accessibility of the credit to the small-scale businesses and to the poor section of society. it stood similar to many microfinance institutions, that they converted to highly popular in developing the economies of today. However, this is helped to spreading the cooperative program in many parts in the Europe. However, the UK and Irish credit mergers in the 20th century were inspired to the US credit union. These types of movements are reinforced to the governments of the corresponding republics. This success was reached for the disappointment of the commercial banks to endowment and nourishment of the needs of the small-scale business owners and to the common people, they separate the formal banking net. Co-operative banks helped to overcome the dynamic market inadequacies and serviced to the poor society.

Range of Co-operative Banking:

Indian Banking structure is the major banking networks in the world with an over 200 million members. It has over 67% saturation in the villages and to deposit of 46% of the entire rural credit system. It is stances to 36% of entire transfer of rural nourishments and 28% of rural reasonable price plants.

Structure of the Co-operative Banking:

The structure of Bank in India is separated into 2 parts-

1. The City Co-operative Banks.
2. The Countryside Co-operatives Banks

The City Co-operative Banks:

City Co-operatives Banks is the additional alienated to programmed and non-programmed. Together the groups are supplementary divided into multi-states and single-states. Mutual of these banks drop in to the non-programmed and single-state category

The Countryside Co-operatives Banks:

The countryside co-operatives are the additionally separated into the short-term and long-term structures. The short-term are the three-tiered functioning in a different state. That is-

1. The State Co-operative Banks- They function at the apex level in states
2. The District Central Co-operative Banks that can work at the district levels
3. The Primary Agricultural Credit Societies- that can work at the village level.

Rural Credit System:

Rural credit system is to undergone essential changes to focus of the structure and method over the years. Before institutionalization of the credit, and to the agriculturalists were largely reliant on the non-institutional credit specially on the private money-holders, those who unsuccessful to deliver the farmers to the essential and timely credit at proper cost.

In instruction to overwhelmed these sprints and to stream the farmer's passable and timely credit that was started with to the formation of co-operative societies with the performing of corporative societies Act in 1904. Till the year 1969 co-operative were nearly the only institutions for dispensing rural credit until the nationalization of 14 commercial banks, to improve the flow of credit to rural households.

Together the co-operative and profitable banks have to made a considerable progress finished the years to provided that credit to agriculture under "priority sector" advances as per the strategies of Reserve Bank of India. Agencies extending adequate and timely agricultural credit to farmers can

be an important acceleration of agricultural development and improving the living standards of the farm municipal.

Introduction to Banking Sector:

To increase in the agricultural production of a country or a state, while providing the better livelihood for the people who engage in farm activities is a complex task. Agriculture and allied sectors contributes 13.7% of Gross Domestic Product in the year 2012-2013. Agriculture is the core source of source of revenue for more than 58% of Indian population. Manufacturing sector originates its position from the fact that it has vigorous supply and demand links with agriculture sector. In history farming in Indian has been always a mode of life and hurt after inaction to the low output ascending as of insufficient venture. This was especially true about subsistence agriculture. The appearance of green rebellion in India during the last sixties that has fundamentally reformed the atmosphere of Indian cultivation, due to adoption of systematic and recent performs using High Yielding Variety chemical fertilizers with investments for land improvement and use of the irrigation facilities.

it is important to recognize that farming is a business insofar as production is concerned to realize this one has to analyse what cause farmers to change farm enterprises link crop and livestock on their farm and methods of production. Modern farming involves more and more buying and selling. Each farmer's purpose of production is to produce product either for sale or for his family.

To produce more, farmers must spend more on improved seeds, pesticides, fertilizers, farm implements and irrigation facilities. These have become cash inputs in the recent times such expenditures must be financed either out of savings or buy borrowing. it often argued that borrowing is the only way to meet these needs because of the farmers particularly small and marginal farmers are unable to invest money in agriculture to their personal reserves money. it has to been correctly specified that the agriculturalists are under advanced countries cannot supposed to their investment to originate for savings, as their income from farm operation is a hardly adequate to deliver the least provisions of the life". As agriculture becomes more developed, it requires more use of purchased inputs in place of farm produced inputs.

Institutional Credit in Karnataka:

There are 4914 PACS, 616 branches of DCC Banks, 3,965 branches of commercial and 1,120 branches of RRBs operational in the state during the year of 2012-2013. The cumulative growth rate of base level credit flow by commercial banks for the last six years is 235 per cent, followed by RRBs (169%), DCC Banks (77%), and PCARDBs (102%). The agricultural sector has substantially improved with the adoption of modern technologies in production by the farmers.

The District Central Co-Operative Banks (DCCBs):

In Karnataka, the DCC Banks was occupy an important place in the three-tier co-operative credit construction, spreading short and medium-term production credit to farmers. The DCC Banks is a federation of PACS's in the district and forms an important link B/w the Apex co-Operative Bank and the PACS's. The Co-Operative Banks are at the district level, directly linked with PACS's at the base level. As a district level institution, the DCC Bank is responsible for promoting of developmental activities in the rural areas of Karnataka.

A DCC Bank in addition to meeting the credit requirements of affiliated PACS's also lends a helping hand to other types of co-operative like marketing, consumer. In mobilizing resource, in overseeing the lending procedure, in supervising the recoveries in educating the members, the DCC Banks are expected to provide leadership to the PACS in the district.

DCCB's are also extending banking facilities to the rural areas by opening branches within its jurisdiction by simply passing a resolution in the Board, as per the privilege given by the RBI. At present the DCC Banks are competing with commercial banks in mobilizing deposits and also in marketing of banking services in rural areas as well as in urban areas. This branch arrangement helps them to improve their contracts with the PACS. Future this also helps to tap the savings of rural people through deposit mobilization. At present there are 375 DCC Banks with 13,181 branches in the country, the total numbers of DCCB's are 39,75,660 including 9,73,624 institutional members and 30,02,036 individual members.

Historical Retrospect of DCCBs:

The co-operative credit society Act in 1904 has no provision for the organization of DCCB's which has provision only for the primary societies only. The original scheme of co-operation in India did not contemplate the organization of federal societies. Hence, most of the PACS's in the district were starved of money. Further they could not attract deposits whereas the demand for loans from the members was increasing. Subsequently the DCCB's came in to existence to co-ordinate and supplement resources to PACS's.

In 1912, the co-operative credit society act 1904 as replaced with co-operative societies Act with an objective of organizing DCCB's. Consequently, a number of DCCB's have been registered in several areas to mobilize funds mainly in the form of deposits and also to borrow money from higher financial organization in order to encounter the financial needs of affiliated primary societies.

Important Policy Developments:

The working of DCCBs in India has occupied dissimilar steps due too many aspects such as economics explosions and depression, word and rules progresses. Several committee's booms and depressions, world was and policy developments. Some committees were selected from time to time to strengthen the rural credit construction in the country. The important committees appointed by Government of India, RBI and other were The Mac lagan Committee, (1914), Co-Operative Planning Committee (Saraya Committee) in 1945, Business performance district central co-Operative banks in Kodagu districts force on rural credit (2004). These committee suggested useful recommendation to strengthen DCCB's in the country.

ALL Indian Rural Credit Review Committee 1969:

The significant recommendation of the board includes delivery of increased share capital support to weak DCCBs at the rate one for each district with Rs.1crore business annually. Entrusting the supervision responsibility to DCCBs and maintenance of financial discipline.

Fund Management of DCC Bank:

The success of any financial institution depends upon its resource mobilization, its deployment of funds and its recovery performance. The funds needed by a DCCB depends on such factors as, volume of business, type of service it provides, kind of physical facilities needed, nature of competition it faces and degree of risk it takes in the conduct of day business.

Specific objectives of the study:

Kodagu DCC Bank is esteemed as one of the top achieved banks. later persistently these banks were designated for the following objects.

1. Analyse the physical and monetary presentation of DCCB in Kodagu Districts.
2. Analyse the factors influencing the routine of DCC Banks.
3. Assess the view of members and employees regarding the working of banks.

1.3 ORGANIZATION PROFILE

INTRODUCTION:

The DCCB is a Co-Operative Banking system recognized in India to help co-Ops and to the rural regions. its traditional to deliver the finance to country vicinity for cultivation segment with the divisions are primarily recognized at the rural areas.

The Banking perfect contains Of a district central bank for each District in every state of India known with a name as an own District Central Co-Operative Bank. The memberships and their selected directors have denoted a multitude of professional coOperative bodies like Milk Unions, Urban co-

Operatives, rural co-operatives, agricultural and non-agricultural co-operatives and various others, in chance would elect the bank's President. These banks are jointly represented by a State Apex Central Co-operative bank for individually state and it turns as the ultimate bank and apex body for the DCCs under each state. It has been broadly observed all over the country that the local politicians who grip the power over the co-operatives get chosen the president post of the DCC bank and a president post would mean development for their future political motivations. However, this movement, which has become a national marvel, transmits its own advantages and disadvantages.

History of The Karnataka State Co-operative Apex Bank Ltd:

The Bank was listed on 10-11-1915 below the name and style of The Mysore Provincial Co-operative Bank Limited, under that the Mysore Co-operative Societies Act of 1905. Before, the Bank was not an Apex organization, as it was not completely meant for financing the co-operative in the than State of Mysore. And another Bank called the Bangalore Central Co-operative Bank Limited, Bangalore, which was listed in 1905, was also funding the co-operatives. The bank owes its source to Sri. M.A Narayana Iyengar, BA, B1, who was the Registrar of co-operative societies at that time.

History of KDCC Bank Ltd:

The Bank was originally listed on 28th June 1921 and started occupied from 1st February 1922. A band of passionate Co-operators, Officials and non-officials with Sri. Kodandera Cootaiah as the Chief, established their hands to work for their central organisation. The Bank commenced with 45 Co-operative societies and 16 individual memberships with a paid-up share capital of Rs.4400.00 and the deposit of Rs.10000/-. Later then it has made remarkable progress in its deal in all compasses of Co-operative Banking events. At present, there are 271 Co-operative members in societies with total share capital of Rs 1771.20 lakhs and the total the business of the bank is Rs.1400 crores. It is present second district co-operative central bank in the state to secure licence from RBI in the year 1995.

1.3.1 Statistic of DCC Bank Kodagu:

STATISTICS

(Rs. In lakhs)

No.	Particular	31.03.2012	31.03.2013	31.03.2014	31.03.2015	31.03.2016
1	Total No. of Branches	13	13	13	13	16

2	No. of PACS affiliated	68	68	68	68	68
3	Membership	279	274	274	272	271
4	Membership at PACS level	113960	114410	114896	115463	115463
	Of which Borrowing members	30756	31256	31856	32429	33453
5	Share Capital	1029.99	1217.36	1376.82	1682.15	1717.64
6	Reserves	2282.69	2471.76	2566.38	3086.82	3568.98
7	Deposits	38474.9	42651.14	47435.28	54618.35	71141.74
8	Borrowings O/S	16415.5	20376.51	20957.71	25298.83	24126.94
	Of which agriculture	15408.54	20369.63	20957.65	25298.83	23842.7
	Of which Non-Agriculture	1006.96	6.88	0.06	0	284.24
9	Investments	23206.33	24882.73	28539.67	28344	38606.73
	SIR	9681	12182.03	11622.53	21215.52	35144.78
	Non SIR	13525.33	12700.7	16917.14	7128.48	3461.95
10	loans & advances issued	39673.79	46874.57	49512.99	53755.37	56608.68
	Of which Agriculture	23320.04	26160.76	28067.13	35069.83	37422.42
	Of which Non-Agriculture	16353.75	20713.81	21445.86	18685.54	19186.26
11	loans & Advances O/S	34732.39	41973.89	45312.81	55131.32	60390.08
	Of which Agriculture	25459.77	29256.77	32048.83	38699.62	40514.41
	Of which Non-Agriculture	9272.62	12717.12	13263.98	16431.7	19675.66
12	Kissan Credit Cards issued	30968	31615	32830	1129.99	33532
	limit Sanctioned	31966.47	33461.49	423000	444490	47136.72
13	Self Help Groups promoted	4191	4354	4555	4725	5080
	Savings mobilised	598.52	488.67	565.72	968.66	1190.56
	Credit linkage (groups)	3104	3204	3304	3446	3915
	loan amount	1137.99	1329.2	1769.2	1217.25	2251.36
14	Profit / loss	126.88	131.94	1208.4	864.28	910.04
15	Average working Capital	61103.83	68822.43	75478.69	85782.41	111390.26
16	Audit Classification	A	A	A	A	“A”
17	%age of recovery (June) - Agricultural.	98	99	99	99.34	99.24
	Non-Agricultural	97	97	97	99.27	96.44

	- (overall)	98	98	98	98.48	98.34
18	Gross NPA	443.1	335.83	335.83	333.79	333.79
	NPA %age to Total loan O/S	1.28	0.77	0.74	0.6	0.52

Nature of the Business:

The Banking typically contains of a District Central Bank for each District in every state of India, recognized by a term as a corresponding Regional Central Co-Operative Bank. The associates and their selected managements who represent a crowd of professional cooperative forms like Milk Combinations, Urban cooperatives, Rural cooperatives, Agricultural and non-Agricultural cooperative and various others, in turn would elect the bank's President. These Banks are jointly represented by a State Apex Central Co-Operative banks for respectively State and it performances as the eventual bank and Apex body for the DCCs below each State. it has been extensively observed all over the cooperatives get selected the leader post of the DCC Bank and a chief post would mean development to their upcoming political determinations. However, this trend, which has become a national spectacle, transmits its own rewards and difficulties.

PROMOTORS OF THE COMPANY:

Our Bank has a strict promotional policy. An examination is conducted for the employees who are eligible for promotion. The Bank sends employees to NABARD and APEX Bank for training quite regularly.

1.4 Vision Mission, Quality Policy:

Our Vision,

Bank vision to extend to the best possible facilities to our customers is our slogan. In demand to do this, we have stayed upon a reconstruction programs like essential banking facilities which will benefit both our city and rural customs.

Mission of Excellence,

Our main vision is to be mobilize resources, deliver banking goods and other professionalised facilities to the people, support the affiliates, deliver the animated leadership to the Co-Operative banking organization, accomplish sustained development and ultimately to achieve to the prime situation in the banking industry is to the mission of Excellence of DCC Bank.

Quality Policy:

We, at Kodagu D.C.C. Bank Ltd., are committed to become leading bank of state by providing prompt, latest, state of the art, value added banking services and products to customers through competent & affectionate team of workforce and continual improvement in our operations and performance.

1.5 SERVICE PROFILE:

The Kodagu DCC Banks will give an all types of service to the customers and also some facilities. That kind of services will help the rural peoples to improve their life style. Under that DCC Banks will helps some small-scale business. it will give loan facilities to the farmers, self-employment group, and also the small-scale Business with give a low rate interest margin. Under that some facilities and services will mention bellow.

1.6 FACILITIES:

Our DCC bank will providing many of facilities to customers there as follows,

i) Any Branch Banking:

Any Branch Banking facility is to be provided to the customers to function their account in any of our interacted branches.

ii) Facilities available under Any Branch Banking:

- Cash Withdrawal facility,
- Cash Payments facility,
- Money Transfers facility,
- Buying of DD or Pay Orders
- Payment of local Cheques,

iii) Core banking solution:

As a part of extension of more and more facilities to our customers, Core banking facility is also being introduced in the Bank.

iv) ATM Facilities:

In Our Bank we introduced ATM Facilities to our Customer

v) Lockers:

Safe Deposit lockers are available at all Branches of the bank.

vi) RTGS Facilities.

vii) NEFT Facilities:

This system of money transfer functions on a Deferred Net Settlement basis.

viii) Different kind of loans in the bank.

The provide all kind of loans for the common people from automobile loans to home loans.

ix) Non-Banking Services

Delivering DD throughout the country and to accepting the cheques, bills, DD etc for collection are some of the facilities obtainable by the bank.

x)Other Services to customers:

• **Deposit mobilisation:**

The Bank carries tremendous goodwill amongst the coffee growing community for personalized services offered to them. it is one among the few co-operative banks to get a licence, by the RBI as early year 1995. Branch managers and the staff members have been given a monthly & yearly deposit target.

We keep constant rapport with our shareholding societies, they intern keep close relationship with the individual member for the contribution to our deposit mobilization efforts. The Bank has mobilized deposits to the tune of Rs. 741,03crores as on 31.03.2017

• **Recovery:**

The Kodagu District Co-operative Central Bank has consistently maintaining good recovery percentage of more than 98% in the past several years. The recovery percentage has been increasing every year, thereby helping the Bank to became one of the leading Co-operative Bank in the State. The Bank having 16 branches are strategically located in the three taluks i.e. Madikeri, Sowmarpet and Virajpettaluk of the district. The members societies, which are situated in the taluks, come under the purview of the branches. In each taluk recovery personnel have been appointed and a fixed number of societies have been allotted to them for supervision. The Bank Inspectors monitor these recovery officers. Each officer has been given a fixed recovery targets and the performances being reviewed every month in the Bank branches situated in the taluk headquarters by the Main Executive

officer. The common of the borrowers in the district are quick repayers. Because of the concerted effort put forth by our branch managers and the recovery officers. Our percentage of NPA is only 0.66% as on 31.03.2017

- **lending:**

Based on the potentiality of the borrowers, the Bank has many schemes to lend for agricultural as well as non-agricultural purpose. The Bank have own its lending policies, enclosed the Board of Managers of the Bank. The major percentage of agriculture advances is for coffee. We also give loans to purchase of new vehicles. Sprinkler sets, construction of coffee Go down and drying yard, farm pond. And also, for the construction of Houses in respect of agriculture activities of the farmers. The Jewel loan, Salary loan, overdraft loans for petty business under Pigmy overdraft / MUDRA loans are the various advances under Non-Farming loans. Advances are being made out of our own funds as well as borrowings from NABARD / Apex Bank, large advances to companies and also under Consortium Scheme.

- **Borrowings:**

We have been sanctioned the ST (SAO) concessional refinance limit of Rs. 185.00 Crores for the year 2016-17, of which NABARD limit was Rs. 155.00 crores and Apex Bank limit is Rs. 30.00 crores. The limit has been fully utilized. We have also been sanctioned ST Multipurpose limit of Rs.105.00 crores. Under PODF- PACS as MSC scheme of NABARD. We have drawn an amount of Rs.284.24 lakhs for the purpose of developing the PACS business through commercial activities.

- **SHG's (Self Help Groups):**

The Bank has implemented this scheme since the year of 2000 and exposed a decent performance in grouping as well as mobilising deposits through SHG's. The Bank has endorsed 5178 Self Help Groups (SHG) then its beginning with a cumulative investments of Rs.1507.93 lakhs over 68 PACS have been working as Self Help Encouraging Institution (SHPI). The SHGs have lent Rs. 2876.01 lakhs to their followers and about 3990 SHGs have been credit limited and the recovery is 98% in the past three years.

- **Joint Liability Group (JLG):**

Under the guidelines of the NABARD the bank has implemented the programme through 68 affiliated Primary Agricultural Cooperative societies (PACS) as well as branches. We have founded 430 JLG's, of which 348 JLG's have been credit limited with a loan amount of Rs.360.10 lakhs.

- **GOK Interest Subsidy Scheme on ST(A) & MT(A) Loans:**

The Government of Karnataka (GOK), in order to facilitate the farmers, has been providing agriculture credit at subsidised rates since 2004 through Co-Operatives. As per the GOK order all type of ST/MT/IT agriculture loans are being lent to farmers at a rate prescribed by the State Government of Karnataka.

The gap between the Bank's Prime Lending Rate (PLR) and an applicable rate decided by the Government will be given as Interest Subsidy to the respective DCC Banks. Every year the Govt of Karnataka issues an order regarding the rate of interest to be collected from the farmers as well as rate of subsidy to be given to the Co-operative institutions. The table below shows the different rates applicable to farmers and interest subsidy to co-operative institution since 2004-05.

1.6.2 Interest Subsidy Scheme on ST(A) & MT(A) Loans:

S1. No.	Types of Loan	Rate of Interest to be collected from farmer	Role of Subsidy given by Government of Karnataka
A	ST(A) Loan – Crop Loan		
1	2004-06	6%	5.5%
2	2006-07	4%	7.50%
3	2007-08	4%	4% & 6.5% (NABARD fund & own fund)
4	2008-09	3%	7.10%
5	2009-10	3%	6.5%+1% additional interest subsidy
6	2010-11 Up to 31.03.2011 After 01.04.2011 till due date	3% 1%	7.75% 9.75%
7	2011-12 (up to 3 lakhs)	1%	9.75%

8	2012-13 Up to 1 lakhs Up to 3 lakhs (including 1 lakhs) Above 3 lakhs	0% 1% P1R (10.75)	10% 9% Nil
9	2013-14 Up to 2 lakhs Up to 3 lakhs (including 2 lakh) Above 3 lakhs	0% 1% P1R (10.75)	10% 9% Nil
10	2014-15 Up to 3 lakhs Above 3 lakhs	0% P1R (10.75)	7% by GOK 3% from GOI Nil
11	2015-16 Up to 3 lakhs Above 3 lakhs	0% P1R (10.75)	7% by GOK 3% from GOI Nil
12	2016-17	0% P1R (10.75)	7% by GOK 3% from GOI Nil
B	MT(A) loans		
1	2004-06	6%	5.50%
2	2006-08	4%	7.5% & 9%
3	2008-09	3%	11.75%
4	2009-10	3%	10.75%
5	2010-11	3%	10%
6	2011-12 (up to 10 lakhs)	3%	9%
7	2012-13 (up to 10 lakhs)	3%	10%
8	2013-14 (up to 10 lakhs)	3%	9.50%
9	2014-15 (up to 10 lakhs)	3%	9.50%

10	2015-16 (up to 10 lakhs)	3%	9.00%
11	2016-17 (up to 10 lakhs)	3%	Subsidy rate is yet to be decided by GOK

About claiming of subsidy, prior to 2007-08 it was under advance basis After 2007-08, claiming of interest subsidy has been “linked with the recovery”, due date fixed by the bank to claim the subsidy from GOK.

- **GOK Interest Subsidy on SHG Loans:**

The Government of Karnataka, since the year 2008, has been facilitating the Self-Help Group (SHGs) by providing credit at subsidised rate of 4% through the Co-Operatives. By way of per the GoK order. loans to SHGs have stood lent at the rate of 4%. The GoK will provide 8% of interest subsidy to the lending institution.

- **GOI Interest Subvention Scheme on Crop loans:**

The Government of India has been providing 2% interest subvention to Co-Operative Banks / PACS on their own funds, elaborate in respect of crop loan up to Rs.3 lakh per farmer. The amount of interest grant is calculated to the date of payment up to the date of real expense or up to due date for refund fixed by the Bank, whichever is earlier, subject to a maximum period of 365 days.

- **GOI Scheme of PROMT REPAYMENT INCENTIVE (PRI) to farmers:**

Government of India (GOI) has also providing 3% incentives to those farmers who promptly repay their crop loan up to Rs 3 lakhs, on or before due date fixed by the Bank. PRI will be considered from the date of expense of crop loan up to the date of payment by farmers who have repaid the crop loan within the date fixed by the bank subject to maximum of 12 months

This incentive scheme has encouraged the farmers to repay their crop within the due date.

- **HRD:**

Our Bank has adopted HR policy as per the guidelines issued by the NABARD with a few modifications as suitable to the Bank. The Bank is deputing our employees for various training programmes by the NABARD and APEX Bank periodically.

- **Opening of New Branches:**

At present we have 16 branches in the district, of which 8 branches are in own building. Further we have obtained a permission from NABARD & RCS to open up new branches in the rural area of the district.

- **CBS:**

With the coordination of NABARD, we have made AN MOU with TATA Consultancy Services centre. Mumbai to adopt CBS module. All 17 Branches including Head Office have fully computerised with CB. We facilitate RTGS & NEFT. DBT, ATM service to customer with the sub membership of KSC Apex Bank as sponsor Bank.

FINANCIAL LITERACY CENTRE (FLC):

With the financial assistance of NABARD, Financial literacy Centre was opened in our Bank 15th September 2014. The office staffs have been appointed to the Financial literacy Centre (FIC) as per NABARD project proposal. The FIC is working as per the norms and conditions of NABARD guidelines in the rural area in our District.

The working features of FIC in our District are as follows:

- Education the weaker section about the facilities available to improve economical.
- The need and the use consult to keep touch with the Bankers.
- The Different Govt. Services available to uplift the poor people.
- The credit facility available in the banks for various activities.
- To inculcate the habit of savings and deposit in the savings Bank are opened with the Bank.
- The awareness is also being created by way of publicity and regular meeting in rural areas.
- To educate the rural people to open Pradhan Mantri Suraksha & Jeevan Jyothi Insurance and Atal Pension Yojana.

1.6.3 Progress under FLCs:

S1. No.	Particulars	Achieved (in Nos.)
1	Savings Bank opened	1462
2	No. of Financial literacy workshop conducted at Rural area	61
3	No. of street play conducted in the rural area in the district	25
4	No. of allocation computation conduct in High School regarding the project	3

5	Conducted awareness programmers of Prime Minister Suraksha and Jeevan Jyothi Insurance scheme.	289
6	No. of new JLG group organised in rural area.	15

Our Primary Agriculture Co-operative Societies have opened 4457 SHG's we identified various centres and conducted Meeting there by linking the SHG's functioning in those areas. Apprised the of the very purpose of opening the FIG's and to avail our service much priority has given to open Savings Bank accounts.

We have taken necessary steps to review the SHG which are neither working properly nor strengthen through our FIC. We are doing our best for the around progress of the Scheme.

1.6.4 Details of Primary Agriculture Credit Co-operative Society (PACS):

S1. No.	Particulars	Nos.	Amount (in lakhs)
1	Total No. of Members and Amount	115463	5358.74
2	Out of s1. No. 1 having Govt. Shares	23	23.44
3	Out of s1. No. 1 SC Members	10143	97.37
4	Out of s1. No. 1 ST Members	4341	60.52
5	Out of s1. No. 1 Minority Members	6491	220.41
6	Out of s1. No.1 Women Members	32399	1227.85
7	Out of s1. No. 1 BPL Card holders	31401	906.40
8	Total Reserves	-	2354.66

OWNERSHIP PATTERN:

it is with a matter of great pride that, I have adorned the chair as President of this prestigious Kodagu D.C.C. Bank ltd., Madikeri, in the month of July 2014, with an aim to transform the institution on dynamic issues in a right direction. The Bank, have 16 branches and the Head Office in the district headquarters, in Madikeri, has been dependably classified as 'A' grade in the audit report for the previous several years. To achieve remarkable results by accomplishment all, four more Branches are yet to start in the District.

The Bank has given top priority for funding Agricultural sector subsequently inception by taking into contemplation various credit needs of the farmers. Farmers and villagers are given prominence

and with eligibility whatever the requirement, financed adequately by the bank directly and also through the PACS and other societies at the ground level. Besides, all the inhabitants of the District are considered for the non-agricultural finance on their holdings.

Then the inception, the bank has been incessantly earning profit, and asserting dividend every year. For the year 2014-15 we have declared 12% dividend to the member societies. As on 31.03.2016, the working capital of the Bank is Rs1,300 crores, the Deposits stood at Rs. 711.41 crores and issued loans to the tune of Rs.603.90crores. During the recent past, the Bank has been awarded thrice as one of the best working DCCB's for its overall performance by NABARD. Though there is tough competition and modernization in the banking field, we have been able to achieve our goals in the field of deposit mobilization as well as lending. The benefits like interest subsidies, interest waiver schemes of State and Central Governments are existence made available in time to reach the ultimate borrowers. We are incessantly persevering to keep up with the revolutionary changes of late in the banking sector. With NABARD as facilitator for implementing CBS, all our Bank branches were updated with CBS along with electronic transfer of funds RTGS/NEFT all over India.

Bank is filling the customers consistently with all RBI's requirement like KYC updation, SMS alert, and customer information system and transporting all KCC (Kissan Credit Card) holders on the streamline to the advanced system of banking by issuing them the RUPAY KCC Card.

To bring all the rural people under the financial inclusion, to educate them and to have personal rapport with the downtrodden, to utilize Banking in a right direction, we have started FIC (Financial literacy Centre) in our Bank.

In addition, Bank has adopted secured and protective measures like insurance facility by having a tie up with National Insurance Company on the prescribed advances. Even employees of the Bank are provided with health insurance facility to be safe from the unforeseen expenditures.

it is heartening to observe that there is a very responsible and dedicated Board of directors to not only take right policy decisions, but also to implement the same. They are forever striving to improve the bank's status, to lead the institution in a right path. For this I thank each director individually and the staffs of the Bank.

1.7 AREA OF OPERATIONS:

Kodagu DCC Bank will Have 1 main Head office in Madikeri Taluk and have 15 Branches in main

3 Taluk.

I. Madikeri Taluk:

1) HEAD OFFICE,

G T CIRCLE, MADIKERI 571201

Phone: 08272-228590

2) Branch 1.

College Road,

College Road, Madikeri571201

Phone: 08272-229573

3) Branch 2.

Cherambane,

Main Road, Cherambane 571257

Phone: 08272-235036

4) Branch 3.

Kadanga,

Main Road, Kadanga571212

Phone: 08274-269444

5) Branch 4.

Napoklu,

Main Road, Napoklu 571214

Phone: 08272-237700

6) Branch 5.

Murnad

Main Road, Murnad

Phone: 08272- 232264

II. Virajpet Taluk

7) Branch 6.

Virajpet,
Near Car Stand, Virajpet 571218
Phone: 08274-257318

8) Branch 7.

Gonikoppal,
Main Road, Gonikoppal 571213
Phone: 08274-247264

9) Branch 8.

Kutta,
Main Road, Kutta 571250
Phone: 08274-244244

10) Branch 9.

Ammathi,
Main Road, Ammathi 571211
Phone: 08274-264244

11) Branch 10.

Siddapur,
Near Bus Stand, Siddapur 571253
Phone: 08274-258356

12) Branch 11.

Ponnampet,
Ishan's Emporis, Cold Parrot. Ponnampet
Phone: 08274 249264

III. Somwarpet Taluk.

13) Branch 12.

Somwarpet,
Near Private Bus Stand,
Somwarpet 571236
Phone: 08276-282003

14) Branch 13.

Kushalnagar,
I B Road, Kushalnagar 571234
Phone: 08276-274363

15) Branch 14.

Shanivarsanthe,
Near Bus Stand,
Shanivarsanthe 571235
Phone: 08276-242187

16) Branch 15.

Sunticoppa,
Main Road, Sunticoppa
Phone: 08276 262424

1.8 COMPETITORS INFORMATION:

The other competitors are,

- 1) Canara Bank.
- 2) Corporation Bank.
- 3) The Punjab National Bank.
- 4) The ICICI Bank.
- 5) Indian Bank.
- 6) Indian Overseas Bank.
- 7) ING Vysya Bank.
- 8) Karnataka Bank.
- 9) South Indian Bank.
- 10) State Bank of Mysore.
- 11) State Bank of Travancore.
- 12) Syndicate Bank.

ACHIEVEMENTS AND AWARDS:

it is the substance of our excellent track record of the recovery and advances in at the Bank has won the National awards from the NABARD for the year of 1997-98, 1999-2000, 2001-2001.

1.9 FUTURE GROWTH AND PROSPECTIVE:

Future Programmes:

- 15% of Deposit Growth & 20% of growth in loans & Advances
- Gross NPA at 0%
- Installation of ATM & launching of Ru pay KCC Card and National wide ATM connectivity.
- To introduce new scheme for lending high tune and developing the overall business.
- To open new branches in the potential and rural area in the district.
- To cover the more and further areas in the rural complements under the Financial inclusion.

1.10 SWOT ANALYSIS OF KODAGU DCC BANK:

SWOT analysis is a procedure that recognizes an establishment's strengths, faintness, opportunities and the threats of the firm. Unambiguously, SWOT is an elementary, logical agenda that evaluates an object that can and cannot to do, for structures of both the internal (the strength and the weakness) as well as the external (the opportunities and the threads). Consuming environmental data to evaluate the condition of the firm, a SWOT analysis regulates pardon assistances of the firm in accomplishment of its purposes, and what problems essential be overawed and to minimise to achieve the anticipated result: where the society is today, and where it may be located in the future.

A Visual Overview SWOT Analysis:

Internal	External
Strengths	Opportunities
Weaknesses	Threats

1.10.1 Swot analysis:

SWOT Analysis	
Strengths	<ol style="list-style-type: none"> 1. The bank have an ethical policy that avoids it from investing in companies involved in arms trade. The ethical policy is part of the banks constitution. 2. The bank has been offers a variety of retail banking

	<p>facilities such facilities are current accounts, mortgages,</p> <ol style="list-style-type: none"> 3. The bank provides to a wide customer base including individuals, businessmen, corporate customers etc. 4. The bank provides its customers to the newest facilities like internet banking facility and to mobile banking facility. 5. The Bank provides its customers to Any Branch Banking is a facility to our customers to function their account from any of our networked branches. 6. As a part of extension of more and more facilities to our customers, Core Banking facility is also being introduced in our Bank. 7. RTGS is the speediest possible interbank money transfer capability or facilities available through safe banking channels in India. 8. The Bank received an inspiration award from the NABARD for SHG Bank linkage and State level Best SHG nodal officer for the year 2008-09.
<p>Weaknesses</p>	<ol style="list-style-type: none"> 1. The bank had to experience a severe financial crisis which saw its existence taken over by US hedge of funds. 2. Moody's downgraded its credit rating by 6 notches to junk category 3. Difficult to recover the loans and interests, Because the reason about their whether so its main one of the weakness 4. lack of coordination's: Lack of Co-Ordination is the one of the main Weakness. 5. Vulnerable to risk: Meanwhile this segment deals with funds, it is the riskiest area which can change the fate of any business. 6. High NPA's: Rising in the Retail & business NPA's is the single main issue this sector is going through universal. 7. it Can't spread to Under-penetrated market: Due to some conflicting objectives of government & banks which

	<p>goes hand in hand, rural areas of evolving nations are still not in the shadow of banks.</p> <p>8. The Structural faintness: such as an uneven industry structure, restrictions on capital accessibility and appointment, lack of institutional sustenance infrastructure, restrictive labour laws, weak corporate governance, Political heaviness and unsuccessful regulations.</p>
<p>Opportunities</p>	<ol style="list-style-type: none"> 1. The bank should present new products and schemes to carry in new customers. it should also build relationships with existing customers to retain them. 2. The bank would come up with improved dominance and be more translucent, in order to restore customer self-assurance in the processes of the bank. 3. The kodagu DCC bank will increases their Growth in deposits and also increasing their working capital it will rapidly increase year by year. 4. In addition to the bank will increase their new Branches by meet their customers' needs. 5. Bank offers social security schemes to customers. PHJJBY, OMSBY, APY and PMMY 7. Se1p help groups (SHG) &Vikas Voluntary Vahini (V.V.V) Clubs. <p>The SHGs have lent the Rs.5881.25 lakhs to their followers. 2969 SHGs have been credit related with a loan of Rs. 5075.48. Recovery is 99%.</p>
<p>Threats</p>	<ol style="list-style-type: none"> 1. the further healthy accounting system has needs to be put in place. it as originates that the bank had a hole in its finances. Such scandals can erode client confidence in the bank. 2. Default risk which is the risk that the bank will run into losses due to the counter party defaulting on their liabilities.

- | | |
|--|--|
| | <ol style="list-style-type: none">3. The bad financial outlook can cause serious damage to the financial condition of the bank.4. The bank faces danger of running out of capital to run its day to day business due to the severe financial disaster it is going through.5. The other Private Banks will give a competition it's a main threat to the Bank. |
|--|--|

1.11 Financial Statement:

1.11.1 Comparative Balance Sheet of KDCC Bank Ltd for the year 31.03.2017

Particulars	31.03.2016	31.03.2017
<u>Capital and liabilities:</u>		
Capitals	17,17,64,155.00	17,71,20,484.00
Reserve fund & other Reserves	58,95,67,274.40	71,49,66,356.10
Profit and loss	9,10,03,927.53	4,69,93,955.11
Deposits and other Accounts	7,11,41,73,782.08	7,41,03,23,826.48
Borrowings	2,41,26,94,300.00	2,92,90,20,832.50
Other liabilities & Provisions	34,62,83,743.13	30,63,36,999.41
Total	10,72,54,87,182.14	11,58,44,62,453.60
<u>Assets:</u>		
Cash	12,88,23,955.00	11,78,28,424.00
Balance with other Banks	2,69,46,75,482.94	1,52,76,66,109.72
Money at Call and Short Notice	-	-
Investment	1,53,54,49,072.72	2,66,32,34,946.61
Advances	6,03,90,07,794.43	6,80,35,59,515.68
Fixed assets	3,77,95,610.39	3,88,41,636.39
Other assets	28,97,35,266.66	43,33,31,821.20
Total	10,72,54,87,182.14	11,58,44,62,453.60

1.11.2 Profit and Loss A/C of KDCC Bank for the year ending 31.03.2017

Particulars	31.03.2016	31.03.2017
<u>Incomes:</u>		
Interest Income	90,66,05,143.73	84,89,56,931.35
Other income	4,66,23,284.85	2,02,05,379.07
-Interest on Advances	-	-
-Interest on Investments	-	-
Total	95,32,28,428.58	86,91,62,310.42
<u>Expenditure:</u>		
Interest on deposits & borrowings	60,10,85,220.84	63,88,51,786.91
Operating expenses	12,33,13,981.78	12,19,77,178.40
Provisions & Contingencies	13,78,25,298.00	6,13,39,390.00
Total	86,22,24,500.62	82,21,68,355.31
Net profit for the year	9,10,03,927.96	4,69,93,955.11
Add:		
Net profit brought down from previous year	8,64,28,159.42	9,10,03,927.53
	17,74,32,087.38	13,79,97,882.64
less: Appropriation of Net profit as per the Bye-laws:		
Transfer to statutory Reserve funds	2,59,28,448.00	2,73,01,178.00
Transfer to contingent Education funds	12,09,994.00	12,74,055.00
Transfer to contingent Tax liability	-	-
Transfer to Centenary Celebration fund	88,93,458.00	31,21,435.00
Transfer Agricultural Credit Stabilization fund	75,59,439.00	59,30,726.00
Transfer to Building fund	42,83,682.00	42,70,123.00
Transfer to Doubtful Debts fund	38,55,313.00	39,28,512.00
Transfer to Dividend Equalization fund	34,69,782.00	36,14,231.00
Transfer to Common Good fund	31,22,804.00	33,25,093.00
Transfer to Staff Welfare fund	28,10,524.00	30,59,086.00
Transfer to yeshashwini Vima Yojana	78,31,344.00	85,86,364.00
Proposed Dividend	1,65,21,829.00	2,35,23,455.00
Balance transfer to building fund	9,41,542.42	30,69,669.53
Net profit transfer to the Balance sheet	9,10,03,927.96	4,69,93,955.11

CHAPTER 2

CONCEPTUAL BACKGROUND AND LITERATURE REVIEW

2.1 Theoretical background of the study,

A number of studies related to performance of co-Operative banking area in India have been steered. Here, an effort is being made to offer an impression of several features and its problems of the study concluded the review of existing literature. Some of the main studies as selected for the review have been deliberated below.

2.2 Literature reviews:

Bhatia (1978), he titled as, “The Banking Structure and Presentation, – In a case Study of the Indian Finance System” tried to analyse the financial presentation of Indian finance system as replicated by its productions. the price and the output during the dated of 1950-68. Hence, he originates that the income of the Indian finance system throughout the period had he raising ascendant trend.

Kulkarni 1979 – the study titled as, “Development Accountability and Productivity of Banks” strained upon the social responsibilities of the banking segment. In his view that seeing for profit allowance only was not factual profitability of banks as social assistances rising available of thw bank procedures cannot be overlooked.

Kalyankar (1983) his study titled as, “The Wilful Default in loans of Co-Operatives” inspected the inclinations in deposits, share capital, working capital, loans outstanding, loans at the area level financing institutes. Socioeconomic factors accountable in prominent and promoting future development in the procedures and methods of the co-Operative credit establishments were also measured to the inspect the specific development made by Central Co-Operative Bank of kodagu District.

Kurukar 1983 in his literature available work on agricultural finance in backward area, informed obvious faults in the set-up of co-Operative credit system. He piercing that out of the 10 example holders who become long- term credit from the co-Operative banks, 30% could not secure short-term credit. Lack of short- term or production credit to the agriculturalists who availed long-term credit caused in lower output per acre, thus resulting in overdues.

Chopra 1987:

In her book, deliberate operational competence of around selected public sectors banks. She found the lack of skill in banking industry and worried for the outline of scientific management performs to improve profits and effectiveness of public sector banks. She recommended complete organization of costs as well as making of the banks.

Ramachandaran 1992:

In his paper titled as, "The Profit Planning as a Management Tool for Profit Maximisation" tried that to analyse profitability state of the banks. Swelling importance on goals, rise in establishment cost, NPAs, amount threatened in sick units, unfavourable deposit mix, acquiescence to statutory necessities were some reasons, 26 recognized by him, for declining profitability.

Balister et al. (1994) he conducted a study of overdues of loans in farming to scrutinize the refund presentation of nonpayers in three blocks of Agra district in Uttar Pradesh. They initiate that well-to-do farming families accounted for a big share of overdues. They accounted 37 per cent of total nonpayers and 57 per cent of total overdues. Total number of overdues and its relative share also enlarged during the period of study.

Hundekar (1995):

he suggested following points to development the productivity of RRBs:

- (i) Profit scheduling and cost control measures should be improved.
- (ii) Labour efficiency improvement procedures to be occupied.
- (iii) To encourage client service by product development and change strategies.
- (iv) Market growth strategies for mobilising more savings to be initiated.
- (v) Management audit for monitoring other administrative costs to be shown.
- (vi) Rationalize the recapture process.
- (vii) The funds of banks must be effectively managed.

Patel 1995:

In his paper on feasibility of rural banking, inferred that low volume of business per branch and per employee and high level of credit deposit ratio were two main factors initiating losses in rural banking system. He noticed that relative share of non-farm sector loans in the rural banks will going up.

Reddy and Reddy (1996), in their study titled as, “The Nature and Dimensions of Willful and Non-Willful Default and Effect of Co-operative Credit Policy with situation to Nellore District of Andhra Pradesh” used multi-stage sampling technique and many statistical tools to study the reasons for overdues.

Das (1997), in his paper, studied as the productivity in nationalised banks. He observed that the labour productivity in nationalised banks, over the time, he had not only remained low but also significantly declined. He advocated the restructuring of banks to progress productivity in Indian banks.

Ramamoorthy (1997), in his paper he titled as, “The Profitability and Productivity in Indian Banking – International Comparisons and Suggestions for Indian Banking” observed that the old order of controlled market banks was not aware of their profitability and productivity levels. But new economic order has obligated these banks to shift towards market-oriented, commercially ambitious banking system.

30 Yaron et al. (1997), in their study titled as, “The Rural Finance: Matters, Design and Best Practices” highlighted upon the performance evaluation of the rural financial institutions, to find out whether they have met their goal line of expanding income and reducing lack, and then to evaluate their opportunity cost. He studied two primary standards, i.e., the level of outreach reached among target clientele and self-sustainability of rural financial institutes.

Deo1a1kar (1998), in his study titled as, “The Indian Banking Sector on Road to Progress” observed that NPAs in Public Sector Banks were documented at about ₹457 billion in the year 1998. About 70% of gross NPAs were locked up in the “Hard Core” doubtful and loss of assets, collected over years, awaiting either in courts or with Board for Industrial and Financial Reconstruction (BIFR).

Pathania and Singh (1998), in their study titled as, “A Study of Performance of HP State Co-operative Bank” observed that the presentation of the Himachal Pradesh State Co-operative Bank Ltd. in terms of membership ambition, share capital, deposit mobilization, working capital and advances has upgraded over the period of five years, i.e., the year 1991-92 to the year 1995-96. Though, recovery performance was unacceptable and overdues had increased sharply. This was due to the after possessions of loan waiver 31 scheme.

Satyanarayane (1998), in his paper titled as, “The Profitability and Productivity Analysis of Banks and Financial Institutions” established a programme to measure the profitability of financial sector institutions. He offered a simple but wide-ranging framework of productivity analysis of a bank.

Kapoor (1999), in his paper he recognition of the significance and catalytic role of co-Operative banks in the development of farming and non-agriculture sector of Indian rural economy, Government of India on 9th April 1999, chosen a task force under the chairmanship of Jagdish Kapoor for revival of co-Operative banks. The main objective of the board was to review the operational of co-Operative credit structure and suggest measures to make them member driven professional business initiatives.

Niranjanraj and Chitanbaram (2000), in their study that titled as, “The Measuring the Performance of the DCCBs” observed that the suitable models should be advanced to evaluate the performance of co-Operative banks. They considered 23% dropping into four major groups for measuring the performance of District Central CoOperative Banks and allocated appropriate weights to each limit.

Satyasai and Badatya (2000), he conducted a study concerning rearrangement Rural Credit Co-Operative Organizations. They analysed performance of rural co-Operative credit institutions on the base of borrowings and lending processes, cost construction, financial feasibility, etc. and found that co-Operative system, in over-all, had failed to perform its functions correctly. They counselled the co-Operative banks to expand their business and also to overcome internal and external weaknesses.

CHAPTER.3

RESEARCH DESIGN OF DCC BANK

RESEARCH DESIGN:

Introduction For periods, the co-operative organizations in India have been playing a significant role in financing the requirements of farmers. The institutional structure involved in this endeavour owes its origin to the Report of the MacLagan Committee appointed by the then British Government in 1914 to study the position, working and development of the co-operative sector. The Committee recommended the setting up of four-tier structure of co-operative institutions for meeting the rural credit requirements. The structure comprised of

- (i) Primary Agricultural Credit Societies (PACs),
- (ii) District Central Co-operative Banks (DCCBs),
- (iii) Provincial Apex Co-operative Banks now called the State Co-operative Banks (SCBs) / State Co-operative Apex Banks and
- (iv) Supervisory Societies the role now played by the NABARD.

3.1 Statement of Problems:

Financial performance analysis is important to evaluate the performance of the company; hence comparison is taken to find out the financial performance of the bank by using the various tools like, common size of statement, comparative statement, ratio analysis and the trend analysis.

3.2 Need for the Study:

The study of intra firm helps the company to know the financial position and solvency of both competitors and company itself which assist the survival and growth of the business. This study helps in identify the competitive strength of company among its competitors. The study helps the company to know the strength and weaknesses of similar business unit which provide platform to get success in the market and most importantly this study helps in making necessary changes in the firm's operations to improve its performance and to get financial benefits.

3.3 Objectives and scope of the Study:

- To determine the variation in the items of income statement and balance sheet by common size statement
- To evaluate the performance of the bank by comparative study
- To ascertain the solvency, liquidity and financial position of the bank using ratios.
- To analyse the bank's data over a period of time by using trend analysis

3.4 Scope of the Study.

This study has been involved in evaluating the financial performance of Kodagu DCC Bank with other banks by using annual financial reports. The study confined to DCC Bank at Madikeri and the study covers the all the financial activates of the company.

Tools:

- 1) Common Size and Statement Analysis,
- 2) Comparative Statement Analysis,
- 3) The Ratio analysis and,
- 4) The Trend analysis.

3.5 limitations of the Study.

Since a few actualities and business mystery kept up entirely by the organization, it is impractical to gather all data.

- The review is constrained to the execution of the organization for restricted period.
- Time accessible for the review was imperative.
- This review is not generally relevant.
- The review depends on recorded information and organization uncovered just the fiscal actualities.
- The review is restricted to assess the monetary execution of save money with its rivals and to get conceivable proposals as it were.
- Data analysis is limited to 3 years.
- Tools included in this report are comparative analysis, ratio analysis and trend analysis.

3.6 Research Methodology.

➤ Type of Research.

1. Descriptive Research:

- Description of the study area
- Data collection
- Method of analysis
- Description of the study area

➤ Description of the study area of Kodagu District:

The Kodagu DCC Bank was registered in the year 28.06.1921 with the 45 Co-operative societies and 16 main individual members, with the paid-up share capital of Rs.4400.00 and the deposit of Rs.10000/-. and it has made spectacular progress in its transaction in all spheres of CoOperative

Banking activities. At present there are 274 Co-Operative member societies with total share capital of Rs.1217.36 lakhs.

➤ **Data collection.**

- **Primary Data:** The information gathered or collected is through the interactions and discussions with the working executives of the company.
- **Secondary Data:** The information is collected through the company brochures, company websites, company reports, internet, books, journals and articles.

➤ **Statistical Tools.**

Turnover Ratios like Inventory Turnover Ratio, Assets Turnover Ratio, Fixed Assets Turnover Ratio and Working Capital Turnover Ratio.

Hypothesis.

A Hypothesis is a set of assumption of the statement or an uncertain assumption statement relating to a certain spectacle, where the investigator wants to verify when it essential. It is an analytical statement accomplished of being tested by definite methods or it is a basic assumption statement enclosed by the researcher which is to be showed or disproved. It is used to suggest variables which are to be included in the research design. There are basically two types of Hypothesis are there. They are, i). Null Hypothesis (H_0) and ii). Alternative Hypothesis (H_1).

CHAPTER 4
ANALYSIS AND INTERPRETATION:

Analysis of the financial Statement of KDCC Bank.

4.1 Comparative Balance Sheet of KDCC Bank Ltd for the year 2014/15/16/17

Particulars	31.03.2014	31.03.2015	31.03.2016	31.03.2017
<u>Capital and liabilities:</u>				
Capitals	13,76,81,905.00	16,80,24,680.00	17,17,64,155.00	17,71,20,484.00
Reserve fund & other Reserves	32,42,04,042.39	44,25,91,012.26	58,95,67,274.40	71,49,66,356.10
Profit and loss	12,08,39,608.87	8,64,28,159.42	9,10,03,927.53	4,69,93,955.11
Deposits and other Accounts	74,35,27,802.44	5,46,18,36,098.17	7,11,41,73,782.08	7,41,03,23,826.48
Borrowings	2,09,57,70,907.00	2,52,98,83,000.00	2,41,26,94,300.00	2,92,90,20,832.50
Other liabilities & Provisions	30,71,26,565.81	32,69,47,895.14	34,62,83,743.13	30,63,36,999.41
Total	7,72,91,50,831.51	9,01,57,10,844.99	10,72,54,87,182.14	11,58,44,62,453.60
<u>Assets:</u>				
Cash	5,49,59,011.50	5,45,37,811.00	12,88,23,955.00	11,78,28,424.00
Balance with other Banks	2,83,90,19,140.84	2,44,28,13,733.88	2,69,46,75,482.94	1,52,76,66,109.72
Money at Call and Short Notice	-	-	-	-
Investment	14,04,32,910.00	56,91,82,910.00	1,53,54,49,072.72	2,66,32,34,946.61
Advances	4,51,97,05,064.14	5,51,31,32,339.54	6,03,90,07,794.43	6,80,35,59,515.68
Fixed assets	1,91,61,713.39	2,93,97,877.39	3,77,95,610.39	3,88,41,636.39
Other assets	15,58,72,991.64	40,66,46,173.18	28,97,35,266.66	43,33,31,821.20
Total	7,72,91,50,831.51	9,01,57,10,844.99	10,72,54,87,182.14	11,58,44,62,453.60

Interpretation:

The nearby monetary record of the Bank uncovers that there is increment in advances and speculations which demonstrates that the organization has used its assets.

- There is increase in the share capital and value share capital.
- The add up to liabilities have expanded.
- The loans and current assets are also expanded.
- The general money related to the position of the bank is agreeable.

4.2 Comparative Profit and Loss account of Kodagu DCC Bank for the year 2014/15/16/17.

Particulars	31.03.2014	31.03.2015	31.03.2016	31.03.2017
Incomes:				
Interest Income	63,03,87,787.17	74,22,33,452.97	90,66,05,143.73	84,89,56,931.35
Other income	1,36,74,442.85	1,48,70,679.63	4,66,23,284.85	2,02,05,379.07
-Interest on Advances	10,99,96,342.81	1,20,95,726.54	-	-
-Interest on Investments	2,50,08,109.00	-	-	-
Total	77,90,66,681.83	76,91,99,859.14	95,32,28,428.58	86,91,62,310.42
Expenditure:				
Interest on deposits & borrowings	46,26,12,248.61	50,36,19,599.05	60,10,85,220.84	63,88,51,786.91
Operating expenses	9,54,76,563.35	12,45,49,929.67	12,33,13,981.78	12,19,77,178.40
Provisions & Contingencies	10,01,38,261.00	5,46,02,171.00	13,78,25,298.00	6,13,39,390.00
Total	65,82,27,072.96	68,27,71,699.72	86,22,24,500.62	82,21,68,355.31
Net profit for the year	12,08,39,608.87	8,64,28,159.42	9,10,03,927.96	4,69,93,955.11
Add:				
Net profit brought down from previous year	1,31,93,706.81	12,08,39,608.87	8,64,28,159.42	9,10,03,927.53
	13,40,33,315.68	20,72,67,768.29	17,74,32,087.38	13,79,97,882.64
less: Appropriation of Net profit as per the Bye-laws:				
Transfer to statutory Reserve funds	32,98,427.00	3,03,09,902.00	2,59,28,448.00	2,73,01,178.00
Transfer to contingent Education funds	1,97,906.00	18,12,594.00	12,09,994.00	12,74,055.00
Transfer to contingent Tax liability	-	4,00,00,000.00	-	-
Transfer to Centenary Celebration fund	-	1,22,04,278.00	88,93,458.00	31,21,435.00
Transfer Agricultural Credit Stabilization fund	19,79,056.00	54,91,925.00	75,59,439.00	59,30,726.00
Transfer to Building fund	77,183.00	31,12,084.00	42,83,682.00	42,70,123.00
Transfer to Doubtful Debts fund	77,183.00	28,00,876.00	38,55,313.00	39,28,512.00
Transfer to Dividend Equalization fund	77,183.00	25,20,788.00	34,69,782.00	36,14,231.00
Transfer to Common Good fund	77,183.00	22,68,709.00	31,22,804.00	33,25,093.00
Transfer to Staff Welfare fund	77,183.00	20,41,439.00	28,10,524.00	30,59,086.00
Transfer to yeshashwini Vima Yojana	77,183.00	-	78,31,344.00	85,86,364.00
Proposed Dividend	72,09,951.00	1,33,90,949.00	1,65,21,829.00	2,35,23,455.00
Balance transfer to building fund	45,268.81	49,86,064.87	9,41,542.42	30,69,669.53
Net profit transfer to the Balance sheet	12,08,39,608.87	8,64,28,159.42	9,10,03,927.96	4,69,93,955.11

Interpretation:

- There is an increment in the absolute share capital and value of share capital.
- The add up to liabilities have to be expanded.
- Loans and current assets has been increased.
- The general money related to the position of the bank is agreeable.
- The bank financial position is good and also increasing its financial positions in year by year.
We can see the financial changes in the comparative balance sheet of the bank.
- The fixed assets in the bank shows that it has gradual increase in the fixed assets of the bank.

Ratio analysis:

Ratio analysis is the one way that we can ascertain the financial position of the company and also through which we can also calculate the company's growth rate so this concept is very essential to every report to give the conclusion about the company.

Return on Net Capital Employed Ratio:

This ratio is being identified as overall profitability ratio or the return on capital employed.

Return on Net Capital Employed = Net operating profit (EBIT)/Net Capital Employed*100

Capital employed comprises share capital and reserves and surplus, long-term loans minus non-operating assets and fictitious assets. It can also be represented as net fixed assets plus working capital

Return on Net Capital Employed = Net operating profit/Net Capital Employed*100

Capital employed = Net fixed Assets + Working capital

Working capital = current assets – current liabilities

4.1.1 Return on capital employed:

Particulars	31.03.2014	31.03.2015	31.03.2016	31.03.2017
EBIT (Net operating Profit)	12,08,39,608.87	8,64,28,159.42	9,10,03,927.96	4,69,93,955.11
Working capital = current assets – current liabilities	4,57,43,84,507.04	1,87,64,786.25	-66,43,60,849.71	-1,89,02,90,609.58

Net Capital employed = net FA + Working capital	4,74,94,19,212.07	45,48,08,836.82	-33,68,29,972.66	-1,41,81,17,151.99
Return on capital employed ratio	03	19	-27	-3

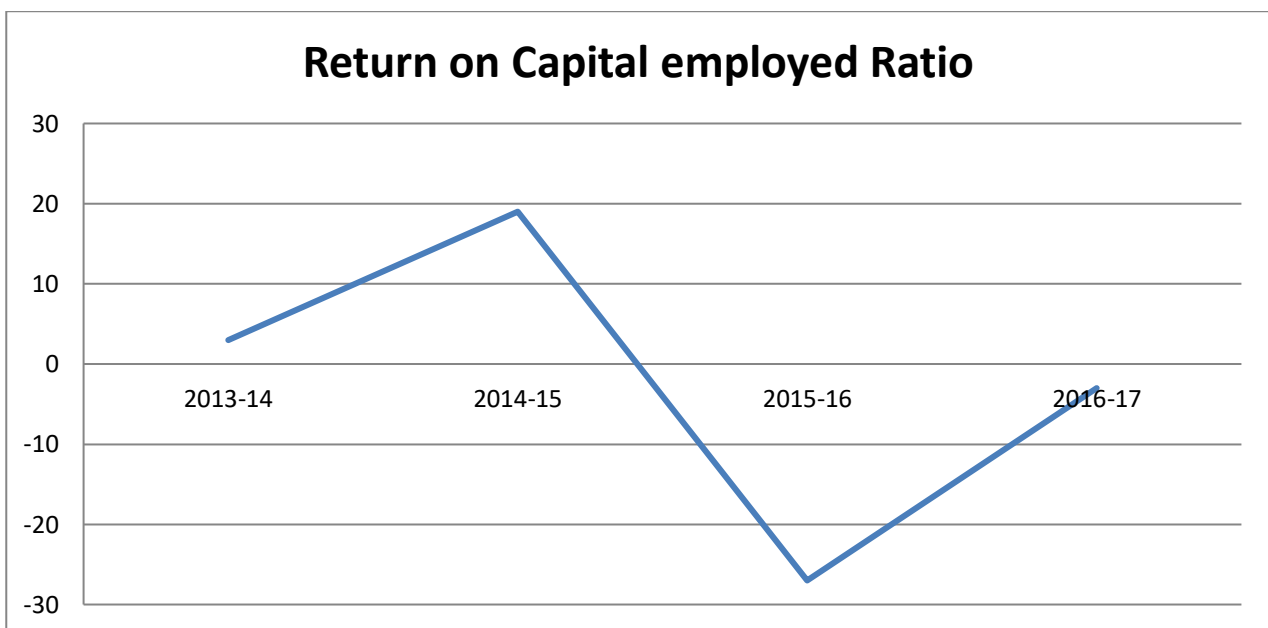
2014: $(4,57,43,84,507.04/4,74,94,19,212.07) * 100 = 3$

2015: $(1,87,64,786.25/45,48,08,836.82) * 100 = 19$

2016: $(-66,43,60,849.71/-33,68,29,972.66) * 100 = -27$

2017: $(-1,89,02,90,609.58/-1,41,81,17,151.99) * 100 = -3$

4.1 Return on capital employed Ratio



Interpretation:

In the above calculations show that the banks ROCE in the year 2014 it was 30, in 2015 it was 19, in 2016 it was -27 and in 2017 it was -3. Considering the above information banks in good investment in 2011 & 15 there after it has falling and then recovered in 2107.

2) Return on Assets

Here the profitability is measured in terms of the relationship between net profits and assets. it shows whether the assets are being properly utilized or not. it is calculated as:

Return on Assets Ratio = Net Profit After Tax/Total assets * 100

4.2.1 Return on Assets Ratio:

Particulars	31.03.2014	31.03.2015	31.03.2016	31.03.2017
Net Profit after Tax	12,08,39,608.87	8,64,28,159.42	9,10,03,927.96	4,69,93,955.11
Total Assets	7,72,91,50,831.51	9,01,57,10,844.99	10,72,54,87,182.14	11,58,44,62,453.60
ROA Ratio	1.56	0.96	0.85	0.41

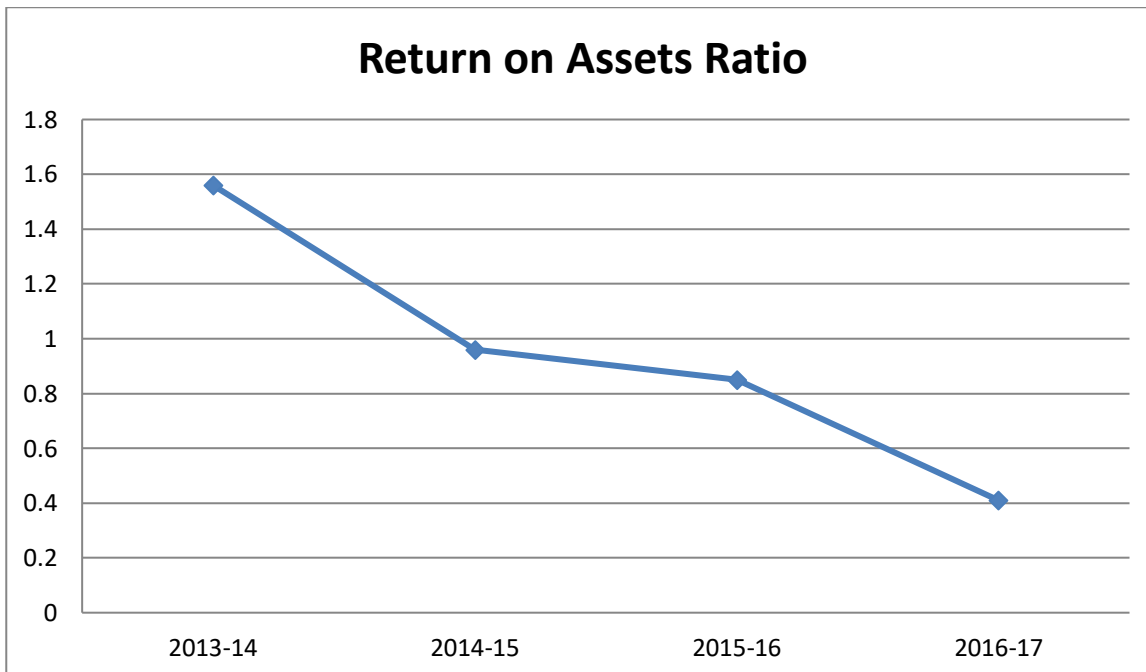
2014: $(12,08,39,608.87/7,72,91,50,831.51) * 100 = 1.56$

2015: $(8,64,28,159.42/9,01,57,10,844.99) * 100 = 0.96$

2016: $(9,10,03,927.96/10,72,54,87,182.14) * 100 = 0.85$

2017: $(4,69,93,955.11/11,58,44,62,453.60) * 100 = 0.41$

4.2 Return on Assets Ratio



Interpretation:

This ratio is a ration of the profitability of the total investment of the organization. In other world the return on assets ratio procedures how efficiently a company can manage its assets to produce profits during a period. ROA in the DCC Bank, in the year 2014 is 1.56, in 2015 is 0.96, in 2016 is 0.85, and in 2017 is 0.41.

3) Gross Profit Ratio:

Gross profit ratio couriers the connection of gross profit to net sales or turnover. Gross profit is the additional of the profits of goods sold and services concentrated during a period over their cost,

before taking into the account direction, selling and distribution and financing charges. Gross profit ratio is calculated as follows:

$$\text{Gross Profit Ratio} = \text{Gross Profit} / \text{Net sales} * 100$$

$$\text{Gross profit} = \text{Revenue} - \text{cost of goods sold.}$$

4.3.1 Gross Profit Ratio:

Particulars	31.03.2014	31.03.2015	31.03.2016	31.03.2016
Gross Profit = Revenue – Cost of goods sold.	12,08,39,608.87	8,64,28,159.42	9,10,03,927.96	4,69,93,955.11
Net Sales	74,35,27,802.44	5,46,18,36,098.17	7,11,41,73,782.08	7,41,03,23,826.48
Gross Profit ratio	16.25	1.58	1.28	0.63

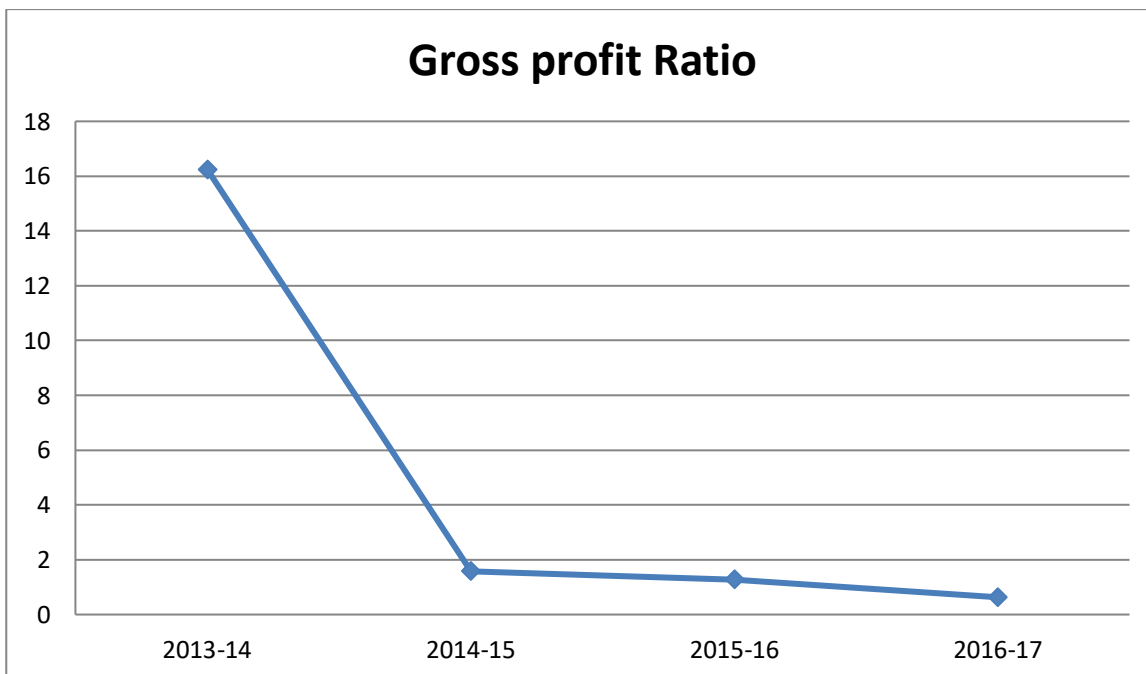
$$\text{2014: } (120839608.87/74,35,27,802.44) = 16.25$$

$$\text{2015: } (86428159.42/5,46,18,36,098.17) = 1.58$$

$$\text{2016: } (91003927.96/7,11,41,73,782.08) = 1.28$$

$$\text{2017: } (46993955.11/7,41,03,23,826.48) = 0.63$$

4.3 Gross Profit Ratio:



Interpretation:

In the above gross profit ratio table shows that, the gross profits will decrease in every year it means the Bank will not making profit, but it has been providing good service to the people by taking less profit margins.

4) Net Profit ratio:

One of the mechanisms of the return on capital employed is the net profit ratio

Net Profit Ratio = Net profit/Sales*100

4.4.1 Net Profit Ratio:

Particulars	31.03.2014	31.03.2015	31.03.2016	31.03.2017
Net profit	12,08,39,608.87	8,64,28,159.42	9,10,03,927.53	4,69,93,955.11
Sales	74,35,27,802.44	5,46,18,36,098.17	7,11,41,73,782.08	7,41,03,23,826.48
Net Profit Ratio	16.25	1.58	1.28	0.63

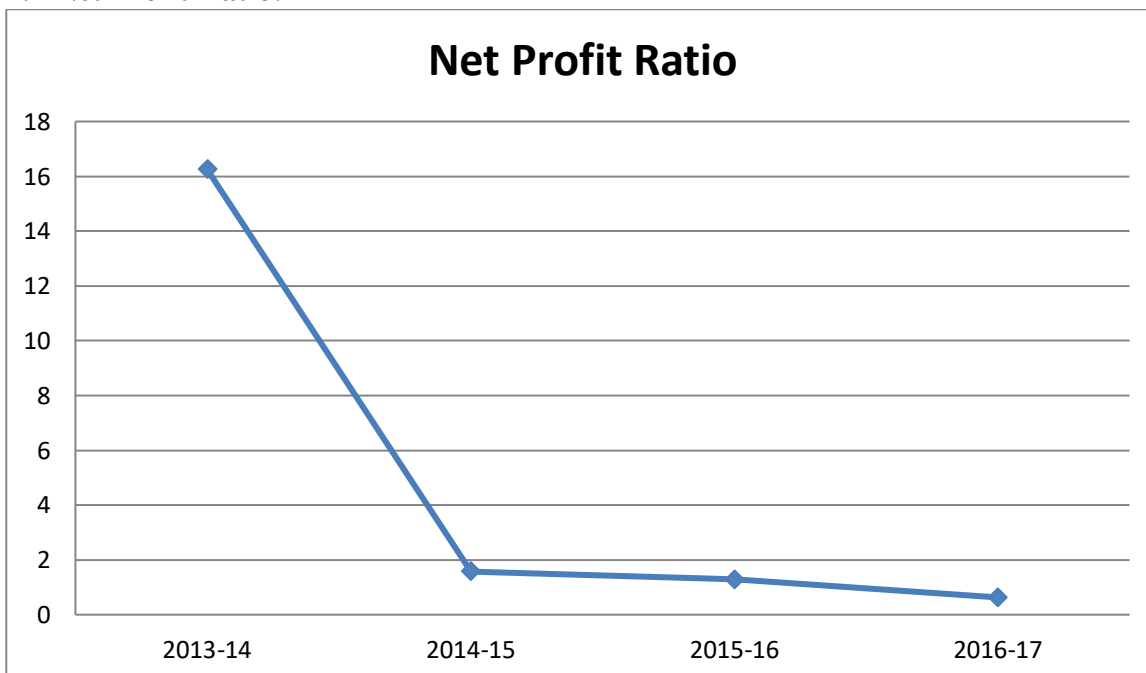
2014: $(120839608.87/74,35,27,802.44) = 16.25$

2015: $(86428159.42/5,46,18,36,098.17) = 1.58$

2016: $(91003927.96/7,11,41,73,782.08) = 1.28$

2017: $(46993955.11/7,41,03,23,826.48) = 0.63$

4.4 Net Profit Ratio:



Interpretation:

In the above net profit ratio table shows that the net profits will decrease in every year it means the Bank will not be making profit but it has been providing good service to the people by taking less profit margins.

5) Return on Investment:

Return on investment = net profit/total investment

4.5.1 Return on Investment:

Particulars	31.03.2014	31.03.2015	31.03.2016	31.03.2017
Net profit	12,08,39,608.87	8,64,28,159.42	9,10,03,927.96	4,69,93,955.11
Total investment	14,04,32,910.00	56,91,82,910.00	1,53,54,49,072.72	2,66,32,34,946.61
ROI	86.04	15.18	5.93	1.76

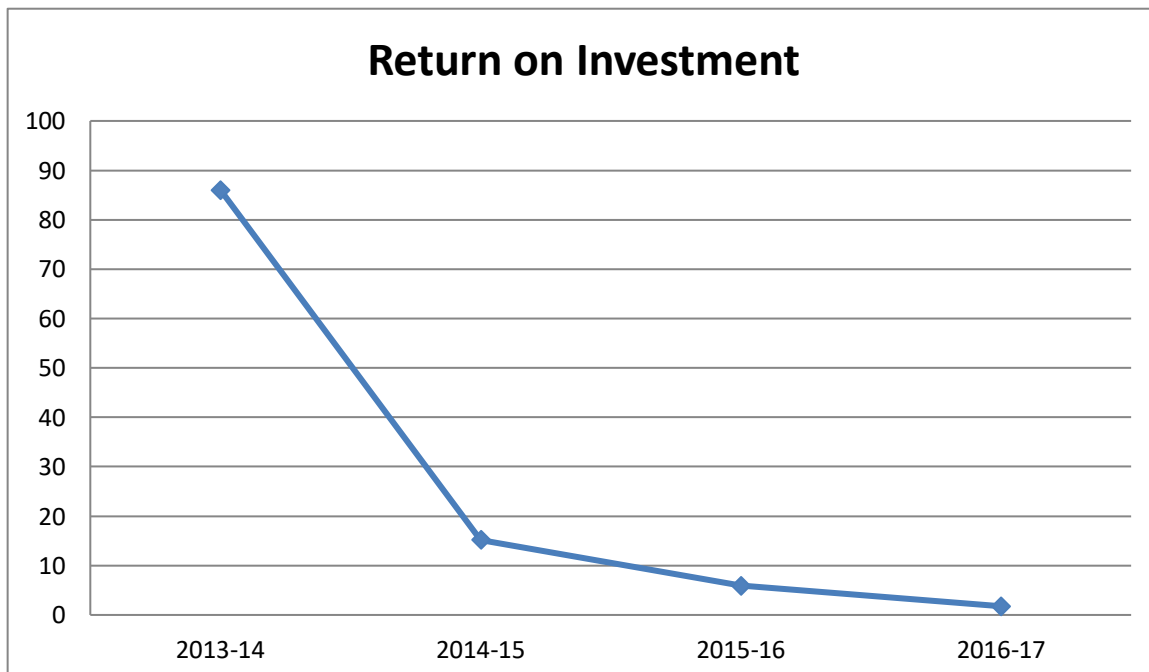
2014: $(120839608.87/140432910.00) * 100 = 86.04$

2015: $(86428159.42/569182910.00) * 100 = 15.18$

2016: $(91003927.96/1535449072.72) * 100 = 5.93$

2017: $(46993955.11/2663234946.61) * 100 = 1.76$

4.5 Return on Investment:



Interpretation:

Return on investment is the pointer of how profitable a company is relative to its total assets. ROA springs a director, investor, or analyst an idea to how efficient a company's management is at

consuming its assets to make earnings. In the KDDC banks ROI is varying from year to year, and at present it is 1.76% in 2017.

6) Operating Profit Ratio:

Operating profit Ratio = Operating profit/Net Sales * 100

4.6.1 Operating Profit Ratio:

Particulars	31.03.2014	31.03.2015	31.03.2016	31.03.2017
Operating Profit	12,08,39,608.87	8,64,28,159.42	9,10,03,927.96	4,69,93,955.11
Net Sales	74,35,27,802.44	5,46,18,36,098.17	7,11,41,73,782.08	7,41,03,23,826.48
Operating Profit Ratio	16.25	1.58	1.28	0.63

An evaluation of operating ratio would elect whether the cost contented is high or low in the figure of sales. If the annual comparison shows that the sales have increased, the management would be naturally interested and

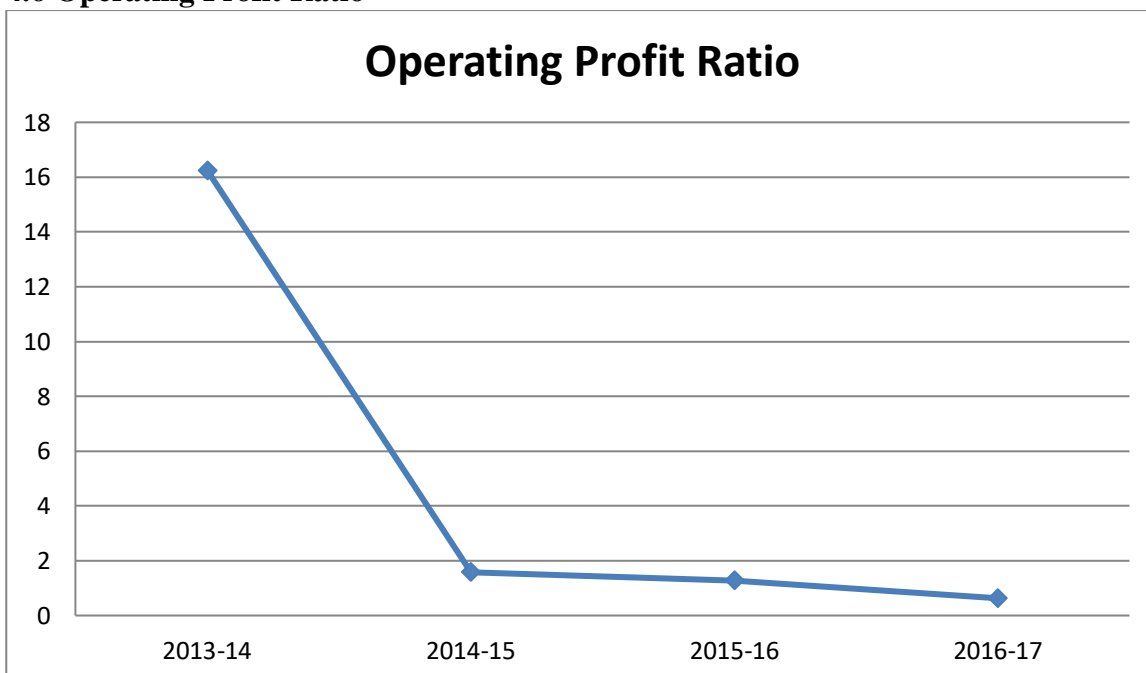
2014: $(120839608.87/74,35,27,802.44) = 16.25$

2015: $(86428159.42/5,46,18,36,098.17) = 1.58$

2016: $(91003927.96/7,11,41,73,782.08) = 1.28$

2017: $(46993955.11/7,41,03,23,826.48) = 0.63$

4.6 Operating Profit Ratio



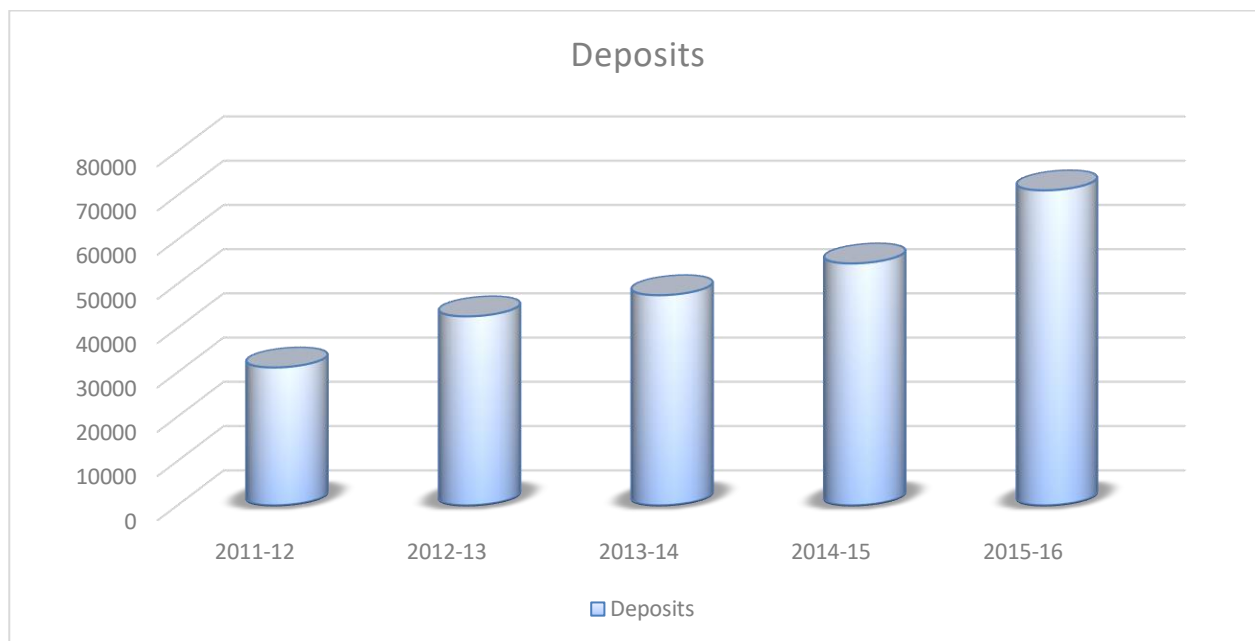
Interpretation:

An evaluation of the operating ratio would designate whether the cost content is higher or lower in the number of sales. If the annual comparison shows that the sales have increased, the management would be naturally interested and Financial Performance Before and After Mergers and Acquisitions of the Selected Indian Companies concerned to know as to which element of the cost has gone up.

BUSINESS RATIOS (AS CALCULATED BY THE BANK AND ADOPTED HEREIN):**4.7.1 Business Ratio:**

Particulars		31.03.2016	31.03.2015
A.	Interest Income as a % of the working funds	9.8%	8.75%
B.	Non-interest income as a % of the working funds	0.25%	0.17%
C.	Operating profit as a % of the working capital	2.18%	1.01%
D.	Return on Assets	9.17%	8.96%
E.	Business (Deposit + Advance) per employee	1011.78 lakh	806.98 lakh
f.	Profit per employee	6.89 lakhs	6.35 lakhs

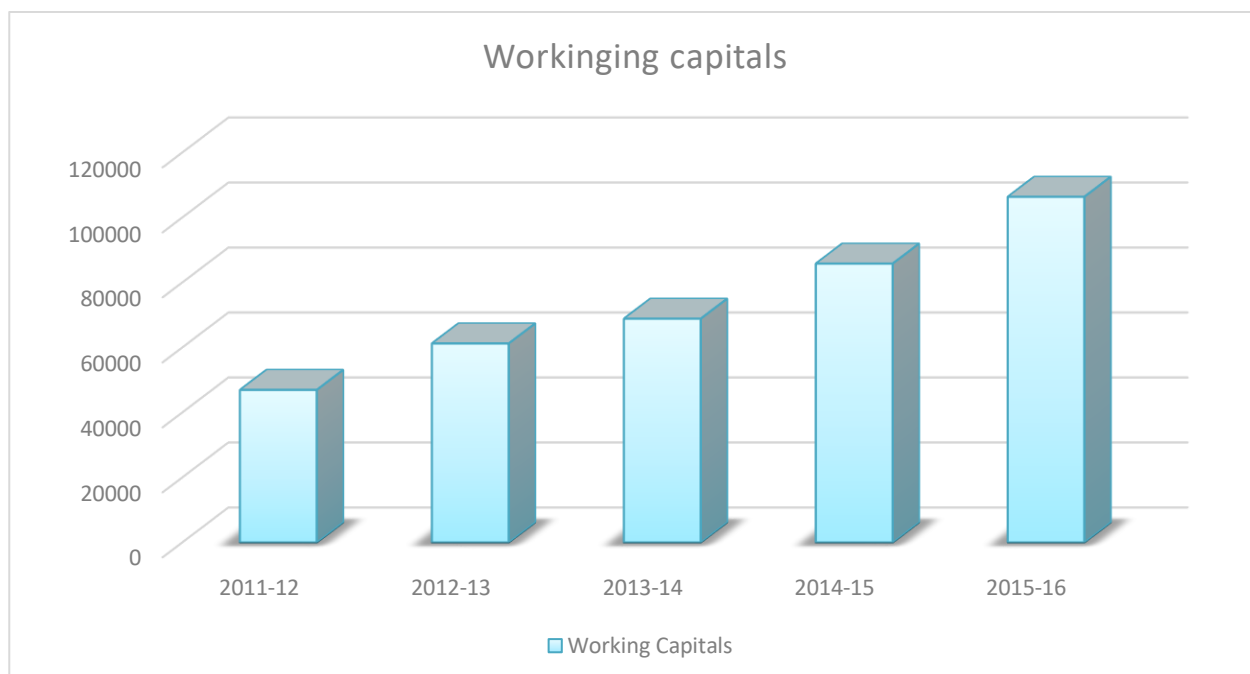
4.7 Growth charts as on 31st March 2016 Deposits (in lakhs):



Interpretation:

In the above chart shows that the banks growth potion, and it will periodically have increased.

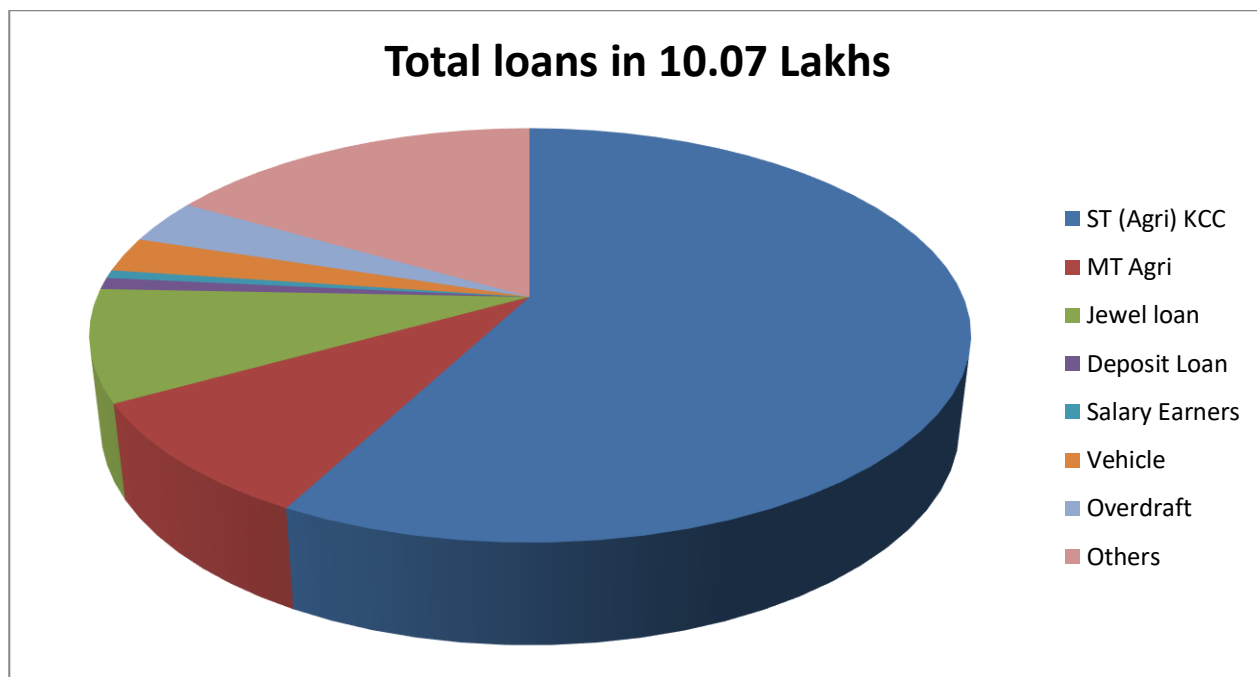
4.8 Working Capitals (in lakhs):



Interpretation:

In the above chart, the KDCC banks working capita1 will increase in year by year.

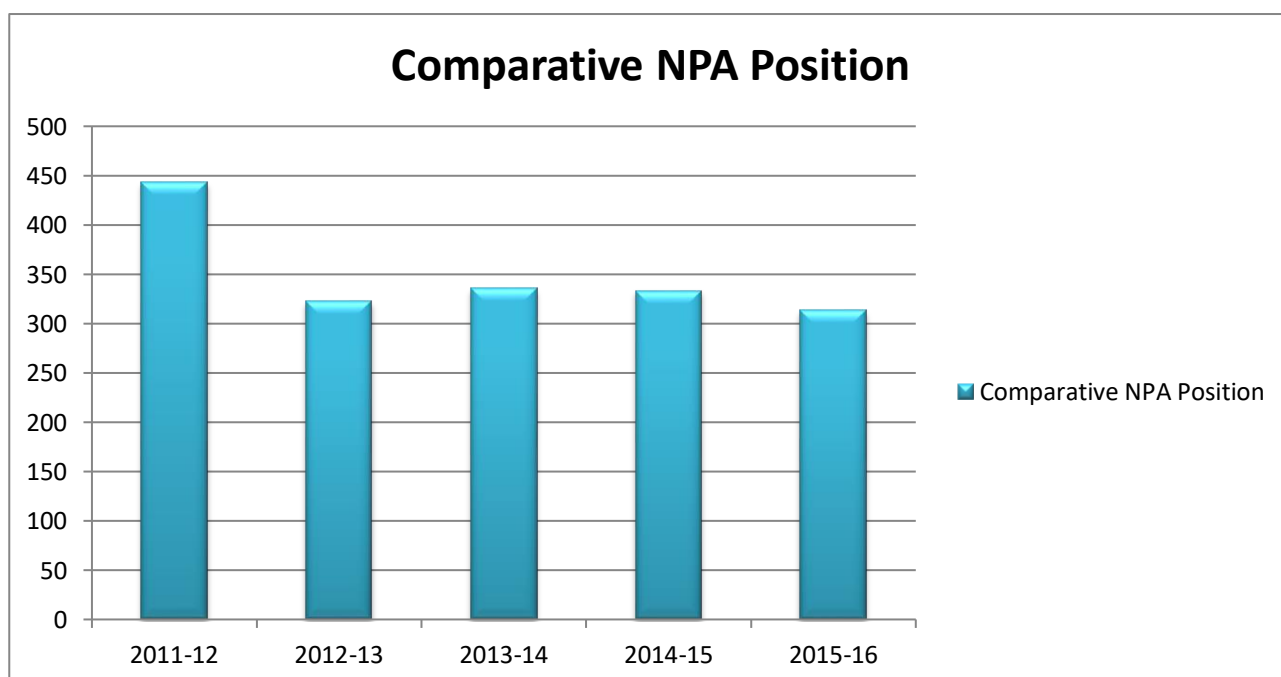
4.9 Loans as on 31/03/2016 (in lakhs) Total = 60390.07:



Interpretation:

In the above pie chart shows that the banking various loan types and the KDCC bank will mainly concentrating on agriculture sector, more than 55% of the loans will give to the formers.

4.10 Comparative NPA position:



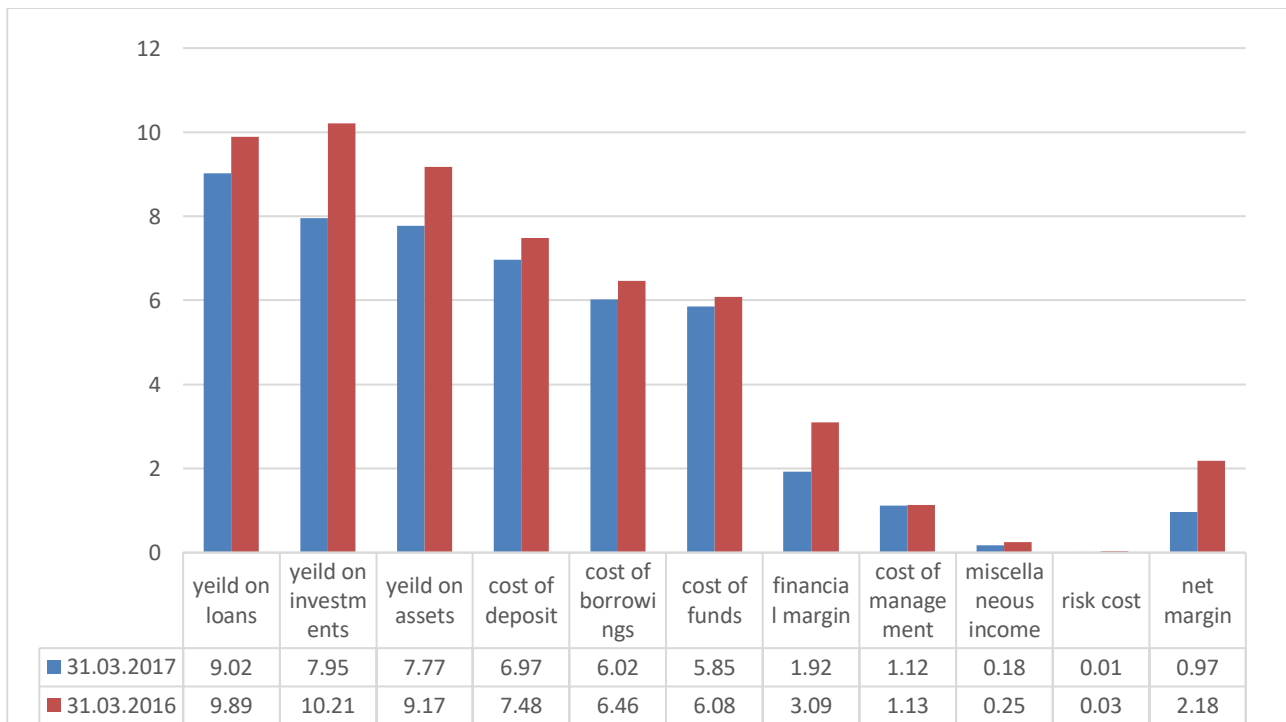
Interpretation:

In the above chart shows that the Comparative NPA Position of KDCC Bank and it will High in the year 2012 and after that it will come down.

4.8.1 Average Cost of Funds & Yield on asset (as Calculated by the Bank and adopted herein)

S1	Particulars	31.03.2017	31.03.2016
1.	Yield on loans	9.02%	9.89%
2.	Yield on Investment	7.95%	10.21%
3.	Yield on Asset	7.77%	9.17%
4.	Cost of Deposit	6.97%	7.48%
5.	Cost of Borrowing	6.02%	6.46%
6.	Cost of Funds	5.85%	6.08%
7.	Financial Margin	1.92%	3.09%
8.	Cost of Management	1.12%	1.13%
9.	Miscellaneous Income	0.18%	0.25%
10.	Risk Cost	0.01%	0.03%
11.	Net Margin	0.97%	2.18%

4.11 Average Cost of Funds & Yield on asset



4.9.1 Long form Audit Report for Co-operative Banks for the year 2015-16

I. Capital:

Share capital from member societies, Individuals and Govt. and shareholder of govt. in the total capital, change of position from previous year.

During the year, the share capital has increased by Rs.33,39,475/- as compared to the previous year. The Call remain voluntary during the year is Rs. +/- . In the entire share capital of the Bank is held by Co-Operative organizations. The society-wise break-up of increase in share capital is given here below-

S1. No.	Name of the society	1.F	31.03.2016	31.03.2015	Increase / Decrease in the year
1	Chowdhu VSS Bank Ltd.,	1	6700000	6400000	300000
2	Thorenoor VSS Bank Ltd.,	2	5206000	5141000	65000
3	Shanthally VSS Bank Ltd.,	3	4109000	4109000	0
4	Kodlipet VSS Bank Ltd.,	4	7527000	7107000	420000
5	Sunticoppa VSS Bank Ltd.,	5	2645000	2645000	0
6	Alur-siddapur VSS Bank Ltd.,	6	3590000	3500000	90000
7	Abyathmangala VSS Bank Ltd.,	7	630000	630000	0
8	Bessur VSS Bank Ltd.,	8	2485000	2220000	265000
9	Somwarpet VSS Bank Ltd.,	9	4675000	4535000	140000
10	Chettalli VSS Bank Ltd.,	10	2950000	2950000	0
11	Igoor VSS Bank Ltd.,	11	5037000	4797000	240000
12	Madapura VSS Bank Ltd.,	12	3045000	3045000	0
13	Nanjarayapatna VSS Bank Ltd.,	13	1400000	1400000	0
14	Nidtha VSS Bank Ltd.,	14	3146000	3146000	0
15	Bhagamandla VSS Bank Ltd.,	15	1239510	1239510	0
16	Hoddur VSS Bank Ltd.,	16	1535000	1535000	0
17	Kadanga VSS Bank Ltd.,	17	1385000	1385000	0
18	Kargunda VSS Bank Ltd.,	18	1670000	1670000	0
19	Madikeri VSS Bank Ltd.,	19	1310000	1310000	0
20	Bettageri VSS Bank Ltd.,	20	744000	744000	0
21	Maragodu VSS Bank Ltd.,	21	2349000	2349000	0
22	Cherambane VSS Bank Ltd.,	22	1860000	1860000	0
23	Cheyandane RC Bank	23	2700000	2700000	0
24	Makkandur VSS Bank Ltd.,	24	2166000	1951000	215000

25	Made VSS Bank Ltd.,	25	1026000	1026000	0
26	Ne1ji VSS Bank Ltd.,	26	3700000	3300000	400000
27	Napok1u VSS Bank Ltd.,	27	800000	874570	-74570
28	Payaswini VSS Bank Ltd.,	28	6458000	6458000	0
29	Kakkabe VSS Bank Ltd.,	29	1930000	1930000	0
30	Murnad VSS Bank Ltd.,	30	1010000	1010000	0
31	Bittanga1a VSS Bank Ltd.,	31	1130000	1130000	0
32	Ammathi VSS Bank Ltd.,	32	2410000	1957000	453000
33	Kanoor VSS Bank Ltd.,	33	2900000	2900000	0
34	Hathur VSS Bank Ltd.,	34	2000000	2000000	0
35	Hudikeri VSS Bank Ltd.,	35	3224000	3224000	0
36	Nallur VSS Bank Ltd.,	36	1857000	1857000	0
37	Birunani VSS Bank Ltd.,	37	3625885	3419800	206085
38	Mayamudi VSS Bank Ltd.,	38	2067000	2067000	0
39	Kotoor VSS Bank Ltd.,	39	2059000	2059000	0
40	Byrambada VSS Bank Ltd.,	40	2134000	1850000	284000
41	Devanageri VSS Bank Ltd.,	41	1547000	1547000	0
42	Kuthunadu VSS Bank Ltd.,	42	1650000	1650000	0
43	Rudruguppe VSS Bank Ltd.,	43	1864000	1864000	0
44	Be1lumadu VSS Bank Ltd.,	44	1830000	1830000	0
45	Kedamu11ur VSS Bank Ltd.,	45	2216200	2216200	0
46	Kakotuparambu VSS Bank Ltd.,	46	1841820	1841820	0
47	T.Shettigeri VSS Bank Ltd.,	47	4500000	4500000	0
48	Beto1i VSS Bank Ltd.,	48	1340000	1340000	0
49	Thithimathi VSS Bank Ltd.,	49	1611575	1611575	0
50	Srimanga1a VSS Bank Ltd.,	50	3610000	3610000	0
51	Virajpet VSS Bank Ltd.,	51	1320000	1320000	0
52	Ponnampet VSS Bank Ltd.,	52	1235000	1235000	0
53	Kutta VSS Bank Ltd.,	53	2721050	2721050	0
54	Pol1ibetta VSS Bank Ltd.,	54	2926000	2926000	0
55	Bale1e RC Bank Ltd.,	55	2600000	2600000	0
56	Gonicoppa1 RC Bank Ltd.,	56	170000	170000	0
57	GuhyaAgas Ser Co-Op Bank	57	800000	800000	0
58	Ma1dareBadaga Ser Co-Op Bank	58	1500000	1500000	0
59	R.K. VSS Bank Ltd.,	59	2391000	2391000	0

60	Knag co-op Bank ltd.,	60	219000	219000	0
61	Ssanthe co-op bank ltd.,	61	3540000	3540000	0
62	Handli VSS Bank ltd.,	62	3707500	3492500	215000
63	Parane RC Bank ltd.,	63	1785000	1785000	0
64	Coorg coffee growers CS	64	1420000	1420000	0
65	Karike VSS Bank ltd.,	65	1986000	1986000	0
66	Gowdalli VSS Bank ltd.,	66	5520000	5520000	0
67	Garvale VSS Bank ltd.,	67	965555	965555	0
68	Hakathur AC Bank ltd.,	68	3470000	3470000	0
69	Virajpet Town Co-op Bank	69	2000	2000	0
70	Teachers co-op stores	70	10000	4000	6000
71	Katakeri GB	71	10000	2000	8000
72	Cherangala GB	72	2000	2000	0
73	Kaggodlu GB	73	2000	2000	0
74	Pulikotu GB	74	100	100	0
75	Kuyyamudi family GB	75	2000	2000	0
76	Coorg Police officials CS	76	2000	2000	0
77	Neravanda family co-op GB	77	2000	2000	0
78	kolagadalu co-op GB	78	100	100	0
79	Aivathoklu co-op GB	79	200	200	0
80	Chembebelur co-op GB	80	2000	2000	0
81	Kunji Co-op GB	81	2000	2000	0
82	Yevakapadi co-op GB	82	2000	2000	0
83	Napoklu co-op GB	83	10000	2000	8000
84	Kadangamuroor GB	84	2000	2000	0
85	Bethu GB	85	600	600	0
86	Coorg Education officials CS	86	2000	2000	0
87	Avandur co-op GB	87	10000	3500	6500
88	GadinaduBiligeri GB	88	10000	2000	8000
89	Monnangeri co-op GB	89	2000	2000	0
90	Ponnampet Town co-op Bank	90	12000	12000	0
91	Somwarpet Co-op union	91	100	100	0
92	BengunadBadaga GB	92	100	100	0
93	Ponnampet APCMS ltd.,	93	50000	50000	0
94	Galibeedu GB	94	2000	2000	0

95	Napoklu Co-op stores	95	10000	4000	6000
96	Virajpet APCMS ltd	97	50000	50000	0
97	South coorgmuslim co-op bank	98	46000	46000	0
98	Kumbalada lu Co-op GB	99	2000	2000	0
99	Coorg forest officials CS	100	2000	2000	0
100	Padangeri co-op GB	101	2000	2000	0
101	Kirundadu GB	102	2000	2000	0
102	Coorg officials CS	103	6000	6000	0
103	Ammathi APCMS ltd	104	60000	60000	0
104	North coorg Muslim CS	105	2000	2000	0
105	Coorg honey & wax pcs V.Pet	106	10000	10000	0
106	Shanivarasanthe APCMS ltd	107	12000	12000	0
107	Napoklu high school students CS	108	2000	2000	0
108	Maniyapanda Better farming GB	109	2000	2000	0
109	Murnad APCMS ltd	110	30000	30000	0
110	Hachinad co-op GB	112	100	100	0
111	Coorg cardamom CS	113	246000	246000	0
112	Karvale Bhagavathi GB	114	10000	2000	8000
113	Mythadi GB	115	2000	2000	0
114	Hodavada GB	116	2000	2000	0
115	Bilugunda Harijana CS	117	2000	2000	0
116	Kodagu Co-op mahilasangam	119	10000	2000	8000
117	Chetranda family GB	121	0	2000	-2000
118	Kodambur Bhadrakali GB	122	10000	2000	8000
119	Hosakeri Maragodu GB	123	2000	2000	0
120	Coorg orange growers CS	124	90000	90000	0
121	Coorg Balavali better living CS	125	2000	2000	0
122	KDCMF ITD Virajpet	126	80000	80000	0
123	Kushalnagar APCMS ltd	127	50000	50000	0
124	Somwarpet APCMS ltd	128	13000	13000	0
125	Mukkodlu GB	129	100	100	0
126	Kaikadu GB	130	2000	2000	0
127	Ponnampet Co-op mahilasangam	131	10000	2000	8000
128	Srimangala APCMS	132	12000	12000	0
129	Ikolal Co-op GB	133	2000	2000	0

130	Kandanakolli GB	134	2000	2000	0
131	Kodakeri GB	135	500	500	0
132	Kaloor Co-op GB	136	2000	2000	0
133	Rangasamudra GB	137	2000	2000	0
134	Coorg .H. B. better living CS	138	2000	2000	0
135	Madikeri co-op mahilasangamaj	139	2000	2000	0
136	Mundanda family GB	140	10000	2000	8000
137	Bhagamandla GB	141	2000	2000	0
138	Parane school students CS	142	2000	2000	0
139	MutharmudiBhagavathi GB	143	2000	2000	0
140	Nalikeri Co-op GB	144	2000	2000	0
141	Coorg Agri dept Staff CS	145	1000	1000	0
142	Makkandur GB	146	2000	2000	0
143	Coorg ex-service mens MPCS	147	10000	2000	8000
144	Marandoda GB	148	2000	2000	0
145	Hathur school students CS	149	2000	2000	0
146	Murnad co-op sports club	150	10000	2000	8000
147	Kodlipet co-op Marketing C S	151	16000	16000	0
148	Kodagu dist House Con c	152	10000	2000	8000
149	Coorg.P. B. K CS	154	20000	20000	0
150	Multi. Mahila co-op Bank K.nagar	156	10000	2000	8000
151	Kuttandikery GB	157	2000	2000	0
152	ValnoorThyagathur GB	158	12000	12000	0
153	Kakoor lift irrigation CS	159	4000	4000	0
154	NalikeriGB, Srimangala	160	10000	2000	8000
155	Betoli GB	161	2000	2000	0
156	Balele APCMS ltd	162	10000	10000	0
157	Kuthunad GB	163	2000	2000	0
158	Siddeswara GB	164	2000	2000	0
159	Gonicoppal APCMS ltd	165	60000	60000	0
160	Bekkesodur GB	166	2000	2000	0
161	Kedamullur GB	167	2000	2000	0
162	Echoor GB	168	2000	2000	0
163	Basavanahalli STICS	169	2000	2000	0
164	Municiple employees CS	170	2000	2000	0

165	Singathur GB	171	100	100	0
166	Arvathoklu GB	172	2000	2000	0
167	Somwarpetmahila Co-op Samaja	173	2000	2000	0
168	Kopatty GB	174	2000	2000	0
169	Ballamavatty GB	175	2000	2000	0
170	Bettathoor GB	176	2000	2000	0
171	Thannimani GB	177	100	100	0
172	Peroor GB	178	2000	2000	0
173	Pattamada family GB	179	2000	2000	0
174	MurnadBadaga GB	180	2000	2000	0
175	Made GB	181	2000	2000	0
176	Nelaji GB	183	2000	2000	0
177	Kuyyangeri GB	184	2000	2000	0
178	Sharada Student Co-Op Store	185	2000	2000	0
179	Bellumadu GB	186	2000	2000	0
180	NalludikeriSathyanarayana GB	187	2000	2000	0
181	Hakathur GB	189	500	500	0
182	KiggaluChamuneshwari GB	190	2000	2000	0
183	Kolakeri GB	191	2000	2000	0
184	HoddurKabadageri GB	192	2000	2000	0
185	Balamuri GB	193	2000	2000	0
186	Palangala GB	194	2000	2000	0
187	Kanthur GB	195	2000	2000	0
188	Kokery GB	196	500	500	0
189	Heravanadu GB	197	2000	2000	0
190	Kunjilageri GB	198	2000	2000	0
191	Devanageri GB	199	2000	2000	0
192	Podakeri GB	200	2000	2000	0
193	BavaliBhagavathi GB	201	2000	2000	0
194	Konajageri GB	202	500	500	0
195	Mandepanda family GB	203	2000	2000	0
196	Kargunda GB	204	100	100	0
197	Paloor GB	205	100	100	0
198	BadagaEshwari G B	206	2000	2000	0
199	Napoklu Co-op MahilaSamaja	207	2000	2000	0

200	Mekeri GB	208	500	500	0
201	Kotto1i GB	209	2000	2000	0
202	Arapattu GB	210	2000	2000	0
203	Nariyandada GB	211	500	500	0
204	Parakatageri GB	212	2000	2000	0
205	Che1avara GB	213	2000	2000	0
206	Marodivani GB	215	2000	2000	0
207	Coorg forest labourers CS	216	100	100	0
208	Somwarpet students Co-op stores	217	100	100	0
209	Somwarpet consumer CS	219	18000	18000	0
210	Coorg dist central cws ltd	220	12000	12000	0
211	S. Santhemahilasevasamaj	221	2000	2000	0
212	Kondangeri GB	222	2000	2000	0
213	Ankanahalli GB	223	10000	10000	0
214	Multi Co-op Cs H. School P.Santhe	225	2000	2000	0
215	Coorg dist Horticulture p mcs	226	37000	37000	0
216	Kodlipet Co-op mahilasangamam	227	2000	2000	0
217	Harangi consumers CS	228	2000	2000	0
218	Co-op employees cs Madikeri	229	13300	13300	0
219	Madikeri town Co-op Bank ltd	230	12000	12000	0
220	Politechnic employees CS	231	2000	2000	0
221	Sidigalele GB	232	100	100	0
222	Doddakolathur GB	233	500	500	0
223	Bemba1oor GB	234	2000	2000	0
224	Virajpet taluk PID Bank	235	2000	2000	0
225	Coorg dist Co-op union	236	2000	2000	0
226	S.pet taluk Co-op devel. bank	237	2000	2000	0
227	Madikeri Taluk PID Bank	238	2000	2000	0
228	Arameri Co-op GB	239	2000	2000	0
229	V.pet taluk ST 1SMPCS Kalhalli	240	9100	9100	0
230	No.552 K.I of CMCS	241	2000	2000	0
231	Coorg womens M.P. cs Madikeri	242	2000	2000	0
232	Ankanahalli MPCS	243	2000	2000	0
233	Halligattu GB	244	2000	2000	0
234	Madikeri taluk ST 1SMPCS	245	2000	2000	0

235	Halugunda GB	246	2000	2000	0
236	B.ShettigeriMaha Parvathi GB	247	500	500	0
237	Somwarpet taluk Co-op empl.cs	248	2000	2000	0
238	SanthaNamadeva Tailoring CS	249	100	100	0
239	Vpt taluk co-op employees CS	250	5000	5000	0
240	St. Annes consumer CS	251	2000	2000	0
241	Madikeri taluk legal pract. 1SMPCS	252	600	600	0
242	Mahadeva Co-op GB	253	2000	2000	0
243	Neergunda GB	254	100	100	0
244	Kelakodli GB	256	100	100	0
245	Kudumangalore MPCS	257	2000	2000	0
246	Sujyothimahila electronic CS	258	100	100	0
247	Janatha consumers CS	259	2000	2000	0
248	Kodagu telecom employees CS	260	4000	4000	0
249	Gowdalli MPCS	261	2000	2000	0
250	Chikkamandoor GB	262	2000	2000	0
251	Kuttichatha GB	263	2000	2000	0
252	Rastriya sambara b r I emp CS	264	100	100	0
253	Somwarpet taluk Co-op union	266	2000	2000	0
254	Kodagu MahilaPattana S. Bank	267	2000	2000	0
255	Akshaya mahilaPathinaS.SS. Pet	268	2000	2000	0
256	HeggalaBhagavathi GB	269	2000	2000	0
257	Hebbale milk Producers cs	270	2000	2000	0
258	Amaranarayana Credit Co-op CS	271	2000	2000	0
259	Merchants Cr Co-op Soc G.Coppal	272	152000	152000	0
260	V.petTq poultry form CS	274	2000	2000	0
261	KannikaVividhodeshaSahakara Sangha	275	10000	10000	0
262	Kadagada1 VSS Bank ltd	276	1055000	1055000	0
263	V.Pet taluk VG Mahila S. Sanga	277	2000	2000	0
264	Ind &Proff MP CS Kusalnagar	278	2000	2000	0
265	Sunticoppasahakaramahil asamaj	279	2460	2000	460
266	K.Z Vanijyodhmigala V S Sanga	280	2000	2000	0
267	Sri Basaveshwara VS GB	281	2000	2000	0
268	MahadevpetMahilaS.Sangha	282	2000	2000	0
269	Car Owners Co.Op. Soc. Knagar	283	2000	2000	0

270	IgguthappaSourdhaCreidtCo.op Soc	284	2000	2000	0
271	Kodagu Dist. Contractors Credit Co.op Soc	285	2000	2000	0
272	Souharda Credit Co.op ltd. Madikeri.		2000	2000	0
TOTAL			171364155	168024680	3339475

System followed for share-linking to borrowings by member societies/ borrowers.

While the Head Office has the figures of increase in share capital with regard to various co-Operative societies, the Head office was unable to provide the enhancement in limits to various societies and the corresponding linking to increase in share capital. The Head office may have to note down the enhancement in limits and verify whether the increase in share capital is commensurate with the increase in limits. The policy is to collect 5% of loan disbursed or sanctioned limit, whether is lower.

CHAPTER 5

FINDINGS, CONCLUSION, SUGGESTIONS AND BIBLIOGRAPHY

Summary of Findings, Conclusion and Suggestions:

In this chapter, that the attempt is to be made to highlight the main implications with an opinion of provide guidelines, that may be assumed for policy preparations relevant to progress the efficiency in the funds management of DCBs and to co-operative banking sectors.

5.1 Summary of Findings:

This study was mainly carried out with the following objectives:

To observe the trend and pattern of the foundations and uses of funds of district co-operative Banks in Kodagu.

To estimate the management practices accepted for harnessing the mobilisation and arrangement of funds by DCBs Kodagu.

- The major limitations of funds management in the DCBs is like, share capital, reserves and other funds, deposits, borrowings, reserve necessities, loans and advances and funds are to be a growing function over time and the greatness in their change over time is proportional.
- The arrangement of investment portfolio of DCBs varies expressively over the periods in every year.
- There is an opposite relationship between cost of funds and funds management efficiency and the effectiveness in reserve management and profitability of DCBs are directly related.
- Management performs followed by DCBs donate to the efficiency in funds management.
- The 3rd chapter will make the Declaration of the problem, Need for the study, Objectives, Scope of the study, Research methodology, Hypotheses, limitations in the co-operative banking in Kodagu. The study made in this chapter showed a reducing trend in the number of PACS in India which reduced from 1,34,838 (1975-76) to 88921 (1990-91) due to reorganisation and amalgamation of societies after 1975-76. But membership, share capital, borrowings and loans and advances improved significantly.
- In Kodagu Bank was significantly growth in all the funds like, growth in deposits in 31091.76 lakhs in 2011-12, 42651.14 lakhs in 2012-13, 47435.28 lakhs in 2013-14, and 71141.74 lakhs in 2015-16. And working capital will be, 46918.55 lakhs in 2011-12,

61205.11 lakhs in 2012-13, 68822.43 lakhs in 2013-14, 85782.41 lakhs in 2014-15, and 106349.82 lakhs in 2015-16. And loans will increase in every year and in 31-3-2016 it was 60390.07 lakhs. And comparative NPA position in year by year is in 2011-12 it was 443.13 lakhs, in 2012-13 it was 322.66 lakhs, in 2013-14 it was 335.82 lakhs, in 2014-15 it was 333.48 and 2015-16 it was 313.58.

And considering this all data was shows the KDCC Bank position and it will be best bank compare to all other DCC Banks.

- The Bank was registered in the year 28-06-1921 with the 45 co-operative societies and the 16 individual members with a paid-up share capital of Rs.4400.00 and the deposit of Rs.10000/- it has made remarkable progress in its operation in all spheres of banking activities. The bank's operative area extends to the entire District of Kodagu through its 16 branches located in rural and urban area. At current the members comprise of 272 Co-operative societies. Through a share capital of Rs.1771.20 lakhs.
- The Bank carries wonderful goodwill amongst the coffee rising community for personalised services offered to people. it is one amongst the few co-operative banks to get a licence, by RBI as early in the year of 1995. Branch manager and the staff members have been given a monthly & yearly deposit target.
- We keep constant with our shareholding societies, they intern keep close relationship with the individual members for the contribution to our deposit mobilisation efforts. The bank has obelised credit to the tune of Rs.741.03 crores as on 31.03.2017
- The Kodagu District Co-operative Central Bank has consistently maintaining good recovery percentage of more than 98% in the past several years. The recovery percentage has been increasing every year, thereby helping the Bank to became one of the leading co-operative Bank in the State. The bank having 16 branches are strategically located in the three taluks i.e. Madikeri, Sowmarpet and Virajpet taluk of the district.
- The study relevant that at present, there are 18 branches in Kodagu district. Of which 8 branches are in own building. Further we have obtained a permission from NABARD & RCS to open up new branches in the rural area of the district.
- Based on the potentiality of the borrowers, the Bank has many schemes to lend for agricultural as well as non-agricultural purpose. The bank has its own lending policies,

that framed by the Board of Directors of the bank. The major portion of the agriculture advances is for the coffee. We also give loan to purchase of new vehicles, sprinkler sets, construction of coffee Godown and drying yard, farm pond, and also for the construction of houses in respect of agricultural activities of the farmers. The jewel loan, salary loan, overdraft loan, house/site mortgage loan. Commercial complex loan, building loans for petty business under pigmy overdraft/MUDRA loans are the various advance under Non-Farming loans.

Advances are being made out of our own funds as well as borrowings from NABARD/Apex Bank. large advances to companies and also under Consortium Scheme.

- In borrowings, they have been sanctioned the ST(SAO) concessional refinance limit of Rs.185.00 crores for the year 2016-17, of which NABARD, they have drawn an amount of Rs.155.00 crores and Apex Bank limit is Rs.30.00 crores. The limit has been fully utilized. They have also been sanctioned ST Multipurpose limit of Rs.105.00 crores. Under PODF-PACS as MSC scheme of NABARD, they have drawn an amount of Rs.284.24 lakhs for the purpose of developing the PACS business through commercial activities.

5.2 Suggestions:

Based on the above findings, the following suggestions are offered.

1. Share capital increasing in the same all three years, reserves have increasing trend hence depicting the increase of net worth. Deposits also have shown increasing trend while borrowings are decreased but total liabilities have increased over three years. Total assets also increased.
2. Minimise and streamline of the regulations to be followed by customers for receiving the loans endorsed and for its disbursement.
3. For facilitating easy transfer of funds, improvement of remittance facilities by extending the working hours through an arrangement with nationalised banks is suggested.
4. Considering the peculiar economic features of Kodagu, permission to open Non-Resident External (NRE) accounts may be given as majority of funds are remittances from abroad. Simultaneously, the staff of the DCBs should be trained to deal with foreign exchange business.
5. The services of the "Recovery Cell" of the Co-operative Department may be properly utilised for avoiding delay in recovery of overdues.

6.Necessary steps may be taken to improve the reporting system for easy transfer of funds. In this background, the need for presenting management Information system (MIS) may be discovered.

7.To overcome steps may delay in transfer of funds among DCBs “chest” facility may be extended to co-operative banks also. Mutual Arrangement Scheme Kodagu (MASK) accounts. And timely reconciliation of MASK accounts with accounts of DCBs will also help the efficient management of funds.

8.For avoiding delay in the deployment of funds, the power of sanction of loans up to a certain limit (for instance, Rs.2 lakh for the time being) and the power to grant temporary overdraft which are repayable within a fortnight may be given to the branch managers.

9.Restriction imposed on non-priority lending may be relaxed for higher deployment of funds.

10.The authority of revenue recovery which is now vested in the co-operative department may be transformed to the DCBs for avoiding the delay in recovery of overdues.

11.Setting up of a National co-operative Banks is also desirable to have an effective co-ordination in remittance and transfer of funds. it will help to utilise the surplus funds in the most efficient manner.

12.DCBs consortium may be arranged for utilising surplus funds, so that idle funds in certain areas can be transferred to places where it is highly demanded.

13.Regarding maintenance of accounts, to bring about uniformity, it is suggested that appropriate formats may be evolved and followed by DCBs in general.

14.DCBs may also be allowed to enter into merchant banking for utilising surplus funds.

15. Officers up to the rank of senior accountant may be given discretionary power to decide upon matters particularly in the field of sanctioning of loans.

5.3 Conclusion:

Thus, the examination of financial statements discusses to the treatment of information controlled in the financial statement in a way so as to afford a full verdict of the profitability and financial position of the firm to be concerned. The process of analysing financial statements includes the reorganizing, comparing and calculating the significance of financial and operating data.

As we analyse the data it shows that Kodagu DCC Bank is working for the 360-degree development of rural area of District. In small, we can say that the DCC Bank providing rural Kodagu all round support and proved to be an institution where the "Growth with Social Justice" exists. It is matter of pride to note that, due to Kodagu DCC Bank excellent track record of recovery and advances, the Bank has won National awards by NABARD for the year 1997-98, 1999-2000, 2001-2001. The DCC bank achieved Grade "A" in Audit Report of Financial Year 2010-2011. DCC Bank plays a main role in rural credit delivery of Kodagu.

The present study leads to the conclusion that though funds mobilisation is done reasonably well in Kodagu DCC Bank, at present the Kodagu DCC Bank financial position and its performance was good.

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Annexures

Comparative Balance Sheet of KDCC Bank Ltd for the year 31.03.2017

Particulars	31.03.2016	31.03.2017
<u>Capital and liabilities:</u>		
Capitals	17,17,64,155.00	17,71,20,484.00
Reserve fund & other Reserves	58,95,67,274.40	71,49,66,356.10
Profit and loss	9,10,03,927.53	4,69,93,955.11
Deposits and other Accounts	7,11,41,73,782.08	7,41,03,23,826.48
Borrowings	2,41,26,94,300.00	2,92,90,20,832.50
Other liabilities & Provisions	34,62,83,743.13	30,63,36,999.41
Total	10,72,54,87,182.14	11,58,44,62,453.60
<u>Assets:</u>		
Cash	12,88,23,955.00	11,78,28,424.00
Balance with other Banks	2,69,46,75,482.94	1,52,76,66,109.72
Money at Call and Short Notice	-	-
Investment	1,53,54,49,072.72	2,66,32,34,946.61
Advances	6,03,90,07,794.43	6,80,35,59,515.68
Fixed assets	3,77,95,610.39	3,88,41,636.39
Other assets	28,97,35,266.66	43,33,31,821.20
Total	10,72,54,87,182.14	11,58,44,62,453.60

Profit and Loss A/C of KDCC Bank for the year ending 31.03.2017































Particulars	31.03.2016	31.03.2017
<u>Incomes:</u>		
Interest Income	90,66,05,143.73	84,89,56,931.35
Other income	4,66,23,284.85	2,02,05,379.07
-Interest on Advances	-	-
-Interest on Investments	-	-
Total	95,32,28,428.58	86,91,62,310.42
<u>Expenditure:</u>		
Interest on deposits & borrowings	60,10,85,220.84	63,88,51,786.91
Operating expenses	12,33,13,981.78	12,19,77,178.40
Provisions & Contingencies	13,78,25,298.00	6,13,39,390.00
Total	86,22,24,500.62	82,21,68,355.31
Net profit for the year	9,10,03,927.96	4,69,93,955.11
Add:		
Net profit brought down from previous year	8,64,28,159.42	9,10,03,927.53
	17,74,32,087.38	13,79,97,882.64
less: Appropriation of Net profit as per the Bye-laws:		
Transfer to statutory Reserve funds	2,59,28,448.00	2,73,01,178.00
Transfer to contingent Education funds	12,09,994.00	12,74,055.00
Transfer to contingent Tax liability	-	-
Transfer to Centenary Celebration fund	88,93,458.00	31,21,435.00
Transfer Agricultural Credit Stabilization fund	75,59,439.00	59,30,726.00
Transfer to Building fund	42,83,682.00	42,70,123.00
Transfer to Doubtful Debts fund	38,55,313.00	39,28,512.00
Transfer to Dividend Equalization fund	34,69,782.00	36,14,231.00
Transfer to Common Good fund	31,22,804.00	33,25,093.00
Transfer to Staff Welfare fund	28,10,524.00	30,59,086.00
Transfer to yeshashwini Vima Yojana	78,31,344.00	85,86,364.00
Proposed Dividend	1,65,21,829.00	2,35,23,455.00
Balance transfer to building fund	9,41,542.42	30,69,669.53
Net profit transfer to the Balance sheet	9,10,03,927.96	4,69,93,955.11

ACHARYA INSTITUTE OF TECHNOLOGY
DEPARTMENT OF MBA




INTERNSHIP WEEKLY REPORT (16MBAPR407)

1. **Name of the Student** : Sharath.N.T
2. **Internal Guide** : Prof. Swaroopa Ranjan Panigrahi.
3. **USN No** : 11A16MBA38
4. **Specialization** : Finance & Marketing
5. **Title of the Project** : A Study on Financial Analysis at Kodagu DCC Bank
6. **Company Name** : Kodagu District Co-Operative Central Bank Limited

Week	Work Undertaken	External Guide Signature	Internal Guide Signature
15-01-2018 to 20-01-2018	Introduction about KDCC Bank Ltd and its operation	 	
22-01-2018 to 27-01-2018	Learning about the different operation and services by KDCC Bank Ltd	 	
29-01-2018 to 03-02-2018	Orientation and gathering information about the growth of the company	 	
05-02-2018 to 10-02-2018	Analysis of the market position of the company	 	
12-02-2018 to 17-02-2018	Research problem identification	 	
19-02-2018 to 24-02-2018	Preparation of the research instrument for data collection	 	
26-2-2018 to 03-03-2018	Theoretical background of the study	 	
05-03-2018 to 10-03-2018	Data collection and analysis	 	
12-03-2018 to 17-03-2018	Interpretation of the data gathered during the survey	 	
19-03-2018 to 24-03-2018	Final report preparation and submission	 	




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