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## **PERFORMANCE EVALUATION OF THE KRISHNA DISTRICT CO-OPERATIVE CENTRAL BANK LTD., KRISHNA DISTRICT OF ANDHRA PRADESH**

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### *Abstract*

*Co-operative banks are often created by persons belonging to the same local or professional community or sharing a common interest. Cooperative banks generally provide their members with a wide range of banking and financial services (loans, deposits, banking accounts etc.). Co-operative banks differ from stockholder banks by their organization, their goals, their values and their governance. Present paper attempts to Performance Evaluation of The Krishna District Cooperative Central Bank Ltd., through selective indicators, it analyses the Deposits, Credits, and C/D Ratios.*

**Keywords:** Deposits, Capital, Borrowings, Credit, Investment.

### **Introduction**

The Krishna District Co-operative Central Bank Ltd., (Krishna DCCB) started functioning with Machilipatnam as Head Quarters and regional office at vijayawada. Krishna DCCB is the biggest DCCB in the State of A.P. not only in terms of no. of Branches (55 Brs.), no. of PACS (425 PACS after restructuring). (As on 31.03.2018)

### **Objective of the Study**

- To evaluate the growth of Capital, Reserves and Borrowings of the Krishna DCCB Ltd.
- To analyse the Deposits, Credits and C/D Ratios of the Krishna DCCB Ltd.
- To examine the growth of investment by The Krishna DCCB Ltd.
- To understand the profitability position in The Krishna DCCB Ltd.

### **Methodology of the Study**

The study is mainly based on secondary data, which has been gathered from annual reports of The Krishna DCCB Ltd., mainly from the last eight years reports. The secondary data is also collected from NABARD, RBI bulletins, Government of India reports and online sources like apcob.org, krishnadccb.com etc.

### **Sample of the Study**

The present study is mainly based on secondary sources drawn from National Federation of State Cooperative Banks Ltd (NFSCOB) reports, and other web sites, papers, books and journals relating to Co-operative banking sector.

### **Data in Tools**

Data were collected for period of ten years from 2008-09 to 2017-18. For analysis of

the data, various statistical tools (Mean, S.D, C.V, Trend analysis) has been used to arrive at

conclusion in a scientific way

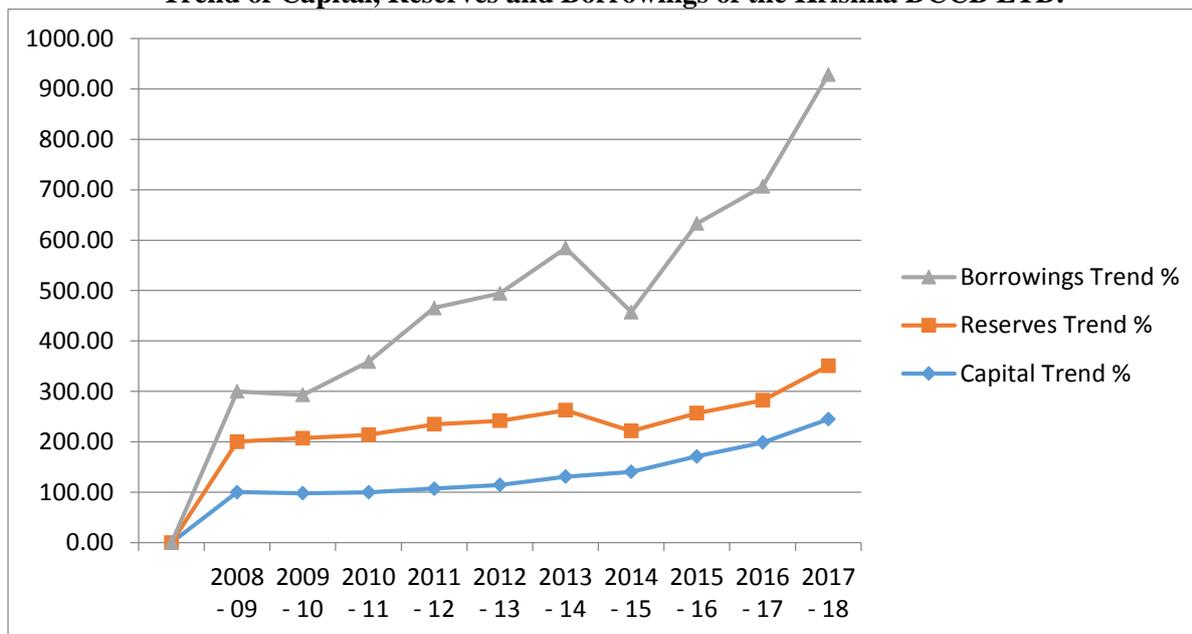
**Analysis of the Study**

Trend of Capital, Reserves and Borrowings of the Krishna DCCB LTD. (Rs. In lakhs)

Year	Capital		Reserves		Borrowings	
	Amount	Trend %	Amount	Trend %	Amount	Trend %
2008 - 09	5684	100	12886	100	26211	100
2009 - 10	5565	97.91	14058	109.10	22517	85.91
2010 - 11	5667	99.70	14714	114.19	37981	144.90
2011 - 12	6089	107.13	16454	127.69	60536	230.96
2012 - 13	6491	114.20	16405	127.31	66336	253.08
2013 - 14	7429	130.70	16986	131.82	84411	322.04
2014 - 15	7964	140.11	10480	81.33	61870	236.05
2015 - 16	9716	170.94	11072	85.92	98676	376.47
2016 - 17	11292	198.66	10777	83.63	111247	424.43
2017 - 18	13918	244.86	13609	105.61	151524	578.09
<b>Mean</b>	7981.50	140.42	13744.10	106.66	72130.90	275.19
<b>S.D</b>	2824.37	49.69	2434.15	18.89	40412.43	154.18
<b>C.V</b>	35.39	35.39	17.71	17.71	56.03	56.03

Source: [www.krishnadccb.com](http://www.krishnadccb.com)

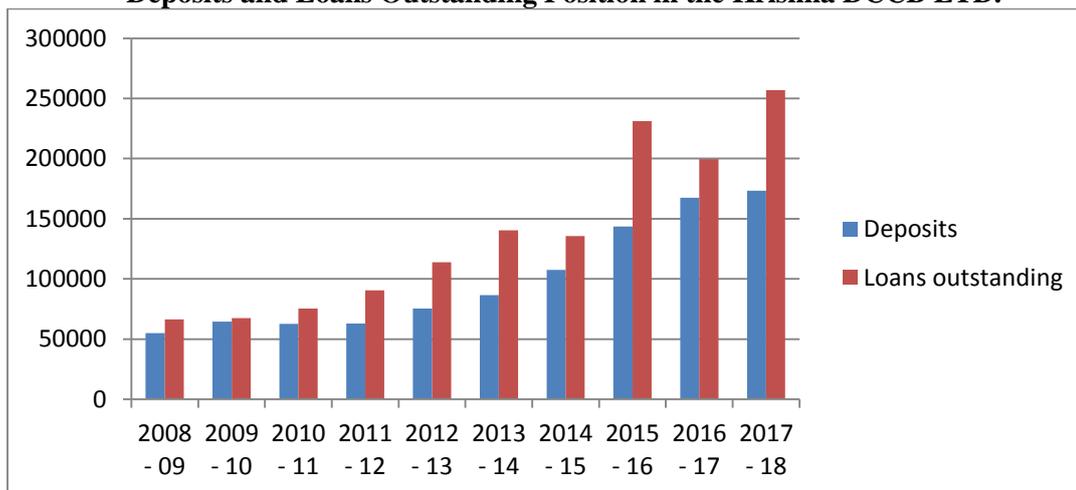
**Trend of Capital, Reserves and Borrowings of the Krishna DCCB LTD.**



The above table analysed the funds of The Krishna DCCB Ltd. and their trend in terms of Capital, Reserves and Borrowings. The amount of capital is 5,684 lakhs in 2008-09, it has been gradually increased (except in the year 2009-10) and reached 13,918 lakhs in 2017-18, with a percentage of 144.86 (244.86 -100). In case of reserves, they are 12,886 lakhs in 2008-09 where as in 2017-18 it was recorded 13,609 lakhs with 5.61% (105.61-100) growth trend. The borrowings of The Krishna DCCB Ltd.

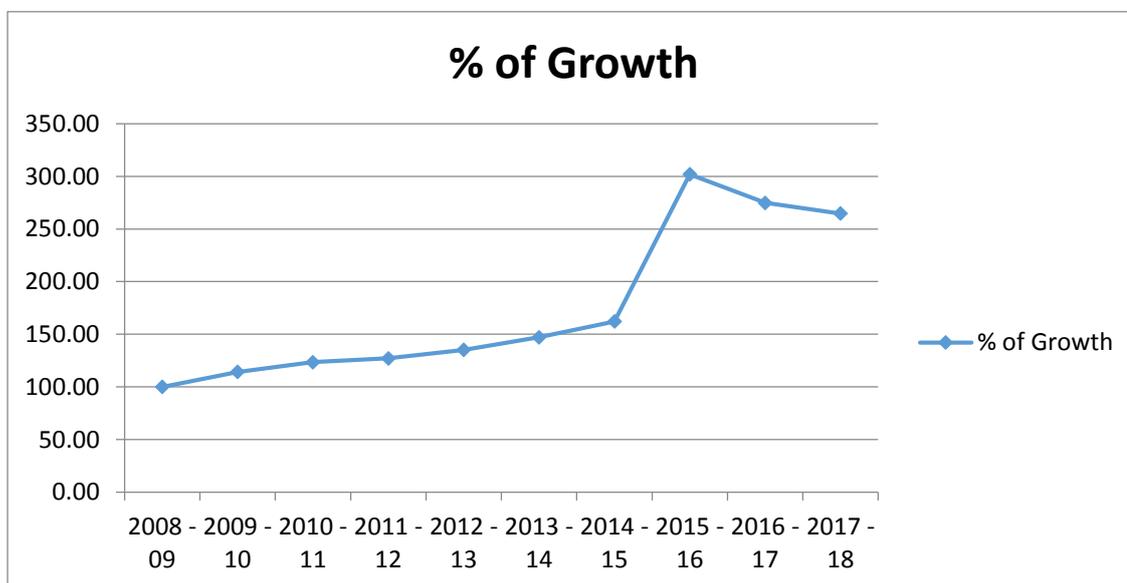
during the year 2008-09 are 26,211 lakhs, it has been fluctuating and finally the borrowings are recorded 1,51,524 lakhs in the year 2017-18 with 478.09 % (578.09-100) growth. The average growth of Capital, Reserves and Borrowings of The Krishna DCCB Ltd. is 140.42%, 106.66% and 275.19% respectively. The S.D of capital is 49.69%, Reserves are 18.89%, and borrowings are 154.18%. When compare to the Standard deviation of capital, reserves and borrowings, Reserves have more consistent than Capital and borrowings.

**Deposits and Loans Outstanding Position in the Krishna DCCB LTD.**



The above table 2 has been depicted that during the year 2008-09 the Deposits are registered Rs.54, 972 lakhs it has been increased to Rs.1, 73,214 lakhs in 2017-18. The mobilization of deposits has been increased gradually during the study period, and the average deposits mobilized by bank is 99,902.70. Whereas Loans Outstanding of Krishna DCCBs is just Rs.66,343 lakhs in 2008-09, it has been increased to 4 times with an amount of 2,56,783 lakhs in the year 2017-08. The average credit issued by the banks is

Rs.1,37,707.60 lakhs. The Credit Deposit Ratio of The Krishna DCCB Ltd. from 2007-08 to 2017-18 is shown a fluctuating trend. The highest C/D Ratio of the banks estimated with 162.29% in 2013-14 and the lowest C/D Ratio 104.22% is recorded in the year 2009-10. The average C/D ratio during the study period 135.70%, with a variance of 14.81%. The S.D is 20.10 which is less it indicates high degree of uniformity of observations as well as homogeneity of the series.



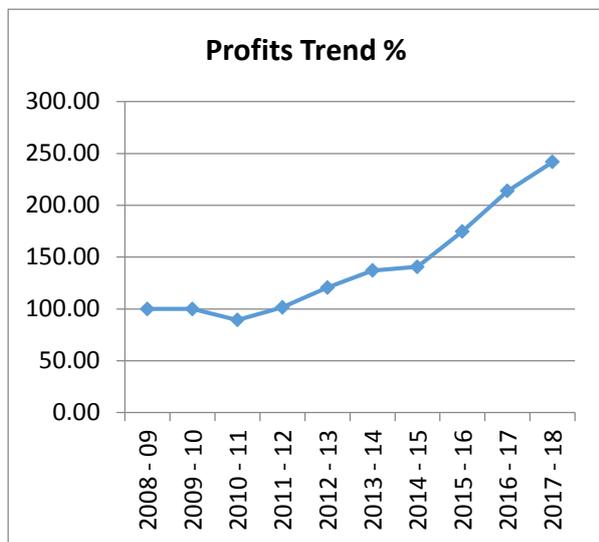
**Growth of Investments by the Krishna DCCB LTD.**

The table-3 depicted growth pattern of investment by The Krishna DCCB Ltd., the investment in 2008-09 is Rs. 32,614 lakhs and it has been increased gradually year by year and recorded Rs. 86,317 lakhs in the year 2017-18

with a growth rate 164.66 (264.66-100). The average investment of the bank is 57,095.40 lakhs during the study period. The Standard Deviation is 24,529.80 lakhs and the C.V is 42.96 which is less, it indicates high degree of

uniformity of observations as well as homogeneity of the series.

**Trends of Profits in the Krishna DCCB LTD.**



The table-4 revealed the growth pattern of profits in The Krishna DCCB Ltd., the profit in 2008-09 is Rs. 582 lakhs and it has suddenly increased to Rs. 1407 lakhs in 2017-18, with a growth rate 141.75 (241.75-100), The average profit of the bank is Rs. 826.10 lakhs during the study period. The Standard Deviation is 304.22 lakhs and the C.V is 36.83 which is higher it indicates low degree of homogeneity as well as heterogeneity of the series.

**Suggestions and Recommendations**

The Krishna DCCB Ltd. should also provide loans such as education loans, vehicle loans on par with commercial banks.

- The Bank should start deposit schemes such as kiddy banks, Weekly saving schemes, daily saving schemes, Women Deposit schemes, Student deposit schemes, Marriage deposit schemes, Pension deposit schemes, Reinvestment deposit scheme
- The Bank should try to upgrade technology. It should adopt the modern methods of banking like internet banking, credit cards, ATM, etc.

**Conclusion**

The DCCBs have been showing maximum growth in investment. It is suggested that government should formulate specific policies and they should be implemented for the upliftment of the Krishna District Central Cooperative Banks. DCCBs should try to upgrade technology and should formulate customer friendly policies to face competition with commercial banks. Finally profits of the Krishna DCCB Ltd., has been increased almost three and half times during the study period.

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