



FINANCIAL PERFORMANCE OF AHMEDNAGAR DISTRICT CENTRAL CO OPERATIVE BANK: GROWTH RATE ANALYSIS

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Abstract:

District Central Cooperative Bank plays an essential role in the agriculture and rural development of the Ahmednagar district. The ADCC Bank has more reached to the rural area of Ahmednagar, via their huge network. The ADCC Bank Ahmednagar take action as mediator between State Cooperative Bank and Primary Agriculture Cooperative Societies (PACSS). The success of cooperative credit movement in a district is largely depends on their financial strength. ADCC Bank is a lead financing institution at the district level which shoulders responsibility of meeting credit needs of different types of cooperatives in the district. At present, most of the district central cooperative banks are facing the problems of recovery, NPA, overdue and other problems. Therefore, it is required to study financial performance of ADCC Bank Ahmednagar. This paper attempts to analyze the financial performance of ADCC Bank Ahmednagar during the period 2010 to 2020. An analytical Growth Rate is followed in the present study. Observed results show positive and enough growth of ADCC Bank Ahmednagar.

● **KEYWORDS:-**

Financial Performance, Ahmednagar District Central Cooperative Bank, Profitability.

● **INTRODUCTION:-**

“Co-operation is much older than man himself. Right from the hunting stage till the present day all progress, and development of human being in different fields like social, economic religious and political is marked by the sense of thinking, working and living together. Therefore, it is right to say that 'Man is a Social Animal'. Co-operation is, therefore, the very soul of human existence. Nothing has contributed to the economic and social welfare

of human race more than the practice of co-operation. Economic pursuits are impossible without active association and concerted action towards predetermined goals cooperation thus becomes a concomitant of economic activity. Economic activity as was observed earlier, dates' back in India to very ancient times, naturally, therefore, co-operation too.

The district central cooperative bank settled a position of fundamental importance in the cooperative credit structure. The ADCC bank has plays an essential role in agricultural financing. It provides various types of loans taking into account needs of the farmers. The introduction of the cooperative credit societies Act in 1904 for providing production credit to farmers observable the inception of the institutionalization of cooperative banking system in India. The act of 1904 was amended in 1912 to facilitate the establishment of central cooperative banks at the district level, thereby giving it a three tier federal character. The first Central Cooperative Bank was registered in Uttar Pradesh in 1906 as a primary society. In Rajasthan the first DCC Bank was started in 1910 at Ajmer. The period from 1906 to 1918 may be called, the period of origin of DCC Banks in India.

- **OBJECTIVE OF THE STUDY:-**

1. To evaluate the financial performance of the ADCC Bank Ahmednagar.
2. To analyze the factors contributing to financial performance of the bank
3. To Suggestions for Improvement functions for the ADCC Bank Ahmednagar.

- **HYPOTHESES OF THE STUDY:-**

ADCC Bank Ahmednagar is an important bank of Ahmednagar district as far as its role in agricultural credit and rural development of Ahmednagar district is concerned.

- **PROBLEMS OF THE STUDY:-**

First and important problem of the research work is analysis of only financial data of ADCC Bank Ahmednagar.

- **SIGNIFICANCE OF THE STUDY:-**

The research study is significant to evaluate financial performance of ADCC Bank Ahmednagar. The findings of the present study are useful to the improve the working of the ADCC Bank Ahmednagar.

- **SCOPE AND LIMITATIONS OF THE STUDY:-**

1. The information is collected from ADCC Bank Ahmednagar only.
2. The study is consider only financial analysis factor other factors ignored.
3. Findings may not always be relevant to other district in the state.

- **AREA OF THE STUDY:-**

The study is based on the performance of ADCC Bank Ahmednagar. Therefore, study covers Ahmednagar District to the fulfillment of objectives of the study.

- **PERIOD OF THE STUDY:-**

For collection of the secondary data on financial performance of the ADCC Bank Ahmednagar, i.e. 2010 to 2020 (2010 is base year)

- **RESEARCH METHODOLOGY-**

The study is mainly based on secondary data which is collected, compiled and calculated mainly from annual reports of the ADCC Bank Ahmednagar. Other related information collected from journals, conference proceedings and websites.

- **PROFILE OF THE ADCC BANK:-**

The Ahmednagar District Central Co-operative Bank Ltd., Ahmednagar was registered on 3rd Oct 1957, under section 10 of the Bombay State Co-operative Act 1925, with its head quarters at Ahmednagar. The bank started functioning from 1st May 1958. This bank is the central financing agency of the district and began its journey towards the noble aim of helping weaker sections of the community and poor rural masses to improve their level and living through cooperation. The area of operation of the bank is restricted to Ahmednagar district, which include of 14 talukas covering 1503 villages and eleven towns. The ADCC bank started its operation with an starting amount of share capital was Rs. 11.22 lakhs and Rs, 149.34 lakhs as working capital, The amount of deposit was Rs. 55.48 lakhs and loan disbursement was Rs. 126.29 lakhs at the end of 30th June 1958. The bank opened 17 Branches in the district in the same year. During the last 40 years ADCC bank Ahmednagar has shown amazing progress in all types of activities and functions. Today the bank has 289 branches spread over the entire district. The bank has been awarded 'A, Audit classification from in the last many years.

- **OBJECTIVES OF THE BANK:-**

1. To collect deposits and arrange funds for the purpose of lending.
2. To meet the all types credit requirements of member societies and other affiliated societies in district.
3. To implement the credit policy and programme of Government and NABARD and to provide various banking facilities to the member societies as well as to customers.
4. To supervision, guide and control the working of affiliated societies in a district.

- **PROGRSS OF ADCC BANK:-**

Table No. 1
Progress of ADCC Bank(Rs in Lakhs)

Sr. No.	Particulars	Years			
		2010	2018	2019	2020
	Share Capital	9176.65	22554.61	23783.54	25689.78
	Funds	28467.27	55643.02	60468.31	71919.61
	Deposits	347575.21	622271.22	690249.51	773641.39
	Borrowings	10941.76	44003.82	52098.49	33726.51
	Investments	204181.44	299108.74	273921.89	401811.03
	Loan Outstanding	186909.32	407600.03	209576.53	465092.92
	Net Profit	1564.16	3576.85	3700.37	3932.42
	Audit Class	A	A	A	A
	Dividend Paid	9%	9%	9%	9%
	Working Capital	427063.79	774675.71	862814.34	935745.38
	Number of Branches	282	286	287	287
	Extension Counter	--	10	11	11
	% of Funds with Net profit	5.49%	6.42%	6.11%	5.46%
	% of Deposits with Investment	58.74%	48.06%	39.68%	51.93%

(Source: Compiled from annual reports of ADCC Bank 2019-2020.)

- **GROWTH RATE OF ADCC BANK:-**

Table No. 2
Growth Rate of ADCC Bank

Sr. No.	Particulars	Growth Rate (%)
	Share Capital	179.94
	Funds	152.63
	Deposits	122.58
	Borrowings	208.23
	Investments	96.79
	Loan Outstanding	148.83
	Net Profit	151.40
	Audit Class	Constant
	Dividend Paid	Constant
	Working Capital	119.11
	Number of Branches	1.77

(Source: Compiled from annual reports of ADCC Bank 2019-2020.)

Above table No. 1 & 2 shows that, progress and growth rate of ADCC Bank Ahmednagar. Growth rate calculated from base year 2010. All the parameters show positive and progressive growth. In Study period the highest Growth Rate was observed 208.23% of Borrowings, it means the bank has been dependent on external sources. In year 2010 to 2020 observed the lowest growth rate of investment that is 96.79%, reasons for lowest growth rate of investment because the bank has not sufficient own capital. In study period share capital (179.94%), funds (152.63%), deposit (122.58%), net profit, (151.40%), working capital(119.11%) growth rate of ADCC Bank is Satisfactory. The rate of audit class and dividend is constant. It is observed that the average rate of % of Funds with Net profit was 5.87 % and % of Deposits with Investment is 49.60 % in study period.

- **Various Schemes implemented by bank:-**

- A. Crop loan insurance schemes for farmers-**

1. **Pradhan MantriFasalBimaYojana (PMFBY)** -During kharip and rabbi season of year 2019.20, crop insurance premium of 99052 loanee farmers amounting to Rs. 458.33 lakh has been paid by the bank from its own recourses and crop insurance premium of Rs. 32.20 lakh has been paid by 5147 non loanee farmers. Compensation of Rs. 6352.72 lakh against crop loan to the loanee and nonloanee farmer has been received.

2. **Whether based crop insurance schemes (WBCIS)**-For the year 2019.20 crop insurance of 11959 farmers amounting to Rs. 502.41 lakh was paid by farmers and 8154 farmers have received compensation of Rs. 1281.05 lakh under the schemes.

- B. Farm House for Farmers**-In 2019.20 for construction of houses loan disbursement of amount Rs. 556.43 lakh has given to 152 members of the PACS.

- C. Kisan Credit Card Scheme**- As per directions of central government and NABARD, borrowing members of PACS are provided Kisan Credit card and disbursement of crop loan is done through KCC.

- D. Self Help Group (SHG) & JLG Mudra Scheme**- As on 31.03.2020, 27195 numbers are affiliated to ADCC Bank. Through theseSHGs 330498women were connected to the bank. In year 2019.20 total disbursement of APL & NRLM group amounting Rs. 269.25 Lakh. Under MUDRA scheme of central government & joint liability group (JLG), loan of Rs. 513.98 lakh was disbursed by the bank to 434 groups.

- E. NABARD Sponsored Dairy Development Scheme**- Under dairy development scheme of NABARD 9916 member farmers were financed Rs. 16274.49 lakh. And subsidy amount of Rs. 1909.33 lakh was received to 3804 members from NABAED.

- **GENERAL PROBLEMS OF THE ADCC BANK:-**

1. The ADCC Bank Ahmednagar increased Overdues.
2. It has been noticed that there is unexpected delay in the sanction of loans.
3. The loan recovery system of bank is very poor.
4. Most of the Co-operative banks are suffering from the absence of professional management.
5. Burden of huge accumulated losses.
6. The essential link in the co-operative credit system namely, the Primary Agricultural Co-operative Societies, they remain very weak.
7. They suffer from interference of politicisation.

- **SUGGESTIONS FOR IMPROVEMENT OF THE ADCC BANK:-**

1. The ADCC Bank Ahmednagar should try to increase their deposits by improving the services to clients, introduced different types of deposit schemes and offer competitive rates of interest.
2. The ADCC Bank Ahmednagar should change their loan policies.
3. The ADCC Bank Ahmednagar should place a scientific method to recover overdues and must maintain up-to-date records on a daily basis.
4. The ADCC Bank Ahmednagar must maintain sufficient liquid resources, margin, properly scrutinize loans and should try to improve the quality of staff.
5. Accountability and transparency need to be brought in the implementation of the schemes.

- **CONCLUSION:-**

From the above information it shows that, ADCC Bank Ahmednagar is working for the development of rural area of District. In short we can say that ADCC Bank providing all round assistance and proved to be an institution where Growth with Social Justice exists. The ADCC bank achieved Grade "A" in Audit Report of Financial Year 2010 to 2020. ADCC Bank plays a major role in rural credit delivery of Ahmednagar district.

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