



A COMPARATIVE STUDY ON THE FINANCIAL ANALYSIS OF THE CO OPERATIVE BANKS OF BARDOLI TALUKA IN SURAT DISTRICT

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1. ABSTRACT

Co-operative banks play an important role in the development of rural economies and serve as the backbone of India's financial system. These banks play an important role in achieving the goals of financial inclusion. These banks have an extensive branch network of and localized operational locations, engaging recovery in the development process, lending and deposit Mobilization in rural areas. Therefore, in this work, an attempt was made to investigate co- operative banks in the Surat area. Current dissertation only focuses on Short term & Medium term Local co-operative Bank works mainly in the district of Surat, a local economic state. Banks Business has brought wonders to the global economy.

Banks have Simple looking Method Receive deposits from savers and lend the same money to borrowers. Banks facilitate the flow of money for productive use and investment. This will cause the economy to skyrocket. Without banks, the savings in our homes would be wasted, entrepreneurs wouldn't be able to raise money and the average person dreaming of a new car or home wouldn't be able to buy a car or home. The government of India started the cooperative movement of India in 1904.

Keywords: Co-operative Bank, Bardoli Taluka, Surat, Comparative Analysis, Financial Analysis, Surat District.

2. INTRODUCTION

India Cooperative Movement was conceived as a tool for socio-economic transformation those incapable construction owns their economy feet. Movement considers the origin of to be Co- operative Achievement Legislation 1904 enabled Co-operative Organization and was operated and managed as a co-operative of people in the Society. Bank is the backbone of India's financial system. In our country, the banking sector consists of widely planned commercial banks and credit unions. Country After the nationalization of banks, we experienced rapid changes in the banking sector 444 and credit unions complement commercial banks to deepen financial intermediation by large number small depositor and borrower under formal financial sector.

A credit union is a financial institution owned by its members, owners, and bank customers. Credit unions are often formed by individuals who belong to the same Local or Professional Community or and share the common interests of Cooperative banks typically provide members with a wide range of banking and financial services (loans, deposits, bank accounts, etc.).

Local co-operative banks and credit institutions play an important role in meeting the growing needs of India's regions. With an extensive branch network and a local business base, co- operative banks play a key role in the process of rural development, lending and deposit mobilization. It is Credit Union Bank and Commercial Bank 444 Supplement to respectively Other Recognized Both is important for financial inclusion. In Japan's credit union structure, the State-owned Credit Union (SCB) is the institution, which is the most important of the in this structure.

They control, regulate and oversee the entire co-operative movement in the affected states. These are also known as Apex Banks. Co-operative banks are small units organized in the co-operative sector and operate in both urban and suburban areas. These banks have traditionally focused on the community, locations and jobs locations groups and they are basically to small borrowers and Lend out companies. Union Cooperative Bank (UCB), does not officially define, but refers to major co-operative banks in cities and suburban areas.

3. OBJECTIVES OF THE STUDY

- (1) To know the lending practices of cooperative banks in Surat Districts
- (2) To measure and compare the effectiveness of Cooperative Banks of Surat Districts
- (3) To study the impact of size on the efficiency of the Cooperative Banks.
- (4) Proposal of appropriate measures to improve the performance of co-operative banks.
- (5) Understand different types of credits preferred by different customer groups.
- (6) Understand customer satisfaction from the bank's lending policy.
- (7) To study the short & medium term rural cooperative banking structure in Surat Districts

4. REVIEW OF THE LITERATURE

Bhadrapa Haralayya (2021) conducted a comparative study on the management of NPA by Urban Banking and ICICI Banking Corporation in Karnataka. Both Urban Banking's gross and net NPA showed an increasing trend, but that of ICICI Bank showed a decreasing trend during the survey period, which was higher at ICICI Bank than at ICICI Bank.

Sandip Mallick and Subhamoy Das (2020) investigated the relationship between capital adequacy ratio, management capacity and profitability in the proposal of a city co-operative bank operating in India. This survey is based on accounting and statistical analysis of 46 urban credit unions proposed over the last decade. The survey concluded that the Non Interest Income to Working Fund (NNIWF) has a positive impact on profitability. There is a positive correlation between management ability and profitability from the NNIWF perspective, and a negative correlation between management ability and deposits and operating costs per employee. The survey raises concerns about the efficiency of management teams in decision making. We encouraged management to improve their decision-making capabilities to maximize profitability.

Srivastava, D.A., Upadhyay, A. , & Saxena, N. (2020) explained that under an advanced Basel approach, UCB faces capital adequacy standards and, as a result, requires more capital to meet them. This paper examines the position of co-operatives based on a comparison of India's UCB financial performance and global scenarios. The sample size 50NSB was selected based on the availability of information using stratified random sampling. This sample represents 8% of the total number of Tier II UCBs and accounts for 32% of the total number of UCB assets. This study analyzed three key aspects of capital in terms of configuration, management, and repayment for the 2017-2019 fiscal years. Researchers have found that UCB's retention period is repayable or short, so life and quality are not guaranteed. The paper suggests that the Tide Capital Borrowing System should be abolished in order to secure consistent and high quality capital in accordance with the conditions set by the Reserve Bank of India. Researchers strongly recommended effective changes to the 2020 Banking Regulations Act to improve capital management by addressing the legal structure created for the issuance of various commodities.

Jayasree TO and K. Gangadharan (2017) conducted a survey on capital adequacy ratios and financial stability of Indian urban co-operative banks. The study emphasizes capital adequacy, as the security, stability and soundness of the banking system depends primarily on the level of capital adequacy. The study investigated the capital adequacy ratio since the establishment of Indian city credit unions and concluded that about 94% of Indian city credit unions meet the capital adequacy standards set by the RBI.

Rituparna Das (2015) discovered that liquidity and funding risk play a key role in the banking industry after the 2007-2008 financial crises. The paper seeks to investigate management performance to save UCB from the unfortunate scenario of liquidation / license cancellation. Eight UCB samples are selected

based on the availability of financial indicators such as GNPA, IRR, and operating profit. Financial data is collected for two fiscal years. H. For 2012–13 and 13–14. Use principal component analysis to successfully validate the quantification of collaborative performance. The investigation concluded that there was a need for brainstorming by banking regulators regarding the continuity of the suffering UCB.

Nagarajapillai RAMU (2014) investigated UCB's problems and challenges by understanding the history of the emergence of co-operative movements up to the relevant decade up to 2014. He said important policies had been in place since 1992-93, the upcoming financial crisis after the legendary financial reforms of the Indian economy. This paper reviews the evolution of key policies introduced by regulatory agencies since 2005 after the task report was produced. The CAMELS rating was introduced by the RBI to classify UCB as a compound rating of A / B / C / D, but 96 countries follow the PEARLS monitoring system developed by the World Credit Union Council.

Jyoti Gupta and Suman Jain (2012) surveyed selected credit unions with the aim of investigating the efficiency associated with selected credit union lending practices in India. The survey also investigated credit preferences and customer satisfaction through an interview method. This study highlights the limits of credit unions in resource mobilization and fiscal recovery. Legal and administrative restrictions and regular government intervention will influence the performance of Indian credit unions. Primary data show that individual customers are the preferred type of credit for long-term loans / mortgages and are very pleased with the individual offers of the Cooperative Bank.

Narayana Gowd Talla, Anand Bethapudi, and Reddeppa Reddy G. (2011) analyzed the financial performance of the Dharma Balaam City Cooperative Bank, which operates in Andhra Pradesh. Researchers investigated aspects of a bank's financial performance, equity capital position, and liquidity. We conclude that the bank's financial performance is satisfactory as financial parameters such as deposit mobilization, loans, working capital, reserves, own funds, gross income and expenditures have been on the rise during the study period. .. Other parameters, i. H. Membership, equity capital and liquidity positions were inherently stable and did not change significantly. Banks have shown various signs of gross profit and profit per share. This study proposes effective recovery and risk management practices and operational diversification to overcome operational inefficiencies.

5. RESEARCH METHODOLOGY

5.1 Type of Research

Descriptive research is used in this study in order to identify the lending practices of bank and determining customer's level of satisfaction.

5.2 Secondary Data

- Annual reports of the bank
- Manual of instructions on loans and advances
- Books
- Articles and Research Papers
- Internet

6. RESULT AND FINDINGS

Financial position of Bardoli Co Operative society

Year	2017-18	2018-19	2019-20	2020-21	2021-22
Share capital	67,65,350	68,34,000	68,44,350	68,43,325	68,35,775
Members	9826	10610	10708	10701	10689
Reserve fund	27,60,25,413	29,31,99,430	31,33,93,244	33,30,31,157	35,19,93,390
Saving Deposits	4,18,39,162	3,74,32,982	4,56,53,987	4,15,74,604	4,08,05,477
Current Deposits	2,31,28,050	1,47,35,304	1,31,90,875	97,37,963	77,53,113
Fixed Deposits	97,77,72,679	95,65,17,475	96,51,75,924	91,57,01,219	98,87,62,022
Other Deposits	5,45,14,150	6,01,07,536	6,21,73,307	6,85,91,880	7,39,43,138
Profit or loss	65,86,855	66,56,931	67,43,043	65,32,965	66,10,381
Operating fund	1,45,83,37,757	1,43,21,94,351	1,49,90,21,002	1,45,07,68,725	1,54,89,01,784
Audit class	A	A	A	A	Pending
Dividend	15 %	15 %	15 %	15 %	15 % proposed

Comparative analysis of Bardoli Co Operative society between last two Years

Particular	31/3/2021	31/3/2022
Share capital	68,43,325	68,35,775
Reserve fund	33,30,31,157	35,19,93,390
Members Deposits	1,03,56,05,667	1,11,12,63,750
Members Loan	31,67,07,401	28,57,94,826
Working capital	1,45,07,68,725	1,54,89,01,784
Investment	1,06,85,00,100	1,19,50,00,100
Profit	65,32,965	66,10,381
NPA	0.32 %	1.00 %

Interest Rate on Deposits

Fixed saving Account	2.5 %
Saving Account	2.5 %
Fixed Deposits	
On 46 days	3.00 %
91 days	3.25 %
180 days	3.50 %
1 year	4.50 %
2 years	4.50 %
3 years	4.50 %
5 years or above	4.50 %
For senior citizen (1 year)	5.00 %

7. PROBLEMS FACED BY COOPERATIVE BANKS

(1) Co-operative financial institutions face serious problems that limit their ability to ensure a smooth flow of credit.

- Limited ability to mobilize resources.
- Low level recovery.
- High transaction costs.
- Long-term managed interest rate structure.

(2) Government for cooperative legislation and administration. Intervention has become an integral part of the day-to-day management of co-operative institutions. Some of the problem areas that arise from the applicability of co-operative law are:

- Intentional management of the co-operative by the government.

- Appointment of a board of directors by the government.
 - Participation of directors appointed by the government.
 - Secondment of government officials to co-operative institutions.
- (3) State-owned co-operative banks are unable to formulate their respective policies regarding the investment of funds, including surplus funds, due to certain restrictions.
- (4) RBI pre-approval is required to open a new branch office of SCB. SCB is obliged to submit a proposal to open a new branch office at RBI via NABARD, and if approved, that recommendation will prevail.

8. SUGGESTIONS

- Banks need to adopt the latest banking methods such as internet banking, credit cards, ATMs, etc.
- Banks need to plan the introduction of new systems in order to attract new customers and satisfy existing customers.
- Banks need to plan for branch expansion.
- Banks need to further improve their customer service.

9. LIMITATIONS

- This survey is based only on data from the last 3-4 years.
- Survey data is primarily based on a single bank.
- The majority of customers are bankers, so information sharing can be biased.
- The research period was limited

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