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## **A study on deposit mobilization of Kumbakonam central co-operative bank with reference to Mayiladuthurai branch**

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### **Abstract**

The principle of co-operation, all sociability and mutual aid, the progress of organic life, the improvement of the organism, and the strengthening of the species becomes utterly Incomprehensible. Deposits are the life blood of a banking institution, including co-operative banks, as they constitute the chief source of funds to undertake lending operations. The banks offer a number of deposit schemes to the public which include fixed deposit, saving deposit, current deposit, Recurring deposit, Thrift deposit.

**Keywords:** Co-operative bank, various deposit mobilization schemes

### **1. Introduction**

Today, in the economy of any country; Banks plays a vital role. One cannot think of the development of any Nation without the active assistance rendered by Financial Institutions. Banks, in fact, do finance trade, industry and commerce a co-operative Bank promotes economic activity and provides banking facilities and services to the rural people. "Service" rather than "Profit" is the motto of the co-operative Banks. The Co-operative banks are associations of persons and not of capital. In short, co-operative banks are friends, philosophers and guided to the agriculturists.

### **2 .Statement of the problem**

The Central co-operative Bank, which is a part of the three-tier system, occupies a strategic place. The survey committee has pointed out that, in many ways, the position of Central Co-operative Bank is of crucial importance in the co-operative credit structure. It has to undertake various promotional and development activities for the welfare of the welfare of the co-operative movement in a district.

### **3 .Scope and period of the study**

This descriptive study an analysis of the deposit operation by the Kumbakonam Central Co-operative Bank Limited in Mayiladuthurai branch between 2009-2010 and 2013-2014. The analysis confined to five years as it is considered to be adequate for this study.

### **4 .Objectives of the study**

- To analyse the deposit mobilization of the Kumbakonam Central Co-operative Bank in Mayiladuthurai.
- To give findings and suggestions

### **5. Methodology**

The Kumbakonam Central co-operative Bank in Mayiladuthurai Branch was purposively selected for this study. Case study method was adopted for this study. The data relating to the bank were collected and used for analysis.

A predrafted schedule has been used to collect required data. From the annual and audit reports of the bank for five years i.e., from 2009-2010 to 2013-2014for this study.

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## 6. Limitation of the study

As this study is a case study, pertaining to lending operation of KCC Bank in Mayiladuthurai branch, it highlights the problems and operation of lending procedures of Kumbakonam Central Co-operative Bank Limited. The focus of the study is only on the internal operations and it is qualitative in nature. It is also not the

aim of the study to compare the working of the bank with others for the obvious reason that the data on the various aspects of operations of the other banks could not be collected within the limited period of the study.

## 7. Data Analysis and Interpretations

### Fixed Deposits (Amount of lakhs)

S.NO	Year	No of Depositors	% of increase or decrease	Fixed Deposits	% of increase or decrease
1	2009-2010	1,964	-	1,734.25	-
2	2010-2011	2,110	7.43	2,070.76	19.40
3	2011-2012	4,480	128.10	2,081.69	20.03
4	2012-2013	4,501	129.17	2,198.67	26.78
5	2013-2014	4,903	149.64	2,351.11	35.57

Source: Compiled from Audit report of KCCB.

It is observed from the table 1 that the fixed deposit mobilized by the KCC Bank is in increasing trend and the number of depositors has increased by 7.43% during 2010-2011. While taking 2009-2010 as the base year. In 2011-2012 it has increased by 128.10%. More over during the

year 2012-2013 and 2013-2014 it have increased by 129.17% and 149.64% respectively. During the study period the fixed deposit amount has increased 19.40%, 20.03%, 26.78% and 35.57% respectively.

### Recurring Deposits (Amount of lakhs)

S.NO	Year	No of Depositors	% of increase or decrease	Recurring Deposits	% of increase or decrease
1	2009-2010	273	-	3.67	-
2	2010-2011	410	50.18	4.71	28.34
3	2011-2012	360	31.87	6.53	77.93
4	2012-2013	304	11.35	7.26	97.82
5	2013-2014	257	-5.86	8.39	128.62

Source: Compiled from Audit report of KCCB.

The table 2 illustrates the position and recurring deposit during the study period the number of depositors has steadily increased during period 2010-2011, 2011-2012, and 2013-2014. But there is a decline in recurring deposit during 2013-2014, during the study period the number of

depositors has increased by 50.18%, 31.87%, 11.35%, -5.86% respectively. The recurring deposit amount has increased by 28.34% in 2010-2011, 77.93% in 2011-2012, 97.82% in 2012-2013 and 128.61% in 2013-2014.

### Current Deposits (Amount of laths)

Sl.NO	Year	No. of Depositors	% of increase of decrease	Current Deposits	% of increase or decrease
1	2009-2010	206	-	67.27	-
2	2010-2011	216	4.85	73.75	9.63
3	2011-2012	243	17.96	86.63	28.78
4	2012-2013	345	67.47	75.96	12.92
5	2013-2014	251	21.84	85.00	26.36

Source: Compiled from Audit report of KCCB.

The number of depositors has increased by 4.85% while taking 2009-2010 as the base year, during 2011-2012, 2012-2013, 2013-2014, its has increased by 17.96%, 67.47%, 21.84% respectively. While comparing the

deposit amount it has increased by 9.63% during 2010-2011, 28.78% in 2011-2012, 12.92% in 2012-2013 and 26.36% in 2013-2014. The increase during 2011-2012 and 2013-2014 is very appreciable.

### Savings Deposits (Amount of lakhs)

S.NO	Year	No. of Depositors	% of increase or decrease	Savings Deposits	% of increase or decrease
1	2009-2010	2,498	-	88.13	-
2	2010-2011	2,738	9.61	125.63	42.55
3	2011-2012	2,604	4.24	181.51	105.96
4	2012-2013	3,076	23.14	238.58	170.71
5	2013-2014	3,403	36.23	202.75	130.06

Source: Compiled from Audit report of KCCB.

It is observed from the table 4 shows the position of saving deposit during study period while comparing the progress with the base year 2009-2010 it has grown 9.61% in 2010-

2011, 4.24 in 2011-2012, 23.14% in 2012-2013 and 36.23% in 2013-2014. The saving deposits amount has recorded a progress of 42.55% in 2010-2011, 105.96% in

2011-2012, 170.71% in 2012-2013 and 130.06% in 2013-2014. The saving deposit has increased during 2012-2013 by 2.71 times during the over period of time increased by

2.30 times 2013-2014 by 2.29 times while comparing the base year 2009-2010.

#### Thrift Deposits (Amount of lakhs)

S.NO	Year	No. of Depositors	% of increase or decrease	Thrift Deposits	% of increase or decrease
1	2009-2010	26	-	2.98	-
2	2010-2011	26	-	3.01	1.00
3	2011-2012	26	-	3.36	12.75
4	2012-2013	33	26.92	3.79	27.18
5	2013-2014	49	88.46	7.16	140.27

**Source:** Compiled from Audit report of KCCB

It is observed from the table No.5 that the number of depositors was not increasing of

The study period 2009-2010 to 2011-2012. It has increased by 26.92% during 2012-2013 and 88.46% during 2013-2014. The thrift deposit amount has rapidly increased by 1.00% in 2010-2011, 12.75% in 2011-2012, 27.18% in 2012-2013 and 140.27% in 2013-2014. The deposits have increased by 2.40 times over the period of time.

### 8. Findings, Suggestions and Conclusion Findings

1. The commercial banks to the requirement of the highly organized industries and commercial undertakings and organization, the co-operative banks in India, as elsewhere provide banking facilities to the highly disorganized agricultural sector of the country's economy.

2. The co-operative banks are institution established with the principles of co-operation. The objective of such organization is to facilitate rural credit and promote thrift and self-help among the economically weaker of the society.

3. A Co-operative banks promote economic activity and provide banking facilitates and services to the rural people. In short, Co-operative banks are friends, philosophers and guides to the agriculturists.

### 9. Suggestions

1. In order to mop up the saving and encourage thrift in rural and semi-urban areas, the central co-operative banks in Tamilnadu either (a) should introduce 'Mobile banking system'. Or (b) should open branches in unbanked areas.

2. Publicity for the bank is every much important. Media of advertisement should be selected in such way that its attracts the rural people who are residing at the very remote areas of villages and involve them in various activities of the co-operative bank.

3. The bank can introduce special deposit drive especially during harvest seasons, for a period of 15 to 30 days, which will be advantages to the agriculturists to invest their earnings for a shorter period of time. Through this, the bank can also mobilize deposits more than what is being done at present.

### 10. Conclusion

Banking industry, as a whole has played a very role crucial role in the development of the economy of the nation. The central co-operative banks form an integral part if the short-term and medium-term co-operative credit delivery system and they play a strategic role. They serve as a connecting link between the small so altered primaries in the districts, and the state co-operative bank at the state level. Banking is

a service oriented industry, will have to go beyond the established disbursement. In fact, the credit is given by the co-operative credit institutions will have to be linked with the production and productivity, especially of the small traders.

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