

## Comparative Study between Tamir and Akshaya Co-Operative Credit Societies Ltd, In Uttara Kannada District

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**Abstract:** The Reserve Bank of India and Government need to uplift the Urban Co-operative Banks as essential factors in the overall banking and credit environment of the society. Urban Co-operative banks are the most competent techniques of financial inclusions and over time have proved their ability to provide credit at the primary level effectively. The only they need proper cushioning, advice, guidance and support. The analysis of the study reveals that majority of depositors, borrowers and employees are satisfied with the services provided by the selected Urban Co-operative banks and the growth rate of selected Urban Co-operative banks in Uttara Kannada District is in gradual increasing trend.

**Key Words:** Economic Performance, Growth Rate, financial position, Cooperatives, Banking, Ratios, Index Value, comparative Analysis. Liquidity, Solvency, Turnover and Compounded Annual Growth Rate (CAGR) etc.

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### I. Research Methodology

#### A. NEED FOR THE STUDY

Tamir Credit Co-operative Society Ltd., and Akshaya Co-operative Credit Society Ltd., comes under primary co-operative societies at the base level of the three tiered pyramidal structure. These two banks are one of the institutions in co-operative credit structure in the region, which is very helpful to meet the requirement of small farmers, businessman and other economically weaker section of the society. Credit Co-operative Societies are very helpful to meet the requirements of its members as Co-operative societies are formed on the principle of co-operation. Thus, right from their establishment, Co-operative Societies are trying to solve the economic problems of lower middle-income group of community and thereby contributing to the economic development of the country.

In recent years the financial system has undergone numerous changes, which could affect the financial performance of Co-operative Societies. A need at the present juncture has created the necessity to study the financial performance of the above-mentioned Co-operative societies.

An efficient banking system capable of mobilizing the savings and channelizing them to productive purposes are essential for the development of any economy. The objective of the study is to analyse and compare the overall financial performance of selected Co-operative banks in Uttara Kannada District.

#### B. Objectives of The Study

- To analysis the Economic Performance of Tamir and Akshaya Co-operative Credit Societies Ltd., of Uttara Kannada District.
- To analyse the financial position of Tamir and Akshaya Co-operative Credit Societies Ltd., of Uttara Kannada District.

#### C. Limitations Of The Study

The study is based on the only four years data collected from the each sample Cooperatives. It has its own constraints of time period.

#### D. Data Colection

**Secondary Source:** the study is based on the data collected from the each sample Cooperative Banks.

- Annual reports of 4 years (2015-16 to 2018-19).
- Journals.
- Published reports of the banks.

**Interpretation**

**Analysis Of Economic Performance Of Tamir Co-Operative Credit Society**

Table No. 01, Analysis of Economic Performance of Tamer Co-operative Credit Society depicts that, there is gradual improvements in the share members of the society, the continuously changes in share pattern was seen in the study regular growth of share capital from 185.20 Crores to 238.04 Crores between 2015-16 to 2018-19 is a appreciable development in the Co-operative Society. The deposits of the bank increased to 13.5 percent, whereas, the loans provided by the Tamir Co-operative Society is in reducing trend. The reduction in loans causes to reduction in interest received on loan amount, which affects the diminishing in profitability of Bank. Net profit of the company is in fluctuation condition, in recent years dividend has been maintained in constant rate.

**Table No.: 01  
Analysis of Economic Performance of Tamir Co-operative Credit Society Ltd., During the Period of 2015-16 To 2018-19**

Sl. No.	Particulars	2015-16	2016-17	2017-18	2018-19
1	<b>Share members</b>	<b>14,041</b>	<b>14,418</b>	<b>14,833</b>	<b>17,558</b>
	Growth Rate	Nil	2.68	2.88	18.37
2	<b>Share Capital</b>	<b>185.20</b>	<b>186.92</b>	<b>204.75</b>	<b>238.04</b>
	Growth Rate	Nil	0.93	9.54	16.26
3	<b>Total funds</b>	<b>1,219.72</b>	<b>1,352.41</b>	<b>1,457.73</b>	<b>1,536.09</b>
	Growth Rate	Nil	10.88	7.78	5.38
4	<b>Deposits</b>	<b>5,322.40</b>	<b>5,996.36</b>	<b>6,455.86</b>	<b>7,317.92</b>
	Growth Rate	Nil	12.66	7.66	13.35
5	<b>Loans</b>	<b>4,378.03</b>	<b>5,718.07</b>	<b>6,364.48</b>	<b>6,882.64</b>
	Growth Rate	Nil	30.61	11.30	8.14
6	<b>Earning Capital</b>	<b>6,923.57</b>	<b>7,653.67</b>	<b>8,212.98</b>	<b>9,194.87</b>
	Growth Rate	Nil	10.54	7.31	11.96
7	<b>Net Profit</b>	<b>154.87</b>	<b>117.96</b>	<b>100.63</b>	<b>102.88</b>
	Growth Rate	Nil	(23.83)	(14.69)	2.24
8	<b>Dividend</b>	<b>14%</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>
	Growth Rate	Nil	(28.57)	Constant	Constant
9	<b>Percentage of outstanding advances</b>	<b>9.22</b>	<b>9.61</b>	<b>9.61</b>	<b>7.92</b>
	Growth Rate	Nil	4.23	Constant	(17.59)
10	<b>Division of audit</b>	<b>“B”</b>	<b>“B”</b>	<b>“B”</b>	-

**Analysis Of Economic Performance Of Akshaya Co-Operative Credit Society**

Table No. 02, Analysis of Economic Performance of Akshaya Co-operative Credit Society depicts that, there is continuous increase in the share members of the society, the constantly changes in share pattern was seen in the study accepted growth of share capital from 255.92 Crores to 448.40 Crores between 2015-16 to 2018-19 is a considerable development in the Co-soperative Society. The Bank has kept its good reserves and the deposits of the bank increased to 18.99 percent, 19.07 percent and 15.29 percent whereas; the investment by the Akshaya Co-operative Society is in rising trend. The rise in investment causes to generating the good

income level for the Bank, which positively affects the building in profitability of Bank. Net profit of the company is in fluctuation condition.

**Table No.: 02 Analysis of Economic Performance of Akshay Co-operative Credit Society Ltd., During the Period of 2015-16 To 2018-19**

Sl. No.	Particulars	2015-16	2016-17	2017-18	2018-19
1	Share members	20,060	22,218	24,353	25,867
	Growth Rate	Nil	10.76	9.61	6.22
2	Share capital	255.92	329.64	422.61	448.40
	Growth Rate	Nil	28.81	28.20	6.10
3	Reserve fund	604.74	669.72	701.14	771.40
	Growth Rate	Nil	10.75	4.69	10.02
4	Deposits	7,969.65	9,483.60	11,292.24	13,019.31
	Growth Rate	Nil	18.99	19.07	15.29
5	Loan balance	5,463.40	6,472.43	7,889.73	8,747.74
	Growth Rate	Nil	18.47	21.89	10.88
6	Investments	3,550.09	4,079.15	4,742.61	5,586.21
	Growth Rate	Nil	14.90	16.26	17.79
7	Turnover	39,310.84	44,260.93	47,629.38	54,762.47
	Growth Rate	Nil	12.59	7.61	14.98
8	Working Capital	8,932.30	10,558.32	12,506.20	14,321.77
	Growth Rate	Nil	18.20	18.44	14.52
9	Net Profit	101.99	75.36	77.42	82.64
	Growth Rate	Nil	(26.11)	02.73	06.74
10	Loan recovery	86%	85%	86%	85%
	Growth Rate	Nil	(01.16)	01.18	(01.16)

**Ratio Analysis Of Tamir And Akshaya Co-Operatiive Credit Society Ltd,**

**1) Current Ratio**

**Table No.: 03 Current Ratios of Tamir and Akshaya Co-operative Credit Society Ltd., During the Period of 2015-16 To 2018-19**

Year	Tamir Bank				Akshaya Bank			
	Current Assets	Current Liabilities	Current Ratio	Index Value	Current Assets	Current Liabilities	Current Ratio	Index Value
2015-16	1,53,19,440	6,67,86,924	22.94	100.00	4,20,71,456	7,00,60,403	60.05	100.00
2016-17	2,00,05,070	7,32,22,303	27.32	119.09	5,92,02,162	8,12,88,081	72.83	121.28
2017-18	2,04,31,462	8,11,62,880	25.17	92.64	5,60,83,498	9,44,35,288	59.39	81.55
2018-19	1,57,87,385	8,53,40,952	18.50	73.50	4,28,34,851	7,83,17,175	54.69	92.09
<b>Mean</b>			<b>23.48</b>		<b>Mean</b>		<b>61.74</b>	
<b>Range</b>			<b>08.82</b>		<b>Range</b>		<b>18.14</b>	
<b>CAGR</b>			<b>(79.84)</b>		<b>CAGR</b>		<b>(77.23)</b>	

The table no.03 shows that, the current ratio of both the Co-operative societies shows more than the standard ratio of 2:1. So, both the banks are having good current ratio. Means, they are eligible to pay off their liabilities at right time. Hence, the current ratio of Akshaya bank is greater than the current ratio of Tamir bank

in the study. From the above study it is also observed that Akshaya bank is having good current ratio when compared with the Tamir bank in the locality. It means they are having more reliable financial ability to pay off their liabilities than Tamir bank.

### 2) Debt Equity Ratio

The table no.04 shows that, Debt-equity ratios of both the Co-operative banks shows more than the standard ratios of 2:1 and both the banks have maintained good debt-equity ratio. Hence, the Tamir Bank's debt-equity is greater than the Akshaya bank when compared each other during the study period. Through there is a fluctuation in debt equity ratios it has maintained good. Further it can be known, from the study that the both Co-operative banks are holding its good share in the locality. There is a chance expand its further new branches nearby places to acquire maximum share and to increase its turnover.

**Table No.: 04 Debt-Equity Ratios of Tamir and Akshaya Co-operative Credit Society Ltd., During the Period of 2015-16 To 2018-19**

Year	TamirBank				Akshay Bank			
	Debenture	Equity	Dbt/Eq Ratio	Index Value	Debenture	Equity	Dbt/Eq Ratio	Index Value
2015-16	43,78,03,240	1,85,20,750	23.64	100.0	54,63,39,894	2,55,92,000	21.35	100.0
2016-17	43,60,26,173	1,86,92,575	22.33	95.77	64,72,42,864	3,29,63,900	19.63	91.94
2017-18	47,35,39,568	2,04,75,325	23.13	103.58	78,89,73,406	4,22,60,800	18.67	95.11
2018-19	51,23,56,263	2,38,04,475	21.52	107.48	87,47,73,713	4,48,40,500	19.51	104.49
<b>Mean</b>			<b>22.66</b>		<b>Mean</b>		<b>19.79</b>	
<b>Range</b>			<b>01.82</b>		<b>Range</b>		<b>02.68</b>	
<b>CAGR</b>			<b>(77.24)</b>		<b>CAGR</b>		<b>(77.15)</b>	

### 3) Net Profit To Working Capital Ratio

**Table No.: 05 Net Profit to Working Capital Ratios of Tamir and Akshaya Co-operative Credit Society Ltd., During the Period of 2015-16 To 2018-19**

Year	Tamir Bank				Akshaya Bank			
	Net Profit	Working Capital	NPW CR	Index Value	Net Profit	Working Capital	NPWCR	Index Value
2015-16	154.87	6,923.57	2.24	100.0	101.99	8,932.30	1.14	100.0
2016-17	117.96	7,653.67	1.54	68.75	75.36	10,558.32	0.71	62.28
2017-18	100.63	8,212.98	1.23	79.87	77.42	12,506.20	0.61	85.92
2018-19	102.88	9,194.87	1.12	91.06	82.64	14,321.77	0.58	95.08
<b>Mean</b>			<b>01.53</b>		<b>Mean</b>		<b>00.76</b>	
<b>Range</b>			<b>01.12</b>		<b>Range</b>		<b>00.56</b>	
<b>CAGR</b>			<b>(87.50)</b>		<b>CAGR</b>		<b>(87.28)</b>	

The table no. 05 represents the ratio of net profits to its working capital of both the Co-operative societies situated in the same locality. It that Tamir bank is having better net profit to working capital ratio when compared with Akshaya bank. The Tamir Co-operative bank was showing a diminishing trend from the year 2015-16 to 2018-19. On the other hand, The Akshaya Co-operative bank is also showing diminishing trend from 2015-16 to 2018-19 in the above study. Further, from the study it can be known that Tamir Co-operative bank is

having good net profits during the year and it is more than its working capital requirements which proves that the bank is having good financial status in the market. It helps them to expand their branches in different localities.

**4) Deposits To Working Capital Ratio**

**Table No.: 06 Deposits to Working Capital Ratios of Tamir and Akshaya Co-operative Credit Society Ltd., During the Period of 2015-16 To 2018-19**

Year	Tamir Bank				Akshaya Bank			
	Deposits	Working Capital	DWCR	Index Value	Deposits	Working Capital	DWCR	Index Value
2015-16	5,322.40	6,923.57	76.87	100.00	7,969.65	8,932.30	89.22	100.00
2016-17	5,996.36	7,653.67	78.35	101.93	9,483.60	10,558.32	89.82	100.67
2017-18	6,455.86	8,212.98	78.61	100.33	11,292.24	12,506.20	90.29	100.52
2018-19	7,317.92	9,194.87	79.59	101.25	13,019.31	14,321.77	90.91	100.69
<b>Mean</b>			<b>78.36</b>		<b>Mean</b>		<b>90.06</b>	
<b>Range</b>			<b>01.24</b>		<b>Range</b>		<b>01.69</b>	
<b>CAGR</b>			<b>(74.12)</b>		<b>CAGR</b>		<b>(23.11)</b>	

The table no.06 represents the deposits to working capital ratio of both the co-operative societies. It is clear that both the Co-operative Societies have maintained stability in its deposits to working capital ratio during the study period. From the study it is observed that Akshaya Co-operative bank is having good deposits to working capital ratio when compared with Tamir Co-operative bank. In the study Tamir bank is showing an upward trend from 2015-16 to 2018-19. Similarly, Akshaya bank is also showing an upward trend from 2015-16 to 2018-19 in the study. Hence, from the study it can be know, that The Akshaya bank has maintained good sustainability in its ratio compared with Tamir bank. As Akshaya bank is having more deposits they need not worry about the sources to meet the working capital requirements in its day to day transactions.

**5) Loans And Advances To Working Capital Ratio**

**Table No.: 07 Loans And Advances to Working Capital Ratios of Tamir and Akshaya Co-operative Credit Society Ltd., During the Period of 2015-16 To 2018-19**

Year	Tamir Bank				Akshaya Bank			
	Loans and Advances	Working Capital	LAWCR	Index Value	Loans and Advances	Working Capital	LAWCR	Index Value
2015-16	4,378.03	6,923.57	63.23	100.00	5,463.40	8,932.30	61.16	100.00
2016-17	5,718.07	7,653.67	74.71	118.16	6,472.43	10,558.32	61.30	100.23
2017-18	6,364.48	8,212.98	77.49	104.03	7,889.73	12,506.20	63.09	103.27
2018-19	6,882.64	9,194.87	74.85	96.59	8,747.74	14,321.77	61.08	96.81
<b>Mean</b>			<b>72.57</b>		<b>Mean</b>		<b>61.66</b>	
<b>Range</b>			<b>14.26</b>		<b>Range</b>		<b>02.01</b>	
<b>CAGR</b>			<b>(71.19)</b>		<b>CAGR</b>		<b>(75.03)</b>	

The table no. 07 represents the loans and advances to working capital ratio of both the Co-operative societies situated in the same locality. From the study it is clear that both the Co-operative societies are having good loans and advances to working capital ratio. Hence, the Tamir bank's loans and advances to working capital ratio are greater than the Akshaya bank when compared with each other in the study period. In the above study the Tamir Co-operative bank is showing an upward trend from 2015-16 to 2017-18. But, in the year 2018-19 it has took a diminishing trend. On the other hand, The Akshaya bank is showing an upward trend from 2015-16 to 2017-18. But, for the year 2018-19 it has showed a diminishing trend. Hence, from the study it can be know, that both the Co-operative societies are having equal ratio of working capital and loans and advances. It means both are capable of providing required loans and advances with the available working capital.

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