

A STUDY ON PRODUCTS AND SERVICES WITH SPECIAL  
REFERENCE TO CHIRRAKAL CO-OPERATIVE BANK  
LTD KANNUR DISTRICT

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**ABSTRACT:**

*A co-operative bank is financial entity which belongs to its members, who are at the same time the owners and the customers of their bank.co-operative bank often created by person belonging to the same local or professional community or sharing a common interest.as per banking regulation Act 1949 given authority to co-operative banks to do banking business were extended to co-operative banks.*

*Chirakkal service co-operative bank ltd., A class one special grade bank in Kannur district has provided trusting service to their customers since 1961. It has 8 branches, consumer store and a fertilizer and pesticide store. Now a Bank starting co-operative Neethi medical store in its Head office building. The bank is providing an ambulance and a community hall at reasonable rates. The investment has reached up to 124 crores. It is apex body of primary agricultural credit /marketing /employees societies and other co-operative institution in the district.*

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## **Introduction**

As per banking regulation act 1949 RBI given authority to co-operative banks to do banking business were extended to co-operative banks. It has been licensing of existing and new banks branches, sanctioning of credit limits to state co-operative banks on behalf of primary co-operative banks. The present banking system in India has undergone a program of tremendous branch expansion program which has helped sector banks to mobiles savings substantially from the for hung area of the country and out funds to the weaker sections of the society banks have penetrated in to rural, semi urban and backward areas.

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## **Objective Of The Study**

### **Primary objective**

- To find out smooth handling of products and services in chirakkal service co-op bank ltd.

### **Secondary objective**

- To know about the services offered by the CSCB.
- To get practical knowledge about deposits and services
- To understand banking activities in CBCB.
- To make some suggestions based on the analysis.

## Scope Of The Study

This project acts as a reference guide or as a source of information. It gives the idea about the products and services of the CSCB. The main scope of the study was to put into practical the theoretical aspects of the study into real life work experience. The study deals with analysis and interpretation of the data collected through the sources of primary and secondary data for a period of annual report 2009-2014.

## Need Of The Study

The Indian banking industry comprises segments that provide comprehensive banking services to individuals, corporate and small business. Industry segments are public sector banks, private sector bank and foreign banks. In this project the report is mainly focused on products and services by the CSC bank in Kannur.

## Limitations Of The Study

1. The study is limited to only CHIRAKKAL CO-OP BANK. Some data which may be confidential in nature may not be available.
2. Some data may be biased.
3. The study is done only for the limited period of during the project analysis time value of money is ignored.

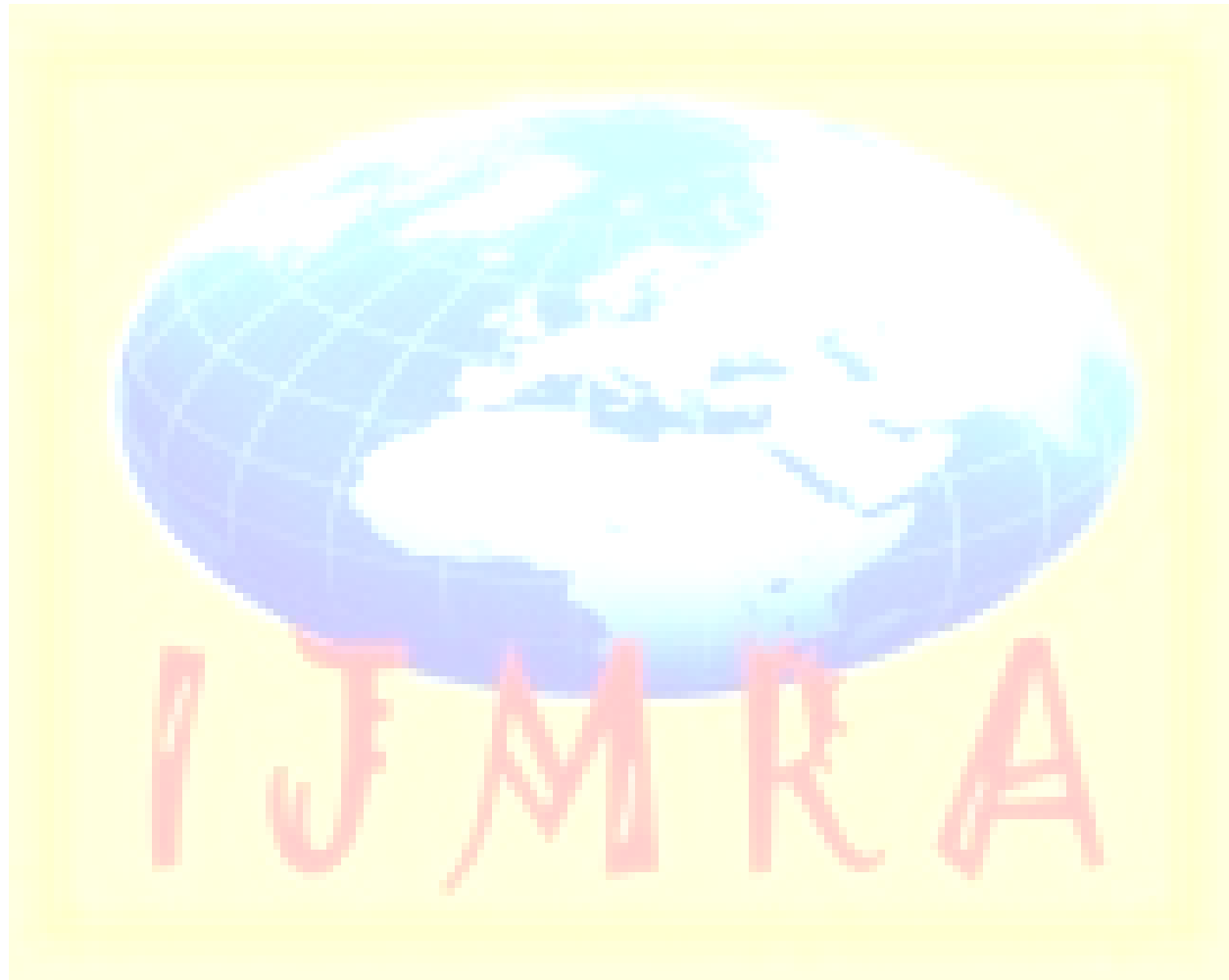
## Introduction To The Organization

Chirakkal service co-operative bank Ltd., a class one special grade bank in Kannur district has provided trusting service to their customers since 1961. Chirakkal service co-operative bank Ltd. has 8 branches, consumer store and a fertilizer and pesticide store. Bank is going to start a co-operative neethi medical store in its head office building. The bank is providing an ambulance and a community hall at reasonable rates. On 31.03.2012 bank has 15,291 A class members, 65251 C class members and 3,418 D class members. The investment has reached up to 124 crores.

## Objectives Of CSCB

- To finance co-operative societies registered under the Kerala co-operatives societies Act 1969.
- To accept various deposit from the members and non-members

- To provide co-operatives education and training to the public.
- To provide loans other than agricultural loan.
- To function as a leader and control various activities.



**LOANS AND DEPOSIT IN CHIRRAKKAL CO OP BANK LTD KANNUR****LOANS ( opening amount)**

Type of loan	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Recurring deposit loan	119090.00	0.00	0.00	0.00	0.00
Loan on fixed deposit	10765148.00	13014061.00	16657268.00	16774382.00	11180599.00
Loan on recurring deposit	19455.00	8000.00	13000.00	8000.00	12000.00
Cash credit (kudumbasree) loan a/c	470868.00	533372.00	533413.00	688496.00	637092.00
Kisssan credit card	0.00	0.00	0.00	48285.00	69713.00
Overdraft to staff	1142715.12	870793.95	973677.54	8612280.00	644756.85
Cash credit loan	167113.84	167113.84	167113.00	167113.00	167113.84
Gold loan	165146031.00	209281033.00	285202134.00	337437981.00	396599168.50
Gold loan agri	1050351.00	8460365.00	11884392.00	38599137.00	115248359.00
St. agri loan	358877.00	310017.00	256808.00	94522.00	1723021.00
St non agri loan	47366520.00	53970375.00	61373750.00	64598356.00	58916127.00
Mt non agr (surety)	0.00	730149.00	1196078.00	1740755.00	1699039.00
Mt agri loan	61907.00	53578.00	104168.00	26637.00	17900.00
Kudumbasree linkage loan	0.00	2987078.00	2941794.00	2302058.00	2663930.00
Kudumbasree micro credit	0.00	0.00	1113696.00	518612.00	270307.00
Mt na (ha) spl loan	317100.54	302004.00	293613.54	227091.54	221581.00
Mtna-ha	1094941.00	940404.00	725809.00	578553.00	401860.00
Mtna- marriage	2657868.00	2433562.00	1735236.00	1057165.00	1915891.00
Mt non agri loan	174022909.00	223826878.00	315726339.00	372258152.00	434119382.00
Irdp- mtna loan	1256294.00	1062474.00	1974166.00	1621409.00	1453150.00
Mtna (vehicle)	0.00	0.00	0.00	716694.00	86245.00
Lt housing loan	25973667.00	34570301.00	46982116.00	65084122.00	83653075.00
Employees loan(vehicles and others)	11504.00	41750.00	639000.00	91500.00	57900.00
Employees housing loan	1815738.00	1644842.00	1960744.00	1786625.00	2692072.00
Pf loan	126079.00	143733.00	3003.00	145896.00	325895.00

Business loan	5985323.00	6515354.00	6565174.00	6268645.00	6059544.00
Mt na loan ( handi caped)	21259.00	21259.00	21259.00	21259.00	21259.00
Group deposit- loan	3394057.00	2886191.00	4355333.00	5532792.00	5351212.00
Mangalya soothra loan	0.00	121503.00	156435.00	146276.00	79927.00
Total	443345445.50	564696191.33	762980419.92	919401795.07	1126188119.00

**DEPOSIT'S**

Type of deposit	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Current account	3761.31	3761.31	3761.31	3761.31	3161.31
Savings bank account(students)	0.00	98339.00	372321.00	528837.00	749973.00
Savings bank account	153366348.89	182685194.55	205841439.30	212249670.36	221337490.22
Fixed deposit	536836041.96	660698480.96	790380748.96	976120638.96	1178910532.96
Athulya cash certificate	15481.60	0.00	0.00	0.00	0.00
Thrift deposit	2679325.85	2646982.21	2598505.13	2563894.98	2531004.00
Home safe deposit	26048.61	26048.61	25997.61	25997.61	25997.61
Group deposit	6421525.00	5264700.00	7303400.00	8641150.00	9051950.00
Staff cash security	270456.64	338456.64	426456.64	414456.64	484456.64
Pf deposit	4752204.65	5291248.05	5354372.00	6959625.15	7394602.10
Pf deposit comm.staff	0.00	0.00	0.00	0.00	190192.00
Recurring deposit	7685350.00	10290600.00	13213850.00	16133150.00	21642550.00
Rd staff	634900.00	605000.00	722400.00	709800.00	636000.00
Day deposit	14433205.00	17382714.00	20197700.00	22323787.00	23383910.00
Total	727124649.51	885331525.33	1046440951.95	1246674769.01	1466342419.84

## Review Of Literature

1. According to Indian institute of banking and finance, “financial inclusion is delivery of banking services at an affordable cost (no frills accounts) to the vast sections of disadvantages and low income group. Unrestrained access or public goods and services is the sine qua non of an open and efficient society. As banking services are in the nature of public good, it is essential that availability of banking and payment services to the entire population without discrimination is the prime objective of the public policy.
2. According to Dr. K.C chakrabarty, deputy governor, reserve bank of India, financial inclusion is the process of ensuring access to appropriate financial products and services needed by the all sections of the society in general and vulnerable groups such as weaker sections and low income groups in particular at an affordable cost in a fair and transparent manner by mainstream institutional players.
3. The article of financial inclusion: the way forward by Mr. N K Maini, deputy managing director, SIDBI. He pointed out the responsible finance initiative – cross- linked to the financing – could help improve management, governance, operational practices and disclosure.
4. BHASKARAN AND JOSH (2000) concluded that the recovery performance of co-operative credit institutions continues to unsatisfactory which contributes to the growth of NPA even after the production the introduction of prudential regulations. They suggested legislative and policy prescriptions to make co-operative credit institutions more efficient, productive and profitable organization in tune with competitive commercial banking. Jain(2001)has done a comparative performance analysis of district central co-operative banks (DCCBs) of western India, namely Maharashtra, Gujarat and Rajasthan and found that DCCBs of Rajasthan have performed better in profitability and liquidity as compared to Gujarat and Maharashtra. Singh and Singh (2006) studied the funds management in the district central co-operative banks (DCCBs) of Punjab with specific reference to the analysis of financial margin.it noted that a higher proportion of own funds and the recovery concerns have resulted in the increased margin of the central co-operative banks and thus had a larger provision for non-performing assets.
5. Mavaluri,boppana and nagarjuna(2006) suggested that performance of banking in terms of profitability, productivity, asset quality and financial management has become important to stable the economy. They found that public sector banks have been more efficient than other banks operating in India.
6. DUTTA AND BASAK (2008) suggested that co-operative banks should improve their recovery performance, adopted new system of computerized monitoring of loans, implement proper prudential norms and organize regular workshops to sustain in the competitive banking environment.

7. CHANDER AND CHANDEL (2010) analyzed the financial efficiency and viability of HARCO bank and founder poor performance of the bank on capital adequacy, liquidity, earning quality and the management efficiency parameters.
8. BLOEM AND GORTER(2001) suggested that a more or less predictable level of non-performing loans, though it may vary slightly from year to year, is caused by an inevitable number of “ wrong economic decisions by individuals and plain bad luck( inclement weather, unexpected price changes for certain products, etc..). under such circumstances, the holders of loans can make an allowance for a normal share of non-performance in the form of bad loan provisions, or they may spread the risk by taking out insurance.
9. COLE ET AL . (2009) pointed out that financial literacy program has no effect on the likelihood of opening a banks savings account, but do find modest effect for uneducated and financially illiterate households.in contrast, small subsidy payment have a large effect on the likelihood of opening a savings account. These payment are more than two times more cost effective than the financial literacy training.
10. RESEARCH JOURNAL OF FINANCE AND ACCOUNTING:
  - According to ravichandran andalkhathlan (2009), very few people have access to banking services. There are number of factors affecting access to financial service by weaker section of society in India. The lack of awareness, low incomes and assets, social exclusion, illiteracy are the barriers from demand side. The distance from bank branch, branch timings, cumbersome banking procedure, over requirement of documents for opening bank accounts, unsuitable banking products and schemes, language, high transaction cost and attitudes of bank officials are the barriers from supply side.
  - Reddy (2010) suggested a new approach to bank to reach wider population in rural areas by establishing mobile-banks/ representative/agents who operate a commercial basis rather than just by self-help groups. The agent/representative work on commission basis and hence self- motivated and cost –effective in assisting banks in service provision/deposit mobilization.
  - Money transfer etc. and all this at a reasonable cost. Out of 19.9 crore household in India only 6.82 crore household have access to banking service. As far as rural areas are concerned, out of 13.83 crore rural household in India, only 4.16 crore rural household have access to basic banking service. I respect of urban areas only 49.52% of urban households have access to banking service. Over 41% adult population of in India does not have bank account.

## **Research And Methodology**

Research is common parlance to search for knowledge. One can also define research as a scientific and systematic search for pertinent information on a specific topic.



## Research design

Research design is the arrangement of activities for the collection and analysis of the data in a manner that aims to combine relevance to the purpose with economy in procedure. The study carried out here is an analytical research.

## Analytical research

Analytical research describes and interprets the past or recent past from selected sources. The sources may be documents preserved in collections, and/ or participant's oral testimonies(oral histories)

### Collecting secondary data:

- Annual report of the CSCB
- Case study
- Other necessary theoretical requirement
- The information has been collected from the other sources to make a project report effective and informative. That data are collected from various website and financial management for making concept very clear.

### Studying secondary data

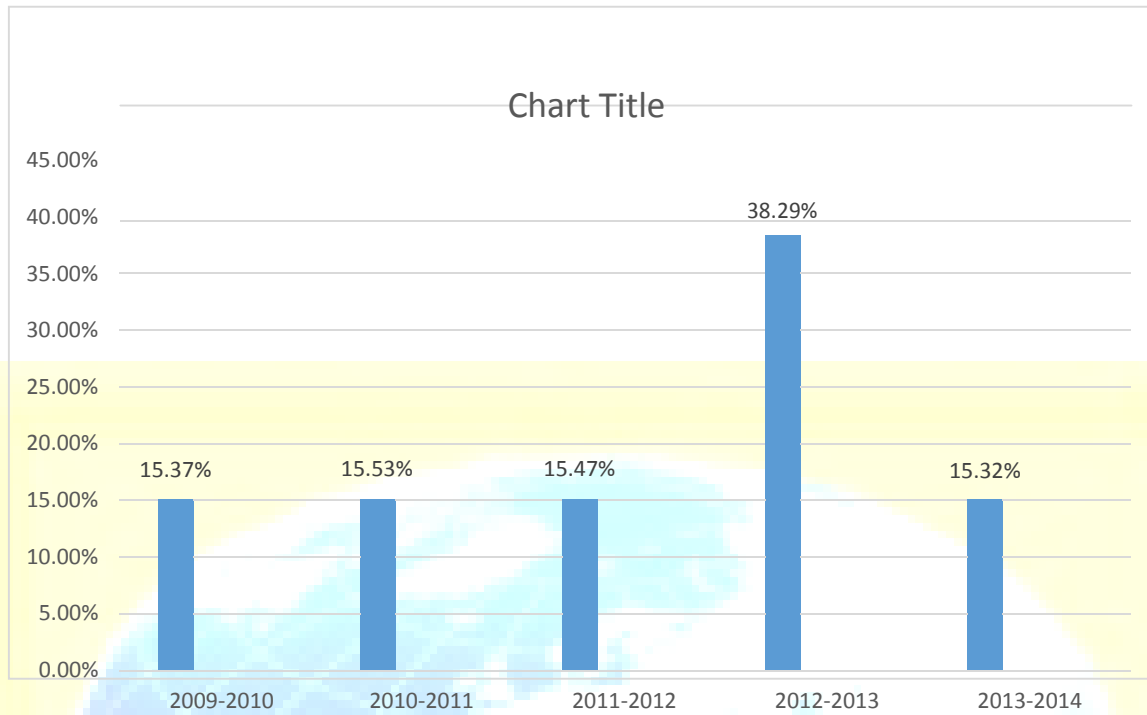
After collecting secondary data from various sources, the next steps is to study various data and finding out relevant information and filtering it to further process.

## Analysis And Intepretation

### Ratio Analysis And Interpretation

#### Current ratio of CBSC bank ltd

Chirakkal service co-op bank ltd	2009-2010	2010 -2011	2011-2012	2012-2013	2013-2014	Total
Current ratio	106.15	107.20	106.81	264.32	105.75	690.23
percentage	15.37	15.53	15.47	38.29	15.32	100



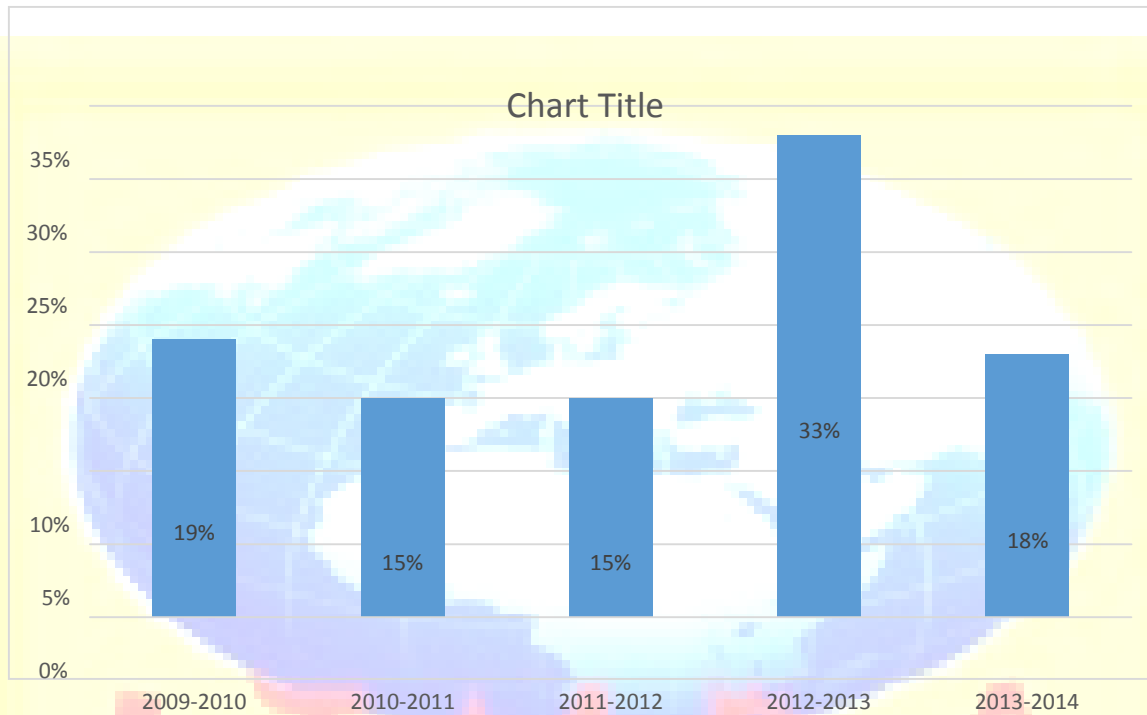
Interpretation:

From the above table shown on 2012-2013 is 38.29% increase in current ratio.

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**Quick ratio of CBSC bank ltd**

Name of the ratio	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	Total
Quick ratio	45.64	37.23	36.06	80.90	44.22	240.05
Percentage	19%	15%	15%	33%	18%	100%

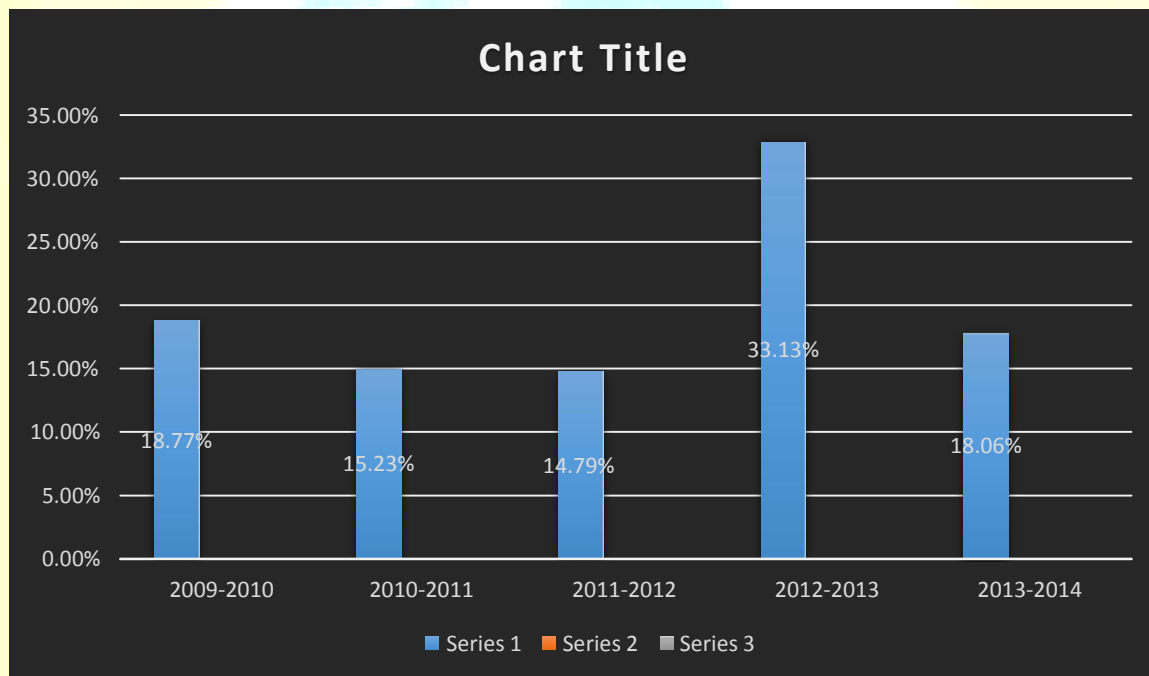


**Interpretation:**

From the above table shown on 2012-2013 is 33% has increases.

**Cash ratio**

	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	Total
Cash ratio	43.97	35.68	34.65	77.61	42.31	234.22
percentage	18.77%	15.23%	14.79%	33.13%	18.06%	100

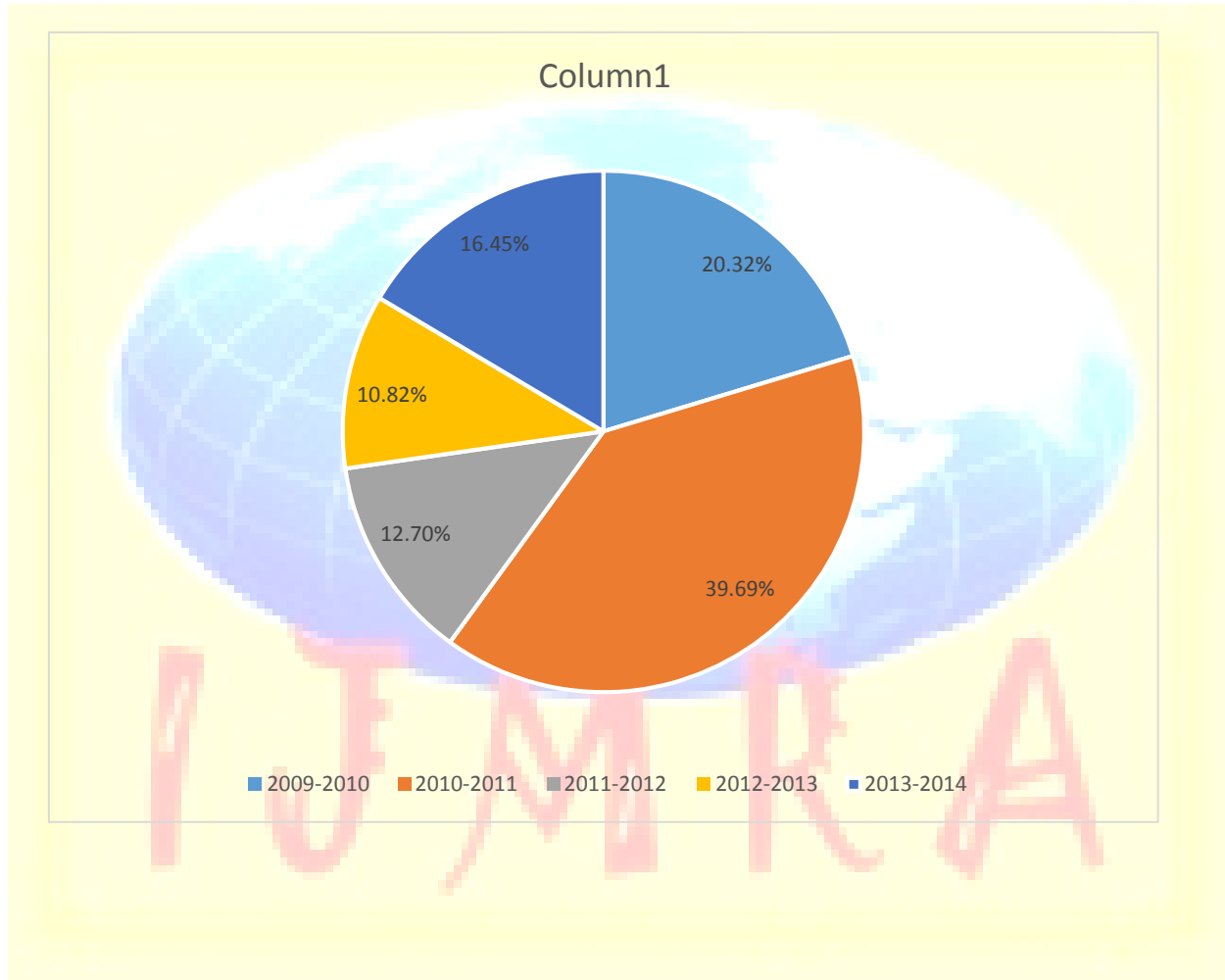


Interpretation:

From the above table shown on cash ratio 2012-2013 has increased.

**ROE of CSCB ltd**

	2009-2010	2010-2011	2011-2012	2012-201	2013-2014	Total
ROE ratio	26.87	52.48	16.80	14.31	21.76	132.22
percentage	20.32%	39.69%	12.70%	10.82%	16.45%	100

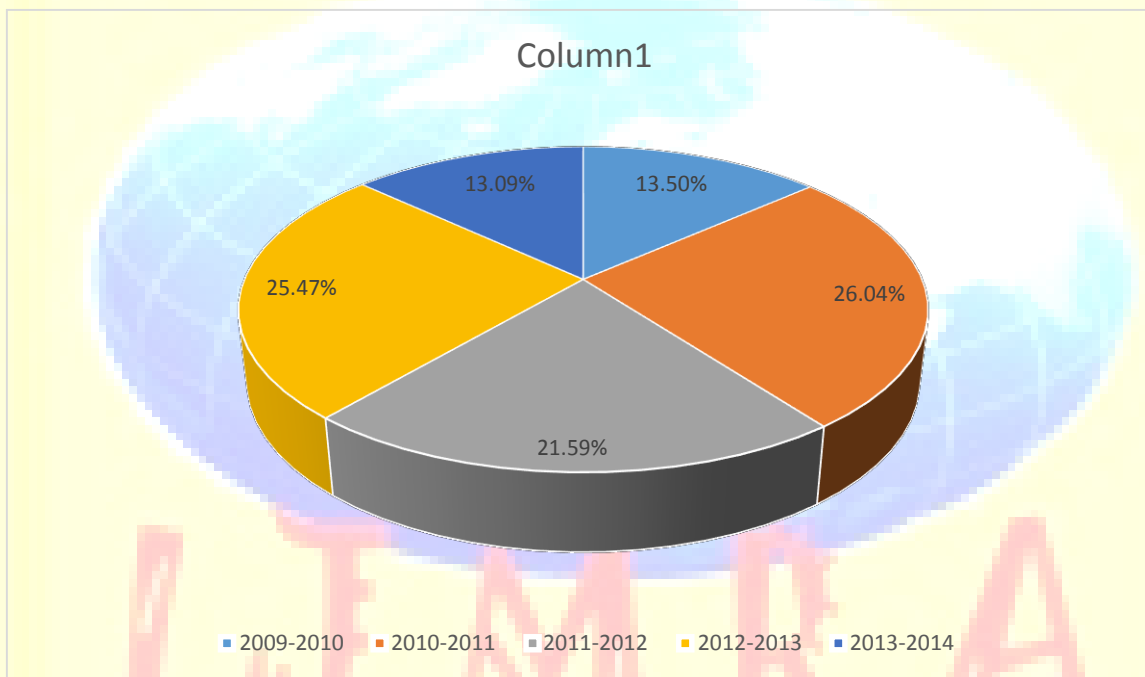


Interpretation:

From the above table shown on return on capital 2010-2011 is 39.69%.

**Return on capital employed (ROCE):**

	2009-2010	2010-2011	2011-1012	2012-2013	2013-2014	Total
ROCE ratio	11.16	21.88	18.14	21.4	11	83.58
percentage	13.5%	26.04%	21.59%	25.47%	13.09%	100

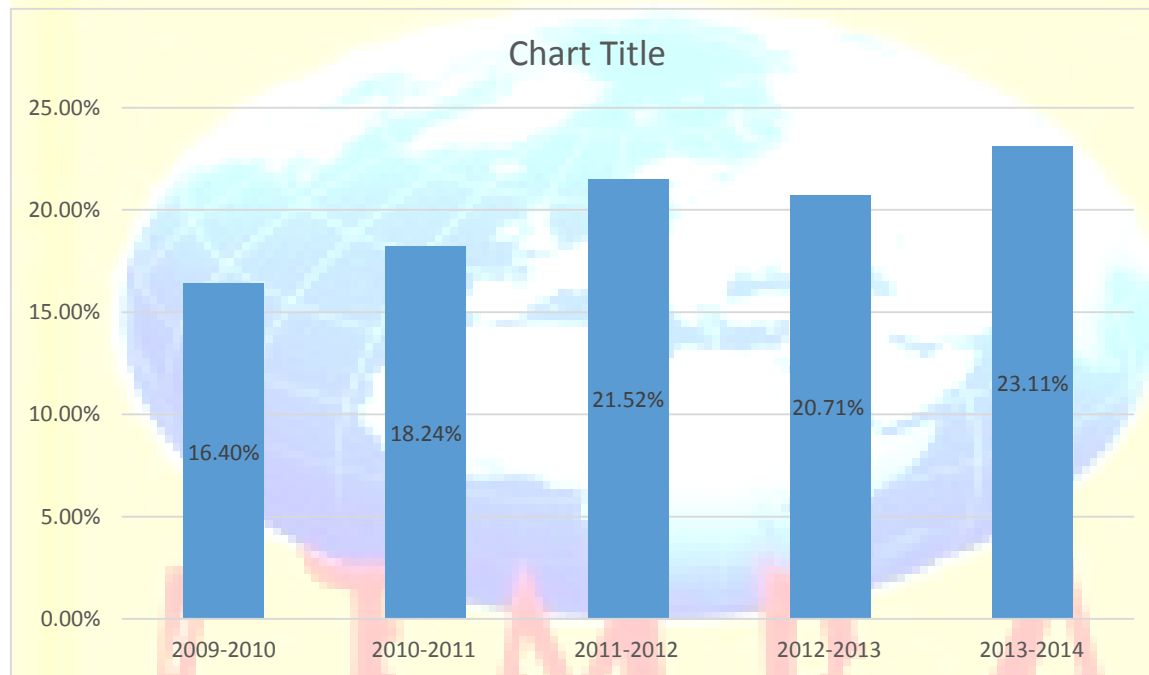


**Interpretation:**

From the above table shown on return on capital employed on 2010-2011 is 26.04%.

**ROA ratio**

	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	Total
ROA ratio	10.1	11.23	13.25	12.75	14.23	61.56
percentage	16.40%	18.24%	21.52%	20.71%	23.11%	100

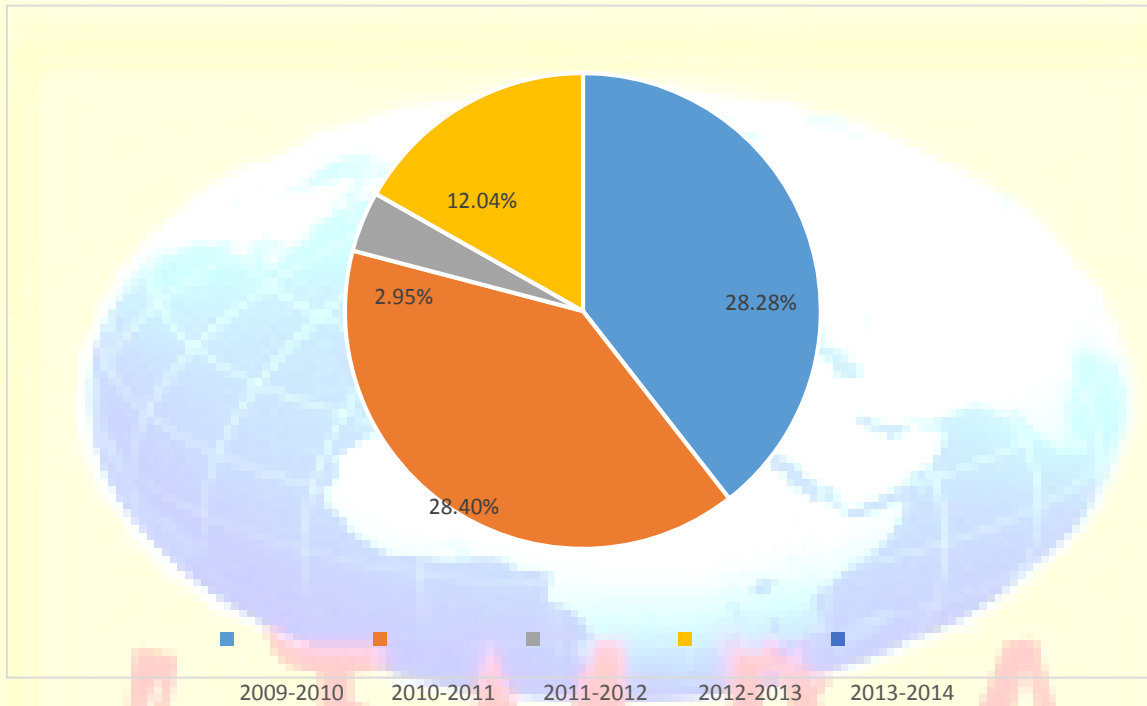


Interpretation:

From the above table shown on return on asset ratio 2013-2014 has increased 23.11%.

**Debt- equity ratio**

	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	Total
Debt-equity ratio	10430.28	10476.30	1088.91	4440.65	10444.43	36880.57
percentage	28.28%	28.40%	2.95	12.04%	28.31%	100



Interpretation:

From the above table shown on debt-equity ratio has 2009-2010 is 28.28%.



## Findings , Suggestions And Conclusion

### Findings:

1. By analyzing the current ratio of CSCB ltd in 2009-2010 is 15.37%.then slowly increase in 2010-2011 is 15.53% and slowly decrease by 15.47%. Which suddenly increase in 2012-2013 i.e. 38.29%. It's good but 2013-2014 decrease current ratio is 15.32%.
2. By analyzing the quick ratio of CSCB ltd in 2009-2010 is 19%. 2012-2013 i.e., 33%.but 2013-2014 has slowly decreasing in 18%.
3. Cash ratio find that total cash divided of the bank in 2009-2010 i.e. is 18.77% and decreasing in 2010-2011 i.e. 15.23% by 14.79% and also increases in 2012-2013 i.e. 33.33% by 18.06% decreases.
4. The above table shows that CSCB ltd ROE ratio 2009-2010 is 20.32% and increases in 2010-2011 is 39.69% and 2011-2012 is 12.70%, 2012-2013 is 10.82% decreases. 2013-2014 is 16.45%.
5. ROCE find that 2009-2010 i.e. 13.5% and next 2010-2011 i.e. 20.04% increases by 21.59% decreases and also 2012-2013 increases 25.47%. The 2013-2014 i.e. 13.09%.
6. ROA ratio indicates the 2009-2010 is 16.40%, 2010-2011 is 18.24%, 21.52% increases in 2011-2012 than decreases 20.71%, 2013-2014 i.e. 23.11 increased.
7. Debt –equity ratio shows on 2009-2010 is 28.28% after 2010-2011 is 28.40% by decreases in 2.95% 2011-2012 and 2012-2013 is 12.04% than 2013-2014 is 28.31% increases.

### Suggestions:

- Bank should open their new branches in other places
- Loan recovery should be done as soon as the loan period completes.
- Bank should cullet the feasible securities.
- The bank is not investing more into the marketing sector so I will suggest that some of the part of income it investing in advertising.

### Conclusion

During my training I found that this bank is in a strong position this bank has a scientific and flexible management the relation between staff and owners are looking better. There is good co-ordination and confidence in the bank management from the manager of the bank is feeling that the banks main aim is to providing best services to the society. So am sure that from the looking situation banks will achieve aim.

### Bibliography

- ❖ Websites
- ❖ Journals
- ❖ Accounts