

A Study on the Deposit Mobilization Pattern of the Dindigul District Central Co-operative Bank Limited

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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. The rationale for the establishment of District Central Co-operative Banks should be an intermediary agency between the primary credit society with rural bias and the provincial Co-operative Bank with urban bias. 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 and the like. The Dindigul District Central Co-operative Bank does not depend on its internal sources alone. This study attempts to analyse the trend and growth of various types of deposits collected by the DDCC Bank during the period 1995-96 to 2009-10.

Keywords: Co-operative bank; Deposits; Trend equation.

Introduction

The development of the Co-operative movement has been an integral part of the planning process since the inception of planning in India in 1951 [1]. The country adopted the method of planning with emphasis on state participation in critical sectors of the economy of the country. In this context, the co-operative movement was visualized as an effective mechanism for bringing about the socio-economic transformation of the rural areas. The co-operative movement had a modest beginning meeting the credit needs of the poor mass. It played a critical role in involving the weaker section of our society like small and marginal farmers, landless labourers, fishermen and artisans. The co-operative movement brought them into the main stream of the national economy. In fact, the co-operative movement acted as a balancing factor between the public sector and the private sector. The initiative of both the RBI and the NABARD to accelerate the co-operative movement facilitated the growth of the co-operative credit institutions in India [2-18].

Banks borrow and lend. They borrow money by accepting deposits from the public including members of the bank. 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. For Banks, the amount of deposits is very important and therefore all banks compete among themselves for mopping up deposits. The banks should introduce various deposit schemes so that these can attract a variety of people to suit their taste.¹ The banks offer a number of deposit schemes to the public which include fixed deposit, saving deposit, current deposit and the like. The mobilization of resources through deposits helps the bank to meet the growing demands from various sectors of the economy namely, agriculture, small scale industry, weaker sections of the community and the like. "The quantum of deposits and growth rate in deposit figures shows the extent of public confidence that a bank enjoys".² It is the size of the deposits that largely decides the lending potential of a bank [19-25]. Central co-operative banks which have intimate contact with the rural areas are the best agency

to mobilize deposits. The expanding area and scale of co-operative activity and growing diversification have also made it necessary that co-operative banks should build up large resources by way of deposits.³ Hence this study analyses the composition and growth of deposits by the Dindigul Central Co-operative Bank, during the study period [26-31].

The Dindigul District Central Co-operative Bank does not depend on its internal sources alone. It also mobilizes external resources to meet the growing needs of the affiliated member societies in the district. Deposits are one of the main sources of external resources. Mobilizing of resources through deposits helps the bank to meet the growing demands from various sectors of the economy such as agriculture weavers and weaker sections of the community [32-37].

Statement of the problem

The poor must occupy the central position in any socio economic planning. For the socio-economic development of the rural poor, an institutional approach is necessary so that a poor man can have access to assets and services [38-41]. The institutions, especially the co-operative institutions, must support the agricultural sector as it has poverty reducing capacity, provide an increase in employment opportunities and lead to an increase of income and improved standard of living of the rural poor [42-44].

The present study is an attempt to probe the deposit mobilization of a District Central Co-operative Bank. The findings of the study would

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¹H.R. Mukhi, op cit, p.154.

²B. Krishnasamy, "Deposit mobilisation, why and How?" Indian Banking Today and Tomorrow, November 1983, p. 19

³R.D. Bedi op cit, P. 250

pave the way for taking certain policy decisions for the better deposit mobilization of the Bank.

Objectives of the present study

The following are the objectives of the present study.

1. To examine the trend in deposits and deposit mobilization pattern of the study unit with regard to types of deposits.
2. To examine the trend in fixed deposits and fixed deposit mobilization pattern of the study unit with regard to types of fixed deposits.
3. To examine the trend in saving deposits and saving deposit mobilization pattern of the study unit with regard to types of saving deposits.
4. To examine the trend in current deposits and current deposit mobilization pattern of the study unit with regard to types of current deposits.
5. To examine the trend in source of deposits and deposit mobilization pattern of the study unit with regard to types of source of deposits.

Scope of the study

The present study aims at studying the Deposit Mobilization Pattern of Dindigul District Central Co-operative Bank Limited though the facts and figures in the annual reports and financial statements. This study becomes relevant as the co-operative sector in India, particularly in Dindigul District, has not been a total success, in spite of the Government efforts.

Methodology

The present study was mainly based on secondary data. The secondary data have been used to analyse the performance of the DDCC Bank with reference to its deposit mobilization. The required secondary data were collected from various published documents maintained by the DDCC Bank and its branches located in different parts of Dindigul District.

Framework of analysis

The statistical tools were used for analysing the data collected so as to fulfill the objectives of the study. After having collected the data, the researcher computed the data. To have scientific data processed and to arrive at meaningful result, the researcher has used the following tools.

The annual growth rate has been used to study the percentage of increase in deposits of the Bank. The annual growth rate refers to the percentage of increase in deposits when compared to the previous year.

In order to estimate the trend and growth rate of deposits the following trend equation was fitted.

$$\text{Log } Y = a + bt$$

where,

Y=actual value of deposits

t=time variable

a and b are constants to be estimated. Above trend equation was estimated by the method of least squares.

The following formula was used to calculate compound growth rate

$$\text{Compound growth rate (CGR)} = (\text{Antilog } b - 1) * 100$$

The co-efficient of variation (C.V) method has been used with the following formula in order to analyse the extent of variation in deposits

$$\text{Co-efficient of variation} = \frac{\text{Standard deviation } (\sigma)}{\text{Arithmetic mean } (\bar{X})} \times 100$$

$$\sigma = \sqrt{\frac{\sum (x - \bar{x})^2}{N - 1}}$$

$$\bar{X} = \frac{\sum X}{N}$$

where

X=Deposits

N=Number of years

If co-efficient of variation is less, it means greater stability, more consistency, uniformity and homogeneity of growth.

Period of coverage

The study covers a period of 15 years from 1995-96 to 2009-10.

Analysis of various types of deposits

This study attempts to analyse the trend and growth of various types of deposits namely saving, current and fixed deposits collected by the DDCC Bank during the period 1995-96 to 2009-10.

Saving deposit is the most common type which caters to the needs of almost all section of customers. It inculcates thrift and saving habits among the public. The Clientele of the Central Co-operative Banks (CCB_s) belong to the lower middle and upper middle classes. The surplus earned is deposited in the form of saving deposits. The bank mobilizes saving deposits mainly from individuals and co-operative societies.

Current deposits cater to the needs of business people who make use of cheque facilities extensively and also receive cheques in their favour from others. This is just to help the businessmen dealing frequently with the accounts in the course of business which may necessitate withdrawing their funds at short notice and also frequently depositing their surplus funds. However, there is no restriction that only business people should open current accounts. The bank accepts current deposits from individuals, co-operative societies, government institutions, local bodies, other CCB_s and the like.

Fixed deposits are a deposit of definite sum of money for a fixed period at a fixed rate of interest. The depositors agree to receive from the bank the principal amount after the stipulated period. Interest may be received either periodically or on maturity. Fixed deposits constitute a major portion of the total deposits of the study unit. Fixed deposits include cash certificates, recurring deposits, provident fund deposits, security deposits from employees, family benefit fund, general provident fund, Amudha surabs deposits and the like.

The details of various types of deposits collected by the DDCC bank during the period from 1995-96 to 2009-10 are presented in Table 1.

Table 1 shows the deposits mobilized in the form of fixed deposits, savings deposits and current deposits. It could be inferred from the

Year	Fixed Deposit		Saving Deposit		Current Deposit		Total (Rs.in Lakhs)
	Amount (Rs)	Percentage of Total	Amount (Rs)	Percentage of Total	Amount (Rs)	Percentage of Total	
1995-96	7361.20	81.92	1380.46	15.36	243.71	2.71	8985.37
1996-97	9797.94	85.00	1422.08	12.34	307.59	2.67	11527.61
1997-98	11554.46	84.40	1894.71	13.84	241.63	1.76	13690.80
1998-99	15454.72	86.97	1972.89	11.10	342.65	1.93	17770.26
1999-00	17515.04	86.94	2258.93	11.21	373.05	1.85	20147.02
2000-01	18769.63	85.80	2720.04	12.43	385.23	1.76	21874.90
2001-02	19398.99	85.66	2822.91	12.47	424.56	1.87	22646.46
2002-03	21265.79	85.47	3368.09	13.54	248.33	1.00	24882.21
2003-04	21131.34	86.14	3166.15	12.91	233.41	0.95	24530.90
2004-05	20102.03	84.17	3418.94	14.32	362.16	1.52	23883.13
2005-06	18850.72	81.72	3945.94	17.11	271.49	1.18	23068.15
2006-07	19977.40	81.51	4262.70	17.39	269.68	1.10	24509.78
2007-08	25192.07	83.10	4837.55	15.96	286.75	0.94	30316.37
2008-09	28047.41	83.57	5245.95	15.63	269.29	0.80	33562.65
2009-10	30734.21	83.35	5737.22	15.56	402.66	1.09	36874.09
Mean	19010.20		3230.30		310.81		22551.31

Source: Annual Audit Report of the DDCCB.

Table 1: Composition of total deposits of ddccb from 1995-96 to 2009-10.

Particulars	Trend co-efficient		R ²	CGR (Percentage)	C.V (Percentage)
	a	b			
Fixed Deposit	9364.911	1232.630* (7.738)	0.833	6.828	33.28
Saving Deposit	738.001	308.757* (20.171)	0.971	10.207	42.18
Current Deposit	324.149	-1.005 (-0.226)	0.004	-0.322	20.92
Total Deposit	10427.062	1540.382* (9.107)	0.874	7.184	33.83

Source: Computed data

Figures in parentheses indicate "t" values

*Significant at 5 per cent level.

Table 2: Compound growth rate and magnitude of variability in total deposits from 1995-96 to 2009-10.

table that there was an increasing trend in the growth of deposits mobilized during the study period. The table shows that the percentage of fixed deposits has a mixed trend and it varied between 81.51 per cent and 86.97 per cent during the study period. The highest ratio was in the year 1998-99 and the lowest in the year 2006-07 during the study period, the fixed deposit registered a growth of 4.12 times. It increased from Rs.7361.20 lakhs in 1995-96 to Rs.3034.21 lakhs in 2009-10. The mean value of the fixed deposit was Rs.19010.20 lakhs during the study period. Fixed deposit constituted the major part of total deposits.

The saving deposit shows an increasing trend except in the year 2003-04. It increased by 4.16 times during the study period. The share of saving deposits in total deposits was between 11.10 per cent and 17.39 per cent. It increased from Rs.1380.41 lakhs in 1995-96 to Rs.5737.22 lakhs in 2009-10. The mean value of saving deposits was Rs.3230.30 lakhs in the study period.

It could be inferred from the table there was a fluctuating trend in the growth of current deposits during the study period. It increased by 1.65 times in the period. A current deposit sharing in total deposits was between 0.80 per cent and 2.71 per cent during the study period. It increased in Rs.241.63 lakhs in 1997-98 to Rs.424.56 lakhs in 2001-02. The mean value of current deposits was Rs.310.81 lakhs during study period.

The compound growth rate and magnitude of variability of different types of deposits were shown in Table 2.

Table 2 records that the total deposits of the study unit showed positive growth, significant with the growth rate of 7.184 per cent

during the study period. In the same way there was significant growth in respect of fixed deposit and saving deposit with the growth rate of 6.828 per cent and 10.207 per cent respectively during the study period. The growth in current deposit is not found to be significant.

It can also be understood from Table 2 that the different deposits mobilized fluctuate with the co-efficient of variations ranging from 20.92 per cent to 42.18 per cent during the study period.

Growth of fixed deposits of the DDCC bank

Fixed deposits constitute the major portion of the total deposits of the study unit. Fixed deposits include cash certificate recurring deposits, Amudha Surabi deposits, provident fund deposits, perpetual pension scheme, double pension deposits scheme, security deposits from employees, general provident funds, family benefit funds and the like. Fixed deposits of the DDCC Bank are contributed by two sources namely individuals and co-operatives. Individuals include institution local bodies and government. Co-operatives include primary agricultural co-operatives and urban co-operative banks.

The details of various types of fixed deposits collected by the DDCC bank during the period from 1995-96 to 2009-10 are presented in Table 3.

It is also noticed from Table 3 that a large part of the fixed deposits of the DDCC Bank came from individuals' deposits. The percentage of individual deposits shows a mixed trend and the highest amount having Rs.25771.53 lakhs in 2009-10 and the lowest of Rs.5445.97 lakhs in 1995-96. The amount of individual deposits showed a steady increasing trend. The individual deposits' proportion ranged from

Year	Individual		Other Societies		Total (Rs.in Lakhs)
	Amount (Rs)	Percentage of Total	Amount (Rs)	Percentage of Total	
1995-96	5454.97	74.10	1906.23	25.90	7361.20
1996-97	7455.60	76.09	2342.34	23.91	9797.94
1997-98	8154.15	70.57	3400.31	29.43	11554.46
1998-99	10455.75	67.65	4998.97	32.35	15454.72
1999-00	12253.25	69.96	5261.79	30.04	17515.04
2000-01	13084.55	69.71	5685.08	30.29	18769.63
2001-02	13962.90	71.98	5436.09	28.02	19398.99
2002-03	15823.08	74.41	5442.71	25.59	21265.79
2003-04	16445.19	77.82	4686.15	22.18	21131.34
2004-05	16507.79	82.12	3594.24	17.88	20102.03
2005-06	15561.52	82.55	3289.20	17.45	18850.72
2006-07	16846.08	84.33	3131.32	15.67	19977.40
2007-08	20146.63	79.97	5045.43	20.03	25192.07
2008-09	23559.87	84.00	4487.54	16.00	28047.41
2009-10	25771.53	83.8	4962.68	16.15	30734.21
Mean	14765.52		4244.67		19010.20

Source: Annual Audit Report of the DDCCB.

Table 3: Composition of fixed deposits from 1995-96 to 2009-10.

Particulars	Trend co-efficient		R ²	CGR (Percentage)	C.V (Percentage)
	a	b			
Individual Deposit	5201.059	1203.471* (11.641)	0.918	8.551	38.46
Other Societies Deposit	4163.853	29.159 (0.403)	0.013	1.350	28.38
Total Deposit	9364.912	1232.630* (7.738)	0.833	6.828	33.28

Source: Computed data

Figures in parentheses indicate "t" values

*Significant at 5 per cent level.

Table 4: Compound growth rate and magnitude of variability in fixed deposit from 1995-96 to 2009-10.

67.65 per cent and the 84.33 per cent during the study period. The average of the individual deposits was Rs.14765.52 lakhs.

In Table 3 that mixed proportion of total fixed deposit could be seen. The other society's proportion ranged from 15.67 per cent during the year 2006-07 to 32.35 per cent during the year 1998-99. An average of the other society deposits to total fixed deposits was Rs.4244.67 lakhs during the study period. The amount of other society deposit increased from Rs.1906.23 lakhs in 1995-96 and Rs.5685.08 lakhs in 2000-01.

The compound growth rate and magnitude of variability of different types of fixed deposits are shown in Table 4

Table 4 shows that the growth of total fixed deposits of the study unit perform was significant and positive with the growth rate of 6.828 per cent during the study period. In the same way there was significant growth in respect of individual deposits with the growth rate of 8.551 per cent during the study period. The growth of deposits is not found to be significant.

It is found from Table 4 that the co-efficient of variation of individual deposits and other societies' deposits stood at 38.48 per cent and 28.38 per cent respectively over a period of 15 years.

Growth of saving deposits of DDCC bank

The surplus of the middle and upper middle class people is deposited in the bank in the form of saving deposits. The DDCC bank mobilizes saving deposits mainly from individuals and co-operation society. An attempt has been made to analyze the saving deposits of the DDCC Bank. Table 5 highlights the growth of saving deposits of the DDCC Bank during 1995-96 to 2009-10 [45-47].

Table 5 shows that the total saving deposits of the bank showed a

continuous increasing trend during the study period. The percentage of individual deposits shows a mixed trend and it increased at a higher rate of 86.59 per cent during the year 2009-10. The importance of strengthening the total saving deposit of the study unit could be ascertained as individual deposits occupies major portion. The individual deposits show a higher rate of growth with increase from Rs.1075.15 lakhs in 1996-97 and Rs.4787.7 lakhs in 2009-10. The mean value of the individual deposits was Rs.2678.59 lakhs.

According to Table 5 the share of the other society deposits in total saving deposits of the bank increased from Rs.305.31 lakhs in the year 1995-96 to Rs.949.47 lakhs in the year 2009-10. The proportionate share of other society deposits in the total saving deposits shows variation between 13.41 per cent and 24.73 per cent during the study period, the highest growth having in the year 1998-99 and the lowest growth in the year 2007-08. The compound growth rate and magnitude of variability of different types of saving deposits are shown in Table 6

Table 6 reveals that the total saving deposits achieved significant growth with the growth rate of 10.207 per cent during the study period. In the same way there was significant growth in respect of individual deposits and other societies' deposit with the growth rate of 11.341 per cent and 5.344 per cent respectively during the study period [48,49].

It could be inferred from Table 6 that the growth of individual deposits and other societies' deposits under the saving deposits scheme was positive and significant. There was variation in the amounts of individual deposits and other societies' deposits during the study period with the co-efficient of variation of 45.49 per cent and 29.41 per cent respectively.

Year	Individual		Other Societies		Total (Rs.in Lakhs)
	Amount (Rs)	Percentage of Total	Amount (Rs)	Percentage of Total	
1995-96	1075.15	77.88	305.31	22.12	1380.46
1996-97	1072.21	75.40	349.87	24.60	1422.08
1997-98	1469.52	77.56	425.19	22.44	1894.71
1998-99	1484.92	75.27	487.97	24.73	1972.89
1999-00	1830.70	81.04	428.23	18.96	2258.93
2000-01	2193.48	80.64	526.56	19.36	2720.04
2001-02	2245.96	79.56	576.95	20.44	2822.91
2002-03	2695.90	80.04	672.19	19.96	3368.09
2003-04	2724.29	86.04	441.86	13.96	3166.15
2004-05	2902.30	84.89	516.64	15.11	3418.94
2005-06	3298.55	83.59	647.39	16.41	3945.94
2006-07	3671.38	86.13	591.32	13.87	4262.70
2007-08	4188.84	86.59	648.71	13.41	4837.55
2008-09	4537.95	86.50	708.00	13.50	5245.95
2009-10	4787.75	83.45	949.47	16.55	5737.22
Mean	2678.59		551.71		3230.30

Source: Annual Audit Report of the DDCCB.

Table 5: Composition of saving deposits from 1995-96 to 2009-10.

Particulars	Trend co-efficient		R ²	CGR (Percentage)	C.V (Percentage)
	a	b			
Individual Deposit	424.379	278.676* (24.060)	0.979	11.341	45.49
Other Societies Deposit	313.622	30.081* (5.028)	0.678	5.344	29.41
Total Deposit	738.001	308.757* (20.171)	0.971	10.207	42.18

Source: Computed data

Figures in parentheses indicate "t" values

*Significant at 5 per cent level. ' .

Table 6: Compound growth rate and magnitude of variability in saving deposits from 1995-96 to 2009-10.

Year	Individual		Central Cooperative		Other Societies		Total (Rs. in Lakhs)
	Amount (Rs)	Peren-tage of Total	Amount(Rs)	Peren-tage of Total	Amount (Rs)	Peren-tage of Total	
1995-96	57.13	23.44	1.98	0.81	184.60	75.75	243.71
1996-97	61.84	20.10	0.25	0.08	245.50	79.81	307.59
1997-98	87.17	36.08	0.33	0.14	154.13	63.79	241.63
1998-99	114.05	33.28	0.24	0.07	228.36	66.65	342.65
1999-00	171.43	45.95	0.24	0.06	201.38	53.98	373.05
2000-01	136.36	35.40	0.24	0.06	248.63	64.54	385.23
2001-02	122.47	28.85	0.20	0.05	301.89	71.11	424.56
2002-03	96.28	38.77	0.20	0.08	151.85	61.15	248.33
2003-04	158.39	67.86	0.24	0.10	74.78	32.04	233.41
2004-05	287.10	79.27	0.24	0.07	74.82	20.66	362.16
2005-06	185.55	68.35	0.24	0.08	85.70	31.57	271.49
2006-07	149.70	55.51	0.24	0.09	119.74	44.40	269.68
2007-08	132.84	46.33	0.24	0.08	153.67	53.59	286.75
2008-09	99.10	36.80	0.24	0.09	169.95	63.11	269.29
2009-10	142.73	35.45	0.24	0.10	259.69	64.49	402.66
Mean	133.48		0.36		176.98		310.81

Source: Annual Audit Report of the DDCCB.

Table 7: Composition of current deposits from 1995-96 to 2009-10.

Growth of current deposits of the DDCC bank

Current deposits cater to the needs of business people who make use of cheque facilities extensively and also receive cheques in their favors from others. This is convenient arrangement for the business community to face their account frequently in the course of business, which may necessitate withdrawal of their funds at short notice and also depositing their surplus funds frequently. However, there is no restriction that only business people should open current accounts. The bank accepts current deposits from individual, co-operative societies, government institutions, local bodies, other CCB_s and the like. For

the purpose of analysis, these sources were broadly classified into individual central co-operative banks and other societies. The details of the various types of current deposits collected by the DDCC bank during the period from 1995-96 to 2009-10 are presented in Table 7.

From Table 7, it could be observed that the percentage of individual deposits to total current deposits shows a mixed trend and varies between 20.10 per cent (Rs. 61.84 lakhs) and 79.27 per cent (Rs. 287.10 lakhs) during the study period. It also indicates that the proportionate share of central co-operative deposits was between 0.05 per cent (Rs.0.20 lakhs) and 0.81 per cent (Rs.1.98 lakhs). The percentage share

Particulars	Trend co-efficient		R ²	CGR (Percentage)	C.V (Percentage)
	a	b			
Individual Deposit	101.534	4.399 (1.242)	0.114	3.875	42.43
Central co-operative Bank Deposit	0.259	-0.021 (-1.083)	0.089	-0.723	125.88
Other Societies Deposit	222.356	-5.420 (-1.124)	0.309	-3.374	39.90
Total Deposit	324.149	-1.005 (-0.226)	0.004	-0.322	20.92

Source: Computed data

Figures in parentheses indicate "t" values

*Significant at 5 per cent level.

Table 8: Compound growth rate and magnitude of variability in current deposit from 1995-96 to 2009-10.

Year	Individuals		Cooperative Societies		Total (Rs.in Lakhs)
	Amount (Rs)	Percentage of Total	Amount (Rs)	Percentage of Total	
1995-96	6587.25	73.31	2398.12	26.69	8985.37
1996-97	8589.65	74.51	2937.96	25.49	11527.61
1997-98	9710.84	70.93	3979.96	29.07	13690.80
1998-99	12054.72	67.84	5715.54	32.16	17770.26
1999-00	14255.38	70.76	5891.64	29.24	20147.02
2000-01	15414.39	70.47	6460.51	29.53	21874.90
2001-02	16331.33	72.11	6315.13	27.89	22646.46
2002-03	18615.26	74.81	6266.95	25.19	24882.21
2003-04	19327.87	78.79	5203.03	21.21	24530.90
2004-05	19697.19	82.47	4185.94	17.53	23883.13
2005-06	19045.62	82.56	4022.53	17.44	23068.15
2006-07	20667.16	84.32	3842.62	15.68	24509.78
2007-08	24468.31	80.71	5848.06	19.29	30316.37
2008-09	28196.92	84.01	5362.73	15.98	33562.65
2009-10	30702.01	83.26	6172.08	16.74	36874.09
Mean	17577.59		4973.52		22551.31

Source: Annual Audit Report of the DDCCBs

Table 9: Share of contribution by individuals and cooperative societies to total deposit from 1995-96 to 2009-10.

of other societies in total fixed deposits varied between 20.66 per cent and 79.81 per cent over the 15 years.

Other societies' deposits constitute the major portion of total current deposits. The other society deposits to total current deposits increased from Rs 77.75 lakhs in 1995-96 to Rs 301.89 lakhs in 2001-02.

In the case of individuals' deposits, it also increased from Rs 57.13 lakhs in 1995-96 to Rs 287.10 lakhs in 2004-05. The central co-operative bank deposits increased from Rs.0 .20 lakhs to Rs 1.98 lakhs in 1995- 96 during the study period.

The other societies' deposit on an average over a period was found to be higher than the individuals' deposits and the central co-operative bank deposits. The average amount from 1995-96 to 2009-10 was Rs 133.48 lakhs for individual deposits, Rs.0.36 lakhs for central co-operative bank deposits and Rs 176.98 lakhs for other societies' deposits. The compound growth rate and magnitude of variability of different types of current deposits are shown in Table 8.

Table 8 exhibits that the growth of total current deposit of the study unit was not significant with the negative growth rate of 0.322 per cent during the study period. In the same way there was no significant growth in individual deposits with the growth rate of 3.875 per cent during the study period. There was negative growth rate in respect of the central co-operative bank deposits and other societies' deposits which were 0.723 per cent and 3.374 per cent respectively during the study period.

During the study period of 15 years, the co-efficient of variation of individual deposits was 42.43 per cent, of the central co-operative

bank deposits were 125.88 per cent and other of the societies' deposits was 39.90 per cent. Since the higher level of co-efficient of variation indicates a higher level of fluctuations the magnitude of the other societies' deposits shows relatively better than individual deposits and central co-operative bank deposits.

Deposits source wise

This section analyses the deposits collected by the DDCC Bank from various sources. The bank mobilizes deposits from member co-operative societies and individuals. The deposits of individuals include deposits from the general public, clubs, educational institution, local bodies and co-operative bodies. Table 9 shows the proportion of deposits of co-operative society and individuals to total deposits.

From Table 9 it could be seen that the percentage of individual deposits shows an increasing trend except in the year 2005-06 and it varies between 67.84 per cent and 84.32 per cent during the study period. It also indicates that the proportionate share of the co-operative society in the total deposits was between 15.68 per cent and 32.16 per cent.

Individuals' deposits constitute the major portion of the total deposits. The amount of individuals' deposits to total deposits increased from Rs.6587.25 lakhs in 1995-96 to Rs. 30702.01 lakhs in 2009-10. In the case of co-operative society deposits also there were fluctuating trend in Rs. 2398.12 lakhs in 1995-96 and Rs. 6460.51 lakhs in 2000-01.

The mean value of the individuals' deposits and co-operative societies deposits stood Rs. 17577.59 lakhs and Rs. 4973.52 lakhs respectively during the study period. The compound growth rate and

Particulars	Trend co-efficient		R ²	CGR (Percentage)	C.V (Percentage)
	a	b			
Individual Deposit	5726.972	1486.547* (13.749)	0.940	8.928	39.18
Other Societies Deposit	4700.491	53.763 (0.696)	0.039	1.407	26.35
Total Deposit	10427.062	1540.382* (9.107)	0.874	7.184	33.83

Source: Computed data

Figures in parentheses indicate "t" values

*Significant at 5 per cent level.

Table 10: Compound growth rate and magnitude of variability in total deposits from 1995-96 to 2009-10.

the magnitude of variability of individuals' deposits and co-operative societies' deposits are shown in Table 10.

Table 10 reveals that the growth of total deposit of the study unit was significant and positive with the growth rate of 7.184 per cent during the study period. In the same way there was significant growth in respect of individual deposits with the growth rate of 8.928 per cent during the study period. The growth in other societies' deposits is not found to be significant.

The coefficient of variation of individual deposits and other societies' deposits were 39.18 per cent and 26.3 per cent respectively. The value indicates that the total deposit collected by societies deposit was more stable than those collected to by individual deposits.

Summary

They mobilize resources by accepting deposits and borrowing from the State Co-operative Bank. They provide facilities for the investment of the resource of primary societies. They develop and extend bank facility in semi-urban and rural areas [50-55].

Total deposits of the study unit showed positive growth, significant with the growth rate of 7.184 per cent during the study period. Large part of the fixed deposits of the DDCC Bank came from individuals' deposits. The percentage of individual deposits shows a mixed trend and the highest amount having Rs.25771.53 lakhs in 2009-10 and the lowest of Rs.5445.97 lakhs in 1995-96.

The share of the other society deposits in total saving deposits of the bank increased from Rs.305.31 lakhs in the year 1995-96 to Rs.949.47 lakhs in the year 2009-10.

The growth of total current deposit of the study unit was not significant with the negative growth rate of 0.322 per cent during the study period.

The mean value of the individuals' deposits and co-operative societies' deposits stood Rs. 17577.59 lakhs and Rs. 4973.52 lakhs respectively during the study period [56].

Suggestions

The following are the suggestions derived from the study for enhancing the deposits mobilisation of the DDCC Bank.

1. As there is positive relationship between Deposits and loans and advances of the Bank, the more deposits should be mobilized so as to lend more which in turn brings more revenue to the Bank. In these records the bank should open more branches so that it could mobilize more deposit by covering more member of customer.

2. As the cost of savings deposit is low, the Bank should mobilize more amount under savings account. For this the Bank should take

continuous effort to bring more people under the Banking fold under financial inclusion scheme announced by Reserve Bank of India.

3. As the commercial banks open more rural branches now, pay or giving stiff competition to district co-operative bank. The district co-operative bank could face such competition only by way of rendering all these services as provided by the commercial bank to the customers. This step on the part of district co-operative bank shall bring more customers into their fold and thereby more revenues.

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