

Various Loans Performance of DCC Bank Chitradurga During the period 2017-18 to 2021-22

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ABSTRACT

This document provides a comprehensive analysis of the loan portfolio performance of DCC Bank Chitradurga over a five-year period, from 2017-18 to 2021-22. It examines various loan products, including cash credit loans, Kissan credit card loans, housing loans, and gold loans, highlighting their unique trends in disbursement, repayment, and overall performance. The analysis reveals significant growth in all loan categories, with Kissan credit card loans showing a CAGR of 19.63%, housing loans at 67.82%, and gold loans at 40.16%. The findings underscore the importance of understanding the strengths and weaknesses of each loan type to enhance lending practices, risk management, and financial health. Additionally, the document references historical literature on cooperative banking in India, emphasizing the need for strategic improvements in the cooperative credit movement. The insights gained from this analysis will aid DCC Bank Chitradurga in making informed decisions regarding future loan offerings, interest rates, and credit policies, ultimately contributing to sustained growth and profitability.

Key Words: *Cash Credit Loans, Gold Loans, Kissan credit card Loans, housing loans, CAGR*

I. INTRODUCTION

In This present comprehensive analysis of the loan portfolio performance of DCC Bank Chitradurga over a five-year period, from 2017-18 to 2021-22. The bank's diverse loan offerings, including Cash Credit Loans, Gold Loans, Kissan credit card Loans, and housing loans have shown varying levels of performance, each characterized by distinct trends in disbursement and repayment. By examining the data, we aim to uncover valuable insights into the bank's lending practices, risk management strategies, and overall financial health. This analysis is crucial for informing future decisions regarding loan offerings, interest rates, and credit policies, ultimately optimizing the bank's loan portfolio performance. Furthermore, understanding the strengths and weaknesses of each loan category will enable DCC Bank Chitradurga to better serve its customers while mitigating potential risks. Continuous monitoring and evaluation of the loan portfolio will empower the bank to proactively address emerging challenges and seize opportunities in the market, ensuring sustained growth and profitability. The subsequent sections will delve into the historical performance of specific loan products, supported by quantitative data and trends, to provide a clear picture of the bank's operational landscape.

II. REVIEW OF LITERATURE

The Rural Banking Enquiry Committee (1949) under the Chairmanship of Purushotamdas Thakurdas made An observation indicated that the cooperative banking system required reorganisation, since it lacked strength except in the states of Bombay and Madras.

The All India Rural Credit Survey Committee (1951) under the Chairmanship of Sheri A.D. Gorwala was appointed by the Reserve Bank of India for diagnosing the problems faced by the cooperative credit movement. The group was tasked with proposing strategies to enhance the foundation of the cooperative credit movement in India. The committee affirmed that collaboration has failed in India, although it must succeed.

An Evaluation Committee (1956) was appointed by the Bombay State Cooperative Bank Ltd. to analyses the various aspects of crop loan system. The commission determined that several cooperative associations marginalised small farmers and crop shares in the allocation of credit. The committee said that membership was denied for personal reasons.

The All-India Rural Credit Review Committee (1966) was appointed under the Chairmanship of Sheri B. Venkatappaiah for assessing the rural credit situation after implementing the suggestions of All India Rural Credit Survey Committee. The Committee advocated for an augmented governmental contribution to the share capital. It recommended the optimisation of the agricultural credit system and the establishment of District Central Cooperative Banks (DCCBs) at a rate of one bank per district, among other measures.

III. OBJECTIVES

1. To examine the Cash Credit Loans of DCC Bank Chitradurga During the period 2017-18 to 2021-22
2. An analysis of Kissan credit card loans of DCC Bank Chitradurga During the period 2017-18 to 2021-22
3. To Study the Housing Loans of DCC Bank Chitradurga During the period 2017-18 to 2021-22
4. Performance of Gold Loans of DCC Bank Chitradurga During the period 2017-18 to 2021-22

IV. METHODOLOGY

The study included secondary data from many sources, including publications from Apex Bank, DCC Bank Chitradurga, and more financial institutions. The data was systematically analysed and presented using tabular and graphical formats, including average, CAGR, standard deviation, and coefficient of variation.

V. ANALYSIS OF THE STUDY

Table No. 1

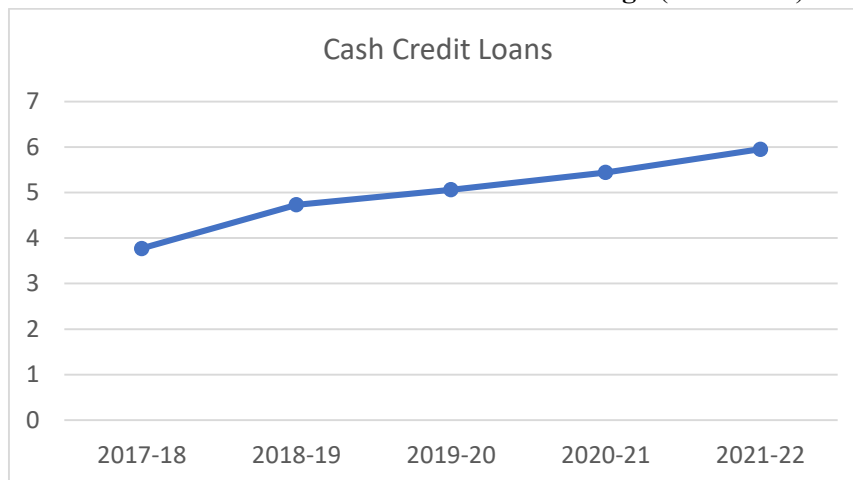
Cash Credit Loans of DCC Bank Chitradurga (In ₹ Crore)

Year	Cash Credit Loans	% to Total	AGR	GPA
2017-18	3.77	15.11		
2018-19	4.73	18.96	0.96	3.85
2019-20	5.06	20.28	0.33	1.32
2020-21	5.44	21.80	0.38	1.52
2021-22	5.95	23.85	0.51	2.04
Total	24.95	100.00		
Mean	4.99			
St. dev.	0.82			
CV	16.42			
CAGR	9.56			

Source: DCC Bank Chitradurga Annual Report

Chart No. 1

Cash Credit Loans of DCC Bank Chitradurga (In ₹ Crore)



The data provided shows the trend of Cash Credit Loans at DCC Bank Chitradurga over the years. The total amount of Cash Credit Loans increased from 3.77 crores in 2017-18 to 5.95 crores in 2021-22, with a compound annual growth rate (CAGR) of 9.56%. The mean Cash Credit Loans amount over the period was 4.99 crores with a standard deviation of 0.82 crores, resulting in a coefficient of variation (CV) of 16.42%. This indicates that there was some variability in the Cash Credit Loans amount year on year, but overall, it showed a positive growth trend.

Table No. 2

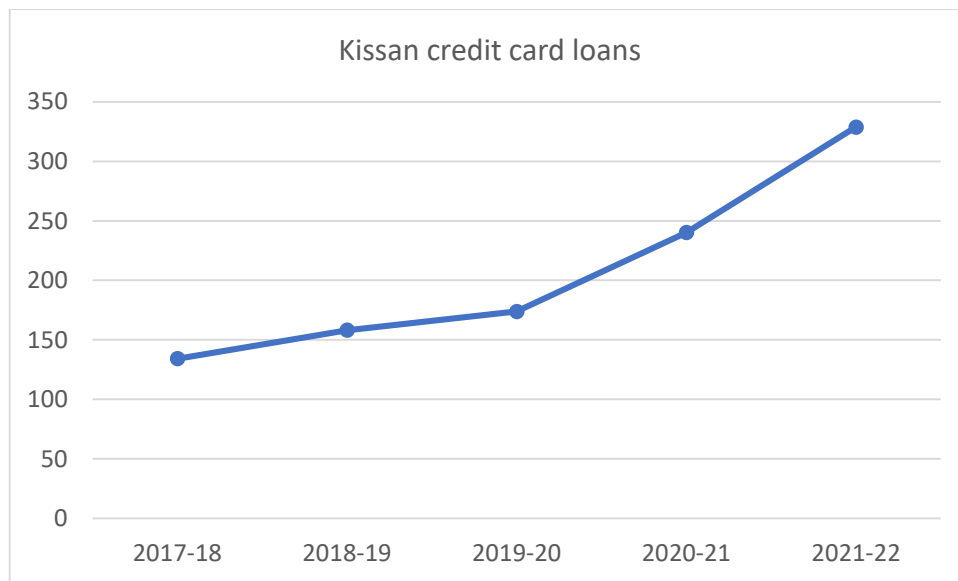
Kissan credit card loans of DCC Bank Chitradurga (In ₹ Crore)

Year	Kissan credit card loans	% to Total	AGR	GPA
2017-18	134.2	12.97		
2018-19	158.14	15.28	23.94	2.31
2019-20	173.79	16.79	15.65	1.51
2020-21	240.14	23.20	66.35	6.41
2021-22	328.75	31.76	88.61	8.56
Total	1035.02	100.00	706.27	68.24
Mean	207.00			
St. dev.	78.60			
CV	37.97			
CAGR	19.63			

Source: DCC Bank Chitradurga Annual Report

Chart No. 2

Kissan credit card loans of DCC Bank Chitradurga (In ₹ Crore)



The data provided shows a steady increase in Kissan credit card loans from 2017-18 to 2021-22. The total amount of loans disbursed over the five-year period was Rs. 1035.02 Crore, with a mean value of Rs. 207.00 Crore. The compound annual growth rate (CAGR) for Kissan credit card loans during this period was 19.63%, indicating a significant growth in this type of loan product. The standard deviation of Rs. 78.60 Crore and coefficient of variation (CV) of 37.97% suggest a moderate level of dispersion and variability in the data.

Table No. 3

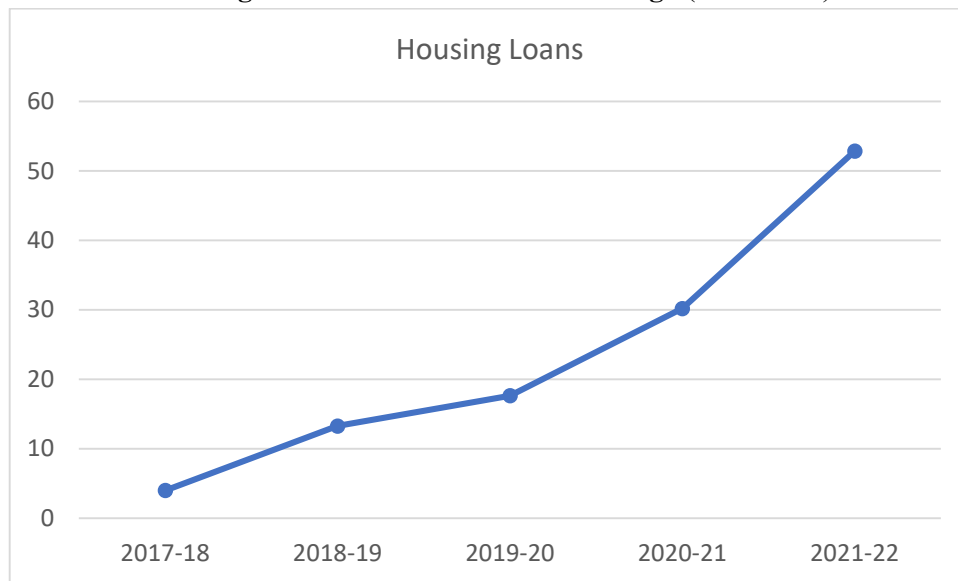
Housing Loans of DCC Bank Chitradurga (In ₹ Crore)

Year	Housing Loans	% to Total	AGR	GPA
2017-18	3.97	3.37		
2018-19	13.27	11.26	9.3	7.89
2019-20	17.62	14.94	4.35	3.69
2020-21	30.19	25.61	12.57	10.66
2021-22	52.85	44.83	22.66	19.22
Total	117.9	100.00		
Mean	23.58			
St. dev.	18.89			
CV	80.10			
CAGR	67.82			

Source: DCC Bank Chitradurga Annual Report

Chart No. 3

Housing Loans of DCC Bank Chitradurga (In ₹ Crore)



The data presented shows the increasing trend in housing loans provided by DCC Bank Chitradurga over the years. The total housing loans increased from 3.97 crores in 2017-18 to 52.85 crores in 2021-22, indicating a significant growth. The mean housing loans amount to 23.58 crores with a standard deviation of 18.89 crores, and a coefficient of variation of 80.10%, suggesting a high variability in the housing loans provided. The compound annual growth rate (CAGR) for housing loans stands at 67.82%, demonstrating a consistent and robust growth in this sector for DCC Bank Chitradurga.

Table No. 4

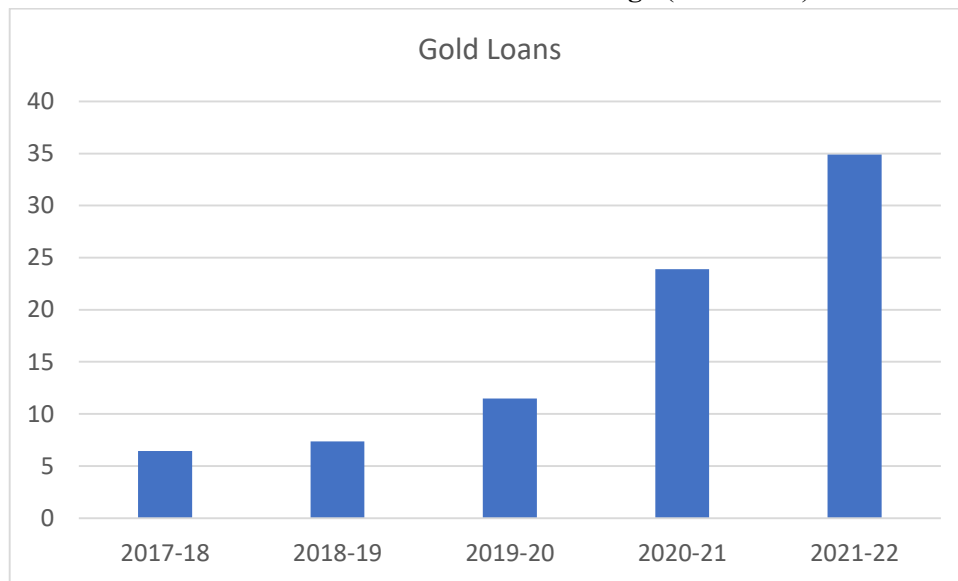
Gold Loans of DCC Bank Chitradurga (In ₹ Crore)

Year	Gold Loans	% to Total	AGR	GPA
2017-18	6.45	7.67		
2018-19	7.36	8.75	0.91	1.08
2019-20	11.47	13.64	4.11	4.89
2020-21	23.91	28.44	12.44	14.80
2021-22	34.89	41.50	10.98	13.06
Total	84.08	100.00		
Mean	16.82			
St. dev.	12.27			
CV	72.98			
CAGR	40.16			

Source: DCC Bank Chitradurga Annual Report

Chart No. 4

Gold Loans of DCC Bank Chitradurga (In ₹ Crore)



The data provided shows the steady increase in Gold Loans of DCC Bank Chitradurga over the past five years. From 2017-18 to 2021-22, the Gold Loans have increased from 6.45 crore to 34.89 crore, with a mean of 16.82 crore. The Compound Annual Growth Rate (CAGR) is an impressive 40.16%, indicating significant growth in this sector. The Coefficient of Variation (CV) of 72.98% shows a relatively high dispersion of data points around the mean. Overall, the Gold Loans of DCC Bank Chitradurga have seen substantial growth and stability in recent years.

VI. FINDINGS OF THE STUDY

1. DCC Bank Chitradurga's Cash Credit Loans increased from 3.77 crores in 2017-18 to 5.95 crores in 2021-22, with a CAGR of 9.56%. The mean amount was 4.99 crores, with a coefficient of variation of 16.42%.
2. From 2017-18 to 2021-22, Kissan credit card loans experienced a steady increase, with a compound annual growth rate of 19.63%. The data showed moderate dispersion and variability, with a mean value of Rs. 207.00 Crore.
3. DCC Bank Chitradurga's housing loans have seen a significant increase, rising from 3.97 crores in 2017-18 to 52.85 crores in 2021-22, with a mean of 23.58 crores and a CAGR of 67.82%, indicating consistent growth in the sector.
4. DCC Bank Chitradurga's Gold Loans have seen a steady increase over the past five years, reaching 34.89 crore with a CAGR of 40.16% and a high coefficient of variation of 72.98%, indicating substantial growth and stability.

VII. SUGGESTIONS OF THE STUDY

1. Performance Analysis: Continue to analyze the performance of various loan products to identify trends and patterns that can inform lending practices and risk management strategies.
2. Interest Rate Strategy: Reassess interest rates and credit policies based on the performance data to optimize loan portfolio performance and enhance competitiveness.
3. Customer Engagement: Enhance customer engagement initiatives to better understand borrower needs and improve repayment rates across all loan categories.
4. Training and Development: Invest in training for staff on risk assessment and customer service to improve loan processing efficiency and customer satisfaction.
5. Leverage Technology: Utilize technology to streamline loan application processes and improve data analysis capabilities for better decision-making.

VIII. CONCLUSION

In conclusion, the analysis of DCC Bank Chitradurga's loan portfolio from 2017-18 to 2021-22 reveals significant growth across various loan categories, including Cash Credit Loans, Kissan Credit Card Loans, Housing Loans, and Gold Loans. Each category demonstrated unique trends, with Kissan Credit Card Loans and Housing Loans exhibiting particularly impressive growth rates of 19.63% and 67.82% CAGR, respectively. The bank's ability to adapt its lending practices based on these insights will be crucial for optimizing its loan offerings and managing risks effectively. By continuously monitoring performance and understanding the strengths and weaknesses of each loan type, DCC Bank Chitradurga can enhance its customer service and ensure sustained growth and profitability in a competitive market. This comprehensive evaluation serves as a foundation for informed decision-making regarding future credit policies and product development.

IX. REFERENCES

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