

INTRODUCTION AND RESEARCH METHODOLOGY

CHAPTER I

1 INTRODUCTION AND RESEARCH METHODOLOGY

1.1 INTRODUCTION

Before a rise of Co-operative Banks, the commercial Banks never took any risk in their credit supply. Hence the poor rural sector was deprived of the credit facilities of commercial banks. These banks concentrated their attention only on urban sector. Hence development was confined only to the urban sector. This lopsided development could not attain proper balance in economic development.

Fredric Nicholson provoked the idea of setting up of co-operative societies on the pattern of Kaifan societies of Germany. The Co-operative credit created its own independent honorable place in Indian economy. On this support and inspiration of Reserve Bank of India, the co-operative institutions had valuable contribution towards the total change of the rural society. Today the co-operative banks are doing the work of realizing the socialistic pattern of the society. There is a chain of co-operative credit right from the State level to the grass root of the rural level. The Urban Co-operative banks fulfill the needs of the majority of citizens who have small incomes. Thus urban credit institutions and urban co-operative banks do the valuable work of credit supply in the urban sector.

On 7th May 1917, The Karad Urban Co-op. Bank Ltd; Karad (Scheduled Bank) was established in Karad. At present, there are 39 branches working at various places not only in Satara district but also in Kolhapur, Solapur, Sangli, Pune, Mumbai and Ratnagiri. At present, 566 employees are working in this bank and its Audit Class is

'A'. Authorized share capital of this bank is Rs. 10 Crore (1 Crore shares of Rs. 10/- each) and subscribed and paid up share capital is Rs. 7.70 Crore. Net profit for the year 2002-03 was Rs. 343.06 lacks.

1.2 TITLE OF THE STUDY

The title of the present study is "A study of Deposit ^(mobilized) Mobilization and Advancing of Loans: A Case Study Of The Karad Urban Co-op. Bank Ltd; Karad (Scheduled Bank)."

The Bank has mobilized the deposits by way of various schemes and advance loans of various types. The present study is a critical assessment of the performance of the bank during the last five years i.e. from 1998/99 to 2002/03.

1.3 OBJECTIVES OF THE STUDY

- ❖ To understand the policy of deposit mobilization.
- ❖ To understand the policy of advancing loans.
- ❖ To analyze the composition of deposits.
- ❖ To examine the portfolio of loans and investments.
- ❖ To understand the profitability of the Bank.
- ❖ To examine the operational efficiency of the bank.
- ❖ To identify the problems and the future prospects of the Bank.

1.4 CHAPTER SCHEME

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1.5 DATA BASE AND RESEARCH METHODOLOGY

The Present study based on both the primary data and secondary data. Primary data will be collected by using various methods of data collections such Questionnaire method, interview method discussions information from selected depositors and borrowers.

Secondary data have been collected from the office records of bank. The major source of the secondary data is the information available in its Annual Reports.

The processing of data has been undertaken using classification tabulation, analysis and interpretation the suitable techniques of financial analysis. The use of charts and graphs is made at appropriate places.

1.6 SCOPE OF THE STUDY

In the present study, case study method is followed. The Karad Urban Co-op. Bank Ltd; Karad is selected for the purpose of this study. This bank is well established and working since the last 86 years. At present, there are 39 branches working at various places not only in Satara district but also in Kolhapur, Sangli, Solapur, Pune, Mumbai and Ratnagiri. As mentioned in the objectives the study will cover the various aspects of the deposit mobilization and advancing of loans by the Bank. It covers the period of five years from 1998/99 to 2002/03.

1.7 LIMITATIONS OF THE STUDY

- ❖ Attempts have been made to forecast the data concerning body operations.
- ❖ The data is collected from the bank within the short period that's why limited data has been collected and analyzed.
- ❖ Financial management techniques have personal bias.