

CHAPTER-I

CHAPTER - I**INTRODUCTION****1.1 INTRODUCTION :**

Germany is the first country of the world to organise the co-operative credit movement. The Co-operative Credit movement in this country arose as a need of the period.

Urban Co-operative Banks have a predominant role in assisting the weaker sections of the society. Small producers, technicians, wholesale-traders, retail traders, hawkers, skilled workers, salary earners in urban co-operative banks on their personal credit.

Besides these, to accept deposits, to increase the saving habit of the masses, to render the banking services to our customers are the main functions of the urban co-operative bank.

The Banking Regulation Act defined, "An Urban Banks as primary co-operative bank having paid-up, share capital and reserve of Rs.1 lakh and above. These banks are required to obtain license to carry banking business to seek prior permission for operating of new offices from R.B.I. They have to maintain certain minimum cash reserves and liquid assets and submit returns prescribed under the rules formed as per the Act".

Reserve Bank of India and Co-operative ministry of India have more or less complete control over urban co-operative banks. But the R.B.I. has control over the co-operative credit societies. Because these co-operative societies are not rendering banking services.

As on 30th June 1994 there were 1406 Urban Co-operative Banks with their 3096 branches in India. Out of these, 382 Urban Co-operative Banks with their 1350 branches are located in Maharashtra. There are also 894 newly permitted Urban Co-operative Banks in India which will be established shortly. Out of these 293 are in Maharashtra. Another peculiarity of co-operative movement in Maharashtra is that there are 33 Women's Urban Co-operative Banks in India. Out of these 20 are in Maharashtra.

Urban Co-operative Banks in India and Maharashtra have showed a faster growth since last 15 to 20 years. Most of the banks are located in Maharashtra. It means there is lopsidedness in the development of the Urban Co-operative Banks. Generally Maharashtra, Karanataka, Gujarat, Andhra Pradesh, Tamil Nadu and West Bengal account for 80% of Urban Co-operative Banks.

There are 16 Urban Co-operative Banks in Satara District. The Karad Urban Co-operative Bank was established on 7th May 1917, which happens to be the 1st and the third i.e. The Koregaon Co-operative Peoples Bank Ltd.,Koregaon was established on 4th December 1929 - in Satara District.

Urban Co-operative Banks play an important role in the development of the concerned urban areas. Hence, it is essential to study the urban co-operative banks. But it is not possible to study all the urban co-operative banks. Therefore the Koregaon Co-operative Peoples Bank Ltd.,Koregaon is selected for the study. In connection with collection of data, the discussion,

were held with the Chairman, Manager, Accountant, Directors and Executive Officers of the bank. The data is also collected from the various reports, official record and the record of the District Deputy Registrar for Co-operatives.

1.2 : OBJECTIVES OF THE STUDY :

Following are the objectives of the study :

1. To review the progress of Urban Co-operative Banks in Satara District.
2. To examine the structure of the deposits of the Koregaon Co-operative Peoples Bank Ltd., for 1983-1994 period
3. To examine the structure of the advances of the Koregaon Co-operative Peoples Bank Ltd., for 1983-94 period.
4. To examine the trends in working expenses in the Koregaon Co-operative Peoples Bank Ltd.
5. To examine the employment structure of the Koregaon Co-operative Peoples Bank Ltd.

1.3 METHODOLOGY OF THE STUDY :

The methodology followed is method of a case study considering the long history, prominent role, financial performance etc., the researcher divided to make a case study of KCPB from among the several urban banks in the district.

Another advantage was that the officers of the bank were willing to give all the necessary information to the researcher.

The case study method is a very popular form of a qualitative analysis and involves a careful and complete observation of a social unit, be that unit a person, a family an institution, a cultural group or even the entire community. It is a method of study in depth rather than breadth. The case study place more emphasis on the full analysis of a limited number of events or conditions and their inter-relationships. The Case Study deals with the processes that take place and their inter-relationship. Thus, case study is essentially an investigation of the particular unit under consideration. The object of the case study method is to locate the factors that account for the behaviour-patterns of the given unit as an integrated totality.

According to H. Odum, "The case study method is a technique by which individual factor whether it be an institution or its relationship to any other in the group". Thus, a fairly exhaustive study of a person (as to what we does and has done what he thinks he does and had done and what he expects to do and says he ought to do) or group is called a life or case history.

According to P.V.Young, "A comprehensive study of a social unit, be that unit a person, a group, a social institution, a district, or a community, is called a case study."² According to Goode and Hatt, "it is an approach which view any

social unit as a whole. It is a way of organising social data so as to preserve the unitary character of the social object being studies."³ The case study is thus a form of qualitative analysis involving the very careful and complete observation of a person a situation or an institution. It is an inclusive and intensive study of an individual in which investigator brings to bear all this skills and methods or as a systematic gathering of enough information about a person to permit one to understand how he or she functions as a unit of society.

The study is based mainly on secondary data. The data is collected from annual report of the bank. ^Ssome statistical data is collected from the souvenirs of various urban Co-operative Banks as well as of the Bank under study. The data collected from the various reports and office record of the bank under study are reorganised to suit the purpose of the study. The study is related to the data of latest 12 years i.e. 1983-1994 of the Banks working.

1.4 CHAPTER SCHEME OF THE STUDY :

The study is divided into following seven chapters. Chapter First explains the objectives and research design of the study.

In Chapter Second original the growth of the Urban Co-operative Bank is analysed. This chapter is connected with comparative analysis of the growth of the Urban Co-operative Bank in India and Maharashtra.

Chapter Third deals with the progress of Urban Co-operative Bank in Satara District.

In Chapter Four an attempt has been made to examine in detail the growth of membership, the growth of share capital, the growth of working capital, the growth of reserve and other funds, the structure of deposits collected, growth of deposits, and trends in the pre depositor amount of deposits. The reference period is from 1983-1984 to 1993-1994.

Chapter Fifth deals with, in detail, the study of the structure, trend in growth of advances, per borrower advances purposes of advances for the period under study.

Chapter Sixth is related to the study of changes in the level and structure of operational expenses, the growth of profits, the structure and growth of investment of the Bank on the basis of expenses, profit ratio, the trends in efficiency of the bank under study.

Chapter Seven deals with the major observations of the study and the suggestions for the growth of the bank under study made on the basis of observed facts at the previous chapter.

- References :
1. Kothari C.R. Research Methodology : Methods and Techniques - Wiley Eastern Ltd. N.Delhi -1989 Page - 267,
 2. Ibid - Page No. 268,
 3. Ibid - Page No. 269.