

**C H A P T E R - II**  
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## OBJECTIVES AND METHODOLOGY

### 2.1 INTRODUCTION

Banking industry in India has grown manifoldly especially since nationalisation. The growth has been spectacular and is unparalleled in the world the industry has been growing functionally, geographically and multidimensionally in all the socio-economic parameter. Since nationalisation the banks have deversified their activities into hithertolly unknow but important areas on a greater scale. This is a very wel-come development. But with the trends in the nation's development and financial policies, there is little doubt that the volume and intensity of the banking function, in the coming year will be of greater magnitude with convenient complexity.

The Indian banking industry consists of nationalised banks Regional, Rural Banks, private banks, co-operative banks and foreign banks.

The nationalised banks by their basic nature cater to global goals mainly industiral, business and other developmental activities. The Regional Rural Banks on the other habd, cater to the needs of rural India in particular. Whereas, the co-operative banks by and large cater to the needs of co-operative and various types in cities, urban places as well as rural areas.

Among the various co-operative banks, the urban co-operative banks are found to be concentrated more in Maharashtra State. These banks are spread almost in nation, towns and cities of Maharashtra State. Their contribution in different fields of development is remarkable as compared to other States. Further, it is noted that the Urban co-oper. banks have played a vital role in the development especially in greater Bombay, Pune and Kolhapur districts.

With this in mind, the researcher has thought to take a representative Urban Co-operative Bank from Kolhapur district for his study. In Kolhapur district, at present there are 43 Urban Co-operative Banks out of which 40 banks are registered permanently and 3 banks are tentatively registered. *How?*

## 2.2 OBJECTIVES OF PRESENT STUDY :

Having narrowed the scope of study to an Urban Co-operative bank the researcher has set the following objectives for his M.Phil, thesis.

- (1) To study the working of an Urban Co-operative Bank in terms of its structure and performance.
- (2) To study the business of the selected bank in terms of various business parameters. *What are the parameters?*

- (3) To understand different types of deposit mobilisation schemes designed by the bank.
- (4) To examine the growth and the trend of these deposit scheme and their composition.
- (5) To understand various types of loans and advances given for different purposes to undertake developmental activities.
- (6) To study the efforts of the bank in socio economic and cultural development of society. T Where is the analysis.

### 2.3 SCOPE OF THE STUDY :

To fulfill the above set objectives in a limited time the researcher has selected a representative Urban Co-operative bank (X) in Kolhapur City. Out of the total 43 Urban Co-operative banks existing at present, the researcher has selected one among them namely, Shri Veershaiv Co-operative Bank Ltd. why.?

For the selection of this bank the business parameters of all the Urban Co-operative banks in Kolhapur for the year 1991-92 were considered. The performance of top eight banks is shown in Table 2.1. why

TABLE 2.1 :

THE TOP POSITIONS OF URBAN BANKS IN KOLHAPUR

1991-92 ( Figures in Rs. Lakhs )

Name of Bank	No. of Members	Share Capital	Reserve Fund	Deposits	Loans	Working Capital	Net Profit
(1) The Veershaiv Co.op. Bank, Kolhapur.	11081	50.00	313.82	3343.66	2467.53	3940.17	62.25
(2) Maratha Co-operative Bank, Kolhapur.	28605	86.53	203.04	2440.30	1946.39	2851.45	24.78
(3) The Kolhapur Urban Co-operative Bank Ltd., Kolhapur.	15547	58.36	254.93	2127.62	1592.40	2613.05	53.80
(4) Shri Shahu Co-operative Bank Ltd., Kolhapur.	15233	53.29	40.14	968.02	727.83	1144.55	13.97
(5) The Kolhapur Janata Co-operative Bank Ltd., Kolhapur.	13958	49.49	91.52	1772.48	1400.54	2139.23	8.68
(6) The Kurundwad Urban Co-operative Bank Ltd., Kolhapur.	8311	32.63	120.57	938.38	556.28	859.78	13.17
(7) The Chandgad Urban Co-operative Bank Ltd., Kolhapur.	2276	12.25	12.42	142.66	113.48	173.50	3.61
(8) The Ganesh Co-operative Bank Ltd., Kurundwad	1520	10.61	9.96	128.57	90.50	158.67	1.08

Source - Annual Report of Banks. 1991-92.



It is observed from the table that though Shri Veershaiv Co-operative Bank Limited has less number of members and share capital, the other business indicators are remarkable as compared to other seven banks, and is rated as first by the researcher. In addition to this, the said bank is ranked as the "Lead Bank" by the Lead Bank Report. Thirdly the bank has completed 50 years of its business operation in the city. Lastly & the most importantly the bank has good image & goodwill among KARVEER-VASI ( Kolhapur residential ).

#### 2.4 METHODOLOGY :

To accomplish the above set objectives the researcher has collected data from both primary sources and secondary sources. 9

The quantitative data on various business parameters was collected from Shri Veershaiv Co-operative Bank by studying Annual Reports of the bank for the same period. Many times the researcher has to take help of various office files & other documents from the head office of the bank. Besides, this the researcher has extensively used the library facilities to collect statistical data.

Since the span of collection of quantitative data was for 50 years, the researcher has also collected qualitative information to support & verify the data collected from the primary source. This was done by discussing & interviewing various bank personnel from time to time. These include. the Chairman Board of Directors members, Vice Chairman, General Manager, Accountant, Office Supretendent & other officers & staff of bank. in the head office.

The secondary data so collected was tabulated and analyse by using different tools & techniques such as composition, percent growth trend analysis & co-relation.

#### 2.5 LIMITATIONS OF STUDY :

The present study has the following limitations.

- (1) In view of a voluminous data of fifty years on various business parameters of the bank, the researcher has analysed this fifty years data in a group of five years instead of year by year analysis.
- (2) In view of various new scheme of deposits, advances & loans being launched by this bank in eighties, the researcher has studied year by year development of this bank from 1971 onwards.

- (3) Due to limited time available of at the disposal of researcher. It was only possible to study one Urban Co-operative Bank out of 43 banks in Kolhapur city.
- (4) The analysis & the inference drawn in the present study should be taken cautiously, because it was not possible to study, in depth the voluminous quantitative data of fifty years.

The personnel with whom the researcher discussed where the having the knowledge of 15 to 20 years about the bank's business.

#### 2.6 CHAPTER OUTLINE :

The present dissertation is submitted in the form of 6 chapters. The chapter was outline is give below :

CHAPTER I : This chapter analyses the banking scenario, its structure co-operative banking & urban co-operative banks in India & Kolhapur.

CHAPTER II : The objective scope, methodology & limitations of the present study are covered in this chapter.



CHAPTER III : The study of Shri Veershaiv Co-operative Bank, its structure, business performance over fifty years is analysed besides other developmental aspects.

CHAPTER IV : Various types of deposit mobilisation schemes launched by the bank, last fifty years are presented in this chapter. Various types of deposits are analysed both composition wise & by trend analysis.

CHAPTER V : This chapter centres on various types of advances & loans granted by this bank to the people at large. The performance of the bank in terms of loans & advances for the last 20 years period is analysed.

CHAPTER VI : This chapter summerises the finding & attempt is made to put forward two suggestions based on the findings & observations of the researcher.