
CHAPTER I

INTRODUCTION

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INTRODUCTION

1.1 INTRODUCTION :

The urban co-operative banks have been playing a very significant role in the mobilisation of saving and provision of banking facilities in the urban and semi-urban areas. They also finance key-sectors like small industry and even agriculture. It is important and imperative that they are recognised and given due place in the programmes of co-operative development.

The main aim of the urban co-operative banks is to inculcate habit of thrift among low and middle income groups of society and to cater their needs and to make them self reliant. The progress of urban co-operative banks in mobilisation of deposits and lending for various purposes, is quite impressive over the last years. These banks have continued their assistance to the weaker sections through providing bank finance under priority sector.

Urban Co-operative Banks in Maharashtra are also playing important role in the mobilization of deposits and providing the loans and advances to

various sectors. The Ajara Urban Co-operative Bank Ltd., Ajara has also performed the significant work in respect of providing the financial assistance to the various needy persons. It has also introduced number of schemes for providing the loans to business units. It has completed its 30 years working. Hence, the researcher felt it necessary to make a review of its financial assistance so far made during the period of last five years.

1.2 OBJECTIVES AND SCOPE OF THE STUDY :

Fulfilment of financial needs the base on which urban co-operative bank has been established. Though the operating territory/area of such banks is limited, they have played a significant role in upbringing the status of the society for which they operate.

The main objective of this study is to study the financial assistance provided by the Ajara Urban Co-operative Bank Ltd., Ajara for the period 1989 to 1994. And the other important objectives of the present study are :-

- (1) To trace the history of urban co-operative banks in India and Maharashtra.

- (2) To study the financial sources of the Ajara Urban Co-operative Bank Ltd., Ajara during the period under study.
- (3) To study and examine the financial assistance provided by the Ajara Urban Co-operative Bank Ltd., Ajara.
- (4) To make necessary suggestions for efficient working.

The Ajara Urban Co-operative Bank Ltd., Ajara is established in Ajara town and its branches are opened at various places in Kolhapur District and Bombay City. The present study is intended to study the working of head office of the Ajara Urban Co-operative Bank Ltd., Ajara, with reference to the financial resources, loans and advances (i.e. Financial Assistance) and overdues for the period of 5 years i.e. from 1989-90 to 1993-94.

1.3 TITLE OF THE STUDY :

The title of the present research work "A study of Financial Assistance by the Ajara Urban Co-operative Bank Ltd., Ajara, Dist.Kolhapur."

1.4 RESEARCH METHODOLOGY :

For the purpose of collection of information for present study, the following methods are used.

Secondary Data : ✓

The present study is purely based on the secondary data i.e. Annual Reports, Official records of the head office of The Ajara Urban Co-operative Bank Ltd., Ajara, and whenever necessary present discussion with bank officials about deposits, loans, profit, overdues are also taken into account.

Selection of the Unit :

The period of five years from 1989-90 to 1993-94.

1.5 SOURCES OF DATA COLLECTION :

The data required for the present study are collected from the following various sources.

- (a) Published Annual Reports of the Ajara Urban Co-operative Bank for the period under reference.

- (b) Office records of bank under study.
- (c) Discussion with the General Manager Assistant Manager, Bank Officials.
- (d) Library resources - books, periodicals, reports on urban co-operative bank movement in India.
- (e) Official record of Kolhapur District Urban Co-operative Banks Association, Kolhapur.
- (f) Published Annual reports of the Janata Sahakari Bank Ltd., Ajara.

1.6 LIMITATIONS OF THE STUDY :

Since the study is undertaken as a part of fulfilment of the requirement of the Degree Course of Master of Philosophy in Commerce and Management the researcher has limited the study to the one aspect of the working of the financial assistance by the Ajara Urban Co-operative Bank Ltd., Ajara, Dist. Kolhapur. The period of study is also limited to five years i.e. from 1989-90 to 1993-94. As the previous records of loans and advances are not kept upto date by the Bank, especially for last few years, the details on securitywise loans are not made available.

1.7 PLAN OF STUDY :

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The entire study is divided into six chapters.

- (a) The first chapter deals with introduction, objectives, scope, methodology, sources of data collection and limitations of the study.
- (b) The second chapter deals with the genesis and defination of urban co-operative banks, co-operative banking structure, role and funactions of urban co-operative banks and development of urban co-operative bank in India, Maharashtra, Kolhapur district and Ajara Taluka.
- (c) The Third chapter gives the information about profile of the Ajara Urban Co-Operative Bank i.e. History, objectives, location, Management and Growth and development of the bank.

(d) The Fourth chapter deals with the Financial Resources of the Ajara Urban Co-operative Bank Ltd., Ajara i.e. Share Capital, Reserve Fund and other reserves, Deposits and Loans and advances etc.

(e) The fifth chapter gives the information about financial assistance provided by The Ajara Urban Co-operative Bank Ltd., Ajara i.e. the information about lending policy, procedure, classification of loans and advances (purposewise, amountwise and periodwise) overdues etc.

(f) ✓ The sixth chapter deals with summary, findings and suggestions.