

C H A P T E R - I

METHODOLOGY

1.1 INTRODUCTION

"India is underdeveloped country and not undeveloped country."

In India, the Banking Industry is passing through a period of rapid development and radical changes. The new banks and the branches of existing banks are expanding. At the same time, the basic concepts about banking like aims, objectives and policies are also undergoing changes.

'Blood is plays a very important role in human body' without blood it is impossible to alive.

In Business- that bloods role has played by funds. So now each and every business it is highly essential funds for running business.

For that, co-operative banks is more useful and helpful in obtaining better successes in the present commerical age. The co-operative banks are also business concerns, and for becoming more successful, they have to use modern techniques or policies of advancing loans.

Many co-operative banks have adequate funds and deposits but not properly advanced to the borrowers. Hence some co-operative banks are going into

liquidation. Therefore, the study is challenging and very much helpful for taking suitable decisions.

The study of financing by the bank & funds utilisation by the borrowers in Sangli District, with special reference to "Yashwant Sahakari Bank Ltd. Miraj" has been undertaken by me, firstly with a view to accomplish my thesis as a part of M.Phil course and secondly in my own interest in this area. I have confident that this study will be more useful for the well known banks. With this view I have tried to study and present my observations and suggestions on this subject.

I have made a modest attempt to present this report which may prove to be useful to the co-operative Banks in general also.

1.2 OBJECTIVES OF THE STUDY

The study in hand was undertaken with following specific objectives-

- 1 To study the working pattern of Yashwant Sahakari Bank Ltd., Miraj, here after called as "YSB".
- 2 To study financing functions of the bank in detail.
- 3 To study the utilisation of the funds, advanced by the banks to the borrowers, with the help of a questionnaire.

- 4 To study the various loan schemes/policies of YSB.
- 5 To suggest the bank some new effective loan schemes and policies.
- 6 To study the liquidity position of the bank and to study the profitability position of the bank.
- 7 To analyse recovery position of the bank.
- 8 To study financial position of the Bank.
- 9 To study about loans advanced to various sectors by the restrictions of RBI.
- 10 To suggest ways and try to improve its efficiency in receiving and applying funds.

1.3 METHODOLOGY OF THE STUDY

Methodology followed for the study in hand is a case study in which "Yashwant Sahakari Bank Ltd., Miraj" here in after called as YSB is considered as a representative sample of Twenty-three other co-operative banks being operated in the Sangli district and also studied in depth its overall performance of loans advancing policy. The survey method of research is also made use of; for collecting opinions of sample borrowers of YSB in order to know the effectiveness of the loans utilisation.

1.4 THE SELECTION OF SAMPLE

For the purpose of the present study it was thought proper to know the opinions of the existing

borrowers about the loan schemes of YSB. Therefore, a questionnaire is developed (See Annexure No. I) and it was administered to hundred respondents selected on random basis. Thus purposive sample method is adopted for the study.

Membership obtained by the sample respondents is shown in the Table given under.

Table 1.1
Table showing the Respondents of Sample size Borrowers

Year of the membership	No.of respondents
Before 1983	25
on 1983	09
1984	04
1985	04
1986	06
1987	03
1988	07
1989	04
1990	10
1991	06
1992	04
1993	08
1994	10
Total	100

Source : Members of YSB.

1.5 DATA COLLECTION OF THE STUDY

a) Primary Data :

Primary data is collected through a special questionnaire prepared for this purpose and informations are collected through a questionnaire from hundred (100) selected borrowers of Y.S.B.

b) Secondary Data :

Secondary data is collected from the published sources like Annual Reports of the Bank, special bulletions published by the bank and reports of Bank's Association.

c) Other Sources

- i) Discussion with Bank Manager and concerned staff of YSB.
- ii) Various pamphlets and published matters on co-operative banks.
- iii) Library resources -various books, journals and reports on banking.

1.6 SCOPE AND LIMITATIONS OF THE STUDY

The rapid progress has been made by the bank. Bank is providing finance for various purposes i.e. agricultural, commercial, productions and for small business. Also it covers the entire area of Miraj Taluka, which is too vast. As we have limited time, the

researcher has limited his studies relating loans to advancing and its utilisation. But A Birds eye-view is made regarding the financing by the bank and funds utilisation by the borrowers of Sangli district.

SCOPE OF THE STUDY

Yashwant Sahakari Bank Ltd., Miraj is established in the Miraj City. It has four branches, running at Gandhi Chowk-Miraj, Shivaji Nagar, Sangli, Malgaon and Mhaisal in Miraj Tahsil. This study covers respondents only from Miraj city.

1.7 ORGANISATION OF THE STUDY

The study for the M.Phil dissertation in hand so organised in five (5) chapters.

Chapter First- explains the methodology of the study. Where in the researcher has presented his research design along with the limitations.

Chapter Second- elaborates co-operative banking as an overview in India, in which full discussion is made concerning to banking business in India.

Chapter Third- covers profile of the organisation of the YSB in which 11 years' performance is analysed.

Chapter Fourth- is devoted to the presentation of primary and secondary data analysis and the Last Chapter Fifth presents the observations made by the

researcher and few suggestions offered in order to improve the policy of advancing loans by the bank and some suggestions to the borrowers regarding proper utilisation of funds.

1.8 DETAILED CHAPTER SCHEME OF THE STUDY

Title : "FINANCING BY THE BANK AND FUNDS UTILISATION BY THE BORROWERS IN SANGLI DISTRICT- A CASE STUDY OF SELECTED BORROWERS OF YASHWANT SAHAKARI BANK LTD.,MIRAJ".

CHAPTER-I - METHODOLOGY

- 1 METHODOLOGY
- 1.1 Introduction
- 1.2 The Objectives of the Study
- 1.3 Methodology of the Study
- 1.4 The selection of the Study
- 1.5 Data Collection of the study
- 1.6 Scope and limitations of the study
- 1.7 Organisation of the Study
- 1.8 Detailed Chapter Scheme of the Study.

CHAPTER-II -CO-OPERATIVE BANKING-AN OVERVIEW

- 2.1 Introduction
- 2.2 Co-operative Banking Structure
- 2.3 Need of Co-operative Banks
- 2.4 Motivating Factors to Borrow amount from Bank.

- 2.5 Rate of Interest
- 2.6 Banking Regulation Act 1949 Applicable to Co-operative Banks
- 2.7 Co-operative Banking in India
- 2.8 Profile of Co-operative in Maharashtra
- 2.9 Co-operative Banks in Sangli District
- 2.10 Co-operative Bank in Miraj Taluka

CHAPTER-III - PROFILE OF THE ORGANISATION

- 3.1 Establishment
- 3.2 Area of Operation
- 3.3 management
- 3.4 Objectives of the Bank
- 3.5 Historical Events
- 3.6 Performance of YSB.

CHAPTER-IV - DATA ANALYSIS

- 4.1 Analysis of funds utilised by the borrowers of YSB
- 4.2 Analysis of responses of sample borrowers of YSB

CHAPTER-V - OBSERVATIONS, SUGGESTIONS AND CONCLUSIONS

- 5.1 Observations based on performance Analysis-
Financing policy of the Bank.
 - 5.2 Observations based on responses of the sample
borrowers-How funds utilised ?
 - 5.3 Suggestions of the Study.
- Bibliography.
- Annexures