

CHAPTER - I

: INTRODUCTION :

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1.1 INTRODUCTION :

The beginning of the Urban Co-operative Movement in India was made by Shri. Vitthal Laxman Kavathekar of Baroda in Maharashtra, with the foundation of the first mutual aid society called " Annyonya Sahakari Mandali" in February 1889. Since then, the Urban Co-Op. Banks have shown a significant progress. They have proved their important role in attainment of the socio-economic objectives of the nation by their distinctive characteristics. They play a very vital role in providing institutional finance to urban people. As the UCBs are required to meet the needs of their regular and nominal members from their area of operation, they may be called as " local banks "; having local feelings. The main aim of the UCBs 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 UCBs 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.

Maharashtra has played a dominant role in Urban Co-operative Banking Movement in India. As on 30/6/1986, there were 378 primary urban cooperative banks in Maharashtra.

of which 42 urban co-op. banks are established in Kolhapur district, and two urban co-operative banks are established in Ajara Tahsil; namely The Ajara Urban Co-Op. Bank Ltd; Ajara and Janata Sahakari Bank Ltd; Ajara. These two urban co-operative banks in Ajara town are playing a very important role in mobilisation of deposits and providing loans to needy persons having small means. With the progressive work of these two banks, the researcher inspired to study the operations of these banks.

### 1.2 TITLE OF THE STUDY :

The title of my thesis is " Operations of Urban Co-operative Banks in Ajara Town :- A comparative study of The Ajara Urban Co-op. Bank Ltd; Ajara and Janata Sahakari Bank Ltd; Ajara; (1981-82 to 1985-86) "

### 1.3 OBJECTIVES OF THE STUDY :

The objectives of the present study are as  
Below :-

- (1) The main objective of the study is to compare the working of the Ajara Urban Co-Op. Bank Ltd; Ajara and Janata Sahakari Bank Ltd; Ajara, with reference to their head offices situated at Ajara only; in respect - of -
  - (a) mobilisation of deposits.
  - (b) Loans and advances.
  - (c) Overdues of loans and Advances.
- (2) To study, management of earnings of The Ajara Urban Co-Op. Bank, Ajara and Janata Sahakari Bank Ltd. Ajara.

- (3) To make necessary suggestions for efficient working.

#### 1.4 SCOPE OF THE STUDY :

The term urban co-operative banks in Ajara town covers only two urban co-operative banks namely head offices of Ajara Urban Co-Op. Bank Ltd., Ajara and Janata Sahakari Bank L-ttd., Ajara. In other words, the present study is intended to study working of two head offices of urban co-operative banks established in Ajara town; with reference to their deposit mobilisation, loans and advances and overdues of the loans and advances for the period of 5 years i.e. from 1981-82 to 1985-86. However, it should be noted that the study of management of earnings is made in respect of two banks with their all branches outside the Ajara town. In other words for studying management of earnings the Ajara Urban Co-Op. bank and Janata Sahakari Bank Ltd., these both banks including their branches, have been taken into consideration.

#### 1.5 RESEARCH METHODOLOGY :

The present study is purely based on the secondary data i.e. annual reports of both the banks under study relating to period of reference; official records of the head office of the two banks under study at Ajara town. Whenever necessary personal discussion with bank officials about deposits, loans, profit appropriations are also taken into account.

The Ajara Urban Co-Op<sup>Bank</sup> Ltd. Ajara (head office) and Janata Sahakari Bank Ltd; Ajara (head office) are selected for comparative study in respect of their deposits, loan and overdues. On the other hand two banks under study with their all branches are selected for the study of management of earnings.

The period of five years from 1981-82 (June to July) to 1985-86 (June to July) is selected for the purpose of study.

#### 1.6 SOURCES OF DATA COLLECTION :-

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

- (1) Published annual reports of the Ajara Urban Co-Op. bank and Janata Sahakari Bank for the period under reference.
- (2) Official records of both the banks under study.
- (3) Various pamphlets of deposits schemes of the two banks under review.
- (4) Discussion with Bank Manager, Bank Officials, Internal Auditor, Directors, Branch Managers of the two banks.
- (5) Library resources - books, journals, periodicals, reports on urban co-operative bank movement in India.
- (6) Official reports of District Deputy Registrar of co-operative societies, Kolhapur.

(7) Statistical information about co-operative movement from Kolhapur District Statistical Information Office, Kolhapur.

(8) Information about Ajara Tahsil from Block Development Office of the Ajara Tahsil.

#### 1.7 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 period of study is limited to five years i.e. from 1981-82 to 1985-86 (June to July). While comparing the deposits, loans and advances, overdues of the two banks under study, only their head offices are taken. However the study of management of earnings of the two banks is done including their all branches. As the previous records of head offices are not kept up-to-date by both the banks, especially for last few years, the details on purposewise loans are not made available.

#### 1.8 PLAN OF THE STUDY :

The present study is divided into seven chapters.

(1) In chapter I, apart from Introduction, of the study, title, objectives, scope, methodology, sources of data collection, limitations and plan of study has been given.

(2) The chapter II, deals with the genesis and growth of urban co-op. banks. It covers need, origin, definition, objectives, functions and role of urban co-operative banks. Further it also explains the history growth and development of Urban Co-op. banks in India, Maharashtra, Kolhapur district, Ajara Tahsil and Ajara Town.

(3) The Chapter III includes the operations of Urban Co-Op banks in Ajara town. It covers profile of Ajara Tahsil, profit of the Ajara Urban Co-Op. bank L-t., Ajara, and Janata Sahakari Bank Ltd., Ajara, present position of the these two banks, branch performance of these two banks. It also explains the operations of the Ajara bank (H/O) and Janata bank (H/O).

(4) The Chapter IV deals with deposit mobilisation of the Ajara Urban Co-Op. Bank head office and Janata Sahakari Bank head office at Ajara. In spite of Introduction, it includes the comparison of types of deposits of the two head offices and progress of total deposits of the two head offices of two banks under study for the period under reference.

(5) The Chapter V, includes the loans and advances and overdues of the Ajara bank head office and Janata bank head office. It covers, introduction, lending policy of the urban co-op. banks, types of loan outstanding of the two banks and their comparative study, overdues of both the banks' head offices at Ajara; action taken by the two head offices for recovery of overdues.

(6) The Chapter VI, deals with management of earnings of the Ajara bank and Janata bank. Apart from introduction, it includes, net profit, its appropriation policy, comparative study of income, expenses, net profit, its appropriation in respect of the two banks.

(7) The last Chapter VII deals with summary, conclusions and suggestions.