

## CHAPTER - 1

### INTRODUCTORY

- 1.1 INTRODUCTION
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C H A P T E R - 11-1 INTRODUCTION :

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

The funds management and its impact on profitability is also the most important problem for every business organisation, and banking industry of course is no exception. For co-operative Banks it is more useful and helpful for obtaining better success in the present commercial age. The co-operatives are also business concern, and for becoming successful, they have to use modern techniques of funds management.

Many DCC Banks have considerable surplus resources, but not invested in remunerative and fruitful uses. Hence the problem of deployment of surplus resources have great importance. Therefore, the study of funds management is challenging and very much helpful for taking financial decisions.

The study of 'Funds Management' with special reference to "Kolhapur Dist. Central Co-operative Bank Ltd., Kolhapur" 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 am confident that this study will be more useful for the well-known Bank, 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 is in partical fulfilment of the University requirement of Master of Philosophy qualification The main objectives of the present study relating to the working of K.D.C.C. Bank with special reference to funds management are as under -

1.        To study the circumstances which led to the establishment of K.D.C.C. Bank and its aims of objective.
2.        To study about the bank's financial position.
3.        To study about the loans provided to various sectors by the restrictions of RBI.

4. To compare with the financial data that is past present of income, expenditure, deposits, share capital, loans etc.
5. To study about how the funds can be managed in central Co-op. Bank efficiently and effectively.
6. To find out how far the concept of modern scientific management can help in achieving the objectives of bank.
7. To study the tech. methods of financial management by which funds are managed keeping in view the safety, liquadity and profitability.
8. To analyse the resources of bank, review the adequacy of available surpluses and reserves which will prove to be helpful for developmental needs of co-op. banks.
9. To study on liquidity i.e. time and demand liabs. and assets and investment in other banks into the restrictions of RBI.
10. To analyse recovery position of the Bank.
11. To suggest ways and means to improve its efficiency in receiving and applying funds.

**1-3      METHODOLOGY AND DATA COLLECTION    :**

This study is mainly based on the secondary data, i.e. Annual Reports of the Bank. Whenever necessary personal discussion with Bank officials about certain matters has been made.

**Sources of data collection -**

- 1)        Published Annual Reports of the K.D.C.C. Bank.
- 2)        Discussion with Bank Manager and concerned staff of the K.D.C.C. Bank.
- 3)        Various pamphlets and published matters on co-op. Banks.
- 4)        Library resources - various books, journals and reports on Banking.

**1-4      LIMITATIONS OF THE STUDY    :**

The rapid progress has been made by the bank. Bank is providing finance for both agricultural and non-agricultural purposes. Also it covers the entire area of Kolhapur District, which is too vast. As we have limited

time, the researcher has limited her studies relating to funds management. A Bird's eye-view is made regarding the sources of funds and deployment of funds of the bank.

1-5 SCHEME OF THE PRESENT STUDY :

The scheme of the present study includes five topics as given below.

The first topic includes the introductory aspects of the study.

The second topic deals with the need of co-op. credit structure and development of co-operatives in India and Maharashtra.

The third topic consists of history of the K.D.C.C. Bank and its progress in all aspects i.e. members, branches, deposits, share capital etc.

The fourth topic deals with the financial performance of the bank. Section 'A' of fourth topic includes the sources

of funds by K.D.C.C. Bank and section 'B' deals with the application of those funds and control over the funds. Use of ratio analysis is also made.

Final topic deals with observations and suggestions.

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