CHAPTER II

OBJECTIVES AND SCOPE OF THE STUDY
OBJECTIVES AND SCOPE OF THE STUDY

2.1 Need and Importance:

Co-operative society is an economic and social organisation serving not only the interests of the member but also social progress, which promotes safeguards and realises the interests and aspirations of the working people.

The primary aim of the co-operative societies is to improve the economic situation of its members. It achieves higher goal the spirit of self-help and mutual aid for individual. The main establishments of rural development without these rural sufficiency can not be realised in case of the advanced technology and world market, co-operative societies play key role in financing trade, business and domestic affairs.

Non-agricultural Co-operative Credit Societies are unfortunately needed in India because non-agriculturists in this country are economically as poor as the rural areas.

Almost, all co-operative societies in the country, whether agricultural or non-agricultural, whether old or new, whether located in urban or rural areas have been in financial crisis of various degrees,
The crisis will continue unabated for some time at least in the near future.

The crisis of co-operative societies generally faced like lack of professional management, weak base of financial resources, co-operative laws and taxation laws does not conductive to the growth of co-operative sector etc.

Number of crises are faced by co-operative sector. Out of these some of the crisis are also experienced in Non-agricultural Co-operative Credit Societies. In regards to their business, the crises are as follows.

- Cut throat competition.
- Lack of training in banking, accounting, co-operative law for directors and employees.
- High rate of bad debts.
- Inadequate finances.
- Improper planing and forecasting.
- Lack of proper Assets management.
- Lack of proper and Regular Auditing system.
- Inadequate recovery of loans.
- Not proper pattern of expenditure.
After considering problems of Non-agricultural Co-operative Credit Societies, an attempt has been made to study on this area by deciding some adjectives accordingly.

2.2 Objectives of the Study:

The present study covers the following objectives:

1. To study overall progress of Non-agricultural Co-operative Credit Societies in the Pune district.

2. To examine credit policies in each co-operative credit society.

3. To analyse the sources of finance their significance and trends in relation to total capital structure of each Non-agricultural Co-operative Credit Societies.

4. To evaluate level of profit, share-capitals, loans and funds of Non-agricultural Co-operative Credit Societies.

5. To examine the growth of deposits and problems regarding deposits of Non-agricultural Co-operative Credit Societies.

6. To study the cause of financial problems of Non-agricultural Co-operative Credit Societies.

2.3 Scope for the Study:

The present study has great relevance from the viewpoint of critical analysis of Non-agricultural Co-operative Credit Societies in
the Pune district. It focuses an attention not only on financial planning but also on short term and long term investment in assets. Another important aspect of finance is to manage finance in the organisation. For this purpose it is necessary to compare performance with other similar unit so that it will make clear the efficiency of each unit. Hence an efforts has been made to analyse comparative financial efficiency of selected samples. The financial efficiency has been judged in terms of availability of funds and their appropriate disposal, credit policies, liquidity possession, growth of deposits and loans and Advances of each Non-agricultural Co-operative Credit Society separately and also comparatively with others.

2.3.1 Coverage of Study:

The researcher is a senior lecturer in the Commerce in Shri. Shiv Chhatrapati College, Junnar and residing at Junnar. He is well familiar with all talukas in the Pune district. Hence it is better for him to study by taking this district as a specified area. Pune District is well known district for the co-operative movement in Maharashtra. Therefore the researcher intentionally selected this area for research in the said title namely, "A Critical Review of Non-agricultural Co-operative Credit Societies in the Pune District, Maharashtra".

There are 1831 Non-agricultural Co-operative Credit Societies in the Pune District. These societies include societies formed by
employees, women, urban co-operative, non-agricultural and rural co-operatives credit societies. Five societies have been selected from each taluka for the study. The researcher gave importance to employees, women and other types of societies for research work to get representation to all types of Non-agricultural Co-operative Credit Societies on each taluka at random.

There are 14 talukas in Pune district, 5 societies selected for study each taluka except Velhe taluka because it has only one credit co-operative society in it. Finally, 66 societies were selected for the study.

The 14 talukas in the Pune District are as under:

1. Pune City  
2. Junnar  
3. Ambegaon  
4. Rajgurunagar  
5. Daund  
6. Indapur  
7. Baramati  
8. Bhor  
9. Velhe  
10. Shirur  
11. Maval  
12. Mulashi  
13. Purandhar  
14. Haveli
2.3.2 Period for the Study:

The present study covers the period of ten years from the year 1991 to 2000. However, annual reports from 1995 to 2000 are taken into consideration for collection financial data.

2.4 Research Methodology:

The following sources of information have been used.

2.4.1 Primary sources:

Information collected through the personal contacts, interviews with officials and non-officials concerned with Non-agricultural Co-operative Credit Societies in the Pune district. Structured questionnaires were prepared for data collection. Questionnaires were used mainly for shareholders, depositors, loanees, directors and employees along with the information regarding financial statements of concerned Non-agricultural Co-operative Credit Societies. Generally Shareholders are depositors and loanee also hence a common questionnaire was prepare for them.

2.4.2 Secondary Sources:

In secondary sources, existing published records like annual reports, audit reports, proceeding etc. were available in Non-agricultural Co-operative Credit Societies were collected for this purpose.
In addition to the above, the important information was collected from various experts and eminent persons those who were directly or indirectly concerned with managerial and financial environment of co-operative societies. The information collected from such persons enabled the researcher to reconstruct and present the financial and related data to finding important conclusions and guidelines for suggestions.

The secondary data was also collected from different libraries and offices of co-operative department.

2.4.3 Selection of Sample:

From 66 societies selected for the study the respondents interviewed by the researcher as follows:

Shareholders / depositors / loanees (3 X 66) = 198
Directors (1 X 66) = 066
Employees (1 X 66) = 066
Financial Information (1 X 66) = 066

Total 396

In order to collect data from each co-operative credit society information was collected from shareholders / depositors / loanee, directors, employees and financial statements. Three representative of shareholders / depositors / loanees from each society, one representative of directors from each society, one representative from
employees from each society and financial information was collected from one representative from accounts department of each society.

2.4.4 Collection of Data:

The questionnaire for collecting the information was prepared in Marathi for easy communication with respondents. The questionnaires, which have been used for data collection has been given in the appendix.

The researcher visited these societies personally and collected information, data and annual reports of the societies.

The researcher selected the Non-agricultural Co-operative Credit Societies to study according to the objectives of the study. However, some of the credit societies were found closed at the time of visit and authorities of some Non-agricultural Co-operative Credit Societies did not give positive response and showed their reluctance to give information. Many of the societies were established in recent past of 2 or 3 years period, so the authorities were unable to proved the information to the researcher. As a result the research considered other Non-agricultural Co-operative Credit Societies for study. The researcher could not get co-operation from the authorities of the some Non-agricultural Co-operative Credit Societies.
The researcher sought appointment of concerning factors and visited them personally and collected necessary information.

The researcher initially had a plan to collect questionnaires and other information by post. However, the plan later on was given up to avoid wastage of time. There was much possibility of not getting response from the members through this media. That is why the researcher met all the persons personally in this connection. It proved to be beneficial to him to have observation of the factions of credit societies. It helped him to have better understanding of all executions of the Non-agricultural Co-operative Credit Societies. The researcher could as well get additional information other than questionnaires.

2.5 Hypothesis:

The present banking services are not sufficient to comply the financial needs of common man. Therefore, the Non-agricultural Co-operative Credit Societies are increasing and are providing immediate financial help for household purposes and business activities. It is suggested that the state government should take steps to provide finance and regulate the activities of the Non-agricultural Co-operative Credit Societies.
2.6 Limitations of Study:

Out of 1831 Non-agricultural Co-operative Credit Societies upto 1999 in the Pune district. Only 66 societies have been investigated by the researcher for the purpose of the study. State level and national level scenario has not been assessed in the study, by collecting primary data. However the secondary data available in the libraries has been used.

The researcher is working as full time lecturer in commerce in Shri Shiv Chhtrapati College, Junnar and the fellowship has been granted by U. G. C. for the period of two years. Therefore, considering the time limit and expenditure to be incurred for the research, the sample units have been selected from different talukas of the Pune district for the study are considered at random basis which I think are the limitations of the study.

2.7 Chapter Scheme:

The report of the present study has been presented into seven chapters. The bibliography of the related literature is given with the report. The necessary information, which is not included in the report, is appended. The details are given below.
• Chapter: I
  Introduction
  This chapter includes Need and importance of study and over all review of co-operative movement.

• Chapter: II
  Objectives and scope of study
  This chapter deals with objectives, scope methodology and limitations of study.

• Chapter: III
  Review of co-operative movement in Maharashtra since independence.
  This chapter includes detail of co-operative movement in Maharashtra.

• Chapter: IV
  Organisation and management of co-operatives:
  With special reference to various ACTS
  This chapter deals with overall organisation and management of co-operative societies with reference to various acts.

• Chapter: V
  Profile of the study area: The Pune district.
  This chapter deals with information regarding Non-agricultural Co-operative Credit Societies in Pune District in detail.
• Chapter-VI
  Findings of the Study
  This chapter gives clear analysis of data.
  Ratio, analysis, percentage and various financial charts necessary for study.

• Chapter-VII
  Conclusions and Recommendations
  This chapter gives conclusions and recommendations of research work.