



A Comprehensive Study on Functions of the Deccan Merchant Co-operative Bank Ltd.

Mr. Siddhesh Somnath Wavhal^a, Prof. Dr. Ashwini Kshirsagar^b

^A Student of Master of Management Studies, Alamuri Ratamala Institute of Engineering and Technology, Mumbai University.

^B Head of The Department, MMS Department, Alamuri Ratamala Institute of Engineering and Technology, Mumbai University.

ABSTRACT :

The cooperative banking sector in India plays a crucial role in promoting financial inclusion, empowering small businesses, and fostering economic development, particularly in rural and semi-urban areas. This study focuses on the Deccan Merchant Cooperative Bank, a significant player in this sector, to analyze its functions, services, and overall contribution to regional growth. The paper examines the bank's governance structure, operational framework, and customer-centric services such as loans, deposits, and financial advisory solutions. By leveraging a mixed-methods approach, the research integrates primary data collected through surveys and interviews with secondary data from official publications, academic journals, and industry reports. The findings reveal the bank's pivotal role in addressing the financial needs of its members and supporting socio-economic development through accessible and affordable banking services. Additionally, the paper identifies operational challenges faced by the bank, such as regulatory compliance, competition from commercial banks, and technology adoption, and suggests strategies for overcoming these issues. This comprehensive study highlights the importance of cooperative banks like Deccan Merchant Cooperative Bank in driving inclusive growth and underscores the need for strategic innovations to enhance their sustainability and outreach. This research paper provides a comprehensive analysis of the functions and operational framework of the Deccan Merchant Cooperative Bank, a key player in India's cooperative banking sector. The study explores the bank's role in promoting financial inclusion, supporting small businesses, and serving the banking needs of its members. It delves into the bank's governance structure, product offerings, and services such as loans, deposits, and advisory support. By combining primary data collected through surveys and interviews with secondary data from official reports and academic studies, the research highlights the bank's contributions to the cooperative banking movement and its impact on regional economic development. The paper also identifies challenges faced by the bank and offers recommendations for enhancing its efficiency and outreach in a competitive financial environment.

Keywords – Co-operative Banking, Financial Inclusion, Regulatory Compliance, Technology Adoption, Strategic Innovations.

INTRODUCTION :

Background of Cooperative Banking in India

The cooperative banking system has significantly contributed in the Indian financial system, especially in promoting access to financial services among marginalized sections of society. Rooted in the principles of mutual assistance and democratic functioning, cooperative banks bridge the gap between urban and rural economies by offering credit facilities, deposit schemes, and other banking services tailored to the needs of their customers. These institutions have become vital for empowering small-scale businesses, agricultural ventures, and self-help groups.

Overview of Deccan Merchant Co-op Bank

Deccan Merchant Co-op Bank is a prominent regional cooperative bank that serves as a financial backbone for merchants, small businesses, and individuals. Established with a vision to support local trade and commerce, the bank has expanded its services to cater to diverse financial needs. It provides a wide range of services, including savings and current accounts, fixed deposits, loans for personal and business purposes, and digital banking facilities. The bank's operations are underpinned by the principles of cooperative banking, prioritizing customer-centric policies and community welfare.

Significance of the Study

The Deccan Merchant Co-op Bank plays a critical role in fostering economic growth in its operational regions. Despite its importance, there is limited research focusing on its specific functions, contributions, and challenges. This study aims to fill this gap by providing a comprehensive analysis of the bank's operations and impact on its customers and stakeholders.

OBJECTIVE OF THE STUDY :

1. To analyze the primary banking functions and services offered by Deccan Merchant Co-op Bank.

2. To examine its role in facilitating small businesses and local trade.
3. To evaluate customer satisfaction with the bank's services.
4. To identify the challenges faced by the bank in a competitive financial environment.

3. LITERATURE REVIEW :

A study on Cooperative Banks in India with special reference to Lending Practices Gupta, J., & Jain, S. (2012). A study on Cooperative Banks in India with special reference to Lending Practices. *International Journal of Scientific and Research Publications*, 2(10), 1-6. The study explores cooperative banks in India, focusing on their lending practices and role in economic development. It emphasizes the historical context of cooperative movements in India, initiated to combat usury and rural indebtedness. The research uses descriptive methods, including interviews and questionnaires, to examine customer preferences, loan types, and satisfaction levels with banking services. Findings highlight that cooperative banks play a crucial role in providing loans for various purposes, although they face challenges such as limited resources and government regulations. Recommendations include adopting modern banking technologies and expanding branch networks to enhance efficiency and customer satisfaction.

Reddy, K. N., & Chandraiah, M. (2019). Progress of Cooperative Banks in India. *International Journal of Engineering and Management Research*, 9. The paper examines the role and performance of cooperative banks in India, highlighting their importance in providing credit at the grassroots level, particularly in rural areas. It focuses on various types of cooperative institutions such as State Co-operative Banks, District Central Cooperative Banks, and Primary Cooperative Banks. These banks have a widespread branch network across the country, which helps in reaching remote areas. The study analyzes the growth and performance of these institutions based on factors like branch networking, capital, deposits, loans, and advances. The data for the study is sourced from secondary materials, including RBI reports and other relevant publications.

Nethala, V. J., Pathan, M. F. I., & Sekhar, M. S. C. (2022). A Study on Cooperative Banks in India with Special Reference to Marketing Strategies. *The journal of contemporary issues in business and government*, 28(4), 584-593. This study explores the marketing and operational practices of rural banks in India, focusing on strategies aimed at increasing demand for their services. In a competitive banking environment, rural banks must adopt effective marketing strategies to meet evolving customer needs and stay competitive. The paper highlights how changing consumer preferences are pushing banks, both large and small, to improve their services, which contributes to economic growth. The research aims to understand how rural banks attract and retain customers through effective marketing strategies. Data for the study was collected from both primary and secondary sources related to rural banking.

RESEARCH METHODOLOGY :

3.1 Research Design

This study will adopt a descriptive research design, aiming to provide a comprehensive understanding of the functions of Deccan Merchant Co-operative Bank Ltd. The research will focus on analyzing the bank's operations, services, governance, financial management, and its role in the cooperative banking sector.

3.2 Data Collection Methods

3.2.1 Secondary Data: Bank Reports and Publications: Annual reports, financial statements, and internal documents from the Deccan Merchant Co-operative Bank Ltd will be reviewed to assess financial performance and compliance with regulatory frameworks.

3.2.2 Industry Reports: Data from government and industry sources, such as reports on the cooperative banking sector, will be analyzed to provide context for the bank's operations.

3.2.3 Academic Literature: Previous studies on cooperative banking and financial institutions will be reviewed to contextualize findings within broader academic debates.

FUNCTIONS OF DECCAN MERCHANT CO-OPERATIVE BANK :

The functional structure of Deccan Merchant Co-op Bank Ltd. is designed to support its diverse range of banking services and ensure effective coordination between different departments. The key departments and their roles are as follows:

1. Investment Department: The Investment Department is responsible for the bank's investment portfolio, ensuring that investments are made in line with regulatory guidelines and risk appetite. The department seeks to maximize returns on investments while maintaining a conservative approach to risk. It collaborates closely with the Accounts Department to ensure accurate financial reporting and compliance with investment regulations.
2. Recovery Department: The Recovery Department focuses on managing non-performing assets (NPAs) and recovering overdue loans. Effective recovery of loans is critical for maintaining the bank's financial health and liquidity. The department works closely with the Loan Department to identify potential problem loans early and develop appropriate recovery strategies. This may include negotiations with borrowers, restructuring of loan terms, or initiating legal action if necessary.

3. Accounts Department: The Accounts Department handles all accounting functions, including the preparation of the financial statements, regulatory reporting, and ensuring compliance with accounting standards. The department plays a crucial role in supporting other departments by delivering timely financial information and analysis. It ensures that the bank's financial records are accurate, transparent, and reliable. in compliance with regulatory requirements.

4. Loan Department: The Loan Department is responsible for assessing and processing loan applications, evaluating the creditworthiness of borrowers, and monitoring loan repayment. The department ensures that loans are granted based on sound credit principles and that borrowers have the capacity to repay. It collaborates with the Recovery Department to manage loan recovery efforts and minimize the incidence of NPA

INTERNSHIP FUNCTION AT DECCAN MERCHANT CO-OPERATIVE BANK LTD :

Departmental Overview During my internship at Deccan Merchant Co-op Bank Ltd., I had the unique opportunity to gain hands-on experience in various departments, each playing a vital role in the bank's operations. My time was divided among the Investment Department, Recovery Department, Accounts Department, and Loan Department. Each department had specific functions and responsibilities, contributing to the bank's overall success assisting in the overall prosperity of the bank and efficiency. Here's an overview of each department and what I learned during my time with them. First with Investment Department. The Investment Department at Deccan Merchant Co-op Bank is a crucial part of the bank's financial operations. This department is responsible for overseeing the bank's investment portfolio, making sure that funds are invested wisely to achieve the best possible returns while adhering to regulatory guidelines.

FINDINGS & SUGGESTIONS :

Findings:-

1. Deccan Bank offers a range of financial products, including savings accounts, fixed deposits, and loans (personal, home, and business).
2. Implementation of comprehensive risk evaluation strategies to manage credit, market, and operational risks effectively.
3. Community Engagement Active involvement in community development initiatives and financial literacy programs to promote banking awareness.
4. Investment Services Provides wealth management and investment advisory services, catering to diverse client needs.
5. Extensive branch and ATM network to ensure accessibility for customers across various regions

Suggestions:-

1. The bank should adopt the modern methods of banking like internet banking, credit cards, etc.
2. The bank should plan for expansion of branches.
3. The bank should improve the customer services of the bank to a better extent like provide online payment options.
4. All the complaints of Customer should be dealt in proper manner because it is the customer who will give good or bad mouth about bank services.
5. Existing customer should always be informed about the new product.
6. Regular connected with customer.

REFERENCE:

1. www.deccanbank.com
2. <https://www.cambridge.org/core/books/abs/maladiesoftheindianbanking9320A6E4BC8C1ADB8BF4D9E>
3. <https://en.m.wikipedia.org/wiki/Bank>
4. <https://www.toppr.com/guides/generalawareness/banks/majorfunctionsofbanks/>
5. <https://byjus.com/govt-exams/functions-of-bank/>
6. <https://www.rbi.org.in>