

An Efficient Banking System for Cooperative Banks

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Abstract—Cooperative banks are an important and growing part of many financial systems. Co-operative banking Sector is an important constituent of Multi Agency banking system operation in the country. These sectors play an important role in the economic enlistment of lower and middle income group of people. Co-operative banks are contributing the constituent part in the India's banking and financial system. In present times all major economic transactions have started taking place digitally. The major trend of modern digital transactions is substantiated by use of database management. The data update is done almost automatically and is much faster. Users in present days can access their accounts directly without going to a bank making transfers, transactions and accessing cash directly without standing in long queues as was prevalent earlier using ATM machines. Agent acts as a bridge between bank and the customer. On employee-side the data is much more organized and accessing and performing actions on user accounts is easier for them. Due to this the bank has better work efficiency and customer experience improves as well.

Keywords— Employee, Atm machine, agents.

I. INTRODUCTION

The term Co-operative Banks usually located in urban and semi-urban areas. They essentially lend to small borrowers and businesses. Today their scope of operations has widened considerably. In present times all major economic transactions have started taking place digitally. The major trend of modern digital transactions is substantiated by use of database management. The data update is done almost automatically and is much faster. Users in present days can access their accounts directly without going to a bank making transfers, transactions and accessing cash directly without standing in long queues. On employee-side the data is much more organized and accessing and performing actions on user accounts is easier for them. Due to this the bank has better work efficiency and customer experience improves as well.

Connection from Customer to Currency can be used by Bank Employees and/or Customers depending on bank policy. It can be used by several employees of the bank at the same time with required rights. It can be accessed using any general web browser with graphical interface. Project consists mainly of two parts i.e. the Employee Work-Space (EWS) and the Online Customer support(OCS). The EWS would deal with the internal banking functions like new account registration, withdrawal, deposit, money transfer etc. The OCS would be for direct access of customers who

could use it for Cash-Withdrawal, Transfers and Account-Summary.

Both of them connect to a main database server for storing and retrieving the data of the customers. EWS requires employee login. It handles 1) New Customer Registration 2) Transactions. In transaction Detail Updating, Deposit, Debit, Transfer and Account Summary can be done. OCS transaction requires Customer No. and Customer PIN that will be available to Bank's customer. It doesn't require Employee login. It performs a) Cash withdrawal b) Transfer c) Account Summary. Agent is a person who acts between bank and customer. Agent visits his area and does the transaction as per the customer need. Each agent has his own login where he logs in and uploads the details from the place of customer such as pygmy amount details, loan details, new account details, fixed deposit details. This reduces the work of bank person.

II. LITERATURE SURVEY

Recordings are utilized to speak to the outcomes since they Co-operative banks [1] are the organs of the cooperation institutions which are very powerful and most emerged part of Indian Developing Process the institutions were engaged in the production, processing and distribution, servicing, banking and marketing processes. In rural parts of India even today the required capital or funds for agricultural activities were raised through unorganized money market agencies i.e. moneylenders who were providing moneys at higher rate of interest. The co-operative banks has been moved towards rural areas for overcoming such problems and providing the capital required through short term and

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long terms borrowings at reasonable rate of interest. Due to this effort of co-operative banks an attempt was made to bring about unity unorganized and organized parts of the Indian Financial Market. The Co-operative banks serving to both smaller and marginal clients.

Cooperative banks replaying a key role in the economy of the country and always recognized as an integral part of our national economy. [2] Especially in an agriculture dominated rural sector cooperative banks play a pivotal role in bolstering the common individual and financing his business and personal needs. They serve both rural and urban population and are main banks in India supporting development of agriculture and rural areas. Their key role is to give credits financing various rural based entrepreneurs. Agricultural credits play a number of significant functions of which the primary include the intensification and growth of the agricultural production. The cooperative covers almost all cent percent villages in India. The cooperative form of organization is the Ideal Organization for economically weaker sections in the country [4].

Urban Co-operative banks play a pivotal role not only in meeting the credit requirements of various sphere but also play a significant role in the development of Small & Medium industries in urban areas. [3] Although in bank dominated financial system, these institutions account for a small share in the total credit yet they hold a significant position in credit delivery as they cater to different geographic locations and demographic categories. The wide network of urban co-operative banks has supplemented the commercial banking network for deepening financial intermediation by bringing a large number of depositors/borrowers under the formal banking network [5][7].

Co-operative societies are based on the principles of cooperation, mutual help, democratic decision making and open membership. [6] These banks were traditionally centered on communities, localities, work place groups. They mainly rely upon deposits from members and non-members and in case of need they get finance from either the district central co-operative bank to which they are affiliated or from the apex co-operative bank if they work in big cities where the apex bank has its Head Office. They provide credit to small scale industrialists, salaried employees, and other urban and semi-urban residents. Cooperative Banks in India are registered under the Co-operative Societies Act. A co-operative bank is defined as "a financial entity which belongs to its members, who are at the same time the owners and the customers of their bank". These banks have traditionally been around communities, localities working out in essence, loans to small borrowers

and businesses. Today their scope of operation has expanded considerably [10].

Researchers concluded top five factors that employees of banks perceive to be the most important motivators. [8] The top five motivational factors are for bank employees are: work environment, salary, possibility for growth, relationship with co-workers, and interesting work. The above factors could serve as straight forward recommendations for bank managers on how to motivate their employees and as a result increase productivity and job satisfaction which by its turn would have an influence on the long term prosperity and growth of banks.

Researchers have concluded that [9] credit co-operatives are typically seen as filling a market consisting of low-income entrepreneurs, small businesspeople or farmers who need credit but who have essentially no collateral with which to secure a loan.

III. EXISTING SYSTEM

The existing system involves the following activities:

- The present system consists of networking environment wherein regular activities are automated.
- However activities like Demand Draft issues, Pay Order issues are done manually and corresponding registers updated manually.
- Further the status of a pay order whether the same has been honored or not cannot be accessed in case if required.
- Above all in manual system only the man responsible for DD/Pay issue is aware of the various records to be updated on each transaction.
- Readability of the records which are maintained manually is also constrained in the present system.
- Since records are kept on a paper registers again is also a problem.
- Further retrieving information from such records for a period is tedious as the storage place restricts old records will be kept off the disk.
- Also report generation of the various areas is done manually using great amount of manpower and time.
- Erroneous records may lead to misleading information which is more likely in manual system.
- The great limitation to the existing system is that the service to the customers is limited to the bank hours only. The online banking facility provides 24 hours service to the customer.

IV. LIMITATIONS/DRAWBACKS OF EXISTING SYSTEM

- Leads to tedious manual work.
- Enormous amount of time consumption for recording all transactions
- Error can occur during the manipulation of several records.
- Economic justification is not obvious.
- The technique adopted in this system is more complicated.
- Lack of technical background towards the system

V. PROPOSED SYSTEM

- ❖ Employee Work Space (EWS): The Bank Employees would be the main users of the project. They may perform banking functions using EWS as per bank's policy.
- ❖ Online Customer Support (OCS): The customers would be able to use OCS facility using the agent. He can have all his transactions happen very smoothly if bank wants to provide user with direct access otherwise they may use OCS facility.
- ❖ Manual work is reduced for bank employee
- ❖ Greater efficient and better data security
- ❖ Better information retrieval
- ❖ Consumption of time while generating report is less
- ❖ Reports can be viewed as and when needed

VI. CONCLUSION

- a) Customer can do necessary transaction through agent.
- b) Agent acts as a bridge between customer and bank.
- c) OCS an integral part of this system is accessible only for agents and customer.
- d) EWS is accessible only by bank employee after logging into and can do the internal bank processing.

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