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A STUDY ON CASH MANAGEMENT PRACTICES AT KUMBAKONAM CENTRAL CO-OPERATIVE BANK

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ABSTRACT:

Cash management plays a crucial role in the smooth functioning and financial stability of cooperative banks, which primarily serve rural and semi-urban communities. Cooperative banks operate with limited financial resources and are highly dependent on public deposits, making effective cash planning and liquidity management essential. This study focuses on analyzing the cash management practices of Kumbakonam Central Co-operative Bank over a five-year period from 2021 to 2025. The main objective of the study is to examine how efficiently the bank manages its cash, liquidity, and short-term financial obligations. The study relies mainly on secondary data collected from annual reports, financial statements, and published records of the bank. Ratio analysis has been adopted as the primary analytical tool to assess liquidity position, cash utilization, and statutory compliance. Key ratios such as cash to deposit ratio, investment to deposit ratio, liquid asset to deposit ratio, credit–deposit ratio, current ratio, and net cash position have been analyzed in detail. The findings of the study indicate that the bank has maintained an overall satisfactory liquidity position during the study period. The bank has also complied with statutory requirements like CRR and SLR. However, certain fluctuations in cash-related ratios reveal inefficiencies in cash planning and surplus fund utilization. The study highlights the need for improved cash forecasting and better fund allocation strategies. The research concludes that sound cash management practices are essential for ensuring depositor confidence, operational efficiency, and sustainable growth of cooperative banks like Kumbakonam Central Co-operative Bank.

Keywords:*CashManagement,*[1] *Liquidity Management,*[2] *Cooperative Banks,*[3]*Ratio Analysis,*[4] *Deposits, Investments,*[5] *CRR,*[6] *SLR,*[7] *Credit–Deposit Ratio,*[8]*Kumbakonam Central Co-operative Bank*[9].