

A Study ON Way & Condition of Co-Operative Bank Of India

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ABSTRACT:-

Cooperative bank is an institution where the financial services are provided on the principal of co-operation. In today's era people are interested to serve as well as to cooperate and earn the money .bank is an institution where the people are performing the financial transition fulfilling their needs .people required money for living their life banking institution helps to provide money and the services to the people. Cooperative banks are established and developed to increase the fund in every area .the history of the cooperative bank in India has started in 90s century the first cooperative act in 1904 since then this sector is developing in 1949 new cooperative act was created by Indian Gov. last 50 years the networking of cooperating bank has spread in whole India and Played important role in Indian economy.

INTRODUCTION:-

Banking sector is developing day by day and the services of the bank are integral part of the people Indian banking sector broadly divided into private sector ,public sector banks regional rural banks and cooperative bank.co operative banks are more developing sector in India. it has made remarkable progress in the various segments of Indian economy.it is regulated by RBI and governed by banking regulations act 1949 and banking laws act 1965. Indian economy is depend on agriculture sector cooperative banks play a significant role to promote the agriculture as well as the finance area cooperative banks provide the credit to farming ,cattle ,milk, hatchery and personal finance ,finance to self-employment ,industries ,small scale units, home finance and personal and consumer finance .this cooperative banking sector emerged as a significant component of the country's financial system .cooperative movement in India is one of the largest movement in the world .in today's condition India is the most largest network of cooperative bank in the world it has advanced more credit in Indian agriculture sector more than commercial bank .it over comes the constraints of agriculture development .

OBJECTIVE:-

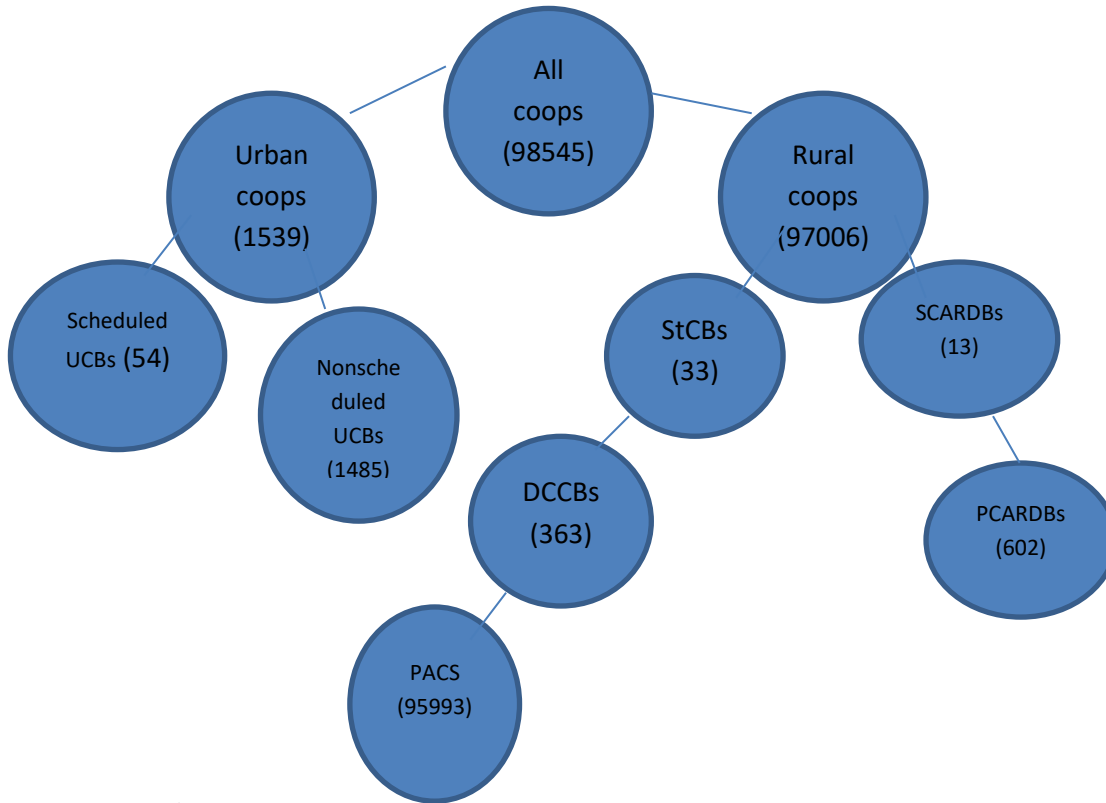
- 1) To know the todays progress of cooperative bank.
- 2) To know the condition of cooperative bank in India.
- 3) To study the contribution of cooperative bank.
- 4) To understand the drawback of cooperative bank.
- 5) To study of cooperative bank.
- 6) To know the future role of cooperative bank.
- 7) To study the role of cooperative banking in economy.

Condition of cooperative bank in India –

Cooperative banks have been opened with the motto of nonprofit no loss and thus, do not seek for profitable ventures and customer only. There is some main feature of cooperative bank in Indian.

- ❖ They work on the principle of 'one person, one vote since these banks are owned by the members, a board of directors is chosen democratically and then they are responsible for controlling the organization
- ❖ Farmers can avail agricultural loans on minimum interest rates from the cooperative banks

- ❖ Providing easy and accessible loans and credit benefits in the rural areas with scarce banking facilities
- ❖ The annual profit earned is spent on financial reserves and required resources and a part of it is distributed among the prescribed limitations.



Rural cooperative bank sectors:-

Number of cooperative banks are opened and worked in rural area to develop rural area. Indian economy more than 50% income is earned from the rural area. Rural cooperative bank are divided into two parts as well, named, short term RCB and long term RCB short term can be divided into different part namely, the state cooperative banks which work within an entire state, district central cooperative banks which are restricted within district and the primary agricultural credit societies, which are only limited within the boundaries of a village.

The long term RCBS can be divided into two parts first is state cooperative agricultural and rural development banks (SCARDB's) and the second is primary cooperative agricultural and rural development banks (PCARDB's)

Urban cooperative bank:-

There are only 24 multi state UCB's while 31, single UCB's. The non-scheduled on other hand can also be divided on the basis of how many state it has branches in only 10, nonscheduled UCB's. In India are multistate UCB's while they are 1788 nonscheduled UCB's that have only a single branch in one city or a few branches within the state itself.

Contribution of these cooperative banks-

❖ Aid provision in rural areas –

To develop the rural areas it was too necessary to provide the fund and to inform rural people about facility of loan. It was the main function of cooperative banks which helps promote the rural areas.

❖ **Lower interest rate –**

Farmers and villagers are explained by money lender by charging more interest rate. Now a day's cooperative banks help to farmer by providing the loan at lower interest rates and protect the farmer.

❖ **Grater reach –**

Cooperative banks reach in every part of country to promote as well as develop the rural area.

❖ **Promote productivity –**

Cooperative banks provide the loan to farmer as well as small industries and other business which help to increase the productivity and profit.

The other side of cooperative banks in India can be explained by following points

❖ **Tough to find investors -**

It is too tough to find the investors in cooperative banks because people fear to invest into bank. Many cooperative banks were closed and investors sunk they had to bear lots of. It is risky to invest money into cooperative bank. New investors are not reay to take risk. (That's why it is tough to find new investors)

❖ **Inefficient management -**

Cooperative banks are working in India but very few banks are running successfully this happen due to inefficient management. There is no in position to employ and retain competent professional managerial professional due to lack of limited financial resources voluntary services are good but there are no substitute for efficiency skill, maturity and experience of professionals.

❖ **Delays in decision making and decision implementing –**

The decision is taken only by the managing committee, which are mostly from politicians. For that meeting reasonable notice has to be given to all members. Maters of larger significance can be decided only at the general meeting of the society which is really consuming affair delay is made not only for taking decision but also implementing.

❖ **Reduce to provide adequate credit –**

The main aim of framing cooperative bank is to prove the adequate credit in rural area but due to organizational and financial limitation of cooperative banks greatly reduce their ability to provide adequate credit to the rural populations.

❖ **Increase the overdue of loans –**

In today condition a serious problem of cooperative bank is the overdue loans of cooperative institutions which have been growing steadily for years.

❖ **Diminished share in agricultural lending –**

The RBI report noted that despite a crucial role played by the sector, its share in total agricultural lending diminished considerably over the years, from the high as 64% in 1992-93 to just 11.3 % in 2019-20.

❖ **Dual control led to downfall –**

For years, such banks have escaped scrutiny despite failures and frauds due to dwell regulation by state register of societies and the RBI.

Future of cooperative banks –

By the above points we can view the cooperative banks picture but what will be future of this bank. The deposits of the people is near about 100 crore Rs. of the cooperative banks. They have been compelled to select the skillful directors by creating board of management in future how the RBI observed or treated with this bank. It is necessary that small urban cooperative bank should operate for business which helps to provide finance in agricultural as well as small industrial sectors.

The future of cooperative banks depend open the Indian people which are the consumer of this bank. People should take loan and pay EMI on time that will help to continue and develop the cooperative sectors in India. Skillful people should work in this sectors and the political interference should not be there.

It is pertinent to examine the merit and possibility of amending cooperative acts in state to be effect the provisions requiring every borrower having a voting share do not weaken the UCBs; you all will recall that such provisions have led to an anomalous situation where borrowers, who create the risk, control the bank and depositors who bear the risk don't.

Conclusion -

Cooperative banks are important of multi agencies banking system operation in the country. It provides finance in urban and rural area. There should be skillful action program and training program to provide specific guide points to the cooperative in the areas of the professionalism and effective interplay of inter cooperative relationship mobilization of resources and enhancing participation of member in decision making process

Cooperative banks are unique in terms of their structure, clientele and credit delivery. The resilience and stability shown by this bank during the recent global finical crisis has underscored their importance in the financial system of both develop and emerging market economic. Despite their inherent weaknesses in terms of low capital, poor management and intrusive policies of state, cooperative in India have successfully weathered several challenges during their century old existence and continued to grow in competitive environment which emerged following the economic and financial sector Reforms initiated in 1991. RBI has initiated several policy measures strengthen the cooperative banking sector by gradually introducing the prudential norms and regulatory prescriptions on par with commercial banks.

It is hearting to see that cooperative banks are showing keen interest in diversifying their business and board-basing their clientele. One can hope that changes in the existing framework, supportive regulatory environment, adoption of technology and re-orientation of business strategy can act as enablers for cooperative banks to contribute more meaningfully in the equitable economic growth across regions through their delivery model.

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