



GROWTH OF COOPERATIVE BANKS IN INDIA

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Abstract: Cooperative banks play an important role in the Indian financial system. A cooperative bank is a financial institution which is simultaneously owned by its members. Co-operatives consist primarily of persons belonging to some professional group of the area who share interest in rural finance to meet the last person in the last village. The Cooperative Movement can only gain impetus in 1954, when the RBI approved the recommendation of the Every India Credit Survey Committee. This is a valuable tool to reach all the citizens.

Index Terms - Cooperative, Growth, Society, India, Banks.

1.1 Introduction:

Cooperative banks play an important role in the Indian financial system. A cooperative bank is a financial institution which is simultaneously owned by its members. Co-operatives consist primarily of persons belonging to some professional group of the area who share interest in rural finance to meet the last person in the last village.

The Cooperative Movement can only gain impetus in 1954, when the RBI approved the recommendation of the Every India Credit Survey Committee. This is a valuable tool to reach all the citizens. Co-operative banking comprises corporate and commercial banking and is structured in a joint conceptual way, with the main objective of social welfare. A Cooperative Bank is a financial unit operating in urban and rural areas that pool saving and manage money between borrowers and depositors.

Co-operative banking and recognized as part of the Indian economy is key components of Indian financial systems. The focus of co-operating banks is to provide financial assistance and protect rural peoples from the debt trap of money lenders.

1.2 Review of Literature on Cooperative Society in India:

A number of cooperation studies have been conducted in general and in particular in urban cooperation banks. Many committees and commissions appointed by the Reserve Bank of India, Central and State Governments to urban cooperative banks have presented their reports with several inestimable proposals to improve the functioning of Indian urban cooperative banks.

Suresh (2006), He noted in his paper that for the first time, when the Co-operative Credit Societies Act 1904 (1904, 1912 and 1919) was passed in India, the concept of co-operatives came into concrete shape to broaden the co-operative movement's scope.

Mukul G. Asher (2007), Concludes that UCBs need the same level of professionalism, modernization and regulation as commercial banks in order to play a substantial developmental role in India.

Murthy (2008), Focused on the importance for rural poverty reduction of financial supply as a key factor. Rural finance often talked about problems of social, equity and sex that keep families in poverty.

Khan D (2010), The origins of the Indian urban loan movement date back to the 19th century. In its study time, UCB's growth output parameters show positive growth rates on average.

Chandel et al (2010), In their article, it was clarified that cooperative banks are structured and operate according to principles of cooperation, self-help and mutual aid. These have played an imperative role in Indian finances that have a wide urban and rural network. Approximately 372 DCCBs with a variety of branches and extenders respond to the needs of almost one lakh company in rural India.

Shachi Pareek (2012), He describes the profitability assessment as a method through which a financial institution can measure its overall efficiency in its work "profitability performance analysis of City Co-operative Banks in the Jaipur district." A summary of expenses relates to income.

Purushottam et al (2013), "In Indian history, the position of the cooperative movement is very important," The growth of the Maharashtra was largely supported by cooperation as the co-operative movement's foundation.

1.3 Growth of Cooperative Society in India:

Cooperative banks play a distinctive role in the credit delivery system of rural India. In the area of job creation, poverty alleviation and increased farmers' compensation, cooperative banks play an important role. The Indian cooperative banking business was established and the credit cooperation companies have a legal status in compliance with the Law of the 1904 Co-operative Credit Societies. The urban loan cooperative company was initially formed in Kanjeevaram, in Tamil Nadu. The following was followed by the registration in different districts and towns of Bangalore and Dharwad by several cooperative companies. However, these companies' functions were limited to lending.

Co-operative banks are financed, supported and financed by the Indian government in financial institutions. State, central and financial institutions and RBI and NABARD provide the state, central, NABARD and RBI governments for funding and other assistance to cooperative banks.

Cooperative banking functions are fundamental and vary from commercial banking in various ways.

1. **Primary Agricultural Co-operative Society:** The PACS is an organism which works directly with farm borrowers and has a prominent role in the co-operation credit structure.
2. **District Central Co-operative Banks:** The DCC banks, which are lenders at the district level, are commonly referred to as the DCC banks.
3. **State Co-operative Banks:** The SCB comprises several central cooperative banks and functions as a state-owned, co-operative banking surveillance body.
4. **Land Development Banks:** The LDBs are divided into three main, state and central levels. The LDBs provide long-term loans for farmers' development.
5. **Urban Co-operative Banks:** Urban Co-operative Banks (UCBs) are the main co-operative banks in urban and semi-urban areas. Until 1996, the UCBs could supply non-farm loans.

1.4 CONCLUSION:

Cooperative banks' growth is investigated at a macro level by using certain indicators of performance. Examples of performance metrics include equity capital, membership, advances in reserve funds, investments, overdues, management costs, owned funds, operating capital and earnings.

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