



Analytical Study of Co-operative Banks & Co-Operative Financial Institutes of Maharashtra

Mr.AshokB.Mali

Department of Economics

Bharati VidyapeethMotoshri BayabaiShripatrosKadamKanyaMahavidyalayaKadegaon

Dist-Sangli,Maharashtra,India,Pin-415304

Abstract:-

ThestateofMaharashtraismainlyknownforitscooperatives.Thestatehasalongtraditionof cooperatives. Co-operative financial institutions were mainly formed in the co-operativesociety with the aim of bringing together like-minded people to settle their debts: peoplefromdifferentsectorsformedsuchco-operativecreditinstitutionsaccordingtotheirneeds. Due to the creation of this type of institution, the financial supply to the people intherespectiveareasintheformofloansaspertheirdemand,theeconomicandsocialgood willofthepeoplestarted.Theseinstitutesstartedgeneratingemployment:liquiditystarted generating.Many small and medium businesses started to be created.

These co-operative credit institutions mainly include co-operative financial institutions,co-operativebanks,urbanco-operativebanks,co-operativecreditsocieties,salariedemployees'creditinstitutions. Although the Co-operatives constitute a large proportion of the total co-operative societies in the state.theseinstitutionshavetocompete withother reputed public banks and private banks. Since the organization is cooperative, many times people do not agree so many organizations do not run smoothly. As many institutions inMaharashtra are running at a loss, it is necessary to take concrete measures to prevent this from happening.

Keywords – Co-operative Banks, Cooperative Financial Institutions, Co-operative Credit Institutions

Introduction:-

Maharashtrahasalongtraditionofcooperation.Therefore,manytypesofcooperativesocietieshavebeenestabli shedinMaharashtra.

Whichare mainlyincludesco-operativesugarfactories,co-operativedairysocieties, co-operativewatersupplysocieties,co-operativecreditsocietiesandco-operativebanks.



A large network of co-operative banks and societies has been formed in Maharashtra. Since the passing of the Co-operative Act of 1904 in India, many co-operative societies have also started to be established in Maharashtra. That is why today Maharashtra is the state with the largest number of co-operative societies in the whole of India. This is why Maharashtra is called Sahakar Pandhari.

The great need of credit supply in rural areas of Maharashtra is being to be fulfilled by these cooperative Banks. Co-operative banks and credit institutions are helping to fulfill the financial needs of small and middle class businessmen and families.

State Cooperative Bank is one in Maharashtra. There are total 31 District Co-operative Bank. They have 3716 branches Urban Co-operative Banks 503; other Credit Institutions 15445 Such a large network has been created.

This financial network is seen to lead to massive Economic inclusion. Financial institutions in co-operative sector are comparatively more number of institutions in Maharashtra and they are important for the economy of Maharashtra.

Objectives:-

- 1) To understand the types of Cooperative Financial Institutions in Maharashtra.
- 2) To study the extent of cooperative banks & Financial Institutions in Maharashtra.
- 3) To study the profit & loss situation in Maharashtra.

Research Methodology:-

In order to achieve the research objectives information is collected through secondary data collection in which mainly various government reports, organization reports, research theses, reference books and journals

has been used. Analytical research method has been used to achieve the research objectives by simplifying the source of information obtained.

Review of literature:-

- 1) Indian Economy Datta & Sundharam



IndianEconomy

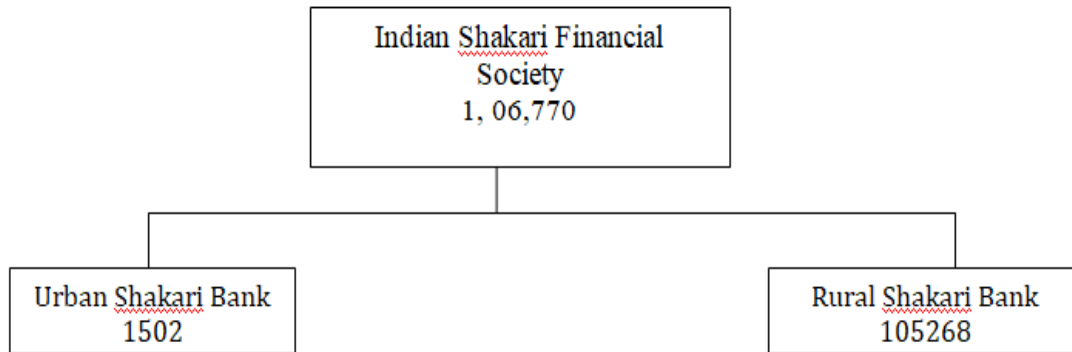
–RameshSingh(Marathi)-

2023thishasgiveninformationaboutIndianBankBusinessandCo-operativeBanks.

- 2) Changing face of the Banking Industry (2016) – Smt. In the research address of TejalKorde,there researcherhaspresentedthefollowingproblemstotheIndiancooperativebusiness.
- 3) Co-operativeBankingYesterday&Today(2016)AdityaPandharipande–Researchersinthishave presentedthe pastandpresentsituationofcooperativebanking businesses.
- 4) ChallengesBeforeUrbanco-cooperativeBanksinIndia–
DrVirenderKoundalStudyconcludepresentstatusofUrbanco-
operativeBanks&ChallengesfacebyUrbanCo-operativeBanks.
- 5)Uddin Sami and RahmanMahfoozur (1983) In his book “co-operation sector in India” published by S. Chand and companyLtd.Electronic copy available at: <https://ssrn.com/abstract=3860828>Writer has examined the growth of the co-operative sector, central district co-operative bank, co-operative education and training, management in co-operativesocieties and community development and cooperation.
- 6) Dr. Kumar R. Shashi, Growth of Cooperative Movement in theWorldIn this paper the author covers the history of Cooperative Movement in the world.According to his study, the Cooperative movement contributes to improving thesocial, economic, cultural, environmental and political advancement of a country.It is recognized as a key stakeholder in both national and international affairs.Cooperatives are people centred, not capital-centred, they do not perpetuate, nor accelerate capital concentration and they distribute wealth in a fairer way. Highlydemocratic, locally autonomous and self-help practices are the major issues incooperatives. Removal of poverty, employment and income generation, socialinclusion are the major objectives of the cooperative movement.
- 7) ‘The Reserve Bank of India (1936): ‘Soon after its establishment it studied the existing set up of cooperative organization. The R.B.I. in its report in 1936 made certain recommendations in respect of co-operative movement. It favored conversion of credit societies intomulti-purpose societies.

Data Analysis & Interpretation

1) Co-operative Financial Institutions in India



The above chart shows the number of Cooperative Financial Institutions in India which are

1, 06,770. The financial institutions are divided into two types. In first section the Urban Shakari Bank which number is 1502. While the second category includes Rural Co-operative Financial Institutions which number 1,05268

2) Types of Co-operative Institutions in Maharashtra

Sr.No.	Categories of Financial Co-operative	Number of Co-operative	Branch	Percentage
1	State Cooperative Bank	1	51	
2	District Central Cooperative Bank	31	3716	0.073
3	Civic Co-operative Banks	485	6620	1.19
4	Citizen credit institutions	13445	-	31.95
5	Maharashtra Agricultural Rural Vikas Bank	01	-	-
6	Primary Krushi Financial Co-operative	21062	-	50
7	Employee Credit Number	6535	-	15.5
	Total-	41565		

As shown in the above table, there are seven types of financial institutions in Maharashtra namely Co-operative and Subsidiary Institutions. State Cooperative Bank (Apex Bank) is functioning in it with its

51 branches. The number of District Central Co-operative Banks is 31 while it has 3716 branches. So the number of urban cooperative banks is 485. The number of employed credit society and other credit institutions is 6535 and 13545 respectively.

As shown in the above table, the largest number of institutions in the state is primary agricultural credit society

with a percentage of total credit institutions, more than 50%. It is followed by other credit institutions with a percentage of 32% whereas the proportion of salaried employees and credit institutions is 15.5%. From the above table it can be concluded that co-operative financial institutions exist in Maharashtra in a large number of different types. Also they are providing credit to different ends.

3)

	Population of Maharashtra	Total Co-operative Credit Union in Maharashtra (2017)	Shakari Pathpuravatha Sanshtha (2017)	Percentage
	112374000	195301	41560	
Total		54600000	40830932	

The above table shows the proportion of co-operative credit supply or co-operative affiliated institutions in the state as compared to the total co-operative credit institutions in the state. This shows the scope of cooperative credit institutions.

The total number of cooperative societies in Maharashtra is 195301 at the end of 2017. Out of that number of co-operative banks and credit institutions is 141560 which means 21.54%. Institutions are co-operative credit societies,

Considering the population of Maharashtra as per 2011 census the population of the state is more than 110 crores while the number of members in all co-operative societies is more than 500000. Its ratio is 48.58% of the total population while considering the ratio of all cooperatives; the ratio of all cooperative credit unions is 74%. Is so large, it can

beseenthat3633%ofthetotalpopulationofMaharashtraPopulationisrelatedtoCo-operativeCreditInstitutions.

4) Co-operativeCreditInstitutionsProfitandLossStatement2017End

Sr.No.	Shakari Co-operativeCredit	Number	Profit Co-operative	Loss Co-operative
1	StateCooperativeBank	1	1	-
2	DistrictCentralCooperativeBank	31	21 (67.74)	10 (32%)
3	MaharashtraKrushiGraminVikasBank	1	-	1
4	NagariCooperativeBank	485	417(84.98)	68 (15%)
5	Employee Salary CreditCo-Operative	6535	5498 (84.11)	984 (65.90)
6	Primary KrushiShakariInstitution	21067	8791(41.72)	12101 (57%)
7	Other CreditCo-Operative	13445	9089(67.60)	3629

Theabovetables showstheprofitandlosssituationofalltheco-operativecreditinstitutionsin the state at the end of 2017. Although there are a large number of co-operative creditinstitutions in the state, the proportion of non-existent co-operative institutions is so high.10 out of 31 district central cooperative banks in the state are in loss. Urban Co-operativeBanks however are quit profitable. The ratio of urban Co-operative Banksin profit is 86% followed by Salary Employees’ Credit Institutions. Meanwhile, Maharashtra Agricultural RuralDevelopment Bankhasbeenclosedinthestate.

While58%oftheinstitutionsareinprofitwhile42%,cooperativecreditinstitutionsareinloss,however,t henumerofooperativebanksandcreditinstitutionsinthestatearethelifelineofruralandsemi-urbanareas.Mainlyseveninthestate

Conclusion

There and mainly seven types of Co-operative Credit Societies existing in state mainly include Co-operative Banks,UrbanCo-operativeBanks,Co-operativeCreditSocieties,RuralDevelopmentBanksetc.Forruralareas,thisinstitutehasprovided 45%finances.Thelarge classinthestateisdependent on cooperative credit. However, the number of Co-operative Credit Institutionswhich are closing down or facing losses is increasing. This is very worrying and measuresshouldbetakensothat cooperativesocietiesdonot gointolosses.

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