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CHAPTER-I

INTRODUCTION

CO-OPERATIVE BANKS

INTRODUCTION

CO-OPERATIVE sector has been emerged as the most significant sector of our Indian economy. The co-operative movement which has initially started in 1904 in the sphere of credit has known spread to most of all sector and areas of operations like farming marketing insurance transportation housing and others. Perhaps that is the reason for which economic plans and policy statement of our country has assigned the key role in public contribution of essential goods. Actually this is a form of business organization of weaker section or poor who individually unable to stand on his own feet. By forming this form of organization we emphasize the ideas of a voluntary association of these weak individuals for the achievement of common good.

EVOLUTION OF CO-OPERATIVE BANKING

As a result of effective steps taken by the government and the Reserve Banking of India, the co-operative banking system in India made tremendous progress. Offer independence the co-operative credit which has only 31% of the total rural credit in 1951-52 rose 15.5% in 1961-62 and to 22.7% in 1970-71. The total amount of short term credit Rs 23 crore in 1951-52 to Rs 1425 crores in 1979-1980. Thus during the period about two decades (that is 1950-61) to 1979-1980 the short term and medium term loans increased by more than several times.

→ The co-operative banks/credit institutions constitutes the second segment of Indian banking system comprising of about 14% of the total banking sectors asset march 2007.

→ Bulk of the co-operative banks operate in the rural regions with the rural co-operative Bank accounting for 67% of the total asset and 67% of the total branches of all the co-operative Banks

→ share of rural co-operative in total institutional credit was 62% in 1992-93, 34% in 2002-03 and 53% in 2006-07.

→ co-operative Banks have an impressive network of outlets for institutional credit in India particularly in rural India

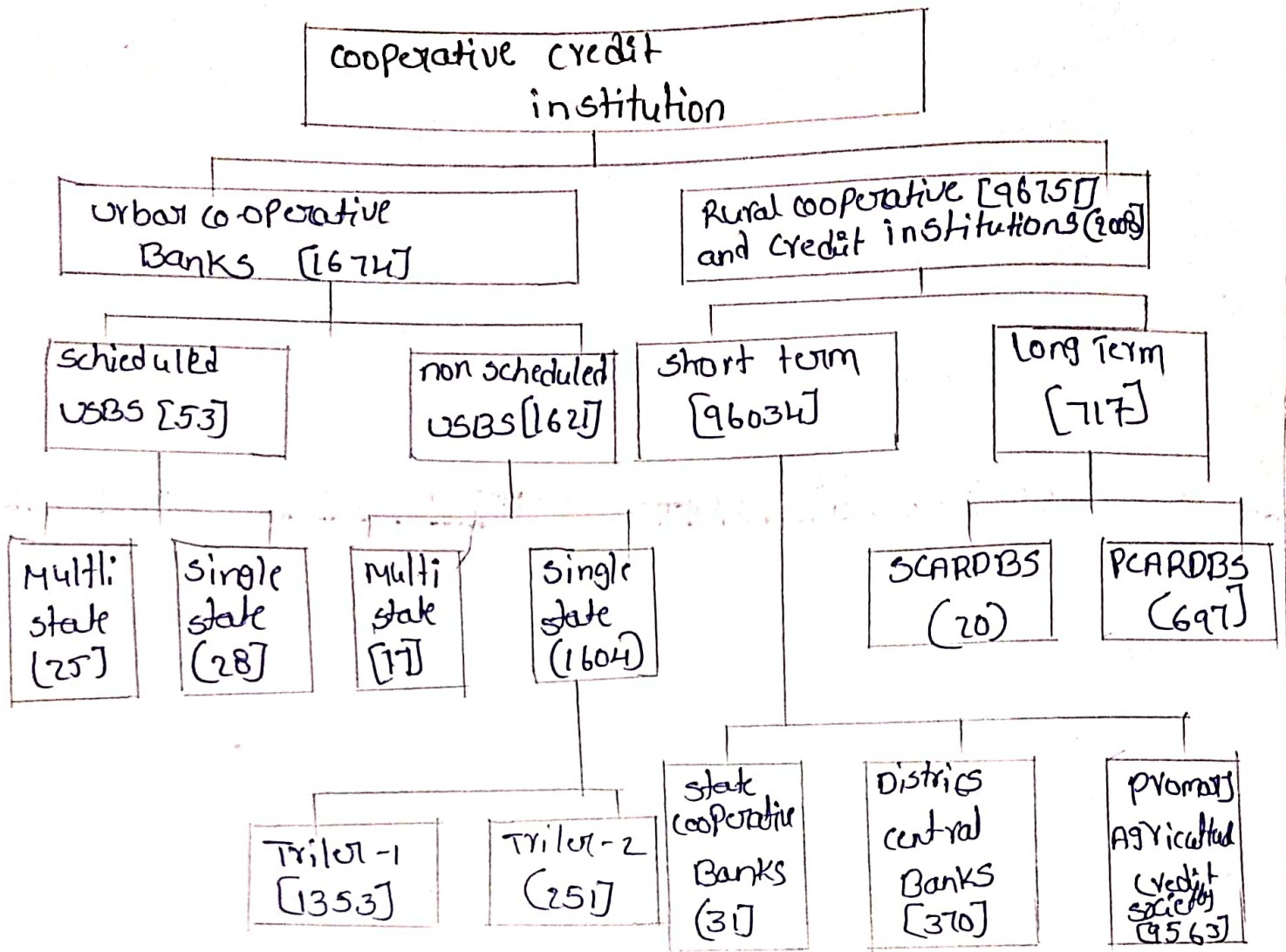
→ In march 2017 there were 97,224 PACS in rural India against 30,393 branches of commercial Banks (more than three times of the co-operative Banks)

→ In march 2017 there were 102 saving accounts and 113 co-operative Banks the members per 1000 rural in India.

→ co-operative Banks (both rural and urban) cater two small and marginal clients.

→ Financial health of the co-operative credit institutions particularly the rural it's combined role as dominant share holders manager regulator supervisor and auditor further the precise of demarcation of the powers between the two regulators is ambiguous.

STRUCTURE OF COOPERATIVE BANKING



Note:- figures indicate the number of cooperative banks at end march 2010

Note:- SCARDBS state cooperative Agricultural and Rural Development Banks.

Note:- PCARDBS - primary cooperative Agricultural and Rural Development Banks.