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CHAPTER – I

INTRODUCTION

1.1 Introduction

Co-operation has become an important force in the economic life of the community and it has entered in different spheres of the national economy. Co-operative organisations have become a way of life with more and more people. These organisations are playing a major role in economic progress of the weaker sections of the society.

Co-operative movement in India, in recent years, has made considerable progress and diversified its activities. Today hundreds of co-operative societies have been working in the field of agriculture, housing, banking and manufacturing.

Co-operative Banking system is considered as one of the most powerful instrument for reconstructing and remodelling the credit structure of the under developed countries. Now-a-days, the urban co-op. credit societies are establishing in large number and they are supposed to be a means for the general economic development of the urban and rural areas and more particularly, economic upliftment of the weaker sections of the society. They advance loans mainly to small traders, businessmen, artisans, professionals, small scale industries and salary earners. They advance loans for both production and consumption purposes. These societies

cultivate the habit of thrift and savings among the people.

The urban co-op. credit societies in Wai Taluka have been playing an important role for the last 20 years. So the researcher has selected these societies to study its working and also to assess its performance.

1.2 Approach To The Problem

In our modern world, there is considerable awakening in every walk of life. Both the employers and employees are aware of their right and workers are not prepared to be exploited. Both the capitalist as well as socialistic systems of economy have come under searching criticism. A via media has been found in co-operation and co-operative system.

Co-operation has been differently undrstood by different scholars. But one thing is certain that co-opertion is needed not only in economic but also in social and political life. The system has certain salient features and embodies lofty ideals. If taken in its proper spirit, it has many advantages as well.

Co-operative movement is flourishing not only in India but there is perhaps no advanced country of the world where importance and significance of the movement has not been realised. But surprisingly enough, this movement has not made the desired progress in many countries, for which several factors contribute.

The co-operative movement in India was started as a credit movement for the rural masses. It was introduced as a State policy and owes its origin to the enactment of the Co-operative Societies Act, 1904. Before Independence, the Indian co-operative movement was limited to only the field of credit supply. It had not entered some other fields like consumer stores, trading, banking, etc. However, it was not also impressive in the field of advancing loans to the agriculture.

After independence, the Indian Co-operative Movement made a quantitative as well as qualitative progress. Economic development and social justice are two main objectives of our planning. To fulfil these two objective simultaneously, the role of co-operative Banking is quite important. The co-operative banking in India made real growth and progress after independence. Co-operative Banking system is just like the pyramid. The State Co-op. Banks are at appex level. The District Central Co-op. Banks are at the middle and the primary credit societies are at the bottom.

The primary credit societies are mainly agricultural credit societies. However, credits are needed not only by the rural farmers, but also by the other people. The rural-urban poor and middle class who work in different positions either as daily wage labourers or workers or on fixed incomes in the offices need money at the time of their need. Therefore, there is a great need for non-agricultural urban and rural co-operative Banking. Non-agricultural credit

societies may be grouped as urban co-op. credit societies, Employees co-operative credit societies, Women co-op. credit societies and rural non-agricultural credit societies.

1.2.1 Need For The Urban Co-op. Credit Societies

The U.C.C. Societies are established in urban and rural areas with limited capital and area of operation. Though their working activities are also limited, they occupy an important place in the banking development of our country.

The need for U.C.C. societies arises from the fact that the agricultural credit societies like D.C.C. Banks, State Co-op. Bank, Land Mortgage Banks are not interested in providing credit to the urban and rural middle and weaker class i.e. small traders, artisans, hawkers, employees in Government Departments, local bodies, mills and private business, etc. None of these come under the preview of commercial banks because they do not satisfy the standard followed by these for financing. These agencies are purely private and not guided by any code of conduct, hence they charge exorbitant rate of interest and exploit the people.[1]

So the problem was to have the agencies which will replace private credit on easy terms of interest and repayment. Urban C.C. Societies advance loans mostly to such needy persons on their personal securities. These credit associations raise funds by issuing shares, accepting deposits and by means of rediscounting by an outside bank.

The following points shows the need for U.C.C. societies -

1. Private Banks not interested.

The Joint Stock Banks do not take interest in developing the business of small loans to urban and rural middle class because it is not advantageous for them on account of the high cost of advancing and recovering the loans.

2. No loans an personal security.

As the Joint Stack Banks are not likely to have, under ordinary circumstances, full and immediate knowledge of the standing and resources of persons of moderate means, they will not advances loans on personal security.

3. Loans from Money-Lenders.

In these circumstances the man with limited means in urban and rural areas would be driven to money-lenders or similar agencies to obtain loans at exorbitant rate of interest.

4. Banking and credit requirements.

The urban co-op. credit movement started in India with the chief object of catering to the banking and credit requirements of the urban middle class, e.g., the small trader or businessman, the artisan or factory worker, the

salaried people with a limited fixed income in urban and rural areas.

5. Habit of thrift and savings.

Besides protecting the middle classes and the men of modest means from the clutches of the money-lenders, the movement is also expected to inculcate the habit of thrift and savings amongst them. The movement provides the frugal sections of the community an apportunity of investing their savings and thus helps the hard-pressed people tide over the period of stress and strain.

In this connection, the following observations of W.K.H. Campbell are significant, " A very little investigation of the condition of the salary-earning class is frequently enough to reveal that, when sudden emergencies arise which make an unexpected demand on their fixed salaries, they have to borrow, that they do so on most unfavourable terms, and that, as a class, they are heavily and in most cases, hopelessly indebted." [2]

The present study is made about these urban co-operative credit societies. These societies are badly needed in India because non-agriculturists in India are economically as poor as the agriculturists living in rural areas.

1.2.2 Co-operative Banking Structure

Since the credit sector is "the Prince of Denmark" in the whole apparatus of the co-operative movement, it

merits the pride of place in the present study of co-operation. The co-operation Banking structure is pyramidal or federal in character. At the base, that is, at the village level, there is a primary credit society upon which the whole edifice of co-operative credit is based. These societies are federated at the district level into a society called the central co-operative bank. At the state level, the district banks are federated into an apex bank. The apex or state co-operative bank in its turn is closely linked with the National Bank for Agriculture and Rural Development, which provides considerable finance assistance to co-operative credit structure. this is the set-up in regard to short-term financing. The urban co-operatives, however, do not exactly fit into this federal structure.

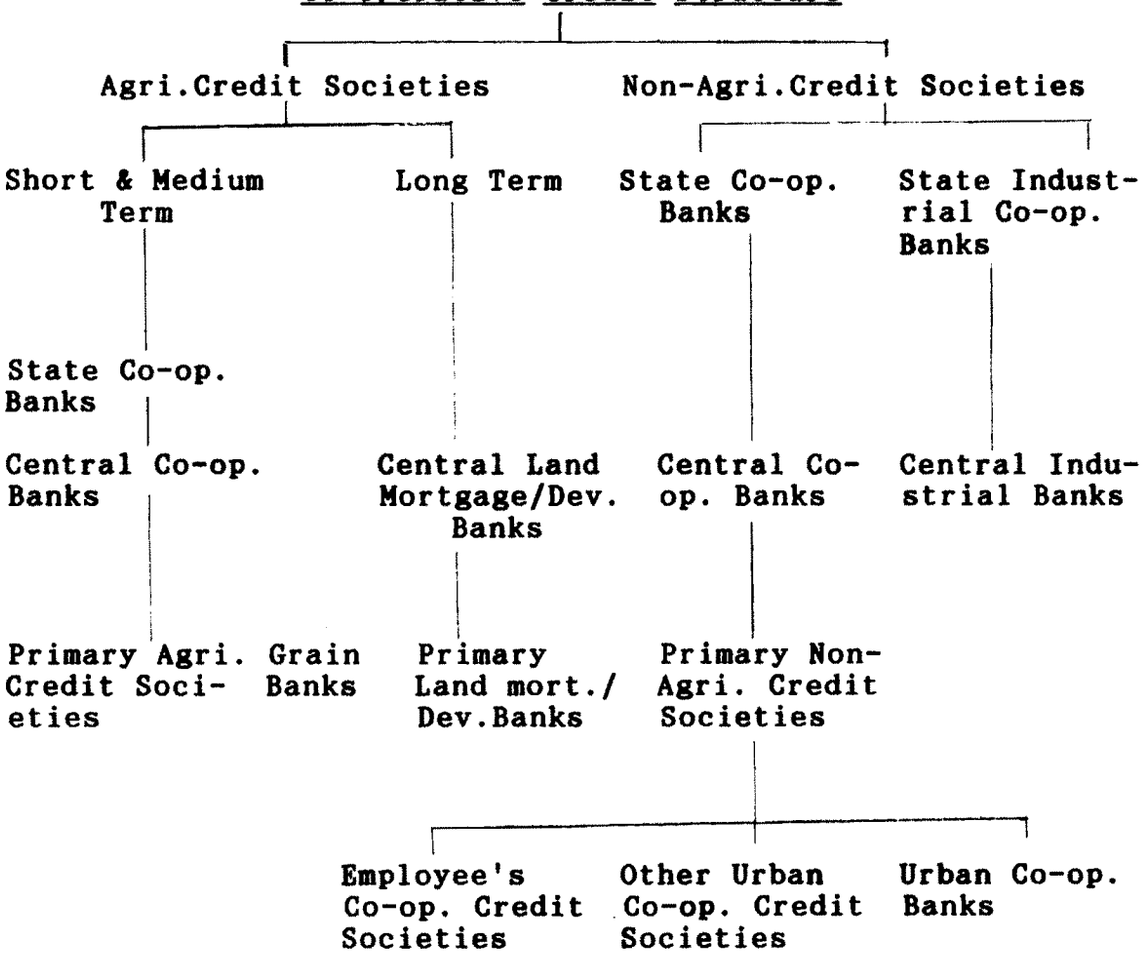
The long term credit structure at the movement consists of two tiers; there are primary land mortgage banks at the base and central land mortgage banks at the top. In some state central land development banks operate through their branches. There are, in addition, a few industrial banks operating at the state or district level. The chart 1.1 brings out the structure of the co-operative banking.

It is a merit of this set-up that, though the institutions at the different levels are connected with each other by the bond of affiliation, they are, in financial and legal terms, distinct entities, each serving a set of specific purposes which justify its existance as an independent unit. Together, these institutions constitute an

effective machinery functioning as balancing centres within the movement and supplementing the internal financial resources by borrowing from outside.

Chart - 1.1

Co-operative Credit Structure



Accordingly, they assist in supplying agricultural credit in the volume required, supervising its use and effecting its recovery on due dates. At the same time, the fact that the structure is federal in character and that the institutions at the different levels are independent legal

entities also implies that the strength of the chain depends upon the strength of each of the links. [3]

A study group of the National Credit Council presided over by Dr. D.R.Gadgil has stated: "The Co-operative Banking System is an integrated one and, because of its three-tier structure, has been enabled to extend credit to agriculturists, artisans and small men in general. The Three-tier system also allows a rationalised flow of resources from metropolitan centres to the villages and combines this with fairly low costs of operations."

1.3 Statements of the Problem

The title of the present study is as follows - " The Working of Urban Co-operative Credit Societies in Wai Taluka".

It is true that the term 'Working of Urban Co-operative Credit Societies' has wider meaning. But with reference to this study the term 'Working of Urban Co-operative Credit Societies' has been restricted to some important aspects viz. Organisation, Management, mobilisation of deposits, advancing loans, recovery of overdues, financial and other important aspects of Urban Co-operative Credit Societies in Wai Taluka.

From the Chart 1.1 we can understand the place of these societies in the Co-operative Banking structure. Urban Co-operative credit societies are established for the purpose of non-agricultural credit mainly i.e. to provide the loans

to it's members for their business, trade or other personal needs. These societies mainly provide the short term loans. As these societies are small units, their limit for loans and advances is nearly upto Rs.10,000/- on average.

1.4 Definition of Important Terms

To understand the basic concepts relating to this study, some important definitions and meaning of the related terms should be studied. These are as follow.

1.4.1(a) Co-operation

The term co-operation finds its origin from the Latin word 'Co-operari' which means 'work-together'. Co-operation today being understood to mean working together for a common purpose.

According to H. Colvert, "Co-operation is a form of organisation in which the persons voluntarily associate together on the basis of equality for the promotion of their economic interests." [4]

Paul Lambert defines a co-operative society as "An enterprise formed and directed by an association of users, applying within itself the rules of democracy and directly intended to serve both its own members and community as a whole." [5]

These two definitions are sufficient to bring out the salient features of co-operative organisation. The enterprise is owned and managed by the co-operators themselves. It has democratic basis and service objective. It

is an organisation of men rather than money, and intends to remove economic weaknesses of the people through mutual help.

Principles of Co-operation.

(1) Voluntary, Open and Active Membership

(2) Democratic Control

(3) Limited Interest on Share Capital

(4) Equitable Distribution of Surplus Divided

(5) No Profit Motive but Service Motive

(6) Self Help Organisation

(7) Limited Liability

(8) Free from Religion and Politics

(9) Promotion of Co-operative Education

(10) Mutual Co-operation among Co-operatives

1.4.2(b) <u>Banking</u>

According to H.L. Heart, "A Banker is one, who, in the ordinary course of his business, receives money which he repays by honouring cheques of persons from whom or on whose accounts he receives it." [6]

According to the Banking Regulation Act, 1949, "Bank is an institution which accepts deposits for the purpose of lending or investment of deposits of money from the public repayable on demand or otherwise and withdrawable by cheques, drafts, order or otherwise." [7]

The Bank is a financial institution which accepts deposits from the public and advances loans to the needy. It is a profit earning institution and the difference between the interest received on loans and the interest paid on

deposits is its profit. It also performs some agency and utility functions for its members.

Functions of the Banks

(1) Accepting deposits

(2) Advancing loans

(3) Investment of funds

(4) Agency functions -

(i) Accept and recover cheques

(ii) Execute standing instructions of the customers

(iii) Work as trusty

(iv) Work as clearing agent

(v) Transfer the money

(vi) Guidance about the business

(5) Utility Functions

(i) Safe Deposit Lockers

(ii) Travellers Cheques and Gift Cheques

(iii) Letter of Credit

(iv) Help in foreign exchange transactions

(v) Work as underwriter

(vi) Collect salary of other Institutions

(vii) Guidance about tax-planning and investment.

1.4.3(a) Urban Co-operative Banks

Urban Co-op. Bank is one which is established in urban or semi-urban areas on the basis of co-operative principles to perform the banking functions as like commercial banks such as accepting deposits and advancing loans.

Urban banks cater to individuals living in urban and semi-urban areas. These accept all kinds of deposits and have also helped small saving resources of the country. These banks have also considerably helped the members of low and middle group people. These banks have been in a position to attract more deposits. The repayment of loans and the overdues are not the serious problems. Recovery is more or less regular.

These banks have made a good progress, but that is not uniform in all the states. Reserve Bank of India has paid attention to the urban banks. It has made very useful recommendations. If accepted, the banks shall be in a position to better serve the society.

Importance of Urban Co-operative Banks -

(1) These banks work for local level and there is participation of local people in these banks.

(2) They give the financial assistance to the small and middle-class people.

(3) They give excellent customer-service.

1.4.4(b) <u>Urban Co-operative Credit Societies</u>

The urban co-operative societies are those which are formed by the members by collecting capital on the basis of co-operative principles in a specific area of operation for the economic upliftment of the members.

These societies can be formed by the employees in a specific institution, by the people in urban and rural areas, by the women and by the socio-economically backward people

coming together. These societies are other than Agricultural Credit Societies.

Objects of the U.C.C. Societies -

(1) To encourage thrift, self-help and co-operation among the members.

(2) To attract deposits from the members as well as non-members.

(3) To lend money to the members at the reasonable rate of interst.

(4) To invest the money or funds of the society not required for lending.

(5) To carry on non-credit functions, such as running a consumer store, Bazar, sale of cloth, etc.

There are mainly two types of these societies. They are as follows -

1) Employees Co-operative Credit Societies

The employees working in the same undertaking form these societies. To increase the habit of savings among the employees and to provide loans to them in their time of needs are the two main objectives of these societies. The examples of these societies are Govt. Press Employees Co-op. Credit Society, Mission Hospital Employees Co-op. Credit Society, Sugar Factory Employees Co-op. Credit Society, etc.

2) Other Urban Co-op. Credit Societies

The people living in urban or rural areas come together and form these societies for their economic upliftment. Basically on the basis of their nature, we can

classify these societies into the following various types -

(a) Urban Co-op. Credit Societies - These societies are formed by the members living in urban and semi-urban areas.

(b) Rural Non-Agricultural Co-op. Credit Societies - The members living in rural areas establish these societies. Firstly, there was no distinction between urban and rural societies, but now-a-days, the words 'rural' and 'non-agricultural' are added in the names of these rural societies.

(c) Women Co-op. Credit Societies - The members of these societies are only or mainly women. These societies organise welfare activities for the women.

(d) Co-op. Credit Society for Back-ward Class People - These societies are established by the people of socially and economically backward class. They try to uplift their economical conditions through these societies.

At present the following types of urban co-op. credit societies are working in Wai Taluka -

(1) Employees Co-op. Credit Societies.

(2) Rural Non-agricultural Co-op Credit Societies.

(3) Urban Co-op. Credit Societies.

(4) Women Co-operative Credit Societies.

For all types of these societies the abbreviation 'U.C.C. Societies' has been used henceforth.

1.5 Problems to be Investigated

The present study is related to the working, management and financial aspects of U.C.C. societies in Wai Taluka.

The problems to be investigated are -

(i) Are the U.C.C. societies in Wai Taluka adequate to the considering population?

(ii) Is the staffing pattern of these societies proper and adequate in the context of fulfilling the working of these societies?

(iii) Are these societies helpful in keeping the deposits of their customers safe and also in providing advances to the needy members?

(iv) Are the relations among these societies and with the other banks healthy?

(v) Are the laws and bye-laws in the Co-operative Societies Act, 1960 helpful to these societies?

(vi) What managerial and financial problems have these societies to face?

1.6 Objectives of the Study

(1) To study the need for establishing U.C.C. societies in Wai Taluka and the reasons for increasing their number on large scale.

(2) To study the process of establishment and the organisational structure of U.C.C. Societies in Wai Taluka.

(3) To analyse the overall working and financial limitations of these societies.

(4) To assess the role played by such societies in the economic development of their members.

(5) To identify the managerial and financial problems of such societies in Wai Taluka.

(6) To present observations and make suggestions.

1.7 Review of Literature

In the co-operative system the Urban Co-operative Societies are creating their own special place. Small traders, small businessmen, small entreprenuers, artisans, small distributors, the employees and workers in urban and semi urban areas and specially the economically backward people in the society are getting the financial assistance by the urban co-operative credit societies. These societies have acquired an important place in the Indian economy.

The Urban Co-op. Credit Societies started from 1889 in India. In the period from 1855-85, the Urban Co-op. Credit societies, established in Germany by Harman Schultz and in Italy by Luigy Luzzatti, secured a great success. Due to this success, the philosophers in India thought that the co-operative movement has the capacity to remove the obstacles in the credit-supply of the middle class. Taking an inspiration from this thought some middle class Maharashtriyan people living in Baroda (now Gujrat State) established a 'Mutual Aid Society' on 5th February 1889. The name of this

institution was 'Anyonya Sahakari Mandali'. The sculpture of this concept was late Vitthal Laxman Kavathekar. The Co-operative Societies Act 1904 gave it the legal standard.

The first Urban Co-operative Credit Society in India was registered in 1904 in Kanjivaram in Madras (Now Tamil Nadu) State. Then in October, 1905 'Betegiri Co-op. Credit Society was established in Dharwad in Bombay Presidency (now in Karnataka) and in December 1905 'Banglore City Co-op. Credit Society was founded in Banglore in Maisure (now Karnataka) State. Thus, in the year 1905 the two Urban Co-operative Credit Societies were started to function. However, it was founded that these societies did not make much progress from the point of the Society is concerned.

But after the Second World War, it got the encouragement for the establishment of Urban Co-op. Credit Societies and their functioning. In the reports of many committees it was expressed that these credit supplying societies are badly needed. It is important to note the considerations of some important committees. [8]

(1) <u>Maclagan Committee, 1915</u>

In the first stage, there was not much progress of the Urban Co-operative Credit Societies. In 1915, the Maclagan Committee suggested the three-tier system in co-operative societies and then this situation changed and the co-operative credit societies were speedily established to provide the credit to the people living in urban areas. That year so many Joint Stock Companies were closed and it got the

encouragement to establish the Urban Co-operative Credit Societies. The Maclagan Committee in its Report expressed a view that societies can function well in collecting the savings of local people through the way of deposits and fulfilling their economic needs for making them free from the money lenders trap. This committee clearly stated that 'Urban co-op. credit societies can perform the useful function of teaching the general philosophy of Banking to the high and middle class people.'

The Committee expressed its opinion on Co-operation that "Urban Credit Societies might serve a useful purpose in training the upper and middle urban classes to understand ordinary banking principles."

(2) Indian Central Banking Enquiry Committe, 1931

Then in 1930 there arise an economic depression in the world. But, it was not founded that the urban co-op. credit societies got any bad effect of this dispersion. At that time a committee was appointed to study the Banking business in India. This Committee also studied the Urban Co-op. Credit Societies. The main recommendation of this Committee was that, "The commercial Banks provide the financial help to the big businessmen and traders. This type of help should be given to the small traders and middle class needy people by the urban banks and urban co-op. credit societies."

The Period of Second World War

During the period of second world war there arised a great shortage of essential and other commodities in the country. But due to that only the economic field got the days of prosperity. Because for the purpose of purchasing the commodities, the need for credit-supply arised. Specially, the middle class people wanted these societies. And as a result of all this, a great encouragement received for the establishment of the urban co-operative societies. Then the Urban Co-operative banks and urban co-operative credit societies increased in numbers gradually.

(3) Purview by R.B.I. 1939-40

The progress of U.C.C. Societies and banks can be assessed from the following observations of the Reserve Bank of India made in Purview of the Co-operative movement in India in 1939-40 -

"Urban Credit Societies and banks are the most important feature of the urban co-operative movement in India, and make up to some extent for the absence of joint stock banking facilities in the smallest towns."

(4) The Co-operative Planning Committee (1946)

The entral Government established the Co-operative Planning Committee in 1945 under the Chairmanship of Mr. Ramanlal Suraiyya, the great leader in the field of co-operative movement. The committee stated the importance of functions of Urban Co-op. Credit Societies. The Committee concluded that it is very expensive to give small loans and

to recover them. Therefore, the Joint Stock Banks have no interest in developing the small businessmen. In opposite to it, the Urban Co-operative Credit Societies have nearly and affectionately relations with the people having low income. Therefore, such types of urban co-operative credit societies feels very trustful from the point of fulfilling the credit requirements of low-income class.

(5) R.B.I. Survey (1958-59)

In 1958-59, the Reserve Bank of India made a survey about the deposits, loans, investments, and other functions of U.C.C. Societies and banks. In its Report, it is clearly stated that these socieites should provide credit to the low income group in the societies, to the small enterprises and to the production function. Though there may be an increase in the loans for family and personal needs, these societies should give stress for the economic upliftment and welfare of the members.

(6) Rural Banking Enquiry Committee (1950)

The Rural Banking Enquiry Committee appointed in 1950 also stated absolute importance of urban co-operative banking in the Indian Banking system. This committee expressed its view that the urban co-operative credit societies can fulfil the needs about the loans of the urban and rural people. These societies have low administrative expenses and they can perform well in the small sections of taluka level also.

From 1951, the Five Years Plans were started for the alround economic development of India. But in these plans the stress was given for establishing the Agricultural and Industrial Co-operative Societies. No importance was given for the functions and establishment of urban co-operative credit societies.

Besides these committees another same committees also showed the importance of U.C.C. societies. The usefulness of these societies in financing artisans, small traders, factory workers and urban middle classes was recognised by various committees. The recommendations and reports of the following committees and commissions created favourable circumstances for the development of U.C.C. societies -

(1) Study Group on Credit Co-operatives in the Non-Agricultural Sector (Varde Committee), 1963.

(2) Working Group on Industrial Financing through Cooperative Banks (Damari Committee), 1968.

(3) Banking Commission (1972).

(4) Committee on Problems of Urban Banks in Maharashtra (1976).

(5) Committee on Urban Co-op. Banks (Madhav Das Committee), 1979.

(6) Hate Committee, 1981.

1.8 Methodology of the Study

1.8.1 The Universe

The present study is designed to cover the whole population of U.C.C. societies in Wai Taluka. These societies are regulated by the Department of Co-operation, Maharashtra State. The list of the U.C.C. Societies in Wai Taluka has been obtained from the office of Assistant Registrar of Co-op. Societies, Wai.

As the Reference period for this study is the financial year 1993-94, the societies established upto 31st March 1994 are taken for the study. In all there were 42 U.C.C. societies in Wai Taluka registered upto 31st March, 1994 (Refer Appendix 1).

The universe being itself small, drawing sample from that would not give correct picture of the working of these societies. Moreover, the universe is managable and it is within the reach of an individual research student; hence all 42 U.C.C. societies in Wai Taluka are chosen for this study.

However, out of these 42 societies, one society has been transferred into the Urban Bank and another society is liquidated. Therefore, the present study has been made about the remaining total 40 U.C.C. societies in Wai Taluka. Moreover, census method is applied in order to obtain highest accuracy.

1.8.2 Tools used for Collection of Data

(a) Primary Data

For the purpose of collecting primary information, a detailed and comprehensive questionnaire was prepared on the basis of the objectives of the study (Refer Appendix II) The questionnaire prepared for the study covers aspects such as -

(i) General information about the society.

(ii) Strength of the members, directors & staff.

(iii) Details about capital, Deposits and loans.

(iv) Details about arrears, dividend and Audit-class

(v) Working conditions of secretary and the staff.

(vi) Facilities provided by and future programmes.

(vii) Problems of the societies.

(viii) Suggestions to improve performance.

Tentative questionnaire was prepared through a pilot survey covering two societies. The tentative questionnaire was also discussed with the Research Guide, the Chairman, Secretaries and the working staff in these two societies and also with the officers in the office of Assistant registrar of Co-op. Societies, Wai. On the basis of the experience, thus gained, an elaborate questionnaire was finally prepared. Thus, pretesting step serves as a vehicle for evaluating the usefulness of the questionnaire in obtaining the type of data sought for successful completion of the proposed study.

The final questionnaire was circulated among the secretaries of the societies and the primary data was collected. Primary information was also collected from personal interviews and discussions with the customers, members, staff, directors of the societies etc. and the government officials. Besides the questionnaire, the observation method was used for getting the information.

Participation observation was also adopted as a tool of research in this study. This method has the merit of providing means for studying a whole system with its many interrelationship in great details. Accordingly, the researcher attained some meetings of the Board of Directors and the Annual General Meetings of the U.C.C. societies.

Informal unstructed interviews and the discussions was another method adopted in this study. This method proved to be highly successful in eliciting the frank and reliable responses from the respondents, concerned senior officials and social workers were interviewed, some of them several times to disucss various aspects of working and problems of U.C.C. societies in Wai Taluka.

(b) Secondary data

Secondary data, useful for this study, was collected from the published and unpublished sources . Published sources such as Annual Audit Reports and Balance Sheets of the U.C.C. Societies, Information and data from the Department of Co-operation, Govt. Circulars, News Papers, Magazines and some periodicals were also used for collecting

the statistical information.

In the beginning the researcher undertook a study of related literature like Books, Reports and the Journal Articles on the co-operative movements. A study of the co-operative bye-laws was also made.

Unpublished sources like Ph.D. theses and M.Phil. Dissertations were also used for the collection of necessary data for this study.

1.8.3 Reference Period

All the information and data of related to the U.C.C. Societies in Wai Taluka were collected for a period of one financial year i.e. from 1-4-1993 to 31-3-1994.

Thus, the present study is mainly based on the field investigation during the year 1993-94, by using this one point data the overall working of U.C.C. societies in Wai Taluka.

1.8.4 Technique of Analysis

For this study, the collected data were processed and tabulated by the way of tables. The tables were formed, so as to bring out the information on all aspects of working and management of U.C.C. Societies in Wai Taluka. While analysing the data, simple statistical techniques such as percentages and average were used. Moreover the data was presented with the help of charts and maps.

1.9 Significance of the Study

Co-operation is a subject which is related with the social and economical aspects of the country. In India and in

Maharashtra much research work has been done in the field of co-operation and Banking. These studies covered the importance of co-operative societies, their problems and prospectus and so on. But the study of working of Non-Agricultural Co-op. Credit Societies remained neglected area. This is the first attempt of such study in Wai taluka. It is also an inter-disciplinary study. The studies of history and survey of performance have been made in the field of co-operative Banking, especially about the agricultural credit movement. However, this study covers the working, management and financial aspects of non-agri. co-op. credit societies in Wai Taluka.

Moreover, no study has covered the working and management of Non-Agri. Co-op. Credit Societies in Wai Taluka. The present study tries to cover this gap. It tries to study not only the working but also the organisational and financial aspects of non-agri. co-op. credit societies in Wai Taluka. The items and problems highlighted by this study are important. The findings and suggestions of this study may be very useful in the successful functioning of non-agricultural co-operative credit societies inWai Taluka. The study may be valuable to the co-operative societies in general and to the co-operative Development in particular.

1.10 Scope and Limitations of the Study

All the 40 urban co-operative credit societies are taken into consideration for the purpose of this study. This

study covers the credit societies form on the basis of co-operative principles but which give advances only for the non-agricultural purposes. All these societies are run by the Board of Directors selected by the members themselves. These societies accept deposits from the public and advance loans to their members. All these societies are in Wai Taluka i.e. some are in rural area and others are in semi-urban area. This study covers all the types of non-agricultural co-operative credit societies inWai Taluka. The main types of such societies are as follows -

1. Employees Co-operative Credit Societies.
2. Women Co-operative Credit Societies.
3. Urban Co-operative Credit Societies.
4. Rural Non-Agricultural Credit Societies.

These all types of non-agricultural co-operative credit societies are registered at the office of Assistant Registrar of Co-op. Societies, Wai. The study covers all the important factors such as procedure of establishing a new co-op. credit society, its bye-laws, the present position of co-op. credit society in Wai taluka, their problems and suggestions for their improvement.

1.11 Arrangements of the Chapters

There are 6 chapter under this study.

Chapter 1 relates to the introduction of the subject matter and explains related concepts, nature and approach to the problem. Also it covers the objectives of the

study, significance of the study, scope and limitations of the study. This chapter also discusses methodology of the study with reference to the universe and the tools used for the collection of data.

Chapter 2 is the History and development of the non-agricultural co-operative credit societies. It takes a review of their History and development in India and in Maharashtra, also in Satara District and particularly in Wai Taluka. This chapter also highlights the role of non-agri. co-op. credit societies in the socio-economic development of our society.

Chapters 3 and 4 present a detailed analysis and interpretation of these primary data of 40 societies chosen for this study applying census method.

In Chapter 3, an attempt is made to analyse the organisational, managerial and administrative aspects of the non-agri. co-op. credit societies in Wai Taluka.

Chapter 4 discusses the financial aspect i.e. the sources of incomes and items of expenditure of the non-agri. co-op. credit societies in Wai Taluka. This chapter also highlights the rules and regulations of raising capital, maintaining reserves, accepting deposits and advancing loans to the members. Comparative study of the financial statements i.e. P & L Account and Balance sheet of non-agri. co-operative credit societies in Wai Taluka. The various rates of interest on deposits and loans and their rules are studied in this chapter.

Chapter 5 discusses the basic problems of such societies. Generally they face many obstacles in their day-to-day working. There are administrative, financial, managerial and other so many problems of the Non-Agri. Co-op. Credit Societies in Wai Taluka.

The last 6th chapter is related to the findings and conclusions. Important suggestions for improving the working and management of Non-Agri. Co-op. Credit Societies are also given in this chapter.

1.12 References

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