CHAPTER – III

LITERATURE REVIEW

3.1 INTRODUCTION

Review of literature is a systematic survey on the facts, figures and collection of major findings of past researches on a particular topic. It is useful to understand what has happened in the subject during the past. In every research, there are certain preliminary works done by the researcher and the review of literature is one of them. The review of available literature and studies is the basis for further research. It is worth to review the relevant literatures before doing a research study. It exhibits how much work has been already done in the area under research. A review of literature is further helpful to identify the research gap and lead the study to fill in such a gap. A detailed literature on the process of consolidation of banks including Urban Cooperative Banks and other related issues are given below.

3.2 EMPIRICAL STUDIES ON CONSOLIDATION OF THE UCBS

_Pai (1990)_ observed that, out of the total priority sector advances of Cooperative Banks in India, the highest share was given for trade (24.4 per cent) followed by small scale industries (23 per cent) and housing constituted only 6 percent. The significance of the Cooperative Banks was left even in the early part of this century. Many committees and working groups appointed by Government of India, Reserve Bank of India and State Governments have emphasized the importance of Cooperative Banks from time to time.

_Salim Uddin (1990)_ evaluated the working and impact of various Cooperative financing institutions in Haryana State. He suggested that the professionalization of Co-operative management is the need of the hour and a well defined code of conduct for managers is also needed. The author also recommended that for the success of the movement, the central Co-operative banks should have a balanced board of directors with diverse talents, sound policies and commitment for proper implementation. He also suggested that the cost of administration should be reduced and various new practices be introduced for the sound functioning of the banks.
Veeresh B. (1995) evaluated the performance of Mahila Co-operative Bank Ltd., in Bangalore city of Karnataka State, for a period of 14 years from 1979-80 to 1992-93. The variables selected for the study were membership, share capital deposits, loans and profits. The study indicated a successful operation of the bank during the 14 years period. All the variables registered an increasing growth over the period. Author suggested the bank to provide non-credit service to its members.

Niranjanraj and Chitanbaram (2000) in their study titled, “Measuring the Performance of DCCBs” observed that suitable models should be developed to evaluate the performance of co-operative banks. They considered 23 parameters falling into four major groups for measuring the performance of District Central Co-operative Banks and assigned appropriate weights to each parameter. They ranked 14 District Central Co-operative Banks of Kerala based on composite marks. They suggested that performance of co-operative banks should not be measured in terms of financial/ economic achievements only, but their performance as co-operative organizations (social achievements) should also be evaluated.

Rathod C.S. (2000) has attempted to study the “Management of Cooperative Banks” which dealt with the management of CCBs in Gujarat State, in terms of management of funds mobilization as resources, purpose-wise financing and various sections of cooperative activities.

Satyasai and Badatya (2000) conducted a study regarding restructuring Rural Credit Co-operative Institutions. They analysed performance of rural co-operative credit institutions on the basis of borrowings and lending operations, cost structure, financial viability, etc. and found that co-operative system, in general, had failed to perform its functions properly. They advised the co-operative banks to diversify their business and also to overcome internal (rising transaction cost, declining business level, mismanagement of overdues) and external (excessive bureaucratization, politicization) weaknesses.
Verma and Reddy (2000) conducted a study analyzing the causes of Overdues in Cooperatives, to assess recovery and NPAs position in these banks. Policy distortions in liberalized economy and inefficient management were identified as main reasons for poor recovery. Misutilisation of credit, political interference at every level, successive crop failures, non-remunerative prices of agriculture produce, inadequate income and natural calamities, were some other factors, which affect the working culture of cooperative banks considerably. To improve the working of these banks, the study suggested that available credit size should be need based and production-oriented. Effective supervision of loans to minimize misutilisation and close social relations with loanee members were two other suggestions to improve the profitability and productivity of these banks.

Das (2001) in his study titled, “A Study on the Repayment Behaviour of Sample Borrowers of Arunachal Pradesh State Co-operative Apex Bank Limited”, examined the repayment behaviour of loanees, covering a period of five years from 1994-95 to 1998-99. On the basis of primary data collected, researcher concluded that incidence of default was highest among the borrowers for agriculture and allied activities. Agriculture loanees, horticulture loanees, small business loanees and service sector loanees were ranked 2nd, 3rd, 4th and 5th in a descending order on the basis of percentage defaulters. Study further revealed that the number of defaulter loanees was highest in government sponsored schemes.

Viswanath (2001) in his study titled, “An Analysis of Performance of Agricultural Credit Co-operatives and their Overdues Problems in India” concluded that during the period 1950-51 to 1995-96, the total loans advanced by PACs increased from `24 crore to `14,201 crore i.e. 587 times, but unfortunately this increase was followed by a corresponding increase in overdues. The results of Development Index in PACs of 16 states indicated that the performance of only 5 states, i.e., Karnataka, Gujarat, Tripura, Orissa, and Maharashtra was above the National average, while that of the remaining 11 states including Punjab were below the average. Using correlation technique, the extent of relationship between overdues and four variables, i.e., number of societies, total
membership, working capital and total amount of loans advanced was studied. He concluded that there was a direct and positive link between overdues and membership on one hand, and overdues and working capital, amount of loans advanced on the other.

Lodha (2002) in his study titled “Social Lending – Its Relevance in Deregulated Economy” studied how far the two extremities, viz. profit maximization and social lending will co-exist in the deregulated market, particularly in a developing economy like India. He concluded that

(1) Social lending should continue despite reforms;
(2) Economic reforms should continue;
(3) Target lending should be abolished;
(4) Social lending should be confined to weaker sections only;
(5) Time bound lending with least formalities should be ensured;
(6) Lending decision should be based on cost benefit analysis;
(7) Subsidy in social lending should be scrapped;
(8) Loss making rural branches should be converted into satellite offices;
(9) Self- help groups should be encouraged; and
(10) Business hours and days should be changed to face competition.

Prabal K. Sen (2002) traces the origin and development of UCBs through the nineteenth and twentieth century’s, when growth of these institutions was facilitated by ascendency of the middle classes, on the one hand, and inability of the commercial banks to meet their increasing expectations, on the other. He takes note of the post-reform status of the UCB sector and attempts to study its problems in perspective. He argues that with increasing interdependence between financial institutions brought about by financial sector reforms, any deformity developed in one segment of the system gets quickly transmitted to the other segments. As such, the issues involved and the problems faced by UCBs need to be addressed urgently, not only to ensure future growth of these institutions, but also to secure orderly progress of the entire financial system of the
country. He also offers suggestions for addressing the major issues connected to the present day problems of UCBs and lays emphasis on the paramount role of financial regulation in the process.

*Nair (2004)* in his paper titled, “Village Co-operatives – A Century of Service to the Nation” observed that by 2004, the formal institutionalized co-operative sector completed a century of its service to the nation. Analysing the progress of Primary Agricultural Co-operative Societies, he observed that during the half century spread over 1951-2001, the PACs made rapid strides in membership, owned funds, deposits, and channelizing production credit for farmers. They were versatile in the sense; they can take up any type of rural financing and rural service activity at short notice and at lowest transaction cost. But besides excelling on all fronts, the co-operatives are feeling handicapped due to mounting NPAs. The overdue loans of PACs increased to `95,899.60 million in 2000-01 as compared to `63.79 million indicated in 1950-51, thereby subjecting them to a sustained and systematic process of reviews, reorganisation and restructuring.

*Archit B. Panchal (2005)* concluded that in the post reform era, market is not so simple. With entering in globalization, the exchange rates fluctuate more and as a result the volatility of interest rates and asset price movement has appeared in financial market. So, in this global financial market, co-operative bank has to establish its own image to stable in that fluctuated market. For that they have to follow the norms of the RBI and break the barriers that put them in crisis. And they should think globally and be a “Universal Bank”.

*Carlos et al. (2005)* studied productivity changes in European co-operative banks and concluded that an effective use of technology between 1996 and 2003 had increased productivity for majority of the European co-operative banks under study. An appropriate policy recommendation by the researchers was for larger or centralized co-operative banks to develop and franchise technology to smaller co-operatives.
**NABARD (2005)** conducted a study “Development in Co-operative Banking”, to evaluate the financial performance of 1872 urban co-operative banks and 1,06,919 rural co-operative credit institutions. The findings of the study revealed that in all financial institutions in the rural sector (SCBs, DCCBs, SCARDBS, and PCARDBS), percentage of NPAs in the substandard category declined, while it had increased in doubtful category. NABARD was worried about deterioration in asset quality of these banks. However, all the institutions were able to meet the necessary provisioning requirements. It further highlighted that NPAs ratio in DCCBs varied significantly across the states from 5% to 68% at the end of March 2004. Only in four states (Haryana, Himachal Pradesh, Punjab and Uttrakhand), the NPA ratio was less than 10%. NABARD suggested that co-operative banks should implement One Time Settlement system (OTS) and refer small value advances to Lok Adalats and high value advances to Debt Recovery Tribunals (DRTs). Further, State Governments were requested to help co-operative banks in reducing NPAs by taking special recovery drives.

**Prasad (2005)** in his research paper titled, “Co-operative Banking in a Competitive Business Environment” stated that the technology had made tremendous impact on entire banking sector, which had thrown new challenges, due to which co-operative banks were constantly exposed to competition and risk management. Therefore, they needed a combination of new technologies and better processes of credit and risk appraisal, treasury management, product diversification, internal control and external regulation along with infusion of professionalism. In the present business environment, the co-operative banks should be backed by democratization, depoliticisation & decentralization so as to make them competitive. He felt an urgent need for transformation in the mindset, identity, business operations, governance and systems & procedures, which will definitely boost the morale of co-operative banks to face environmental challenges.

**Suryan and Veluraj (2005)** in their study titled, “Profitability Analysis of the Pondicherry State Co-operative Bank”, analysed the performance of the bank from 1998-99 to 2002-03. Various ratios, such as cost of management (total expenses) to working
capital ratio, profit to working capital ratio, non-interest income to total income ratio, etc. were used to assess the general performance of the bank. Spread and burden positions of the bank were also analysed. They concluded that the profitability performance of the bank was impressive and bank was able to meet its obligations and norms. The cost of management and establishment expenses got reduced during the period of study which further strengthened the profitability position of the bank.

Venugopalan M. (2005) concluded that the right Core Banking solution is implemented in the right way, it will enhance capabilities of the Bank in all fronts and make, “Banking without boundaries”, a reality. In today’s context, Core Banking has become necessary for banks to stay in competition, or if I can be more emphatic, even for its survival. Implementing a Core Banking Solution is almost akin to transforming the bank itself and to make it a success it will require change in attitude, commitment and involvement of staff at all levels and the project should be top driven right from the level of the Chief Executive of the Bank.

Bagchi (2006) in his study titled “Agriculture and Rural Development are Synonymous in Reality: Suggested Role of CAs in Accelerating Process” analyzed the performance of Primary Agriculture Credit Societies, and observed that PACS could not match up to the increasing requirements of growth dimensions in the Agriculture /Rural development in the Post-independence period, although till the late 50s, they were the only available source of institutional rural finance.

Singh and Singh (2006) in their study titled, “Funds Management in Central Co-operative Banks—Analysis of Financial Margin” attempted to estimate the impact of identified variables on the financial margin of the central co-operative banks in Punjab with the help of correlation and multiple step-wise regression approach. The ratio of own funds to working funds and the ratio of recovery to demand were observed to be having positive significant influence on financial margin, whereas overdues to total loans were found to be negatively associated with the concerned parameter. A high percentage of own funds and timely recovery of previous loans outstanding, as a source of funding new loans by the bank, increased the financial margin in these banks.
**Heiko and Martin (2007)** conducted a study on co-operative banks and their financial stability. The study was based on individual bank data drawn from the Bank Scope Database for 29 major advanced economies and emerging markets that were members of the Organization for Economic Co-operation and Development (OCED). They found that co-operative banks in advanced economies and emerging markets had higher scores than commercial banks, suggesting that co-operative banks were more stable. These findings, perhaps somewhat surprising at first, were due to much lower volatility of co-operative banks’ returns, which offsets their relatively lower profitability and capitalisation.

**Mukul G. Asher (2007)** in his article Reforming Governance and Regulation of Urban Co-operative Banks in India argued a case for a paradigm shift in the way Urban Co-operative Banks (UCBs) are managed, governed, and regulated in India to enable them to enhance their contributions to achieving greater degree of financial inclusion, and more broad based growth. Design/methodology/approach. The paper finds that if the UCBs are to retain relevant and play a significant developmental role in India, they will require same quality of governance and regulation as well as professionalism and modernization the mainstream commercial banks. The governance and regulatory structures need to be brought in conformity with India’s current and prospective economic structure and relevant laws modernized. This requires a paradigm shift in the role of UCBs.

**Shah (2007)** conducted a case study of Sangli and Buldana District Central Co-operative Banks regarding the financial health of credit co-operatives in Maharashtra and found NPAs or overdues as the main factors for deterioration in health of these banks. The study revealed that both these banks showed a decline in their financial health and economic viability during the late nineties as against the early nineties period.

**Kumar (2008)** in his thesis, worked on “Management of Non-Performing Advances – A Study of District Central Co-operative Banks of Punjab”. A sample of ten DCCBs, i.e., five with high level of NPAs and five with low level of NPAs, was taken for the study. It
was found that despite the best efforts, Central Co-operative banks had not succeeded in diversifying their business. The NPAs in crop loan were found to be the lowest, while these were the highest in non-farm sector loan. On the basis of step-wise multiple regressions, it was found that caste, education, amount and adequacy of loan were the main factors affecting repayment performance of the borrowers. She suggested that these banks should form a special cell to monitor NPAs and should take services of recovery agents.

Mariappan V. (2008) concluded that though the mergers and acquisitions across the industry take shape with the primary objective of consolidating the positions of the companies, the objective in case of cooperative banks is twin, that is strengthening the cooperative banking sector as a whole by providing a safe exit for weak and sick cooperative banks and strengthening the individual banks. Therefore, the objective is partially economic and partially non-economic, a social cause, that is saving the sector by redeeming the sliding image b the strong entities. This is definitely possible as the boards of management of cooperative banks have started showing positive responses in the recent years towards consolidation. The increase in the number of applications from 36 to 60 submitted to the RBI for merger from March, 2006 to Mat 2007 vouches progress towards consolidation. However, only 8 states led by Maharashtra and Gujarat have shown a keen interest in this area so far. The rest of the states have to act quickly to the demand of the situation and strengthen their cooperative credit structure by merger and amalgamation when the time is ripe. The roles of internal and external stakeholders are very important in the whole process.

Murthy (2008) in his paper titled, “Rural Finance: A Remedial Measure for Rural Poor” focused on the role of financial services as key to enhancing economic development and reducing poverty in rural areas. Rural finance has often led the way in addressing social, gender and ethnic equity issues which hold families in poverty. He, however, observed that the access was limited for poor households and for micro, small and medium enterprises. Despite rapid economic development in India the number of people living below the poverty line has decreased only slightly. While there was a numerically strong
infrastructure of formal financial institutions in rural India, they often lacked the capacity to provide adequate demand-oriented services. He recommended that the major constraint of such important rural finance agencies, i.e., lack of resources should be removed, by facilitating them to mobilize resources from capital market and other newer sources.

**Rutamu and Ganesan (2008)** in their research article titled, “Profit and Profitability of Co-operative Banks : The Case of Banques Populaires (Peoples' Bank) of Rwanda” stated that financial institutions in general and banking sector in particular play a strategic role in the financing stage of capital formation. In the banking sector, co-operative banks undertake the responsibility of mobilising the scarce savings of the community and channelizing these savings for productive investment in the economy. They discussed the performance of Banques Populaires and the determinants of its Profit and Profitability. It had been noted that the net profit was not distinguished from Gross Profit in the years 1994-2004. The empirical results from the six models of Profit and Profitability showed that total assets per branch, other earnings and total deposits per branch were the determinants of profit in Banques Populaires, while total assets per branch, and the number of branches were the determining variables of profitability of Banques Populaires. The low return from investment of Banques Populaires indicated a lack of cost control and unsatisfactory sources of income other than interest from advances. It was, therefore, crucial that Banques Populaires should make further effort for the improvement of its efficiency in operations so that the low profitability might be uplifted.

**Dhanappa (2009)** in his study titled, “Performance Evaluation of UCBs: A Case Study of Kallappanna Awade Ichalkaranji Janata Sahakari Bank Ltd. Ichalkaranji” made an attempt to examine the working and financial performance of UCBs. The objective of the study was to examine and analyze the trend, progress and problems of this bank, and to offer some important suggestions for improving the competency and efficiency of the bank. The related data had been collected for the period from 1995-96 to 2007-08. He used various statistical tools such as ratios, percentages, averages, and chi-square test to
analyze the data, to know the performance of the UCBs in respect of share capital, deposits, reserve funds, loans and advances, investment, profit, and NPAs. He observed that the bank had maintained NPAs under control at the best stipulated level of RBI norms. There was immense instability in net profit. The bank should focus on non-interest income sources (commission based services) to increase the profit level and reduce the NPAs. CD ratio of the bank was declining continuously which was not a good signal. The economic health of the bank was sound and the Bank was able to compete with other banks. He further suggested that loans should be provided (at least to regular borrowers) on competitive rates of interest.

Mariappan V. (2009) concluded that although many issues have brought the cooperative banks to the current state of affairs, it is important for this sector to bounce back from the crisis in order to continue the fight that they have waged for so long for achieving economic freedom of the deprived class of the society. Though there is increasing number of players in the financial system with every passing day, there cannot be any replacement to the role of rural credit disbursement of cooperatives banks. Their presence in the banking industry is paramount now in the new economic order. But to ensure their continued presence, some course correction is required by adopting the new market realities and negotiating the changing support of the government and regulators. Innovations and creative approaches should be used to solve time-old problems and bring new business opportunities. The cooperative banks have to inherit and nurture these practices to brave the future. Whatever the difficulties in adopting the changes, cooperative banks have to approach the future with a positive frame of mind and adopt the best practices with regard to funds management, risk management, Accounting and Auditing, internal control, inspection, supervision and monitoring, customers, personnel and technology environment. It is the time for setting the renewed objectives and moving forward.

Rajamohan and Pasupathy (2009) in their study titled, “Performance Evaluation of TAICO (Tamil Nadu Industrial Co-operative Bank Ltd.) – An Application of Structural and Growth Analysis” stated that there were several factors that determined the
operating efficiency and profitability of the bank. In this context, the general performance of a bank can be analyzed more meaningfully and objectively for a given period of time through structural and growth analysis. Through structural analysis the figures reported in the profit and loss account and balance-sheet are converted into percentages for each period to ensure uniformity for the purpose of comparison with those of other periods. Macro mean had been used to exhibit the strength and weakness of each factor considered. The results were summarized in capsule form. Macro mean in respect of interest received constituted 96.8% of the total income; it was 81.2% for interest paid, 18.8% for operating expenses, 91% in the case of spread and 83% for burden. It was found that the net profit recorded a negative growth of 27.8%. Growth rate of operating expenses was at 44%, spread at 15%, burden at 29% and advances at 49%. Therefore, it was recommended that the burden rate should be reduced by effecting cost control measures, and the spread rate be increased so that the profitability may be at a higher rate.

The European Association of Co-operative Banks (2009) in its article titled, "European Co-operative Banks in Financial and Economic Turmoil" was of the view that despite extensive interest rate cuts, liquidity injections and support measures the financial markets were not stable. Figures showed that global economy will experience a deep recession in 2009 and perhaps also in 2010. But as has been demonstrated, most co-operative bank groups had fortunately been able to weather the financial crisis relatively well so far without any state support. This was due to the fact that they generally had limited exposure to toxic assets, a predominant focus on domestic retail banking with stable results, strong capital buffers and principally conservative risk management. The co-operative banks that did report losses due to the subprime crisis were affected primarily at the level of subsidiaries and at the level of APEX institutions. The local banks were not hit directly by the financial crisis. Moreover, they continue to lend money to SMEs and retail customers. Co-operative banks were consequently solid and robust at the local level and accordingly demonstrated stability of the retail banking industry in Europe.
Singh and Singh (2010) in their study titled, “Technical and Scale Efficiency in District Central Co-operative Banks of Punjab – A Non-Parametric Analysis” had attempted to investigate the extent of technical efficiency across 20 DCCBs of Punjab with the help of Data Envelopment Analysis. They brought out that size of DCCBs and profits had been affecting the measures of technical efficiency significantly. The study further revealed that DCCBs of Punjab were suffering from the problems of managerial irregularities and improper production scale. Appropriate policy interventions by state government, RBI and NABARD have been suggested by the authors.

Jyoti Gupta and Suman Jain (2012) conducted a study, based on some successful Co-operative Banks in Delhi. The study of banks’ performance along with the lending practices provided to the customers is herewith undertaken. The customer has taken more than one type of loan from the banks. Moreover they suggested that the bank should adopt the latest technology of the banking like ATMs, Internet / Online Banking, Credit Cards etc., so as to bring the bank at par with the private sector banks. The financial performances of Urban Co-operative Banks improved in 2010-11 through there are some concerns with regard to some of the UCBs reporting negative CRAR. Within the rural cooperative sector, State Co-operative Banks and District Central Co-operative Banks reported profits but the ground level institutions, i.e., Primary Agricultural Credit Societies continued incurring huge losses. The financial performance of long term Co-operatives was found to be even weaker than their short term counterparts. Also, it was observed that the branch network of Co-operatives, though widespread across the country, continued to be concentrated in certain regions. Moreover, the network of Co-operatives was not broad based in the north-eastern region of the country. This suggests that efforts need to be taken to improve banking penetration in the north-eastern part of the country along with improving the financial health of the ground level Co-operative institutions.

Sachin R., Agarwal and S.S. Solanke (2012) attempted to elaborate the problems and the relative perspective of Co-operative banks in the Indian Economy. The study is confined to overall Co-operative banking sectors. There is no such statistical tools are
used. The authors concluded that the cooperative banks are playing a vital role in the progress of the rural areas. Besides that they have to face number of problems but the suggestions of Khusro Committee that the Co-operative banks should work as a total system and develop self reliance. The higher authorities of the banking should help the lower authorities in the way of mother institutions. They should provide authority, leadership, guidance, supervision and control. There should be mutual support, help, accountability and responsibility in the system so that there should be a good and effective relationship between there tiers. The deposit mobilization profit and reserves should be commonly shared. In fact the self reliance is the main theme of progress of Co-operatives deposit mobilization. The mobilization of small savings from large number of people as possible is the desired strategy for deposit mobilization which is the key of success for cooperative banks. The modern practices should be aided with some institutions for remained alive in the modern era. The computerization and improper leadership should be eliminated. They should improve themselves through the principles of Co-operation.

Das M.R. (2013) concluded that the cooperative movements in general and urban cooperative banks in particular are slated for exciting times with command. The RBI’s discussion on this paper only emboldens his vision. Let us hope that the State Governments would cooperate with RBI to accomplish a balanced and disciplined development of the UCB sector. In fact, the State Governments should view this as an opportunity and seize it.

3.3 RESEARCH GAP
The performances of cooperative banks have been analyzed by a number of studies. They include urban cooperative banks too. But, the entire banking scenario in India has experienced a metamorphosis in the last decade of the twentieth century and the changes have become faster in the new millennium.

As recommended by the Narasimham Committee (1991-92), RBI has introduced the financial sector reforms in all commercial banks from 1992-93 and in the cooperative banks from 1996-97. As per the recommendations of “Vision Document for UCBs
2005”, RBI has been trying to consolidate and strengthen the UCBs among the cooperative banking sector by facilitating merger of weak banks with strong banks as well as by allowing unviable banks to exit the sector voluntarily. As per the reforms, the banks have implemented prudential norms, besides computerization of all banking transactions. The change in the accounting practices, use of information technology, aggressive competition, changing needs of customers, consolidation etc. have made an impregnable impact on UCBs to break their traditional performing style so as to enter into a redefined banking arena. Thus UCBs have not been spared by the sweeping changes caused by the financial sector reforms. While going through various research papers and studies, it is learnt that there has not been much attempts made to gather the possibilities of consolidation of cooperative financial institutions. In consonance with the changing atmosphere, this study has been taken up with the opinions of employees and the members / customers of the cooperative banks, especially, Urban Cooperative Banks (UCBs) towards the consolidation process. In this study an attempt has been made to proceed the analysis taking into account the various impacts of the reforms on the functions and the management of the UCBs.

3.4 SUMMARY
In this chapter, the researcher has exhibited her efforts in collecting references relevant to her research title on cooperative banks. She has gone through research papers, journals, study reports, seminar articles, published papers of experts, etc and brought out more than 30 statements with salient points related to the research title. Many literatures appraise the vital role being played by the cooperative banks in Indian Economy. Some studies insisted that the cooperative banks must perform professionally to earn profits; through their prime objective is social lending. They are of the view that the profit making is the base for any business in order to strengthen its capital and to improve performance in the course of business. There are many references made in this chapter in favour of introduction of application of Information Technology, innovative products / services, ATM, core banking, reduction of NPA, curbing political intervention, removal of dual control, etc. Some studies suggested the cooperative banks to diversify their business to compete with the banks in the market. In some articles, the traditional
banking pattern of cooperative banks has been landed as they could survive when many banks failed during 20\textsuperscript{th} century. Consolidation of cooperative banks has been suggested in some studies. A few literatures expressed that the boards of cooperative bank, must renew their objectives and move ahead adopting changing techniques to retain and enhance their market share. Thus this chapter has facilitated the researcher to get acquaintance with earlier studies on cooperative banks and to identify the research gap. This experience gives more confidence to her to proceed further towards data collection analysis and to draw important conclusions.