PREFACE

The Co-operative movement came into existence in England in the late 1700s. Robert Owen is known as the “Father of the Co-operative Movement” The Modern Co-operative movement began in 1844 near Manchester, England. But the idea of a Co-operative took concrete shape in India for the first time in 1904 when “Co-operative credit societies Act, 1904” was passed to encourage thrift, eradicate rural indebtedness and provide easy and cheap credit to the needy and weaker sections of the society in rural areas. This Act was later amended in 1912 and 1919, which has widened the scope of the co-operative movement in India.

The co-operative banking sector in the Indian economy holds a distinct identity. As it is the only institution of micro credit dispersion. The phenomenal growth of co-operative enterprises in recent year is a positive proof of the fact that among various financial institutional agencies they have been recognized as the best for supplying unexploitative, cheap, sound and dynamic credit to small borrowers, professionals, artisans and the weaker sections of society.

In today’s world of uncertainty, people have become conscious about their savings and investments in safest way. They are also in search for an institution from where in case of need they can get easy cheap credit, which is near to their residence and where they can be treated as a family member. The co-operative banking sector is the only one where people can find all these qualities and get good return on their investments as well. Though the co-operative sector is a micro credit dispersion institution, the ministry of finance has accepted its contribution in the growth and development of a particular town/district/state and there by the Indian economy as a whole.
Due to certain changes in the banking sector and new economic policies, the co-operative credit sector in general and the Urban Co-operative Banks (UCBs) in particular have undergone a crisis. At the same time the failure of some good scheduled and non scheduled banks have also attracted the attention of the people and raised the question of security of their fund. So the need to find actual financial stability of the UCBs and assure investors about the operational as well as financial efficiency of the UCBs has been felt.

Distinctive features of the UCBs as compared to other banks have motivated the researcher to do research on the NPA position of the UCBs. It is a fact that there is no dearth of research studies on the NPA analysis of ten UCBs taken together representing all the other UCBs located in South Gujarat. The researcher has therefore selected the topic “Management of Performing and Non Performing assets – A study of selected UCBs in South Gujarat”.

The Present study which is based on the primary and secondary data have been initiated to examine performing and non performing assets management of the UCBs. It also suggests measures to make their role more effective in their services to people and also managing their futures stability.

The present study covers only ten UCBs registered in South Gujarat having span of eight years i.e. from 2001-02 to 2008-09. The study follows analytical methods. The researcher has applied the following tools for the purpose of analysis of data as:
• Common-size statement analysis
• Ratio Analysis
• Trend Analysis

In addition, various types of tables, graphs, charts and diagrams have been incorporated wherever required to interpret collected data.

The study has been presented in seven chapters

The first chapter deals with the basic concept and introduction of PA and NPA, types of banks and the organizational structure of co-operative credit institutions.

The second chapter deals with the historical background, origin and development of the UCBs in India and Gujarat role played by them together with their problems and prospects, etc.

The third chapter deals with the meaning, definition, importance, history (Health code system), technical aspects and managing of NPA.

In the forth chapter deals with stepwise procedure adopted to carry out this research study. The procedure adopted here is sufficiently, effective and most accurate in the light of research and various limitations.

The fifth chapter deals with the analysis and interpretation of financial strength, PA - NPA positions of all the selected UCBs.

The sixth chapter covers the analysis of comparative statements, common- size statements, ratios and interpreting financial data selected UCBs.

In Chapter seven an attempt has been made to summarize the findings of the study and to offer suggestions in order to improve NPA position of the UCBs under study in particular and the UCBs in general.
The last part of the thesis contains the list of books, RBI reports, journals and websites, etc. used by the researcher as reference during the study and also list of tables used in the study as appendices.