Chapter II

REVIEW OF LITERATURE & RESEARCH METHODOLOGY

2.1 Introduction

2.2 Classification of review of literature into the following two Category:
   A] Various expert committees Reports
   B] Researcher literature, Papers etc.

2.3 Need of urban co-operative credit societies

2.4 Significance of Study

2.5 Objectives of study

2.6 Hypotheses of the study

2.7 Scope of the Study

2.8 Methodology

2.9 Limitations of the Study

2.10 Chapter Scheme
Chapter II

REVIEW OF LITERATURE & RESEARCH METHODOLOGY

2.1 Introduction:

“Co-operatives work for the sustainable development of the overall economy through various policies. Co-operative societies serve their members most effectively & strengthen the co-operative movement by working together through local, regional, national & international structure.

The place of co-operatives in Indian economy & its role in social & economic affairs has developed a new dimension with the beginning of the planning. India emphasized the process of planning stemmed partly from the urge of backwardness & partly from line which gave an force to achieve social Justice equality & a decent livelihood for all citizens, the promotion of co-operative thought of not merely as an extension of state action but as a step towards the realization of the best of the co-operative wide spread prosperity.

India adopted a socialistic pattern & pursued the policy of mixed economy with features of both capitalist & socialism. The planning commission which was established in 1950 set the social & economical targets based on equity & Justice. With the objective of self-sufficiency public sector recognized key of development under the direct control of the state. The secondary sector of the economy i.e. private sector came under the regulatory mechanism of the state. The third sector of the Indian economy which would act as a balancing factor for the limitations of the public & private sector was the co-operative sector. Co-operative institutions recognized as an important agents of rural development, social justice & equity. The co-operative movement must be financially strong, originally integrated, professionally
managed & forward looking. New economic policy since 1991 brought into focus the important issues related to the organizational & business restructuring adoption of modern technology, new ways of mobilization of resource & measures to upgrade the standards of productivity. Co-operation is able to survive competition from private sector & public sector rivals, particularly in areas of marketing, technological innovations, & mobilization of resource & development. Strength & flexibility of the co-operative movement tackle the various issues effectively which opened up with globalization in matters of trade, agriculture production & financial services.

2.2 Classification of review of literature into the following two Category:

A] Various expert committees were appointed to study the development of co-operatives & make the recommendations for the sustainable development of co-operative movement from time to time, as & when the government felt that something was wrong with the movement.

1] Co-operative planning committee (1945):

Under the chairmanship of R.G. Saraiya in 1945; recommended that primary societies be converted into multipurpose societies & that efforts should be made to bring 30% of the rural population & 50% of villages within the ambit of the organized societies within a period of 10 years, 25% of the total marketable surplus or agricultural produce should come under co-operatives. Committee also recommended that reserve Bank of India should provide greater assistance to co-operatives.

2] Law Committee (1956):

Law committee was setup by Government of India, under the chairmanship of S.T. Raja. The committee submitted its reports in 1957 & prepared a draft bill, which was forwarded to all state Government for simplifying & liberalizing the provisions of co-operative laws & procedures with suitable modifications to their local conditions. The law
related to co-operatives, their responsibility of enactment & administration rested in the state Governments. After the committee report, many state Governments passed their new Acts.

3] Committee on consumer Co-operatives, 1961:

Set up by National co-operative development & warehousing Board to examine the promotional & organizational aspects of the consumers co-operative movement for ensuring sustainable development. Its main recommendations were – organizing primary consumers stores, Government assistance for construction of godowns & contribution in share capital, cash credit from co-operative banks & establishments of national federation of consumer’s stores etc.


In 1962, the ministry of commerce & industry appointed the second working group of industrial co-operatives called as working group on industrial co-operatives, to review the present condition & to suggest targets during third plan. The report submitted in may 1963 with the recommendations that the setting up of new & revitalizing the existing industrial co-operatives strengthening weaker & handicrafts co-operatives & extension of credit facilities of industrial co-operatives by co-operative banks & the formation of federations of industrial co-operatives. Special orientation of 2 to 3 weeks should be given to the officers in charge of providing technical, financial & other facilities to the industrial societies. The group estimated that 15000 new societies could be set up with a membership of 15 lakh during the third plan. It is recommended utilization of 25% of small trade industries provision in the plan for development of industrial co-operatives.

5] Committee on co-operative Administration (1963):

Was appointed in April 1963, under the chairmanship of V.L. Mehta. The committee appointed to review the department set up & to suggest
recommendations to make stronger the departmental administrative staff at various levels. Committee recommended that the Registrar, co-operatives, should be an IAS officer along with two years training. There should be Joint registrar for audit, credit & banking, marketing & processing industrial societies forming societies & consumer societies. It also recommended that suitable training should be given after every five to seven years. The pattern of organization of primary societies which formed the base of the co-operative credit structure was settled on the recommendations of the Mehta committee on credit.

6] **Mirdha R. N. Committee (1964):**

Was appointed by Government of India to suggest measures for proper development of the co-operative movement by eliminating non-genuine societies & vested interests. Assessing the size of the problem of non-genuineness in the co-operative movement, the report came to the conclusion that the movement was by & large moving in the right direction & that it would be wrong to magnify a few malpractices & come to a conclusion that the movement was replete with non-genuine societies. The committee however, gave certain suggestions to overcome a wrong type of tendencies i.e. co-operative training & education regular audit of societies by an agency independent of Registrar, Government assistance etc. The committee also examined the factors hitting self-reliance & self-regulation in the co-operative movement. After examined all the issue the committee made many useful recommendations including setting up of national co-operative bank to make the movement self reliant.

7] **P. R. Dubhashi Committee, 1972:**

The issues addressed by the committee were a) adoption of professional management, b) Extension of deposits & insurance, c) Quality of working – litigation pending adjournment, hundred percent audit,
security of loan proposals, documentation, loan recovery plan, grant of membership, maintenance of records, revision of bye-laws, Registrars power, court procedures, nature of appeals in the court, a common law for all types of co-operative societies etc.

8] **M. K. Madhavdas Committee 1978:**

Reserve bank of India appointed committee under the chairmanship of M. K. Madhavdas, executive director of agricultural loan dept. to examine & give recommendations on the working of urban co-operative banks & examine as to which types of services they would be able to provide in future. The committee submitted its report in July 1978 with recommendations that composition of model bye-laws, providing finance to small scale industries managerial aspects & self-employment etc. The committee also remarked that to fulfill the requirement of credit in urban & semi-urban areas urban banks are a good channel compared to other banks urban banks are cheaper as well as working methods are also easier. The committee observed that they maintain good relation in local areas, so, the committee recommended facilities about refinance on low rate for providing cheaper credit to small scale industries self-employment, traders, transport & other small services.

9] **Marathe committee (1978):**

The committee worked into the issues of development of urban co-operative banks (UCB) as per their need, regional imbalance in development & the principle of one district one bank, branch expansion by the new UCBs instead of by the old established UCBs, encouragement of establishment of women’s co-operative banks, utility of UCBs for non-agricultural loans in rural areas as the basis for future branch expansion, survey at the national level to be taken by the federation of co-operative department of the state to suggest measures to develop UCB movement in backward areas, measures for developing
local leadership & expertise in the non-bank backward areas, liberalization to open new bank branches in the underdeveloped areas & licensing viability & licensing criteria to be determined on the basis of population served in urban, semi-urban & metropolitan areas, minimum share capital & membership & the jurisdiction of UCBs rehabilitation of weak UCBs, & RBIs power to issue licenses, inspection, measures to limit external interference, computerization, consolidation mergers & liquidation etc.

10] Ardhanarishwaran Committee (1987) :
Pointed out towards the modern & professional management, financial discipline, human resource development, composition of board of director’s criteria for selection of the staff & General Manager.

It was appointed to revise the existing co-operative laws for co-operative development through voluntary participation of the people. The committee recommended a model co-operative law in 1991 in order to make co-operatives self-reliant autonomous & democratic. It was circulated to all the states with the advice to incorporate the same, as it ensures more power to the members, more participation & less government intervention in the affairs of co-operatives. However, there were some bottlenecks in implementing the recommendations because of the states unwillingness to share in costs & their reluctance to dilute state powers. Only nine states enacted the mutually aided co-operative societies act, 1995, i.e. Jammu & Kashmir, Uttarakhand, Orissa, Bihar, Jharkhand, Madhya Pradesh, Chhattisgarh, and Karnataka & Andhra Pradesh.

Central Government enacted the multi state co-operative societies act, 2002 which was in line with the model act & came into force with effect from August 19, 2002. The main objectives of the multi-state co-
operative societies act were to serve the interest of members in more than one state, to ensure the social & economical betterment of its members through self-help & mutual aid in accordance with the co-operative principles.

12] The Narsimhan Committee Report, 1991:

Does not show concern to review the working & evaluating the performance of UCBs & did not make suggestions to how challenges in future should be met by the UCBs. Cognizance taken of the problem of banking in the various sectors is tilted more towards the nationalized & private sector banks than the co-operative sector. However, the recommendations made by the committee certainly influenced the committee certainly influenced the RBI policy directives about functions in future & the policy adopted by the RBI keeping in view only the problems of nationalized banks, this will not necessarily be relevant but also detrimental to the interest of UCBs. Moreover, basis & urgent problems remain unnoticed e.g. the problem of declining profitability & viability owing to stringent SLR, CCRR recommendations & interests thereon, priority sector lending, lending for housing, vehicles, loans to small traders, extension of consumption loan, limits permitting ‘Scheduled banks’ to open branches, outside state grant of foreign exchange dealership merchant banking etc.

Reforms in the financial sector were officially announced as per the recommendations of Narsimhan Committee in the year 1991. The reforms which covered structured organizational & operational aspects of commercial banks come into operation since 1992. The reform mostly covered commercial banks & development financial institutions (DFIS) & left co-operatives out of the purview of recommendations by the committee. Committee did not show concern to review the working & evaluating the performance of co-operative banks & also did not make suggestions as to how challenges in future be met by co-operatives.
13] **The Narsimhan Committee Report, 1998:**

The second part of the report of the Narsimhan Committee was submitted on 24/04/1998. Committee recommended close up the branches which are under loss or percentage of NP as over 2%.

14] **Capoor Committee, 2000:**

The Government of India appointed the Jagdish Capoor committee to recommend on the lines that co-operative societies must evolve as independent self-reliant, autonomous & member driven institutions. Committee recommended several points concerned to professionalization, business diversification, recovery management, human resource development, fund mechanism & setting up of a co-operative rehabilitation & development fund. Capoor committee also mentioned that the co-operatives have lost their democratic character & have become the government controlled bureaucratic organizations committee suggested minimizing excessive control & regulation for the sound development of the co-operatives throughout its own principles.

15] **National Policy on Co-operatives, 2002:**

Government of India announced the wide ranging National Policy on co-operatives in April 2002. Under the policy, co-operatives would be provided necessary support, encouragement & assistance so as to ensure that they work as autonomous, self-reliant & democratically managed institutions accountable to their members & make a significant contribution to the national economy. Due to the several internal & structural weaknesses of co-operatives, wide regional imbalances, lack of proper policy support had neutralized their positive impact.

This had necessitated the need for a clear cut National policy on co-operatives. The policy aims at ensuring the functions of co-operatives based on the Manchester statement International co-operative Alliance 1995. While upholding the values & principles of co-operation, the
National policy recognized the co-operatives as autonomous association of persons, united voluntarily to meet their common economic social & cultural needs & aspirations through a jointly owned democratically controlled enterprises, upholds the preservation of the different identity of co-operatives, its values & principles by providing on appropriate environment & taking the required administrative & legislative measures recognizes co-operatives as distinct economic sector & integral part of the socio-economic system of the country & an effective & potential instrument of socio-economic development.

Government must accept the need to phase out its share holdings/equity participation in the co-operatives. The co-operative shall be enabled to set up holding companies / subsidiaries, enter into strategic partnership, venture into futuristic areas like insurance, food processing & information technology etc. & shall be independent to take the financial decisions in the interest of the members & the furtherance of their stand. The role of the Government in ensuring, the benefits of liberalization & globalization in the rising special provision in the co-operative societies act with regard to banking, housing, real estate development, processing, manufactures co-operatives, infrastructure development etc. Under the National policy on co-operatives Government has to set up & carry out suitable programmes & schemes to build & develop co-operative institutions in the under developed states regions with particular reference to the North Eastern states including Sikkim.

B) Researcher has made an attempt to review the literature in respects of different committees, reports of the working groups study terms on co-operative etc for detail study of the research work.

1) Kalyankar (1983):

In his study titled, "Willful Default in Loans of Co-operatives"
examined the trends in deposits, share capital, working capital, loans outstanding, advances, over dues and recoveries at the district level financing institutes. Socio-economic factors responsible in projecting and promoting future development in the operations and approaches of the co-operative credit organizations were also considered to examine the specific progress made by Central Co-operative Bank of Parbhani District. The study revealed that the cropping intensity, irrigation facility and working capital of the societies were the major factors for explaining over dues at primary agricultural credit societies' level. The socio-economic factors were not responsible for increasing over dues at the borrowers' level, but over dues were mainly mounted due to the non-economic factors in case of willful defaulters.


In his study titled, "Over dues Appraisal and Management in Banking" analyzed the relationship between the lending and recovery of an apex bank. His findings suggested that the lending and recovery of the apex bank had not been proportionate, i.e., either the apex bank could not meet the entire credit needs of the primary banks or the latter could not borrow the funds from the apex bank. The primary banks were constituted by people not for co-operative services but for their vested interests. With the help of Coefficient of Variation technique, he proved that there was a wide dispersion in lending followed by recovery. He finally concluded with the help of t-test that the association between lending and recovery was not satisfactory.

3] Devadas (1987), in his book titled, "Co-operative Banking and Economic Development" studied the role of Assam Co-operative Apex Bank Ltd. in economy of the State. He found that apart from working as a commercial bank it had to discharge three other functions, i.e., to finance primary credit societies, to act as banking centre for primary societies, and to undertake supervision of primary societies. He found that bank had not been able to achieve much in these three fields due to lack of adequate support from government of the state.

In their paper titled, "Reducing Over dues in Credit Co-operatives: Some Alternatives" undertook a study to evaluate the Quantitative Progress made in respect of supply of Institutional Credit. Using the secondary data made available by RBI in Statistical Statements relating to Co-operative Movement in India for a period of 6 years from 1978 to 1983 and assessing the Loaning Policies of Girijan Co-operative Corporation, Visakhapatnam, the study concluded that the progress in respect of supply of credit was phenomenal over the period of study but this progress pales into significance, if the magnitude of over dues was considered. It pointed out that the most unnerving aspect of institutional credit was the alarmingly high percentage of over dues, i.e., about 43% of loan recoverable in the second-half of the 80s in the case of co-operatives.

The study was conducted to find out whether it was possible to reduce over dues by (1) making co-operatives the exclusive institutions of economically weaker sections-by restructuring them; and (2) by effective changes in the Loaning Policies-by revamping them. The study suggested that making co-operatives as exclusive institutions of weaker sections, i.e., making them homogeneous would not result in decline in over dues, as mere homogeneity was not a sufficient condition. Further, regarding the Revamping of Loaning Policies, the results were quite impressive as it resulted in significant improvement in the Recovery Performance. It was finally concluded that the change of Loaning Policies like Induction of Liaison Workers, efforts of Elders Committee, Motivated Management would not have helped recovery of loans in the absence of homogeneity.


In their study titled, "Nature and Dimensions of Willful and Non-Willful Default and Impact of Co-operative Credit Policy with reference to Nellore District of Andhra Pradesh" used multi-stage sampling technique and various
statistical tools to examine the reasons for over dues. They concluded that landholding, cropping pattern, income from agriculture, number of dependent family members and political interference had direct influence on recovery position of co-operative banks. They suggested that management of these banks should adopt a co-operative friendly approach instead of market approach 'as self-help is the foundation stone of co-operative philosophy and peoples participation at all levels of management will improve working culture of the co-operatives.


Conducted a study analyzing the causes over dues in Cooperatives under SWOOD, 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 co-operative 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.


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 1994-95 to 1998-99. On the basis of primary data collected, researchers concluded that incidence of default was highest among borrowers for agriculture allied activities loans. Agriculture loanees, horticulture loanees, small business loanees and service sector loanees were ranked 2º, 3, 4 and 5 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.

8] 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.

9] 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.

10] **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 over dues 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.

11] **Dlianappa (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.

12] **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.

13] **Dr. B. Niranjan Raj Urs (2010):**

In their study titled, "Managing an Urban Co-operative Credit Society towards Success” Made an attempt to examine the working and financial performance of urban Co-operative Credit Societies. The objective of the study was to provide some useful tools-tips for effective management of Co-operative Credit Societies, covering such areas like raising of funds & its deployment, extension of new services to members, improving cooperative corporate governance practices etc.

Conclusion of study, member is at the centre of a co-operative & its every activity has therefore to be evaluated in terms of its contribution to enhancing member welfare. Member welfare is enhanced by the (tangible) economic benefits conferred on them by the co-operative. In concrete terms, an UCC can confer direct economic benefit on its member by offering relatively
higher interest rate on their deposits & by charging relatively lower interest rates on advances made to them than the rates currently prevailing in the formal market.

The sense of belonging & solidarity created by the cooperative among its members, the very provision of its services, which otherwise would not have been available to its members & in particular to those belonging to vulnerable group, the opportunities provided to members to develop their leadership qualities & to expand their mental horizons etc., all contribute to increase member happiness & therefore enhancing their welfare. Maintaining the delicate balance between its institutional goals & its enterprise goals is a skilful art to what extent the cooperative has succeeded in mastering this art determines its success.


In their study titled, "An Analytical Study of the Acute Problem of the Survival of Financial Institutions in Co-operative Sector in Jalgaon District with Special reference to co-operative Credit Societies" made an attempt to examine the working and financial performance of urban co-operative credit societies. It is proposed to evaluate non-agricultural credit societies, in general & those who have been declared in crisis, in particular, by applying scientifically derived financial & operating indicators, & thereby test the efficacy from the point of view of solvency, profitability & liquidity. This shall help in developing a scientific model to evaluate NAACs on regular time interval.

It is proposed to develop software on the similar lines that will serve the governance needs of the co-operative regulating authorities initially at the district level, & in long run, at the state level. The intended software is also supposed to assist in digital governance needs of authorities & the stakeholders in the societies.
15) Prof. S.S.Gavane (2012):

Research paper published on international indexed & referred research journal entitled ,“Financial involvement of Urban & Rural co-operative credit” made an attempt to examine co-operative societies have been managed efficiently & have been able to serve their members & public in a most desirable manner. The urban co-operative credit societies in the state & in the country must remember that they have to face competition with big multinational banks & the commercial banks. These societies should therefore, be vigilant in advancing loans & in no case loans, which can not be recovered should ever be sanctioned. These societies must adopt the modern management practices including computerization in their working, professional training to their employees & to their members of the board & should keep their level of functioning very competitive. This only can bring success to these societies.

2.3 NEED OF URBAN CO-OPERATIVE CREDIT SOCIETIES:

The non- availability of finance for tiny businessmen, traders, artisans and other people is a problem generally faced by them. All of them need finance either of their business houses or to meet daily needs. Nationalized banks do not pay attention particularly towards tiny and small businessman and artisans while granting loans. Therefore, they have to face the problem of finance. In order to overcome the problem, urban co-operative credit societies are formed by needy people. Over a period of time it is observed that the number of urban co-operative credit societies in the Jana city has been increased. They have been working in the city catering to the need of finance of their members at reasonable rates of interest. The societies are the dire need of the city for meeting the need of finance of their members who are scattered in various occupations.

2.4 SIGNIFICANCE OF STUDY:

The urban co-operative credit society is the most important and growing of co-operative sector, which is totally self-reliant and most vibrant. Urban co-operative credit society is commonly known as "patsanstha". Now a days urban
co-operative credit society playing an important role in the national economy. The weaker section of the society are not only borrowing the loans from the urban co-operative credit societies but also depositing money into it. These urban co-operative credit societies plays very important role to develop habit of saving money among people.

The state of Maharashtra is considered to be the leader in cooperative movement in the country. Urban co-operative credit societies play an important role in co-operative movement in the state. Jalna district is characterized economically backward in Marathwada region. Jalna city is well-known for the trade and commerce. It is having a mega turnover in the various small scale industries.

Therefore the societies play an important role in financial activities. The study will be helpful in throwing light on the various activities of the societies and their effect on the life of shareholders such as depositors, borrowers, etc and finding their working as per the objectives of their formation and standard norms. It will also be helpful for improving their performance by implementing suggestions to be made on the basis of it. Therefore the study is the need of hour as such type of study did not take place in the past.

2.5 OBJECTIVES OF STUDY:

The following objectives have been intended in the present study.

1. To study the progress of the urban co-operative credit societies in Maharashtra and Marathwada Region.

2. To study the performance of the urban co-operative credit societies in Jalna city.

3. To study loan disbursement trends of societies in Jalna city.

4. To study the loan recovery problems faced by the societies in Jalna city.

5. To study the organization, management and service system as well as the problems faced by the societies in Jalna city.
2.6 HYPOTHESES OF THE STUDY:
1. The progress of urban co-operative credit societies in Jalna city is showing increasing trends.
2. Loan disbursements of urban co-operative credit societies in Jalna city are showing growing trends.
3. The urban co-operative credit societies in Jalna city are facing the problems of loan recovery.

2.7 SCOPE OF THE STUDY:
The study is confined to urban co-operative credit societies in Jalna city. For the study, eight urban co-operative credit societies have been selected as sample. The study has been divided into the following three groups.
1. **Operational**: - The study covers the various aspects i.e. organizational, managerial and financial progress carried out by the selected co-operative credit societies in Jalna city.
2. **Geographical**: - The study includes various activities carried out by the selected urban co-operative credit societies whose head office as well as branches is situated in Jalna city.

2.8 METHODOLOGY:
The present study is based both on primary data and secondary data. Primary data has been collected through the well structured and designed interview schedule and observation from employees, depositors, and borrowers in concern which they keep while dealing with societies. 120 Borrowers, 120 Depositors and 50 employees sample have selected from the eight urban co-operative credit societies selected for study. The secondary data were also used from different sources mainly from the published records like ten years (1999-2000 to 2008-2009) annual reports of eight urban co-operative credit societies in Jalna city such as Balance Sheet, Profit and Loss statement, State Government Reports like co-operative movement at a glance in Maharashtra.
published by office of the commissioner for co-operation & registrar of cooperative societies Maharashtra state, Pune (ten years report 1999-2000 to 2008-2009). Economic survey of India, Economic survey of Maharashtra, journals, related subject books, research papers, thesis, other published work, various related websites were used for data collection and references. For analysis and interpret of statistical data averages, percentage, simple and compound growth rates etc. statistical tools and techniques and The data presented in tables and various types of Graphs and Diagrams.

2.9 LIMITATIONS OF THE STUDY:
The following are the few limitations of the study:

1. The sample size is limited to 120 Borrowers, 120 Depositors and 50 employees from selected eight urban co-operative credit societies in Jalna city only. The number of sample may not be real representative of the eight urban cooperative credit societies.

2. The survey was carried out in the month of March and April - 2013, so the results may not be pertinent to every year.

3. The answers given by the respondents may not be correct.

4. The data collected for the study were not in the form in which it was required for the study.

2.10 CHAPTER SCHEME:
The present study is divided into following six chapters.

1. Introduction
2. Review of literature and Research Methodology
3. Progress of Urban Co-operative Credit Societies in Maharashtra and Marathwada Region
4. Organization and Management of Urban Co-operative Credit Societies in Jalna city
5. Financial Performance Appraisal of Urban Co-operative Credit Societies in Jalna city
6. Conclusions and Suggestions
References:

1) Report of the co-operative planning committee, 1946, pp. 218 & 222.

2) GOI, Law committee, 1956.

3) National co-operative development & warehousing board committee on consumer’s co-operatives, 1961.


5) GOI, Committee on Co-operative Administration, 1963.


7) GOI, P.R. Dubhashi Committee, 1972.


12) GOI, the Narsimhan Committee Report, 1991.


18) Devdas Bhorali (1987): Co-operative Banking & Economic Development,


28) Dr. B. Niranjan Raj Urs (2010), in their study titled, "Managing an Urban
Co-operative Credit Society towards Success”
