

Growth and Progress of Co-Operative Movement in Maharashtra

B. D. Patil

Associate Professor, Dept. of Economics, K.S.K.W. College, Cidco, Nashik-8,
Maharashtra, India

Abstract

Co-operative is not in any way in India. It has been known and practiced in this country since time immemorial. Co-operation is much older than man himself. Co-operation is worldwide movement. Co-operation movement has made rapid strides and progress in developing economy like India. Every sector of our economy now needs to be run co-operative lines because the fruits that people have enjoyed during this period of emergency have made the Government realize that is only through evolving of efficient co-operative mechanism and developing co-operative movement that the nation can achieve the desired goal as envisaged in the plans. It is in view of the above facts that 'Co-operation' has become an important subject for the study and practice.

Maharashtra is the second largest state in India both in terms of population and geographical area. (3.08 lakh sq. km.). The state has population of around 11 crore, (census 2011) which is 9.3 per cent of the total population of India. The state is highly urbanized with 45 per cent people residing in urban areas. Maharashtra is the most industrialized state. The state is pioneer in Small Scale Industries. The state continues to attract industrial investments from both, domestic as well as foreign institutions. It has become a leading automobile production hub and a major I.T. growth centre. It boasts of the largest number of special export promotion zones. After the independence, national policy of India reaffirmed their faith in the co-operative movement as a vital instrument for economic development and as a vehicle of social change and social justice. Co-operative movement in Maharashtra is playing very important role for sustainable development of Maharashtra state. This paper focused on the progress, growth and financial performance of co-operative movement in Maharashtra. This paper analyzed the progress of co-operative movement, state co-operatives banks, District central co-operative banks and urban co-operative banks in Maharashtra during 1960-61 to 2010-11.

KEYWORDS : Sustainable development, Urban Co-operatives banks (UCBs), financial performance, Apex bank, liabilities, Non performing Assets.

Introduction:

The co-operative movement in Maharashtra has played a significant role in the social and economic development of the state particularly in the rural areas. Initially, this movement was confined mainly to the fields of agricultural credit. Later it rapidly spread to other fields like agro-processing, agro-marketing, rural industries, consumer stores, social services, etc. progress of co-operative movement in the last four decades showed increase more than four times. The co-operatives in Maharashtra have a political,

historical, social and cultural heritage. It is particularly strong in Western Maharashtra as the independent movement and the leaders from Pune, Mumbai and Ahmednagar initiated social reforms. Due to favorable climate conditions, soil and the development of irrigation facilities Maharashtra made good progress in sugarcane and sugar production through the help of co-operatives sugar factories. The Pravara sugar co-operative factory Ltd., established in 1949, made a success. So it is become important to study the progress of the co-operative movement in Maharashtra, Maharashtra state co-operative banks, District Central Co-operative Banks and Urban Co-operative Banks in Maharashtra.

Objectives of the study : The study sets the following objectives:

1. To study the progress of the co-operative movement in Maharashtra.
2. To examine the co-operative statistics of co-operative societies in Maharashtra.
3. To study the progress of the Maharashtra state co-operatives banks.
4. To study the progress of the District Central Co-operatives Bank in Maharashtra.
5. To take a review of growth of the Urban Co-operative Banks in Maharashtra.
6. To study the Comparative Progress of Co-operative Movement in Maharashtra

Research Methodology :

The present study is totally based on the secondary data and literature. The secondary data collected from various reference books, magazines, recently published journals, news-papers, RBI report and material available on various websites have been scanned. The information relatives to the branches, members, deposits, share capital, reserved funds and total assets of the co-operative movements, co-operative societies, state co-operative banks, District central co-operative banks and urban co-operatives banks in Maharashtra is secondary in nature and this data which has been collected from issues of co-operative movement at a Glance in Maharashtra from 1961 to 2011 and report of National Federation of state co-operative banks Ltd. Performance of DCC banks in Maharashtra.

For the interpretation and analyzing the collected secondary data, simple statistical techniques are used in the present study. The scope of the study is also limited to a co-operative movement in Maharashtra. The present research work covers a period of 1961 to 2011 years only.

Evaluation of Progress of the co-operative movement in Maharashtra:

India is union of states. Co-operation is the state subject, i.e. falling within the scope of state co-operative societies Act, 1961, regulating the working of the co-operative movement in Maharashtra co-operative society's render various services to the agriculture and non agriculture sector in Maharashtra state. Co-operatives societies creates an encouraging environment, spirit of competition and support economic activities in rural areas, which promote participation of rural people in sustaining development in rural areas. Co-operative credit structure has vital institutional arrangement for the development of agriculture and allied sector in Maharashtra state economy, especially in rural. Co-operative credit structure in Maharashtra is a three tire structure. Co-operative credit is divided in two type's short and medium term credit.

Short and medium term credit structure consist with three tiers- at the apex level there is a state co-operative bank, at the district level there is central co-operative bank, and at the village or gross root level there is Primary Agriculture Credit Societies.

Table No. 1.1 Progress of co-operative movement in Maharashtra

(From 1960-61 to 2010-11)

(Members in Lakh and Rs in Crore)

No	Main Items	1960-61	1970-71	1980-81	1990-91	2000-01	2010-11
1	Total societies	31565	42603	60747	104620	158016	224306
2	Total Members	42	86	148	270	430	530
3	Paid up share capital	52	238	600	1957	7560	20543
	Of which Govt.	8	39	105	385	1150	1965
4	Owned funds	73	345	1207	3935	17770	45934
5	Deposits	76	315	1939	11048	74462	132490
6	Working capital	326	1490	5210	24713	134441	248434
7	Loans Advanced Net	95	348	1116	6300	43392	98403
8	Audit classification						
	A	3110	3600	3671	4966	NA	6390
	B	10921	12343	11670	13581	NA	15849
	C	7515	16122	18854	17058	NA	13351
	D	3088	3886	3477	862	NA	2409
9	Not classified	291	865	774	4006	NA	340
10	Not Audited	6640	5787	22301	67747	NA	76105

Note : NA: Not Available.

Source: Co-operative movement at a Glance in Maharashtra' various issues.

The above table No. 1.1 shows that there is a increasing trend in No. of societies, No. of members, share capital, funds, deposits, working capital of co-operative movement in Maharashtra. The progress of co-operative movement in Maharashtra is steady and every year the No. of societies increases in quantitative sense. After the year 1971, the progress of movement is too fast. But, in qualitative sense the development of the co-operative movement is not so satisfactory. The above table gives the statistical information about the progress of co-operative movement in Maharashtra for last six decades. Number of co-operative societies has increased more than seven times by 2011 compare as to 1961. Growth rate was fluctuating but positive. As well as the members of this societies increased more than thirteen times 42 lakhs to 530 lakhs during the same period even growth rate trend was declining. Share capital increased from Rs. 53 crore to Rs. 20543 crore during 1961 to 2011, which was participated by Government as Rs. 8 crore in 1961 increased up to Rs. 1150 crore in 2011, therefore, growth rate shown a declining trend over the period. Working capital which stood on Rs. 326 crore in 1961 increased by Rs. 134441 crore in 2011. Owned funds increased from Rs. 73 crore to Rs. 17770 crore during the period of 1961 to 2011 and advances have also increased, while the loans advanced have increased to a large extent Rs. 95 crore in 1961 to Rs. 43392 crore in 2011. Therefore, growth rate trend over the period concern to owned funds, deposits, working capital and loan advanced showed fluctuations.

The working of this co-operative having so many drawbacks. Audit 'A' class awarded in the year 1961 is only for 3110 societies out of 31565, i.e. 9.85 per cent only and not audited societies are 6640 which stood 21.04 per cent it indicate the qualitative aspect of the co-operative society is working. The above table shows that there is an increasing trend in No. of societies, No. of members, share capitals, funds, deposits, working capital of co-operative movement in Maharashtra state. The above table gives statistical information about the progress of co-operative movement in Maharashtra for last five decades.

Table No. 1.2 Comparative Statistics of Co-operative Societies in Maharashtra

(Rs. In Crore)

Items	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
No. of societies	165789 (4.9)	173402 (4.6)	185478 (3.1)	184390 (3.1)	192797 (4.6)	200740 (4.1)	205553 (2.49)	212344 (3.20)	218320 (2.8)	224306 (2.74)
No. of members	439 (2.1)	476 (10.7)	451 (-5.2)	458 (1.6)	465 (1.5)	476 (2.3)	505 (6.09)	517 (2.37)	542 (4.83)	530 (-2.21)
Share capital	10677 (41.2)	12865 (20.5)	10818 (-15.9)	11186 (3.4)	12329 (10.2)	12565 (1.9)	12809 (1.94)	14969 (16.86)	15015 (14.42)	20543 (36.82)
Deposits	83334 (11.9)	96196 (15.4)	100961 (5.0)	110943 (9.9)	109635 (-1.2)	99792 (-8.9)	104162 (4.37)	118024 (13.30)	128579 (8.94)	132490 (3.04)
Working capital	149697 (11.3)	172864 (15.5)	170466 (-1.39)	179502 (4.6)	200265 (11.6)	202207 (0.9)	205110 (1.43)	236401 (15.25)	246162 (4.12)	244834 (0.92)
Loan Advances (Net)	58724 (35.3)	55133 (-6.1)	58637 (6.4)	62592 (6.7)	61186 (-2.2)	82450 (34.75)	88166 (6.33)	82556 (-6.36)	78190 (-5.28)	100681 (28.76)
Sty's. In Profit-										
i) Number	58432 (10.4)	62573 (7.1)	60452 (-3.4)	61925 (2.4)	62236 (0.5)	62880 (1.0)	63147 (0.42)	67950 (7.06)	68021 (0.1)	70363 (3.44)
ii) Profit (Amt)	1463 (12.4)	1820 (24.4)	2255 (23.8)	2315 (2.7)	2261 (-2.3)	2067 (-8.5)	2135 (3.18)	2787 (30.53)	7212 (61.35)	3661 (-49.24)
Sty's. In Loss-										
i) Number-	41728 (1.8)	44433 (6.5)	43669 (-1.7)	45752 (4.8)	51213 (11.9)	51575 (0.7)	55257 (6.66)	58387 (5.36)	60215 (3.03)	59636 (-0.96)
ii) Loss (Amt)	1497 (58.7)	2409 (61.7)	3063 (27.2)	3362 (9.8)	3626 (7.8)	3361 (-7.3)	4051 (17.03)	3558 (13.85)	3869 (8.03)	4526 (16.98)

Source : co-operative movement at a Glance in Maharashtra, various issues.

Note: Figure in the brackets shows the percentages.

The above **table No. 1.2** shows the comparative statistics of the co-operatives in the state of Maharashtra during last ten years. Number of societies stood at 158016 in

2000-01 increased position 200740 in 2006-07, and increased position 218320 in 2009-10, but the percentage growth remain same as 4.9% to 4.12% respectively. Membership of co-operatives increased by 542 lacks in 2009-10 as compare to 430 lacks in 2000-01, growth rate was very small 2.1% to 4.3%. Share capital showed fluctuation during these ten years. Growth in deposit mobilization was also not satisfactory which decreased -8.9% in 2006-07. Working capital shown progress in amount as it was Rs. 134440 crore in 2000-01, increased put Rs. 246162 crore in 2009-10, but growth percentage showed decreased 11.3% to 4.12% respectively. Net advanced by co-operatives showed little progress Rs. 43392 crore 2000-01 increased Rs. 78190 crore in 2009-10, there was negative growth 35.3% in 2001-02, decreased -5.28% in 2009-10. Number of co-operatives in profit decreased from 52928 in 2000-01 to Rs. 68021 crore in 2009-10, amount of profit was Rs. 1302 crore in 2000-01 increased put Rs. 7212 crore in 2009-10, shows negative progress 12.4% to 61.35%. Number of societies in loss increased from 41002 in 2000-01 to 60215 in 2009-10, percentage of societies in loss decreased by 1.8% in 2000-01 to 3.03 % in 2009-10. However the amount of loss increased from Rs. 943 crore in 2000-01 to Rs. 3869 crore in 2009-10, but the percentage decreased from 58.7% in 2000-01 to 8.03 % in 2009-10, shows a good sign.

Progress of the Maharashtra state co-operative Bank (Apex Bank) -

The state co-operative bank, which is at the credit structure, is also called as the Apex bank. Its functions are to co-operative and to guide the working of the Central Co-operative Banks and to arrange re-finance facilities for them. The Maharashtra state Co-operative Bank thus acts like a super visionary body at the top of the structure and create an atmosphere to spread the co-operative movement on large.

Table No. 1.3 Progress of the Maharashtra state Co-operative Bank Ltd.

(Rs. In Lacks & members in Thousands)

Items	1961	1971	1981	1991	2001	2011
No. of Branches	20	24 (20.00)	44 (83.33)	43 (-2.27)	53 (23.25)	53 (0)
No. of Members	11	16 (45.45)	16 (0.00)	26 (62.50)	33 (26.92)	80 (142.42)
Share Capital	326	826 (153.37)	1103 (33.53)	2816 (155.30)	9586 (240.41)	42541 (343.78)
Owned Funds	425	1885 (343.53)	8254 (337.88)	28922 (250.40)	97555 (237.30)	426350 (337.03)
Deposits	2153	9332 (333.44)	42994 (360.69)	209362 (386.95)	913582 (336.36)	1742883 (90.77)
Borrowings outstanding	2286	6894 (201.57)	880 (-87.24)	61636 (7604.5)	204624 (231.99)	370937 (81.28)

Working Capital	254	18741 (256.70)	54483 (190.71)	310125 (469.21)	1314698 (323.95)	2544410 (93.54)
Loan Advanced	7785	33233 (326.88)	125104 (276.44)	213016 (70.84)	846649 (297.46)	1188786 (40.41)
Outstanding Loans	3742	14190 (279.20)	31076 (119.00)	217314 (599.30)	834491 (284.00)	1098896 (31.68)
Loans Over dues	84	207 (146.43)	2246 (985.02)	6171 (174.75)	67888 (1000.11)	187357 (175.97)
% of Over dues to outstanding	2.24	1.46	7.23	2.84	8.14	17.05

Source: co-operative movement at a Glance in Maharashtra, various issues.

Note: Figure in the brackets shows the percentages.

The above table no. 1.3 shows the progress of the Maharashtra state co-operative bank Ltd. from year 1961 to year 2010. Number of bank branches augmented during these five decades as 20 in 1961 to 53 in 2010, membership increased for 11 to 80 thousand in 2011, respectively growth rate showed a fluctuating trend over the period. Share capital increased from Rs. 326 lacks in 1961 to Rs. 42541 lacks in 2011. Owned funds increased from Rs. 425 lacks to Rs. 426350 lacks in 2011. Deposits stood at Rs. 2153 lacks in 1961, increased Rs. 1742883 lacks in 2011. Working capital increased from Rs. 5254 lacks in 1961 to increased Rs. 2544410 lacks from 1961 to 2011, therefore, growth rate showed positive but decreasing trend during the period. Loans advanced increased put Rs. 1188786 lacks in 2011 compared to Rs. 7785 lacks in 1961. Outstanding loans increased from Rs. 3742 lacks in 1961 to Rs. 1098896 lacks in 2011. Loans advance and loans outstanding showed fluctuating trend. As well as loans overdue also increased from Rs. 84 lacks in 1961 to Rs. 187357 lacks in 2011, total amount increased even growth rate was uneven. Percentage of over dues to loans outstanding increased from 2.24% in 1961 to 17.05% in 2011 is also a serious problem with the bank.

Progress of the District Central Co-operative Bank in Maharashtra:

The District Central Co-operative Banks in Maharashtra are playing key role in the growth of agriculture expansion of rural development and social and cultural activities. There are 31 District Central Co-operative Banks in Maharashtra working with primary object to provide credit requirements to primary credit societies. The first such secondary level co-operative was registered in Mumbai in 1911 under the Government of India Act, 1904. Since then these Central Banks have laid the firm financial infrastructure for the co-operative movement in Maharashtra. District Central Co-operative Banks operates as the intermediate between State Co-operative Bank and Primary Agricultural Co-operatives Societies.

Table No. 1.4 Progress of the District Central Co-operative Bank in Maharashtra:
(Rs. In lacks & members in Thousands)

Item	1960-61	1970-71	1980-81	1990-91	2000-01	2010-11
No. of Banks	35	35 (0.00)	26 (-25.71)	30 (15.38)	30 (0.00)	31 (3.33)
No. of Branches	N.A.	867 (-.)	1703 (96.42)	3147 (84.79)	3718 (18.14)	3720 (0.05)
Members	57	55 (-3.51)	62 (12.73)	84 (35.48)	144 (71.43)	153 (6.25)
Share Capital Of Which Government	653 199	2515 669 (285.14) (236.18)	4563 806 (81.43) (20.47)	18896 774 (314.11) (-3.97)	68315 785 (261.53) (1.42)	168303 1318 (146.36) (67.90)
Owned Funds	820	3474 (323.66)	10208 (193.84)	37587 (268.21)	240999 (541.18)	838100 (247.76)
Deposits	2647	11323 (85.83)	58814 (419.42)	319940 (443.98)	1786285 (458.32)	4661118 (160.94)
Borrowing outstanding	2465	8055 (226.7)	9355 (16.14)	91107 (873.89)	244574 (168.43)	400351 (63.69)
Working Capitals	6093	23637 (287.93)	83526 (253.37)	483492 (478.85)	2427842 (402.15)	6219382 (156.17)
Loan Advanced	5125	12084 (135.78)	27870 (130.63)	119196 (327.68)	2020830 (1595.38)	2790399 (38.08)
Outstanding Loans	4361	17846 (309.22)	49427 (176.96)	307836 (522.81)	1358906 (342.55)	3017303 (122.04)
Loans Overdue	460	4452 (867.82)	14452 (224.62)	56151 (288.56)	201613 (259.05)	584987 (190.15)
% of Overdue to Outstanding	10.5	24.9	29.2	18.2	14.8	19.39

Source : co-operative movement in Maharashtra at a Glance, various issues

The above table No. 1.4 indicates the position No. of branch members, Share Capitals, Owned Funds, Deposits, Working Capital as well as total asset of District Central Co-operative Banks in Maharashtra which are increasing trends during the period. The No. of Banks stood 35 in 1961 decreased to 30 in 2001 and 31 in 2011. Reason of decreasing numbers of the banks is revitalization of the banks; growth rate was uneven during the period. However, number of branches increased from 867 in 1971 to 3720 in 2011. Members increased by two times during 1961 to 2011, 57 to 153 respectively, therefore, growth rate showed fluctuation. Share capital increased from Rs. 653 lacks in 1961 to Rs. 168303 lacks in 2011, of which Government contributed from Rs. 199 lacks to Rs. 1318, respectively. Growth rate in share capital and Government contribution to share capital was also not even during the period. Deposits increased from Rs. 2647 lacks in 1961 to Rs. 4661118 lacks in 2011. Working capital increased from Rs. 6093 lacks in 1961 to Rs. 6219382 lacks in 2011. Loans advanced increased from Rs.

5125 lacks in 1961 to Rs. 2790399 lacks in 2011. Outstanding loans increased from Rs. 4361 lacks in 1961 to Rs. 3017303 lacks in 2011. Overall during 1961-2011 growth rate recorded uneven progress and fluctuating growth rate. The percentage of over dues to outstanding loans also increased 10.5% in 1961 to 19.39% in 2011, due to high percentage of over dues financial health of Central co-operative banks are affected seriously.

Review of Growth of urban co-operative Banks in Maharashtra :

The co-operative movement in Maharashtra provides a model to the country both in respect of qualitative and quantitative aspects. Maharashtra is a leading state in the urban co-operative banking. In the process of urban co-operative movement in India, Maharashtra proved its creditable and competitive role. There are 1645 UCBs in India, out of which 539 are in Maharashtra. It shows that Maharashtra is leading in the establishment of UCBs. Urban co-operative banks to birth and were cradled in the districts like Bombay, Pune, Kolhapur and Sangali in Maharashtra. Old 'Bombay Province' is the pioneer among all other states in the development of urban banks.

Table No. 1.5 Growth and Development of UCBs in Maharashtra :

(From 1970-71 to 2010-11)

(Rs. In Lakhs)

No.	Particulars	1970-71	1980-81	1990-91	2000-01	2010-11
1	Banks	265	345	381	654	541
2	Membership (000)	883	1618	4464	7808	6760
3	Share Capital	987	4201	18682	89875	195768
4	Owned Funds	1502	8530	55540	431770	836824
5	Deposits	6832	65779	466298	4092326	4201575
6	Borrowing Outstanding	308	1666	32965	75440	311519
7	Working Capital	9260	88704	617642	5574123	7366824
8	Total Loans Advanced	12381	55581	442279	3221062	3424474
9	Borrowing Members (000)	NA	881	1754	7808	16816
10	Loan outstanding	5007	48008	322718	2834956	2983302
11	Loan over dues	364	3732	45735	182409	337607
12	Bank in profit	NA	330	367	559	455
13	Bank in loss	NA	7	13	92	76

Note : NA indicates that the Data is not available.

Source : Co-operative movement at a Glance in Maharashtra, various issues.

The above table No. 1.5 shows the growth and development of UCBs in Maharashtra state from year 1970-71 to year 2010-11. No. of banks increased during these 6 decades as 265 in 1971 to 541 in 2011, membership increased from 883 to 6760 thousand in 1971 to 2011, respectively growth rate shows a fluctuating trend over the period. Share capital increased from Rs. 987 Lakhs to Rs. 195768 Lakhs in 2011. Owned funds increased from Rs. 1502 Lakhs to Rs. 836824 Lakhs in 1971 to 2011 respectively. Deposits stood at Rs. 6832 Lakhs in 1971, increased Rs. 42 01575 Lakhs in 2011. Working capital increased from Rs. 9260 Lakhs in 1971 to increased Rs. 7366824 Lakhs

in 2011, therefore, growth rate showed positive but decreasing trend during the period. Loans advanced increased put Rs. 12381 Lakhs in 1971 to Rs. 3424471 Lakhs in 2011. Outstanding loans increased from Rs. 5007 Lakhs in 1971 to Rs. 2983302 Lakhs in 2011. Loans advanced and loans outstanding showed a fluctuating trend. As well as loans over due increased from Rs.364 Lakhs in 1971 to Rs. 337607 Lakhs in 2011, total amount increased even growth rate was uneven. Banks in profit 330 in 1981 to 455 in 2011 and banking loss 7 in 1981 to 76 in 2011. Therefore, growth rate trend over the period concern to owned funds, deposits, working capital and loan advanced showed fluctuations.

Comparative Progress of Co-operative Movement in Maharashtra

Co-operative credit structure in Maharashtra is a three tire structure. At the village or gross route level there is primary agricultural credit societies, at the apex level there is a state co-operative bank, at the district level there is district central co-operative bank and urban level urban co-operative banks.

Table No. 1.6

Comparative Progress of Co-operative Movement in Maharashtra

Co-operative societies and co-operative banks, important features

Sr. No	Particulars	As on 31 March 2010	As on 31 March 2011	Percentage Change
1	Co-operative societies in Maharashtra			
	Societies (No.)	2,18,320	2,24,306	2.7
	Members (lakh)	542	560	3.3
	Working Capital	2,46,162	2,48,341	0.9
	Deposits	1,28,579	1,36,696	6.3
	Gross loans	81,680	95,484	16.9
	Loans outstanding	1,12,968	1,17,206	3.8
	Overdues			
2	The Maharashtra State Co-operative Bank Ltd.			
	Members (lakh)	2,155	2,153	Neg.
	Working Capital	26,892	25,441	(-) 5.4
	Deposits	21,421	17,429	(-) 18.6
	Gross loans	10,364	11,888	14.7
	Loans outstanding	7,998	10,989	37.4
	Overdues	1,149	1,874	63.1
3	District Central Co-operative Banks (31)			
	Members (lakh)	1,48,360	1,52,684	2.9
	Working Capital	57,364	62,194	8.4
	Deposits	44,278	46,611	5.3
	Gross loans	19,463	27,904	43.4

	Loans outstanding	25,100	30,173	20.2
	Overdues	5,248	5,850	11.5
4	Urban Co-operative Banks			
	No. of Banks	553	541	-2.16
	Members (lakh)	6,681	6,760	1.06
	Working Capital	70,31,587	73,66,824	4.77
	Deposits	43,41,427	42,01,575	-3.22
	Gross loans	26,54,662	34,24,474	28.99
	Loans outstanding	27,57,771	29,83,302	8.18
	Overdues	3,63,147	3,37,607	-7.03

Source : Office of commissioner for the co-operation and registrar co-operative societies

Conclusion:

The Maharashtra state is the pioneer and rank first in the growth of co-operative movement in India. The co-operative credit societies and co-operative banks in Maharashtra are playing key role in the growth of agriculture expansion of rural development and social and cultural activities. The co-operative movement as the best source through which to apply it for rural development, people's empowerment and poverty alleviation programmed. The basic nature of the co-operative societies is to encourage the 'values of self help, democracy, equality and solidarity. Co-operative members believe in the ethical values of honesty, openness and social responsibility and carrying for others.

Co-operative movement basically an actives with a common goal, co-operation refers to the formation of non profit economic enterprises for the benefit of there members. Indian Government launched the movement with the enactment of the co-operative societies Act 1904. According to the Act of 1904, the co-operative societies were to be established in every district and were required to be managed by members on democratic lines. The supreme authority was vested in the general meeting, which consisted of all the members. All decisions as to liabilities, loans, investments, interests, etc. were to be adopted at the general meeting. During the early years of the movement, the societies were financed either by loans from government or from private person and deposits made by members. The government loan up to a certain sum was normally interest free. The village-based agricultural credit societies started giving loans to deserving members.

Co-operative movement in Maharashtra is based on the remarkable developments in co-operative societies and co-operative banks. Various institutions in the above fields are playing vital role in the process of economical, political and social development of Maharashtra. Maharashtra state is one of the leading states in the co-operative movement in India. Co-operative in State of Maharashtra have made a tremendous development during the last four and half decade, several types of co-operative societies and banks stated in Maharashtra with mission to provide overall services to their members and after all to serve for the nation. In order to development the socio-economic conditions of the rural society's co-operatives have no challenge. Co-operatives have spread over all in

each and every type of services which are necessary for a common man especially contributed a lot in the uplift of the rural people. Yet, it is observed that there are some weakness and some obstacles in co-operative movement, therefore, the movement is working only on the spirit of the people and this will give strength to people to overcome on any challenge.

Presently, the UCBs occupy an important place in the Indian Financial system. However the UCBs strengthen their uniqueness and growth in the banking industry and it is required to take certain measures like for strengthening the UCBs sector substance of its growth is attendant to Professionalization of its management, inculcating good corporate governance, technology absorption and scrupulous adherence to regulatory framework. Let us hope that the urban co-operative banking sector will learn from its past experiences and adjust to new realities since banking is risky business. In future the UCBs are ready to face many challenges in the competitive environment of both Public and Private sector banks expansion activities both vertically and horizontally.

The study also shows that people have a lot of faith in the services provided by UCBs and this faith must be maintained in the future. Overall financial performance of UCBs improved during the study period. Most of the UCBs became weak due to lack fund management and lack of professional management. UCBs should proactively adopt Corporate Governance and should not wait for its imposition by statute for the development of UCB sector. For the implementation of Corporate Governance Board of Director plays very crucial and vital role. Therefore, the Board of Directors of UCBs should implement professional management approach. Reserve Bank of India and Government should co-operate with UCBs for their development.

References:

1. Hajela T. N. - "Principles problems and practice of co-operation."
2. Tyagi R. B. "Recent Trend in the co-operative movement in India"
3. Mathur B. S. "Co-operation in India"
4. Mamoria and Saksena "Co-operation in India"
5. Deshmukh P. G. "Working of Co-operative Banks in India"
6. Abdul Kudus and Zakir Husain "Co-operative credit and Banking"
7. Macmillan, 'Co-operative Banking', Macmillan Publication India.
8. Kulkarni S. K. (1996) 'Urban Co-operative Banks',
9. Walkini W. P. "Co-operative principles today and tomorrow"
10. The Maharashtra co-operative quarterly.
11. Commissioner for co-operation and Registrar of co-operative societies,
Maharashtra State, Pune.

12. RBI, 'Report on Trend and Progress of Banking in India'
(2000-01 to 2010-11), RBI, Mumbai.
13. RBI, 'Report of the high power committee on Urban Co-operative Banks', RBI
Mumbai
14. Dr. Jawahar Babu, 'UCBs in India Problems and Prospects'
15. IOSR Journal of Business and Management- 2012
16. RBI, 'Report of the Expert Committee on Licensing of New Urban Co-operative
banks' 2011, Mumbai.
17. Co-operative movement at a Glance in Maharashtra, various issues.
18. Report of NAFSCB on Performance Evaluation of DCC Banks.
19. Rao V. M. 'An Overview of Urban Co-operatives Banks in India.
20. www.rbi.org.in.
21. www.nabard.org.
22. www.jstor.org.