

Structure and function of district co- operative banks in Haryana

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ABSTRACT

Cooperative banking has been assuming an essential job in the improvement of provincial economy what's more, fill in as a spine of Indian money related framework. These banks are assuming a primary job in the accomplishment of the objective of money related incorporation. These manages an account with their broad branch organize and limited operational base, additionally take part in entertainment of the improvement process, credit conveyance and stores preparation in provincial zones. In this way, an endeavor has been made in this paper to examine the cooperative banking in the province of Haryana. The present paper just centers on the structure and functions of cooperative banks working in the territory of Haryana which is predominately a country economy state.

1. Introduction

A cooperative bank is a money related substance which has a place with its individuals, the proprietors also, the clients of their bank. Cooperative banks are frequently made by people having a place to a similar nearby or proficient network or sharing a typical intrigue. Cooperative banks for the most part give their individuals a wide scope of banking and monetary administrations (advances, stores, banking accounts, and so forth.) Rural cooperative banking and credit establishments assume a significant job in gathering the developing needs of rural India. Cooperative banks, with their broad branch arrange what's more, limited operational base, assume a key job in the advancement procedure, credit conveyance what's more, and stores activation in rural regions. It is perceived that cooperative banks and booked business banks are reciprocal to one another. Both are significant for budgetary incorporation. In the cooperative banking structure of our nation, State Cooperative Banks (SCBs) are significant establishments in this structure. They control, direct and regulate the whole cooperative development in their concerned states. These are likewise known as apex banks.

The Indian banking business is one of the most prepared organizations on the planet. Banking has created with the changing society of individuals in India. Its development was moderate under the early private proprietors. Regardless, after nationalization, the development was monstrous, as Indian banking framework could give its outlets to each 15000 individuals of the Nation's with the thickest population. This imperative development was under a verified and overseen condition made and directed by the Reserve Bank of India. The banking framework in India has a huge situation during the time spent the monetary improvement of India. The adjustment in the financial strategy of India, checked out the worldwide changes has animated various activities of Indian banking part.

These banks are additionally managed by a few administrators, including the Reserve Bank, the State Governments and the National Bank for Agriculture and Rural Development (NABARD). The primary goal of the cooperative credit structure of the State is to satisfy monetary necessities of the ranchers by giving them short and medium-term advances. The cooperative banking segment is one of the primary accomplices of Indian banking structure which have more

reach to the rural India, through their colossal system of credit social orders in the institutional credit structure.

The rich tradition of Indian banking business has experienced a major phase of metamorphosis in the discernment and standpoint. It is no more a stroll in-business of selling the items and serving the customers. The interest and needs of the client are changing each day. The customers have begun managing terms on the two deposits and credit items. To change themselves to the new period of deregulation, rivalry and client mastery, banks are compelled to receive creative measures. Co-usable development in Indian banking was begun with the target of giving account to the agriculturists and the rural people so as to alleviate them from the grasp of the usurious cash moneylenders and pawn agents.

1.1 Co-operative banking in the Indian context

The structure of the cooperative bank in India is partitioned into a transient structure and a long haul structure. In spite of the fact that the transient structure is three levels, the structure of long haul cooperative banks is two-level, as pursues:

1.2 ¹Short Term Co-operative structure

A state cooperative bank works at the most astounding level (for example it works at the state level). The Central Cooperative Bank works at an intermediate level (for example District Bank Cooperatives Ltd. District-level works) .Primary credit associations at the grassroots level (at town level)

1.3 Long Term Co-operative bank structure

State horticultural cooperatives and provincial improvement banks (SCARDB) at the most noteworthy level. Essential cooperative banks for horticulture and provincial improvement (PCARDB) at the district or square level.

1.4 Part played by co-operative banks in India

Cooperative banks in India assume a significant job in country financing. Indeed, even the action of cooperative banks in urban zones has expanded remarkably as of late because of

¹ Cooperative banking structure [available online] at <http://www.scribd.com/doc/54931284/9/Structure-of-Cooperative-Banking-System-in-India> [Accessed on March 2, 2013]

the sharp ascent in the quantity of well known cooperative banks. Cooperative banks should complete a few undertakings, for example expand a wide range of credit lines to clients in real money and in kind, to foresee consumer advances, broaden banking administrations in rustic territories, prepare stores, control the utilization of advances, and so on. The requirements of the cooperative bank are extraordinary.

1.4²Types and working of Co-operative Banking System in India

Cooperative banks are little units that work in urban and non-urban focuses. They fund little indebted individuals in mechanical and commercial parts just as expert and pay classes. Managed by the Reserve Bank of India, they are represented by the Banking Act of 1949 and bank laws (cooperative social orders) work in 1965. The structure of the cooperative bank in India is partitioned into the accompanying 5 classifications:

- Primary Co-operative Credit Society
- Central Co-operative Banks
- State Co-operative Banks
- Urban Co-operative Bank

1.5 Functions of Co-operative Banks

Co-operative banks likewise play out the fundamental banking elements of the banking segment; however vary from commercial banks in the accompanying perspectives:

Commercial banks are companies under the Companies Act of 1956, or the open area bank under a different law from the parliament, while cooperative banks have been set up under the laws of cooperative social orders of various states.

The structure of the commercial bank is the banking structure while the cooperative banks have a configuration of three levels, with the State Cooperative at the Apex level, the focal/district cooperative bank at the district level and the essential provincial Cooperatives. Just a portion of the areas of the 1949 Banking Regulation Act (completely pertinent to commercial banks) are relevant to cooperative banks, with the sole consequence of fractional control by RBI cooperative banks.

Cooperative banks work according to the rule of cooperation and not completely in the commercial parameters.

1.6 District Central Co-operative Banks (DCCBs):

The focal co-operative banks situated at the district home office or some conspicuous town of the district. The focal co-operative banks have three wellsprings of assets. The wellsprings of assets of focal co-operative banks are given underneath:

1. Advances from the state co-operative banks
2. Stores from the general population and
3. Their own offer capital and stores

Their fundamental capacity is to loan to essential credit society separated from that, focal Co-operative banks have been embraced typical commercial banking business likewise,

² Hooda, Vijay (2011), "State Cooperative Banks versus Scheduled Commercial Banks: A Comparison of Three Financial Ratios", International Journal of Computing and Business Research, Vol. 2, Issue 2, May, pp. 2-12.

for example, pulling in stores from the general population and loaning to the penniless against appropriate protections. There are presently 594 focal co-operative banks.

S. No.	Name of CCB	Branches
1.	Ambala Central Cooperative Bank	28
2.	Bhiwani Central Cooperative Bank	40
3.	Faridabad Central Cooperative Bank	32
4.	Fatehabad Central Cooperative Bank	29
5.	Gurgaon Central Cooperative Bank	38
6.	Hisar Central Cooperative Bank	46
7.	Jhajjar Central Cooperative Bank	24
8.	Jind Central Cooperative Bank	33
9.	Karnal Central Cooperative Bank	44
10.	Kaithal Central Cooperative Bank	29
11.	Kurukshetra Central Cooperative Bank	36
12.	Mahendargarh Central Cooperative Bank	21
13.	Panchkula Central Cooperative Bank	13
14.	Panipat Central Cooperative Bank	22
15.	Rewari Central Cooperative Bank	27
16.	Rohtak Central Cooperative Bank	25
17.	Sirsa Central Cooperative Bank	41
18.	Sonepat Central Cooperative Bank	35
19.	Yamunanagar Central Cooperative Bank	32
	Total	595

Source: Reports of HARCO Bank

List of CCB with number of branches in Haryana

2. District Central Co-Operative Banks

The primary Agricultural Co-usable Credit Societies in a minimized territory get combined themselves into a central society, which is called a Central Bank of a Banking Union. The expression "Central Bank utilized when the Central society concedes as its individuals not just primary social orders yet additionally people. The expression 'Banking Union' is utilized at the point when enrollment is kept to social orders just and person individuals are avoided. The present trend, in any case, is to allude both these establishments as central banks. As needs be, each district in a state has got at least one Banking Union or Central Bank. Furthermore, the Banks so sorted out are known as District Central Co-employable Banks. A Co-employable Banks is one which plays out the elements of getting, loaning, organization and general utility on an agreeable premise. A co-employable bank is likewise characterized as one which must have co-usable character and should bargain in credit which fulfills all the necessities of a perfect credit.

3. The Objectives of Central Co-Operatives Banks:

The goals of the DCCBs are:

- To fund the primary social orders for agricultural purposes.
- To draw in neighborhood stores.
- To create and expand banking offices in provincial zones and make the individuals banking disapproved.
- To give a protected spot to contributing the stores of the primary social orders.
- To build up the co-usable development in the district and go about as a companion, savant and control and;

- To supervise the working and the executives of the subsidiary social orders.

4. Objectives of the Paper

Followings are the objectives of the paper:

1. To study the short & medium-term rural cooperative banking structure in Haryana
2. To study the role of the District Central Co-operative Banks (DCCB)s in Haryana.
3. To suggest on the basis of Study
4. To study the structure of co-operative banks in India.

5. Research Methodology

Hisar district of Haryana was deliberately chosen for the examination. There are 9 squares in the district and every square were chosen for the present investigation due to in view of (an) it is most established Co-employable Bank in Haryana (b) it falls inside the district of CCS HAU Hisar and effectively receptive for information gathering and continuous discussion with bank authorities.

The examination depended on information accumulation and regular interview with bank authorities. At this phase of testing to know the budgetary presentation of Primary Agricultural Co-usable Societies (PACS) falling under the Hisar District Central Co-usable Bank, out of 46 branches PACS, in the district an example of 9 PACS branches for example one in each Block was chosen arbitrarily for point by point examination what's more, information accumulation. The examination was led in Hisar district. In Hisar district, there are nine parts of District Central Co-employable Bank to be specific Hansi, Barwala, Narunand, Agroha, Arya Nagar, Mandi Adampur, Ukalana, DAC Hisar what's more, Sisai. Hisar district was intentionally chosen because of simple openness.

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6. Hypothesis

Cooperative banking is a significant division in Haryana to the extent its job in agrarian credit furthermore; socioeconomic advancement of Haryana is concerned. It has no option in the period of economic changes moreover. It is clear that minimum compound growth rate is in membership while it is maximum in borrowing. It indicates that borrowing from bank is increasing year by year which is good sign for bank. Variation over the period was maximum in case of own fund while it was minimum in case of membership. If Coefficient of variation is more, than growth will be less stable, which is not good sign for progress of bank.

7. Conclusion

From the prior outcomes and talk, the accompanying ends developed:

- (i) The quantity of enrollment, borrowings, working capital, advance extraordinary, advance propelled, overdues and cost of the board has expanded over the study period.
- (ii) The measure of offer capital has diminished over the examination time frame.
- (iii) The portion of possessed assets to add up to working capital was extremely little in extent.
- (iv) The PCARDB is exceptionally reliant on obtained assets from higher budgetary organizations for undertaking different credit and administration exercises.
- (v) The unit exchange cost expanded after some time because of increment in expense of the board.