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AN ANALYTICAL STUDY OF PROGRESS OF THE SECCS IN THE MAHARASHTRA

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ABSTRACT:

Banking constitutes a significant sector of adynamic financial system of a country. In India the banking system consists of Central banks, Commercial banks, Co-operative banks and foreign banks, etc., co-operative credit structure is made up of agricultural and non-agricultural credit institutions. Non-agricultural credit cooperatives include urban cooperative banks, housing cooperative banks, salary earners' cooperatives and employees' cooperative banks. Salary Earner's Co-operative Credit Society (SECCS) occupy an essential position in the financial system of the economy in terms of their reach, volume of operations and the purpose they serve. They were the first ever attempt at micro credit dispersion in rural, semi-urban and urban area in India and are voluntary organized in a democratic setup by people having common interest and high moral values with the aim of "Thrift" and "self-help" through mutual help. This paper study the progress of SECCS in Maharashtra.



KEYWORDS: Salary Earner's Co-operative Credit Society, Banking, Cooperative Banking.

INTRODUCTION

There are certain organizations which undertake business activities with the prime objective of providing service to the members. Although some amount of profit is essential to survive in the market, their main intention is not to generate profit and grow. They pool available resources from the members, utilize the same in the best possible manner and the benefits are shared by the members. Co-operatives societies are one of the business enterprises and thus can be defined in terms of three basic concepts of ownership, control, and beneficiary. Here in the co-operative societies all three interests vested directly in the hands of the Final user. It is an autonomous association of persons, who have gathered voluntarily to attain some common goal through joining hands together and working together. It functions on the principle of co ownership and joint ownership. Because co-operatives are owned and democratically-controlled by their members (individuals or groups and even capital enterprises) the decisions taken by co-operatives balance the need for profitability with the needs of their members and the wider interests of the community. Employee's cooperative credit society runs by the Employees of some particular organization and plays a vital role in development of its business and individual members. It provides financial support to its members.

OBJECTIVES AND RESEARCH METHODOLOGY

Paper is based on secondary data having aim to know the basic introduction of the Salary Earner's Co-operative Credit Society along with its progress in Maharashtra. Secondary data was collected through various publish and unpublish information

MEANING OF SALARY EARNER'S COOPERATIVE SOCIETY

These societies are formed to provide financial support to the members. The society accepts deposits from members and grants them loans at reasonable rates of interest in times of need. Co-operation is now regarded as one of the most powerful instruments for reconstructing and remodelling the economic structure of the under-developed countries in the world. Its need in India is imperative. Salary earners co-operative credit society working in a particular area or a business house for mutual help and co-operation to meet their common economic requirements. The labours and employees are absolutely dependent on their wages and salaries mostly they are financially weak. They could not balance its needs with their income always they are under tension due to economic problems. They spend their life in solving various financial problems. The solution was ultimately found in organising the employee's and workers under the banner of co-operation. That led to the organisation of employee's co-operative credit societies

SALARY EARNER'S COOPERATIVE SOCIETY

The Government, semi government and non-government employees are getting regular monthly salary holders. They are no other source of income other than own salary. Out of the reasonable monthly salary the employee has to meet his requirements. There is no sufficient balance left to fulfil the casual expenditure emergency needs. For the fulfilment of such expenditure, they require loan. Loan is necessary to complete the casual requirements of the employee. Banks cannot sanction loan to employee without any mortgage. 'Salary' is the basic source of income and is also considered as the mortgage for loan. Employees' salary is considered as mortgage in employees' credit co-operative society (ECCS), urban cooperative banks (UCB) and nationalized banks. There are three sources of loan for the employees. But employees' credit co-operative society is established for employees and main object of ECCS is fulfilment of employees' financial needs. Employees' credit co-operative society is one of the types of Non-agricultural credit co-operative societies. SECCS motivates and many times compels them to save from their monthly salary with a view to increase their credit-worthiness and have reasonable saving at the time of retirement. Most of the Employees' join the society as a member to borrow loan till their retirement.

Salary earners co-operative credit society working in a particular area or a business house for mutual help and co-operation to meet their common economic requirements. The labours and employees are absolutely dependent on their wages and salaries mostly they are financially weak. They could not balance its needs with their income always they are under tension due to economic problems. They spend their life in solving various financial problems. The solution was ultimately found in organizing the employee's and workers under the banner of co-operation. That led to the organization of employee's co-operative credit societies or labour banks. Salary earners co-operative credit society is a form of organization wherein employee's voluntarily associate together as human being on the basis of equality for the promotion of the economic interests of themselves. Employee's co-operative credit society is a voluntary association of permanent salary earners who gather together for a common economic need and to help them without any profit motive.

Progress of the Salary Earners Societies in Maharashtra State.

(Rs. in Lacks)

Items	2012	2013	2014	2015	2016
Societies	7,317	7411	7,379	7,232	6,711
Membership-000'	3,443	3817	4,428	4,324	4,040
Share Capital	2,25,702	2,26,865	2,41,196	2,32,901	2,41,437
Owened Funds	3,36,128	3,64,986	3,97,354	3,70,292	3,96,482
Deposits	2,75,538	2,98,983	2,85,411	3,42,877	3,37,294
Borrowing Outstanding	1,11,965	1,23,469	1,16,770	1,16,974	1,30,698
Working Capital	10,44,444	1,10,207	12,59,240	12,57,438	11,08,353
Loans Advanced	5,35,756	5,42,007	6,63,875	8,41,848	9,22,968
Loans Outstanding	6,92,884	7,08,198	6,92,628	6,32,542	6,53,196
Loans Overdue	41,181	45,842	39,700	40,052	55,490
Societies in Profit	6,579	6,423	6,739	6,525	5,833
Amount of Profit	41,030	40,863	48,948	43,020	49,891
Societies in Loss	725	554	692	583	745
Amount of Loss	684	623	3,167	602	15,949

(Source: Cooperative at a Glance)

FINDING OF THE STUDY

The progress of the Salary Earners Societies in Maharashtra are shown in above table. These societies were stood at 7317 in 2012 decreased up to 6711 in 2016, with membership 3443 thousand to 4040 thousand, respectively, growth rate shown the decreasing trend in number and increase trend in membership over the period, regarding to membership it was negative from 2014. Share capital increased from Rs.2,25,702 lacks in 2012 to Rs.2,41,437 lacks in 2016. Owened funds increased from Rs. 3,36,128 lacks to Rs. 3,96,482 lacks in 2016. Deposits increased by Rs. 2,75,538 lacks in 2012 to Rs. 3,37,294 lacks in 2016. Working capital increased from Rs. 10,44,444 lacks in 2012 to Rs. 11,08,353 lacks in 2016. Loans advanced increased from Rs. 5,35,756 lacks to Rs. 9,22,968 lacks in 2016. Loans outstanding decreased from Rs.6,92,884 lacks in 2012 to Rs. 6,53,196 lacks in 2016. Loans overdue increased from Rs. 41,181 lacks to Rs. 55,490 lacks in 2016. Number of societies in profit decreased from 6,579 to 5,833 during 2012 to 2016 and number of societies in loss increased from 725 to 745 during 2012 to 2016.

CONCLUSION

It is concluded that the progress of the SECCS during 2012 to 2016 is not satisfactory in the term of number however, regarding discussion of the members strength are increased but it is not up to the satisfactory level. The SECCS are very beneficial to the employees so there is need to encourage the offices for establishing such SECCS for meeting their financial need with help of each other.

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