INTRODUCTION:-

The word co-operation was derived from the Latin word “co-operari” which means work together. Today the co-operation means working together for a common purpose. The birth of co-operative movement in India was in 1904. The co-operative movement in India is largest in the world covering 100% villages and 75% rural households. The co-operatives have now emerged as a vital segment of the economy in our country.\(^1\)

Co-operative organizations have become a way of life with more and more people. These organizations are playing a major role in economic progress of the weaker section of the society. The Indian co-operative movement primarily meant for the welfare of common people, is one of the largest voluntary movements in the world, and the urban co-operative banks is one of its important constituents. There are different types of co-operative societies and among them co-operative banking sectors forms an important segment of the co-operative movement.\(^2\)

In the past, the importance of urban co-operative banks as an institution best suited to cater to the banking and credit needs of persons of limited means was firstly recognized by the Maclagan committee on co-operation in 1915. The Indian central banking enquiry committee 1931 felt that, the urban co-operative banks should provide to the small traders, small merchants and the middle classes, the same facilities and services as commercial banks were providing to the big businessman.

The co-operative planning committee 1946 also pointed out that the commercial banks could not extend financial assistance to the persons of small means due to high cost of advancing and recovering the small loans. Therefore co-operative banks would be the best suitable agency for serving the credit needs of the classes like traders, artisans, factory workers, technicians, skilled workmen like carpenters, mechanics, blacksmiths etc.

Apart from that a survey committee of urban co-operative banks (1957-58) a study group on credit co-operative in non-agricultural sector under the chairmanship of shri V.P. Varde (1963) and about a decade and a half back Madhav Das Committee appointed by the RBI in 1977, have explain the significant role that has been played by urban co-operative banks in Indian banking system.
The Jogalekar committee appointed by the Govt. of Maharashtra in 1974 for studying problems of urban co-operative banks in Maharashtra had commented that, the performance of the urban co-operative banks in Maharashtra taken as a whole was fairly satisfactory and they have been playing a vital role in the banking structure of the country.

The Anyonya co-operative Bank in India is considered to have been the first co-operative bank in Asia. Over the years urban co-operative banks have registered a significant growth in number, size and volume of business handled.

Co-operative banks are an important constituent of the Indian financial system. They are the primary financial of agricultural activities, small scale industries and self employed workers.

Basic concept of co-operative banking is a retail and commercial banking organized on a co-operative banking institutions take deposits and lend money in most part of the world.

Among the co-operative banks Solapur Janata Sahakari Bank plays a significant role in promoting the interest of customers. The need of such banks is imperative. The main objectives of Solapur Janata Sahakari Bank are to meet the various financial needs of customers and thereby improve their living standard, and also to inculcate the saving habits among them. Such banks mainly advance loans to the needy customers for housing, education, purchasing vehicles, machinery etc. The bank also gives secured loans to the non-members.

The bank has to frame its lending policies in accordance with the directives of the Government, RBI, co-operative department, Maharashtra state co-operative bank, and NABARD. The Maharashtra state co-operative bank is the apex bank for all co-operative banks, such banks policies have to be executed by Solapur Janata Sahakari Bank.

The Solapur Janata Sahakari Bank is having 35 branches in addition to its Head office at Solapur and it has been working and playing an important role for the last forty seven years.

The researcher has selected this bank with a view to assessing its performance by using the various techniques of financial performance.