

## Know about Cooperative Banks and Regional Rural Banks

In the realm of **bank exams**, a comprehensive understanding of **Cooperative Banks** and **Regional Rural Banks** is indispensable. Cooperative Banks, driven by community collaboration, play a pivotal role in local economies, and grasping their functioning is vital for aspirants navigating competitive exams. Simultaneously, Regional Rural Banks, designed to uplift rural areas, have unique operational nuances crucial for success in bank exams.

This introductory guide delves into the distinctive features, functions, and regulatory frameworks of Cooperative Banks and Regional Rural Banks, providing aspirants with a holistic perspective. Whether you are a novice or a seasoned aspirant, unraveling the intricacies of these banking institutions is essential for excelling in the competitive landscape, making this resource an invaluable asset on the journey to success in bank exams.

This is the fourth part of the **Banks in India** Blog series. So, before diving deep into this topic, let's recap **Privatization of Banks** by clicking on the embedded link. So, let's start with the **Cooperative Banks**.

## Cooperative Banks

Co-operative banks are monetary substances laid out on a Co-operative premise and having a place with their individuals. This implies that the clients of a Co-operative bank are likewise its proprietors. These banks give a wide scope of ordinary banking and monetary administrations.

- The Agreeable Credit Social Orders Act, 1904, was the initial step taken for the Co-operative society, which got sped up with the presentation of the Helpful Social orders Demonstration of 1912.
- In post-free India, the Focal Council for Helpful Preparation (1953) was set up by RBI for laying out Co-operative instructional hubs.
- To settle the issue of the monetary emergency in the country regions, Rustic Credit Overview Advisory group was set up 1954.
- This Co-operative development spread through the financial area also and by the 1950s, Co- operative Banks had begun stretching out their span to the general population in both country and metropolitan regions.



[Source: Wikipedia]

## Construction of Cooperative Banks in India

The co-operative Banks in India are represented according to the **Financial Guidelines Act 1949** and **Banking Regulations (co-operative Social orders) Act, 1951**.

Comprehensively, co-operative banks in India are isolated into two classifications:

- Metropolitan (Urban)
- Rustic (Rural)

Provincial helpful credit establishments could either be present moment or long haul in nature. Further, transient helpful credit establishments are further sub-isolated into State Co-operative Banks, Locale Focal Co-operative Banks, Essential Agricultural Credit Social orders.

In the interim, the drawn-out foundations are either **State Cooperative Agriculture or Rural Development Banks** (SCARDBs) or **Primary Cooperative Agriculture and Rural Development Banks** (PCARDBs).

Then again, **Urban Co-operative Banks** (UCBs) are either booked or non-planned. Planned and non-booked UCBs are again of two sorts' multi-state and those working in single state.

## Types of Cooperative Banks

There are three main types of cooperative banks in India:

- **Primary Cooperative Banks (PCBs):** These are the most basic level of cooperative banks, located at the village or town level. They provide services like accepting deposits, offering loans, and facilitating remittances.
- **District Central Cooperative Banks (DCCBs):** These banks are formed by the federation of primary cooperative banks in a district. They provide financial assistance to primary cooperative banks and act as a link between them and state cooperative banks.
- **State Cooperative Banks (SCBs):** These banks are formed by the federation of district central cooperative banks in a state. They provide financial assistance to DCCBs and undertake various other functions, such as mobilising deposits, issuing loans, and providing clearinghouse facilities.

These Banks have been opened with the witticism of 'no-benefit no-misfortunes and hence, don't look for productive endeavors and clients as it were. As the name recommends, the primary goal of Co-operative Banks is common assistance.

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[Source: The Economic Times]

Cooperative banks play a vital role in the Indian financial system, particularly in serving the needs of rural and underserved communities. Addressing the challenges they face and implementing effective reforms are crucial to ensuring the long-term sustainability and growth of cooperative banks in India.

Now, let's talk about the **Regional Rural Banks**.

## Regional Rural Banks

**Regional Rural Banks (RRBs)** are government-owned planned business banks of India that work at local level in various provinces of India. These banks are under the responsibility of the Money Legislature of India. They were made to serve provincial regions with fundamental banking and monetary administrations. Be that as it may, RRBs additionally have metropolitan branches.

The **Prathama Grameen Bank** was the **first Regional Rural Bank** to be laid out on **2nd October 1975**.



[Source: Business Standards]



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## Combination of Regional Rural Banks

The convergence of at least two banks together is known as a mixture. During the 1990s, in excess of 190 RRBs existed. The combination of these banks was done in a stage shrewd way. In January 2013, 25 RRBs were converted into ten banks, diminishing the number to 67 banks in the principal stage.

It was additionally decreased to 56 banks in Walk 2016 in the subsequent stage. In the third stage, it was decreased to 43.

### List of 43 RRBs are:



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	Andhra Pragathi Grameena Bank
Andhra Pradesh	Chaitanya Godavari Grameena Bank
	Saptagiri Grameena Bank
	Aryavart Bank
Uttar Pradesh	Baroda Up Bank
	Prathama Up Gramin Bank
	Bangiyaa Gramin Bank
West Bengal	Uttar Banga Kshetriya Gramin Bank
	Paschim Banga Gramin Bank
Telangana	Andhra Pradesh Grameena Vikas Bank
	Telangana Grameena Bank
Gujarat	Baroda Gujarat Gramin Bank
	Saurashtra Gramin Bank
Rajasthan	Baroda Rajasthan Kshetriya Bank
	Rajasthan Marudhara Gramin Bank
Bihar	Uttar Bihar Gramin Bank
	Dakshin Bihar Gramin Bank
Jammu And Kashmir	Ellaquai Dehati Bank
	J & K Grameen Bank
	Karnataka Gramin Bank

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[Source: Mint]

In conclusion, delving into the intricacies of Cooperative Banks and Regional Rural Banks proves instrumental for bank exam aspirants. This comprehensive guide has unraveled the distinctive features and operational dynamics of these banking institutions, offering a holistic understanding crucial for success in competitive exams. Cooperative Banks, driven by community participation, and Regional Rural Banks, dedicated to uplifting rural economies, form integral components of the financial landscape. Aspirants, having navigated through the regulatory frameworks and operational aspects, are now equipped with a nuanced perspective.

The knowledge gained from this resource not only strengthens their preparation but also empowers them to approach bank exams with confidence. Understanding the roles played by Cooperative Banks and Regional Rural Banks not only enhances one's grasp of banking concepts but also positions aspirants strategically for success in the dynamic world of banking examinations.

So, this is all for today. In our next blog, we will discuss the **Local Area Banks**. Till then, stay tuned!