CHAPTER - IV

REVIEW OF LITERATURE

4.1 Introduction
4.2 Reports of Committees
4.3 Books
4.4 Research Articles
CHAPTER - IV
REVIEW OF LITERATURE

4.1 Introduction:-

In the review of literature an endeavor has been made to provide an overview of various aspects of urban co-operative banks through the review of existing literature particularly reports of committees and books where subject is dealt comprehensively. In addition to this the secondary sources are referred in research study that includes various journals, working papers, internet sites etc and has been reflected as references at the end of every chapter. Thus, this chapter is divided into four sections viz.

A) Reports of Committees
B) Articles published in Books
C) Articles published in Periodicals

Section-A) Reports of Committees

4.2 Reports of Committees:-

Urban co-operative banks have been organized in the country to promote this and to mobilize deposits from urban mass and advance loan to members. Various committees, working groups and study groups have evaluated the role and performances of the urban co-operative banks from time to time and have recommended reformation to restructure the whole system of urban co-operative banking.

Expert Committee, (2011):-

The RBI has appointed a committee on licensing of new UCBs under the chairmanship of Shri Y H Malegam which recommended that:

i) UCBs play a useful role and there is need for a greater presence of UCBs in unbanked districts and in centers having population less than 5 lakh. It is necessary to encourage new entrants to open banks and branches in States and Districts which are unbanked or inadequately banked. It is equally necessary to discourage new entrants from opening branches in Districts and population centers which are already adequately banked.
The existing well managed co-operative credit societies meeting certain financial criteria like profits, capital adequacy, NPAs’ proportion etc. should be given priority for granting licenses as urban co-operative banks particularly in unbanked or inadequately banked centers.

The committee also recommended an umbrella organisation that will provide temporary liquidity to the member UCBs. The funds required for providing temporary liquidity shall be mobilised from member UCBs who shall be permitted to keep their CRRs with this Umbrella Organisation bank. All the non-scheduled urban co-operative banks in India shall be the compulsory members of this Umbrella Organisation.

If these recommendations are accepted by RBI, it will definitely boost the urban co-operative banks and new UCBs with sound financial position & well professional staff will come into existence. This will also be beneficial to existing UCBs as the umbrella organisation will solve their temporary liquidity problem.

K. Madhav Rao Committee (1999)

The RBI appointed the high power committee under the chairmanship of Shri. K. Madhav Rao in May 1999. The important recommendations made by the committee are as follow.

i) Corporate governance: At least two dissectors having 'Accountancy Banking' knowledge or relevant professional background should be elected on the board of urban co-operative Banks.

ii) Licensing policy of new UCBs: The regulator should prescribe the twin criteria for entry i.e. strong set up capital and requisites norms promoters’ eligibility.

iii) Branch licensing policy: The reserve bank should extend to the UBCs the same freedom and discipline as is applicable to commercial banks in opening branches.

iv) Policy on unlicensed banks: Under the provisions (CCV) of B.R. act a primary credit society with paid up capital and reserve fund of rupees one lakh and with main objective of carrying on banking business, automatically secures status of an urban banks.

v) Policy on weak / sick banks: Separate objectives criteria based on CRAR, net NPAs and history of losses have been recommended for identification at weak / sick banks.
S. S. Marathe Committee Report, (1992)²:

Reserve bank of India constituted the committee under the chairmanship of Shri. S. S. Marathe, former director, central board of directors, the Reserve Bank of India Mumbai.

The main objectives of the committee was "to review the licensing policy" regarding this objective the report on the working of UCBs was published by RBI, urban banks department, central office Mumbai in 1992.

The committee has constituted on following terms of reference.

i) To Review the present policy of RBI in regard to licensing of new primary urban co-operative banks.

ii) To examine whether different criteria need to be laid down for organization of banks in various states.

iii) To Consider whether primary credit societies which have attained viability norms should be recognized as urban co-operative banks and if so, the condition which should given such recognition.

iv) To examine whether the viability norms presently prescribed particularly in regard to capital adequacy needs upward revision.

v) To look in to the policy relating to licensing of existing urban co-operative bank as an additional term of reference as per deputy governor’s order dated 5th October 1991.

Regarding registration and licensing of new urban co-operative bank the committee observed that adequate scope exists for the organization of new urban co-operative bank in towns and semi urban centres in the country.

The committee had made the following recommendations.

i) The ‘one district one bank’ approach may be give up and organization of new UCB may be permitted on the criteria of need for the institution and the potentials in the proposed centre / area for the mobilization of deposit and the purveying of credit in order to enable the bank to satisfy the standards of viability within a stipulated period.

ii) The exiting policy regarding mahila bank and proposals for organization of new urban co-operative bank from areas having predominate concentration of Scheduled castes / scheduled tribes / weaker section may be continued.
iii) The licensing policy pertaining to organization of urban co-operative banks should be reviewed periodically say, once in every year.

Narasimhan Committee report (1991)⁴:-

The committee as “financial Sector Reforms” popularly called the ‘Narasimhan Committee ‘constituted by the government of India, under the chairmanship of Shri. M. Narasimhan, ex-governor. Reserve Bank of India recommended for reaching change in the financial sectors as a whole and banking system in particular. Their recommendation on financial sector reforms were implemented for the accounting year 1991-92, in the commercial banks and for the co-operative sector banks these were implemented from the accounting year 92-93.

The committee identified two major factors responsible for poor productivity and finances as i) directed investment and ii) directed credit programmers. There were the major causes of erosion of profits of the bank which affected the functioning of the bank adversely.

Standing Advisory Committee (1983)⁵:-

The standing advisory committee for urban co-operative bank was formed in 1982. The committee has made some important observation and mentioned its notable observation in the aspects of functioning of UCBs that, the deposits of urban co-operative bank are largely received from the people of small means, the deposits up to ₹ 10,000 each forming nearly 60 percent of total deposit of the urban co-operative banks as on 30th June 1982.

The committee concluded that the deposit had registered a threefold rise during the period of June 1979 up to June 1982 and the loans and advances had also registered a more than threefold rise since June 1977 to June 1982.

Madhav Das Committee (1979)⁶:-

In 1979, the RBI appointed a committee on urban co-operative bank under the chairman of K. Madhav das. The committee was constituted in September 1977, they was basically to study various aspects of the working of urban co-op banks.

To evaluate the role of urban (primary) co-operative banks in the banking system, the main objectives of the committee formation are as follow.
i) To indicate to future role of primary co-operative banks to assess whether any additional facilities or assistance are needed.

ii) To examine aspects such as viability, lending, procedures and policies particularly from the point of serving the small business borrower.

The 1979 was an important landmark in the history of urban co-operative banking in India. Regarding viability norms, the committee suggested certain “minimum requirement” in regard to share capital, reserve, deposit, working capital, loans-business of urban co-operative banks in the initial stage and with in a period 5 years of establishment in 3 years different categories of centers i.e. metropolitan, urban, semi urban centers.

**Joglekar Committee (1974)**7:-

The government of Maharashtra has appointed the state level committee in December 1974 under the chairmanship of Shri V. M. Joglekar, ex-managing director of the Maharashtra State Co-operative Bank, to revive the working of urban co-operative banks. The committee observed that not only the member of UCBs has increased, but membership has also increased. It indicates that there were increased the people involvement in the working of UCBs. Deposits have gone up considerably. The deposits from non-members are more than those of the members, which is positive proof of the fact that the urban co-operative banks have secured the confidence of the depositing public of urban and semi urban areas.

The committee has made the following recommendation.

i) Urban Co-operative Bank should work as a financier giving friendly guidance relating to production techniques, financing and accounting systems.

ii) State Co-operative Bank should take the initiative for organizing new urban bank with active involvement of co-operative department.

iii) The urban Co-operative Banks which have surplus resources can may the participation arrangement to finance industries and agro based industries which single bank may not be able to finance.

**Date Committee (1972)**8:-

The Reserve Bank of India appointed a committee to the study the problem of co-operative overdue loans under the chairmanship of Dr. C. D. Date, officer of
the agriculture credit department of RBI in December 1972.

The committee submitted its report in the years 1974. The committee suggested the following remedies to minimize the problems of over dues (except for those which are due to the natural causes).

i) Loan policy should be sound one.

ii) Loan should be given on time and at only the necessary amounts.

iii) Bank manager should create the all atmosphere which help the repayments of loan one time.

iv) No one should be allowed to delay in repayment of loan without any proper reason.

v) There should be provision of punishment for the will fall defaulters.

Vardhe Committee (1963)9:-

The report of the study group on the credit co-operation in Non-agricultural sector (1963) was published by the government of India. The study was conducted under the chairmanship of Shri V.P. Vardhe, the study group revealed the working of UCBs along with other Non-agricultural credit societies and made valuable suggestions, some of which are as under.

i) Urban Co-operative Banks should have minimum paid-up share capital of Rs.50,000.

ii) The area of operation of on UCBs should be restricted to a municipality or town and in large towns, it becomes necessary zones or wards may be demarcating as the area of operation.

iii) There should not be more than one class of member in an urban co-operative bank. In many urban co-operative banks, there are two classes of member know as "A" class (Regular) and "B" class (Normal) members.

The committee was not in favor of normal membership remarked that this system was introduced to meet exceptional circumstance but has become a popular means of denying the right of participation in the management to persons eligible for membership

iv) Election to the board of directors can be held each year or once in three years or each year by rotation for one third of the board.

v) The state may participate in the share capital of new bank or of such urban co-operative banks as require immediate strengthening of their owned funds
position. For the purpose, the state may contribute up to ₹ 25,000 on a matching basis which should be retired within a period of not exceeding 10 years.

**Shastri Committee (1961)**

The Reserve Bank of India was published the report on the survey of urban co-operative banks in 1961, which was prepared under the chairman of Dr. N. S. R. Shastri, the main object of the study was to study the pattern of financial resources of urban co-operative banks, the outlets for their investments and the factors underlying the success or failure in their working.

i) To make active efforts by UCBs management to increase their membership.

ii) To assess and see the scope for the establishment of new centers.

iii) The Urban Co-operative Banks have to adopt progressive attitude towards their functions and try to diversify their activities.

iv) In respect of loan policy the urban co-operative banks have to adopt a sufficient wide and diversified system.

v) The urban co-operative banks have to build up member relations and publicity on a continuous basis.

The report also emphasized the need for active support of the state government in the development of urban co-operative bank.

**Committee on Co-operative Credit (1959)**

The expert committee on co-operative credit appointed under the chairmanship of Vaikunth L. Mehta in year 1959. The committee submitted its report in the month of May 1960, the expert committee recommended.

i) Development of village community as a primary co-operative unit.

ii) Deposits to be attracted to develop internal sources.

iii) Need for an efficient and effective audit.

**RBI Survey on Urban Co-Operative Banks (1958-59)**

In the years 1958-59 The Reserve Bank of India appointed a study group to review the working of urban co-operative banks. The survey conducted about knowing the collection of deposit, investment of funds, success or failure of the banks and the overall working of the banks. In the survey report of RBI it is clearly started that ‘Urban Co-operative Bank’ should given stress on providing loans and advance which will help full for the production function, from the view
point of fully credit requirement of the low income groups in society. To provide finance to the small enterprises should be the future direction of development of these of these banks.

**Rural Banking Enquiry Committee (1950)**

The rural banking enquiry Committee appointed under the chairmanship Mr. Purushottam Das in 1950. The committee started that urban co-operative banks can fulfill the credit requirements not only urban people but of the rural people also.

**Before independence**

**Saraiya Committee (1947)**

The government of India established the "Co-operative planning committee" in 1947 under the chairmanship of Mr. Ramanlal Saraiya the great leader in the field of co-operative movement. The committee remarked that, the Urban Co-operative Banks have cordial and affectionate relations with people having lover income. Therefore urban co-operative banks feel trust worthy from point of fulfilling the credit requirements of the low income groups.

The committee mentioned that the Urban Co-operative Banks should accept current deposits. It should transfer $\frac{1}{3}$ amount of the net profit to the "Reserve Fund" till the “Reserve Fund” equals up capital and after that $\frac{1}{4}$ amount of net profit should be transfer to the “Reserve fund”.

**Co-operative Planning Committee (1945)**

The government of India appointed this committee on the recommendation of "fourteen registrar's" conference in 1945. The committee suggested that all offices employing 50 persons or more and every mill or factory should organize employee co-operation credit societies providing the credit needs of its workers and employees and for promoting habits of thrift.

**Purview Report by Reserve Bank of India, (1939-1940)**

During 1939-1940 period number of Urban Co-operative Credit Societies and Urban Co-operative Banks were gradually increased day by day. The RBI made purview of the co-operative movement in India and remarked that urban
credit societies and urban banks are the most important features of the urban co-operative movement in India and make up some extent for the absence of joint stock banking facilities in the smallest towns.

**Central Banking Equity Committee, (1930)**

In 1930, the committee was appointed to study the banking business in our country. The committee also studied the urban credit societies. The main recommendations of the committee ware.

1. A central bank for the whole country should be immediately created.
2. There should be separated "land Mortgage Bank" on provincial level for each province.
3. Urban bank should provide financial assistance persons to the small traders, vendors, middlemen and needy persons.

**Maclagan Committee, (1914)**

The government of India appointed a committee under the chairmanship of Sir. Edward Maclagan in October 1914 - the task before committee was to review the progress of the movement and report whether the movement was on right lines.

The Maclagan committee submitted the report in 1915. The committee made valuable suggestions for constructive proposals for healthy development of the co-operative movement. The committee suggested the following classification of societies.

1. Primary societies,
2. Co-operative unions,
3. D.C.C. Banks and
4. Provincial Co-operative Banks.

**Section-B) Books**

**4.3 Books:**


In a market-oriented economy, the terms of contract are frequently weighted in favor of persons of large means. Those who have the command of scarce resources are left free to drive a bargain with those who need such resources but are ill-equipped to compete for their possession. Co-operatives are
institutional agencies for achieving social cohesion. In a country whose economic structure has its roots in the villages, co-operation is something more than a series of activities organized on co-operative lines. Basically, its purpose is to evolve a system of co-operative community organization which touches upon all aspects of life. Co-operatives in India started as a means of ensuring, for the poorly equipped citizens, advantages which better placed persons were able to command by their own individual resources. The principle of mutual aid, which is the basis of co-operative organization and the practice of thrift and self-help which sustains it, generate a sturdy feeling of self-reliance which is of basic importance in a democratic way of life. By pooling their experience and knowledge and by helping one another, members of co-operative societies cannot only find the solutions of individual problems but also become better citizens. The present work explains and examines the functioning of co-operative banks in India and selects other countries—including Grameen Bank of Bangladesh to understand their role in the globalized world.

Somalkar Prakash, (2014)²:-

India is a country of Villages and agriculture therefore so much emphasis is given to the development of Co-operative societies in Rural and Remote areas in India, and Urban Co-operative societies in rural has play a pivotal role. The Birth of Co-operative banks comes from Co-operative movements in the various areas. The development of urban cooperative credit societies did not receive much attention until 1915. They grew not in numbers but also in size and now a day's 1674 Urban Co-operative banks working in India out of which 557 working in UCBs in Maharashtra state. For the sake of improvement in the field of farmers and fulfill the needs and requirements with giving loans to Rural banks. These Urban banks play an important role for the prosperous economy in India. UCBs are facing acute competition due to the presence of Private Banks in India, in practice, because of Vested interests, Political interference and financial indiscipline resulting into failure of banks. To cope up with this failure require call for strong evidence of transparency & disclosure and good corporate governance, productivity and efficiency.
Co-operative banks are an integral part of the Indian financial system. They comprise urban co-operative banks and rural co-operative credit institutions. Co-operative banks in India are more than 100 years old. UCBs also referred to as primary co-operative banks, play an important role in meeting the growing credit needs of urban and semi-urban areas of the country. UCBs mobilize savings from the middle and lower income groups and purvey credit to small borrowers, including weaker sections of the society. Scheduled UCBs are under closer regulatory and supervisory framework of the RBI. Though much smaller as compared to scheduled commercial banks, co-operative banks constitute an important segment of the Indian banking system. They have traditionally played an important role in creating banking habits among the lower and middle-income groups in urban areas and also in strengthening the rural credit delivery system. This book focuses on management of UCBs – in India, including recent reforms. Besides, it includes a case study of financial efficiency and the working of UCBs in the Indian state of Andhra Pradesh of Chittoor District.

Rais Ahmad (2013)

Ever since India’s attainment of independence in 1947, alleviation of rural poverty has been one of the primary objectives of the country’s planned economic development. The government of India has been striving to improve the economic and social conditions of rural populations through a host of measures, including the creation of productive employment opportunities based on optimal use of local raw materials and skills. It is undertaking interventions aimed at: (a) improving the supply chain, (b) enhancing skills, (c) upgrading technology, and (d) expanding markets and capacity building of the entrepreneurs/artisans and their groups/collectives. Having begun primarily in the field of credit as a defensive mechanism against the usurious money lenders, co-operatives have come to embrace a large gamut of activities to serve the interests of the producers and consumers. Credit, however, still continues to be the predominant activity. Co-operatives are expected to play a major role in the distribution of inputs and services to the farmers on the one hand and in assisting marketing and processing of agricultural produce on the other. This book contains research papers which
provide deep insights into the complexities involved in rural development of India and the role which co-operatives can play in this stupendous task.

**Polyp (2012)**

As the dominant economic system is increasingly called into question here comes a business model whose time has well and truly come. Charting the history of the co-operative movement from its humble beginnings in the north of England to a worldwide network, this graphic novel presents a robust foundation for future well-being. So let's celebrate social enterprise!

**S. L. Goel (2012)**

Co-operatives are the only institutions which are not profit making organizations but rather service organizations. Cooperatives are value-based organizations where employees, members and community lead a life of harmony. The cooperative values of democracy, equity, solidarity, etc. provide a strong foundation for building an ideal society.

**G. Sharma (2011)**

In recent years, fundamental changes have occurred in the Indian banking industry. These changes have been a consequence of deregulation that has led to the creation of a more market competitive environment of within the banking sector. Success in competitive markets demand achieving the highest levels of performance therefore continuous improvement the performance of the banks is crucial for the well being of the entire economy. The reform of the financial sector started in 1991.

**Dr. G. S. Kamat, (2011)**

Pace of development has been truly fast and issues are getting complex, both internally and environmentally. This dynamics is most welcome. Therefore some new chapters have been appropriately added while a few have been dropped in the context of new developments. (However, this pruning has been very marginal as could be seen in comparison to the old edition.) The additional features of this edition is inclusion of some seven cases to cooperatives management, covering such management areas as project formulation decisions, sector and private sector coordination; etc., etc. Since management practice must in all possible directions conform to the principles universally accepted, it was

S Rajagopalan (2010)9:-

A cooperative is an organization brought into being by a group of people with a common economic interest, with the collective serving as a mechanism to leverage benefits for the members in the market. It does business just as a corporation; however, what set a cooperative apart from a corporation are its member-owned and-controlled characteristics. In this sense, a cooperative is a self-help enterprise for its members. Since its origin in the 19th century, the cooperative form of organization has evolved and grown into a formidable entity today. Some of the best known businesses around the globe are cooperatives of Spain, REI of the US, Amul dairy of India, to name just a few. According to UN estimates, the total membership of cooperatives today is 800 million, with 100 million employed in their services. The sectoral spread of cooperatives, too, is impressive: agriculture, fisheries, banking, insurance, retail, utilities, housing, tourism, transportation.
Co-operative banks are an integral part of the Indian financial system. They comprise urban co-operative banks and rural co-operative credit institutions. Co-operative banks in India are more than 100 years old. Urban Co-operative Banks (UCBs) - also referred to as primary co-operative banks - play an important role in meeting the growing credit needs of urban and semi-urban areas of the country. UCBs mobilize savings from the middle and lower income groups and purvey credit to small borrowers, including weaker sections of the society. Scheduled UCBs are under closer regulatory and supervisory framework of the RBI. Rural co-operative banks operate mainly for the benefit of rural areas, particularly the agricultural sector. Though much smaller as compared to scheduled commercial banks, co-operative banks constitute an important segment of the Indian banking system. They have an extensive branch network and reach out to people in remote areas. They have traditionally played an important role in creating banking habits among the lower and middle-income groups and in strengthening the rural credit delivery system. This book - focusing on UCBs - provides a vivid account of the functioning of co-operative credit institutions in India including recent reforms. Besides, it includes a case study of the working of UCBs in the Indian state of West Bengal.

Credit co-operatives in India make up one of the largest rural financial systems in the world. Playing a vital role in dispensing credit in largely agricultural areas, they are also the weakest link in the formal credit delivery system. This book provides a valuable case study of the traditional banking system in this developing economy, exploring the reasons for the poor performance of credit cooperatives in India and suggesting measures to revitalize them. Although this sector has grown along with the micro-credit sector to provide finance for the poor and the less creditworthy borrowers, financing development still remains a major problem in the developing world. However, the financial health of credit cooperatives in India has been a matter of perennial concern. The author argues that cooperatives hold great promise for financial inclusion if the financial position of the cooperatives can be consolidated. Providing a detailed analysis of the historical evolution of cooperatives in India, the book establishes
the link between different segments of this institutional system and their performance in a commercial sense to show that cooperatives occupy an important place in India’s financial edifice as they play a key role in the multi-agency framework for rural credit delivery. As such, the analysis provides a valuable reference for scholars of economics, Asian economics and finance.

**Indian Institute of Banking and Finance (2010)**

Co-operative Banking is a dominant segment of banking in semi-urban and rural areas of India and plays a significant role in spreading banking facilities to the underprivileged sections of the society. Since this segment is huge and has diverse requirements.

**Rajmanohar T P (2008)**

India has the proud privilege of having the most successful cooperative in the world. The cooperative is AMUL or Gujarat Cooperative Milk Marketing Federation (GCMMF). The story of Amul began in 1946 when a few enterprising farmers from the village of Anand in Gujarat set up the Kaira District Milk Cooperative Union. The cooperative was launched by the farmers to free themselves of middlemen, gain access to markets and get good rewards for their efforts. Today, this cooperative is worth around Rs.2200 crores and has a network of 2.12 million farmers. Even large corporate like Hindustan Lever, Nestle and Britannia had to play second fiddle to AMUL in the milk products sector. In the process AMUL catapulted India to the number one spot in terms of milk production in the world. The success story of AMUL is being replicated all over India by other dairy cooperatives. An area where cooperatives are successfully competing against corporate in India is the fertilizer sector. In the early years after independence, fertilizer production was undertaken mainly by the private sector and the public sector. This was to change soon with the establishment of IFFCO, a cooperative, which wanted to produce and market fertilizers. The man behind IFFCO was Paul Pothan. It began its journey in 1967 with an initial membership of 57 cooperative societies. The share capital at the commencement of business was just above Rs.0.5 million. The last four decades has seen membership increase to 37381 cooperative societies with a share capital of above Rs.4200 million. Another success story in the field of fertilizer cooperative is KRIBHCO. This cooperative
had its birth in 1980. KRIBHCO now consists of 6044 cooperatives - mainly Primary Agricultural Cooperative Societies. Its main products are ammonia, urea, seeds and bio-fertilizers.

RamaKumar T. N. (2008)

If co-operation fails there will fail the best hope of rural India - Royal Commission on Agriculture in India 1928 These brave words uttered almost eight decades ago still carry a prophetic ring. So much so that when the Vaidyanathan Committee, which studied this problem of rural credit, said rural credit was skewed in favor of the rural rich and this observation was reinforced by many other such studies, the Reserve Bank of India had to think of reinventing the institution of village money lender by lending him a measure of legitimacy. India has a chequered history of co-operative movement and this book is a journey into this exciting area of banking which accounts in volume for about a tenth of Indian banking. It tries to look at the genesis of the co-operative bank movement and its typical operational problems as perceived by practitioners, academicians and regulators. Co-operative bank failures have been a recurring problem in the 1990s and these problems are discussed and solutions offered in this book. Various studies as well as the economic history of co-operative banking in Canada and a host of European nations also prove that given the will, co-operative banking can be resilient, vibrant and yet fulfilling their historical role. Their unique contributions to green finance, triple bottom line financing, sustainable development, community development and SME financing are all captured in this book. The book leaves the reader wondering if Indian Co-operative banks can be made equally vibrant.

IIBF (Indian Institute of Banking and Finance), (2007)

This book is a part of the course for Urban Co-operative Banks (UCBs) and covers all laws pertaining to UCBs. The book has an added advantage in that it covers all laws that generally apply to banks in India and in addition it covers those laws that are specific to UCBs. Other than laws, the books coverage includes the principles governing co-operative banking and then looks at the various laws that govern co-operative banking in India. It also looks at the various structures of co-operative banking institutional structure and also the salient features of the
Multi State Co-operative Societies Act. Though this book has been written with the examination for UCBs in mind, it would be useful to anybody who is interested in knowing more about UCBs.

IIBF (2007)16:-

This book is a part of the three paper course of the Institute for employees of the Urban Co-operative Banks. This book covers the operational aspects of co-operative banking including the various types of products that co-operative banks can and do offer, bank-customer relationship, the know your customer norms that banks have to follow with respect to their customers. It also talks about credit management from the perspective of the UCBs in that it describes the various loans and strategies for loans that banks have to adopt for effective lending. It also provides with some basic knowledge of book keeping and accountancy. This book will be useful for anybody interested in knowing more about co-operative banks and their operations.

S. Nakikiran (2006)17:-

The present book Cooperative Management-Principles and Techniques has undergone four editions and present edition is the fifth one. Present work is a concrete one, embodies all the latest trends, unique features and techniques applicable to cooperative management

Ramkishen Y (2003)18:-

This book covers the rapidly expanding field of co-operatives through an application-driven approach. It examines the key concepts of co-operatives and includes features that aid student comprehension. India has the largest network of co-operatives in the world. This sector holds a prominent position in the development of the rural economy of our country

Jaya S. Anand (1999)19:-

Over nearly four decades of their chequered history, Co-operative Agriculture and Rural Development (CARD) Banks have been able to emerge as an outstanding Co-operative institution, catering exclusively to the investment credit needs of the rural areas. The Kerala CARD Bank is considered to be the best among the developing Banks based on its outstanding performance in terms of many indicators like the quantum of advances made, reserves, profit, small farmer
coverage etc. It has diversified its activities so as to cover and assist rural artisans, small scale industrialists and has also launched the financing of rural housing. The study examines the role of the Bank in meeting the long term credit requirements of the rural masses in the State. It has also examined the impact of lending, and the utilization and recovery pattern of loan advanced. The study makes a brilliant exposition of all these issues and highlights the real problem prevailing at the beneficiary level. The author has used various statistical tools to make the study scientific and accurate. This book should be of vital importance to policy makers and researchers.

K. S. Pathania (1998)

The present book is a brilliant exposition of all aspects and brings into lime light the actual practices of utilizing the cooperative credit. The study covers the genesis, growth, objectives of cooperative banking, classification of credit and performance of cooperative agriculture credit, general pattern of utilizing the credit utilization and perception of borrowers towards the attitude of management. Dr. Pathania has taken help of various statistical devices to make the study scientific and accurate. The author advances a number of suggestions at different level of analysis, which are timely and practical. This outstanding book will be of great use to the management of cooperative societies (Primary, Secondary and Apex), cooperative training institutions, cooperative banks, financial institution, administrators, scholars and students of commerce, economics, agriculture and rural development.

Section- c) Research Articles

4.4 Research Articles:--

Narayana Gowd Talla, Anand Bethapudi and Reddeppa Reddy G1:-

The concept of "Financial Inclusion" is inbuilt in the structure of Urban Co-operative Bank. As Urban Co-operative Banks are mostly working in the rural and semi-urban areas. They are the back bone of banking system and contribute for growth of the nation. The researcher aims to investigate the financial performance of Dharmavaram Urban Cooperative bank. The study employs exploratory research design which relies on secondary data. The analyzed data
reveals that there was significant growth in the deposits mobilization, membership, loans and advances, working capital, reserves, owned funds, Total income, Total expenditure and over dues with reference to DUCB. There is no significant growth in share capital per member with CGR of 4.50. There was no significant increase in the total cash with the bank which is growing at CGR of 2.54. There is no significant growth in CDR with a CGR of 11.02. There is significant difference in the growth and composition of income. The total expenses are increasing significantly with CGR of 9.68. Even though there is increasing trend in the Total income earned during the study period except in the year 2006-07 it is statistically significant with CGR of 7.13 but the EPS of DUCB is not enhanced which is statistically in significant during the study. Therefore the performance of DUCB was moderately satisfactory. For improving its performance, it has to concentrate on recovery performance, controlling expenses, robust risk management practices and diversifying their operations

**Dr. R. Renuka C. Elamathi (August 2013)**

Co-operatives account for a relatively small share in the bank-dominated Indian financial system; however, given their geographic and demographic outreach, they hold a key position in the system. In rural areas, as far as agricultural and related activities are concerned, the corporative banks have provided adequate short term and long-term institutional credit at reasonable rates of interest. Co-operative banks are made an integral part of the institutional framework of community development and extension services which are assigned the important role of delivering the fruits of economic planning at the grass-root level. In this context, the present study attempted to review the functioning of Development of Cooperative banking in India. The specific objective of the study was to analyses the performance of urban cooperative bank. The study has analyzed the functioning of the bank with regard to deposit mobilization, issue of loans and advances, recovery of loans, regarding the working performance of the Bank. The data required for this study were collected through secondary sources.

**Kishor Nivrutti Jagtap (December 2013)**

Banking system occupies the central position in Indian Financial system. It is the backbone of Indian economy. It plays an important role in mobilizing
savings and channelizing them into production activities etc. In our country, the banking sector broadly consists of Scheduled Commercial Banks (SCBs) and Co-operative Banks. Further, SCBs include public sector, private sector and foreign sector banks while cooperative banks include State Co-operative Banks, District Central Co-operative Banks (DCCBs), State Cooperative Agriculture and Rural Development Banks (SCARDBs), Primary Co-operative Agriculture and Rural Development Banks (PCARDBs) and Urban Co-operative Banks (UCBs). SCBs form the important part of the Indian financial landscape in terms of their business and outreach also.

M. S. Bhatt, Showkat Ahmad Bhat (2013)4:-

This paper attempts to contribute to the co-operative banking efficiency literature by investigating the technical efficiency of co-operative banks operating in Jammu & Kashmir (J&K). The study applies Charnes, Cooper and Rhodes (CCR) model (1978) of Data Envelopment Analysis (DEA) and the Banker, Charnes and Cooper (BCC) model (1984). Banks under reference are treated as intermediaries between savers and investors. The estimated results show that three banks are relatively efficient when their efficiency is measured in terms of constant returns to scale and five banks are relatively efficient when their efficiency is measured in terms of variable returns to scale. By improving management of deposits, number of employees, loan advances and investment operations the less efficient banks can successfully achieve efficiency in resource utilization. The results also provide valuable insights to policymakers and managers for improving the efficiency and management of the cooperative banking sector.

Sanjay Kanti Das (July-December 2012)5:-

State Co-operative Banks provide the necessary financial resources to District Co-operative Banks and Primary Agricultural Co-operative Societies, and are responsible for their recovery. They have played significant role in the development of rural economy of India. The paper explores and evaluates the growth and progress of State Co-operative Banks in the Northeastern region of India. Further, efforts are also given to make a comparative analysis of State Cooperative Banks in the Northeastern region and India through some selected financial indicators. It is found that all the financial variables (capital, reserves,
deposits, advances, demand, collection and over dues) increased with higher growth rate during 2002-2009 on the basic of Compound Annual Growth Rate. The paper highlights the reasons for slow progress of State Cooperative Banking in the Northeastern region of India which is considered as the most backward region of the country. Further, this paper focuses on several pitfalls and shortcomings faced by State Cooperative Banks in region. Finally, it is observed that the State Cooperative Banks in the Northeastern region are not at par with the all India level which is evidenced from the study of some selected financial indicators.

Jyoti Gupta, Suman Jain (October 2012)

Banking business has done wonders for the world economy. The simple looking method of accepting money deposits from savers and then lending the same money to borrowers, banking activity encourages the flow of money to productive use and investments. This in turn allows the economy to grow. In the absence of banking business, savings would sit idle in our homes, the entrepreneurs would not be in a position to raise the money, ordinary people dreaming for a new car or house would not be able to purchase cars or houses. The government of India started the co-operative movement of India in 1904. Then the government therefore decided to develop the co-operatives as the institutional agency to tackle the problem of usury and rural indebtedness, which has become a curse for population. In such a situation co-operative banks operate as a balancing centre. At present there are several co-operative banks which are performing multipurpose functions of financial, administrative, supervisory and development in nature of expansion and development of co-operative credit system. In brief, the co-operative banks have to act as a friend, philosopher and guide to entire co-operative structure. The study is based on some successful co-operative banks in Delhi (India). The study of the bank’s performance along with the lending practices provided to the customers is herewith undertaken. The customer has taken more than one type of loan from the banks. Moreover they suggested that the bank should adopt the latest technology of the banking like ATMs, internet / online banking, credit cards etc. so as to bring the bank at par with the private sector banks.
Dr. K. V. S. N Jawahar Babu, B. Muniraja Selkhar (July-Aug. 2012)7:-

Urban Co-operative banking Sector is an important constituent of Multi Agency banking system operation in the country. These institutions play an important role in the economic enlistment of lower and middle-income group of persons. The Reserve Bank of India in its annual report on trends and progress in banking states that urban banks are important purveyors of credit to small borrowers and to weak sections of the society but is not coming out with any supportive policies that will strengthen the role of UCBs.

Dr. E. Gnanasekaran, Dr. M. Anbalgan, N. Abdul Nazar (March 2012)8:-

Urban co-operative banks ranked a very significant position in the Indian banking sector. Competent management is pre-requisite for the success of any organization. At present highly competitive and globalized business environment, there is an urgent need of professional management for the successful controlling and managing the affairs of the urban co-operative banks. Increasing political hindrance in co-operatives has also affected the strong growth of the cooperative organization. In order to make the management of these banks professional and managing the affairs of these banks on scientific lines, there are several institutions which are directly or indirectly connected involved in imparting education and training to all levels of management. It is hoped that the State Governments will not delay acceptance of the recommendations made by the RBI. In view of the financial sector reforms and de-regulation, Urban Co-operative Banking Sector should be right away freed from restrictive provisions of co-operative Acts so as to make them self- reliant and self- supporting. The purpose of this paper examines the growth and success of the urban cooperative banks in Vellore District through statistical analysis.

Dhanappa (2009)9:-

Dhanappa in his study is titled, “Performance Evaluation of UCBs: A Case Study of Kallappanna Awade Ichalkaranji Janata Sahakari Bank Ltd. Ichalkaranji” had been made an attempt to examine the working and financial performance of UCBs. The objective of the study is to examine and analyze the trend, progress and problems of this bank, and to offer some important suggestions for improving the competency and efficiency of the bank. The related data has been collected for the
period from 1995-96 to 2007-08. He used various statistical tools such as ratios, percentages, averages, and chi-square test to analyze the data, to know the performance of the UCBs in respect of share capital, deposits, reserve funds, loans and advances, investment, profit, and NPAs. He observed that the bank has maintained NPAs under control at the best has stipulated level of RBI norms. There is immense instability in net profit. The bank should focus on non-interest income sources (commission based services) to increase the profit level and reduce the NPAs. CD ratio of the bank is declining continuously which is not a good signal. The economic health of the bank is sound and the bank is able to compete with other banks. He further suggested that loans should be provided (at least to regular borrowers) on competitive rates of interest.

**Shah, Deepak (July 2007)**

Shah has conducted a case study of Sangali and Buldhana District Central Cooperative Banks regarding the financial health of credit co-operatives in Maharashtra and has found NPAs or overdue as the main factors for deterioration in health of these banks. The study has been revealed that both these banks showed a decline in their financial health and economic viability during the late nineties as against the early nineties period.

**Vidya Pitre (April 2002)**

Against the backdrop of a review of the performance of the urban cooperative banks (UCBs), this article discusses the issues raised by the recent turbulence in the sector typified by the Madhavpura Bank episode and its fallout. From the regulators' point of view, the agenda for reform of UCBs is fourfold: aligning the UCB sector with the rest of the financial system, deciding the future of weak bank entities, improving governance and resolving the issues arising from dual control.
References: Section-A) Reports of Committees

8] Date Committee, Reserve Bank of India, 1972.
17] Central Banking Equity committee, study the banking business in India, 1930.

References: Section-B) Books


Section: c) Research Articles