The urban co-operative banks in India have been playing a commendable role in catering to the credit and banking needs of the middle class and lower class urban people such as small traders, artisans, factory workers, salary-earners etc. since long. However, the urban co-operative banks have assumed a new significance in recent years in the context of certain new developments, such as, the passing of the Banking Laws (Applicable to Co-operative Societies) Act, 1965, the according of high priority to the small-scale industries in the country's plans for economic development, recognition of the need for achieving social purposes such as catering to the legitimate credit requirements of the weaker sections of the society, formulation of programmers for mobilising resources for meeting the developmental needs of the country, nationalisation of major commercial banks etc. As a result of these developments, the urban co-operative banks have gathered a new momentum and made rapid progress in India in recent years. At the same time, certain new problems and challenges have also been posed to the urban banks in India. Though the urban banks occupy a significant place
not only in the co-operative movement but also in the banking system of India, their performance and problems have not received due attention of the researchers in India. This study is a humble attempt at throwing some light on urban banking in India with special reference to Gujarat.

Objectives of the Study

The main objectives of the study are as under:

(1) To review historical development of these banks;

(2) To analyze the role of urban co-operative banks in meeting credit requirements of the various sections of the urban community with special reference to financing of small scale industries;

(3) To review the over-all progress and working of the urban banks in the various States of India with special reference to Gujarat;

(4) To discuss the future prospects for the urban banks in the light of their past performance.
Chapter Scheme

Chapter 1 - Introduction: It discusses the aims of this study, chapter design and research methodology.

Chapter 2 - Historical Review: It traces the growth of urban co-operative banks in India and reviews their historical development before and after Independence of India.

Chapter 3 - Role of Urban Co-operative Banks: This chapter discusses the definition of urban co-operative banks, their salient features and their role in catering to the credit requirements of the various sections of the urban community.

Chapter 4 - Progress and Working of Urban Co-operative Banks in India: It deals with the review of progress recorded by the urban banks in India and analyses their working state-wise in the year 1973-74.

Chapter 5 - Progress and Working of Urban Co-operative Banks in Gujarat: This chapter reviews progress and working of these banks in Gujarat.

Chapter 6 - Financing of Small-scale Industries by Urban Co-operative Banks in India: It examines the role
played by these banks in the financing of small-scale industries in India, the difficulties they experience in such financing and the steps which can be taken to increase the financial assistance in future.

Chapter 7 - Financing of Small-scale Industries by Urban Co-operative Banks in Gujarat: The subject-matter of this chapter is to discuss the findings of a sample survey undertaken by the author regarding financing of small-scale industries by the urban co-operative banks in Gujarat in 1971-72 and to present a case study of the Rajkot Nagrik Sahakari Bank Limited, Rajkot in the field of financing of small-scale industries.

Chapter 8 - Urban Co-operative Banks for Labourers: This chapter is devoted to the study of urban co-operative banks for labourers with special reference to the study of the Textile Workers' Co-operative Bank Limited, Ahmedabad and the Bombay Labour Co-operative Bank Ltd., Bombay.

Chapter 9 - Retrospect and Prospect: This is a concluding chapter discussing the future prospects for the urban banks in India on the basis of their past performance.
Methodology

This study is based on published literature and data available from various publications of the Reserve Bank of India, reports of experts committees and books and personal investigation.

Besides referring published literature, the author of this study had visited the Agricultural Credit Department and Industrial Finance Department of the Reserve Bank of India in June 1973 for the purpose of discussion with the officers of the Bank. In order to undertake a case study relating to financing of small-scale industries by the Saraswat Co-operative Bank Limited, Bombay, a study visit was undertaken in this Bank in May 1973. The data relating to training programmes attended by the managerial staff of urban co-operative banks according to states and courses including courses in industrial financing were collected by visiting the erstwhile Co-operative Bankers' Training College, Poona in October 1974. A visit to the Rajkot Nagrik Sahakari Bank Limited, Rajkot was undertaken in November 1974 for studying the financing of small-scale industries by this Bank. The Textile Workers' Co-operative Bank Limited at Ahmedabad, an urban co-operative bank catering to the credit and banking needs of the
textile workers, was visited in April 1975 for collecting data.

A sample survey, covering 71 urban co-operative banks of Gujarat, forming 42 per cent of the total banks operating in 1971-72, was conducted by the author on two important aspects namely, (i) financing of small-scale industries by the urban co-operative banks in Gujarat and (ii) on personnel and training aspects of the managerial staff of these banks in 1971-72.

An opportunity, while visiting the urban co-operative banks to collect replies to the questionnaire, was utilized by the author to discuss with the managers/managing directors of the banks regarding various problems faced by these banks. The annual reports of several banks were used to give statistical information particularly of those banks whose case studies have been undertaken.