



Analytical Study of Managerial Function in Urban Cooperative Banks in Nagpur City (2016 to 2021)

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I. INTRODUCTION

The term Urban co-operative Bank's refers to Primary Co-operative Banks located in Urban and semi-Urban Areas. Until 1996, these Banks were Only Permitted to lend money for non-Agricultural Purposes. This Distinction is non longer valid today. Traditionally, these bank's were Centered on Communities, Localities, and Workplace Group's. They Primarily gave loans to small borrowers and businesses. Their Scope of operations has expanded Significantly Since then. They are registered and governed by the respective state's. co-operative societies Acts, as well as the banking regulation Act of 1949, and thus are Subject to Dual Regulatory Control. The RBI only Partially regulates Urban Co-operative banks. Their banking operations are governed by the RBI, Which establishes Capital adequacy, risk management, and lending Standards. However, there management and resolution in the event of acrisis are governed by the register of co-operative societies, who works for either the state or the federal government.

Primary Urban co-operative banks with Deposits of more than rs. 50 crore are also permitted to operate in more than one state, subject to certain conditions. They have certain rights and obligations because they are covered by the RBI Act, 1934 (2nd Schedule) rights to obtain refinance and loans from the RBI and obligations such as maintaining Cash reserves and so on the move comes after the RBI announced in September 2018 a Scheme for voluntary conversion of urban co-operative Bank.

Co-operative banks founded on the principle of mutual aid, democratic decision making and open membership Co-operatives Represented a new and Different approach to organization in comparison to the dominant forms of commercial Organization, which were proprietary firms, partnership firms and joint stock company. One of the objectives of the research is to study development of co-operative banking in India and Maharashtra State. The term Urban Co-operative banks though not formally define, refers to primary co-operative banks located in urban and semi-urban areas. This Banks till 1996 , were allowed to lend money only for non-agriculture purposes. This distinction does not hold today. This banks were traditionally centered on communities, Localities work place groups. They essentially lent to small borrowers and business. Today, there scope of operations has widened considerably.

The origin of the urban co-operative banking movement in India can be Traced back to the close of nineteenth century when, inspired by the success of the experiments related to the cooperative movement in Britain and the cooperative credit movement in Germany such societies were set up in India, co-operative represented a new and alternative approach to organization as against proprietary firms, Partnership firms and joint stock companies which represent dominant form of commercial organization.

II. URBAN CO-OPERATIVE BANKS DEFINED

An urban cooperative bank is define as one which is organized for accepting deposits from the public, which is usually repayable by cheque which carry on normal Banking business. Urban banks are those credit societies which undertake all kinds of banking business including the acceptance of all types of deposits and the provisions of banking facilities for there clientele, such as making advances on personal surety, issue of drafts, discounting hundis collection of bills etc.

III. NEED FOR URBAN CO-OPERATIVE BANKS

The need for co-operative Banking arises from the fact that joint stock Banks are not interested Banks are not interested in providing credit to the urban middle class. This is because it is not advantageous for joint stock Bank in developing the business of small loans on account of high cost of advancing and receiving them. Further joint stock banks are not likely to have under ordinary circumstances, full and intimate knowledge of the standing and resources of persons of

moderate means; they will not advance loans on personal securities. In such circumstances, the man with limited means in urban area may approach money lender. The establishment of Urban co-operative bank is the most suitable alternative to these customers.

IV. URBAN CO-OPERATIVE BANKS AND IT'S ROLE IN DEVELOPMENT

There are over 1,650 Urban co-operative banks with close to 7,000 branches on the country. Yet they form a tiny part of the banking system accounting for less than 3 % of the total banking assets and deposits and less than 3.5% of total advances. They also follow the 80-20 rule. The top 20% of urban cooperative banks accounts for almost 80% of its deposits

In spite of being present in 25 states, much of the action happens in the 5 states of Gujrat, Maharashtra, Andhra Pradesh, Karnataka and Tamil Nadu with the largest Share going to Maharashtra. As on March 31, 2010 Maharashtra stood third among all Urban co-operative banks, There are almost half of all Urban co-operative bank branches, around 60% of total extension counters of Urban co-operative banks and more than 85% of all its automated teller machines (ATMs) are in Maharashtra. As a results more than 60% of total banking business of the Urban co-operative banks sector was concentrated in Maharashtra but their numbers have been decreasing in recent years. During 2000-2010, 132 banks had their licenses cancelled and 62 merged with other banks. In this scenario, it is perhaps understandable why this sector does not exactly steal the limelight in banking policy.

As far as financial inclusion is concerned, ignoring the value of this sector would be a serious mistake. By their nature, Urban co-operative banks in India Can play a critical role in this area. They have traditionally played an important role in mobilizing resources from lower and middle income groups and in providing direct finance to small entrepreneurs and traders. The Urban co-operative banks with their deep rooted connections with specific communities, can easily inspire the trust of small savers and borrowers. By being local in nature and intricately interwoven with local community, the Urban co-operative banks have a clear advantage over commercial banks. It is easier for the urban co-operative banks to break the psychological barrier that proves prohibitive in the last mile of financial inclusion – create trust for the bank among its target community and bring customers within its fold. Today, when large commercial banks are working hard to set up branches and employing technology to reach out to thus far untouch regions of the country, it is time for the urban co-operative banks to step into the game that is naturally.

V. SCOPE OF RESEARCH

The researcher focused on the realtor in Nagpur city. This research minimum duration is 5 years that is (2016 to 2021).

VI. IMPORTANCE OF URBAN CO-OPERATIVE BANKS

1. The urban co-operative banks was established to fulfill financial needs of urban peoples like labours, artisans, small trader, craftsmen, salary earners, etc.
2. To relieve them from the clutches of money lenders, to provide personal loans and to increase the habits of saving and thrift such bank were established.
3. It is an institution established on a co-operative basis to deal with the ordinary banking business.
4. Like other banks, co-operative banks are founded by collecting funds through shares, accepting deposits, and granting loans.
5. They are co-operative credit societies where members from a community groups together to extend loans to each other, at favorable terms.
6. They are registered under the co-operative societies Act of the state concerned or the multi state co-operative society act, 2002.
7. Co-operative bank members are both the customer and owner of the bank.
8. Co-operative banks are the banks in which the owners are the costumers of the bank because of their common interest and common concern.
9. It helps those people who have been less resources or who ever not financially strong.
10. It also promoted a habit of thrift, savings and mutual help.
11. The main focus of co-operative banks is to come up with a low cost financially on the basis of the principal of

mutual help.

VII. RESEARCH METHODOLOGY

1. This study is limited for 5 urban co-operative banks within a duration of 2016 to 2021 in Nagpur city.
2. "Maharashtra co-operative Magazine" Published by Maharashtra state co-operative group.
3. Annual Report Published by vidarbha urban banks co-operative association, Nagpur.
4. Report about urban co-operative banks published by reserve bank of India.
5. Available of Nagpur university :
6. Small Presentation and research about business administration.
7. Previous Ph.D. thesis of business and banking.
8. Newspaper Published by Maharashtra urban co-operative banks limited, Mumbai.

7.1 Sample Selection

For the present research, 5 urban co-operative banks out of all the urban co-operative banks in Nagpur city were selected as sample.

7.2 Data Collection

For the research information was collected on the basis of primary source, secondary source, observation, interview, schedule.

7.3 Hypothesis

1. In the city of Nagpur there is an increase in the amount of loan supply in the ratio of deposits of urban cooperative banks.
2. The amount of outstanding loans of urban cooperative banks in Nagpur city is increasing.
3. Nagpur city urban cooperative bank undertaking many activities for the development of its members.

VIII. CONCLUSION

1. It is found that the age of maximum respondents of urban cooperative bank in Nagpur city is between 30 to 40 years.
2. It can be seen that most of the members/ Account holders of urban cooperative bank in Nagpur city tend towards savings account and fixed deposits.

IX. SUGGESTIONS

1. Loans should be Provided only after looking of the loan repayment capacity of borrower members.
2. The director must guide the financial function.
3. From the point of view of increasing productivity, proper planning funds as well as control of non production cost is essential.

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