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## THE URBAN CO-OPERATIVE BANKS, HISTORICAL PERSPECTIVE AND REVIEW BY THE MAJOR COMMITTEESA

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**Abstract:-** It is fascinating to note the source and development of the co-agent credit development. Germany is thought to be the origination of the Urban Co-agent Credit Movement on the planet. The masses of German artisans experienced financial trouble; henceforth in 1850 the first Urban Credit Co-agent Society was begun by Mr. Herman Schultze Delitzsch. Its object was to add to the propensity for thrift among the individuals and to concede them advances on individual security at a lower rate of enthusiasm than the business rate. The achievement of these German social orders, later on, propelled the Italians to begin the comparable individuals' banks in Italy. Prof. Luizi Luzzatti the originator of these banks in Italy; began the bank to help the Italian individuals from their monetary misery. Later on the Urban Co-agent Banking Movement spread to different parts of the world.

**Keywords:** Historical perspective and Review

### INTRODUCTION

In India some social specialists of the previous Baroda State (now an area in Gujarat) shaped Annyonya Sahakari Mandali on the fifth February 1889 under the initiative of Mr. Vithal Laxman false name Bhausahab Kavthekar.

**This general public denote the start of the Urban Co-agent credit Movement in India.**

Amidst the nineteenth century. Some Maharashtra families had moved to Baroda looking for occupations. They were in extreme money related challenges. As normal in such cases they needed to race to cash banks to obtain cash and needed to pay extreme rate of premium. Mr. Kavthekar commented to his companions - "It is therefore, important to add to the propensity for thrift and to develop our own particular sparing which can be utilized for our Mutual Aid."

The Co-agent Societies Act 1904 empowered the association of "Country" and "Urban" Co-agent Credit Societies in India in 1904 a Urban Co-agent Society was enrolled at Kanjeevaram In Madras State; and in 1905 the Betgri Co-agent Society was enlisted In Dharwad District and around the same time. The Bangalore City Co-agent Credit Society was enlisted in Mysore State.

The Maclagan Committee (1915) on co-operation rightly watched "the Urban Credit Societies may fill a helpful need in preparing the upper and center urban classes to comprehend conventional saving money standards.

Later on the Baroda state Banking enquiry board 1930 and Mumbai Provincial Banking Enquiry Committee 1931 underscored the part of these Urban Co-agent Banks in activating stores from Urban individuals and their individuals. In spite of the fact that these banks took up general saving money business on the lines of business banks the majority of their credits and advances were made for household and family unit use just.

The report of the Indian Central Banking Enquiry Committee 1931 stressed the part of Urban Co-agent banks in pander to the saving money needs of little merchants and shippers in these words. "The obligation of these urban banks ought to be to attempt to accomplish for the little dealer the little vendor and the working class populace what business banks are dolnfl tin enormous merchant and the huge shipper.

Report of the board of trustees on co-agent arranging 1946 under the Chairmanship of Mr. R. H. Saralya

watched that there were in urban ranges an expansive number of persons of little means, for example, dealers, shippers, and artisans and specialists and so forth who without institutional credit were compelled to get little credits to high rates of enthusiasm from private cash moneylenders. The joint stock banks thought that it was hard to build up the matter of little borrowers due to the high cost of adjusting these advances. The board along these lines arrived at the conclusion that urban banks are the most suitable organizations to meet the credit needs of these little individuals by "securing individual and cozy association with them.

In 1958-59 shockingly the RBI took up a review of Urban banks in India on test premise, the overview was distributed in 1961. It made an orderly study covering all parts of urban keeping money operations.

It made numerous significant recommendations for building up these banks on sound lines. It watched "the general picture of urban co-agent managing an account which develops out of this study is one of a genuinely boundless. Fiscally sound, growing and helpful system of saving money foundations which have their own place of importance in the managing an account institutions of an expansive piece of the nation.

Again in 1963, the operations of the Urban Co-agent Banks were surveyed alongside other non-horticulture credit social orders by the study gathering looked into the advancement examined the working and recommended emphatically numerous measures for creating urban co-agent banks. It prescribed liberal money to bungalow and little scale commercial ventures and artisans by the Urban Co-agent Banks.

Further in 1967 the RBI of India selected "a working gathering of Industrial financing through co-agent banks." Under the Chairmanship of Mr. P. N. Damry the Deputy Governor. The report of the working gathering distributed in 1968 watched that urban banks were the most suitable offices for financing little scale modern units.

The board of trustees underlined the requirement for the improvement of urban banks and made numerous important proposals which gave new part to these banks and new measurements to their capacities.

In 1969 the RBI distributed a report on Organizational structure for Implementation of social goals.

The report focused on the part of Urban Co-agent banks in the connection of winning credit holes in India.

## **2:20 The Madhavdas Committee:**

The RBI named a board on Urban Co-agent Banks under the Chairmanship of Mr. K. Madhavdas . Its report was distributed in April 1979.

It spoke to another area imprint giving guidance to the advancement of Urban Co-agent Banks in India. The report inspected a few parts of the working of the urban banks and made numerous proposals for quickening the development and improvement of urban co-agent banks in India and for helping these banks to make helpful commitments in meeting the credit and managing an account needs of urban individuals.

The council underlined the need to assemble more assets from the group and to give careful consideration to mechanical fund. The council encouraged the urban co-operative banks to assume an imperative part in annihilating unemployment "by financing the informed unemployed, toward oneself utilized persons and experts, for example, specialists, sellers, shoemakers and so forth." procurement of money to little street transport- administrators is another road which manages scope for urban banks to grow their business.

Lodging is another major issue confronted by urban individuals who can be given lodging back and facilitate this issue. Further financing customer co-agent social orders will enhance open dispersion framework for key items by using Imagination and eagerness these banks will have the capacity to scaffold the wide credit holes in.

The issues and troubles confronted by the urban banks were both various and shifted consequently the RBI chose to constitute the Standing Advisory Committees to meet occasionally and to examine these issues and to prescribe suitable ventures every now and then to improve the execution of the urban banks.

## **2:21 The Joglekar Committee:**

The Government of Maharashtra named a council in 1974 under the Chairmanship of Mr. V. M. Joglekar to study the issues of these banks and to offer arrangements so that the enormous assets of these banks are used for financing gainful and socially attractive business exercises. Its report was distributed in 1977.

Remarking on the part and capacities of urban co-agent banks. The Joglekar Committee (1977) watches that these banks are not more substitutes either for private cash moneylenders who resort to utilize different practices or for the business banks which are unavailable to the populace of little means and little needs. These banks most likely go about as loaning organizations however they have a more positive part to play. This constructive part comprises in creating propensities for thrift and reserve funds among persons of little earnings through instructive projects and by offering suitable plans of funds to these individuals.

What's more, these banks can restore the weaker section of our economy firstly by adding to capital arrangement and after that by conveying this capital in socially alluring exercises of our country by financing the little men in their profitable endeavors. These banks can go about as master counsels to their little customers by helping them to embrace better generation, systems and sound financing and bookkeeping frameworks.

These banks are nearby organizations and they additionally have cozy contacts with their customers.

They additionally have a popularity based control over their operations and will be more receptive to the needs of their individuals and customers.

Being nearby organizations, these banks can add to the neighborhood improvement in congruity with the needs of the provincial arrangements. They will likewise save their co-agent character and expansive base their enrollment by welcoming the nearby individuals who may require their administrations.

These banks, the Joglekar council comments, must take up full scale preparing projects for their individuals, instruction and administration advancement. So that their assets will be utilized for beneficial endeavors with foreordained needs tuned in to territorial arrangements for improvement furthermore for releasing social commitments.

It ought to be noted particularly that the different advisory groups audited above not just examined the issues and issues of the urban co-agent banks and recommended solutions for overcome them however they likewise coordinated the development of these banks into particular channels and zones in the meantime connecting the credit crevices existing in the Indian economy.

### **2:22 Road-Map for Survival of Co-agent Bank:**

The co-agent banks have miserably neglected to keep pace with Banking segment changes. Alternate banks have altogether surpassed the co-agent keeping money area In the execution as well as in the piece of the pie in center zones so far overwhelmed by the co-agent banks . On the off chance that things don't enhance, the co-agent saving money part may stop to exist by 2020. ...

Seeing the poor execution of larger part of UCBs high power board under the chairmanship of Mr. K Madhav Rao i.e. Madhav Rao board of trustees prescribed update in the authorizing approach giving trust on upgraded, professionalization of sheets of administration, compelling corporate administration, and suggested New Entry Point Norms (EPN) in light of populace criteria demanded having least capital of Rs. 5 crores and atleast 3000 participation, present new capital sufficiency standards SLR PROVISIONS ETC.

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