

## PRIMARY (URBAN) CO-OPERATIVE BANKS IN INDIA: PROBLEMS AND PROSPECTS

<sup>1</sup>Dr.Kuldip S. Chhikara and <sup>2</sup>Anand S. Kodan

<sup>1</sup>Department of Commerce, M.D. University Rohtak (Haryana)

<sup>2</sup>Department of Commerce, M.D. University Rohtak (Haryana)

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In this paper we have analyzed the trend in growth, spatial pattern, problems and prospects of Primary (Urban) Co-operative Banks operating in India from 1991 to 2008. The study indicates that the progress of Primary (Urban) Co-operative banks has reduced after second phase of banking sector reforms and further that the future is the most challenging for the survival and growth of Primary (Urban) Co-operative banks in India.

**Keywords:** Primary Urban Co-operative Bank, Memorandum of Understanding, Reserve Bank of India, Non-Performing Assets and Capital Adequacy Ratio

### INTRODUCTION

The Co-operative banks occupied an important position in the Indian financial system. Co-operatives were the first formal institutions to be conceived and developed to purvey credit to rural India. Thus, Co-operatives have been key instrument of financial inclusion in reaching out to the last mile in rural areas. The urban counterparts of rural Co-operatives, the Urban Co-operative Banks (UCBs), too have traditionally been an important channel of financial inclusion for the middle and low income sections in the semi-urban and urban areas (RBI). The term Primary (Urban) Co-operative Banks (UCBs), though not formally defined, refers to primary Co-operative banks located in urban and semi-urban areas. Urban Co-operative credit societies, in their formative phase came to be organised on a community basis to meet the consumption oriented credit needs of their members. Salary earners societies inculcating habits of thrift and self help played a significant role in popularising the movement, especially amongst the middle class as well as organized labour. From its origins then to today, the thrust of UCBs, historically, has been to mobilise savings from the middle and low income urban groups and purvey credit to their members, many of which belonged to weaker sections. These banks, till 1996, were allowed to lend money only for non-agricultural purposes. This distinction does not hold today. These banks were traditionally centred on communities, localities work place groups. They essentially lent to small borrowers and businesses. Today, their scope of operations has widened considerably. Co-operative movement owes its origin to England; where a great philosopher 'Robert Owen' (1771-1858) gave the idea of 'Self-Help' through mutual help to mitigate the suffering of the exploited class of the society. The first ever effort towards the formation of a Co-operative organization was made by 28 flannel weavers, at Rochdale near Manchester in England in 1844. The Urban Co-operative movement of global horizon lasted the sweet of following success of Urban Credit Institutions from 1855 to 1885, organized by Herman Schulze and Luigi Luzzatti of Germany and Italy respectively. The origins of the urban Co-operative banking movement in India can be traced to the close of 19<sup>th</sup> century when, inspired by the success of the experiments related to the Co-operative movement in Britain and the Co-operative credit movement in Germany such societies were set up in India. Co-operative societies are based on the principles of cooperation, mutual help, democratic decision making and open membership. The Co-operatives represented a new and alternative approach to organisation as against proprietary firms, partnership firms and joint stock companies which represent the dominant form of commercial organisation. The first known mutual aid society in India was probably the 'Anyonya Sahakari Mandali' organised in the erstwhile princely State of Baroda in 1889 under the guidance of Vithal Laxman also known as Bhausahab Kavthekar. The enactment of Co-operative Credit Societies Act, 1904, however, gave the real impetus to the movement. The first urban Co-operative credit society was registered in Canjeevaram (Kanjivaram) in the erstwhile Madras province in October, 1904. However, concerns regarding the professionalism of urban Co-operative banks gave rise to the view that they should be better regulated. Large Co-operative banks with paid-up share capital and reserves

of Rs.1 lakh were brought under the preview of the Banking Regulation Act 1949 with effect from 1st March, 1966 and within the ambit of the Reserve Bank's supervision. This marked the beginning of an era of duality of control over these banks. Banking related functions (viz. licensing, area of operations, interest rates etc.) were to be governed by RBI and registration, management, audit and liquidation, etc. governed by State Governments as per the provisions of respective State Acts. In 1968, UCBs were extended the benefits of Deposit Insurance.

### THE OBJECTIVES OF THE PRESENT STUDY

- To examine the trend in growth of Primary (Urban) Co-operative Banks (UCBs) in India.
- To examine the spatial pattern of Primary (Urban) Co-operative Banks (UCBs) in India
- To find out the problems and prospects of Primary (Urban) Co-operative Banks (UCBs) in India in the light of the new banking sector environment.

### DATA SOURCES OF THE STUDY

Reserve Bank of India (2010) 'Report of the Working Group on Umbrella Organization and Constitution of Revival Fund for Primary (Urban) Co-operative Banks' Reserve Bank of India Bulletin, December, 2009  
Bedi Raghubans Dev (1969) 'Theory, History and Practise of Co-operation' Meerut, Loyal Book Depot  
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### RESEARCH METHODOLOGY

The study is purely based on secondary data; therefore, the nature of study is analytical. The collected data was first transcribed into long sheets and tables and then was analyzed by using a wide range of appropriate techniques such as Per cent, Average, Ratio, Time Series, Standard Deviation, ACGR, and t-test.

### AVERAGE COMPOUND GROWTH RATE (ACGR)

The average compound growth rate was computed by employing the following formula:

$$Y = ab$$

By using logarithm, it may be written as:

$$\log y = \log a + t \log b$$

$$Y^* = a^* + t.b^* \text{ (where } \log y = y^*, \log a = a^* \text{ and } \log b = b^*)$$

The value of  $b^*$  is computed by using OLS Method. Further, the value of ACGR can be calculated by following method:

$$ACGR = (\text{Antilog } b^* - 1) \times 100$$

### RESULTS AND DISCUSSIONS

Table 1 reveals the growth trend of UCBs in India from 1991 to 1998, 1999 to 2009 and 1991 to 2009 in terms of advances and credit by UCBs. The number of UCBs has been increased from 1307 in 1991 to 1502 in 1998 and in second period also, the number of UCBs has been increased from 1590 in 1999 to 1721 in 2009. In all, the number of UCBs has been increased from 1307 in 1991 to 1721 in 2009. The first period ACGR of UCBs has been 1.75 per cent, second 0.72 per cent and, the overall i.e., from 1991 to 2009 it has been 1.46 per cent. The ACGR of the number of UCBs in second period has been less as compared to the first period due to merger and amalgamations of UCBs in India. Table 1 also explores the growth trend of deposits of UCBs in India from 1991 to 1998, 1999 to 2009 and over all from 1991 to 2009. The deposits of UCBs have been increased from Rs.10157 crore in 1991 to Rs. 40692 crore in 1998

TABLE 1:Trend in Growth of Primary (Urban) Co-operative Banks (UCBs)

Years	No. of UCBs	Deposits	(Amount Rs.in Crores)		
			Per cent Growth	Advances	Per cent Growth
1991	1307	10157	-	8003	-
1992	1311	11108	9.4	8713	8.9
1993	1306	13531	21.8	10132	16.3
1994	1305	16769	23.9	12172	20.1
1995	1300	20101	19.9	14795	21.5
1996	1327	24165	20.2	17908	21.1
1997	1355	30714	27.1	21550	20.3
1998	1502	40692	32.5	27807	29.0
1999	1590	52681	29.5	34214	23.0
2000	1645	71189	35.1	45995	34.4
2001	1618	80840	13.6	54389	18.2
2002	1854	93069	15.1	62060	14.1
2003	1941	101546	9.1	64880	4.5
2004	1926	110256	8.6	67930	4.7
2005	1872	105021	-4.7	66874	-1.6
2006	1853	114060	8.6	71641	7.1
2007	1813	121391	6.4	79733	11.3
2008	177	138496	14.1	88981	11.6
2009*	1721	158733	14.6	97918	10.0
ACGR 1991 to 1998	1.75	18.94	-	16.85	-
ACGR1999 to 2009	0.72	10.55	-	10.03	-
ACGR1991 to 2009	1.46	15.57	-	14.09	-

Source: Report on WG on Umbrella Organisation and Constitution of Review Fund & RBI Bulletin (Supplement) December, 2009, Note: \* Data Provisional

and, in second period i.e., 1999 to 2009, the deposits of UCBs have also increased from Rs. 5261 crore in 1999 to Rs.158733 crore in 2009. It was found that the over all deposits of UCBs were increased from Rs. 10157 crore in 1991 to Rs. 158733 crore in 2009. The first period ACGR of deposits of UCBs has been 18.94 per cent, in second period 10.55 per cent while, the overall ACGR of deposits of UCBs have been 15.57 per cent. The ACGR of deposits in second period was lesser than the first period due to the reduced number of UCBs and a significant increase in number of other banking institutions, particularly after liberalization; and finally, UCBs proved to be the low service providers as compared to other financial institutions such as commercial banks.

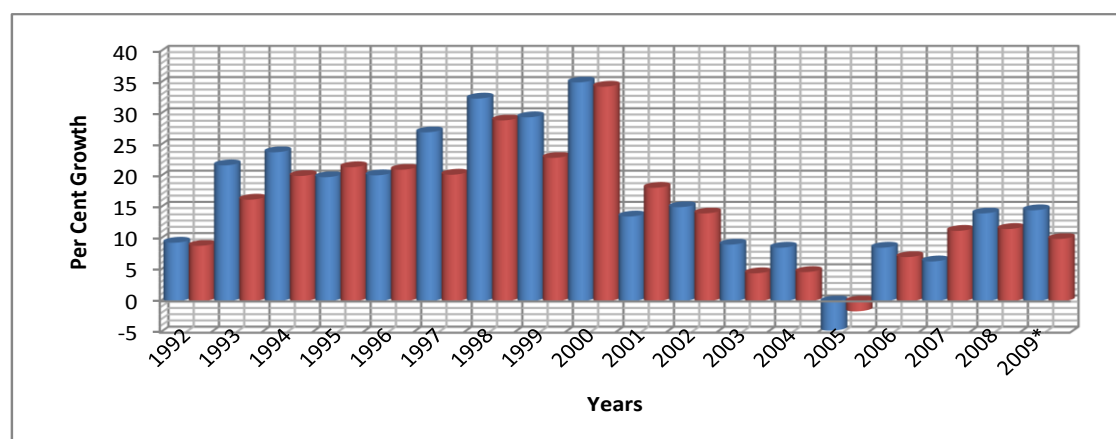


FIGURE 1: GROWTH TREND OF DEPOSITS AND ADVANCES BY PRIMARY URBAN CO-OPERATIVE BANKS

Source : Authors Calculations

It is evident from Table 1 that the aggregate amount of advances by UCBs has been increased from Rs. 8003 crore in

1991 to Rs. 278047 crore in 1998 and in second period i.e., 1999 to 2009, it increased from Rs. 34214 crore to Rs. 97918 crore. The over all advances by UCBs have increased from Rs. 8003 crore in 1991 to Rs. 97918 crore in 2009. The first period ACGR of advances by UCBs has been 16.85 per cent, second 10.03 per cent, and the overall ACGR of advances by UCBs have been 14.09 per cent. In second period the ACGR of advances by UCBs has been less as compared to the first period due to high level NPAs, low recovery of NPAs, merger and amalgamation of UCBs and, introduction and compulsory adoption of prudential norms by RBI for UCBs in India.

TABLE 2:Market Share of Primary (Urban) Co-operative Banks (UCBs) in Total Deposits in India

Year	Urban Co-operative Banks (UCBs)	Rural Co-operative Banks (DCCBs & SCBs)	Regional Rural Banks (RRBs)	Commercial Banks (CBs)
1996	4.5	7.2	2.5	85.8
1997	4.9	7.6	2.6	84.9
1998	5.3	7.7	2.8	84.2
1999	5.6	7.8	2.8	83.8
2000	6.6	7.7	2.8	82.9
2001	6.3	7.2	2.9	83.6
2002	6.4	7.2	3.0	83.4
2003	6.3	7.0	3.0	83.7
2004	5.8	6.6	3.1	84.5
2005	5.3	6.3	3.1	85.3
2006	4.6	5.4	2.9	87.2
2007	4.0	4.7	2.7	88.6
2008*	3.7	4.1	2.7	89.5

Source: Report on WG on Umbrella Organisation and Constitution of Review Fund & RBI Bulletin Supplement) December, 2009, Note: \* Data Provisional

Table 2 expresses the banking institution-wise market share in total deposits in India from 1996 to 2008. The share of deposit was decreased and stood at 3.7 per cent only in 2008. The Rural Co-operative Banks (DCCBs & SCBs) share in total deposits has also been decreased from 7.2 per cent in 1996 to 4.1 per cent in 2008. In case of Regional Rural Banks (RRBs) the share in total deposit has been increased from 2.5 per cent in 1996 to 3.1 per cent in 2005 and, in later years, it decreased from 2.9 per cent in 2006 to 2.7 per cent in 2007 while, the share of commercial banks increased from 85.8 per cent to 89.5 per cent in same period.

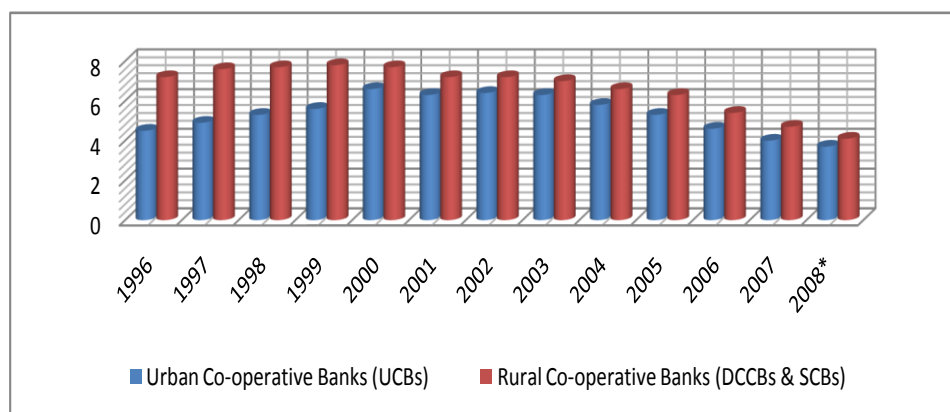


FIGURE2: Trend of Primary (Urban) Co-operative Banks and Rural Co-operative Banks in Total Deposits  
Source: Authors Calculations

NPAs came into existence with the recommendations of Narsimham Committee implemented by RBI in 1992. Non-Performing Assets is the major factor, which affecting the profit of a banking institutions. Thus, Non-Performing Assets is the major traceable area for banking institutions for their effective performance, and UCBs are no exception to it. A Non-Performing Asset can be defined as a credit facility in respect of which the interest or the installment of principal amount remains overdue for a specified period of time (90 days or more). The specified time period was reduced in a phased

TABLE 3: Non-Performing Assets in Primary (Urban) Co-operative Banks (UCBs) in India

Year	Gross NPAs	As per cent to Gross Advances	Net NPAs	As per cent of Net Advances
2003	13647	19.0	6426	13.0
2004	11922	22.7	8242	12.1
2005	15486	23.4	8257	12.5
2006	13871	19.7	6718	9.6
2007	14541	18.3	6235	8.8
2008	14037	15.5	6083	7.7
2009	13046	13.3	5318	6.1

Source: Report on Trend and Progress of Banking in India 2008-09

manner over the years. An asset is classified as non-performing if the borrower does not pay dues in the form of principal and interest for a period of 180 days. With a view to move towards international best practices and to ensure greater transparency, it was decided to adopt the 90 days overdue norm for identification of NPAs from the year ending 31.03.2004. In the light of this concept, the position of NPAs of Primary (Urban) Co-operative Banks (UCBs) has been analyzed.

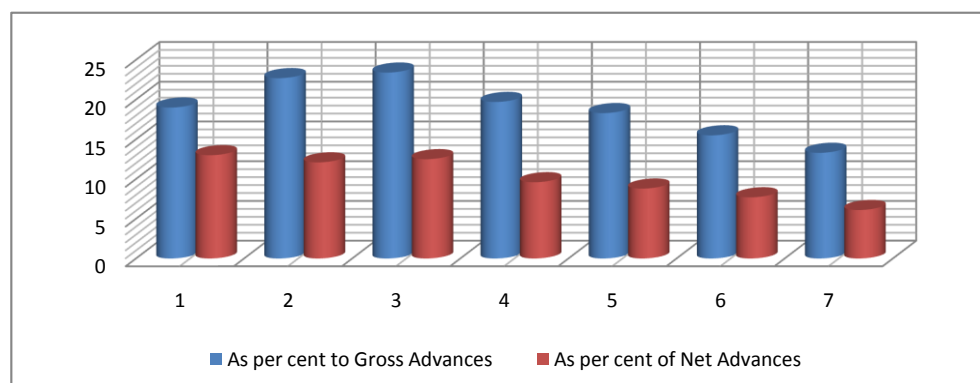


FIGURE 3: Trend of NPAs in Primary (Urban) Co-operative Banks (UCBs) in India  
SOURCE: Authors Calculations

Table 3 reveals the aggregate amount of the gross NPAs and net NPAs of Primary (Urban) Co-operative Banks (UCBs) in India from 2003 to 2009. The aggregate amount of gross NPAs has decreased from Rs. 13647 crore to Rs. 13046 crore and its share to gross advances has been also decreased from 19 per cent to 13.3 per cent from 2003 to 2009. In case of net NPAs (aggregate amount) of Primary (Urban) Co-operative Banks (UCBs) in India has been decreased from Rs. 6426 crore to Rs. 5318 during the period under study. The ratio of net NPAs to net advances has been also decreased from 13 per cent to 6 per cent during the period under study. The level of gross NPAs and net NPAs both have very high in Primary (Urban) Co-operative Banks (UCBs) in India as compare to Basel-II and RBI standard. So, Primary (Urban) Co-operative Banks (UCBs) should take necessary step to reducing the level of NPAs.

TABLE 4: Financial Health of Primary (Urban) Co-operative Banks (UCBs)

Type of UCB's	Distribution of UCB's According to CRAR				Total
	0 < 3	3 < 6	6 < 9	9 and above 9	
Scheduled	9 (0.52)	1 (.058)	1 (.058)	42 (2.44)	53 (3.07)
Non-Scheduled	136 (7.90)	24 (1.39)	66 (3.83)	1442 (83.78)	1668 (96.92)
Total	145 (8.4)	25 (1.5)	67 (3.9)	1484 (86.2)	1721 (100)

Source: Report on WG on Umbrella Organisation and Constitution of Review Fund & RBI Bulletin (Supplement) December, 2009, Note: \* Data Provisional

The recommendations i.e., income recognition, assets classification and provisioning norms (IRAC) of Narasimham committee have been introduced to Primary (Urban) Co-operative Banks (UCBs) from 1<sup>st</sup> April, 1992 and onwards and, Basel I norms have been made applicable to UCBs since 2003. According to Narasimham committee-II, Primary (Urban) Co-operative Banks (UCBs) should reach capital adequacy of 8 per cent level of CRAR over a period of 5 years or up to 2003.

Table 4 depicts the financial health of UCBs in India at the end of March, 2009. It is observed that only 53 UCBs or 3.07 per cent UCBs are scheduled UCBs and 1668 UCBs or 96.92 per cent UCBs are not scheduled UCBs at the end of March, 2009. The table further reveals that the 42 Scheduled UCBs and 1442 Non-Scheduled UCBs have maintained the Basel –I norms which is 86.2 per cent of total UCBs in India. A scheduled Primary (Urban) Co-operative Bank (UCB) is eligible for direct access to liquidity support from the RBI under the provision of Reserve Bank of India Act, 1934.

TABLE 5: Grade Wise Distribution of Primary (Urban) Co-operative Banks (UCBs) in India

Grade	Number of UCBs	In Per cent	Deposit (per cent to total)	Credit (per cent to total)
I	845	49.1	65.2	64.2
II	484	28.1	19.5	19.7
III	219	12.7	5.1	5.6
IV	173	10.1	10.3	10.5
Total	1721	100.0	100.0	100.0

Source: Report on WG on Umbrella Organisation and Constitution of Review Fund & RBI Bulletin (Supplement) December, 2009  
Note: \* Data Provisional

The Primary (Urban) Co-operative Banks (UCBs) in India have been classified into four categories or grades (i.e., Grade-I, II, III and IV on the basis of Capital Adequacy, level of NPAs, profitability and compliance with reserve) to enable the Reserve Bank of India to initiate prompt corrective action (RBIB Dec, 2009).

Table 5 categories the grade wise distribution of Primary (Urban) Co-operative Banks (UCBs) in India. According to grading system -grade I and II are considered to be financial soundness, while grade III and IV are considered as a weak and sick bank. Table 5 further reveals that 22.8 per cent or 392 Primary (Urban) Co-operative Banks (UCBs) in India are sick or weak out of total 1721 banks.

Table 6: Spatial Pattern of Primary (Urban) Co-operative Banks (UCBs) in India

S. No	State	Number of UCBs	Per cent of UCBs	Per cent Share in Total Deposits of UCBs
1	Andhra Pradesh	114	6.6	2.3
2	Gujarat	260	15.1	16.1
3	Karnataka	273	15.9	6.5
4	Maharashtra	583	33.9	61.4
5	Tamil Nadu	130	7.5	2.3
6	Others State	361	21.0	11.4
	Total	1721	100	100

Source: Report on WG on Umbrella Organisation and Constitution of Review Fund & RBI Bulletin (Supplement) December, 2009

Table 6 depicts the wide spatial pattern of Primary (Urban) Co-operative Banks (UCBs) in India. The table further reveals that 79 per cent Primary (Urban) Co-operative Banks are present only in five states of India viz Andhra Pradesh, Gujarat, Karnataka, Maharashtra, and Tamil Nadu. Maximum (UCBs) are located in Maharashtra (583 or 33.9 per cent), followed by Karnataka (273 or 15.9 per cent), Gujarat (260 or 15.1 per cent), Tamil Nadu (130 or 7.5 per cent) and Andhra Pradesh (114 or 6.6 per cent). In case of total deposits of UCBs in India, Maharashtra tops the list with 61.4 per cent share, followed by Gujarat with 16.1 per cent, Karnataka 6.5 per cent, Andhra Pradesh and Tamil Nadu 2.3 per cent each.

## PROSPECTS OF PRIMARY (URBAN) CO-OPERATIVE BANKS IN INDIA

The success of Primary (Urban) Co-operative Banks depend on urbanization because; the area of business of Primary (Urban) Co-operative Banks (UCBs) is restricted to 'Urban and Semi-Urban' areas only. Thus, we can say that the urbanisation is the main determinant of growth of (UCBs).

- In future, according to the recently released report of United Nations Population Fund (UNPF), approximately 5 billion population of the world will be living in urban areas by 2030, comprising of more than half of the total population of the world; as compared to 3.3 billion people at present. In India, only 10.8 per cent of total population was living in urban centres or areas till 1901. Though, during last one century, the share of urban population continuously increased and reached to about 28 per cent in 2001, but yet the level of urbanisation in India, in comparison to other countries of the world, appears to be much lower. Urban India accounts for about 30 per cent of the total population, and is expected to be about 40 per cent by 2030, which will pave way to creation of more urban centres causing the boost of urban cooperative movement.
- The successful implementation of Basel-II norms is going to be a major challenge in near future as without implementation of Basel-II norms by individual UCBs will make them ineligible to direct access to liquidity support from the RBI under the provision of Reserve Bank of India Act, 1934.
- The technological innovations like internet banking, ATM facility, outstation cheque collection facility, etc., in banking operations by Primary (Urban) Co-operative Banks is another important issue for the development, survival and to compete with other banking institutions.
- Since the Co-operative Act is a state matter, therefore, opening the extension counters and operate them in other states will be an important challenge for the development of Primary (Urban) Co-operative Banks movement in India.
- To manage the appropriate funds for development will be a big challenge for Primary (Urban) Co-operative Banks in India as they cannot go for public issue of share and nor can they issue shares and or debentures at par or premium to fulfil the requirement of funds. According to SEBI Act, 1992 and Security Contract Act, 1956 (SCRA), for a financial instrument to be eligible to be listed in the Stock Exchange, it should be issued by a body corporate as defined under the Companies Act, 1956. A Co-operative Society is a body corporate as per the Co-operative Societies Act, but not as per the Companies Act. As such, the financial instruments issued by Primary (Urban) Co-operative Banks cannot be listed in a stock exchange.
- To create the public confidence will be a matter of concern. Because, both low capital base and financial health are considerable matter for depositors. According to Grading System, 22.8 per cent or 392 Primary (Urban) Co-operative Banks are sick or weak, out of total 1721 banks in India.

## CURRENT MEASURES OF RBI FOR DEVELOPMENT OF UCBS

The Reserve Bank of India has entered into Memorandum of Understanding (MoU) with 26 State Governments and with the Central Government (for multi-State UCBs) and Task Forces on Urban Co-operative Banks (TAFUCBs) are constituted in these States as well as at the Centre for identification of non-viable UCBs and deciding their future set up. The MoU arrangement now covers over 99 per cent of the banks that account for over 99 per cent of deposits in the sector. With a view to provide an additional avenue for non-disruptive exit of weak/unviable entities in the co-operative banking sector, the RBI also issued guidelines in January 2009 on merger/amalgamation of UCBs with Deposit Insurance and Credit Guarantee Corporation (DICGC) support in January 2009.

Table 7: Gradation of Banks since entering into MoU with State Governments

Year	Number of UCBs	Number of Banks (I and II Grade)	Number of Banks in (III and IV Grade)	Grade I + II as a per cent to Total banks	Grade III + IV as a per cent to Total banks
2005	1872	1147	725	61	39
2006	1853	1176	677	63	37
2007	1813	1250	563	69	31
2008	1770	1274	496	72	28
2009	1721	1329	392	77	23

Source: Report on WG on Umbrella Organisation and Constitution of Review Fund & RBI Bulletin (Supplement) December, 2009

Table 7 reveals the grade wise number of UCBs after entering MoU with state Government. The Table further shows that the number of UCBs has increased from 1872 in 2005 to 1721 in 2009 or from 61 per cent in 2005, it has increased

to 77 per cent in 2009, which lies in grade I and II. Thus, we can say that the financial health of Urban Co-operative Bank has increased after entering MoU with state government.

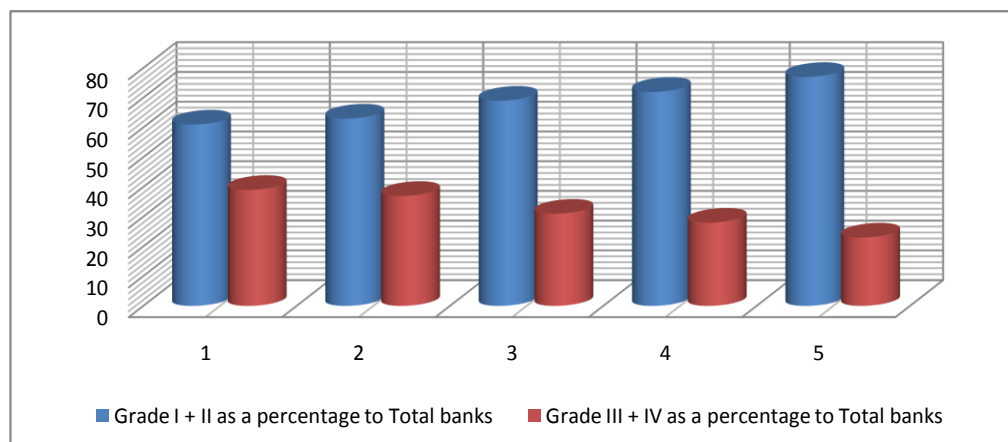


FIGURE 4: Grade Wise Distribution of Primary (Urban) Co-operative Banks

SOURCE: Authors Calculations

## FINDINGS OF THE STUDY

The number of Primary (Urban) Co-operative Banks increased from 1307 in 1991 to 1721 in 2009 but, after 2003, the number of UCBs decreased from 1941 to 1721 in 2009.

After second phase banking sector reforms (BSRs) the ACGR of deposits and advances by Primary (Urban) Co-operative Banks decreased and stood at 10.55 per cent and 10.03 per cent respectively in 2008.

Over the period under study, the market share of Primary (Urban) Co-operative Banks in total deposits decreased from 4.5 per cent to 3.71 per cent and the ACGR of market share of total deposits has been -1.49 per cent.

The Non-Performing Assets is a major problem of Primary (Urban) Co-operative Banks (UCBs). The ratio of GNPA's and NNPA's has very high i.e., 13.3 per cent and 6.1 per cent in 2009. It is much higher than Basel-II and RBI's standard.

Though, 86.2 per cent Primary (Urban) Co-operative Banks have reached 9 and above per cent Capital Adequacy Ratio norms, but only 3.07 per cent or 53 Primary (Urban) Co-operative Banks have become scheduled out of total of 1721 banks in India.

According to grading system 22.8 per cent or 392 Primary (Urban) Co-operative Banks are sick or weak out of total 1721 banks in India.

The distribution of Primary (Urban) Co-operative Banks has not been equal across the country, as 79 per cent of total UCBs are present in 5 States only.

## RECOMMENDATIONS

The UCBs should expand their network through the country and they should also start increasing the extension counters in existing areas. This will facilitate the smooth transfer of deposits and advances for businesses and will consolidate their customer base

The UCBs are required to increase other business activities or diversification of business pattern. Since, the share of non interest income to total income is only 10.2 per cent. It will help the UCBs in improving the productivity per employee.

They should adopted and implement the new technology i.e., ATM and internet banking in their operations and business activities. Many studies have been conducted to examine the impact of technology on banking business activities and they advocated that the technology significantly influences the productivity and profitability of the banking organisation.

Co-operative professionalism should be introduced in their business. Because, without professionalism the UCBs cannot compete with other banking institutions.

They should strive to control the concentrate high level NPAs as the ratio of NPAs very high as compared to commercial banks in India.



## **CONCLUDING REMARK**

Primary (Urban) Co-operative Banks are an important part/segment/space of our banking system. But, over the years, a number of Primary (Urban) Co-operative Banks (UCBs) have become weak and non-viable. Several reasons such as high NPAs, low business, high employee cost or low productivity per employee, low technology base etc. are responsible for it. But, the business cannot grow without customer's satisfaction now a day. So, extension counters (anywhere banking), new technology (any time banking) and good financial health (safety of their savings) are must for a banking institution and as well as Primary (Urban) Co-operative Banks (UCBs).

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