Introduction:

Men and Women are playing an important role in urban credit co-operative, salary earners, thrift and credit societies. In most of the urban co-operative banks / societies quite a considerable percentage of the total membership comprises of men & women. Men’s and Women’s urban co-operative bank is the best instrument for raising the economic and social status of men or women in order to bring them into the main stream of development. Through this instrument men and women become economically self-reliant.

Bank exclusively catering to the special need of urban men and women dwellers is an innovative concept in urban cooperative banking. Men and Women’s urban cooperative bank is the bank, which is managed by the Indian people. In the field of urban credit movement it is great pride.

The major objectives of these banks are promotions of thrift, savings and self-help among men & women members and the collection of deposits from the public to support their resources for advancing loans to the men & women members. They promote cottage industries, self employment at home earning income by involving in trades like pickles, papads, garments grocery shops, vegetables shops, tailoring, floor mill, Mirchi kandop etc. They increase the standard of living of the urban people.

Maharashtra is a leading state in the establishment and enhancement of men & womens urban co-operative bank. Thus, men & womens Urban Co-operative Bank in Maharashtra play a vital role in the Economic Development of peoples in Maharashtra. It is further reported that many of these banks are financially healthy and well managed. During recent year their activities have been diversified but not sufficiently.

Statement of the problems

Most of the men’s and women’s banks in the Maharashtra state are small in respect of share capital, membership, deposits, loans and advances working capital and profit.

All the above pits lead researcher to select this topic for research work. This study needs an investigations of slow progress of urban co-operative banks in the state of Maharashtra.
Similarly it seeks to study to what extent the impact of the financial assistance extended by these banks to membership are the beneficiaries. This can be done by assessing the working of these banks in terms of deposits, recoveries and over dues to the bank that is their financial position.

Thus this study would be useful not only to the banks organised and managed by men & women but also to the banks beneficiaries. Government, RBI, Apex Financial Organisation etc. to evolve the policy for the healthy urban co-operative credit movement for the men and women in the state of Maharashtra.

**Historical Background**

The term Urban-Co-operative Banks (UCBs), though not formally defined, refers to primary cooperative banks located in urban and semi-urban areas. These banks, till 1996, were allowed to lend money only for non-agricultural purpose. This distinction does not hold today. These banks were traditionally centered around communities, localities work place groups. They essentially lent to small borrowers and businesses. Today, their scope of operations has widened considerably.

The origins of the urban cooperative banking movement in India can be traced 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. Cooperative societies are based on the principles of cooperation,- mutual help, democratic decision making and open membership. Cooperatives represented a new and alternative approach to organization as against proprietary firms partner ship firms and joint stock companies which represent the dominant form of commercial organization.

**The Beginnings**

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 Bhausaheb Kavthekar. Urban Co-operative credit societies, in their formative phase came to be organized 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 trust of UCBs, historically, has been to mobilise savings from the middle and low income urban groups and purvey credit of their members many of which belonged to weaker sections.

The enactment of Cooperative Credit Societies Act 1904 however, gave the real impetus to the movement. The first urban cooperative credit society was registered in Canjeevaram (Kanjivaram) in the erstwhile Madras province in October 1904. Amongst the prominent credit societies were the Pioneer Urban in Bombay (November 11, 1905) the No. 1 Military Accounts Mutual Help Co-operative Credit Society in Poona (January 9, 1906) Consmos in Poona (January 18, 1906) Gokak Urban (February 15, 1906) and Belgaum Pioneer (February 23, 1906) in the Belgaum district, the Kanakavli-Math- Co-operative Credit Society and the Varavade Weaveersw. Urban Credit Socity (March 13, 1906) in the South Ratnagiri (now Sindhudurg) district. The most prominent amongst the early credit societies was the Mobaby Urban Co-oeoporative Credit Society, sponsored by Vithaldas Thackersey and Lallubhai Samaldas established on January 23, 1906.

The Co-operative Credit Societies Act, 1904 was amended in 1912 with a view to broad basing it to enable organisation of non-credit societies. The Maclagan Committee of 1915 was appointed to review their performance and suggest measures for strengthening them. The committee observed that such institutions were eminently suited to cater to the needs of the lower and middle income strata of society and would inculcate the principles of banking amongst the middle classes. The committee also felt that the Urban Co-operative Credit movement was more variable than agricultural credit societies. The recommendations of the Committee went a long way in establishing the Urban Co-operative Credit movement in its own right.

In the present day context, it is of interest to recall that during the banking crisis of 1913-14, when no fewer than 57 joint stock banks collapsed, there was a flight of deposits from joint stock banks to co-operative Urban banks. Maclagan Committee chronicled this event thus:

“As a matter of fact, the crisis had a contrary effect, and in most provinces, there was a movement to withdraw deposits from non-cooperatives and place them in co-operative institutions, the distinction between two classes of security being well appreciated and a preference being given to the latter owing partly to the local
character and publicity of co-operative institutions but mainly, we think, to the connection of Government with Co-operative movement.”

**Under State Purview**

The constitutional reforms which led to the passing of the Government of India Act in 1919 transferred the subject of “Cooperation” from Government of India to the provincial Governments. The Government of Bombay passed the first State Co-operative Societies Act in 1925.” Which not only gave the movement its size and shape but was a pace setter of cooperative activities and stressed the basic concept of thrift, self help and mutual aid.” Other States followed. This marked the beginning of the second phase in the history of Cooperative Credit Institutions.

There was the general realization that Urban banks have an important role to play in economic construction. This was assseted by a host of committees. The Indian Central Banking Enquiry Committee (1931) felt that urban banks have a duty to help the small business and middle class people. The Mehta-Bhansali Committee (1939) recommended that those societies which had fulfilled the criteria of banking should be allowed to work as banks and recommended an Association for these banks. The Co-operative Planning Committee (1946) went to record to say that urban banks have been the best agencies for small people in whom Joint stock banks are not generally interested. The Rural banking Enquiry Committee (1950) impressed by the low cost of establishment and operations recommended the establishment of such banks even in places smaller than taluka towns.

Recently The Reserve bank Of India has adopted variary steps to strengthen the Co-operative Sector only on account of irregularities committed by a few Urban Co-operative Banks. It is a matter of Proud that the Urban Co-operative Banks have demonstrated their will to stand unitedly which has retrieved the situation for them.

New Economic Policy has been adopted in India since 1991. It was generated following problematic areas:-

1) Globalization of the Economy
2) World recession falling interest rates
3) Limited credit to the members
4) Increasing NPA
   a. Imposition of Capital Adequacy Ratio etc. have been problematic
areas encountered by the financial sector and consequently the Urban banking sector also.

Jath Urban Co-operative Bank Ltd Jath Established in the year 1953. It has a lot of progress in a short span as it has opened Two branches in Sangli Districts; being registered under the co-operative societies Act, it has been working successfully since then.

This topic has been chosen for research study owing the following reasons

1) Jath Urban Co-operative Bank Ltd Jath is a co-operative Bank. Its area of operation is combined to Sangli district.
2) It is one of the oldest Co-operative Bank in Maharashtra established on January 2\textsuperscript{nd} 1953
3) It is easy for the student to collect all relevant information and data as the student belongs to the same area.