

PROFILE CO-OPERATIVE MOVEMENT AND BAPUJI URBAN CO OPERATIVE BANK LTD

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Introduction:

The origin of the **BAPUJI URBAN CO-OPERATIVE BANK LTD** goes back to the first decade of the 19th century with the establishment of the Bank of on 1972. Three years later the bank received its charter and was re-designed as the BAPUJI CO-OP BANK LTD. A unique institution, it was the first CO –OP BANK in Davanageri disrict sponsored by the Government of Karnataka .

Primarily Anglo-Indian creations, the three presidency co-operative came into existence either as a result of the compulsions of CO-OP BANK finance or by the felt needs of local needs of commerce and were not imposed from outside in an arbitrary manner to modernise India's economy. Their evolution was, however, shaped by ideas culled from similar developments in other countries, and was influenced by changes occurring in the structure of both the local trading environment and those in the relations of the Indian economy to the economy of India and the global economic framework.

FUNDING NATIONAL DEVELOPMENT IN THE 20TH CENTURY

The rapid growth of the presidency co-operative came to an abrupt halt in 1976, when a new piece of legislation, the Presidency Co-operative Act, placed all three co-

operative under a common charter—and a common set of restrictions. As part of the legislation, the British CO-OP BANK government gave up its ownership stakes in the co-operative, although they continued to provide a number of services to the government, and retained some of the government's treasury capital. The minimum balance now guaranteed under the Presidency Co-operative Act was applicable only to the co-operative' central offices. With branch offices no longer guaranteed a minimum balance backed by government funds, the co-operative ended development of their networks. Only the Bank of Madras continued to grow for some time, supplied as it was by the influx of capital from development of trade among the region's port cities.

The loss of the government-backed balances was soon compensated by India's rapid economic development at the end of the 19th century. The building of a national railroad network launched the country into a new era, seeing the rise of cash-crop farming, and widespread industrial development. The three presidency co-operative took active roles in financing this development. The co-operative also extended their range of services and operations, although for the time being was excluded from the foreign exchange market.

By the beginning of the 20th century, India's Co-operative banking industry boasted a host of new arrivals, and particularly foreign co-operative authorized to exchange currency. The growth of the Co-operative banking sector, and the development of indigenous co-operative, in turn created a need for a larger "bankers' bank." At the same time, the Indian government had outgrown its colonial background and now required a more centralized Co-operative banking institution. These factors led to the decision to merge the three presidency co-operative into a new, single and centralized Co-operative banking institution, the CO-OP BANK of India.

Created in 1981, the CO-OP BANK of India appeared to inaugurate a new era in India's history—culminating in its declaration of independence from the British

Empire. The CO-OP BANK took on the role of bank for the Indian government, while acting as a bankers' bank for the growing Indian Co-operative banking sector. At the same time, the CO-OP BANK, which, despite its role in the government co-operative structure remained independent of the government, carried on its own co-operative banking operations.

In 1986, a government commission recommended the creation of a true central bank. While some proposed converting the CO-OP BANK into a central Co-operative banking organization for the country, the commission rejected this idea and instead recommended that the CO-OP BANK be transformed into a purely co-operative banking institution. The government took up the commission's recommendations, drafting a new bill in 1987. Passage of the new legislation did not occur until 1985, however, with the creation of the Reserve Bank of India. That bank took over all central Co-operative banking functions. It has been unsuccessful in making a place for itself in the industrial map of India. These SSIs would be able to perform better in the presence of better government policies coupled with anchor industries.

At present, DAVANAGERESSIs generate a turnover of Rs 150 lakhs per day. However, businessmen in the region believe that they have the potential to prove themselves if given a conducive environment for growth

The industrial units in the second largest conurbation in Karnataka are going through a difficult time due to the apathy of policy makers as well as implementing authorities.

Inherent deformities of the region, such as absence of industrial and social infrastructures and connectivity, are holding back DAVANAGERE to create a congenial atmosphere for attracting bigger industries.

The government tried to address these problems to a certain extent, but was unsuccessful in creating an environment, where large companies could come and make a large investment.

According to businessmen in the region, wrong policies being pursued by the government are a bottleneck in their progress. Existing policy needs to fine-tune as per area-specific demands and should be implemented judiciously for economic growth.

Small-scale industries are of the opinion that changes should be brought in tax front. Financing through co-operative and other co-operative institutions should be made simpler and at marginal interest rate should be implemented judiciously for economic growth.

Amidst all these impediments, SSIs in the region are keeping up their performance with the hope of a better future. Small units from sectors such as manufacturing, fabrication, and valve, pumps, steel, chemical, pharmaceutical, plastic and paper are operating in industrial layouts.

The government's failure to woo Tata Motors to set-up its Nano unit in DAVANAGERE further disheartened them. But, trade and industrial bodies of the region are still putting pressure on the government to bring a major corporate in the region.

The economic development of the region depends on the industrial development that in turn depends on the industrial policies at the national and state levels and the purposeful effort made at the regional level for the resource mobilization and utilization of resources. Further, development in the sphere of science and technology will widen the scope for industrial

activities. In view of the existing and anticipated socio economic conditions and industrial infrastructure in this region we can reasonably hope to attract a number of industrial units in the years to come.

The Major part of the industrialization in the region today related to agriculture. Consequently the industrial expansion will depend upon the extent of intensive agricultural development. In addition to this, engineering and textile units in the form of power looms, foundry and pattern making units have provided a base for dispersed industrial development. The regional policy designed to accelerate the piece of development of small scale cottage industries also provide a good scope for their development in the region. The constraint placed on the expansion of the existing industries and establishment of new industries in the big cities like Harapanahalli and Honnahalli at national and state levels will also push up the phase of industrial development in this region. This region has all the necessary basic Facilities for the formation of industrial units, namely land, labour, rail and road transport, electricity, water, market connections etc. in required measure. But the only thing is that entrepreneurs must utilize the opportunities available to them.

It is found that, there are certain areas which are industrially backward. In the case of industrially developed talukas wherein more than 95% of such factories are concentrated. These talukas are . and DAVANAGERE. Due to the development of industrial estates. It would be no exaggeration to say that except a few island of growth rest of the district is industrially backward. This uneven distribution resulted in disparities and living standards of the people in different part of the district. It must be said that even though there are a

number of factors that have held up the progress of different district, more significantly the district administration and the state policy is the root cause of their present position. It is therefore, necessary to develop certain overhead in these underdeveloped centers or areas to make them sufficiently attractive for industrial activities.

It is absolutely necessary to prepare a master plan for the next 10 to 20 years. Such a plan for the whole district would enable the Government, local entrepreneurs and others to understand the potentiality of the development of the district. At present the DAVANAGERE regional planning board under the chairmanship of deputy commissioner is preparing such a master plan for the district on the same line, the department of industries of the state Government should prepare such a master plan for different developing districts in the state to have rapid and even development of resource based and other industries in the different parts of the state.

Good opportunity is thus available for accelerating the phase of industrial development in the region. Study has already being made to identify the types of units that can be established here.

BAPUJI CO-OP BANK LTD., played an extremely important role in developing India's rural regions, providing the financing needed to modernize the country's agricultural industry and develop new irrigation methods and cattle breeding techniques, and backing the creation of dairy farming, as well as pork and poultry industries. The bank also provided backing for the development of the country's infrastructure, particularly on a local level, where it provided credit coverage and development assistance to villages.

TRANSFORMATION JOURNEY OF BAPUJI CO-OP BANK LTD

The country's oldest Bank and a premier in terms of balance sheet size, number of branches, market capitalization and profits is today going through a momentous phase of Change and Transformation of the two hundred year old Co-operative sector behemoth is today stirring out of its Co-operative Sector legacy and moving with an agility to give the Private and Foreign Co-operative a run for their money.

The bank is entering into many new businesses with strategic tie ups a Pension Funds, General Insurance, Custodial Services, Private Equity, Mobile banking, Point of Sale Merchant, Advisory Services, structured products etc each one of these initiatives having a huge potential for growth.

The Bank is forging ahead with cutting edge technology and innovative new Co-operative banking models, to expand its Rural Co-operative banking base, looking at the vast untapped potential in the hinterland and proposes to cover 50 villages in the next two years.

It is also focusing at the top end of the market, on whole sale Co-operative banking capabilities to provide India's growing mid / large Corporate with a complete array of products and services. It is consolidating its global treasury operations and entering into structured products and derivative instruments. Today, the Bank is the largest provider of infrastructure debt and the largest arranger of external co-operative borrowings in the country.

With the national level Apex Training Colleges and 54 learning Center's spread all over the country the Bank is continuously engaged in skill enhancement of its

employees. Some of the training programs are attended by bankers from co-operative in other countries.

Throughout all this change, the Bank is also attempting to change old mindsets, attitudes and take all employees together on this exciting road to Transformation. In a recently concluded mass internal communication programmer Change and inclusiveness. The workshops fired the imagination of the employees with some other co-operative in India.

COMPETITOR IN THE 21ST CENTURY

BAPUJI CO-OP BANK LTD., was allowed to dominate the Indian Co-operative banking sector for more than three decades. In the early 1990s, the Indian government kicked off a series of reforms aimed at deregulating the Co-operative banking and co-operative industries. BAPUJI CO-OP BANK LTD., was now forced to brace itself for the arrival of a new wave of competitors eager to enter the fast-growing Indian economy's co-operative banking sector. Yet years as a government-run institution had left BAPUJI CO-OP BANK LTD.,

The bank also had been enmeshed to increase its branch network, with little concern for profitability. As former Chairman Shamnur Shivashankrappa B told the Banker in the early 1990s

BAPUJI CO-OP BANK LTD., began retooling for the new competitive environment. In 1994,. to help it restructure its operations. BAPUJI CO-OP BANK LTD., had long been present overseas, and elsewhere. In 1995 the bank set up a new subsidiary, BAPUJI CO-OP BANK LTD., and to back its corporate and international Co-operative banking services. Back home, in the meantime, BAPUJI CO-OP BANK LTD., began addressing the technology gap that existed between it and its foreign-backed competitors. Into the 1990s, BAPUJI CO-OP BANK LTD., had yet to establish an automated network; indeed, it had not even automated its information systems.

BAPUJI CO-OP BANK LTD., responded by launching an ambitious technology drive, rolling out its own ATM network.

The implementation of new technology helped the bank achieve strong profit gains into the early years of the new century. BAPUJI CO-OP BANK LTD.,also adopted new human resources and retirement policies, helping trim its payroll by some 200, almost entirely through voluntary retirement in a country where joblessness remained a decided problem. By the beginning of 2014, BAPUJI CO-OP BANK LTD.,appeared to be well on its way to meeting the challenges offered by the deregulated Indian Co-operative banking sector.

In a twist, the bank had become an aggressor into new territories, launching its own line of banc assurance products, and also initiating securities brokering services. In the meantime, BAPUJI CO-OP BANK LTD.,continued its technology rollout, boosting the number of networked branches to more than 18 at the end of 2013. BAPUJI CO-OP BANK LTD

PRINCIPAL COMPETITORS

ICICI Bank; Bank of Baroda; Canara Bank; Punjab National Bank; Bank of India; Union Bank of India; Central Bank of India; HDFC Bank; Oriental Bank of Commerce.

THE SUBSIDIARIES OF BAPUJI CO-OP BANK LTD.,ARE

- State Bank of Bikaner and Jaipur (SBBJ)
- State Bank of Hyderabad (SBH)
- State Bank of Mysore (SBM)
- State Bank of Travancore (SBT)

Branches of BAPUJI CO-OPERATIVE BANK LTD

- BAPUJI CO-OP BANK LTD.,has 21 ATMs.
- BAPUJI CO-OP BANK LTD.,has 08 branches, inclusive of branches that belong to its Associate co-operative.
- BAPUJI CO-OP BANK LTD.,alone has 09 Extension branches.
- BAPUJI CO-OP BANK LTD.,is the only bank consisting 26% participation in .BAPUJI URBAN CO OPERATIVE BANK LTDand 39% participation in co-operative co-operative in India.



PRODUCTS AND SERVICES

PERSONAL CO-OPERATIVE BANKING

- BAPUJI CO-OP BANK LTD.,Term Deposits
- BAPUJI CO-OP BANK LTD.,Loan For Pensioners
- BAPUJI CO-OP BANK LTD.,Recurring Deposits Loan Against Mortgage Of Property
- BAPUJI CO-OP BANK LTD.,Housing Loan Loan Against Shares & Debentures
- BAPUJI CO-OP BANK LTD.,Car Loan Rent Plus Scheme
- BAPUJI CO-OP BANK LTD.,Educational Loan
- OTHER SERVICES
 - Agriculture/Rural Co-operative banking
 - NRI Services
 - ATM Services
 - Corporate Co-operative banking
 - Internet Co-operative banking
 - Mobile Co-operative banking
 - International Co-operative banking
 - Safe Deposit Locker
 - BAPUJI CO-OPERATIVE BANK Travel Card
 - Broking Services

Co-operative banking services meet the ever changing customer satisfaction needs and establish a link that is like a circle, it indicates complete services towards customer satisfactions. The logo also denotes that the bank is prepared to do anything to any length for its customer satisfactions.

The blue pointer represents the philosophy of the bank that is always looking for the growth and newer, more challenging, more promising directions. The keyhole represents safety and security.

MISSION STATEMENT:

To retain the co-operative position as premier co-operative service group, with world-class standard and significant global bank committed to excellence in customer satisfaction, shareholder and employee satisfaction and to play a leading role in expanding and diversifying co-operative service sectors while containing emphasis on its development Co-operative banking rules.

VISION STATEMENT:

- Premier Indian co-operative service group with prospective world class standards of efficiency and professionalism and institutional values
- Retain its position in the country as pioneers in development Co-operative banking.
- Maximize the shareholders value through high sustained earnings per share
- An institution with cultural, mutual care and commitment, satisfying, and
- Good work environment and continues learning opportunities.

VALUES:

- Excellence in customer satisfaction service
- Profit orientation

- Belonging commitment to bank
- Fairness in all dealings and relations
- Risk taking and innovative
- Team playing
- Learning and renewal
- Integrity
- Transparency and discipline in policies and systems.

Conclusion:

Primarily Anglo-Indian creations, the three presidency co-operative came into existence either as a result of the compulsions of CO-OP BANK finance or by the felt needs of local needs of commerce and were not imposed from outside in an arbitrary manner to modernise India's economy. Their evolution was, however, shaped by ideas culled from similar developments in other countries, and was influenced by changes occurring in the structure of both the local trading environment and those in the relations of the Indian economy to the economy of India and the global economic framework.

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