

CHAPTER - II

MANAGEMENT AND FUNCTIONS OF KOLHAPUR

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Kolhapur district is very progressive in the co-operative field. Mahila Co-operative Bank was set-up under the guidance and efforts of Miss Shakuntala Vishnupant Ghotane on 19th May, 1972. However, it started banking business from 25th April, 1974. According to the policy of Reserve Bank, women are categorised under low income group. This bank has been useful to the economically poor women. The women are in need of financial help to meet the daily needs. This bank aims at not only mobilizing deposits to the maximum possible extent but also increasing financial accommodation to the needy and ambitious women of the society. Moreover, this bank in its auditing always received 'A' grade. Mahila Co-operative Bank is affiliated to District Co-operative Bank. This bank provides its members with the same services which are given by other co-operative banks to their members.

Mahila Co-operative Bank is working for women, owned by women and run by women. This bank has implemented many schemes for the upliftment of the women from weaker sections.

OBJECTIVES :

I) This bank aims at increasing the welfare of women. It helps the weaker section of the women community to solve their financial difficulties independently. The women are encouraged to utilize their hidden powers and expose them in industry and trade. She is helped to become self-sufficient which, in turn, reduces her dependence on others to some extent. Consequently, herself - confidence grows. Thus Mahila Co-operative Bank plays very important role in solving financial difficulties of economically poor women.

II) The bank holds transactions in bills of exchange of sarafs, etc. for the benefit of its members.

III) This bank aims at increasing its capital resources and providing them at lower interest rates to its members.

IV) In order to enable the members and nominal members to get loans against securities of precious ornaments (gold) through mortgage system, the bank has special schemes.

V) As per the act of co-operative societies, the bank aims at investing a particular amount in the securities of co-operative societies.

VI) In order to encourage business, trading and industrial activities of its members, this bank provides financial help.

VII) This bank can open new branches in the jurisdiction or outside with pre-permission of Deputy Registrar of Co-operative Society.

VIII) One of the objectives of this bank is to provide its employees with provident fund and other facilities.

IX) The bank plans new schemes for the development and expansion of its field of activity.

X) Mahila Co-operative Bank restricts its membership for women only.

FEATURES OF MAHILA CO-OPERATIVE BANK :

1) Mahila Co-operative Bank is local institution with its clients as its members and having intimate contact with them. It is in a better position to appreciate the

needs of the members and to adjust its policies and procedures to such needs with a greater degree of flexibility. The democratic control of the members in this bank also provides a guarantee that its management is responsive to the needs of members.

2) Being local institution, Mahila Bank is vitally interested in local development.

3) Mahila Co-operative Bank operates not only as purveyor of finance but also as friendly guide to its clients helping them to adopt better production technique, sound financing and accounting systems.

MANAGEMENT :

Like any other co-operative bank, the management of an Urban Bank is vested in a Board of Directors. The whole town is divided into constituencies. The day-to-day management of the banks requires qualified and trained staff. But it is hardly possible for urban banks to attract efficient and trained persons as these banks cannot afford to pay high salaries as are given by the commercial banks.

Mahila Co-operative Bank, like other co-operative banks is administered by Board of Directors. The board of directors consists of mainly female members. There are 13 members in the board of directors, including one reserved for backward class and one for the economically weaker section. The duration of the board of directors is for three years, which is counted from the first general meeting of the elected members. The election of the board of directors is held after three years, which is bound by the election rules of the co-operative society. If a member from the reserved category is not elected, the board of directors nominates eligible candidate from the reserved class as per the Co-operative Act. The period of such nominated candidate is also of three years. If a member retires, his place is filled by conducting election as per the rules 26 'A'. Retired members can participate in the election as a member, if he possesses the required eligibility. The President and Vice-President are elected in the first annual meeting of the co-operative society. Vice-President takes the charge of the office in the President's absence. If both President and Vice-President are absent, the board of directors nominates a member from among themselves as a President for the meeting.

The Board of Directors looks after the working of the bank. The President and Vice-President are elected every year as per the Election Sub-Section 27. The Board of Directors seeks the advice and permission from the Deputy Registrar of Co-operative Societies and workout the daily work. General meeting is held once in a year. The Board of Directors meets once in a month, at the end of the month, to survey the work of the month. The functions of President, Vice-President and the office staff are as follows.

President :

The election for President and Vice-President is conducted as per Sub-Section 27 every year. Annual General Meeting, Special Meeting and Board of Directors meeting are held under President's execution. The working of the bank is carried out as per the board's resolutions and with President's consent. Following are the main functions of the Presidents :

- A) The paid servant's are fined if he is found guilty and for his unsatisfactory work.
- B) To give one month extension for the loan instalments.

- C) To section upto Rs. 1000/- as personal loan.
- D) Authorised to expend upto Rs. 500/- from sanctioned budget.
- E) To work-out the daily work as per the resolution laid down by the Board of Directors.

The decisions regarding above matters are noted down, which then are kept in the next meeting for approval. Moreover, approved decisions are noted down in the book of Mahala Co-operative Bank.

Vice-President :

The Vice-President is entitled to use all the powers of the President in his absence.

Manager :

The Manager is appointed by the Board of Directors with the consent and permission of the Deputy Director of the Co-operative Societies. The Manager has to carry out the work as follows :

- 1) The Manager keeps hold on all the banking property, documents etc. He also possesses all the property given to him by the Board of Directors.
- 2) The Manager has to issue notices seeking permission from the President and the Board of Directors. He attends meetings of the Board of Directors and notes down the proceedings of the meeting.
- 3) He has to attend the special meeting if called by the President and as per the resolution passed by the Board of Directors.
- 4) He has to look after the banking correspondence and carry out the money transactions through a Cashier. He issues and accepts receipts from the shareholders with his signature as per the rules. He keeps all the books and register books which help to know rules, laws and by-laws. He instructs the paid servants of the bank and inspects their work.

- 5) He accurately prepares the chart showing income and expenditure and profit and loss account before 15th August. He sends these charts to the Board of Directors and the office of the Co-operative Societies.
- 6) He follows all the instructions given by the Board. He accepts applications for loans and shares and puts them before the board.
- 7) All administrative staff members work under his supervision.

AREA OF OPERATION :

The whole Kolhapur District, except Ichalkaranji City, comes under the jurisdiction of Mahila Co-operative Bank. The area of operation can be extended with pre-permission of the Co-operative Department. At present, the Mahila Co-operative Bank has a branch at Haladi (25-9-83). Moreover, a new branch at Rajarampuri in Kolhapur City opened on 11-1-1984.

MEMBERSHIP :

Broadly speaking the membership on an urban co-operative bank comprises persons living in urban areas. The conditions of eligibility for the membership of these banks are prescribed under rules and bye-laws, such as small traders, artisans, merchants and professional classes etc.

But only women can be the members of the Mahila Co-operative Bank. Male members cannot purchase the share of this Bank. The women who wish to become the members of this bank should be the resident of the area which comes under the field of activity of this bank. They should have their business or profession in jurisdiction of the bank and they should be eligible to contract with the bank as per the provision made in Indian Contract Act, 1872. The women who desire to be the member of this bank should apply on the bank's printed forms and the application should be sanctioned in the meeting of the Board of Director's with majority voting. But an application for membership of a women cannot be rejected just because she belongs to a particular community or religion. She must pay the required amount of a share and admission fee in cash i.e. 10 rupees

as share capital and one rupee as admission fee. The member must have completed 18 years of age and must not have committed any crime as per the Indian Penal Code or any such unlawful activity by which she suffered moral degradation. The application for membership of such woman is scrutinised in the board of Director's meeting and then membership is offered. Afterwards she can become 'A' member of the Bank. She can withdraw her membership after one year with the permission of the Board of Directors. But she will not be allowed to withdraw from the bank, if, she has dues to pay or she is guarantor to any other member.

The Bank can cancel the membership with majority voting in general meeting on account of the following reasons.

- A) If the member does not pay the instalments of the loan regularly.
- B) If the members has furnished false information to the bank and cheated the bank.
- C) If the member is unlawful or a bankrupt.
- D) If the member has committed a crime according to Indian Penal Code and Crime is provided in the Court of Justice.

- E) If the member has purposely committed such a mistake by which the Bank's standard and name has been discredited, her membership will be discontinued as per Maharashtra Co-operative Act Section 35, 28 and 29.

The membership is automatically discontinued for the following reasons as per the provision made by the Mahila Co-operative Bank.

- 1) After the death of the member.
- 2) If the resignation of the member is accepted by the Board of Directors.
- 3) If the member is dismissed from the Bank.
- 4) If all the shares of the member are transferred and credited to the Bank.
- 5) If the member has decided to leave the area of jurisdiction forever.
- 6) If the member gets mad.
- 7) If the member or his nearest relatives are engaged with money lending business.

FUNCTIONS OF THE BANK :

Mahila Co-operative Bank performs following functions.

- A) To accept deposit from the members and non-members. Deposits from members are given preference.
- B) To make loans and advances to members for useful purposes. Loans are also given to nominal members on the security of their deposits.
- C) To get the accounts audited.
- D) To prepare balance sheets of liabilities and assets and profit and loss account etc.
- E) To raise level of capital aggregate deposit resources and fix the rate of interest and terms and conditions of the loans.
- F) To store safely the securities to check it and make arrangements for its security.

- G) To insure the security kept with it and protect it from fire etc.
- H) To accept new membership and to discuss upon the applications demanding shares.
- I) To study the recovery of the overdues and to suggest measures. To recover the loans, the share capital of the member is transferred.
- J) To take decision over bonus to be paid to servants of the bank at the year end.
- K) To open the branches or extension counters outside the jurisdiction with the permission of the Deputy Registrar.
- L) To buy shares of Co-operative Societies and Government or Government approved securities.

To conclude, the principle^a functions of the Mahila Co-operative Bank, are to promote s thrift, to advance loans on personal security or on mortgagage of house property, on pledge of gold and silver, produce, merchandise, Government Securities, fixed deposit receipts, life insurance policies etc.