

Chapter - II

HISTORY OF AJARA URBAN CO-OPERATIVE BANK LTD.

Ajara was a small town in 1960. Its population was then nearabout 7000. Eventhough it had the rich natural resources, it was still undeveloped. It was totally dependent on agriculture and forestry. The illiteracy, lack of education, poverty, backwardness, negligence of the government and megre transport facilities were the main reasons of its backwardness. It was not even agriculturally developed because of heavy rainfall and hilly area. The people were in the clutches of the money lenders, traders and forest contractors.

Before independence Ajara was under the Jahagiri of Late Jahagirdar Narayanrao Babasaheb Ghorpade (Ichalkaranji Jahagir) who realised the importance of cooperation and financial independence to overcome the exploitation. He wanted to realise the people from the exploiters. With this view, he opened the branch of Ichalkaranji Central Cooperative Credit Bank in 1944 to provide banking facilities to the people and to make them aware of the significance of banking. Owing to the new policies of the Government of Maharashtra in the Cooperative Act, 1960, the Ichalkaranji Central Cooperative Credit Bank was compelled to close the branch of Ajara. Because of this shocking decision, the leading personalities in Ajara struck

an idea to organise a new urban cooperative bank of their own. So they called the meeting of the leading businessman, political leaders, agriculturists and social workers and discussed the need of bank and then took the decision unanously of starting an Urban Cooperative Bank in Ajara on 21.9.1960.

The committee was formed to prepare the essential documents for the registration of cooperative bank and to collect the share capital. They approached the Registrar of Cooperative Societies and convinced him the need of the bank. They took tremendous efforts for the fulfilment of statutory requirements. They succeeded in getting the registration on 19.10.1960. Immediately after the registration they started to collect share capital from all strata of the society. They sought a valuable guidance from an eminent person in cooperative field in Kolhapur district. They formed the board of directors.

The branch of Ichalkaranji Central Cooperative Bank was still functioning in Ajara and hence some of the directors were hesitating to start the functioning of their bank. They were not confident about getting deposits and customers for the bank. They were trying to postpone the date of inauguration of the bank. The person who guided them encouraged them and created a confidence in them. So they decided to start the functioning of the bank from 26-1-1961. On the very first day of the opening they

collected the share capital of Rs.26,000 and deposits of Rs.14,000/-. Bank started its functioning with the working capital of Rs.40,000/-. At the beginning of its functioning, other cooperative banks like Veershaiv Cooperative Bank, Sangli Urban Cooperative Bank, District Central Cooperative Bank extended their cooperation with some experienced staff of workers.

The Board of Directors of Ajara Urban Cooperative Bank requested the Registrar of the Cooperative Societies and directors of Ichalkaranji Central Credit Cooperative Bank to merge the Branch of Ichalkaranji Bank into Ajara Urban Cooperative Bank. But they could not succeed because of the non-cooperation and political obstacles existed at that time.

The Ajara Urban Cooperative Bank was started with the intension of helping the common people in Ajara tahsil. The Bank financed small traders, farmers, and needy people and concentrated on secured advances. The management was very keen and particular about the end use of the money advanced. The management exercised its influence in the society and collected the deposits from rich merchants and agriculturists. This helped them a lot in creating the confidence among the people and they felt that it was their own bank. So the number of depositors and customers increased on large scale.

The working area of the bank was limited to Ajara town and tahsil only. So the management decided to start

branches in Ajara taluka where the people were deprived of banking facilities. Then they succeeded in getting the permission for a new branch at UTTUR on 12.9.1969. The branch of Uttur is opened on 10th of November, 1969.

The bank mainly concentrated on financing transport business. Now it is well known as leading bank in granting finance to this business. The finance given to this sector caused for the overall, development of Ajara and surrounding area.

The bank performs various schemes of the government such as Haritkranti, 20 points programme and advances to the people below poverty line.

Because of the rapid growth and the increase in the number of employees and customers, the management felt the need of their own building with all facilities. In the general meeting of 1967-68, the resolution to construct new building was passed and the share-holders agreed to "donate" their dividend for the building fund. The building was completed on 14th June, 1970 on which date the Bank was shifted in its own building.

After 1970 the Bank felt need of its branches and so opened the branches at Gargoti, Nesari, Chandagad, Malkapur and Kapasi where even the nationalised banks and leading cooperative banks and scheduled banks did not dare to open their branches. At present these branches are functioning very smoothly and effectively.

The people from this area are mostly in Bombay and Kolhapur for employment. They wanted their own bank in Bombay and Kolhapur as means to send their money to their respective villages. The management also showed interest and they opened the branches in Bombay and Kolhapur. These two branches have now become the main feeding branches to the Bank.

At the beginning of the bank there were two employees in 1961. Now the total number of employees has increased to 93 in 1984. The contribution of the employees in the development of the bank is of great importance. The Table on page no. 20 shows the Bank's progress.

A) Share-holders

At the formation of the Bank in 1961 there were only 459 members. The number increased to 1075 in 1971. In 1974 the number of shareholders further increased to 1818. After five years the number of shareholders was 2429. After a year only the number increased rapidly to 3243. In 1982 the number of shareholders was 3814 and in 1984 it reached its climax at 4593. Thus the number of shareholders increased by ten times during the last 23 years.

B) Share Capital

The Bank was started with the sharecapital of Rs.27,950/- in 1961. After ten years the share capital stood at Rs.15,19,301/- in 1971. The share capital further increased to Rs.3,82,000/- in 1976. Shortly after five years in 1981 the share capital reached its climax at Rs.11,18,994/-

The Ajara Urban Cooperative Bank Limited, Ajara

PROGRESS REPORT

Year	Members	Share Capital Rs.	Deposits	Loan	Net Profit	Branches
30-6-1961	459	27,950	94,305	64,916	-	-
30-6-1971	1075	1,51,930	17,51,984	17,85,869	26,398	1
30-6-1975	1876	3,01,920	60,61,400	50,71,915	1,47,983	4
30-6-1980	3243	9,67,725	1,94,98,988	1,28,98,728	2,06,539	6
30-6-1985	4780	17,13,185	6,19,99,653	4,19,84,747	8,25,520	8

Source : Annual Report of Ajara Urban Cooperative Bank Ltd., Ajara  
30-6-1985.

i.e. four times the capital in 1976. In 1984 it was Rs.16,65,425/- which shows a tremendous growth in the share capital.

C) Deposits

At the beginning the Bank had deposits of Rs.94,305/- in 1961. After ten years the deposits went to Rs.17,51,984/-. In 1976 other deposits Rs.71,15,041/- and in 1981 they were Rs.2,65,83,996/-. The deposits further increased to Rs.5,01,21,199 in 1984, i.e. of 500 times the original in 1961.

D) Working Capital

At the beginning Bank had the working capital of Rs.1,22,520 in 1961. Working capital of the Bank increased to Rs.26,92,611 to Rs.89,17,072 to Rs.314,05,985 and to Rs.616,89,101 in 1971, 1976, 1981 and 1984 respectively.

E) Profits

During the year 1961 the Bank showed nil profit. But in 1971 there was a profit of Rs.26,398/- but only after five years the Bank achieved a tremendous profit of Rs.1,88,548/- and in 1981 the Bank earned the profit of Rs.5,50,943/- and in 1984, Rs.7,31,885/-.