

## CHAPTER : FOUR

### SANGLI URBAN COOPERATIVE BANK LTD.

#### SANGLI : A PROFILE

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आज का मार्ग स्वतंत्रता



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CHAPTER : -FOUR-

SANGLI URBAN CO-OPERATIVE BANK LTD., SANGLI :

A PROFILE -

4.1. INTRODUCTION:

Due to increased awakening in the middle and lower class people - salary earners, medium and small entrepreneurs, small businessmen and traders, transport operators, Crafts men, artisans and hawkers etc. - in Urban and Semi-urban area, Urban Co-operative Banking has become more attractive via-media of meeting the local financial needs for self employment and consumption credit purposes. This wave of co-operative movement, more particularly of Urban Co-operative Banking, has encompassed the sensitive people in Maharashtra. Naturally, Sangli town also took timely note of this movement and established Sangli Urban Co-operative Bank Ltd. Sangli on 4th November, 1935.

4.2 INCEPTION :

Shri. Mahadev Hari alias Annasaheb Godbole - middle class disciplined advocate has stood as an endless spirit and inspiring force in the inception and progressive rapid development of Sangli Urban Co-operative Bank Ltd., Sangli. He, along with his earnest co-workers, initiated the

establishment of the bank with just a small amount of share capital of Rs. 1100 only and by continuous dedicated hard work, founded the bank on sound base. Today it has occupied high rank place of pride in the Urban Co-operative Banking History of India. On 1st Sept., 1988, R.B.I. has included this bank in the list of Scheduled Urban Co-operative Banks as its total deposits increased to Rs. 6066.87 lakhs and made the highest record in Western Maharashtra. Out of total 1400 Urban Co-operative Banks in India only 11 banks have been included in the list of Scheduled Urban Co-operative Banks by R.B.I. and amongst them this bank stands with pride and honour as one of the top most banks in the country. In the entire Maharashtra except the banks in Bombay and Poona cities, this bank poses as the top rank bank. This graceful status which the bank has attained goes to the credit of untiring efforts of Shri Annasaheb Godbole and his co-workers.

#### 4.3 OBJECTIVE OF THE BANK

The objectives of the bank have been grouped under two broad categories.

- 1) Objectives relating to banking functions.
- 2) General objectives.

(1) OBJECTIVES RELATING TO BANKING FUNCTIONS :

Receiving money on current, saving, fixed and other similar novel time deposits. Receiving safe custody, securities, ornaments and other valuable articles etc., acting as an agent in buying and selling govt. securities or industrial securities etc. To draw, accept, endorse, buy, sell and negotiate inland bills of exchange.

(2) GENERAL OBJECTIVES :

Financing small entrepreneurs, artisans, craftsmen, Small businessmen and traders, small and cottage Industries, etc., acting as an agent for Government of Maharashtra in distributing industrial and other loans granted to small, medium and cottage industries; Similarly, to forest industries and textile (Weaving) industries, acting as an agent on behalf of R.B.I. or any other bank to acquire land and house hold properties in satisfaction of claims and hold properties for the purpose of construction of building and so also for office and godown purposes. To attain the above banking objectives the banks may open their branch offices or pay offices in their respective area of operation. Presently, the area of operation of Sangli Urban Co-operative Bank Ltd., Sangli has been spread over Sangli, Sholapur, Kolhapur, Parbhani, Beed,

Jalana, Latur districts and Bombay Fort area. (Brihan Bombay). Recently changed registered address of the head office of this bank is 404, Khan Bhag, Sangli.

4.4 LOCATION AND THE AREA OF OPERATION OF THE BANK

Initially, Sangli Urban Co-operative Bank Ltd., Sangli was located at the most business pressing central place - Harbhat Road, Sangli which is noted as the heat of the town. But very recently on 7th Nov. 1986 the bank's head office has been shifted to newly constructed its own building in Khan Bhag just adjacent to its Khan Bhag branch. Its main branch is operating in the same building on Harbhat Road. Apart from this the bank has started its branches in other business pressure belts like Gav-Bhag, Shivaji Nagar, Ganesh Nagar, Market Yard, Industrial Estate, Timber Market and Vishram-bag etc. The bank's branches have also been started outside Sangli town in various semi-urban and rural areas of Sangli district. In the same way the branches have been started in Kolhapur, Sholapur, Parbhani, Beed, Latur, Jalana and in Brihn Bombay area. There are in all 34 branches of this bank operating banking business in different parts of Mahara-shtra.

In Sangli as well as in other areas the bank has to face tough competition of very big nationalised SCHEDULED Commercial banks like State Bank of India, Bank of

Maharashtra, Bank of India, Bank of Baroda, Punjab National Bank and Sangli Bank etc. Even then, this bank has been making its dashing head way in meeting the urban and semi-urban financial needs and giving lift to economic planned development of Maharashtra.

4.5 MEMBERSHIP :

The membership of the bank is determined by its bylaws. According to the bylaws of the bank any individual person over 18 years of age who is competent to contract can become a member by subscribing to the share capital of the bank. In this way the bonafide persons become members. The members of the bank are divided in two classes, (A) and (B). 'A' class members are the regular shareholders of the bank and 'B' class members are the nominal members, who are getting the membership by applying to the bank in the prescribed form paying the entrance fee of three rupees. According to the Co-operative act bonafide eligible persons are given nominal membership by the management board of the bank. Such membership remains in force for one co-operative year during which the person acquires such membership. If the nominal member is responsible for paying the debts of the bank etc., or if he has agreed to work as personal security to anybody else then his membership

will continue till he fulfils his responsibility of repayment of loans and so on. Nominal members are excluded from the right of voting and participation in the management of the bank. On the other hand 'A' class members - the regular shareholders - deserve the right of voting and even they can participate in the management by contesting election of the board of management. They are permanent members of the bank and also are entitled to get dividend. The bank has been earning profit increasingly every financial year but more stress is given in using the profits for providing better facilities to the customers as well as society at large. This is so done as cooperation hold up the principle of "No Profit No Loss". The following table reveals the position of membership during the bygone period of 5 years, i.e. 1983-84 to 1987-88.

Table showing the position of membership  
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	Year 1983-84	Year 1984-85	Year 1985-86	Year 1986-87	Year 1987-88
Members					
'A' Class	17,393	20,164	23,195	25,985	27,786

4.6 SHARE CAPITAL :

The authorised share capital of the bank is Rs. 75,00,00 which has been divided into 7,50,000 ordinary shares of Rs. 10 each. These shares are being subscribed by the individuals over 18 years age who are



competent to contract and are bonafide persons. They are known as 'A' class members. The board of Directors enjoys the powers in the allotment of shares which depends upon the number of shares demanded. It may allot all the demanded shares are part thereof or may completely refuse the allotment of any shares to any applicant. The following table indicates the position during the bygone 5 years i.e. 1983-84 to 1987-88.

Table showing the position of Paid up  
Share Capital.

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Share Capital (Rs. in lakhs)	1983-84	1984-85	1985-86	1986-87	1987-88
	35.33	37.83	38.65	39.21	40.99

#### 4.7 DEPOSIT MOBILISATION :

The bank has been constantly making efforts to attract deposits by novel approaches and mobilising the deposits from the people and it has achieved hall mark success. It is trying all the while, to tap more deposits by opening new branches in the different trade areas of its operation. During the by gone 5 years period the increasing deposits of the bank reveal the unique popularity of the bank which has been established in the area of its operation. It shows that people are greatly trusting in the bank and the bank has stood greatly successful

in case of mobilising deposits from public. Its total deposits have gone upto Rs. 6066.87 lakhs and hence R.B.I. has included this bank amongst the 11 scheduled banks in the entire country in 1988.

4.1. Table showing the position of total deposits during the bygone 5 years

( Rs. in lakhs )

1983-84	..	2,087.88
1984-85	..	2,682.99
1985-86	..	3,338.14
1986-87	..	4,346.46
1987-88	..	6,066.87

To attract the depositors the bank has introduced various novel deposit schemes which enable the people of any income group to save their earning and take up some deposit scheme in the bank. The schemes are as follows :

- 1) Samrudhi Deposit Scheme.
- 2) Golden Jubilee Deposit Scheme.
- 3) Shubh Mangal Deposit Scheme.
- 4) Monthly Interest Deposit Scheme.
- 5) Bachat Nidhi Deposit Scheme.
- 6) Fixed Deposit Scheme.
- 7) Saving Deposit.

4.8 LOANS AND ADVANCES :

Sangli Urban Cooperative Bank Ltd., Sangli has taken up the primary function of loans and advances in different fields in a diversified manner. It has been trying its best to meet the financial needs of the shareholders, customers and also of the bank servants in various ways. Its advances include both for productive, self employment and consumption purposes of the customers. The pattern of the loans is found normally in the form of Cash-credit accomodation, Overdraft facilities and clean loans etc. Loan operation of the bank consists of granting loans against mortgage of immovable property or on surety or pledge of agricultural products, industrial goods, gold and silver ornaments, govt. securities or securities of term deposits and insurance policies etc. In the entire area of the operation of the bank it has advanced loans to the businessmen under the traditional sector as well as small entrepreneurs in the priority sectors and is trying to fulfil the conditions of the R.B.I. regarding the advances to the priority sectors. Under priority sector it has advanced loans to agro-industries, transport operators, small businessmen and traders, self employed businessmen, housing purposes etc. Apart from this it has advanced loans to the middle class customers for building construction and repairs, household

consumption purposes etc. The bank also has made provision of advancing loans to its servants for construction of houses and other consumption purposes. In this way bank has made advances in a diversified manner and upholding the social uplift cause.

4.9 A STATISTICAL PRESENTATION OF LOANS ADVANCED TO  
TRADE, TRANSPORT AND AGRICULTURE BY MAIN BRANCH  
OF THE BANK.

Sangli Urban Cooperative Bank Ltd. Sangli has been deploying credit facilities to cater the financial needs of different category people - medium, and small entrepreneurs, small transport operators, small businessmen and traders, craftsmen, artisans, agriculturists for allied agricultural activities etc. in the Urban and Semi-urban areas of its operation.

Right from the inception of Sangli Urban Co-operative Bank Ltd., Sangli, its main branch (on Harbhat Road) has been playing most unique and singular role in the areas of credit deployment and has been contributing lion's share in the progressive success of the bank. The following table reveals the business share of Main Branch in the total business of the bank during 1983-84 to 1987-88.

4.2 Table showing the business share of Main Branch  
in total business of the bank.

( Rs. in lakhs )

Year	Total deposits of the bank	Total deposits of main branch	% Share in total deposits	Total loans advanced by the bank	Total loans advanced by main branch	% in total loans advanced
1983-84	2087.88	522.00	25	1761.14	559.89	31.79
1984-85	2682.99	670.80	25	2053.68	526.76	25.64
1985-86	3338.14	668.00	20.01	2633.60	494.00	18.75
1986-87	4346.46	869.80	20.01	3619.64	744.00	20.55
1987-88	6066.87	1213.90	20	5320.84	1092.00	20.52

With the frame of the by-laws of the bank, Main Branch has deployed loans to the members, customers as well as bank's employees etc. for various purposes. I am mainly underlining its advances to Trade .... Transport and Agriculture. ( i.e. Allied agricultural activities like dairy farming ..... poultry farming etc. as Urban Co-operative Banks are not allowed to advance directly to agricultural loans like crop loans etc. by Reserve Bank of India. )

The following tables reveal the picture of the loans advanced by Main Branch, more particularly, to trade ..... transport and agriculture and their share in Working Capital during the period 1983-84 to 1987-88.

4.3 Table Showing the Picture of Trade Loans advanced  
( Rs. in lakhs )

Year	Trade Loans	% share in Working Capital
1983-84	97.00	14.94
1984-85	137.11	16.67
1985-86	133.60	15.91
1986-87	202.00	18.88
1987-88	217.50	14.90

4.4 Table showing the picture of priority sector small trade loans advanced.

( Rs. in lakhs )

Year	Priority Sector Sector small trade loans	% share in Working Capital
1983-84	27.00	4.16
1984-85	51.11	6.21
1985-86	40.60	4.83
1986-87	142.00	13.27
1987-88	115.50	7.91

4.5 Table Showing Transport Loans advanced by Main Branch

( Rs. in Lakhs)

Year	Priority Sector Loans to Transport Operators	% Share in Working Capital
1983-84	53.04	8.17
1984-85	55.11	6.70
1985-86	39.15	4.68
1986-87	72.00	6.78
1987-88	77.36	5.30

4.6 Table Showing The picture of Agricultural Loans advanced to Allied Agricultural activities by Main Branch.

( Rs. in Lakhs)

Year	Priority Sector Loans to allied Agro-activities	% share in Working Capital
1983-84	8.06	1.24
1984-85	18.11	2.20
1985-86	10.85	1.29
1986-87	23.00	2.15
1987-88	28.52	1.95