

**CHAPTER 5**

**ORGANISATIONAL PROFILE**

- 5.1 ESTABLISHMENT**
- 5.2 AREA OF OPERATION**
- 5.3 MANAGEMENT**
- 5.4 OBJECTIVES OF THE BANK**
- 5.5 MEMBERSHIP**
- 5.6 PERFORMANCE OF KMB**

**CHAPTER NO. 5****ORGANISATIONAL PROFILE****5.1 ESTABLISHMENT**

"Kolhapur Mahila Sahakari Bank Ltd., Kolhapur was set up on 19th May 1972. In co-operative field Kolhapur District is very progressive as far as co-operative movement is concerned. The Kolhapur Mahila Bank was set up under the guidance of Miss Shakuntala Vishnupant Ghotane. But actually banking business was started on 25th April 1974. This bank provides services to the members and other customers just like other co-operatives banks being women's Co-operative Mahila Sahakari Bank is working for women, owned by women and run by the women. According to the policy of Reserve Bank, women are categorised under low income group. This bank is useful to the economically poor women. This bank is not only mobilising the deposits but also providing financial accomodation to the needy women of the society. The auditing of the bank always received 'A' Grade for its operating style which reflects its operating efficiency.

**5.2 AREA OF OPERATION**

Whole Kolhapur district except, Ichalkaranji city is covered under the area of operation of Kolhapur Mahila Sahakari Bank Ltd., Kolhapur. It's head Office is in Bindu Chowk a central place in Kolhapur. It has two branches one in Rajarampuri established in 1984 and another was set up at Haldi, a small village in Karveer Taluka in 1983.

The Management of Mahila Sahakari Bank is vested in the hands of the board of Directors consisting of the 13 representative of the members called as Directors of the Bank. Being a Mahila Sahakari Bank, all Directors are the able women having long standing experience of social work and requisite knowledge of banking business, some of the directors possess degrees and Diplomas in the field of Arts, Commerce and Management. At present there are 13 Directors as shown, below :-

TABLE NO. 5.1

TABLE SHOWING THE BOARD OF DIRECTORS OF  
KOLHAPUR MAHILA SAHAKARI BANK LTD., KOLHAPUR 1989.

<u>Sr. No.</u>	<u>Name</u>	<u>Designation</u>
1.	Sou. Shailaja Udayashinh Suryavaushi B.Com., D.B.M.	President
2.	Sou. Vimal Bapuso Dhale	Vice-President (Backward Class)
3.	Sou. Bharati Bapuso Dongle	Branch President (Branch Haldi)
4.	Sou. Kalyani Mansing Pungaonkar Dip. M.	Branch President (Rajarampuri)
5.	Sou. Latadevi Gajanan Jadhav	
6.	Sou. Madhuri Vijay Shinde B.A.	
7.	Sou. Sanyogita Lalaso Ghorpade, B.A.	
8.	Sou. Sunita Balaso Dongale	
9.	Sou. Sarita Ramrao Bhosale, B.A.	
10.	Kum. Manisha Vishnupant Ghotane, M.A.	
11.	Sou. Shubhada Pandurang Chougale	
12.	Sou. Liladevi Bhagavanrao Pawar	
13.	Sou. Anandi Vishvasrao Bagal	Weaker Section President

Source : Annual Report of KMB, 1989.

It is clear from the above list that in the Board of Directors, proper representation has been given to backward class and economically weaker section. The duration of the Board of Directors is for the three years. The first general meeting is counted for the elected members. The election is held of the Board of Director after a period of three years, which is regulated by "election rules" stated in Maharashtra Co-operative Act 1960. The members of reserve category is not elected, but is co-operated. The Board of Directors nominates eligible candidate from the reserved class as per the co-operative Act. The working period of such nominated candidates is also of three years. If a member retires, his place is filled in by conducting election as per the rule 26 'A'.

The President and Vice-President are elected in the first annual meeting of the Co-operative Society. The 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 President and Vice President are elected every year as per the election sub section 27.

The Board of Directors looks after the working of the Bank. The Board of Directors seeks the advice and permission for the Deputy Registrar of Co-operative Societies" and works out the daily work. General meeting is held once in a month, to review the performance and to take routine decisions.

#### 5.4 OBJECTIVES OF THE BANK

As per the bylaws of KMB main objectives of the bank are as under :-

- (1) To develop habits of economy, self-reliance and attitude of co-operation.
- (2) To accept deposits from the public at a large amount and to utilise those funds for advancing loans to the needy people and business units and to pay back money to depositors on their demand or on maturity of deposits.
- (3) To raise loans or money in the open market.
- (4) To advance loans with or without security to members or non-members with prior permission of The Registrar of Co-operatives.
- (5) To accept, discount, purchase, sale or issue negotiable instruments like promissory notes, bills of exchange, drafts, recovery bills, railway receipts etc.
- (6) To issue and accept 'Letters of Credit' Traveller's cheques etc.
- (7) To deal with all types of transactions in respect of foreign-currency and to make it available for the interested members within the legal framework in existence.
- (8) To invest in shares and debentures of reputed companies and to act as underwriter for the same.

- (9) To provide safe deposit vaults facility to the people for safety of their securities and important documents.
- (10) To issue "Guarantee Letters" and "Letter of Indemnity" to the customers.
- (11) To possess or construct buildings in the interest of bank and to take care of them.
- (12) To create funds for the well being of members, employees or ex-employees of the bank and to arrange for the pension of the retired employees or their dependents.
- (13) To explore different loan schemes for the betterment of the members.
- (14) To provide financial and technical assistance for small and tiny industrial units.
- (15) To open branches in the area of operation.
- (16) To conduct business as per section 6 of the Banking Regulation Act, 1949 (applicable to co-operatives).

### 5.5 MEMBERSHIP

In Kolhapur Mahila Sahakari Bank Ltd., Kolhapur, membership is restricted to women who are the resident of the place which comes under the area of operation of the bank. The members should have their business or professions in the Jurisdiction of the bank and they should be eligible to contract with the Mahila Bank as per the provision made

in Indian Contract Act, 1872. The women who desires to be the members of this bank should apply on the banks prescribed form, which is made available in the office of the bank. On the application membership is given. The bank can withdraw the membership with majority voting in general meeting on account of the following reasons -

1. If the member does not pay the instalments of the loan regularly,
2. If the member is a bankrupt,
3. If the member has furnished false information, to the bank and cheated the bank purposefully.
4. If the member has committed a crime according to Indian Penal Code and if the crime is proved in the court of justice,
5. If the member has purposely committed such a mistake, her membership will be discontinued as per Co-Operative Act Section 35, 28 and 29.

As per the provision made by the Mahila Sahakari Bank, the membership is automatically discontinued on following grounds -

1. After the death of the member,
2. If the member is dismissed from the bank,
3. If the member becomes mad,
4. If the resignation of the member is accepted by the Board of Directors.

5. If the members, close relatives are engaged in money lending business,
6. If all shares of the members are transferred and credited to the bank by the Board of Directors after scrutiny and discussion in the Board Meeting. Membership of any applicant is not rejected on the ground of race, religion or community to which she belongs. The member must pay the required amount of a share and admission fees in cash ( i.e. 10 Rs. as share capital and 1 Rs. as admission fees ). For the membership she must have completed 18 years of age and must not have committed any crime as per Indian Penal Code or any such unlawful activity by which she suffered moral degradation for the membership, the application of such woman is scrutinised in the Board of Director's meeting and then membership is offered. After completion of all such processes she is allotted a membership of the bank. Such a member can withdraw her membership after one year with the permission of the Board of Directors but the members are not allowed to cancell the membership from the bank, if she has dues to pay or she is a guarantor to any other member to loans. The membership of the bank for the period covered under study was as under :



TABLE NO. 5.2TABLE SHOWING MEMBERSHIP OF THE K. M. B.

Year	Member
1983-84	7,363
1984-85	7,300
1985-86	7,407
1986-87	7,559
1987-88	7,767
1988-89	7,894

SOURCE : Annual Report of K.M.B.

Membership is the most important base point of any co-operative organisation. The membership represents the extent to which coverage is attained. In fact, membership is a measure of peoples involvement in the activity undertaken. A large membership adds to its strength of activities. This is because the big number of members, the larger is the quantum of owned funds to give more financial strain to function more effectively by expanding increased services. The increased membership reveals that the members have realised the utility of co-operative credit and possibility of producing required credit from the Mahila Sahakari Bank, therefore, they increasingly participated in the co-operative movement by way of contributing the share capital of the Mahila Sahakari Bank.

The above table indicate the quantitative growth of membership. The membership reflected continuously increases from 7,363 in 1983-84 to 7,894 in 1988-89. The Table shows that there is not fast increase in the membership but it has registered a slow increasing trend.

Membership of Mahila Co-Operative Bank exhibited by and large upward trend in that it persistently increased. It implies that Mahila Sahakari Bank has expanded its membership coverage to the considerable extent.

The membership rapidly increased in the year 1983-84 while it slowly increased in the year 1984-85 ( Table -2.5) yearly growth rate of membership was highest at the level of 12.17 percent owing to establishment of new branch at Haladi in the year 1983.

#### 5.6 PERFORMANCE OF K.M.B. :

In this Sub-Chapter the performance of K.M.B. is presented with Researcher's comments thereon whenever necessary. For the purpose of analysis of performance following parameters are made use of

- 1) Increase in membership,
- 2) Increase in share capital,
- 3) Increase in working capital,
- 4) Increase in funds created by Bank,
- 5) Increase in Reserve,
- 6) Increase in Investment,

- 7) Loans advanced by the Bank,
- 8) Overdues of Mahila Sahakari Bank Ltd.,
- 9) Direct employment Generation by the Bank.

MEMBERSHIP :

In case of Co-Operative sector membership is a crucial aspect as it exhibits the participative efficiency of the organisation i.e. ability to involve more and more people with their resources. The K.M.B. has also recorded a slow progress in this respect which is evidenced by the following table :

TABLE NO. 5.3

MEMBERSHIP OF THE K.M.B.

Year	Membership	Growth Index base Year 1983-84, 100
1983-84	7,363	100
1984-85	7,300	99
1985-86	7,407	101
1986-87	7,559	102
1987-88	7,767	105
1988-89	7,894	107

SOURCE : Annual Report of K.M.B.

Above table shows that the membership of K.M.B. has been increasing slowly since 1983-84 from 7363 to 7894 in the year 1988-89 resulting 7% increase in comparison with the membership of 1983-84.

### SHARE CAPITAL

Share capital is a backbone of the financial institutions. To great extent lending function of a co-operative bank depends on share capital block.

TABLE NO. 5.4

TABLE SHOWING SHARE CAPITAL OF KMB

Year	Share Capital	Growth Index Base year 1983-84, 100
1983-84	5,36,230	100
1984-85	6,17,500	115
1985-86	6,66,190	124
1986-87	7,32,220	136
1987-88	8,53,420	159
1988-89	9,98,310	186

SOURCE : Annual Report of KMB.

Share Capital of KMB has been increasing since 1983-84 from Rs. 5,36,230 to Rs. 9,98,310 for the year 1988-89 resulting 86% increase as compared to the share capital of the year 1983-84.

TABLE NO. 5.5TABLE SHOWING WORKING CAPITAL OF K.M.B.

Year	Working capital in Rs.	Growth Index Base Year 1983-84, 100
1983-84	70,76,199	100
1984-85	82,35,435	116
1985-86	94,67,804	134
1986-87	1,11,22,752	157
1987-88	1,26,01,349	178
1988-89	1,53,75,913	217

SOURCE - Annual Report of K.M.B.

The above table shows the working capital of K.M.B. for the period under study. It is clear from the table that there is consistent increase in amount of the working capital of K.M.B. from Rs. 70,76,199 in the year 1983-84 to Rs. 1,53,75,913 in the year 1988-89 and Index is 217 which indicates 117% increase in working capital.

TABLE NO. 5.6TABLE SHOWING TOTAL FUNDS OF K.M.B.

Year	Total funds in Rs.	Growth Index Base Year 1983-84, 100
1983-84	3,48,005	100
1984-85	4,48,317	128
1985-86	4,53,881	130
1986-87	4,67,506	134
1987-88	5,12,375	147
1988-89	6,01,590	172

SOURCE - Annual Reports of K.M.B.

Total funds : The funds are generally created to meet the contingencies, in case of K.M.B. funds are created for the following purpose :

1. Funds as a legal obligation i.e. Reserve funds.
2. For adjusting dividend payments i.e. Dividend Equivalisation Funds.
3. For constructing building for Head Office and Branch Offices i.e. Building Fund.
4. For adjusting bad and doubtful debts etc.

During the study period different reserves of K.M.B. have been increasing from Rs. 3,48,005 in the year 1983-84 to 6,01,590 in the year 1988-89. Which exhibits an increase to the extent of 72% by the end of financial year 1988-89 which is indicated by the Index shown in the above cited table.

TABLE NO. 5.7

TABLE SHOWING THE RESERVE FUND OF K.M.B.

Year	Reserve Fund	Growth Index Base Year 1983-84, 100
1983-84	1,98,362	100
1984-85	2,83,891	143
1985-86	2,87,479	145
1986-87	2,98,564	150
1987-88	3,34,892	168
1988-89	3,52,609	177

SOURCE : Annual Reports of K.M.B.

TABLE NO. 5.8TABLE SHOWING INVESTMENT OF K.M.B.

Year	Investment	Growth Index Base Year 1983-84, 100
1983-84	14,77,600	100
1984-85	14,06,044	95
1985-86	28,49,600	192
1986-87	29,64,600	200
1987-88	5,01,000	34
1988-89	32,74,600	221

SOURCE : Annual Reports of K.M.B.

The above table shows the investment of K.M.B. for the period under study. The investment of the K.M.B. have been increasing since 1983-84. But there is no consistency in the increase, as it has registered a fluctuating trend. In comparison with the investments for the year 1983-84 Rs. 14,77,600 in the year 1988-89 Rs. 32,74,600. K.M.B. has recorded an increase of 121% and growth Index is 221.

INVESTMENTS :

In case of co-operative banks investment consist of investment in followings :

1. Reserve Fund K.D.C.C. Bank.
2. Providend fund K.D.C.C. Bank.
3. Time Deposit K.D.C.C. Bank.
4. Indira Vikas Patra.
5. Shares of Co-operative Societies etc.



TABLE NO. 5.9TABLE SHOWING THE LOANS OF K.M.B.

Year	Loans	Growth Index Base Year 1983-84, 100
1983-84	28,38,630	100
1984-85	58,14,563	204
1985-86	55,62,532	195
1986-87	65,03,084	229
1987-88	78,68,376	277
1988-89	97,44,065	343

SOURCE : Annual Reports of K.M.B.

During the period under study the Bank has been recording consistent increase in loans from Rs. 28,38,630 in the year 1983-84 to Rs. 97,44,065 in the year 1988-89 exhibited by the Index - 343. In the year 1988-89 resulting 243% increase as compared to the loans of the year 1983-84.

TABLE NO. 5.10TABLE SHOWING OVERDUES OF K.M.B.

Year	Overdues	Growth Index Base Year 1983-84, 100
1983-84	11,80,000	100
1984-85	21,48,974	182
1985-86	24,91,000	211
1986-87	25,41,709	215
1987-88	24,97,748	211
1988-89	31,47,138	266

SOURCE : Annual Reports of K.M.B.

During the period under study the bank has been recording consistent increase in overdues from Rs. 11,80,000 in the year 1983-84 to Rs. 31,47,138 in the year 1988-89 exhibited by the Index 266. Which is not an indication of fair banking practice and indicates that the recovery management should be given due attention.

TABLE NO. 5.11TABLE SHOWING THE STRENGTH OF STAFF OF KMB

Year	Managers & Officers	Clerks	Sub Staff	Total Staff
1983-84	5	20	8	33
1984-85	5	17	8	30
1985-86	7	17	9	33
1986-87	6	17	10	33
1987-88	6	18	10	34
1988-89	6	19	10	35

**SOURCE : Annual Reports of K.M.B.**

The above table showing the bank had recruited required staff as per its requirement. The total strength increased 33 in 1983-84 to 35 in 1988-89. Most of the staff members are local and trained in the bank itself. Training facilities of co-operative Training School is also made available to them as per the policy of the Bank.

**REFERENCES**

1. Annual Reports of Kolhapur Mahila Sahakari Bank Ltd.,  
Kolhapur 1983-84 to 1988-89.
2. Byelaws of Kolhapur Mahila Sahakari Bank Ltd., Kolhapur
3. Sahakar Bank diary, 1989.