
CHAPTER II

URBAN CO-OPERATIVE BANKING IN INDIA AND IN MAHARASHTRA.

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URBAN CO-OPERATIVE BANKING IN INDIA AND IN MAHARASHTRA

2.1 INTRODUCTION : CO-OPERATIVE BANK

A co-operative bank has been defined by Devine as "a mutual society formed composed and governed by working people themselves for encouraging regular savings and granting small loans on easy terms of interest and repayment."

A co-operative bank is a voluntary agency formed by needy persons themselves to get credit facilities on the basis of the securities they have not from the rich or from the public, but by their own resources - resources of the credit society.

A co-operative bank promotes economic activity and provides banking facilities and services to the rural people. Thrift and saving is the fulcrum of the working of co-operative banks. Co-operative lending is the means to promote thrift and savings and service, and profit is not the chief motto. Personalisation of credit is the special feature of co-operative banking. The significant role of co-operative banks in the agricultural economy, imparts a lesson to commercial banks and dispels from their minds the age old inertia and the gloom of conservatism by shifting emphasis from

credit worthiness of the persons to the creditworthiness of the purpose and from tangible security to the character of the borrower character is the keynote of their success. The co-operative banks teach the agriculturists to borrow at the right time and in right amounts and for right purpose and to repay on right dates and they alone can teach him to save so that he may not have to borrow at all. Their organisation has also led to mahajans and sahkars to reduce their lending rates. The co-operative banks do not hesitate in accepting non-members as their customers and thus, they spread the message of co-operative principles and extend their benefits to wider sections of the population. Since the organisation of these banks is democratic in character, they provide a training ground for many a layman to learn and practice democracy in all walks of life. In short, co-operative banks are for the agriculturists, a friend, a philosopher and a guide.

OBJECTIVES OF CO-OPERATIVE BANKS :

Co-operative banks or cooperative credit societies operate with a view to attaining following objectives.

- (1) Co-operative credit societies function with the prime objective of making available loans at concessional rates to needy members. They lend funds against any kind of security. To enable even the small farmer to avail of the credit facility, loans are granted against personal security.

- (2) Co-operative banks try to bring about the most effective use of the loans they advance. For this purpose the loans are advanced only for productive purpose. Secondly, the bank supervises the activities of those members who have borrowed from it to ensure that the amount is used for the purpose for which it was granted.

- (3) The financial resources of a co-operative bank alone may not be sufficient to cater to the requirement of a large number of its members. Therefore, the other objective of a co-operative credit institution is to draw on the sources of funds outside the society to finance the productive activities of its members. Even though a co-operative bank is an

association of small farmers, who are often not creditworthy, it does not encounter much difficulty in securing loans from other financial agencies.

- (4) The aim of the co-operative bank is also to reduce the risks in lending by a careful handling of its activities. Its insistence on the utilisation of the loan amount only for productive purpose ensures that the borrowers will repay back the amounts on the due dates. If no close watch is kept on the activities of the borrowers, it is very likely that the borrowed funds would be used for consumption purposes in which case the borrower becomes a defaulter and with it the risk of lending increases.

- (5) When small farmers easily receive co-operative loans, they are motivated to invest the borrowed funds in productive ventures with a view to increasing their incomes. As a result of this the savings of members go up, leading to larger amounts of funds at the disposal of the

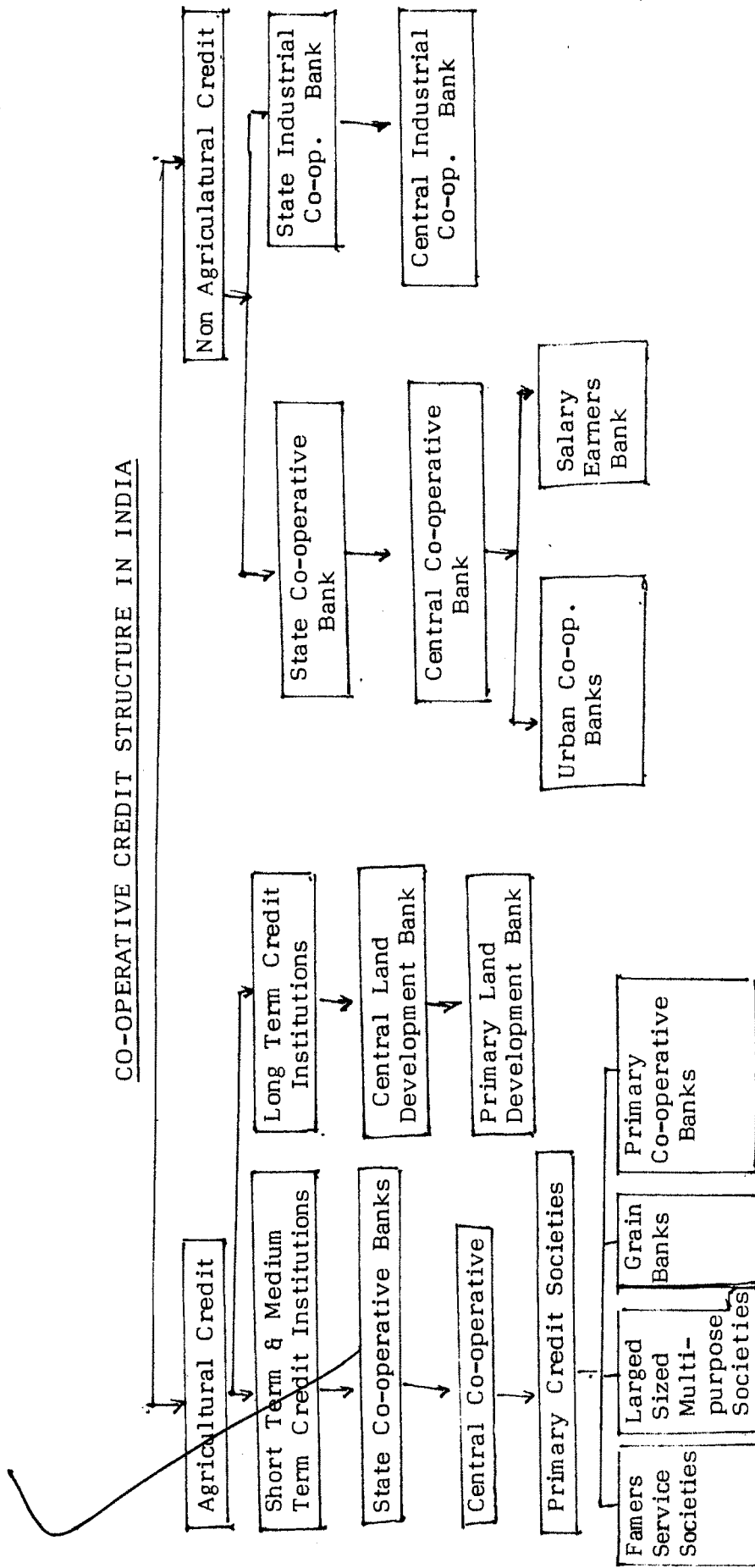
co-operative bank. In other words, co-operative credit institutions promote the thrift habit among its members.

2.2 CO-OPERATIVE BANKING STRUCTURE IN INDIA :

A co-operative bank is a three-tiered structure offering short and medium term credit. Its base is the primary co-operative credit society while state co-operative banks are at the apex and the central co-operative banks in between the two. A study group of the National Credit Council headed by D.R.Gadgil, observes - "The Co-operative banking system is an integrated one and, because of its three-tiere structure, has been able to extend credit to agriculturists, artisans etc. The three-tire system also allows a rationalised flow of resources from the metropolitan centres to villages and combines this with a fairly low cost of operations."

As for long-term credit, the organisation of co-operative credit structure is a two-tire one with central land development banks at the apex and primary land development banks at the base, co-operative credit institutions in India "Constitute

CO-OPERATIVE CREDIT STRUCTURE IN INDIA



an integrated system for mobilising resources and are an efficient means of supplying credit".

(The Theory to Co-operation - V.SHARADA)

Primary land development banks consisting of individual farmers at the Taluka, Sub-Division or district level and the central land development bank consisting of primary land development banks and the individuals.

2.3 GENESIS OF URBAN CO-OPERATIVE BANKS :

Banking industry in India was organised largely on the basis of British Banks. In India upto 1960 the managing agency houses were acting as promoters, managers and financiers. The English Agency house in Calcutta and Bombay were the bankers to the East India Company and European Merchant in India. The earlier banks were commercial banks. They ignored the financial needs of the common man. Common man had no alternatives but approach the private money lenders, This class essentially working class, wage earners, salary earners artisans, small traders located in semi urban and urban areas. It is interesting to note that in India the co-operative

movement started to eradicate the misery and poverty primarily of the rural masses. So the importance was given by the government to the organisation of agricultural credit societies. While explaining the provisions of the Co-operative Societies Act of 1904 the Government of India said that -

"The present legislation is especially designed to assist agricultural credit which presents for more important and difficult problem than that of Industrial Credit though it is recognised that societies may be started in towns also by non agriculturist and it is even possible that in some places the establishment of town. Banks may usefully precede and even assist the starting of purely agricultural societies".

England is the birth place of consumers co-operatives, co-operative banking organised first in Germany and its pioneers were individuals Herr Schulze and F.W. Raiffeisen. After their retirement from the Government service both started social work in their native places. As a outcome of their social work there came into existence two models of co-operative banks -

- 1) that of Schelze - Delitzsch , and
- 2) that of Raiffeisan.

While Raiffeisan banks served the rural parts, schelze banks were meant for serving the urban population.

Urban Co-operative banks owe their origin to Mr. Herr Schelze, the mayor of Delitzsch in Germany. Mr Schelze was full of love and sympathy for his countrymen whose property and helplessness attracted him to them. He found that provision of cheap and adequate credit to the poor people was essential to ameliorate their economic conditions. And he came to the conclusion that no one could help them unless they organised themselves on the basis of selfhelp through mutual help.

Schulze, therefore founded a Friendly society in 1949 for relief in sickness. For provisions of credit he founded in his native town his first loan society in 1950. His societies were known as a "people's Banks" following are the main features of schulze type banks or peoples banks.

- (1) area of operation was wider.
- (2) shares were of a high denominations, but amounts were payable by instalments.
- (3) Reserve fund was created by appropriating 20% of the annual profit.

- (4) Liability was unlimited.
- (5) Maximum limit for paying dividend was not fixed.

In India the first urban credit co-operative society was registered in October 1904 at Canjeevaram in Madras province Subsequently the Betegiri Co-operative Credit Society in Dharwar District in the same undivided Bombay province and the Bangalore City Cooperative Credit Society in the erstwhile Mysore State were registered in October 1905 and December 1905 respectively.

The development of urban co-operative Credit Societies did not receive much attention until 1915. In those days all the urban credit societies including the urban banks were described as non-agricultural credit societies special encouragement was not given by the government for the organisation of non-agricultural credit societies. In 1915, Maclagan Committee Submitted its report to Government and recommended the extension of co-operation among the non-agricultural classes, provided that it is carefully supervised and controlled.

Because of failure of many commercial banks during 1913-17 the urban credit societies were organised. The Varde Committee rightly pointed out that "The failure of Swadeshi Joint Stock Bank created an opportunity for co-operative banking to develop a medium for mobilising savings of persons of modest means and helping those whose financial distress caused by high living costs and unemployment had driven into the clutches of money lenders."

The usefulness of urban co-operative banks in financing artisans, small traders, factory workers and middle classes was recognised by various committees and working groups such as the Central Banking Enquiry Committee (1931) the Co-operative planning committee (1948) the study group on credit co-operatives in non-agricultural sector (1963) and working group on Industrial Financing through co-operative banks (1968).

2.4 DEFINITION OF URBAN CO-OPERATIVE BANK :

Urban Co-operative Banks are the primary non agricultural societies, registered under the Co-operative Societies Act of the State, Working in

urban and semi urban areas. They have come into existence with the passage of the co-operative credit societies Act of 1904. The urban co-operative banks occupy a significant place in the urban co-operative credit movement. They advance loans mainly to small industrialists, traders, salary earners, labourers, artisans, shop keepers, professionals and self employed persons, on personal security as well as against gold and silver ornaments etc.

There are many definitions of urban co-operative banks. A reference may be made to the definitions of these banks from time to time. Initially most of the urban banks in India were organised as credit societies and later converted into urban banks. Prior to 1938 there was no difference between an urban credit society and an urban bank. All urban banks were included in the list of non-agricultural credit societies. An urban credit society was designated as an urban bank in Madras if it had Rs. 20,000/- as a working capital and maintain fluid resources according to the standard prescribed by registrar, while in Bombay an urban credit society can be styled as an urban bank upto 1938 if it had Rs. 50,000/- as a working capital, but since 1938 it was those urban credit

societies which did banking business as defined by section 277 (F) of the Indian Companies Act.

The first attempt to define urban co-operative bank was made by the Mehta - Bhonsali Committee (1939) in Bombay. According to the committee an urban credit societies having paid up share capital of Rs. 20,000/- and overhand accepting deposits of money on current account or otherwise, subject to withdrawal by cheque, draft or order, came within the category of urban co-operative banks. In many provinces, this term was used for credit societies working in urban areas irrespective of the size of share capital or nature of deposit accepted by them.

According to the co-operative planning committee (1946) urban banks receiving deposits on current account should have -

- (a) a paid up share capital of at least Rs. 20,000/-
- (b) Maintain floud resources on the scale prescribed by the Registrar of Co-operative Societies, and,

- (c) Carry to the reserve fund at least one third of their net profit still it equals the paid up share capital and thereafter at least one fourth of net profit. The reserve fund should be invested in gilt edged securities or deposited in banks approved by the Registrar and should not be used for the business of the bank".

The study group on credit co-operatives in non-agricultural sector appointed by the Government of India in 1963 under the chairmanship of late Shri V.P.Varde suggested certain norms. The study group has recommended that the definition of urban bank should include following features.

- (a) A Credit Co-operative registered under the State Co-operative Societies Act, in Urban or Semi Urban area.
- (b) A minimum paid up share capital of Rs.50,000/- and,
- (c) Provision of banking facilities e.g. accepting for the purpose of lending or investment of deposits from members and non-members, repayable on demand or

otherwise and withdrawal by cheque draft, order etc.

2.5 ROLE & FUNCTIONS OF URBAN CO-OPERATIVE BANK :

ROLE :-

According to the study group co-operatives in the non-agricultural sector appointed by Government of India under the chairmanship of Late Shri Varde V.P. in 1963 urban co-operative banks have an important role to play in several respect including the following :-

- (1) First and foremost they can organise and bring together middle and working classes in urban and semi urban areas and included in them the habit of thrift and self help and acquaint them with the element of ordinary banking principles.
- (2) The mobilisation of savings by the urban co-operative banks and the consequent drawing of urban resources into the apex and central co-operative banks which are in need of funds to finance the rural industrial and other functional co-operatives can contribute to general economic development.

- (3) By providing credit on reasonable terms to the middle classes, they can rescue them the exploitation of money lenders and other unscrupulous agencies, which is particularly important in the context of rising prices and cost of living. This has consequent effects also on non co-operative lending.
- (4) By financing individual industrialists and artisans working in urban areas, they can make a significant contribution to industrial development.
- (5) They can make certain essential banking facilities such as remittance of funds etc. available in areas which may not be considered. Suitable for commercial banking and to persons whoc may not be able to get such facilities from commercial bank.
- (6) They can provide intelligent experienced and active leadership to the co-operative movement including the central and apex co-operative banks, which in view of their

federal character draw, their directors from memebres institutions.

FUNCTIONS :-

The important functions of urban co-operative banks are :-

- (1) To attract deposits from members as well as non memebers.
- (2) To advance loans to members. ✓
- (3) To act as an agent for the joint purchases of domestic and other requirement of members.
- (4) To undertake collection of bills, accepted, endorsed by members.
- (5) To arrange for the safe custody of valuable documents.
- (6) To provide other facilities provided by commercial banks. ✓

2.6 DEVELOPMENT OF URBAN CO-OPERATIVE BANKS IN INDIA

The first urban co-operative bank was started in the State of Baroda in February 1889. Late Mr. V.L.Kavathekar, drew inspiration from successful urban co-operative credit institutions in European continent. Later then Indian Government recognised the importance of urban co-operative banks and passed a separate co-operative acts such as Indian Co-operative Societies Act of 1904, and 1912 to facilitate the registration and working of urban co-operative credit institutions. In 1919 co-operation was made a state subject and in the following years, each state passed separate co-operative law for regulation of co-operative development. From time to time many experts committees were appointed and legislative measures were taken to consolidate the development and growth of urban co-operative banks. In 1965 (1st March) Banking Regulation Act of 1949 was made applicable to urban co-operative banks. The Damary Committee, Madhavdas Committee of 1977, Marathe Committee of 1991, Jogalekar Committee and various study groups appointed by R.B.I. and Government of India made number of recommendations for strengthening urban co-operative banking in India. In 1984 a separate urban banks department was created by Reserve Bank of India for handling

the matters relating regulation, management and growth of urban co-operative banks. As a result, urban co-operative banks despite their special feature have come to be recognised as an integral part of the Indian Banking Structure.

The extension of certain provisions of R.B.I. Act, 1934 and B.R.A. of 1949 to co-operative banks from March 1, 1966 necessitated classification of growth and progress of urban co-operative banks broadly into two periods i.e.

- (1) Period before 1st March, 1966 and,
- (2) Period after 1st March, 1966.

(1) PERIOD BEFORE 1st MARCH 1966 :-

TABLE No. 2.1
THE PROGRESS OF URBAN CO-OPERATIVE BANKS BEFORE
1ST MARCH 1966
(Rs. in Crores)

	1948-49	1953-54	1959-60
No. of Urban Co-op.Banks	815	716	1242
Membership '000'	535	873	1797
Owned Funds	4	7	17
Deposits	117	24	61
Working Capital	22	33	82
Advances Outstanding	12	20	58
Overdues	1	3	4

Source of table No. 2.1 taken from Co-operative Sector in India by Sammiuddin and M. Rahaman, S.Chand & Co., New Delhi P. 183.

It would be seen from table No. 2.1 that

- (1) No. of urban banks increased by 52% from 815 to 1242 during the 1949-49 to 1959-60.
- (2) Their membership owned funds, working capital nearly increased four fold during 1948-49 to 1959-60.
- (3) Deposits has also increased by more than 3 times.
- (4) Though overdues increased from Rs. 1 crores to Rs. 4 crores the percentage of overdues to outstanding advances declined from 8.3% to 7%.

As on 1st March 1966 i.e. the date of extention of B.R.A. 1949 to co-operative banks, there were 1091 primary co-operative banks, further of those 1091 primary co-operative banks 403 were urban banks and 688 were salary earners societies. Here the term primary co-operative bank indicated those banks and salary earners societies whose owned funds

were not less than Rs. one lakh and whose main object was transaction of banking business.

(2) PERIOD AFTER 1ST MARCH 1966 :-

Statistics relating to the growth and operations of urban co-operative banks from 1st March 1966 are available. The statistics relating to urban co-operative banks in India published by NAFCUB, Delhi shown as on in the table are No. 2.2.

It would be seen from the table No. 2.2 that -

- (1) No. of urban co-operative banks in India increased by 51% in 24 years i.e. from 1967-68 to 1990-91.
- (2) The total membership increased by 319% for the same period of 24 years.
- (3) Paid up capital, Reserves, and Working Capital increased by 1300%, 5637% and 6156% respectively for the period from 1967-68 to 1990-91.
- (4) Total deposits increased by 6470% during the above period. By and large it showed the ability of the banks to mobilise local resources and muster the confidence of the

TABLE NO. 2.2

TRENDS OF THE PROGRESS OF URBAN CO-OPERATIVE BANKS IN INDIA

FROM 1967-68 TO 1990-91

ITEM	1967-68	1976-77	1986-87	1988-89	1989-90	1990-91	% Increase in 1990-91 over 1966-67
No. of Banks	925	1162	1359	1378	1390	1397	51
Membership (in '000)	3147	4645	11041	12247	13200	---	319
Paid up ShareCapital	32	6992	280	357.45	403.38	448.07	1300
Reserves	18	49.79	454.01	724.97	852.92	1032.76	5637
Deposits	156	518.65	4838.33	7231.93	8660.08	10156.88	6470
Working Capital	214	721.54	6421.09	9560.27	11400.29	12289.52	6156
Loans & Advances	167	406.53	3663.78	5819	6802	8003	4692

SOURCE :- Urban Credit November, By MAFCUB p.4

co-operative banking public in general.

- (5) The outstanding loans and advances of urban banks increased from Rs. 167 crores (1967-68) to Rs. 8003 crores showing an increase of 4692% during this period.

2.7 DEVELOPMENT OF URBAN CO-OPERATIVE BANK IN MAHARASHTRA :

Maharashtra has been and continued to be a pioneer in the field of Urban Co-operative Banking movement in India. The first mutual aid society was organised as early as on 5th February 1889 at Baroda by a few middle class Maharashtrian families settled slowly and gradually. It was then realised that urban credit societies were eminently suitable in mobilising the local saving and to provide financial relief to the needy people belonging to lower and middle class people. The co-operative movement in Maharashtra has followed a sequential evolutionary pattern. Beginning with the German Raiffeism type of co-operative societies primarily meant for meeting the credit needs of the farmers in the state have over the last 90 years, come to cover a wide range of activities in different sectors of the state economy. Much of the progress was however made only after Independence and particularly during the past

forty years.

The growth of the urban co-operative banking in Maharashtra can be divided as follows :-

- (1) Urban Co-operative Banks before planning Era.
- (2) Urban co-operative Banks during planning Era.

(1) URBAN CO_-OPERATIVE BANKS BEFORE PLANNING ERA

By the end of 1939 all the towns and commercial centres in Maharashtra were covered by the Urban Banks. Table No. 2.3 shows the progress of urban banks in Bombay State (Maharashtra) during the period from 1938-39 to 1951-52.

It would be seen from the table No. 2.3 that. :-

- (1) The total no. of urban bank increased from 52 to 184 during 1938-39 to 1951-52.
- (2) The total membership increased from 59938 to 219781 during the same period.

TABLE No. 2.3
 PROGRESS OF THE URBAN CO-OPERATIVE BANKS
 IN THE BOMBAY STATE FROM 1939 to 1951-52

(Rs. in lakh)

Sr. No.	Particulars	1938-39	1948-49	1951-52
1.	No. of urban banks	52	140=	184
2.	Members	59938	144704	219781
3.	Share Capital	---	104.83	158.82
4.	Reserve & Other Funds	34.74	79.35	127.62
5.	Working Capital	242.52	1180.67	1588.36
6.	Members Deposit	96.87	463.95	631.57
7.	Non Members Deposits	75.87	485.50	563.94
8.	Profit	3.36	12.99	20.24
9.	Loan due	120.28	470.05	717.62
10.	Overdue	36.20	28.29	77.69
11.	Percentage of Overdues	30.1	6.00	10.8

SOURCES :- 1) Naik K.M. The Co-operative Movement
 in Bombay State 1953 P.N. 151

2) Fifty year of Co-operation

The Bombay Provincial Co-operative
 Institute 1954 p. 167

(3) Reserves and other reserves increased from Rs. 34.74 lakh to Rs. 127.62 lakh.

(4) Working Capital increased from Rs.242.52 lakh to Rs. 1588.36 lakhs.

(5) Profit increased from Rs. 3.36 lakh to Rs. 20.24 lakh.

(2) URBAN CO-OPERATIVE BANK DURING PLANNING PERIOD

Recommendation of Bhansali/Mehta Committee and Recommendation of Madhavdas Committee has good effect on the growth of urban co-op. bank in Maharashtra. As a result of the implementation of the above committees the number and operations of urban co-operative bank increased rapidly during planning era. Table No.2.4 shows the position of urban co-operative banks in Maharashtra.

The figures in the table no. 2.4 show that

(1) The total number of bank increased by 54.06% from 30-6-1956 to 30-6-1991.

(2) Total membership increased from 422 in 1956 to 4464 in 1966.

TABLE No. 2.4
 THE POSITION OF URBAN CO-OPERATIVE
 BANKS IN MAHARASHTRA on 30-6-56

	30-6-56	30-6-91
No. of Banks	206	381
Members (in '000)	422	4464
Paid up Capital	--	18682
Reserve Fund	482	55540
Deposits	2173	466298
Working Capital	2717	617642
Advances	2183	555246
Loans Outstanding	1278	122718
No. of Scheduled Bank	--	8

SOURCE - Compiled from -

1) Theory & Practice of Co-operative by
 K.K.Kulkarni.

2) Urban Credit No. 1992

- (3) Reserve fund increased from Rs. 482 lakh to Rs. 55540 lakh.
- (4) Deposits increased from Rs. 2173 lakh to Rs. 466298 lakh during the same period.
- (5) Working capital increased from Rs. 2717 lakh to Rs. 617642 lakh.
- (6) Loans outstanding increased from Rs.1278 lakh in 1956 to Rs. 122718 lakh in 1991.

From the forgoing discussion it may be seen that urban co-operative banking movement made striking progress in Maharashtra.

As on today, there are 386 Urban co-operatvie banks in Maharashtra. The total deposits of these banks is more than Rs.1000 crores in 1994 - June.

Source - Sahakar Jugat - Aug.'94

P.N. 51 + 53

2.8 DEVELOPMENT OF URBAN CO-OPERATIVE BANK IN KOLHAPUR DISTRICT :

The Co-operative Credit Societies Act 1904 was passed and under the provision of this act the societies were classified as rural and urban societies with the assent of political agent of south Maharashtra and Shriman Maharaj Shri Shahu Chhatrapati, Government Karveer the Co-operative Credit Societies Act, 1904 was made applicable to Kolhapur City is registered in the year 1913 with the active initiative of Shri Namdar Bhaskarrao Jadhav, with the experimental success of the working of the Society Propoganda of Co-operative movement was spread rapidly in Kolhapur state and number of societies were organised in Kolhapur City and in rural area of the State. It was treated as a place of pride in the community to run an educational upliftment and economic walfare of the community.

In 1930, a separate department of Co-operative Credit Societies was created and Shri S.S.Phatankar Registrar Co-operative Societies Elakha Karveer was appointed under Chhatrapati Maharaj, Kolhapur State and all work of co-operative department was conducted under his control. There were 40 urban co-operative banks established in

Kolhapur District upto 31-3-1994. There were considerable increasing trend of growth of urban co-operative bank in Kolhapur City and rural area of this district.

The following table shows the information about the urban co-operative bank in Kolhapur District.

TABLE No. 2.5

TABLE SHOWING THE POSITION OF URBAN
CO-OPERATIVE BANKS IN KOLHAPUR DISTRICTS.

Sr.No.	Particulars	1980	1994(31/3)
1.	Number of Banks	39	42
2.	Number of Members	138639	434290
3.	Paid up share Capital	27371	95333
4.	Reserves & other Funds	1253.88	15772.7
6.	Loans outstanding	2855.34	45037.52
5.	Deposits	4078.94	59859.06
7.	Over Due	326.49	383.73
8.	Profit	63.93	347.37

SOURCE - Data compiled from office Record of Kolhapur District Urban Banks Association, Kolhapur.

The table No.2.5 shows that total number of members increased from 138639 in 1980 to 434290 in 1994. Paid up capital increased from Rs. 27371 lakh in 1980 to Rs. 434290 lakh in 1994. Deposits increased from Rs. 4078.94 lakh in 1980 to Rs. 59859.06 lakh and the profit increased from Rs. 63.93 lakh in 1980 to Rs. 347.37 lakh in 1994. In short it shows the increasing trend of urban co-operative bank in Kolhapur District.

2.9 DEVELOPMENT OF URBAN CO-OPERATIVE BANK IN AJARA TALUKA (Dist.Kolhapur)

In Ajara Taluka there are only two banks are working at present i.e. The Ajara Urban Co-operative Bank Ltd., Ajara which is established in 26-01-1961 and The Ajara Janata Co-operative Bank Ltd., Ajara which is established in 05-04-1963.

The table No. 2.6 shows the information about the urban banks in Ajara Taluka.

The table No. 2.6 shows tht the number of banks are not increased but number of branches are increased from 8 in 1980 to 17 in 1994.

TABLE No. 2.6
TABLE SHOWING THE POSITION OF URBAN
CO-OPERATIVE BANK IN AJARA TALUKA.

	1980	1994
1) Number of Bank	2	2
2) Number of Member	5272	19675
3) Paid up share Capital	14.09	83.35
4) Reserve & Other Funds	12.36	510.99
5) Deposits	242.32	4936.35
6) Loans Outstanding	166.52	3430.00
7) Branches	8	17
8) Net Profit	2.47	58.52

SOURCE - ANNUAL REPORTS OF TWO BANKS.

The membership is increased from 5272 in 1980 to 19675 in 1994. Paid up Capital increased from 14.09 lakh in 1980 to Rs. 83.35 lakh in 1994, Reserve Funds & Other Reserves increased from 12.36 in 1980 to 510.99 in 1994, Deposits are increased from Rs. 242.32 lakh in 1980 to Rs. 4936.35 lakh in 1994. Loans outstanding are increased from 166.52 lakh in 1980 to Rs. 3430 lakh in 1994 and Net profit increased from 2.47 in 1980 to 58.52 in 1994. In short the number of banks are not increasing in Ajara Taluka but the performance of these two banks shows developing trend upto 1994.