
CHAPTER 3

PROFILE OF THE YOUTH BANK

Youth Development Co-operative Bank was established in 1975, with an objective of doing banking business particularly for the development of youth in the society.

3.1 THE MAIN OBJECTIVES:

- i) To encourage thrift, self help and co-operation among members.
- ii) To accept deposits of money from the public, repayable on demand or otherwise, and withdrawl by cheques, drafts, order or othewise, for the purpose of lending or investment.
- iii) To borrow or raise money.
- iv) To lend or to advance money either upon or without security to members and others as permitted by the Registrar.
- v) To draw, make, accept, discount, buy, sell, collect and deal in bills of exchange, hundies, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, certificates, scripts and other instruments and other securities whether transferable or negotiable or not.
- vi) To grant and and to issue letters of credit, travellers cheques.
- vii) To buy and to sell foreign exchange including foreign bank notes.
- viii) To acquire, to hold, to issue on commission, to underwriter and to deal in stocks, funds, shares-obligations,

securities and investments of all kinds.

ix) To purchase and to sell scrips or other forms of securities on behalf of constituents.

x) To receive all kinds of scrips, valuable on deposits or for safe custody or otherwise.

xi) To provide safe deposit vaults.

xii) To collect and transmit money-and securities.

xiii) To negotiate loans and advances.

xiv) To carry on and to transact every kind of guarantee and indemnity business on behalf of constituents.

xv) To prepare and to finance schemes for acceliaration of the financial conditions of members.

xvi) To undertake and promote educational, sport, general knowledge, and social and national awarness activities and such other activities which will beneficial to youth in the socitety.

3.2 LOCATION:

Youth Development Co-operative Bank Ltd., is located at 1879 C, Laxmipuri, Kolhapur. Kolhapur city is the headquarter of Kolhapur District at the south of the Western Maharashtra.

3.3 AREA OF OPERATION:

The area of operation of the bank shall be confined to Kolhapur city, Panhala Taluka, and urban and semi-urban centers in Kolhapur District. For any revision in this regard prior approval in writing of the Reserve Bank of India as also the Registrar Co-operative Societies, Maharashtra State shall be necessary.

3.4 ORGANIZATION STRUCTURE:

The Youth Development Bank is a co-operative bank registered under the Maharashtra Co-operative Societies Act 1960. It is governed thereunder by the provisions contained in the Co-operative Law, i.e. the Act of 1960 the Rules made thereunder and the bye-laws of the bank.

3.4.1 GENERAL BODY:

General Body is the supreme authority of the Youth Bank. The General Body consists of 9,591 members as on 30-6-1989. The General Body has the following major responsibilities to discharge and the necessary authority for the purpose:

i) Subject to the provisions of the Act, and Rules, the final authority of the Bank shall vest in the General Body.

ii) General Meeting shall be of two kinds, viz. Annual General Meeting and Special General Meeting.

FUNCTIONS OF THE GENERAL BODY:

i) To read and confirm the minutes of the last General Meeting.

ii) To consider the Board of Directors' Report on the working of the Bank for the proceeding year, together with the audited statements of accounts including the balance sheet and profit and loss account for the year.

iii) To consider communications from Registrar and/or Statutory Auditor relating to the Annual Audit.

iv) To sanction distribution of profits and to declare dividend at a rate not exceeding the rate recommended by the

Board of Directors and prescribed in the Maharashtra Co-operative Societies Act and the Rules together.

v) To declare the results of the election of Board of Directors.

vi) To appoint duly qualified Auditors, if necessary, for the insuring year for conducting audit and fix their remuneration.

vii) To fix the maximum limit upto which the Board of Directors may raise funds.

viii) To consider any other subject of which proper notice has been given as prescribed. With the permission of two third of the members present at the Annual General Meeting any member may bring forward any subject which is not included in the Agenda provided that the subject put forward does not relate to expulsion of a member or amendment to Bank's bye-laws or reconsideration of a subject within six months.

3.4.2 BOARD OF DIRECTORS:

i) The Board of Directors shall consist eleven (11) directors to be elected amongst the share holders. There shall be one Director each from the branches, that will be opened by the Bank out side its hadequarters. However, this number shall be limited to the maximum three (3) directors.

ii) The Board of Directors shall hold office for a period of five (5) years from the date of first meeting of the the Board and till such time that new Directors are elected and take over the charge whichever is later.

POWERS OF THE BOARD OF DIRECTORS:

i) To consider applications for membership, allotment, transfer of shares and resignation.

ii) To raise with or without security, loans, overdrafts and cash credits within the maximum limit of borrowing fixed by the General Body of the Bank, and to approve the terms and the conditions of such borrowings.

iii) To approve the annual balance sheet, statement of profit and loss account and other statements for being placed before the members at the general meeting.

iv) To consider applications for loans and advances and discounting of bills and to determine the terms and conditions thereof.

v) To consider proposals for opening branches.

vi) To fix the rate of interest on loans and deposits.

vii) To refer any dispute to, by or against the Bank to the Registrar or to any other officer duly appointed for this purpose.

viii) To appoint a Chief Executive Officer for efficient conduct of the Bank's business and to fix his remuneration and to frame rules governing the disciplinary action against during employees, including the Chief Executive of the Bank.

ix) To appoint a staff committee every year consisting of the chairman, the chief executive officer and three (3) other directors for disposal of all matters concerning the paid staff of the bank such as selection, appointment, promotions, training and punishment and removal.



x) To perform all acts connected with the administration of the Bank and to undertake all activities and business in furtherance of the aims and objectives of the Bank.

3.4.3 CHAIRMAN AND VICE-CHAIRMAN:

i) The Board of Directors at its first meeting after the Annual General Meeting shall elect a chairman and Vice-chairman for the year from amongst the elected directors. This meeting shall be held within 30 days from the date of Annual General Meeting.

ii) The Chairman of meeting shall have a casting vote.

iii) The Chairman and Vice-chairman shall hold office for one year. They shall be eligible for reelection.

The powers and duties of the Chairman shall be as under:-

i) To preside over the General Meeting, meeting of the Board of Directors, Sub-committee meetings and meeting of any other committee.

ii) To supervise the general working of the Bank.

iii) To sanction loan upto Rs.1,000/- subject to post-facto retification by the Board.

3.4.4 MANAGER AND CHIEF EXECUTIVE OFFICER:

The powers and duties of Chief Executive Officer who will be responsible to the Board of Directors, will be as under:-

i) To act upon the resolutions and decisions taken by the General Body and Board of Directors and Sub-committee.

ii) To convene the meetings of the General Body, Board of Directors, Sub-committee, Staff Committee or any other committee and to attend and to record the minutes of all meetings in the minutes book(s).

iii) To conduct correspondence on behalf of the Bank.

iv) To maintain all books of accounts, registers, and ledgers as may have been prescribed under the Co-operative Societies Act, Rules and Bye-laws.

v) To receive applications for membership of the bank and for additional shares and place them before the Board of Directors with his report and recommendations.

vi) To receive applications for enrolment of nominal members and pass orders thereon.

vii) To receive applications for loans and to place them for consideration before the Board of Directors together with a detailed report containing his specific comments/recommendation.

viii) To accept deposits of all kinds and types and to arrange for issue of receipts, statements and pass books.

ix) To disburse moneys on behalf of the Bank.

x) To allot work amongst the Bank's staff and supervise their work.

xi) To issue orders of transfer of staff, whenever necessary.

xii) To pass orders on leave applications, travelling bills, medical bills and other permissible bills of the staff.

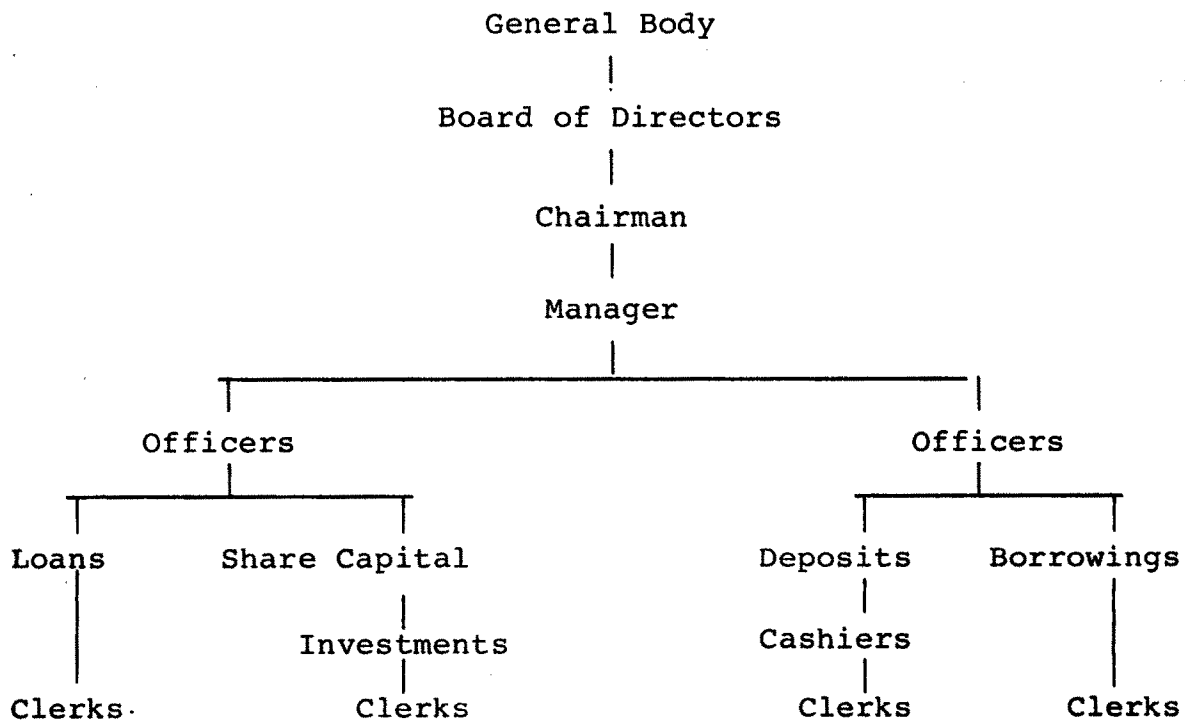
xiii) To incur expenditure within the budget approved by the Board of Director.

xiv) To sanction loans up to Rs.10,000/- against pledge of approved securities, including immovable property.

3.4.5 ORGANIZATION CHART:

Organization Chart of the Youth Bank is given in the following figure.

Figure 3.1: Organization Chart of the Youth Bank.



3.5 PROGRESS OF THE BANK:-

Progress made by the Youth Bank during the 13 years of its working upto 30th June, 1989., can be judged with the help of the following Table.

Table 3.1: Statement Showing Key Figures For The Last 13 Years Of The Bank.

S.No.	Particular	30-6-77	30-6-78	30-6-79	30-6-80	30-6-81	30-6-82	30-6-83	30-6-84	30-6-85	30-6-86	30-6-87	30-6-88	30-6-89
1.	Members	993	1,342	2,100	2,212	5,086	6,210	7,889	8,106	8,180	8,303	9,110	9,355	9,591
2.	Share Capital	252	314	344	373	476	541	620	662	740	897	1,152	1,476	1,858
3.	Funds	5	23	69	141	224	251	332	445	514	673	907	1,524	2,248
4.	Deposits	1,019	1,448	1,826	2,207	2,603	3,453	4,301	6,606	10,850	15,477	21,441	32,211	44,200
5.	Advances	652	1,190	1,471	2,010	2,459	3,109	3,895	4,247	6,997	9,652	14,595	23,467	33,268
6.	Investments.	57	580	635	635	850	1,337	1,735	2,879	3,330	5,901	7,187	5,520	8,244
7.	Working Capital	1,308	1,862	2,367	2,886	3,511	4,622	5,768	8,237	13,079	17,834	24,535	36,411	52,396
8.	Net Profit	14	43	69	79	24	78	102	34	126	143	205	396	505
9.	Rate of Dividend	1.5%	5%	6%	-	4%	5%	7%	3%	6%	8%	10%	10%	10%
10.	Audit - Classification	'B'	'B'	'A'	'A'	'A'	'A'	'A'	'A'	'A'	'A'	'A'	'A'	'A'

Source : Compiled from the Annual Reports of the Bank.