

## C H A P T E R - 2

### HISTORY AND GROWTH OF K.D.C.C. BANK

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CHAPTER - 2HISTORY AND GROWTH OF K.D.C.C. BANK2-1 PROFILE OF KOLHAPUR DISTRICT :(1) Location -

The Kolhapur District is one of the districts of Maharashtra lying between 15° to 17° degrees North Latitudes and 73° to 74° degrees East Latitudes.

(2) Area -

8258 Sq.Kms.

(3) Population - 835 2457 thousands.

Rural Population	-	1835 thousands
Urban Population	-	622 thousands
Population of schedules cast and schedule tribes	-	301 thousands.
Literary persentage	-	45.49%
Male	-	59.59%
Female	-	30.84%.

(4) Taluka - There are 12 taluka in Kolhapur Dist.

- Viz. -
1. Shahuwadi
  2. Panhala
  3. Hatkanangle
  4. Shirol
  5. Karveer
  6. Gadhinglaj
  7. Bawada
  8. Radhanagari
  9. Kagal
  10. Bhudargad
  11. Ajara
  12. Chandgad.

(5) Rainfall -

The district gets rain from the south west as well as from North mansoons. Throughout the district the rain falls from May to November. However the main rainy season is from June to October. During the year 1988, the average rainfall was 2060 mm. Minimum temperature was 15.5°C and Maximum 37°C for the same year.

(6) Rivers -

Big Rivers - The Krishna, The Panchaganga.

Small Rivers - Varana, Dudhaganga, Vedganga, Hiranykeshi.

(7) Soils -

Soil as the district is a mixed picture showing high quality soils.

(8) Transportation And Communication -

The total road route length in the district is 6491 Km.  
The total length as Rail. Road Route is 37.68 Kms. On the way there are Rail. Stations. Total No. of vehicles used are 1,03,825.

(9) Post and telegraph -

Post offices - 490  
Telegraph offices - 84.

(10) Minerals -

Building stone, Boxait.

(11) Telephone -

No. of telephone centres - 66  
No. of telephones - 15446

(12) Forests -

Area is 5409 hectares. The percentage of forests to total land is 17.59% Imp. forests produce are TAMBHUL,

Hirada, Anjan, Sag, Mango, Shisav, Chandan, Building wood.

(13) Agriculture -

Area under agriculture - 5,21,000 hectares  
i.e. 67.23% of the total area.

Average size of holding -

Holding less than 2 Hect. - 45.425

2 to 10 Hect. - 32972

More than 10 Hectores - 2422

(14) Cropping Pattern -

Important crops - Jawar, Ragi, Groundnut, Rice, Tobbaco,  
Sugarcane, Oil seeds., fruits,

Vegetables cultivation is rapidly.

Increased in recent years. The important fruits are cashew, grapes, mango, bananas, vegetable are brinjal, cabbage, tomato, Green lieaty-

Green lieaty-vegetables -

Yield Rates of Important Crops

	<u>Crop</u>	Yield per Hect. in Kgs.	
		<u>1987-88</u>	<u>1988-89</u>
1)	Rice	1924	2546
2)	Jawar	1932	1910
3)	Ragi	1932	1196

(15) Animal Husbandry - Dairy -

Population of live-stock and poultrys as per census 1982 was 10,10,880. The No. of veterimary hospitals as on 1989 is 85. The No. of poultry farm at the end of 1989 is 53.

There three co-operative dairies viz - Kolhapur district dairy, Shri. Varana -dairy and Shirol Taluka Dairy.

(16) Irrigation -

The district has 53002 hect. irrigated area. The perrcentage of irrigated area to the net cropped area is 12.93%. Area irrigated by wells is 28.16% and surface irrigation is 71.84.%

(17) Irrigation Projects -

Tulsi and Radhanagari Projects are the biggest irrigation Projects in this area. Besides these, Kasari, Patgon, Jamgamhatti, Kumbhi medium irrigation projects are under construction. The irrigation waterlift is available to the area of 23,300 hectares in Kolhapur District.

(18) Industry -

The total No. of Industries upto 1988 were 1,123 (registered) The percentage of industries in Kolhapur dist. to the ind. in Maharashtra State is 4.35%. The No. of employees employed in these factories are 37,199. Industrial estates are also located at Shirol, Gokul-Shirgon.

(19) Banking -

There are 499 Banks branches in the district of which 1854 branches are as co-op. banks. The population served per branch of bank is 4924 by the end of 1989.

(20) Special Features of Kolhapur District -

1. The Kolhapur district is well known for sugarcane production. Sugarcane is used for production of quality gur as well as for sugar.

2. There are in all 12 co-operative sugar factories registered in the district besides one privately owned factory. Out of the 12 co-operative sugar factories 11 are in production. These factories together with the privately owned factory are contributory to large share to the states sugar production.
3. Another important industry worth noting in Kolhapur district is as chappal which has a large export potential. There are number of small - scale manufacturing units and cottage units in the dist. engaged in production of Kapashi and Kolhapuri Chappels which are quite popular, not only in India, but in some foreign countries also.
4. Kolhapur dist. is also famous for small scale units manufacturing oil engines, spare parts for oil engines and other allied agricultural implements. A special feature of these units is that most of them are owned and run by small enterprenurs rather than big industries.
5. Silverware and silver ornaments manufactured in Hupari and Hatkanangale tahsil are known for artistic value and are exported out of district in fairly large quantity.



TABLE - 1.1Co-operative Societies in the year 1988-89 in Kolhapur Dist.

1.	<u>Agricultural credit Societies</u> :	922
	A) Primary Agricultural Co-operatives	885
	B) District Central Co-Op. Bank	1
	C) Agricultural Service Co-operatives	-
	D) Lapse Co-operatives	--
	E) Food Banks	36
	F) Other	-
2.	<u>Non Agricultural Credit Co-operatives</u>	932
	A) Primary Co-Op. Banks.	
	(a) Urban Banks	36
	(b) Works Credit Co-operatives	2
	B) Other Non-Agri. Credit Co-operatives	
	(a) Workers Credit Co-operatives	191
	(b) Urban Credit Co-operatives & Other	701
	(c) Other - Urban Banks	2
3.	<u>Marketing Co-operatives</u>	23
	A) District Marketing Societies	
	(a) Special object	-
	(b) General Object	1

B)	Primary Marketing Societies	
	(a) Taluka Kharedi - Vikri Sangh	11
	(b) Special Marketing Societies -	-
	i) Vegetables, Fruits	2
	ii) Tobacco	1
	iii) Sugarcane	1
C)	Other	
	Crop Marketing Societies	6
4.	<u>Production Co-operatives</u>	1987
	A) Sugar factories	12
	B) Processing	16
	C) Weaving	67
	D) Spinning Mills	17
	E) Other Industrial	134
	F) Milk dairy societies	1184
	G) Dudh Sangh	3
	H) Fisheries	16
	I) Agricultural Co-Op.	17
	J) Lift Irrigation Societies	449
	K) Other -	
	i) Poultry	53
	ii) Animal Husbandry	7
	iii) Industrial Estate	12

5.	<u>Social Societies</u>	819
	A) Consumer Co-operatives	134
	B) Co-op. Housing	504
	C) Workers contract	75
	D) Transport	9
	E) Other -	
	i) Women	22
	ii) Hospitals	1
	iii) Others	57
	iv) Federation	17
	<b>Total Co-operative Societies.....</b>	<b>4683</b>

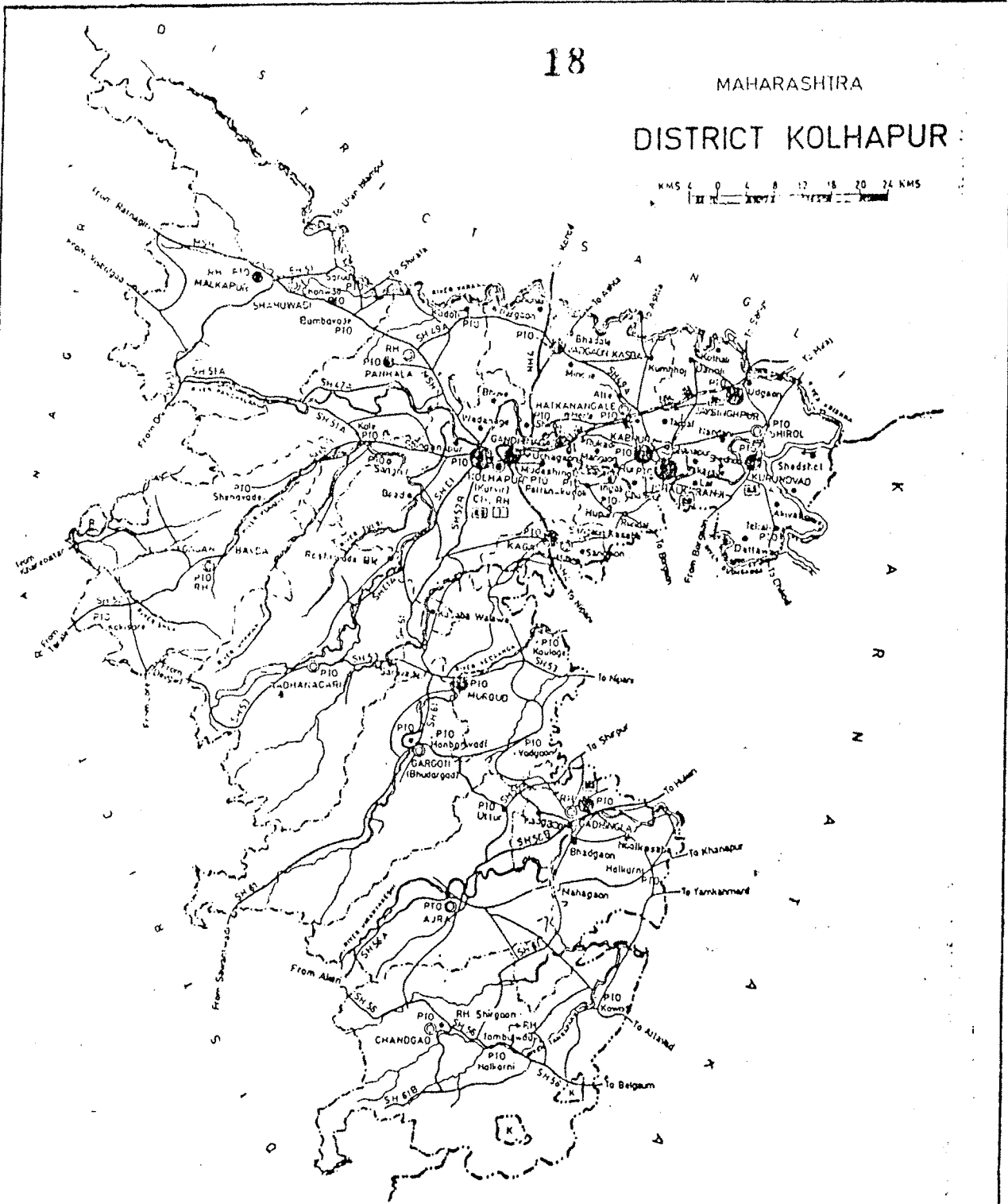
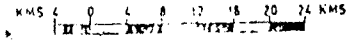
( Source - District statistical Abstract - 1988-89)

TABLE - 1.2Position of co-operatives in Kolhapur District.

	<u>Particulars</u>	<u>1988-89</u> <u>(in thousands)</u>
1.	No. of societies	4683
2.	Members	1985
3.	Paid-up Capital	1484800
4.	Owned Funds	1551592
5.	Deposits	5581942
6.	Working Capital	13374106
7.	Loans advanced	4295840
8.	<u>Societies Earning Profits</u>	
	(A) No. of societies	3084
	(B) Amount of profit	154105
9.	<u>Societies <sup>Suffering</sup> <del>Major</del> loss</u>	
	(A) No. of societies	792
	(B) Amount of loss	157573
10.	No. profit, No. loss societies	807

(No. 2 to 10 is exclusive of co-op. spinning mills as the inform, not available).

(Source District Statistied Abstract - 1988-89).



Boundary, State	-----
District	-----
and	-----
Headquarters of District tahsil	●
National Highway	NH
State Highways	SH
Important Waterfall	~
Railway line with station	—+—
Railway line with station	—+—

K - Part of Karnataka State  
 NH - Major State Highway  
 R - Part of Raichur District

River and Stream	~~~~~
Water features: tank-natural	○
Village having 5000 and above population with name	●
Urban area with population size Class I, II, III, IV, V & VI	●●●●●
Post and Telegraph Office	PO
Degree College and Technical Institution	□
Rest House, Circuit House	RH, CH

Karvir tahsil's headquarters is at Kolhapur.  
 Bhudargad tahsil's headquarters is at Gargoti.

2-2 BACKGROUND :

The K.D.C.C. Bank Ltd., Kolhapur is one of the oldest and most successful central co.op Bank. Shri. Narayan Tukaram Sarnaik of Kolhapur was the chief promoter of this Bank.

While he was a college student, he took keen interest in social work. He had also organised adult literacy classes during 1930'S. He took active part in organising Youth League Conferences in 1929 of Deccan States. During those days he took genuine interest in the co-operative movement which he considered to be an ideal and practical go between capitalism and socialism.

The following were other promoters -

1. Late Shri. S. Y. Rananavre - A Landlord.
2. Late Shri. S. G. Dabholkar - Renowned Advocate.
3. Late Shri. S. N. Bhosale - A Landlord.
4. Late Shri. Nanasaheb Ingale - A Landlord.
5. Late Master Vinayakarao Karnataki - A Pioneer and Versatile film Director.
6. Late Shri. Baburao Pendhakar - A Pioneer and Versatile film Director.
7. Late Shri. A. K. Sarnaik - A Renowned Engg.

8. Late Shri. Shankarrao Sarnaik - A versatile  
Drama Actor.
9. Late Shri. Bapusaheb Suryawanshi - A Landlord.

The Chief Promoter Shri. N. P. Sarnaik, who was a Director of an Urban Co-operative Bank mooted an idea to form a 'Central Financial Agency' for this district in 1936.

However the prominent and other social stalwarts like Diwan Bahadur Surve, Dabholkar Shri. Bhaskarrao Jadhav and Shri. Bapuso Rajdnye came forward to strengthen the aim of the Chief Promoter.

In those days agriculturists from rural areas were in the grip of money lenders and they were squeered by them charging exhorbitant of interest. Under these circumstances 'Central Financing Agency' for this district took shape with the help of promoters, his friends, relatives, and co-operators etc.

But very few urban minded co-operative workers then appreciated the starting of Central Financing Agency to finance agriculturists only through co-operative societies at villages.

As a result the Chief Promoter found it very difficult to collect necessary share capital. However he made

up his mind and collected share capital from his friends, relatives and from some landlords.

Since the Registrar of Co-operation of Kolhapur State was in favour of Registering such co-operative institution, there was no legal problem faced.

Kolhapur was princely state ruled by Bhosale Dynasty. It was experienced by the Chief Promoter and others in beginning that their attempts to form 'Central Financing Agency' were misinterpreted to Royal Family. Subsequently this misunderstanding was wiped away with the help of the then Registrar for co-operation of Kolhapur State.

The year 1949 saw the merger of the Kolhapur State into Bombay State and as such Kolhapur became a district. Therefore two financing agencies began to work here viz - This bank and Bombay Provincial Co-operative Bank Ltd., Bombay for parts of the district. During the year 1958, the Registrar appointed a nominated Board and by 1960 the whole of the district was entrusted to this Bank for finance except the co-operative sugar factories in the district which are even today financed by the Apex Bank. After the term of the office of the nominated Board, an



elected Board come into existence in 1961 for the first time. The present Board took office from 31-12-1969. At present the bank carries out its operations all over the district with its 132 branches. It was established with registered name of the "Kolhapur District Central Co-op. Bank Ltd., Kolhapur". The Bank made appreciable progress in the last 52 years.

2-3      OBJECTIVES OF K.D.C.C. BANK :

- 1)      To finance co-operative societies in the Kolhapur dist. affiliated to the Bank and carry on banking business in terms of sec.6 of the Banking Regulation Act. 1949 (as applicable to co-op. societies).
- 2)      To participate in the Sh. Cap. of the primary credit and multipurpose or other co-op. societies registered under Maharashtra Societies Act. 1960, with the approval of the Registrar, co-operative societies.
- 3)      Supervision and inspection of co-op. institutions financed by the bank.
- 4)      To act as a balancing centre for the surplus funds of the societies.

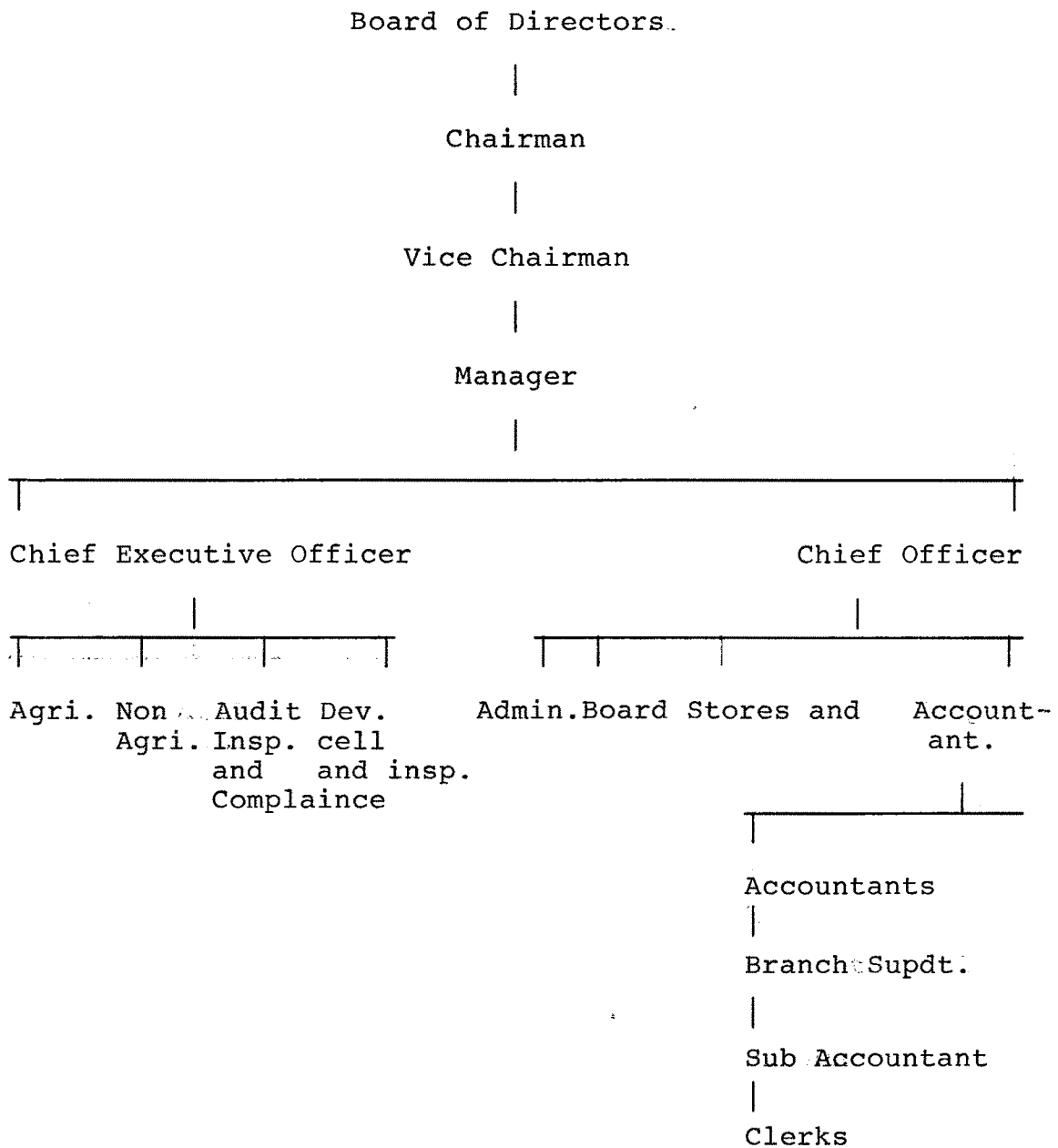
- 5) To extend agricultural and other credit facilities.
- 6) To execute guarantee on behalf of co-op. societies in respect of import licences granted by Govt.
- 7) To act as Bankers to Zilla Parishad.
- 8) To purchase, transfer, endorse, assign or pledge Govt. Promissory Notes, Bonds, securities, municipal and Port Trust bonds, debentures for the legitimate investments of the surplus funds of the bank or for its share holders or depositors without incurring any financial responsibilities incidental to such business.
- 9) To undertake liquidation work of affiliated societies indebted to the Bank on conditions laid down by the Registrar with a view to facilitate recoveries from the affiliated societies.
- 10) To draw, accept endorse, negotiate and sell bills of exchange and other negotiable instruments in accordance with the rules that shall be framed by the Board for purpose.
- 11) To open branches, pay offices in the suitable centres with the previous approval of the Registrar for carrying out objects of the Bank.

- 12) To receive money on current, saving and fixed or other a/cs and to raise funds for all or any of these purpose.
- 13) To maintain suitable library to promote co-operative education.
- 14) To advance loans to members of the staff for purch. of motor cars, moter cycles upto the amount not exceeding the price of the articles and for purch. or construction or repairs of houses payable in such installment and subjeto such rules and regulations all the Board of Directors may approve in the ~~th~~is behalf.
- 15) To do such other work as will be conductive of incidental to the above objects and generally to encourage and promote organisations and development of co-op. societies to achieve the socialism pattern of society within the dist~~ri~~ct

2.4 ORGANISATION :

Chart No - 1

Board Organisational Structure



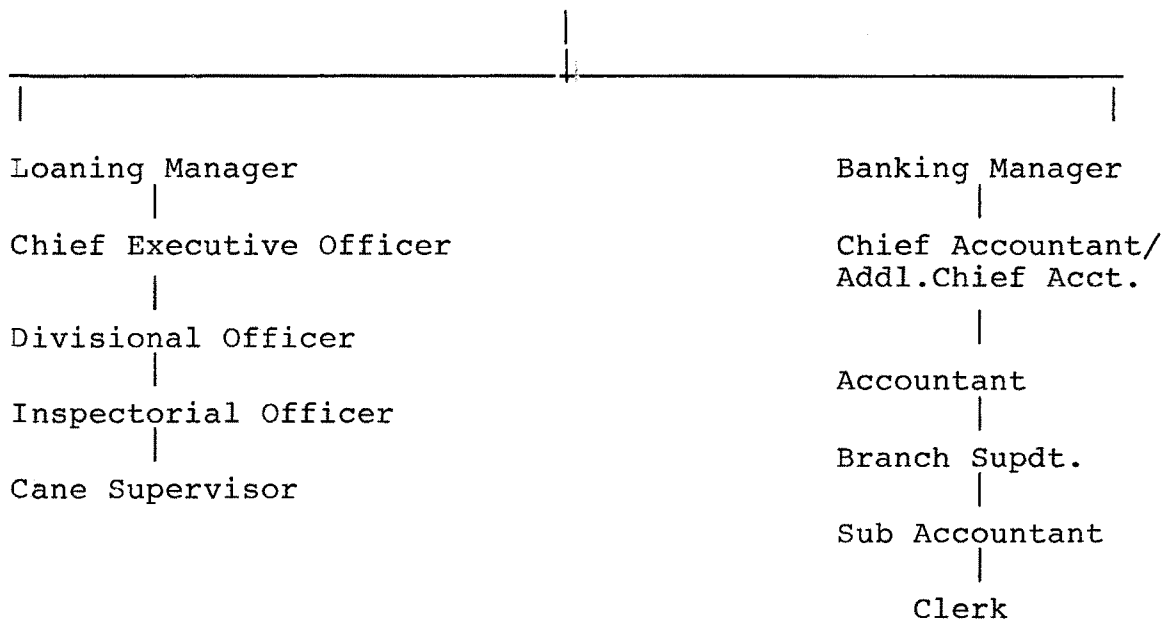
All the branches of bank are working under the control of Chief Accountant, and Addl. Chief Accountant for internal purpose. Overall control is exercised by Manager.

Communication channel -

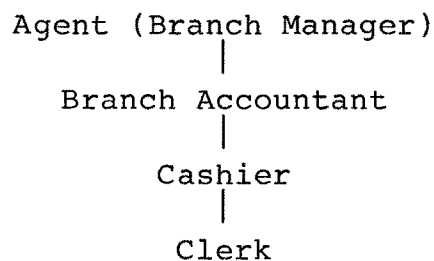
There are mainly two dept. in the Bank i.e. loaning and Banking. Foll. is the channel of communication in them.

Chart - 2

Communication Channel



At Branch level



2-5 GROWTH OF K.D.C.C. BANK :

The progress made by K.D.C.C. Bank since 1985-86 is explained under the following heads.

5.1 BRANCH EXPANSION ..Table - 1.3Branch Expansion

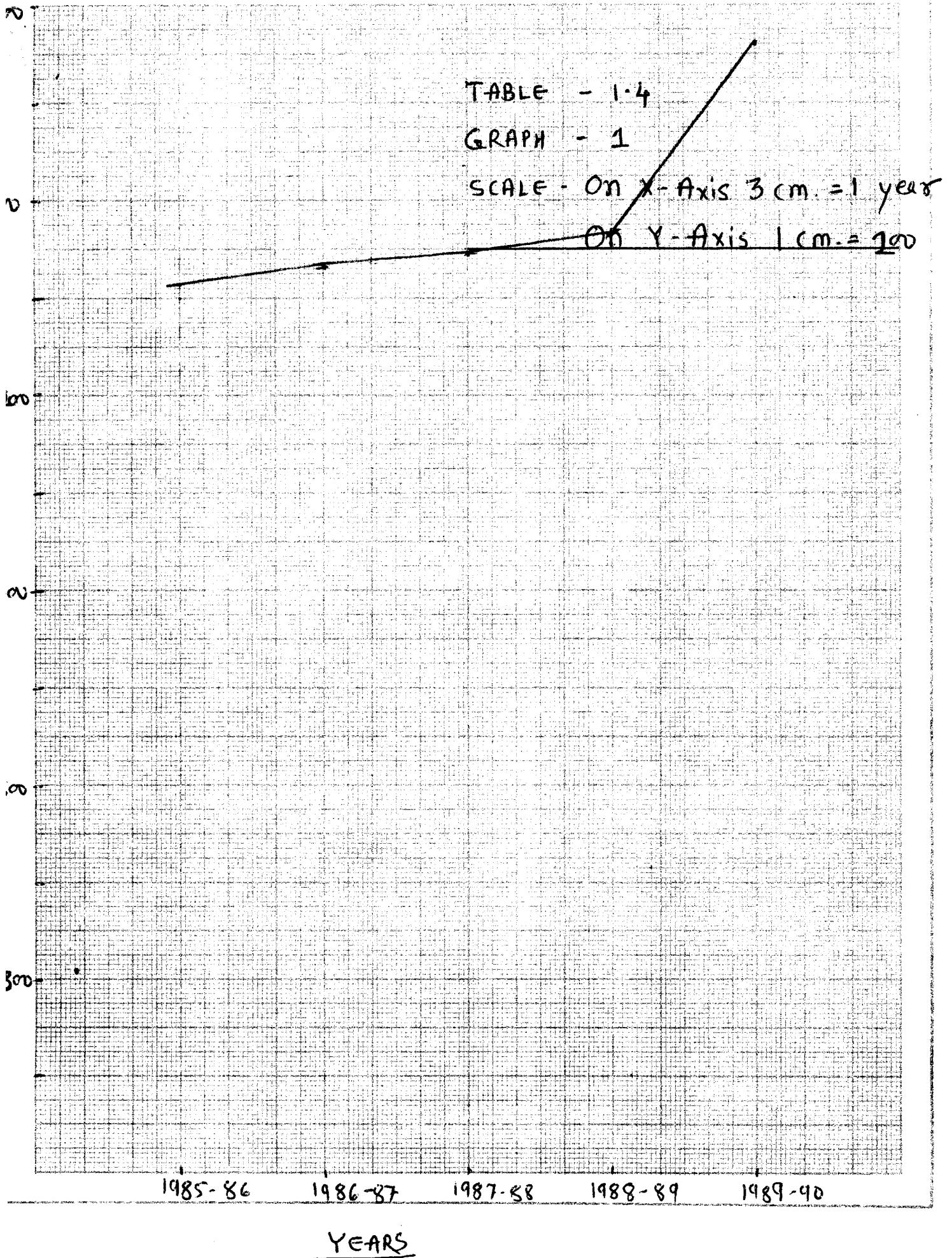
Year	1985-86	1986-87	1987-88	1988-89	1989-90
No.of Branches	109	110	112	129	132

Source -

(( Annual Reports of K.D.C.C. Bank)within 5 years, the No. of branches have been increased by 23. To provide diff. types of loans to large No. of borrowers and to have efficient supervision over loan operation branch expan. has been done. The No. of bran. have been increased by 21.10%

# BANK'S MEMBERSHIP

28



Summary (As on 30th June 1990)

Sr.No.	Name of Taluka	No. of Branches
1.	Ajara	8
2.	Bhudargad	7
3.	Chandgad	9
4.	Gadhinglaj	9
5.	Gaganbawada	3
6.	Hatkanagale	14
7.	Karveer	28
8.	Kagal	13
9.	Panhala	10
10.	Radhanagari	12
11.	Shirol	11
12.	Shahuwadi	8
Total.....		132

5.2 MEMBERSHIP ..

All registered co-op. societies within Kolhapur Dist. which have through their representative subscribed to the application of Registration are original members. Every Co-op. Society registered within the area of operation



of the Bank and the State co-op. Bank shall be eligible for membership. An individual person who is a resident of Kolhapur Dist. may be admitted as nominal member provided. But at present the prov. for individual membership is dropped.

Let us see the progress of membership.

**Table No. 1.4**

Growth of K.D.C.C. Bank Membership

Sr.No.	Membership	1985-86	86-87	87-88	88-89	89-90
a.	Societies	2889	2951	3007	3146	3911
b.	Individuals	755	751	747	744	740
c.	State Govt.	1	1	1	1	1
		-----	-----	-----	-----	-----
		3645	3703	3755	3891	4652

**Source** -

(Annual Report of K.D.C.C. Bank.)

within 5 years the No. of members have been increased by 27.63%

2.6 FNANCIAL PROFILE : Table No. 1.5

	<u>Rs. in Lakhs</u>				
	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
<u>Particular</u>					
<u>A</u> <u>Members</u> - a- Society	2889	2951	3007	3146	3911
b- Individuals	735	751	747	744	740
c- Govt.	1	1	1	1	1
<u>B</u> <u>Branches</u> - excluding H.O.	109	110	112	129	132
<u>C</u> <u>Paid up Share Capital</u>					
a- Society	547.72	636.01	713.11	801.93	916.63
b- Govt.	25.00	25.00	25.00	25.00	25.00
c- Individuals	.61	.60	.60	.60	.59
<u>D</u> <u>Res. and other Endus.</u>	625.1	667.12	823.29	1073.95	88.11
<u>E</u> <u>Deposits</u> -					
a- Individuals	3237	3888	4693	4857	5949
b- Institutions	7204	8638	10316	11469	13917
<u>F</u> <u>Borrowings</u>	211.53	211.21	449.07	756.21	1082.01
<u>G</u> <u>Investments</u>	4466.68	4283.34	6186.65	5430.31	5934.64

Conted....Table - 1.5

Particular	Rs. in Lakhs			
	1986	1987	1988	1990
<u>H Advances -</u>				
a- Short-term	4868.55	5951.00	6743.56	7999.55
b- Medium-term	1271.85	1516.47	1617.56	1746.99
c- Long-term	151.18	206.26	278.48	473.86
<u>I Net Profit</u>	82.08	104.90	165.77	150.39
<u>J Working Capital</u>	11849.97	14070.31	17020.67	18976.37
<u>K Dividend Rate</u>	9%	9%	9%	9%
<u>L Audit Classification</u>	A	A	A	A
<u>M Cost of Management</u>	252.01	282.62	353.45	393.82
<u>N Int on loans and Deposits</u>	1013.96	1203.09	1447.15	1649.09
<u>O Int. on loans and Investments</u>	1390.51	1673.84	2085.98	2353.33

Source :- Annual Reorts of K.D.C.C. Bank.