

CHAPTER IV
PROFILE OF JANATA
URBAN CO-OPERATIVE
BANK LTD., WAI

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CHAPTER – IV

PROFILE OF JANATA URBAN CO- OPERATIVE BANK LTD., WAI.

4.1 Introduction:

The object of this chapter is to present the profile of Janata Urban Co-operative Bank Ltd., Wai. While presenting the profile of Janata Urban Co-operative Bank Ltd., Wai here a focus has been through on the history and development of the banking movement in World, in India, in Maharashtra and in Satara District.

Separate sub-chapters have been made while studying the profile of Janata Urban Co-operative Bank Ltd., Wai as banking movement in the World, in India, in Maharashtra, in Satara and profile of Janata Urban Co-operative Bank Ltd., Wai. The history of banking movement in World, in India, in Maharashtra and Satara district has studied in general while the profile of Janata Urban Co-operative Bank Ltd., Wai has studied in particular.

4.2 History and Development of Urban Co-operative Bank:

The study of History and Development of banking movement occupies very much important place in the research work related to the banking sector. It enriches the view of research student about the subject matter. Hence the deep and detailed study has been done and the information has been presented in this chapter.

Progress of banking in five years plans in India as well as the profile of bank selected for the study etc have also been included in this chapter as they are also related with the historical development of the Banking Business.

4.2:1 History and Development of Banking in the World:

On the shoulder of the banks, the present economic growth of the world has been set up. Banks are supporting poles of the entire economic activities. Banks not only accept deposits and give advances & loans but also facilitate easy circulation of money through various business transactions. Ultimately it aims at saving human efforts and attempts for the human-welfare. Banks are very much essential for the promotion and prosperity of any types of economy in the world.

Banks have been many types of changes from ancient time to present age. They have gone through well and worse experience till now. They are developing their nature from age to age in providing effective financial service to the human-being individuals as well as organizations are banks for performing their economic activities such as saving, investigation, receipts and payments, transfer of money ,safe- custody ,capital supply etc. In the initial stages the banks were performing the simple functions. The process of bank development in the world can be assessed as below:

4.2.1.1 History Related with the Derivation of the Word 'Bank'.

Various authorities have discussed in different ways about the origination of the World Bank.

Accounting as some experts the English (Latin) word Bank has been derived by the Italian words Banc, Banco, Bancus or Banque. Banco (Banch) means the bench for setting a person .In the middle age in Europe, especially in Italy, the Joe people used to do the business lending money and for this purpose, they were using benches. . In the Lombardy province in Italy, the Jue used to put benches before them on the road and on that benches the would put the heaps of coins of different values and of different countries sitting beside they used to perform the functions of giving loans and exchanging the coins. In this way, the modern type of banking business got the name as 'Bank'.

The economist 'Gilburt and Macolade' has given the derivation of the word 'Banco' in another way. Macolade in his book 'Elements of Banking' has stated that the word 'Banco' is a German word and it has been derived from the Italian word 'Monte' which is derived from Latin word 'Monse' (Monte) monse means heap of money required for the banking transaction while the German word 'Banco' means a bench used for banking business.

In 1177 in Italy, the ministers in the Venia state took a loan from the civilian to reimburse the war-expenses for which the repayment arrangement was also made. In Italian language this type of loan was called as Monte (Joint Fund). In 12th century, the Germany had the dominance over the moreover region of Italy. At that time as the meaning of words Monte and Banco being same, the word Banco was began to use instead of Monte, in the actual transaction.

Some author state that in Europe, the money exchange transaction were done on the 'Banks' of the river. Therefore the word 'Bank' was started to use for indicating

the place where the monetary transactions were being done. Though the derivation of the word may be in any way, it is clear that banking business has been going on from the middle age in Europe.

4.2.1.2 *Beginning of the Modern Banks (Banking in England)*

It is said that the modern Banking business is started through the Private Banking business of the money-lenders in Florence in the 14th century.

Many countries in the world have taken inspiration about banking movement from England. Therefore, it is presumed that the history of modern banking is mainly the history of Banks in England. The derivation of the Modern Banking in England can be stated as below:

(A) Jew-traders:-

In England during the period of 1066 to 1094 the Jew Bankers were appointed as Government Bankers and they were given adequate protection by the state. These Bankers were giving loans on the security of land at high rate of interest. Also, they were conducting various activities such as currency-exchange, advancing loans for the industrial purposes. Similarly, they were giving loans to the Government also unfortunately; the King Edward III refused to return the loans given from them and thus, it affected their business adversely.

(B) Goldsmith:-

The Goldsmiths termed as the father of the Modern Banker in England. They used to accept gold and other valuables from public for safe-custody and receipts were also issued to the depositors for such deposits. These receipts of Goldsmiths were transferable and they were similar to the Modern Bank notes in the course of time, Goldsmiths started advancing loans to the needy persons out of the deposits and charging interest on loans. They also started giving interest on deposits with them so that more funds would be collected as they were necessary for the banking transaction.

These Goldsmiths became popular among the people as 'Goldsmiths Notes'. Goldsmiths' notes were able to be used for the settlement of business payments; this is how the Goldsmiths in England laid down the foundation stones of the Modern Banking.

(C) Bank of England:-

The Bank of England was founded by the Scotsman William Paterson in 1694. Initially the bank known by the name as 'Governor and company of the Bank of England'. The Bank of England enjoys long term banking privileges including the

issue of notes. Public finances were in so direct a condition at the time that the terms of the loan were that it was to be serviced at the rate of 8% per annum and there was also service charge of £ 4000 per annum for the management of the loan. By the charter renewal in 1781, Bank was become the banker's bank-keeping enough gold to pay its notes on demand until 26th Feb. 1797 when war had so diminished gold reserves that the government prohibited the bank from paying out in gold. The prohibition lasted until 1821. In 1870 the Bank of England gave responsibility for interest rate policy. In 1946, shortly after the end of Norman's tenure, the Bank was nationalized by the labour government.

In 1977 Bank of England set up a wholly owned subsidiary called 'Bank of England Nominees Ltd.', (BOEN) a private ltd., co. for act as Nominee or agent or attorney.

In 1997 the Bank of England would be granted operational independence over monetary policy by the labour government.

4.2.1.3 History of Co-operative Banking

The abuses capitalist system based on free market economy led to arise a district economic system named as 'Co-operative System'. Co-operative is a form of business organization which owes its origin to poverty and economic distress. The 'Usury' and the 'Profiteering' were the two evils which were constantly affecting the poor section of the society. The needy people had to pay an exorbitant rate of interest on money. They borrowed, and the greedy shop keepers always charged high price for the necessities of life sold by them, as the market was under the control of capitalist. Therefore, as an alternative to 'Usury' and competitions from the organized sector, Co-operative Banks and the other Co-operative institution emerged.

Early history of co-operative movement through out the world shows that co-operative organization began with consumer co-operatives. The first co-operative society known as 'Rockdale Pioneers' was formed by 28 cannell weavers in England in 1843 to protect themselves against the organized sector. The movement later on spread to other field of economic activities. But the ultimate aim of co-operatives was the protection of poor section of society by pooling the available resources with them to help their members by providing financial assistance to face the competition from the organized sector. Various sectors of economic life where co-operating

organization developed were agricultural credit, supply of agriculture requisites, farming, agricultural marketing, dairying, industrial production, distribution consumer co-operatives, and urban credit etc.

The urban co-operative credit movement has that history of more than hundred years .The first urban co-operative credit society was started by, Herman D Schulze in 1888 in Germany and another was founded by F Luigi Luzzatti on February 1898 in Italy. In India the first urban co-operative credit society was started by Mr. Vitthal Laxman Kavthekar in 1889 in Baroda city in Gujarat State which was then in Bombay province.

The lofty ideas of voluntary and open membership, expert economic participation and concern for community etc. can be said to be the guiding principles of an urban co-operative Banks.

History of Co-operative Banking Movement in Germany and Italy

Co-operative movement found its origin in Germany. Popular and rural Banks become popular in Italy and served the needs of the people, who needed money briefly and were otherwise depending on private sources and money lenders.

(A) Germany

Germany give birth to co-operative credit movement and example was followed by many other countries of the world in the middle of 19th century in Germany there was poverty, indebtedness and exploitation like India in that country to the workers were under heavy debts and money-lenders ruthlessly exploited them.

1) *Schulze Banks:-*

Mr. Hermann a judge founded a society of shoe-markets in 1849 to purchase raw material in bulk and then supply them to the members. He founded first credit society in 1850 to raise funds which could be advanced to the members. In 1861, General Union of German Industrial Societies was founded under his control and supervision. He was its life time director by 1883; there were 1926 Popular Banks in Germany.

2) *Raiffeisen Banks:-*

Raiffeisen, installed charitable bakery to reduce the cost of making bread in 1854, Heddesderf he founded Heddesderf Beneficent Society. In the society some well established persons deposited money on interest. The society was a wonderful success and boosted the morale of the members. After some years its name was

changed as Heddesdorf credit society in 1877. The Grant union of Rural Co-operative societies commonly known as Raiffeisen union.

(b) Italy:-

Though for sometimes Italy had glorious past yet on the whole for a very long time in the country there was poverty and the people were living a measurable life. The money lenders in this country too had their bad days and exploit the poor mercilessly.

1) Popular Bank:-

In 1864-65 Lurati organized a friendly effort in which he himself significantly contributed to the funds of the Banks. Thereafter a chain of banks started. These banks are now very successfully functioned all over the country.

2) Rural Banks:-

Woolen burg started first rural Bank in 1883 in the village Lorigra. The members were advanced loan at very low rate of interest. This attracted the people. System of small shares was gradually introduced. These Banks proved a considerable success and draw the attention of the people.

4.2.2 Development of Urban Co-operative Banks in India:

The origins of urban co-operative banking in India can be traced to the close of 19th century when, inspired by the success of the experiments related to the Co-operative movement in Britain and the Co-operative credit movement in Germany such societies were set up in India.

The first known co-operative society in India was probably the 'Anyonya Sahakari Mandali' organized in the erstwhile princely state of Baroda in 1889 under the guidance of Vithal Laxman also known as Bhausaheb Kavthekar. Salary earners' societies in cultivating habits of thrift and self help played a significant role in popularizing the movement, especially amongst the middle class as well as organized labour. From its origins then to today, the thrust of Urban Co-operative Banks, historically, has been to mobilize savings from the middle and low income urban groups and purvey credit to their members- many of which belonged to weaker sections.

Indian Government recognized the importance of Urban Co-operative Banks and passed separate co-operatives Acts such as Indian Co-operative Societies Acts of

1904. First urban Co-operative credit society was registered in Canjeevaram (Kanjivaram) in the erstwhile Madras province in October, 1904. The prominent credit co-operative societies established were the pioneer urban in Bombay (November 11, 1905), the No.1 Military Accounts Mutual help co-operative credit society in Poona (January 9, 1906). Cosmos in Poona (January 18, 1906), Gokak Urban (February 15, 1906) and Belgaum Pioneer (February 23, 1906) in the Belgaum District, the Kanakavili-Math co-operative credit society and Varavade weavers' urban credit society (March 13, 1906) in the South Ranger (now Sindhudurg) district. The most prominent amongst the early credit societies was the Bombay Urban Co-operative Credit Society, sponsored by Vithaldas Thackersey and Lallubhai Samaldas established on January 23, 1906.

In 1913-14, 57 joint stock bank collapsed due to the banking crisis. MacLagan committee pointed out this event and state about the growth of co-operative credit society in the crisis period, "As a matter of fact, the crisis had a country effect, and in most providences, there was a movement to withdraw deposits from non co-operatives and place them in co-operative institutions, the distinction between two classes of security being well appreciated and a performance being given to the latter owing partly to the local character and publicity of co-operative institutions".

The constitutional reforms which led to the passing of the Government of India Act 1919 transferred the subject of "Co-operation" from Government of India to the provincial Governments. The Government of Bombay passed the first state co-operative societies act in 1925, which not only gave the movement of its size and shape but also a place setter of co-operative activities and stressed the basic concept of thrift, self help and mutual aid. This marked the beginning of the second phase in the history of co-operative credit institutions.

There was a general realization that urban banks have an important role to play in economic construction. This was asserted by the host of committees. The Indian Central Banking Enquiry committee (1931) felt that urban banks have a duty to help the small business and middle class people. The Metha-Bansali Committee (1939) recommended that those Societies which had fulfilled the criteria of banking should be allowed to work as banks and recommended an Association for these banks. The co-operative planning committee (1946) went on record to say that urban banks have been that the best agencies for small people in who joint stock banks are not generally interested. The Rural Banking Enquiry committee (1950), impressed by the low cost

of establishment and operations recommended the establishment of such banks even in places smaller than taluka towns. In 1963, Vurde Committee recommended that such banks should be organized at all Urban Centers with a population of 1 lakhs or more and not by any single community or caste. The committee introduced the concept of minimum capital requirement and the criteria of population for defining the urban centre where UCBs were incorporated.

As application of Banking Regulation Act 1949 to urban co-operative banks marked the beginning of an era of duality of control over these banks. Banking related functions (viz. licensing, area of operations, interest rates etc.) were to be governed by RBI and registration, management, audit and liquidation, etc. governed by State Government as per the provisions of respective state Acts. In 1968, UCBs were extended the benefits of deposit Insurance.

Towards the late 1960s there was much debate regarding the promotion of small scale industries. UCBs came to be seen as important players in this context. The working Group on Industries Financing through co-operative banks, (1968 known as Damry Group) attempted to broaden the scope of activities of urban co-operative banks by recommending that these banks should finance the small and cottage industries. This was reiterated by the banking Commission (1969).

The Madhavdas Committee (1979) evaluated the role played by urban co-operative banks in greater details and drew a roadmap for their future role recommending support from RBI and Government in the establishment of such banks in backward areas and prescribing viability standards. The Hate Working Group (1981) desired better utilization of banks' surplus funds and that the percentage of the Cash Reserve Ratio (CRR) & the Statutory Liquidity Ratio (SLR) of these banks should be brought at par with commercial banks, in a phased manner. While the 'Marathe Committee' (1992) redefined the viability norms and ushered in the era of liberalization, the Madhava Rao committee (1999) focused on consolidation, control of sickness, better professional standards in urban cooperative banks and sought to align the urban banking movement with commercial banks.

In short, progress of urban co-operative banking in India can be stress out in following four phase.

4.2.2.1 Phase I (Before 1904)

The urban co-operative credit movement originated in Germany when Herman Schultz started such societies in 1849 for the benefit of artisans in the cities. In initially, the credit of starting such societies goes to Luigi Luzzafi. The success of these societies encouraged social workers in India. The first urban co-operative bank was established on 5th February, 1884 at Baroda. Co-operative Societies act 1904 provided for the establishment of both rural and urban credit societies. The first such type of society was registered in October 1904 at Canjeevaram in Madras.

4.2.2.2 Phase II (1904-47)

As a result of the recommendations of the Maclagan Committee (1915), a number of urban credit societies came up. The committee itself has numbered the non-agriculture credit societies as 602. The banking crises of 1913 to 1917 saw the failure of many commercial banks, which paved the way for the organization of new agencies. Similarly between 1939-49 when 588 joint stock banks failed in various states eroding public deposits to the tune of Rs.26 crore. There was not even a minuscule impact on urban co-operative banks. Presumably due to the fact that co-operative Institutions were subjected to stringent regulation as compared to a lax supervision over commercial bank. The great depression of the 1930, severely affected the agricultural credit societies more than the urban credit co-operative Bank. Up to the year 1938, all the urban banks were included in the first list of non-agricultural credit societies. There was particularly no difference seen between an urban credit society and urban co-operative bank. In Bombay, an urban credit society could be styled as an urban bank if it had a paid up share capital of Rs .50, 000 up to 1938 and since 1938Rs 20,000. With all the ups and downs during this phase ultimately in 1947-48 in India. There were 1,060 UCB's having membership of 6.98 lakh, owned capital of Rs 5.64 crore, working capital of Rs26.9 crore. Loans advanced to the tune of Rs.8.22 crore and 6.8 percent of overdue to total outstanding.

4.2.2.3 Phase III (1948-1989)

A greeter fillip to the development of urban co-operative banking was given during the year after independence. Progress of urban co-operative banks over four decades between 1948-49 and 1988-89 has been presented, year wise, in table 4.1

Table 4.1
Progress of Urban Co-operative Banks in India

Sr. No.	Particulars	1948-49	1957-58	1967-68	1977-78	1988-89
1	Numbers of Banks	815	826	925	1,162	1,378
2	Owned Funds (crore)	4	8	50	121	1,082
3	Deposits (crore)	17	27	156	532	7,252
4	Loan Rs (crore)	12	24	157	434	5,820
5	Working Capital Rs (crore)	22	57	214	761	9,560
6	Owned funds per bank Rs (Lakh)	0.49	0.96	5.24	10.41	78.52
7	Deposit per Bank Rs (Lakh)	2.09	3.27	16.86	45.78	524.82
8	Loans per Bank Rs (Lakh)	1.47	2.91	16.97	37.34	422.35
9	Working capital per bank Rs (Lakh)	2.10	6.10	23.14	65.49	693.73
10	Ratio of Deposit to working capital %	77	47	73	70	76
11	Ratio of owned capital to working capital %	18	14	23	16	11
12	Ratio of loans to deposits %	70	89	101	82	80
13	Membership	5	12	31	—	87

Source: - Arthasamwad, October, December 1990.

Observations: -

1] Increase in the number of banks during the period from 1948-49 to 1957-58 was marginal to the extent of only 1.59 %. Deposits rose by 58.8 % whereas owned funds and loans moved up by 100 % and working capital by 159 %.

2] Progress during the second decades (1958 – 59 to 1967 – 68) was relatively better as the number of the banks rose by 11.98 % whereas owned funds, deposits and loans increased by 525,477 and 544 percent respectively. Ratio of deposits to working capital, owned capital to working capital and loans to deposits swelled by 26 , 9 and 12 % respectively . Membership enrollment of 31 lakh registered an increase of 158 %.

3] In the next decade of 1968 – 69 to 1977 – 78 the number of banks rose by 25.6 and further by 18.5 % during the following decade (1978 – 79 to 1988 – 89). There was a phenomenal rise on owned funds , deposits , loans and working capital percentage increase in these stood at 142 , 24, 176 and 255 % during the former decade and 794 , 1259 , 1241 and 1156 % in the latter decade .

4] Position of 1988-89 may be looked vis-à-vis that in 1947 – 48 in order to perceive the progress over span of 4 decades after independence. The number of banks moved up by 69% owned funds shot up by 270 times, average amount of deposits collected moved up from Rs. 2.09 lakh to Rs.524 lakh average amount of advance spurted from Rs. 1.50 lakh to Rs. 422. Lakh and membership rose by 640 % during the period under consideration. The number of bank given in table 4.1 includes both and salary earners co-operative societies. The Banking Regulation Act was applied to those banks whose owned funds were more than Rs.1 lakh with effect from 1 March 1966.

4.2.2.4. Phase IV (Economic reforms period) (1991 Onwards)

The economic reforms period since 1991 was a watershed in the annals of the urban co-operative movement. Narasimhan committee (1) suggested liberalization of the banking sector. A similar need was also felt for the UCBs. Accordingly, the Reserve Bank of India (RBI) appointed the Marathe Committee in 1991 to make suitable Marathi Recommendations in this behalf. Recommendations of this committee were quite far-reaching, particularly, in the realm of new bank licensing branch licensing and area of operation. Marathe committee suggested the policy of 'one district, one bank'. The banks should be organized on the need basis. Existing commercial banking should not prevent the need basis. Existing commercial banking should not prevent the co-operative initiative RBI accepted these recommendations and issued as many as 537 licenses between May 1993 and March 1999. Urban co-operative banks are also allowed to extend their area of operation to the entire district without specific approval from the RBI.

Banks with deposit of Rs. 50 crore and above were permitted to cross the borders or states their registration. Banks fulfilling certain norms could open their extension counters without the RBI permission. The committee suggested a standard format of audit for all the states. UCBs can now invest to percent of their surplus funds out side the co-operative fold, Ceiling on quantum of loans and advances has been increased substantially. Scheduled UCBs have been allowed to do merchant banking / foreign banking operations. From November 1996 UCBs have been given freedom to finance directly agricultural operations. The interest rates on deposit of urban banks have been deregulated from 21st October 1997. They can also install ATMs without prior approval of the RBI.

High – power committee on UCBs 1999 recommended the implementation of capital Adequacy Ratio discipline in a phased manner from 9th February 1993 like commercial banks, the norms of capital adequacy ratio, income recognition, asset classification and provisions are made applicable to UCBs, also. Thus in the post Marathe committee report there has been a radical shift in the RBI, approach towards UCBs. Notwithstanding the rigid norms the growth of the UCBs is rapid since 1993, which is clear from Table 4.2.

Table 4.2
Progress of Co-operative Credit Movement in India during
Reforms Period
[Amount in Rs. Crore, ratio in percent]

Sr. No.	Particulars	2003-04	2004-05	2005-06	2006-07	2007-08
1	Number of Banks	1,926	1,872	1,853	1,813	1,770
2	Owned Funds	12,348	13,604	13,973	18,209	19,499
3	Deposits	1,10,256	1,05,021	1,14,060	1,21,391	1,38,496
4	Borrowings	1,484	1,782	1,781	2,657	2,292
5	Loans outstanding	67,930	66,874	71,641	79,733	88,981
6	C. D. Ratio	62	64	63	66	64

Source: - www.rbi.org.in

Table 4.3 to 4.6 shows the position of urban co-operative Banks in India as at 31st March, 2008.

Table 4.3
Distribution of urban co-operative banks-state-wise

Sr. No.	Particulars	As at end-March 2007				As at end-March 2008 P			
		No of UCBs Operating	Unit UCBs	Branches #	Extension Cou-nters	No of UCBs Operating	Unit UCBs	Branches #	Extension Cou-nters
1	Andhra Pradesh	116	87	273	5	115	85	258	4
2	Assam/ Manipur/ Meghalaya/ Mizoram/ Tripura	17	13	28	-	17	13	28	-
3	Bihar/ Jharkand	5	4	6	1	5	4	6	1
4	Chhattisgarh	14	10	20	2	13	10	20	2
5	Gujrat	284	151	924	4	271	146	917	4
6	Jammu and Kashmir	4	1	16	4	4	1	16	4
7	Karnataka	288	153	848	16	280	148	838	16
8	Kerala	60	17	324	2	60	17	324	2
9	Madhaya Pradesh	60	45	80	-	57	43	80	-
10	Maharashtra								

	[including Goa]	622	237	4,010	138	609	235	4,013	140
11	New Delhi	15	6	60	1	15	6	60	1
12	Orrisa	14	5	51	4	14	5	51	4
13	Punjab/ Haryana/ Himachal Pradesh	16	10	39	3	16	9	39	3
14	Rajasthan	39	19	142	7	39	19	146	3
15	Tamil Nadu/ Pondicherry	131	60	311	0	130	59	310	-
16	UttarPrades h	70	42	173	27	70	42	173	27
17	Uttarakhand	7	3	45	2	6	2	45	2
18	West Bengal /Sikkim	51	31	103	2	49	30	100	2
	Total	1,813	894	7,453	218	1,770	874	7,424	215

Source: www.rbi.org.in

The number of operating UCBs is concentrated mainly in five states /Union Territories, Viz. Andhra Pradesh, Gujarat, Karnataka, Maharashtra (including Goa) and Tamil Nadu. Nearly 79 per cent of total UCBs with 86 per cent of total branches operated in these five states as at end – March 2008. Maharashtra (including Goa) alone accounted for around 55 per cent of total branches of UCBs. Of the 7,424 branches of UCBs, 874 operated as unit banks, i.e. banks which functions as head

office-cum-branch. Maharashtra (including Goa) Gujarat & Karnataka together accounted for around 61 per cent of total number of unit banks.

Table 4.4
State – Wise Distribution of Urban Co-operative Banks
(As at end – March 2008)

Sr. No.	Particulars	No. of UCBs	Amount of deposits (Rs. Crore)	Amount of Advances (Rs. Crore)	Total Number of districts with a presence of UCB branch
1	Andhra Pradesh	115	3,093	2,067	21
2	Assam	9	230	130	6
3	Bihar	3	33	16	2
4	Chhattisgarh	13	238	79	7
5	Goa	6	1,144	617	5
6	Gujarat	271	16,343	10,419	26
7	Haryana	7	228	131	7
8	Himachal Pradesh	5	216	138	4
9	Jammu and Kashmir	4	232	134	5
10	Jharkhand	2	13	5	2
11	Kerala	280	9,188	6,331	25

12	Maharashtra	60	3,169	2,109	14
13	Madhya Pradesh	57	905	477	48
14	Maharashtra	603	90,263	58,539	35
15	Manipur	3	140	62	3
16	Meghalaya	3	60	20	3
17	Mizoram	1	11	3	1
18	New Delhi	15	1,037	457	1
19	Orissa	14	688	471	15
20	Puducherry	1	89	75	1
21	Punjab	4	461	239	2
22	Rajasthan	39	2,031	1,128	24
23	Sikkim	1	4	3	1
24	Tamil Nadu	129	3,184	2,297	30
25	Tripura	1	10	5	1
26	Uttar Pradesh	70	2,324	1,336	36

27	Uttarakhand	6	976	484	7
28	West Bengal	48	2,187	1,209	11
	Total	1,770	1,38,496	88,981	343

Source: www.rbi.org.in

Andhra Pradesh, Gujarat, Karnataka, Maharashtra and Tamil Nadu together accounted for 88.1 per cent of the deposits and 89.5 per cent of the credit of the entire UCB sector at end –March, 2008. Maharashtra alone accounted for 65.2 per cent of deposits and 65.8 per cent of total advances. As at end – March 2008, the number of districts with the presence of a UCB was highest in Madhya Pradesh, followed by Uttar Pradesh and Maharashtra.

Table 4.5
Central–Wise selected Indicators of scheduled Urban Co-operative Banks (As at end – March 2008)
(Amount in Rs. crore)

Sr. No	Particular	Capital	Reserves	Deposits	Loans and Advances	Total Liabilities/ Assets	C-D Ratio (percent)
1	Ahmedabad	124	3,201	6,008	4,013	11,018	66.8
2	Bangalore	6	23	302	180	632	59.6
3	Hyderabad	102	364	585	526	1,370	89.9
4	Lucknow	10	30	257	106	347	41.2
5	Mumbai	870	2,799	47,134	28,520	61,254	60.6
6	Nagpur	95	342	3,630	2,273	4,697	62.6
	Total	1,208	6,759	57,916	35,619	79,318	61.5

Source: - www.rbi.org.in

At end – March 2008, the C-D ratio of scheduled UCBs at select centers showed large variations across centers. The C-D ratio was the highest in Hyderabad (89.9 per cent) and followed by Ahmedabad (66.8 per cent) and Nagpur (62.6 per cent) Mumbai accounted for the largest share in both deposits and loans and advances.

Table 4.6
Centre-Wise selected Indicators of Non – Scheduled Urban Co-
operative Banks.

[Amount in Rs. crore]

Sr. No.	Particulars	Share capital	free Reserves	Deposits	Loans and Advances	Total liabilities /Assets	C-D Ratio (per cent)
1	Ahmedabad	364	2,594	10,335	6,406	13,891	62.0
2	Bangalore	440	623	8,886	6,151	11,804	69.2
3	Bhopal	41	58	902	476	1,282	52.8
4	Bhubaneswar	33	169	688	471	892	68.5
5	Chandigarh	36	69	905	509	1,111	56.2
6	Chennai	153	603	3,273	2,373	4,504	72.5
7	Dehradun	13	107	976	484	1,131	49.6
8	Guwahati	15	50	452	221	544	48.9
9	Hyderabad	155	457	2,507	1,542	3,325	61.5
10	Jaipur	121	215	2,031	1,128	2,501	55.5
11	Jammu	5	7	232	134	284	57.8

12	Kolkata	253	343	2,191	1,212	2,879	55.3
13	Lucknow	144	184	2,067	1,230	2,766	59.5
14	Mumbai	1,258	1,128	33,183	23,276	37,988	70.1
15	Nagpur	252	842	7,460	5,086	9,403	68.2
16	New Delhi	50	204	1,037	457	1,396	44.1
17	Patna	3	14	46	21	66	45.7
18	Raipur	10	32	238	79	308	33.2
19	Thiruvananthapuram.	102	382	3,169	2,109	4,027	66.6
	Total	3,450	8,082	80,580	53,363	1,00,103	66.2

Source: - www.rbi.org.in

Non-Scheduled UCBs in five centers, viz, Ahmedabad, Bangalore Chennai, Mumbai and Nagpur accounted for more than 70 per cent of capital and reserves and around 80 per cent of deposits and advances of all non-scheduled UCBs at end-March 2008, Wide Variations were observed in the C-D ratio was the highest in Chennai (72.5 per cent) and the lowest in Raipur (33.2 percent) At five centers (Dehradun, Guwahati, New Delhi, Patna and Raipur) the C-D ratio of non-scheduled UCBs was less than 50 per cent.

4.2.3 History and Development of Banking Movement in Maharashtra.

Maharashtra is one of the leading state in India. It lies in the western region of the country. The agriculture and industrial development in the state is remarkable. The socio-economic development through the co-operative movement is the special thing to note.

Here in this part of the chapter IV, the history and development of banking movement in the Maharashtra state has given. Firstly the historical as well as the geographical and economic background of the state has been stated. Then the history and progress of banking movement in the state has been presented. Additional information with the help of some tables has also been given.

4.2.3.1 History and Development of Banking in Maharashtra

A) Banking Movement before 20th Century in Maharashtra

The British came in India in the beginning of seventeenth century for the purpose of trading in the 18th and 19th centuries they started Agency Houses in Calcutta and Mumbai. In these Agency Houses, the monetary transactions for the help of trade were performed. There fore, they are called as originating paces of Indian Banking system. Like Banks they used to give loans for trade and also accepted the deposits however, these Agency houses were closed due to the loss in trading and speculation in the 19th century.

When the British took over the political power in India, they started three presidency Banks in India with the help of East India Company in the first half of nineteenth century. They are established as in 1809 at Calcutta, in 1840 at Mumbai and in 1843 at Chennai. Thus, the establishment of Agency houses and the presidency Bank at Mumbai was the real beginning of the modern type of Banking in Maharashtra. The presidency Bank of Mumbai had the share capital of Rs. 50 lakhs .Also, it had been given the right to issue currency notes at certain limit like two other presidency Banks.

The presidency Bank of Mumbai successfully continued for first twenty years. However, after the American war, between 1862-65, this bank suffered a loss and then in 1868, it was closed. The Depositors were returned back their money but the share-holders did not get their money. However, in the same year, another Bank

established with the same name and it continued till 1920 when all the three presidency Banks were amalgamated and Imperial Bank of India was established there from.

The 'Oriental Banking Corporation' established by the Royal charter in 1842 at Mumbai this is the first foreign Bank in India as well as in Mumbai also.

The first commercial Bank established in Maharashtra is 'The Poona Bank Ltd'. It was established in 1889 at Pune. Then, in the next year, in 1890 another commercial Bank "The Deccan Bank" was founded at Pune. "The Bombay Trading Co.", the third in the series was established at Mumbai in 1898. This Bank had the area of operation limited to that city only.

The co-operative Banking in India and also in Maharashtra was started with the beginning of an urban co-operative credit society at the end of the nineteenth century. Mr. Vitthal Laxman Kavathekar, his brother and colleagues established "Anyoriya Sahakari Mandali" on 5th Feb, 1889 at Baroda in then Mumbai province. 'The Bettigiri Sahakari Patasanstha' was registered in October, 1905 in the Dharwad district of the Mumbai province.

B) Co-operatives Banking in Maharashtra in 20th century.

In 1904 the government of India made the first co-operative societies Act and it gave the encouragement to establish co-operative societies in the country as well as in the Maharashtra state. "The Military Accounts Co-operative Bank Ltd." Established in 1906 at Pune. It is the first co-operative Bank in the states. In the same year, 'Cosmos Urban Co-operative Bank Ltd', was also started in Pune city. Firstly these two Banks were urban co-operative credit societies. Then, after some period they were converted into the Banks.

Mumbai Urban Co-operative Bank was started at Mumbai in 1906. The Mumbai central Co-operative Bank was originated through this Bank in 1911. The Maclegan committee of 1914 suggested that there should be state co-operative Bank on state-level in each state. This recommendation was principally accepted and on 16th June, 1923 this Bank was named as Bombay Provincial Co-op. Bank and a became the Apex Bank of the Mumbai state (province). From 1952, this Bank was given the new name as 'Mumbai Rajya Sahakari Bank'.

District wise central co-operative Bank was established with the need to provide capital to the primary co-operative societies to make them more efficient and

viable. At Bramhapuri in Vardha district the first district central co-operative Bank was established (at that time Vardha district was in Madhya Pradesh). As per the recommendations of Maclegan committee 1914, the district central co-operative Banks started to establish in every major places in 1914. The Akola District central co-operative Bank celebrated its silver jubilee ceremony.

The proclamation of Queen Elizabeth was published in 1919. It was suggested that the co-operative Department should be given to the State Government. This suggestion was executed in 1925; Mumbai province state passed its own 'Mumbai Sahakari Kayada'. This was the first state co-operative Act in India.

In 1926, as per the suggestion of Sir Janardan Madan, then Registrar of Mumbai state, primary Land Mortgage Banks were started in three places namely, Dharwad, Bhadoch and Pachora. Then after, on the suggestions of various committees, 'The Bombay provincial co-operative land Mortgage Bank Ltd.' was founded as a land development Bank for the whole Mumbai state in 1935. Similarly, ten district land mortgage Banks were established at district level. Afterwards there were primary Land mortgage Banks at each district place.

Late Vaikunthlal Mehta became the co-operative Minister in 1946. He gave the new direction to the co-operative movement in the state. Due to his valuable guidance and constant encouragement, co-operative societies become indispensable part of our society.

To provide credit mainly to the artisans co-operative societies and personal artisans, it was thought that, there should be a separate Bank on district level. From this idea, a District Industrial Bank was established in Solapur on 30th March, 1949. This is only one Bank of its nature in Maharashtra. Then according to the Gorwala committee recommendations, it was decided to establish only one district central co-operative Bank for each district, therefore, separate district industrial co-operative Banks were not established any more then .

In the first some decades of 20th century, many more urban co-operative Banks were established in Maharashtra. They have made tremendous progress through various obstacles and adverse conditions. Many salary-earners co-operative. Banks were also established before independence in Maharashtra. However, about womens co-operative Bank, it is seen that they have made progress afterwards in recent period.

C) Banking Movement in Maharashtra after 1960.

Our Maharashtra state came into existence on 1st may, 1960. Maharashtra state co-operative societies Act was passed in 1960. After the creation of the state, the co-operative Banks got encouragement for their establishment and expansion. In 1960, the state co-operative Bank was named as 'Maharashtra state co-operative Bank Ltd.' after the amalgamation of vidarbha co-operative Bank Ltd. Into it. Nearby the year 1960, the district central co-operative Banks have been started in all the districts of the state.

From 1960, the land Mortgage Banks were renamed as 'Land Development Banks' Up to 1972 there was one state Land Development Bank and 27 Primary Land Development Bank at each district level. From 1973, as per the contract with the World Bank for getting the financial assistance, all districts' Primary Land Development Banks were amalgamated into the state co-operative Land development Bank. Therefore, all the districts Land development Banks became the branches of state Land development Bank. Also the Branches of district Land development Bank at Taluka level became the sub-branches of the state Land development Bank. From the year 1984, the state Apex Bank was renamed as 'Maharashtra state co-operative Land development Bank Ltd.' Whole the names of its branches and sub-branches were changed as Maharashtra State co-operative agricultural and Rural Development Bank Ltd.

In the last forty years, the urban co-operative banks have made remarkable progress and they are increasing day by day. Some bank have achieved the status of Scheduled Co-operative bank, a creditable place in the country's Banking System .Today, the member of scheduled co-operative banks in Maharashtra is more than 35 and they can open their branches at any place in the state. Out of these banks, some banks have obtained the status of multi-status scheduled co-operative banks.

Thus, all types of co-operative banks have performed an important role in the socio-economic progress of our state. Besides, branch expansion they created banking habits among the common people in our society.

In 1969, major 14 commercial banks in the country having deposits of more than Rs. 50 crores were nationalized. Again in 1980 more six banks were nationalized. Out of these twenty nationalized banks, following banks are from Maharashtra.

I) Bank of India, Mumbai (7-9-1906)

II) Central Bank of India, Mumbai (21-12-1911)

- III) Urban Bank of India, Mumbai (11-11-1919)
- IV) Bank of Maharashtra, Pune (16-9-1935)
- V) Dena Bank, Mumbai (1938)

Lead Bank Scheme also started from 1969. As per this scheme, 31 district of our state has been distributed among the four nationalized banks namely State Banks, Central Bank of India, Bank of India and Bank of Maharashtra.

In the fifth five year plan, the first Regional Rural Bank in Maharashtra was established at Nanded. Then during 1982-85 more eight Regional Rural Bank were started at various places in the state. At present, there are 10 R. R. Banks in the state having 588 branches in about 17 districts.

Only in Mumbai, there are 25 foreign Banks with their 60 branches. Due to liberalization and privatization policy of the Government, from 1990, many more new private sector banks have started to establish in the state. Also the branches of foreign banks have been started to open in the major cities of the state.

In 1969, the total number of banks in the state was the most in the country. However, in January, 1998 Uttar Pradesh has become the first and Maharashtra second in this respect in January 1998 out of the total 6,055 branches in Maharashtra, 2,321 branches are rural, 1,043 branches are semi-urban and remaining 2,691 branches are urban. Thus, out of total bank branches only 38% branches are in the rural areas.

In short, the imbalance of bank-development in the state can be clearly seen. The moreover share of banking business not only of Maharashtra but also of the country has been concentrated only in Mumbai .The co-operative banks for the banks to developed in the comparatively backward areas of Konkan, Marathwada and Vidarbha .

Table 4.7 to 4.10 gives the information about the various aspects of history and development of banking movement in Maharashtra.

Table 4.7
Progress of District Central Co-operative Banks in Maharashtra.
(Amount in Lakhs)

Sr. No.	Particulars	1961	1971	1981	1991	1998
1	Number of banks	35	31	26	30	30
2	Number of branches	—	867	1,703	3,147	3,775
3	Amount of Deposits	2,647	11,323	58,814	3,19,940	8,92,424
4	Amount of Loans & Advances	5,125	12,084	27,870	1,19,196	11,73,770
5	Working Capital	6,093	23,637	83,526	4,83,492	14,02,343
6	Loans Overdue	460	4,452	14,452	56,151	1,47,304
7	Amount of Profit	50	140	376	1,716	5,353

(Source: - www.mahasahakar.org.)

Table 4.7 shows the Progress of District Central Co-operative Banks in the Maharashtra State from the year 1961 to 1998.

The number of banks has decreased from 35 to 30 because it was decided that there should be only one Central Bank for each District .Therefore, the additional more DCC Banks were merged in to the related DCC Banks of the District.

Increase in the number of branches is very much remarkable. It shows the vast branch expansion of the DCC Banks.

The increase in amount of deposits, loans and profit shows the increase in Bank business also.

Table 4.8
Progress of the Primary Co-operative Banks Maharashtra
(Amount in Rs Lakhs)

Sr. No.	Particulars	1971	1981	1991	1998
1	Number of the Banks	265	345	381	605
2	Membership (In Thousand)	883	1,618	4,464	7,283
3	Amount of working capital	9,260	88,704	6,17,642	19,19,975
4	Amount of Deposits	6,452	65,779	4,66,298	14,41,334
5	Loans & Advances	12,381	73,430	5,55,246	13,23,253
6	Loans Overdues	364	3,732	45,735	1,10,236
7	Banks in Profit	—	330	367	464
8	Banks in Loss	—	7	13	120

Table 4.8 shows various details about the Primary Co-operative Banks established in Maharashtra for the period from 1971 to 1999.

The primary co-operative banks include the urban co-operative banks as well as the salary Earners' Co-operative bank established under banking regulations Act, 1949.

Table 4.9

Progress made by Urban Co-operative Banks in Maharashtra during the year 1998 and 1999.

Sr. .No.	Particulars	31-03-1998	31-03-1999
1	a) Total Urban Bank	572	605
	b)Number of reporting Banks s	462	510
2	Number of Branches (Exel .H.O)	2,402	2,635
3	Total No. of Members (in lakhs) (Nominal member)	5,961	6,030
4	Share capital (Rs. in Crores)	50,933	58,025
5	Reserve and other funds	2,121.14	2,255.36
6	Total Deposits	22,214.59	25,498.90
7	Total Loans Outstanding	14,974.89	16,685.82
8	Overdues	1,511.12	1,421.51
9	Total Working Capital	28,473.21	32,543.98
10	Banks Profit in Year	315.78	324.56
11	Banks Loss in Year (Total Banks)	194.89	160.84

(Source: - Economic Survey of Maharashtra, 2000.)

It is observed from the Table 4.9 that the total owned funds of the Urban Co-operative Banks which were Rs 2,630.47 crores on 31-3-1998 increased to Rs .2,835.61 crores till 31-3-1999. Thus, there was a rise of Rs.205.14 crores during the year 1998-99.

During this year the total deposits were also increased by Rs. 3284.31 crores.

Thus total resources of Urban Co-operative Banks i.e. owned funds and deposits stood at Rs. 28,334.51 crores as on 31-3-1999.

Against this resources, loans business i.e. loan outstanding as on 31-3-99 Was Rs.16,685.82 crores. It means that these banks carrying their loan business out of their own resources.

Table 4.10

District wise Position of Scheduled Banks in Maharashtra as on 1st

January 1998.

(Amount in crore Rs)

Sr. No.	Name of District	No. of Bank Branches	Total Deposits (Rs)	Total Advances (Rs)
1	Ahmednagar	204	655.24	428.76
2	Akola	154	341.23	242.49
3	Amravati	146	581.61	210.73
4	Aurangabad	147	745.85	577.27
5	Bhandara	130	346.64	154.65
6	Beed	100	267.32	162.92
7	Buldnana	103	230.27	162.98
8	Chandrapur	149	579.58	200.58
9	Dhule	132	366.78	223.87
10	Gadchiroli	44	104.34	38.23
11	Brihan,Mumbai	1347	84238.34	63212.91
12	Jalgaon	185	684.72	404.66
13	Jalna	73	182.68	182.82
14	Kolhapur	225	894.09	637.89
15	Latur	96	278.00	168.12
16	Nagpur	272	2,648.19	1,264.88
17	Nanded	128	375.06	278.76
18	Nasik	226	1,271.50	639.59
19	Usmanabad	71	173.40	94.15
20	Parbhani	110	274.66	188.72

21	Pune	534	7,364.34	3,923.59
22	Raigad	143	924.16	215.69
23	Ratnagiri	130	646.88	159.98
24	Sangli	184	705.10	382.36
25	Satara	150	716.38	333.69

Source: - Economic Survey of Maharashtra, 1998-99.

Co-operative movement Pune and Nasik regions come under the western Maharashtra. Nasik region has about 24% of urban co-operative banks which is also remarkable.

Aurangabad Region is behind in the state in respect of number of banks as well as the amount of deposits and loans outstanding.

4.2.4 History and Development of Banking Movement in Satara

District.

Satara District lies in the western region of Maharashtra State. The western region is famous for the expansion of co-operative movement and rural economic progress through it. The social, educational and cultural background of this district is also remarkable.

This part of the chapter IV includes the Historical and Geographical background, and also the socio-economic aspect of the Satara District in short as well as the history and development of the banking movement in the district in detail. The present position of the banking industry in the district has also been presented with the help of tables which will help to understand various aspects of the banking movement in the district.

4.2.4.1 Historical and Geographical Background of Satara District

It is seen from the inscriptions that before 200 B.C. there was rule of Boudha Kings on the Satara Regions. Karad and Wai in the Satara District have ancient historical references. In the Deccan part of ancient, India the Mauryan Empire was followed by the rule of Satvahans. From the third century to thirteenth century this region was ruled by Chalukya, Badami, Rashtrakut, Shilahar, Yadavas of Devigiri. Then it went to the hands of Bhamani Sultan, Adilshah and then to Chatrapati Shivaji Maharaj. After Shivaji's rule it went to the Aurengjeb, Mogal emperor .Parshuram

Pratinadhi helped Shahu to regain the region after Aurangzeb's death. Trabai, Ramraj and Shahu II Pratapsinh Maharaj also ruled the region for some years. Lastly, the British role followed from Feb. 1818 till the independence of our country.

The geographical boundaries of the district changed many times in the history. Before the British rule and independence, there were many famous princely states in the region such as Satara, Aundh, Phaltan, Miraj, Sangli etc. At the time of independence, the district was enlarged, therefore, in 1949 it was bifurcated into two parts i.e. North of establishment of Maharashtra in 1960, the name of North Satara was changed to Satara District and that of South Satara to Sangli District.

In the district, there are total 11 talsas namely, Satara, Wai, Khandala, Koregaon, Phaltan, Man, Khatav, Karad, Patan, Jawali and Mahabaleshwar. It is situated partly in the Krishna river basin and partly in Bhima river basin, while the rest of talsas are situated in the upper Krishna basin.

The Satara District is extended between 15.5 and 18.11 North latitude and 73.30 to 74.54 East longitude, it is surrounded by the Pune district on the north, by Solapur district on the East, by Sangli and Kolhapur district on the south and by the district of Ratnagiri and Raigad on the west. The district has an area of 10,844 sq. kms out of which the area of 2,280 sq. kms is located in the urban and 8,204 sq. kms. in rural area.

The average rainfall in the District is 1,426 mm. minimum temperature is 11.6 °C while maximum temperature is 37.5 °C. Out of total 10,844 sq. kms. area, the area under cultivation is 1,89,000 hectares and the area under forest is 1,42,000 hectares.

Sahyadri and Shambhu Mahadeo are the two main hill ranges spread in the district. Sahyadri-range runs in the North-South direction and the Shambhu Mahadeo range stretches from North-East to South-Eastwards. Mahabaleshwar and Panchgani are important hill stations in the district. Mahabaleshwar is the highest point [1,496 metres] in the district. The district is divided into three natural regions:-

A] Western Zone - The hilly area where there is heavy rainfall and people live hard life in hilly tracks, [Talsas of Patan, Jawali, Mahabaleshwar and Wai]. The climate is cool and even.

B] Central Zone -The area of Krishna river basin which has black alluvial soil and people live comfortable life [Tahasils of Karad, Satara and Koregaon] the climate is dry and healthy.

C] Eastern Zone - Here is very small rain fall in the east of the District, [Tahasils of Khandala, Phaltan, Man and Khatav] Climate is hot and dry.

Krishna is the main river in the district other important rivers are Koyana , Neera ,Man ,Venna ,Kudali ,Urmodi, Vasana,Yerala and Tarali. The large Koyana Dam is constructed on Koyana River at Koyananagar in Patan Tahasil. Other important Dams are Dhom in Wai Taluka on Krishna River, Kanher in Satara Taluka on Venna River, Khodshi in Karad Taluka and Veer at Vathar on Neera River.

4.2.4.2 Banking Business in Satara District

1] Joint Stock Banks in Satara District as on 31st Dec.1958

Till the beginning of the present century there was not a single banking organization in the Satara District. The first bank to be established at Satara was the Satara Swadeshi Commercial Bank, Ltd. It was established on the 20th August 1907. Since that date there was a gradual development of banking organizations in the district. At present [i.e. by the end of 1958] there are fourteen joint stock banks in this district. Out of them eight are the branch –offices. Of the banks which have got their registered offices outside the district. The names of all banks in the district, their location and the years of their establishment are given below:-

Table 4.11**Table Showing Joint Stock Banks In Satara District**

Name of the Bank	Location of Branch
The State Bank of India	Satara
The State Bank of India	Phaltan
The State Bank of India	Karad
ICICI Bank of India, Ltd.	Satara
ICICI Bank of India, Ltd.	Lonand
ICICI Bank of India, Ltd.	Phaltan
The Bank of Karad	Karad
The Bank of Karad	Satara
The Phaltan Bank, Ltd.	Phaltan
The Satara Swadeshi Commercial Bank,Ltd	Satara
The Bank of Aundh, Ltd.	Aundh
The Bank of Aundh, Ltd.	Ogalewadi
The Sangli Bank, Ltd.	Karad
The New Citizen Bank of India	Lonand

All these banks including the state Bank of India provide the usual banking facilities to the public including the financing of trade and agriculture and storage and movement of agriculture produce. Besides these banks, there are several urban co-operative bank which operate in the district. But the facilities afforded by them are limited. The Satara District central co-operative bank which was established in 1951, confines its activities to the co-operative field .

The main object of many of the joint-stock banks such as the bank of Aundh or the bank of Phaltan is to encourage the habit of banking especially in rural area and to cater to the needs of the public through its offices. The branches of the banks, are situated in the rural parts of the district that are financially very poor .

2] Urban Co-operative Banks in Satara District

Karad Urban co-operative Bank is the first urban co-operative Bank established in Satara district in 1917. At that time its share capital was Rs. 51,000 and it has 51 share holder. 39 Urban co-operative Banks are working in year

1948-49 with 10,443 members. Later on it become 46 in year 1961. Following table shows the statistics of co-operative societies at the end of year 1961.

Table 4.12

Table Showing Urban Co-operative Credit Societies in Year 1961 Of Satara District .

Particulars	Figure
Urban co-operative Bank	5
Urban co-operative Credit Society	12
Employers co-operative credit Society	25
Other Co-operative credit Society	4
Total Membership	18,675
Share Capital [Rs.]	20,64,000
Reserve and Other funds [Rs.]	11,13,000
Deposits [Rs.]	73,56,000
Loans rendered [Rs.]	1,13,98,000

Source: - The District Gazetteer Satara. 1999.

The number of urban co-operative bank has increased from 5 to 15 since 1961 to 1983. The urban co-operative banks in Satara district works with specific objectives as, providing finance for capital, Education, purchase of assets and for agriculture. The growth of urban co-operative banks in Satara district has show in following table :

Table 4.13

Table Showing the Growth of Urban Co-operative Bank in Satara District.

Particulars	1982-83	1992-93	1995-96
No. of Urban Co-operative Bank.	15	16	22
Members	72,991	1,40,148	1,83,667
Paid up Capital	24,118	99,397	1,48,742
Reserve funds	9,680	58,614	85,980
Other funds	20,750	1,21,890	1,78,193
Deposits	2,92,742	16,84,052	33,13,520

Loans and Advances	2,44,058	14,90,702	27,50,658
Overdue	20,124	1,38,453	1,68,777
Profit	7,644	34,528	37,511

Source: - The District Gazetteer Satara, 1999.

3] Satara District Central Co-operative Bank.

The Satara district central co-operative bank acts as a central co-operative bank of Satara district and plays very important role in providing finance to co-operative sector, agriculture sector, common rural and urban people. The Satara district co-operative bank provides finance to all types of co-operative societies. Table 4.14 shows the growth of the Satara district central co-operative bank.

Table 4.14

Table Showing Growth of District Central Co-operative Bank.

Particulars	1951	1961	1971	1981	1990-91	1996-97
Share capital	1.81	26.68	91.41	173.27	446.68	1,226.68
Reserve fund	0.25	3.65	41.80	216.32	700.27	2,890.65
Deposits	8.72	134.66	590.12	2,663.38	17,450.19	48,653.38
Loans and Advances	6.01	109.67	1,022.80	1,593.20	4,833.31	40,822.24
Loan recovery [%]	—	87.60	76.80	52.90	—	95.30
Members	1966	2,708	3,245	3,236	4,335	4,701

Source: - The District Gazetteer Satara, 1999.

4] Co-operative Credit Institutions of Satara District.

Co-operative credit institutions of Satara district can be classified in to 5 groups as district central bank, Primary Agricultural Co-operative credit society, Vikas Seva society, Urban co-operative Bank and Salary earners and Urban co-operative credit societies. The number of co-operative credit institution in Satara district at the end of year 1996 has shown in table 4.15.

Table 4.15

**Table Showing Co-operative Credit Institutions of Satara district
on 31st March 1996 .**

Institutions	Numbers.
District Central Co-operative Bank	1
Primary Agricultural Co-operative Credit Societies.	858
Vikas Seva societies	3
Urban Co-operative Bank	22
Salary earners and Urban co-operative societies.	728
Total	1,612

Source: - The District Gazetteer Satara, 1999.

4.3 Banking Movement in Wai Taluka.

4.3.1 Geographical Background of Wai Town

Wai taluka is an ancient and well-known taluka in Satara district of Maharashtra. This region, part of upper Krishna river basin, lies between 17° 45' N to 18° 5' N latitudes and 73° 35' E to 74° 5' E longitudes. Territorially, Wai taluka is bordered by district Pune to its North–West, taluka Khandala to its North–East, taluka Koregaon to its East, taluka Satara to its south–East, taluka Jaoli to its south, taluka Mahabaleshwar to its south-west and taluka Mahad of district Raigad to its west.

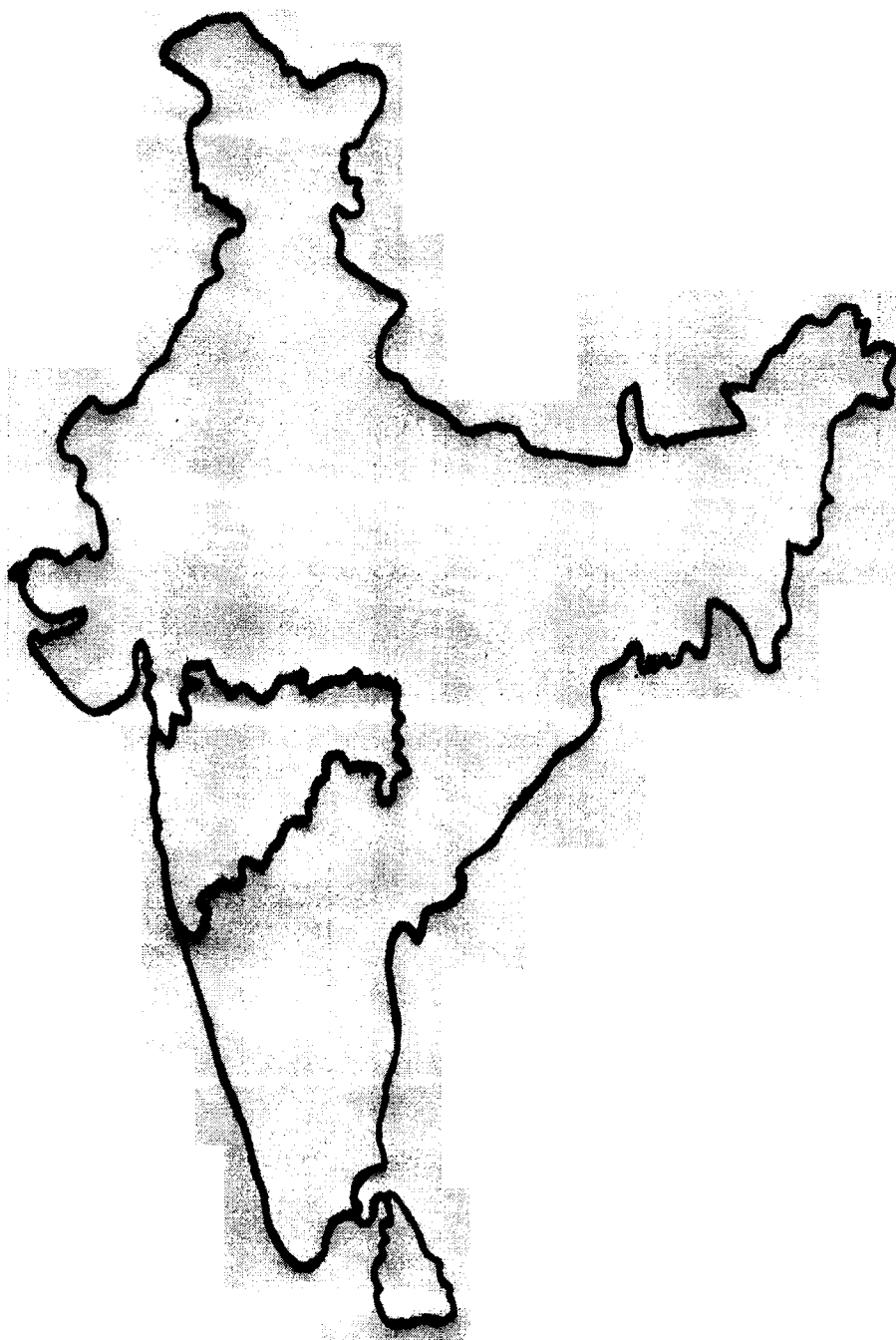
Administratively, Wai taluka is divided into 153 villages and Wai is the taluka headquarter, market place and educational centre. There are 103 Gram Panchayats in Wai taluka.

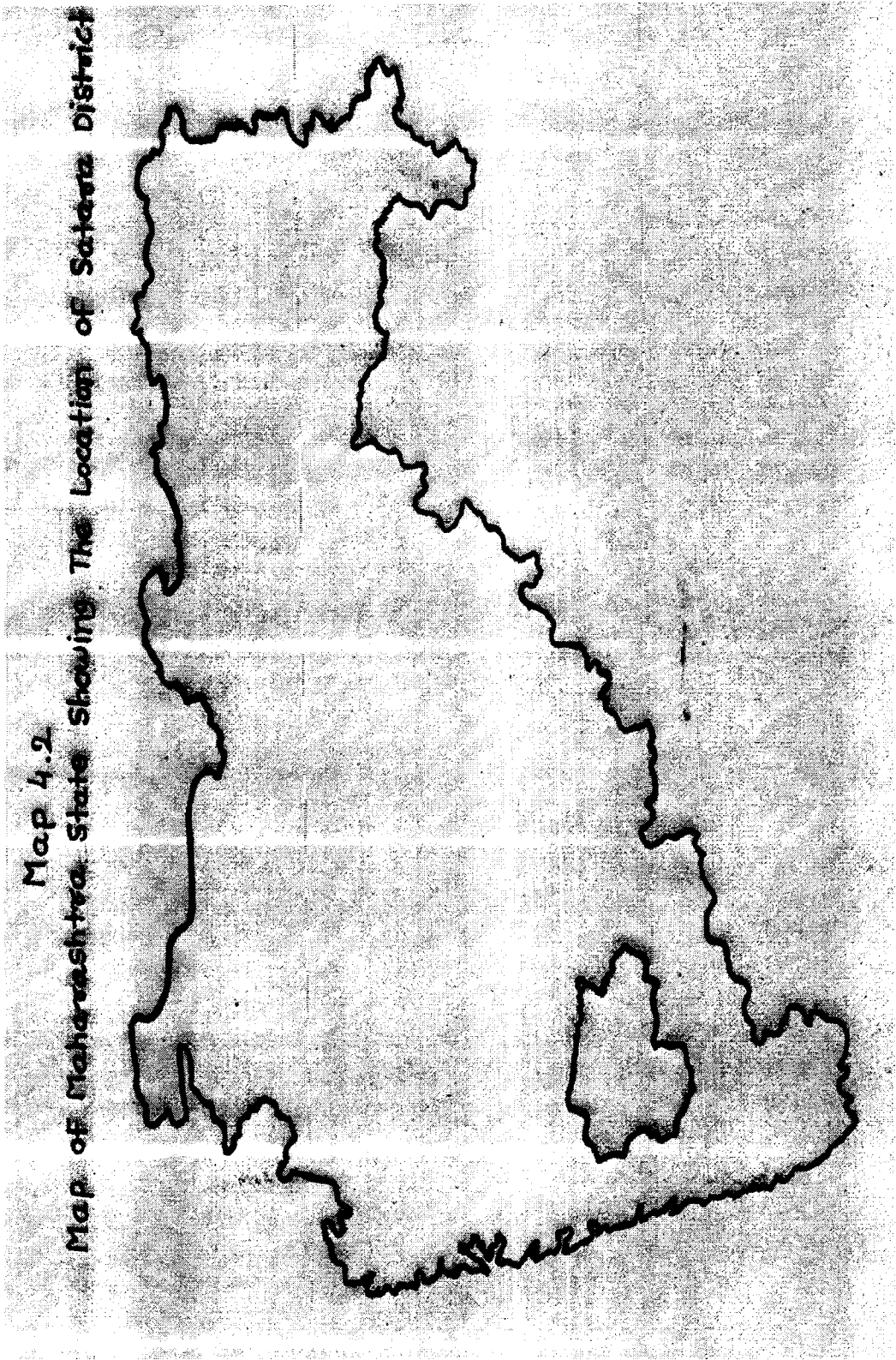
Wai taluka is located in the north–western part of Satara district. Geographical area of Wai taluka is 59,810.96 hectares of the total area of Satara district. According to the 2001 census, the total population of Wai taluka is 1,89,296. Over 60 percent of the population of this taluka is employed in agricultural sector. The literacy percentage of the population is about 58.07 percent.

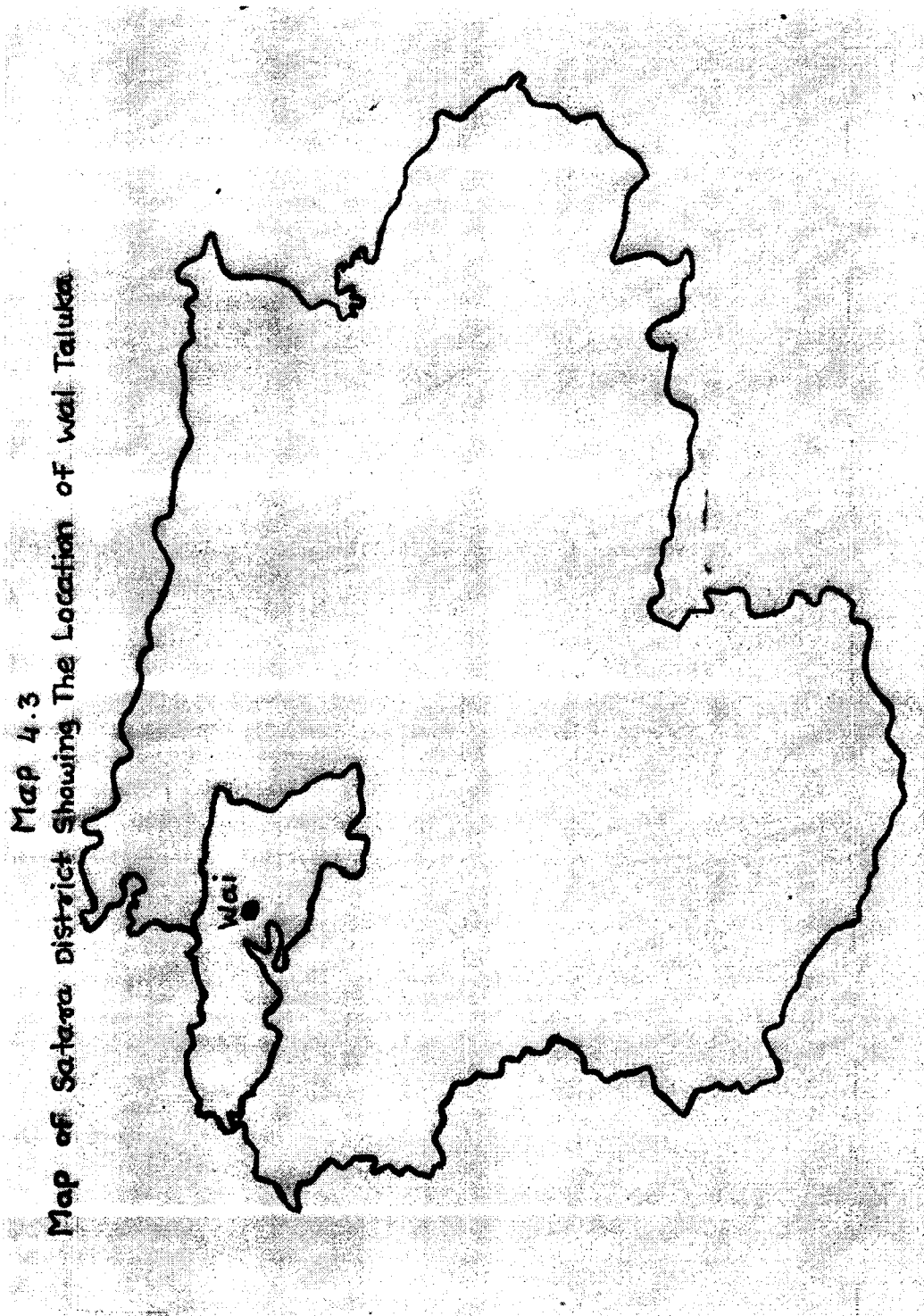
Wai Taluka can be climatically classified into following two zones.

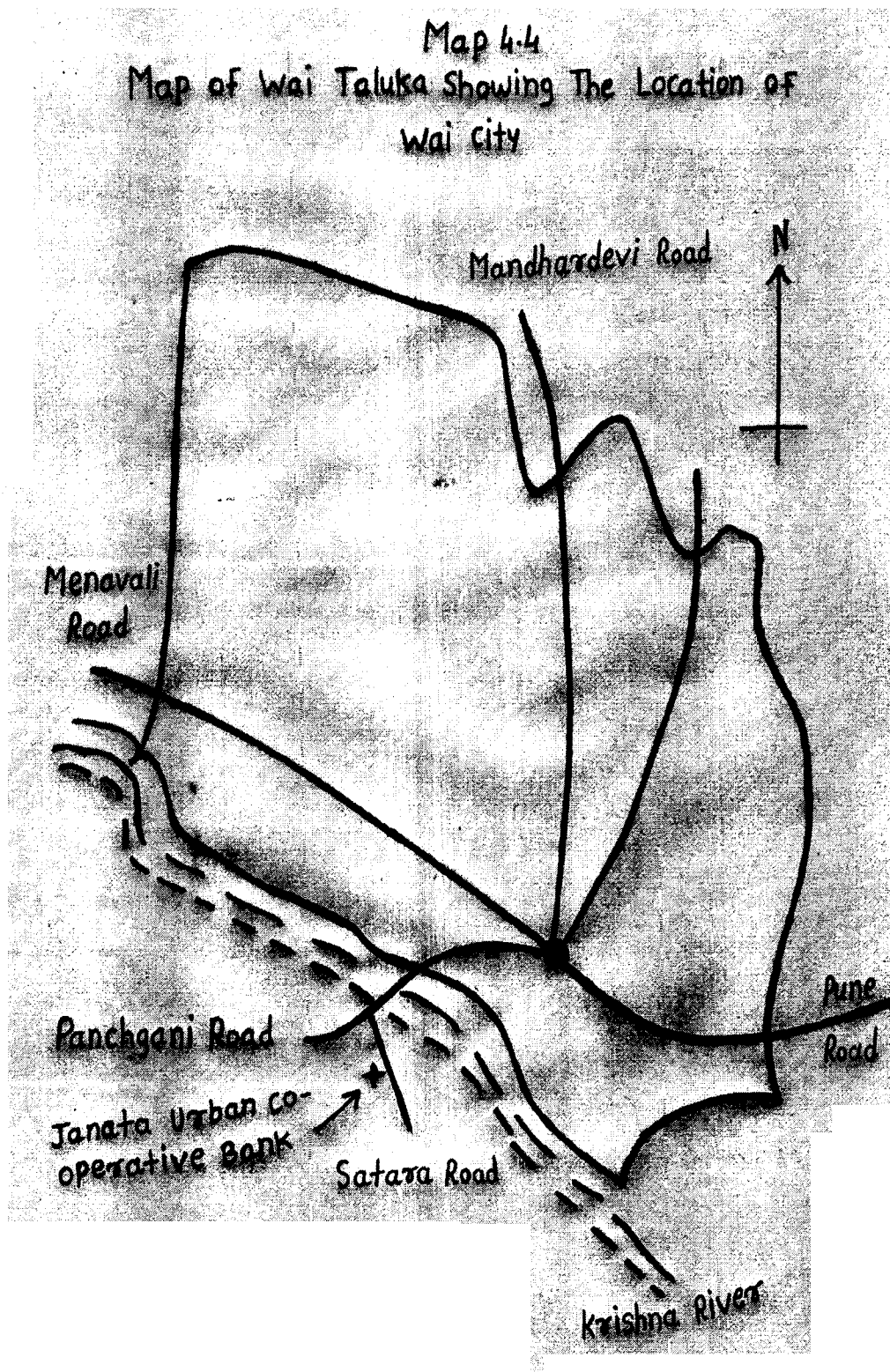
Map 4.1

Map of India Showing The Location of Maharashtra State









A] *Western Zone:* This is the wet and humid climatic area with steep slopes and narrow valleys covered by dense forest. The area receives 360 cms [145"] rainfall per year.

B] *Eastern Zone:* This is the dry climatic zone receiving 65 cms [25"] and less rainfall per year [Panchayat, 1995-96].

The main industry being agriculture, from the socio-economic point of view, Wai taluka is rural. Geographically, it is in the basin of river Krishna and the terrain is hilly. Yet the taluka is fairly modernized in terms of amenities like roads, electricity, drinking water, education and primary health. The Dhom Dam built on the river Krishna in 1976 has assured water supply to the farms and, therefore, the agricultural produce is comparatively high [Pandit, 1987]. Besides, Maharashtra Industrial Development corporation has started its unit in Wai. Therefore, the industrial production in this taluka is gradually increasing and the employment opportunities in non-agricultural sector are also increasing.

4.4 Banking Business in Wai Town.

To fulfill the credit requirements and giving financial support to commercial firms, various banks started their Banking Business in Wai town. These Banks provide efficiently and satisfactory facilities such as mobilization of deposits, advancing loans, Banking function, agency services and other necessary facilities.

Today there are 12 banks working in this town. Out of this, there are 5 commercial banks, 7 co-operative banks and 24 co-operative credit societies working in the banking field.

The following is the list of banks and credit co-operative societies working in Wai Town.

4.4.1. Scheduled Commercial Banks :

- 1] State Bank of India [SBI] – Wai Branch.
- 2] Bank of Maharashtra - Wai Branch.
- 3] Industrial credit and Investment corporation of India [ICICI] – Wai Branch .
- 4] Industrial Development Bank of India [IDBI] –Wai Branch .
- 5] Bank of India – Wai Branch.

4.4.2 Co-operative Banks:

- 1] Janata Urban Co-operative Bank Ltd., Wai.
- 2] The Wai Urban Co-operative Bank Ltd., Wai.
- 3] Satara District central co-operative Bank Ltd., Wai.
- 4] Prathamik Shikshak Sahakari Bank Ltd., Wai.
- 5] Land Development Co-operative Bank Ltd., Wai.
- 6] Chaitanya Urban Co-operative Bank Ltd., Wai.
- 7] Harihareshwar Urban Co-operative Bank Ltd., Wai.
- 8] Sainik Co-operative Bank Ltd., Wai.

4.4.3. Co-operative Credit Societies.

A] State Level Functioning Urban Co-operative credit societies.

1. Shri Dnyaneshwari Co-operative credit societies Ltd., Wai

B] District level Functioning Urban Co-operative credit societies.

1. Krishnai Co-operative credit societies Ltd., Wai.
2. Shri Ganesh Nagari Co-operative credit societies Ltd., Wai

C] Tahsil Level Functioning Urban Co-operative credit societies.

1. Bhagyoday Nagari Co-operative credit societies Ltd., Wai
2. Indira Mahila Nagari Co-operative credit societies Ltd., Wai
3. Laxman Ravaji Patil Nagari Co-operative credit societies Ltd., Wai
4. Chaitanya Nagari Co-operative credit societies Ltd., Wai.
5. Bhairavnath Nagari Co-operative credit societies Ltd., Wai
6. Mahalaxmi Co-operative societies Ltd., Wai
7. Phule Ambedaker Nagari Co-operative societies Ltd., Wai
8. Viratnagri Co-operative societies Ltd., Wai

9. Shilpakar Co-operative credit societies Ltd., Wai
10. Shivtej Nagari Co-operative societies Ltd., Wai
11. Shri Bhadreshwar Nagari Co-operative societies Ltd., Wai
12. Suvarn Nagari Co-operative societies Ltd., Wai
13. Shri Sadguru Dnyaneshwar Rural Non -Agricultural Nagari Co-Operative societies Ltd. Waygon Shahbag.
14. Kalptaru Co-operative societies Ltd., Wai
15. Samarth [Navdip] Rural Non -Agricultural Nagari Co-operative society's Ltd., Wai.
16. Dhanlaxmi Nagari Co-operative societies Ltd., Wai
17. Bhagini Nivedita Mahila Co-operative societies Ltd., Wai
18. Utkarsh Nagari Co-operative societies Ltd., Wai
19. Suyog Nagari Co-operative societies Ltd., Wai
20. Kisan Nagari Co-operative societies Ltd., Wai
21. Hidayat Nagari Co-operative societies Ltd., Wai
22. Abhinav Rural Non-Agricultural Co-operative credit societies Ltd . Shah bag.

4.5 Profile of Janata Urban Co-operative Bank Ltd, Wai.

4.5.1 Introduction

Janata Urban Co-operative Bank Ltd, is leading urban Co-operative Bank in Wai city, established in year 1983 as 'Shramik Sahakari Pathsanstha' . The Shramik Sahakari Pathsanstha carried on its business successfully for 15 years as Co-operative credit society later on it is converted into Urban Co-operative Bank. Today Janata Urban Co-operative Bank Ltd, completes 11 years as a bank and performing its functions successfully and efficiently .

The purpose of this chapter is to highlight the profile of Janata Urban Co-operative Bank Ltd, Wai. The profile of Janata Urban Co-operative Bank can be trace out in three stages as follows:

1. Initial stages [13-06-1983 to 05-03-1998]
2. Conversion stage [5-03-1998]
3. Current Stage [As on 31-3-2007 -08]

4.5.2 Initial Stage [13-06-1983 to 05-03 -1998]

4.5.2.1 Inception

Janata Urban Co-operative Bank established on 13th Jun. 1983 as Co- operative credit society. Initially it is named as 'Shramik Co-operative credit society'. The main source of spirit behind the establishment of Shramik Sahakari Pathsanstha was Shri Shamrao Genu Karne and Shri Sureshrao Dinakar Korade. The main objects behind establishment of the society was to provide finance to small industries, entrepreneurs and farmers, to achieve development by saving and to restricts the trap of private money lenders. Shramik Sahakari Pathsanstha Ltd was established as per Maharashtra Co-operative society act 1960 and its rule 1961. For while establishing the society Contemporary assistant co-operative registrar Shri Gadhave and his other colleague Shri Kakade and Shri Tarade provides valuable guidance .

Shramik Sahakari Pathsanstha is 12th Co-operative credit society established in rank since 1920 in Wai taluka. Initially Janata Urban Co-operative Bank established as an urban Co-operative credit society and its name was 'Shramik Sahakari Pathsanstha'. As the word Shramik involved in name of Pathsanstha, a since as, Pathsanstha confined for labours only has been spread in peoples of Wai taluka. But the objectives of pathsanstha has broad and covers whole part of society. So it was decided to change the name of pathsanstha as "Janata Sahakari Pathsanstha Ltd., Wai". On 23rd July 1989. Later on pathsanstha has been converted into bank on 5th March 1998 as per RBI resolution dated 13-01-1998.

4.5.2.2 Objectives of Janata Urban Co-operative Bank.

As per Bye-laws of the Bank, the main objectives of the Bank are as follows:

- 1] To inculcate in members, habits of economy and co-operatives.
- 2] To accept deposits from members and non-members under various deposits schemes like current, saving, fixed, shram unnati scheme.
- 3] Advancing loans to nominal members on mortgage of gold and other ornaments or on other securities.
- 4] To make any business which is approved by central Government and Registrar for co-operative banks as per the Act.
- 5] To make other transactions as per banking Regulation Act 1949, section 6 [i]

6] To open the branches of the bank in their area of operation after the permission and approval of Registrar.

7] To raise the capital by sources given in section 3 of Bye-laws and advancing short-term loans to members with minimum rate of interest.

8] To draw, accept, endorse, buy, sell, negotiable inland, bill of exchange, promissory notes, drafts, bills receivable, railways receipt, guarantee cards, warrants, shares and debentures of other institutions.

Initially the area of operation restricted to Wai taluka. Later on the area of operation extended to satara district.

Register address of the bank is 2408 B, Songirwadi, and Wai District - Satara.

4.5.2.3. Location of the Bank

Janata Urban Co-operative Bank Ltd, Wai is located in Songirwadi of the Wai town. The building of Janata Urban Co-operative Bank Ltd, situated behind Wai city post office and in front of Wai Panchayat Samiti. Today this place can be regarded as centre of Wai city. This place is ideal of both customers living in Wai city and customers out of Wai city.

The Bank is having one head office and three branches situated at Pachwad, Surur, Wai M.I.D.C. There are five schedule commercial banks, 7 Urban Co-operative Banks and around 50 co-operative credit society in Wai taluka. In spite of the competition 'Janata Urban Co-operative Bank Ltd, Wai'. Has been popular in the peoples of Wai taluka.

4.5.2.4 Founders of the 'Janata Urban Co-operative Bank Ltd, Wai'.

Following table shows elected initial board of directors of 'Janata Urban Co-operative Bank Ltd, Wai'.

Table 4.16

Board of Directors as on 13th June 1983.

Sr. No.	Name of Board of Directors.	Designation
1.	Shri Shamrao Genu Karne.	Chairman
2.	Shri Sureshrao Dinakar Korade.	Vice – chairman
3.	Shri Krushnarao Balavant Farande.	Director.
4.	Shri Uttam Genu Ethape .	Director.
5.	Shri Jayprakash Mahadev Kharat.	Director.
6.	Shri Anandrao Laxman Lole .	Director.
7.	Shri Rajabhau Ramchandra Dhumal .	Director.
8.	Shri Vasantrao Baburao Khaire.	Director.
9.	Shri Kondiram Ramchandra Ghodake .	Director.

4.5.2.5 Progress of Shramik Co-operative Credit Society:-

At the end of first year there were 953 members of the society and society collects rupees 3,250 as share capital. Latter as time passes the society shows a progress and creates different conditions in the Wai taluka's economic environment .At the end of year 1987-88 the financial position of the society was as follows:

Table 4.17

Financial Position of the Society for the Year Ended 1987 and 1988

Particulars	1986-87	1987-88
Share holders	1,120	1,120
Share capital	Rs. 62,000	Rs. 87,000
Deposits	Rs. 2,10,000	Rs. 3,42,000
Loan	Rs. 2,34,000	Rs. 3,89,000
Working Capital	Rs. 2,85,000	Rs. 4,42,000

The above table shows the financial position of society at the end of two years. It clear from table that there was no increase in number of share holders during these two years. But share capital of society increased by Rs. 25,000. The amount of loans rendered and deposit collected shows increased of Rs. 1, 55,000 and Rs.1, 32,000 respectively. The net working capital of society also increased by Rs. 1, 57,000.

Initially society performs several banking functions such as accepting fixed deposits and lending loans. But society doesn't provide facility of saving bank account. Since 4th Jan 1992 society started saving bank account facility. On 26th Jan 1994 society established a new branch at Surur. This village is situated on National Highway No.4, Bangalore road. It can be regarded as milestone in the life of society. In same year, society started to use computer for accounting purpose. On 26th Jan 1997 society opened second branch at Pachwad.

4.5.3 Conversion Stage [05-03-1998]

4.5.3.1 Introduction

As time passes Society expands its business, make remarkable progress and so credit society from of business imposes restrictions on the activities of societies and so the need of conversion of society into bank has been felt. In year 1996-97 board of directors started attempts to convert Pathsanstha into bank. Proposals for conversion have been sent to RBI in year 1997. To earn permission from Assistant deputy registrar an application has been sent during year 1997. The Assistant deputy registrar gives permission for conversion on 12th Feb1998. After that an extra ordinary general meeting has been held on 22-03-1998 and the resolution has been passed in the same meeting regarding conversion of Pathsanstha into bank. After completing all legal procedure on 05-03-1998 the Pathasanstha has been registered as Urban Co-operative Bank in the record of Co-operative department. RBI permitted to start banking business from 14th July 1998. On 14th July 1998 Pathasanstha recognized as Urban Co-operative Bank. On 1st May 1998 Bank achieve another mile stone by establishing third branch in Wai taluka at Wai M.I.D.C.

4.5.3.2 Board of Directors [as on 5th March 1998] at the time of Conversion.

The sincere efforts of contemporary the chairman and board of directors of society as well as Shareholders leads to conversion of Society into Bank. Following are the board of directors at the time of conversion

Table 4.18

Table showing Board of Directors at the time of Conversion

Sr. No.	Name of Board of Directors	Designation
1]	Shri Sureshrao Dinakar Korde	Chairman
2]	Shri Narayan Ramchandra Ghodake	Vice-chairman
3]	Shri Krushnarao Balavant Pharande	Director
4]	Shri Laxman Ganapati Bulunge.	Director
5]	Shri Jayprakash Mahadev Kharat.	Director
6]	Shri Pramod Mohandas Shah.	Director
7]	Shri Sayyadlatif Nisar Husen Inamder.	Director
8]	Shri Ram Vithoba Kale.	Director
9]	Shri Balasaheb Bhikoba Sapakal.	Director
10]	Shri Khialakumar Megharaj Chavalani.	Director
11]	Shri Ramchandra Nana Lokhande.	Director
12]	Shrimati Bhagyashree Uttam Ethape.	Director
13]	Shrimati Krishnabai Narayan Raje.	Director

4.5.3.3 Financial Position at the Time of Conversion:

Society has been converted in to urban co-operative bank in year 1998. Here to highlight the position at that time 3 years information has been presented in table No. 4 .19

Table 4.19**Table Showing Financial Position at the Time of Conversion.**

Sr. No.	Particulars	Year 97-98	Year 98-99	Year 99-2000
1	Authorized share capital	1,00,00,000	1,00,00,000	1,00,00,000
2	Subscribed and paid up share capital	49,02,100	50,10,600	51,20,800
3	Deposits	1,79,96,214.51	3,86,47,036.43	6,86,02,021.77
4	Loans	1,87,73,597.00	3,47,28,910.00	5,40,08,971.00
5	Reserve and surplus	12,35,590.92	15,64,641.81	18,75,446.64
6	Insurance	25,66,010.00	69,20,010.00	2,00,31,258.00
7	Shareholders	1,964	2,117	2,297
8	Profit	5,99,758.09	7,52,744.69	16,53,503.02
9	Working capital	2,52,31,171.89	4,78,48,223.25	7,96,23,425.43
10	Audit class	A	A	A

Source: - Annual Reports of the Bank.

Table 4.19 shows the financial position of bank for year 97-98, 98-99 and 99-2000 This table reveals the positive progress of bank during the three years.

4.5.3.4. Progress of Bank

As Pathsanstha converted into bank, bank shows substantial progress and record a growth of 125%. In year 2000 bank purchases own buildings for Pachwad and Wai MIDC branch and achieve another mile stone. In the same year, bank has initiated and introduced safe deposit-lockers service to Customers at Pachwad branch . In year 2001 –2002 bank has computerized all its branches and all transaction has been recorded on computers. As bank complete three years on 31st March 2003 bank achieved a big stage and record a thrice increase in loans and deposits. On completion of 20 years in 2003 bank's head office and main branch transferred in its own three floors newly build up buildings. In same year bank initiated demand draft facility in 167 big cities all over India with the joint collaboration of I.C.I.C.I. bank. In year 2006-07 bank completed successful 25 years.

4.5.4 Current Stage (As on 31-03-2008)

Janata Urban Co-operative Bank Ltd., Wai has completed successful 25 years on 31st March 2008. Bank has made tremendous progress between these 25 years. Financial position and various aspects of the bank have been presented in following points.

4.5.4.1 Membership

There are two type of share holder. First type of share holder is known as 'Regular member' & Second type of share holder are known as 'Nominal Shareholder'. The regular members are those shareholder who possess minimum ten share of the Bank and who board of directed recognize as member of the bank. Nominal shareholders are the generally guarantors for the loan. Memberships of such shareholder are cancelled as the repayment of loan. Table no.4.20 shows the membership of Janata Urban Co-operative Bank for the ten years.

Table 4.20

Table Showing Membership of Janata Urban Co-operative Bank.

Year	Regular Member
1998-1999	2,117
1999-2000	2,297
2000-2001	2,513
2001-2002	2,702
2002-2003	2,913
2003-2004	3,810
2004-2005	4,096
2005-2006	4,225
2006-2007	4,361
2007-2008	4,479
Total	33,513

Source: - Annual Reports of the Bank.

The above table shows that there is an overall increase in membership. It tells us that the bank has been becoming popular day by day due to its remarkable progress. On the other hand nominal membership is given for particular purposes and therefore, the strength of nominal membership has always been variable.

4.5.4.2 Share Capital

The financial position of Urban Co-operative banks depends upon their ability to raise the share capital. It is therefore, expected that the membership of Urban Co-operative bank should contribute regularly to the Share Capital.

Table 4.21

Table Showing the Position of Authorized and Paid-Up Capital in Last Ten Years.

Year	Authorized Capital(Rs)	Paid Up Capital (Rs)	Growth Rate of Paid Up Capital
1998-1999	1,00,00,000	50,10,600	2.21
1999-2000	1,00,00,000	51,20,800	2.20
2000-2001	1,00,00,000	54,94,500	7.30
2001-2002	1,00,00,000	61,73,200	12.35
2002-2003	1,00,00,000	67,67,200	9.62
2003-2004	1,00,00,000	77,89,900	15.11
2004-2005	1,00,00,000	85,43,300	9.67
2005-2006	1,00,00,000	92,89,900	8.74
2006-2007	1,25,00,000	1,02,56,700	10.41
2007-2008	1,25,00,000	1,13,32,700	10.49

Source: - Annual Reports of the Bank.

The above table shows that authorized capital of the bank increased from Rs. 1,00,00,000 to Rs.1,25,00,000 during the period under study. Bank's authorized capital since 2006-07 is Rs. 1,25,00,000 representing 1,25,000 Shares of Rs.100 each.

The paid up capital has also been raised from 50,10,600 in 1998-99 to Rs. 1,13,32,700 in year 2007-08. It recorded nearly about 2 fold increases within a period of 10 years.

4.5.4.3 Deposits

Accepting deposits is one of the main functions of the bank so bank concentrates on collecting maximum deposits by opening new branches and introducing attractive schemes.

Table 4.22
Table Showing the Growth in Deposits

(Rs in lakhs)

Year	Amount of Deposits	Percentage of Increase In Deposits
1998-1999	386.47	114.75
1999-2000	686.02	77.51
2000-2001	1,044.03	52.19
2001-2002	1,332.42	27.62
2002-2003	1,498.84	12.49
2003-2004	1,800.86	20.15
2004-2005	1,961.62	8.93
2005-2006	2,369.01	20.77
2006-2007	2,800.49	18.21
2007-2008	3,037.43	8.46

Source: - Annual Reports of the Bank.

Above table shows that total deposits increased from Rs. 386.47 lakhs in 1998-99 to Rs. 3,037.43 lakhs in 2007-08. They recorded nearly 8 fold increase within a period of 10 years

4.5.4.4 *Loans and Advances*

This is one more important function of the bank. According to bye-laws No.36 (B) the bank advances loans to its members and non-members for productive and non-productive purposes.

Table 4.23
Table Showing Loans and Advances of the Bank.
(Rs in lakhs)

Year	Amount of Loans and Advances (Rs)	Percentage of Increase In Loans and Advances
1998-1999	347.29	45.94
1999-2000	540.09	35.70
2000-2001	774.85	30.30
2001-2002	1,010.99	23.36
2002-2003	1,103.48	8.38
2003-2004	1,210.29	8.83
2004-2005	1,316.74	8.08
2005-2006	1,622.50	18.85
2006-2007	1,879.92	13.69
2007-2008	2,172.33	13.46

Source: - Annual Report of the Bank.

The above table tells us that loans and advances of the bank increased from Rs. 347.29 lakhs in 1998-99 to 2,172.33 lakhs in 2007-08. They recorded nearly about 6 fold increase within a period of 10 years.

4.5.4.5 Working Capital

The working capital is an important aspect of any bank. It reflects on the turnover and financial position of the bank. The following table shows the position of working capital of the bank during the period under study.

Table 4.24
Table Showing Position of Working Capital.
(Rs in lakhs)

Year	Working Capital (Rs)	Percentage of Increase in Working Capital
1998-1999	478.48	89.64
1999-2000	793.23	65.78
2000-2001	1,195.45	50.71
2001-2002	1,506.11	25.99
2002-2003	1,761.88	16.98
2003-2004	2,046.46	16.15
2004-2005	2,242.95	9.60
2005-2006	2,700.55	20.40
2006-2007	3,192.64	18.22
2007-2008	3,493.94	9.44

Source: - Annual Reports of the Bank.

The above table shows that the amount of working capital increased from Rs. 478.48 lakhs in 1998-99 to Rs. 3,493.94 lakhs in 2007-08. It recorded 7 time increase during the period of 10 years. Table 4.24 also shows the percentage of increase in working capital per year.

4.5.4.6 Profits and Dividend Rate

The Surplus between income and expenditure is considered as profit of the bank. This profit is an indicator of efficiency and very much essential for the future development of the bank.

Table 4.25
Table Showing the Profits and Rate of Dividend

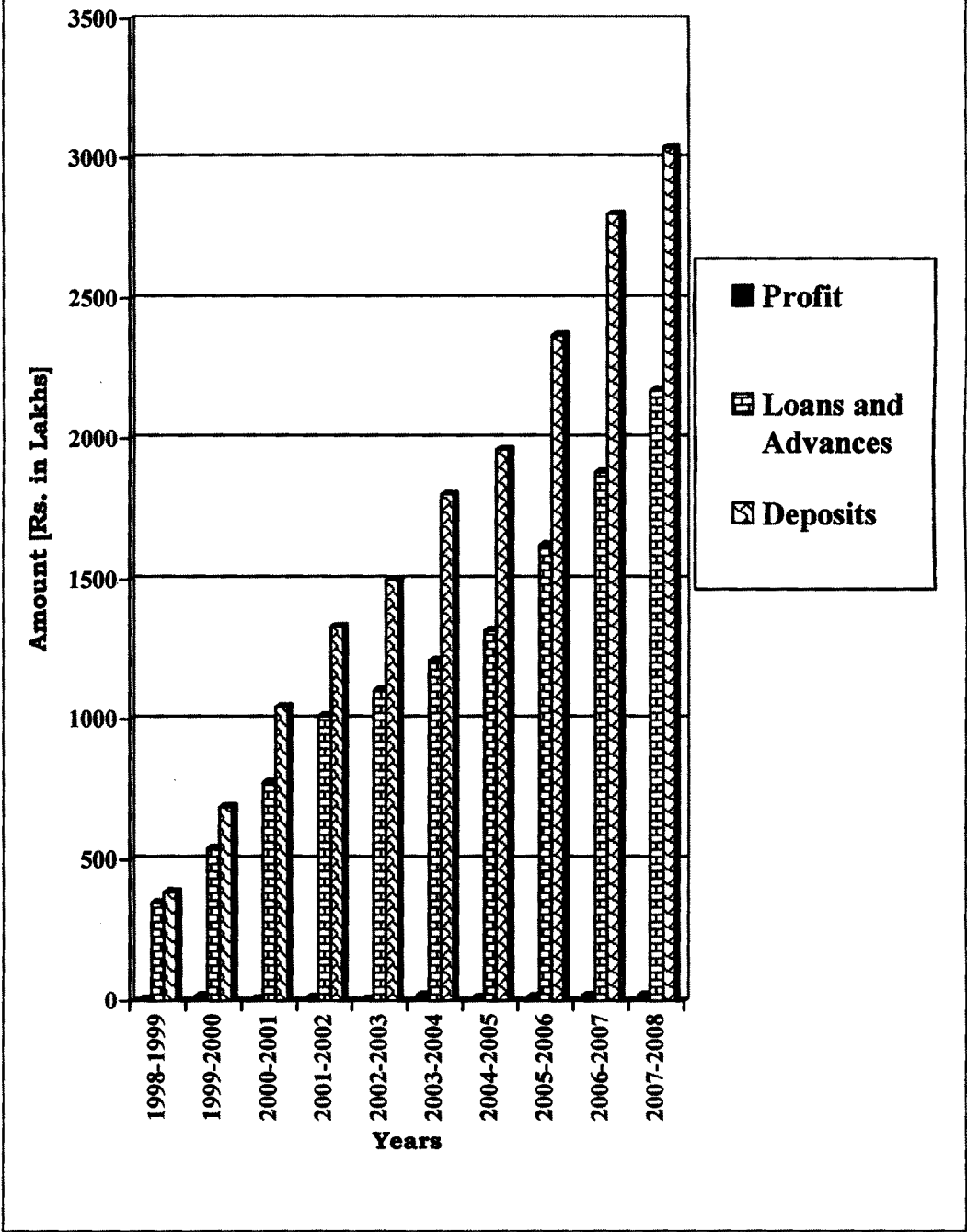
Year	Amount of Net Profit (Rs.)	Percentage of Increase in Net Profit	Dividend Rate (%)
1998-1999	7.53	25.50	10
1999-2000	16.54	119.65	10
2000-2001	8.29	-49.88	5
2001-2002	12.62	52.23	6
2002-2003	8.04	-36.29	6
2003-2004	21.31	165.05	8
2004-2005	10.65	-50.02	9
2005-2006	15.04	41.22	9
2006-2007	20.09	33.58	9
2007-2008	21.97	9.36	8.50

Source: - Annual Reports of the Bank.

The above table shows that the profit of bank increased from Rs.7.53 lakhs in 1998-1999 to Rs.21.97 lakhs in 2007-08. But the increase in profit show large variation during 10 years period.

Further this table also shows the rate of dividend of Janata Urban Co-operative Bank initially two years bank pays dividend at 10%. Latter on in third year it reduces to 5% and gradually increased up to 9% till year 2006-07. In year 2007-08 bank reduces the rate of dividend by 0.50% and pays dividend at the rate of 8.50%.

Graph 4.1
Graph Showing the Financial Position of Janata
Urban Co-operative Bank Ltd., Wai
During the period 1998-1999 to 2007-2008



4.5.4.7 Future Plan

Janata Urban Co-operative Bank Ltd., Wai, completed 25 years and achieves various milestones during these 25 years. Janata Urban Co-operative Bank Ltd., Wai has intended to make great progress during future periods. Following are the various areas in which bank projected future plans and want to achieve their object.

a) Functional area

Functional area of Bank as per its bye-laws is restricted to Western Maharashtra, though in last 25 years bank able to expand its business only in western part of Satara district. In future bank tries to reach at every district and taluka of western Maharashtra and that after bank tries to expand it's functional area to whole Maharashtra.

b) Locker Facility

In Wai city only three banks provides locker facility to it's customer. Janata Urban Co-operative Bank Ltd., Wai also intended to provide locker facility to it's customer. Necessary legal requirements for locker facility have been completed by bank, and with in a period of one year a bank goes to provide locker facility in Wai City. Bank already provides Locker facility at Pachwad branch.

c) ATM Facility

In Wai city State Bank, IDBI and Wai Urban Bank provide ATM services. Janata Urban Co-operative Bank in future also intended to provide ATM facility.

d) Social Services

Janata Urban Co-operative Bank Ltd., Wai has provided different Social Services not only to its customer but also to general people of society. Bank implements different Social Scheme with mutual help of Vaishnav charitable trust, Vyankateshwara charitable trust, Budhrani hospital, Pune. Social Schemes involve blood donation camp, eye checking camp etc. In future Bank constantly tries to provide Social Services and also tries to provide different Social Services.