

**CHAPTER - III**

**A PROFILE OF KOLHAPUR JANATA SAHAKARI BANK LTD., KOLHAPUR**

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### A PROFILE OF KOLHAPUR JANATA SAHAKARI BANK LIMITED, KOLHAPUR

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## CHAPTER - III

### A PROFILE OF KOLHAPUR JANATA SAHAKARI BANK LIMITED, KOLHAPUR

#### 3.1 INTRODUCTION :

After considering the all over banking system in India and about urban co-operative banks it is important to through light on the Kolhapur Janata Sahakari Bank Limited, Kolhapur in detail because, the same bank is taken as symbolical example for the study.

Kolhapur Janata Sahakari Bank Limited, Kolhapur is one of the successive banks in Kolhapur City. For the present study on customer services in bank it is important

to study the development of the Bank. It is studied with the help of following points.

### 3.2 INCEPTION OF THE BANK :

The urban co-operative Banks have increasingly popular in Kolhapur. Therefore, one more urban co-operative bank was established at Kolhapur for achieving the urban co-operative banking goals.

The main source of spirit behind the establishment of the Kolhapur Janata Sahakari Bank Ltd., Kolhapur was given by Late Shamrao Samant and Late Y. P. Powar. They were well known persons. They have well experience in urban co-operative banking sector. Late Sardar Bahaddur Daulatbahaddur Jadhav, Shri. Dr. V. H. Vaze, Shri. Ram Menon and Shri. R. J. Shaha also contributed the establishment and growth of the Bank.

Then the first General Meeting of Kolhapur Janata Sahakari Bank Ltd., Kolhapur was held on 17th Nov., 1960. According to the rules and regulations of Bombay Co-operative Societies Act, 1925, Section 7 of the Bank elected the First Board of Directors. The members of this Board was earliest promoters of the Bank. Therefore, the banking activities started with various important aims and objectives.



### 3.3 OBJECTIVES OF THE BANK :

As per the Bye-laws of the Bank the Objectives are :-

1. Prepare the minds of members in respect of self-dependence, saving and co-operation.
2. Accepting deposits from members and non-members under various deposit scheme like current, saving, fixed, recurring on the basis of refundable at call or after fixed period.
3. Granting loans to the members for improving their economic condition.
4. Advancing loans to members and non-members on mortgage or without mortgage as per direction of Registrar of Co-operative Societies.
5. To draw, accept, andorsee, buy, sell and negotiate in land, bills of exchange, promissory notes, drafts, bills of receivable, railway receipts, guarantee cards, warrants, shares and debentures of other institutes.
6. To issue letter of credit, traveller's cheques and circular notes.

7. To make transactions about foreign exchange.
8. To act as commission underwriting of stock, shares, debentures, bonds, promissory notes etc.
9. To buy and sell securities on behalf of customers.
10. To receive for safe custody, securities, ornaments and other valuables.
11. To provide the service of safe deposit vault.
12. To provide remittance facility.
13. To make transactions of insurance, guarantee, management, participation about the shares, stock and debentures of the State Government, Municipal Corporations, Co-operative and Other Institutions, Associations and Corporations.
14. To acquire land and construct a building for office and godown purpose of the Bank.
15. To make transactions of fully and partly secured properties which is acquired by Bank.
16. To establish the branches of Bank in the jurisdiction and out of jurisdiction of the Bank as per the licence from the Reserve Bank of India and Co-operative Department.

17. To acquire any co-operative society for the management purpose as per licence of Co-operative Department.
18. To provide pension scheme for the welfare of members and employees of the Bank.
19. Advancing loan to small-scale industries and finance for self-employment.
20. To make other transactions as per Banking Regulation Act, 1949 Section 6(1).
21. To act as an agent of the Reserve Bank of India or any other bank.
22. To buy and sell securities of the Central Government.
23. Acting as an agent of the Government Institutions, semi-Government Institutions and Other Institutions and to raise funds for them.
24. To make any business which is approved by Central Government for Co-operative Banks as per the Act.
25. Whichever business is necessary for progress of its object, do it.

Thus for achievement of above banking objectives of the Bank may open their branches or extension counters in their area of operation. The area of operation is Kolhapur district and registered address of the Bank is 511/C 2, 'E' Ward, Station Road, Kolhapur.

### 3.4 LOCATION OF THE BANK :

Kolhapur Janata Sahakari Bank Ltd., Kolhapur is located in commercial centre of the Kolhapur city, particularly known as Shahupuri. In Shahupuri area Station Road is the most important area for doing banking activities and the Bank is located at the same road. In this area there is a wide scope for commercial activities and so banking facilities are equal important in this area. The area is covered by a large number of commercial institutions. This area is crowded by automobiles, industries, transport, workshops and transport agencies, machine spare parts, hardware, vehicle show rooms, printing press, medical stores, electrical equipment stores, hospitals, bakeries, big hotels, colleges, high schools, Railway Station and Government Offices. There are a number of different types of banks viz. Nationalised Banks, Scheduled Banks, Urban Co-operative Banks and Kolhapur District Co-operative Bank also located in Shahupuri area.



Further the Shahupuri area also known as commercial centre of Kolhapur and so it is becoming important and useful to Bank doing its banking business successfully. There are various bank offices located nearer to Kolhapur Janata Sahakari Bank Ltd., Kolhapur. Urban Bank of India, Dena Bank and most of the co-operative banks also located nearby this Bank viz. Ichalkaranji Janata Sahakari Bank Ltd., Ichalkaranji, The Kolhapur Urban Co-operative Bank Ltd., Kolhapur, The New India Assurance Co.'s branch office is also located nearby the Bank.

It is significant that Shahupuri area of Kolhapur is favourable to expanding banking business. It shows that the Bank has selected the very competitive place for its location.

### 3.5 GROWTH OF THE BANK :

The growth of the Kolhapur Janata Sahakari Bank Ltd., Kolhapur can be studied as under.

#### 3.5.1 GEOGRAPHICAL COVERAGE OF THE BANK :

As per the limit of the bye-laws of the Bank and licence from Reserve Bank of India, bank works like banking business in Kolhapur district only. The area of

Bank of ~~max~~ for banking business is Kolhapur district but upto this date Bank opens its all branches only in Kolhapur city area. Bank has opened 5 branches in Kolhapur city area at Rajarampuri, Laxmipuri, Ruikar Vasahat, Station Road and Shivaji Peth. For convenience of Kolhapurians, Bank has started day and evening service in Rajarampuri branch. Bank has wishes to open branches out of Kolhapur city area for to expand its operational area.

### 3.5.2 MEMBERSHIP :

In the bye-laws of the Bank the conditions for membership of the Bank are dectated. <sup>per</sup>As/the bye-laws No. 9 of the Bank individual over 18 years of age and competent to contract and domicile in banking area becomes the member of the Bank. Membership of the Bank is divided into two classes viz. Regular and Nominal. While giving 'Regular' Membership to anyone following classes are taken for consideration.

- i) No any criminal charge on him as individual or partner of Partnership Firm.
- ii) His business may not be competition for Bank's business.
- iii) He may not be employee of the Bank.

- iv) He may buy at least one fully called-up shares and whos application is sanctioned by the Board of Directors.

On the other hand 'Nominal Membership' is given to the person or who is giving personal guarantee to any loan holder, or who wants short term loan on mortgage of gold, silver, insurance bond, Government Debentures. They have to apply for 'Nominal Membership' in prescribed application form alongwith Rs. 5/- as admission fee and also they have to give 'Written Guarantee' that after finishing above contract they are ready to cancel the membership.

- i) He must be domicile in banking area.
- ii) Employee of the Bank become liable for Nominal Membership.
- iii) Any co-operative society is not liable to become the Nominal Member and they have no any right in respect of share certificate, dividend, to check the financial document and annual report or to attend Annual General Meeting, voting and participating in meeting work.

A person who intends to become member of the Bank is required to submit a prescribed application form along-with entrance fee duly attested by witness. The final power of admitting new members has been vested in the Board of Directors.

The following table indicates the position of membership during the period under review.

TABLE NO. 3.1

Table showing the Position of Membership  
from 1981-82 to 1985-86

Year.	Regular.	Nominal.
1981-82	7,339	4,036
1982-83	8,805	5,031
1983-84	9,486	5,870
1984-85	9,720	6,835
1985-86	10,235	7,995

Source : Compiled from Annual Report of the Bank.

The above table clearly indicates that regular membership increased continuously as 7,339 in 1982 to 10,235 in 1986. The average rate of growth of regular membership is 9,117. It means Bank is becoming popular day by day. Due to remarkable progress of the Bank, Kolhapurians are

wishing to become the member of urban bank. On the other hand, nominal membership is given for a certain particular purposes so the strength of nominal membership is always variable. While giving membership of both type, the Bank has followed the guidance of Reserve Bank of India in respect of membership policy.

### 3.5.3 SHARE CAPITAL :

Share capital is the basic point of urban co-operative banks. The authorised share capital of Bank is Rs. 10,00,000 divided into 40,000 share of Rs. 25/- in each.

Out of 40,000 shares in the first year only 1,000 shares are issued and paid-up fully. In the beginning period Bank has to fight with the number of problems. But after that the progress of the Bank are came into the mind of Kolhapurians and then they have given full response to purchase the shares of the Bank. The authorised capital of Rs. 10,00,000 of Bank is fully demanded upto 1981. After that it was raised upto - Rs. 20,00,000 divided into 80,000 shares of Rs. 25/- in each in the year 1982 as per the directives of Reserve Bank of India.

The share capital raised by the Bank during the period under review can be studied from the following table.

TABLE NO. 3,2

Table showing the Position of Authorised and Paid-up Capital

Y e a r.	Authorised Capital.	Paid-up Capital.
1981-82	20,00,000	9,78,450
1982-83	20,00,000	12,29,875
1983-84	20,00,000	14,86,150
1984-85	20,00,000	16,86,700
1985-86	20,00,000	19,29,025

Source : Compiled from Annual Reports of the Bank.

The above table indicates that the paid-up capital of the Bank is raised continuously. It increased from Rs. 9,78,450 in 1982 to Rs. 19,29,025/- in 1986, it means paid-up capital of Bank raised by more than two times, with a period of 5 years.

The average rate of growth of paid-up capital is Rs. 14,62,040 during the period under review. It means that Bank is becoming popular day by day. The main reason for

such increase in share capital has been that the persons required to purchase shares for better facilities from the Bank and meet the credit needs.

**3.5.4 RESERVE FUND AND OTHER RESERVES :**

Maintenance of reserve fund and other funds is essential for any future emergency period of the Bank. With the help of reserve and other funds bank may fight to any financial difficulty arises of emergency. It is important component of working capital as it acts as stock absorbing at the time of financial stringency.

The given table clearly indicates that, there is maintain an adequate reserve fund and other reserves by Bank during the period under review.

... 64/-

TABLE NO. 3.3

Table showing the Position of Reserve Fund  
and Other Reserves from 1981-82 to 1985-86

Y e a r.	Reserve Fund and Other Reserves.
1981-82	13,29,197
1982-83	16,15,394
1983-84	19,83,316
1984-85	24,55,358
1985-86	27,47,280

Source : Compiled from Annual Reports of the Bank.

By observation of last five years' Annual Reports of the Bank it shows that the total amount of various funds increased from 13,29,197 in 1982 to Rs. 27,47,280/- in 1986. It means that within the period of under review it increased more than two times. The average rate of growth of reserve funds and other reserves is Rs. 20,26,110/-.

It is also pointed out that while building up this various funds the Bank had followed policies of Reserve Bank of India and as per its bye-laws No. 45.

... 65/-



**3.5.5 PROFIT AND DIVIDEND RATE :**

Any co-operative society is not formed to fulfil its aim of profit earning. This Bank is one of the co-operative credit society, so its main aim is not to earn profit but while doing banking business whatever the surplus between income and expenditure is considerable as profit of the Bank, and this profit is an essential part for future development of the Bank. At this position any investor, when want to invest its money in any field, he first think about refund, so even main aim is not to earn profit, Bank has to think about the profit. It resulted that Bank declared dividend on amount of shares.

The given table clearly indicates that, there is continuous satisfied growth in the net profit as well as dividend rate.

... 66/-

TABLE NO. 3.4

Table showing the Position of Profit and  
Dividend Rate

Y e a r.	Net Profit.	Dividend Rate.
1981-82	2,13,692	11%
1982-83	2,55,249	12%
1983-84	2,97,538	12%
1984-85	3,50,601	12%
1985-86	4,08,206	12%

Source : Compiled from Annual Reports of the Bank.

The net profit in the year 1982 amounted to Rs. 2,13,692/- it increased upto Rs. 4,08,206/- in the year 1986. It means within five years amount of profit increased by Rs. 1,94,514/-.

The recorded near arounding two times increase within the period under review. The average rate of growth of net profit is Rs. 3,05,057/- during the corresponding period. The increase in profit is continuous and at the high rate of growth. It is pointed out that the net profit formed a sunrise raising proportion of working capital through out the period under review.

Even though there is considerable growth in net profit, Bank has restriction to declare dividend upto 12% only. According to the bye-laws of the Bank and Co-operative Act, Bank has declared dividend to members from time to time. The above table indicates that the rate of dividend declaration also increased from 11% to 12%.

From the above discussion, it is concluded that Bank is in favourable position of net profit and dividend rate. The Bank has declared the rate of dividend at 12% since 1983.

### 3.5.6 MANPOWER :

Well developed and well educated employee is asset of the bank. The efficiency of banking business is mainly dependent upon the prompt staff members. The growth of banking business has been mainly possible due to whole hearted involvement of staff of all categories. For that purpose, the employee in bank must be well trained and well educated. The employee who is serving in bank he must know about the banking policy for customer services.

The General Manager and his colleagues have taken keen interest to keep liaison with staff at all levels. The position of actual strength of staff of different categories in a Bank is presented below.

TABLE NO. 3.5

The Table showing the Strength of Staff of  
the Bank

Category.	1982	1983	1984	1985	1986
Manager & Officers	10	12	12	13	15
Clerks	36	43	47	53	64
Sub-Staff	12	16	18	21	29
TOTAL	58	71	77	87	108

Source : Compiled from Official Records of the Bank.

Above table shows that the Bank had recruited required staff as per its banking business. The total strength increased from 58 in 1982 to 77 in 1984 and to 108 in 1986. It shows that the Bank is recruited staff members as per its requirements.

It is considerable to note that the Bank has taken almost care with appointing new staff. They preferred candidates who have good knowledge of banking business. Bank had appointed new staff members who are well educated and had sound banking business experience. It is to be noted that, in 1983 out of 33 clerks, 26 clerks were

graduate and most of them were Commerce Graduate. It shows that the Bank is careful in appointing new staff members.

**3.5.7 BOARD OF DIRECTORS & MANAGERMENTS :**

The entire management and administration of the Bank vests in the Board of Directors. All policy matters of the Bank are decided in Board of Directors Meeting. Nominally two meetings are held in a month of the Bank Office. It is worthwhile to note that Directors do not accept any meeting allowances or remuneration whether they attend meetings.

Totally 11 members constitute Board of Directors Body. All members are elected from members as per bye-laws of the Bank. General Manager is one office member. Execution of policy matters and necessary day-to-day operations are made through General Manager. The General Manager supervises the staff members and guides the Bank customers, various reliable experts and senior experienced persons are appointed for Officers' Cadre. The whole banking management and authority have a made, carefully working, sincere and prompt and honest service which will help to form the ideal image of the Bank.

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For proper and prosperous banking business Bank held a Board of Director's meetings. Attendance of Directors to the meeting is also quite satisfactory. The Board of Directors have taken interest with hearty co-operation for implementation of policies and banking activities.

The following table indicates the position of Board of Directors meetings held by Bank, and attendance of Directors for meeting during the period under review.

TABLE NO. 3.6

Table showing the meetings of Board of Directors

Y e a r.	Total meetings held.	Average days.	Average attendance.
1981-82	24	15	22
1982-83	29	12	23
1983-84	28	13	22
1984-85	28	13	24
1985-86	26	14	21

Source : Compiled from Annual Reports of the Bank.

The above table indicates that average attendance of Board of Directors is satisfactorily from the year

1981-82 to 1985-86. In the year 1982-83 maximum meetings held were 29 and in the year 1981-82 there were minimum meetings held i.e. 24. The above table also indicates that maximum average days for meetings is 15 and minimum average days for meetings is 12. It means Board of Directors is taking keen interest in banking business through attending board meetings.

**3.5.8 MANAGEMENT EXPENSES :**

Management expenses are one of the main expenses which have incurred by Bank. This expenses are necessary to incur in day-to-day life of the Bank. While incurring the management expenses, the Bank has strictly followed the principle maximum income and minimum expenses.

The following table indicates that the position of management expenses during the period 1982 to 1986.

... 72/-

TABLE NO. 3.7

**Table showing the Position of Management Expenses**

Y e a r.	Management Expenses.	% to Total Income
1981-82	1,63,772	5
1982-83	2,15,478	5
1983-84	3,12,865	4
1984-85	3,65,476	4
1985-86	4,29,176	4

Source : Compiled from official records of the Bank.

The above table clearly shows that the Bank has followed the principle of maximum income and minimum expenses. They recorded more than three fold increase within a period of five years.

The management expenses incurred from Rs. 1,63,772/- in the year 1982 to Rs. 4,29,176/- in the year 1986. The average increasing rate of management expenses during the period under review is Rs. 2,37,431/-. But on the other hand, the above table indicates that management expenses as percentage to total income reduced from 5 in 1982 to 4 in 1984 and above. There is remarkable decrease in management expenses since 1984.



3.5.9 DEPOSIT MOBILISATION :

This is one of the main functions of the Bank. So Bank concentrates to collect maximum deposits. The Bank initiate new efforts to collect maximum deposits by opening new branches in the area where its required and introducing various attractive deposit policies.

The following table indicates that the total deposits in the Bank during the period under review.

TABLE NO. 3.8

Table showing the Position of Total  
Deposits from 1981-82 to 1985-86

Y e a r.	Total Deposits.	Share in working capital.
1981-82	2,92,57,977	79%
1982-83	4,17,57,832	80%
1983-84	5,13,65,203	79%
1984-85	6,13,50,599	80%
1985-86	7,15,10,401	79%

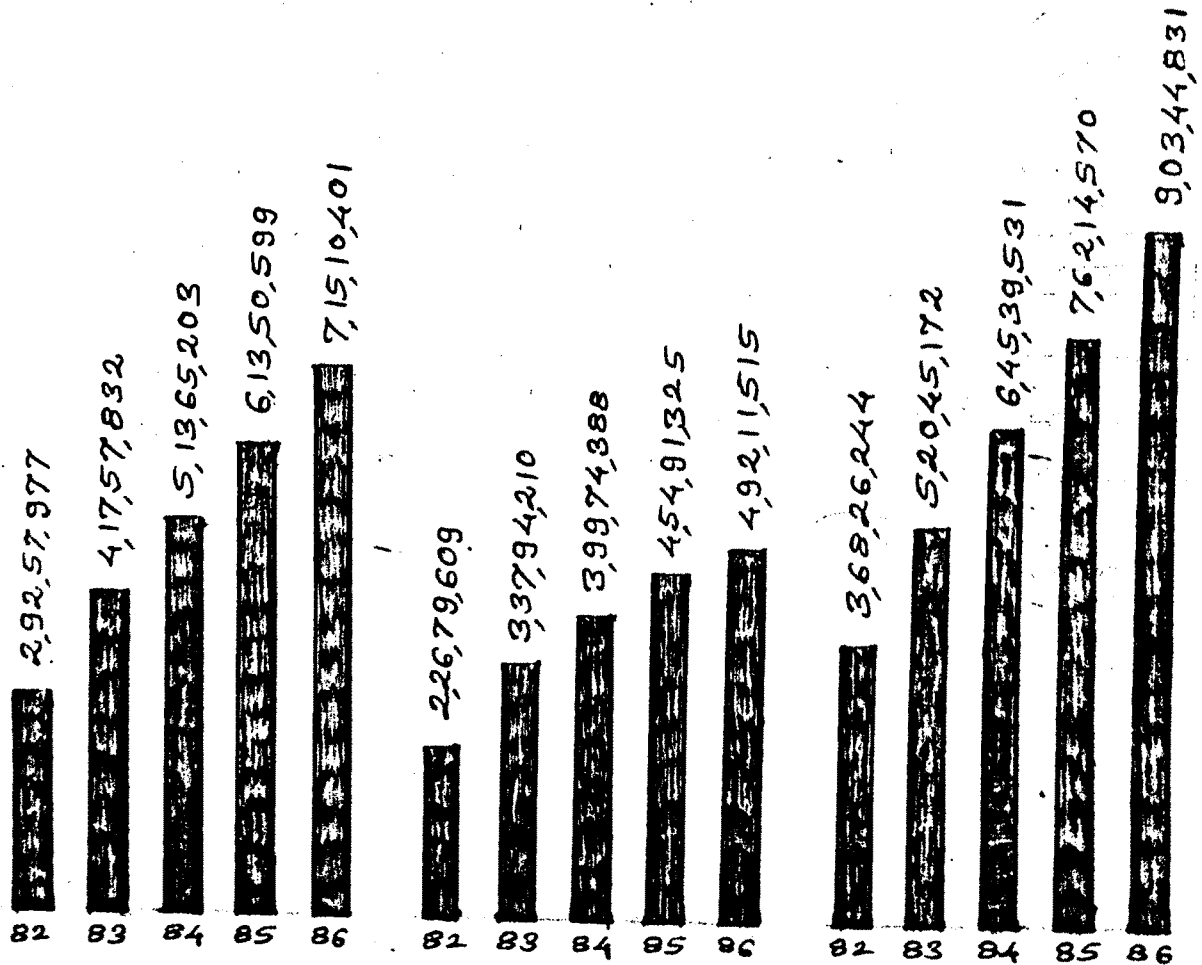
Source : Compiled from Annual Reports of the Bank.

The above table indicates that the amount of total deposits is increased from Rs. 2,92,57,977/- in

Deposits - Rs.

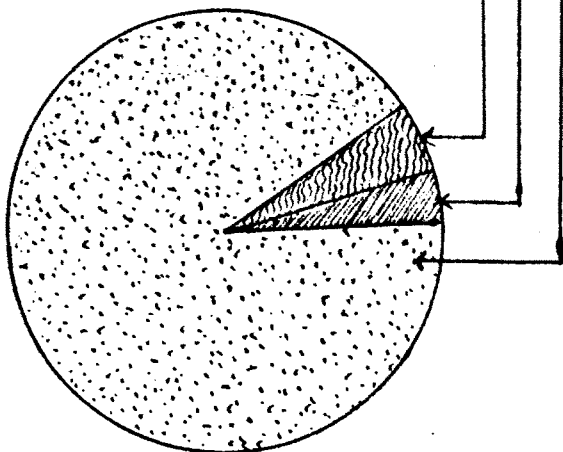
Loans - Rs.

Working Capital  
Rs.



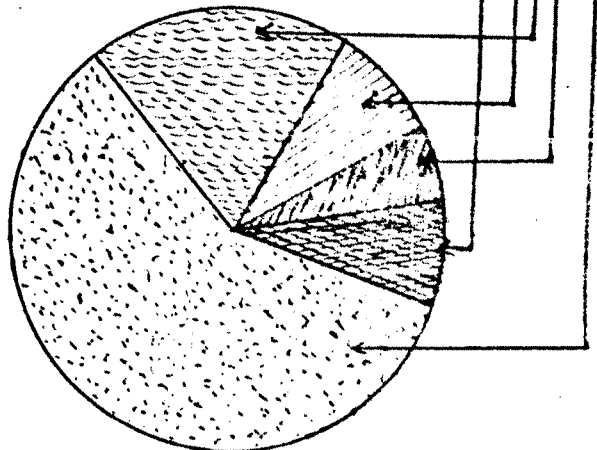
### Pattern of Income :-

- Interest Received: Rs. 84,72,843
- Commission: Rs. 66,658
- Other Income: Rs. 44,026



### Pattern of Expenditure :-

- Interest paid on deposits: Rs. 58,70,896
- Management Expenses: Rs. 4,03,230
- Expenditure on Workers: Rs. 12,13,135
- Other Exps. and provisions: Rs. 6,88,061
- Profit: Rs. 4,08,205



1981-82 to Rs. 7,15,10,401/- in 1985-86. They record that it increases more than two fold from 1982 to 1986. The average rate of growth of deposits amounting to -  
Rs. 5,10,48,402/- during the period under review.

The share of total deposits in working capital stood at 79% or 80% every year from 1982 to 1986. It shows that the share of total deposits in working capital is always constant.

#### 3.5.10 LOANS AND ADVANCES :

This is another important function of the Bank. According to bye-laws No. 41, the Bank advances loans to its members and non-members for various productive and non-productive purposes. The Bank usually advances loans in the form of Cash Credit, Overdrafts, Clean Loans against mortgage, Surety Pledge.

The following table indicates that the position of loans and advances in the Bank during the period under review.

TABLE NO. 3.9

Table showing the position of Loans and Advances from 1981-82 to 1985-86

Y e a r.	Total Loans & Advances.	Share in working capital.
1981-82	2,26,79,609	62%
1982-83	3,37,94,210	64%
1983-84	3,99,74,388	61%
1984-85	4,54,91,325	59%
1985-86	4,92,11,515	54%

Source : Compiled from Annual Reports of the Bank.

The above table indicates that the amount of total loans outstanding is increased from Rs. 2,26,79,609/- in 1981-82 to Rs. 4,92,11,515/- in 1985-86. They record that it increases more than two fold from 1981-82 to 1985-86. The average rate of growth of loans and advances amounting to Rs. 3,82,30,210/- during the period under review.

The share of total loans and advances in working capital is decreasing year to year. It means Bank take precaution to giving loans for unproductive purposes.

3.5.11 CREDIT DEPOSIT RATIO :

After considering the Deposits and Loans and Advances of the Bank, it is necessary to study the credit deposit ratio.

The following table indicates that Credit Deposit Ratio of Bank.

TABLE NO. 3.10

The Position of Credit Deposit Ratio

Y e a r.	Deposits.	Loans.	Credit Deposit Ratio.
1981-82	2,92,57,977	2,26,79,609	77%
1982-83	4,17,57,832	3,37,94,210	80%
1983-84	5,13,65,203	3,99,74,388	73%
1984-85	6,13,50,599	4,54,91,325	74%
1985-86	7,15,10,401	4,92,11,515	68%

The above table indicates that deposits as percentage of loans and advances of the Bank is always changeable. The rate of Credit Deposit Ratio is not constant as well as not continuous increase or decrease.

... 77/-

The Credit Deposit Ratio in the year 1983 is more, and it was unfavourable for banking business, because there is possibility of insolvency if loans are not recovered. After that, Bank tried to reduce the Credit Deposit Ratio year after year. But due to this decrease there was not considerable progress in banking business. By general observation it can be concluded that Bank has less credit deposit ratio, but it is not favourable to banking business.

**3.5.12 WORKING CAPITAL :**

Working capital indicates the turnover of all financial position of the Bank. Working capital shows the efficiency of turnover of the Bank. The financial position of the Bank may be measured by the strength of working capital. So working capital is one of the most important part of banking business. The following table indicates the position of working capital of the Bank during the period under review.

TABLE NO. 3.11

Table showing the Position of Working Capital

Y e a r.	Amount.
1981-82	3,68,26,244
1982-83	5,20,45,172
1983-84	6,45,39,531
1984-85	7,62,14,570
1985-86	9,03,44,831

Source : Compiled from Annual Reports of the Bank.

The above table indicates that the amount of working capital increased from Rs. 3,68,26,244 in 1982 to Rs. 9,03,44,831/- in 1986. It shows that the amount of working capital is increases arounding three fold during the period under review. The average rate of growth of working capital is Rs. 6,39,94,070/-. From the above discussion we concluded that the turnover efficiency of the Bank is satisfactory.

**3.5.13 OVERDUES :**

Advancing loans to customers is one of the main function of Bank. Similarly, recovery of loan is

also important acting for progressive banking business. Overdues are break stones on progress of banks so recovery of loan may be taken as principle point of its operational efficiency. Overdues is the weak point of banks and so banks are always trying to reduce it as much as possible. The following table indicates that the overdues position of the Bank during the period under review.

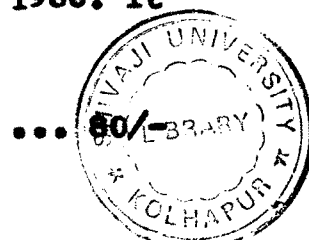
■ TABLE NO. 3.12

Table showing the Position of Overdues from  
1982 to 1986

Year.	Amount of Overdues.	Loans Outstanding.	% to Loans.
1981-82	10,92,212	2,26,79,609	4.81%
1982-83	15,80,486	3,37,94,210	4.66%
1983-84	26,75,491	3,99,74,388	6.69%
1984-85	45,92,200	4,54,91,325	10%
1985-86	58,80,214	4,92,11,515	11.95%

Source : Compiled from Annual Reports of the Bank.

From the above table, it can be concluded that Bank failed to recover the loans during the said period. The amount of overdues in the year 1982 was Rs. 10,92,212/- it increased upto Rs. 58,80,214/- in the year 1986. It





means the increase in the amount of overdues of the Bank is more than two times during the period under review, and the average increasing rate of overdues per year is Rs. 31,64,121/-. The ratio of overdues to loans outstanding in 1982 is 4.81% and it increases upto 11.95% in 1986. It shows that the Bank is absolutely failed to recover the amount of overdues.

After considering the overall loan policy and turnover, the increased ratio of overdues consider not as serious. The Bank tried to recover the loan dues with the help of a Special Recovery Officer from Co-operative Department who has been appointed by the Bank. The following table indicates that the number of complaints had made by Bank on overdues and amount of overdues covered in that complaints.

... 81/-

**TABLE NO. 3.13**

**Table showing the Number of Complaints  
and Amount of Overdues in that Complaints**

<u>Y e a r.</u>	<u>No. of Complaints.</u>	<u>Amount of Overdues.</u>
1981-82	84	4,01,756
1982-83	146	5,20,557
1983-84	180	7,99,810
1984-85	191	14,62,487
1985-86	234	21,00,857

**Source : Compiled from the Annual Reports of the Bank.**

In the above table, it shows that the amount of overdues as well as number of complaints are increased year by year. In 1982 the amount of overdues was Rs. 4,01,756/- it increased in 1986 upto Rs. 21,00,857/- it means more than five times during the period under review.

**3.5.14 SELF DEPENDENCE:**

Own funds, deposits, loans, investments, working capital, profit, income, management expenses and reserve funds etc. as on 30th June, 1986 clearly shows that the financial position of the Bank is sound. They have borrowed only cash credit loan from Kolhapur District

Central Co-operative Bank of Rs. 20,00,000/- in 1985. After that Bank had not taken loan from any other Bank. At the beginning period of the Bank, they had taken overdraft facilities from Maharashtra State Co-operative Bank Ltd., Bombay as per applied refinancing loans to the priority sector. The Bank has borrowed for these schemes only and not for its banking requirements they have been taking cash credit and overdraft facilities from Kolhapur District Co-operative Central Bank for expanding requirements.

The ratio of deposits and own funds in the working capital remained high ratio as 79% and respectively. From the above observation, it shows the Bank has sound financial position which creates and helps to operate its various activities for its better business on its own feet basis.

### 3.5.15 BRANCH OFFICES :

According to the bye-laws and objectives of the Bank, the main objective of the Bank is to serve to its customers as much as possible by opening branch offices. Getting Licence from Reserve Bank of India and permission from Deputy Registrar of Co-operative Societies of Kolhapur, Bank open its branches day-to-day. The Bank opened its branch offices as per area of operation, -

disclosing in buy-laws of the Bank. Reserve Bank of India give licence to this Bank for doing banking business in Kolhapur District area, but at present only Kolhapur City area is covered by Bank as operational area, so the Bank opens its all branch offices in this particular area. The following table indicates the branch position of the Bank.

TABLE NO. 3.14

Table showing the Position of Branch Offices  
of the Bank.

Location of Branch.	Date of Opening.	No. of Branches
Branch : Laxmipuri	17th Mar., 1961	First
" : Rajarampuri	1962	Second
" : Ruikar Vasahat	26th Jan., 1970	Third
" : Station Road	1980	Fourth
" : Shivaji Peth	11th May, 1986	Fifth

Source : Compiled from Office Records of the Bank.

Above table shows that the total number of branch offices opened by the Bank during the last 25 years. Some branches of the Bank render day-night service to its customers. The Bank requested to Reserve Bank of India for licencing of opening new branch in Gangawesh area of

Kolhapur. The Reserve Bank of India is also give licence to Bank for opening this new branch. The Bank will be started this new branch in Kolhapur as early as possible.

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