

CHAPTER-II

PROFILES OF SOLAPUR JANATA BANK

CHAPTER - II

PROFILES OF THE SOLAPUR JANATA SAHAKARI BANK

Section I

Nearly 25 years ago a few eminent businessmen, professionals earnestly felt the need of starting an Urban Co-operative Bank in an industrial town of Solapur. These personalities include Sarvashri Dhundiraj Date, D.B. Alias Annasaheb Bhagawat, Dr.P.G.Valsangakar, C.V.Jakkal, D.R. Abhyankar, Govardhandas Bhutada, K.M.Basawanti, B.G.Munale, I.R.Agarwal, Motilal Bakale, D.N.Tulpule, Uddhavrao Kulkarni, etc. Surprisingly, these persons could collect the share capital of Rs.25,000 within the shortest period of time and the bank was registered on 28th Feb.1966, but actual working started on 23rd of March 1966 (Aksha-Tritiya Muhurat).

While explaining the need for establishment of Janata Sahakari Bank Mr.Dhundiraj Date, one of the founder of this Bank said "Our Bank was started to stop the exploitation of small borrowers and traders from money lenders". Moreover our bank is committed to clean cooperative administration for the benefit of weaker sections of the society." In the beginning some persons like D.G.Kulkarni, Phansalkar Mr. Agarwal helped for starting this bank.

It is observed though the bank is progressing by leaps and bounds due to the team-work of devoted Board of Directors. Shri.D.L.Date, Dr.P.G.Valsangakar, G.M.Bhutada,

R.S.Bhogade and D.B.Bhagawat are instrumental for the progress of this bank. The following chart will indicate the composition of the Board of Directors of the bank (see Table 2.1).

2.1.1 MEMBERSHIP :-

The membership of Janata Bank has been increasing from 1143 in 1970-71 to 4326 in 1980-81 and 12,070 in 1987-88. In the first decade (1970-80) there was the fluctuating increase in membership. For example, the annual increase in membership was 70% in 1975-76 which was hardly 2% annual increase in 1979-80. Very exceptional increase in membership was 60% in 1980-81. After that the membership increase was in the range between 19 to 21 percent upto 1985-86.

2.1.2 SHARE & WORKING CAPITAL :-

In spite of fluctuating rate of membership increase, the amount of share capital and working capital shows increasing trend throughout the period under study. The year 1981-82, 82-83 and 83-84 marked the highest annual increase in both Share Capital and Working Capital. The amount of Working Capital considerably increased from 1077.60 lakhs in 1983-84 to 3151.94 lakhs in 1988-89.

2.1.3 FUNDS AND INVESTMENTS :-

The economic strength of the bank can be assessed from the total funds and investments. It is clear from the Table

PERCENTAGEWISE NET INCREASE IN MEMBERSHIP
OF SOLAPUR JANATA SAHAKARI BANK.

Scale : 1c.m. = 10%

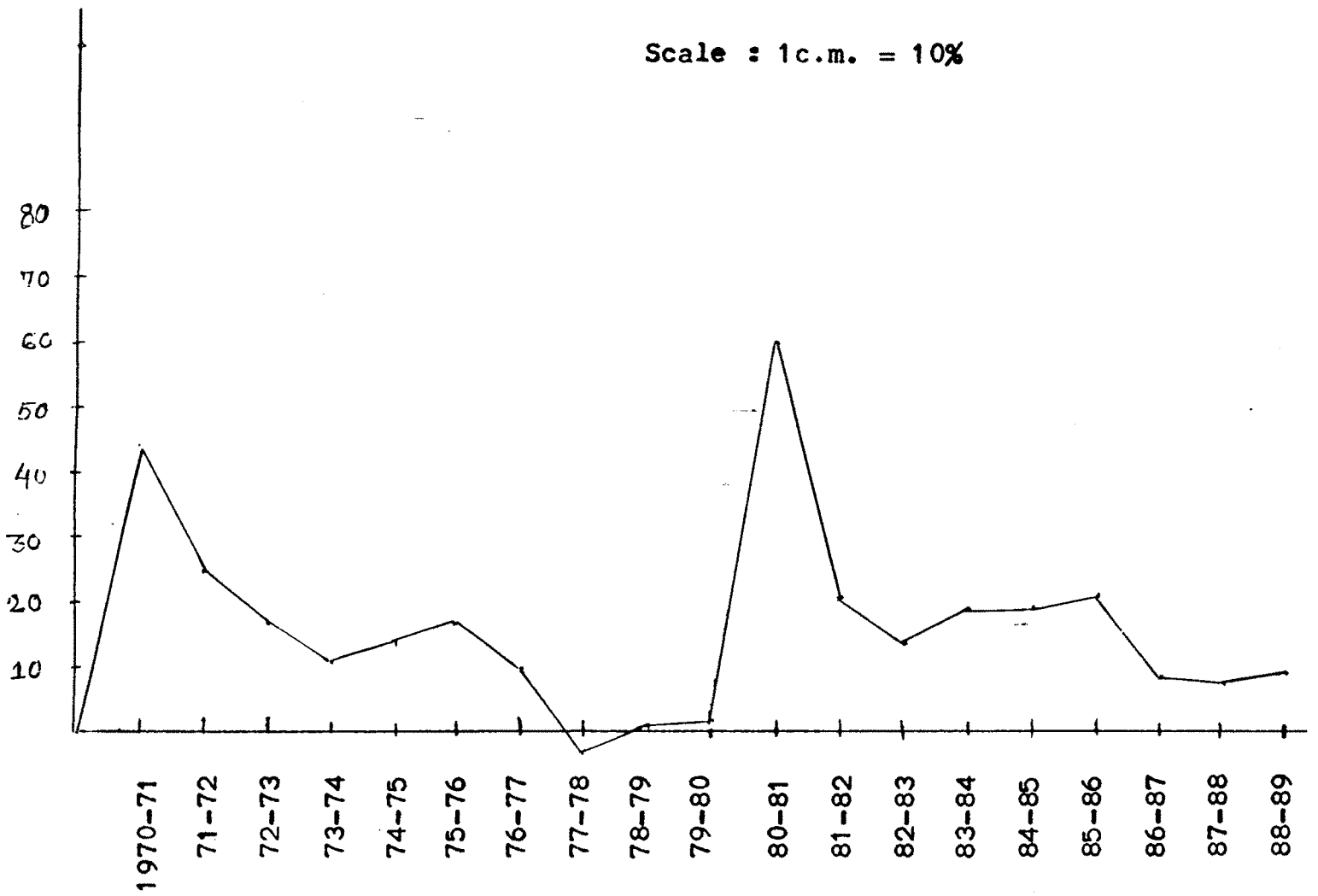


Table No. : 2.1

BOARD OF DIRECTORS

23

Sr. No.	Name	Status	Duration (years)	Remark	
				Chairmanship for the period of...	
1.	Shri.D.L.Date	Social worker	20	4 years	
2.	" B.D.Bhagwat	Businessman	21	3	"
3.	" P.G.Valsangkar	Businessman	22	2	"
4.	" C.V.Jakkal	Social worker	24	-	
5.	" D.R.Abhyankar	Social worker	12	2	"
6.	" G.M.Bhutada	Trader	18	2	"
7.	" K.M.Basawanti	Trader	9	1	"
8.	" B.G.Munale	Social worker	3	-	
9.	" A.R.Agrawal	Trader	3	-	
10.	" B.N.Kulkarni	Social worker	10	-	
11.	" M.R.Bakale	Trader	4	-	
12.	" R.S.Bhogade	Trader	16	2	"
13.	" A.S.Kulkarni	Social worker	12	3	"
14.	" V.G.Bandewar	Serviceman	12	-	
15.	" H.G.Deshmukh	Farmer	5	-	
16.	" P.M.Bakale	Trader	9	-	
17.	" A.S.Limaye	Social worker	9	2	"
18.	" M.T.Patre	Trader	3	-	
19.	" N.D.Jakkal	Trader	7	-	
20.	" L.B.Valhal	Social worker	7	-	
21.	" Y.D.Gajjam	Social worker	3	-	
22.	" G.G.Bhutada	Trader	5	3	"
23.	" A.B.Shirsikar	Businessman	1	-	
24.	" R.N.Deshpande	Businessman	2	-	
25.	" S.A.Deshpande	Social worker	2	-	
26.	" B.B.Pandhare	Serviceman	2	-	
27.	" Dr.M.N.Kulkarni	Businessman	2	-	
28.	" B.N.Joshi	Social worker	2	-	
29.	" B.V.Tambholkar	Serviceman	2	-	
30.	" M.A.Kandharkar	Businessman	7	-	

No.2.2 and 2.3 that funds position of the bank has been increasing at faster rate since 1980-81 to 1987-88. Particularly the investment of the bank was 127 lakhs in 1980-81 which increased to 737.65 lakhs in 1988-89. In addition to regular channels of investment (State and Central Govt. Debentures, Share Certificates of Co-operative Institutions), the bank has invested considerable amount in 'Indira Vikas Patra' and 'Mahanagar Telephone Corporation Bonds'.

2.1.4 DEPOSIT MOBILISATION :-

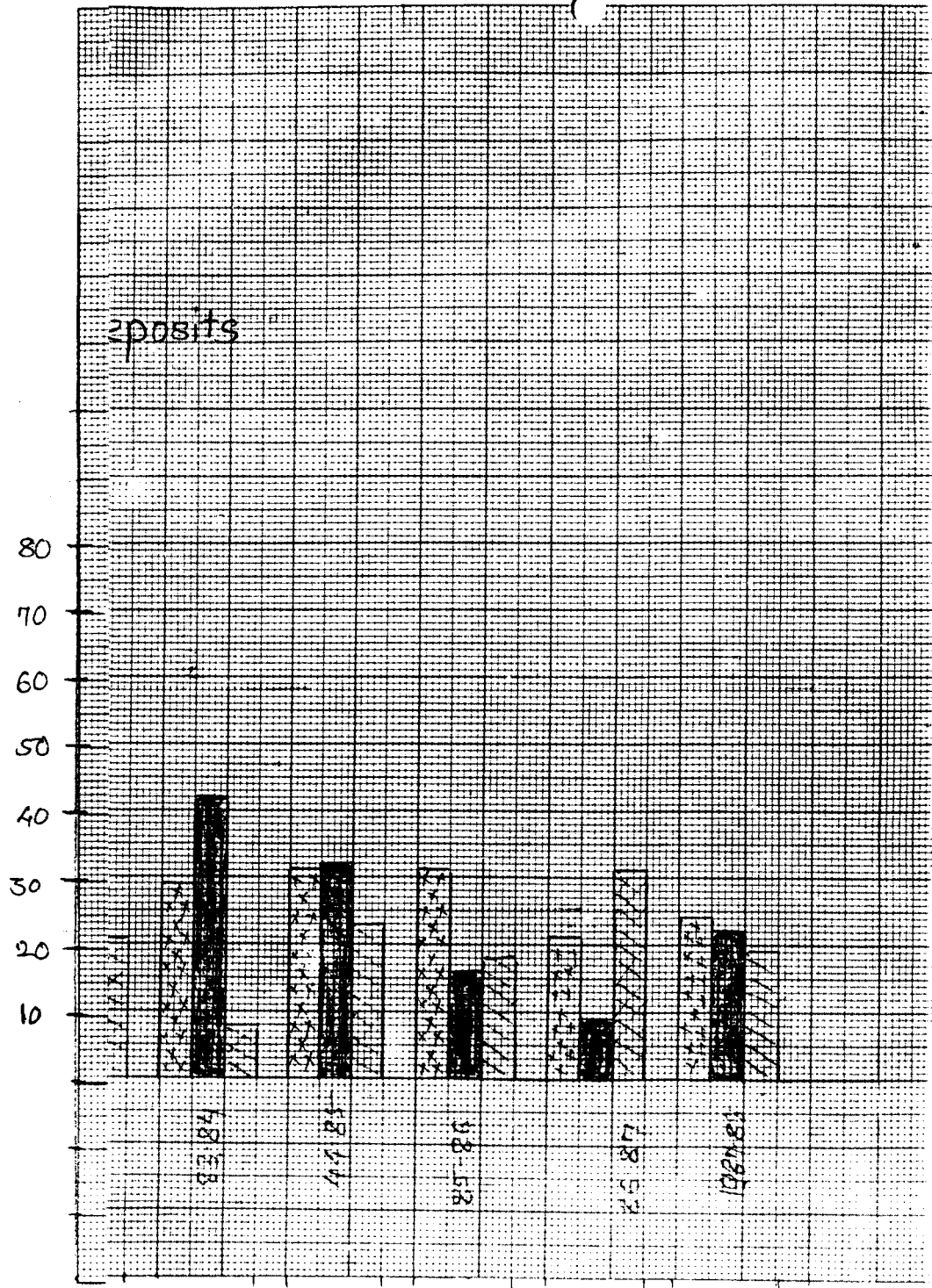
The deposit mobilisation is an important function of urban cooperative banks. It is generally stated that particularly urban cooperative banks attract the savings of middle class people through network of their branches. This is true in case of Janata Bank also. It is clear from the Table No. 2.2 and 2.3 that the amount of deposits has been continuously increasing during the last more than 20 years.

The deposit mobilisation function of the bank gets its momentum particularly from 1974-75. The total deposits increased from 84.37 lakhs to 1.65 crores in 1977-78, it again reached to 3.34 crores in 1979-80. The rate of deposit mobilisation was at the highest level of Rs.12.67 crores in 1984-85, 16.16 crores in 1985-86, 19.19 crores in 1986-87 and 27.59 crores in latest year of 1988-89 (see Table No. 2.4 and 2.5)

Table No. : 2.5

Deposit Mobilisation function of Solapur Janata Bank
(Percentagewise net annual increase) *over what*

Sr. No.	Year	Time Deposit	Saving Deposit	Current Deposits
1.	1970-71	64.00	28.00	51.47
2.	1971-72	16.00	16.00	62.71
3.	1972-73	15.00	25.00	78.43
4.	1973-74	24.00	27.00	23.47
5.	1974-75	28.00	30.63	-1.41
6.	1975-76	28.00	30.16	18.21
7.	1976-77	28.00	16.73	11.34
8.	1977-78	20.00	46.06	40.61
9.	1978-79	45.00	33.36	37.28
10.	1979-80	46.00	41.75	24.00
11.	1980-81	36.00	35.47	5.80
12.	1981-82	28.00	23.60	28.73
13.	1982-83	30.00	35.83	20.61
14.	1983-84	29.00	42.37	-7.73
15.	1984-85	31.00	52.20	23.31
16.	1985-86	31.00	15.92	28.37
17.	1986-87	21.00	8.55	31.35
18.	1987-88	24.00	22.49	18.66
19.	1988-89	19.47	8.94	12.85



2.1.5 LOANS AND ADVANCES :-

The profitability and total banking business of any bank depends on loans and advances. It is observed that out of 15 branches of Janata Bank four branches (Railway Line, South Kasaba, Bijapur Road and Ujjani Nagar Branch) are mainly deposit oriented and they have great contribution to total loans and advances business of the Janata Bank. It is clear from the Table No. 2.2 and 2.3 that the loan business has been increasing continuously during the last 20 years. More particularly the annual increase of loans and advances in the year 1977-78 was the highest at the level of 43% and it went down to 22 percent in the year 1987-88. Just it can be said that the both deposits and loans and advances have increased in absolute numbers. But the rate of increase in deposits and loans is fluctuating during the period under study.

2.1.6 BRANCHWISE OVERDUES POSITION :-

The branchwise overdues position is presented in Table No. 2.6. The more percentage of overdues indicates that any branch of the bank has not made efforts to recover the outstanding loans. Or it also shows that, the bank has accepted the great risk in loaning business. For example, in case of Pachha Peth branch, its deposit mobilisation function is unsatisfactory. In spite of this, they have taken great risk in loans and advances, as a result the overdues has been increasing from 14.67, 22.96, 55.89,

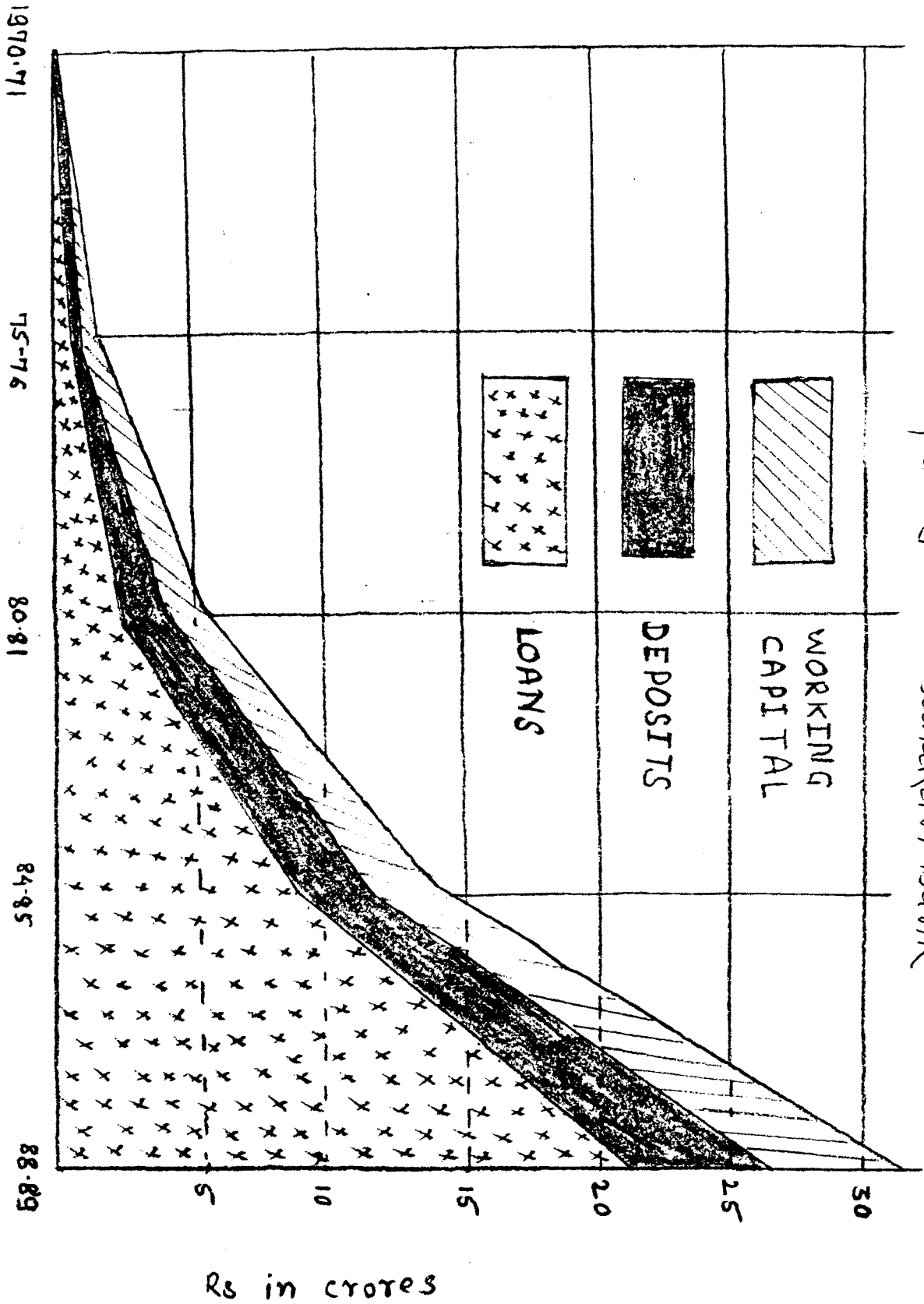
Table No. : 2.6

BRANCHWISE OVERDUES OF SOLAPUR JANATA BANK

(Figures in lakhs)

Sr. No.	Branch	1984-85	1985-86	1986-87	1987-88	1988-89
1.	Navi peth	5.60	14.79	19.09	32.50	55.23
2.	Mangalwar peth	11.23	11.52	16.23	18.52	14.20
3.	Barshi	1.36	1.54	1.95	2.80	2.18
4.	Sadar Bazar	4.34	4.71	10.30	13.87	13.36
5.	Kasabe Tadwale	4.87	5.09	6.15	4.89	11.70
6.	Pachha peth	14.67	22.96	55.59	53.29	80.89
7.	Omerga	3.77	4.16	4.54	5.87	6.20
8.	Railway Lines	3.50	5.08	5.55	7.59	6.93
9.	South Kasaba	3.43	6.96	7.73	7.62	11.96
10.	Market yard	0.02	0.37	0.50	2.49	3.82
11.	Ujjani Nagar	0.08	0.25	0.50	0.81	3.25
12.	Bijapur Road	0.16	0.69	1.56	1.45	0.85
13.	Madha	-	0.10	0.04	0.49	1.26
14.	Asara	-	0.45	8.76	4.24	10.82
15.	Shelgi	-	-	-	-	-

Solapur Janata Sahakari Bank



53.29 and 80.89 lakhs in 1984-85, 85-86, 86-87, 87-88 and 1988-89 respectively. It is matter of great concern.

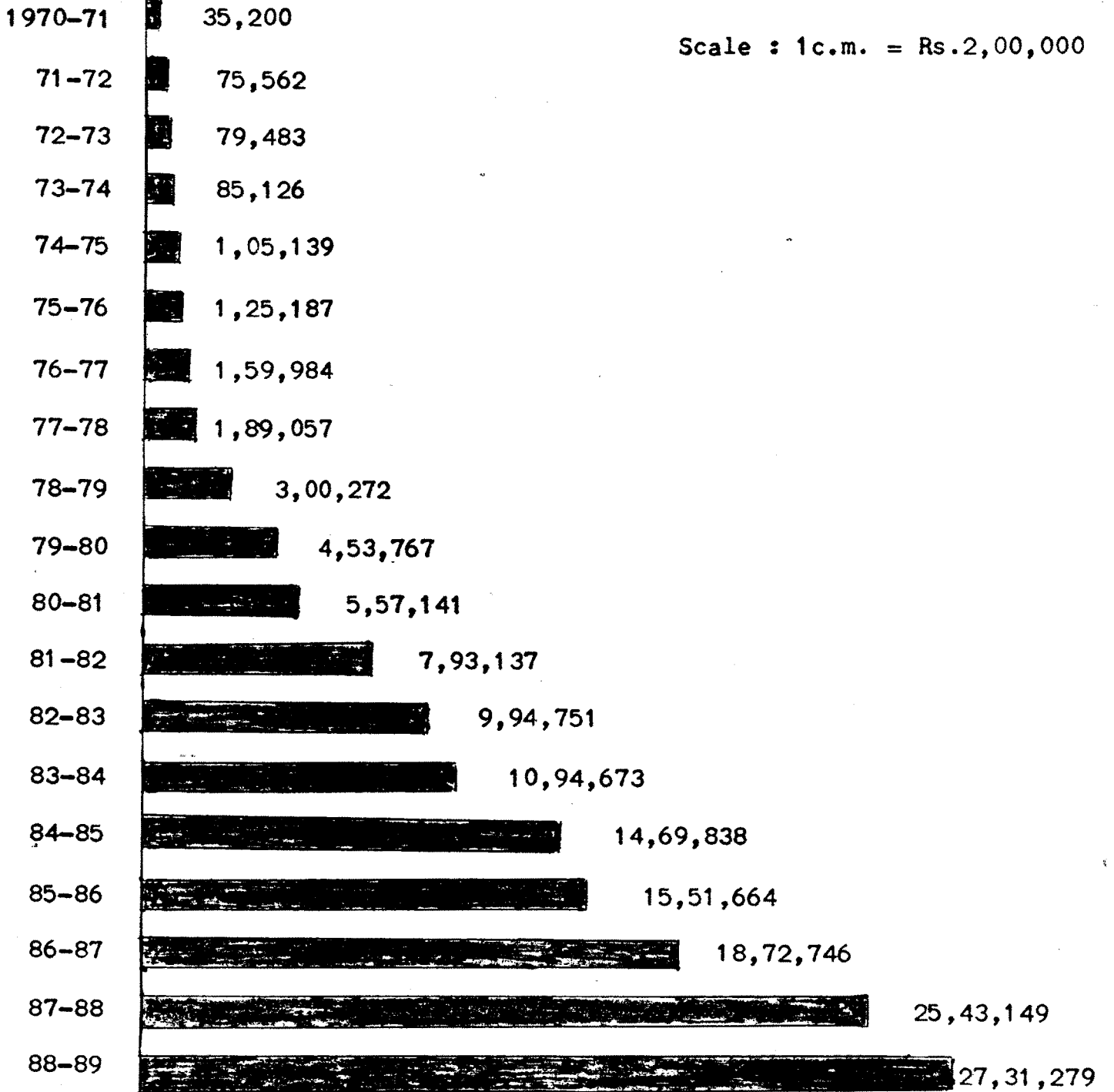
In fact, Navi Peth branch can be described as an 'ideal branch'. Because, it is on the top in respect of deposit mobilisation and loans and advances. Though the amount of overdues of Navi Peth branch is increasing from 19.09, 32.50 to 55.23 lakhs in 1986-87, 87-88 to 88-89 respectively. The volume of overdues is far less than Pachha Peth branch. Regarding other branches such as Ujjani Nagar, Bijapur Road and Madha negligible amount of overdues, as given in the Table No. 2.6 is not a commendable matter. Because the total volume of their business (deposits and loans and advances) is inadequate, we observe that these branches have potential to increase their business.

2.1.7 PROFIT :-

In co-operative organisation the only amount of profit is not so important but the distribution of profit is very important from the point of view of welfare of the members and social justice. The increasing amount of profit of Janata Bank is reflected in development activities such as building fund, charitable fund, members welfare fund, employees welfare fund and dividend etc. The amount of reserve fund (which is 25% of total profit) increased from 1.16 lakhs in 1979-80 to 6.86 lakhs in 1988-89 (see Table No.2.7).

Solapur Janata Sahakari Bank Ltd., Solapur

PROFIT



Section II

BRANCHWISE PERFORMANCE

2.2.1

After explaining the performance of Janata Bank as a whole it would be better to study the performance of each branch in respect of deposits, loans and advances etc.

2.2.1 DEPOSITS :-

There are in all 15 branches (including main branch of Navi Peth) of Solapur Janata Sahakari Bank. Naturally main branch or Navi Peth branch is showing increasing amount of deposits because this main branch is situated in the heart of the city which is the busy market place. The amount of deposits increased from 3.50 crores in 1984 to more than 6.42 crores in 1989. Out of remaining 14 branches only five branches of Janata Bank (i.e. Shelgi branch, Madha branch, Barshi branch, Kasabe Tadwale and Omerga branch in Osmanabad district) are situated in rural areas. The remaining 10 branches are located in city area. It is observed from the Table No. 2.8 that the deposit mobilisation function of the rural branches is inadequate and unsatisfactory e.g. in absolute figures the deposits of Omerga branch has increased from 40.10 lakhs in 1984-85 to 90.44 lakhs in 1988-89. The poorest performance is in the case of Madha branch which shows 9.39 lakhs deposits in 1984-85 which has increased hardly by 50.29 lakhs in 1988-89.

Table No. : 2.8

**BRANCHWISE DEPOSIT MOBILISATION FUNCTION
OF SOLAPUR JANATA BANK**

(Figures in thousand)

Sr. No.	Branch	1984-85	1985-86	1986-87	1987-88	1988-89
1.	Navi peth	35059 (27.50)	39989 (24.68)	46956 (24.46)	56982 (24.13)	64286 (23.29)
2.	Mangalwar peth	11619 (09.16)	13346 (08.25)	16603 (08.69)	19774 (08.37)	21959 (07.95)
3.	Barshi	11463 (09.04)	13134 (08.12)	15946 (08.30)	20603 (08.72)	25529 (09.25)
4.	Sadar Bazar	18670 (14.72)	21034 (13.01)	25843 (13.46)	33206 (14.06)	37680 (13.65)
5.	Kasabe Tadwale	3665 (02.89)	4883 (03.02)	5024 (02.61)	6008 (02.54)	6705 (02.42)
6.	Pachha peth	12623 (09.95)	19417 (12.01)	14496 (07.55)	15714 (06.65)	16524 (05.98)
7.	Omerga	4010 (03.16)	5360 (03.31)	6623 (03.45)	7400 (03.13)	9044 (03.27)
8.	Railway Lines	10140 (07.99)	14365 (08.88)	18565 (09.67)	20788 (08.80)	23654 (08.57)
9.	South Kasaba	10005 (07.89)	12384 (07.66)	15461 (08.05)	20237 (08.57)	24040 (08.71)
10.	Market yard	2616 (02.06)	4016 (02.48)	4546 (02.36)	6508 (02.75)	7405 (02.68)
11.	Ujjani Nagar	2107 (01.66)	3122 (01.93)	4151 (02.16)	6209 (02.63)	8588 (03.11)
12.	Bijapur Road	5878 (04.63)	7395 (04.57)	10423 (05.43)	13654 (05.78)	17261 (06.25)
13.	Madha	939 (00.74)	1862 (01.15)	2857 (01.48)	3594 (01.52)	5029 (01.82)
14.	Asara Nagar	--	1722 (01.15)	4311 (02.24)	5354 (02.26)	7235 (02.62)
15.	Shelgi	--	--	--	23 (0.009)	1045 (00.37)
Total		126794	161649	191895	236054	275980

* Figures in bracket shows percentage of each branch to the total.

2.2.2 LOANS AND ADVANCES :-

The profitability and the turn-over of the bank depend upon loans and advances given by each branch to each customer. Three branches such as Navi Peth, Mangalwar Peth and Pachha Peth branch have been showing increasing amount of loans and advances. In absolute figures loans and advances of Navi Peth branch increased from more than 1.68 crores in 1984-85 to nearly 6.79 crores in 1988-89. The loaning business of Pachha Peth branch also shows increasing trends from 2.05 crores to 3.30 crores in this period under study. Though Barshi branch comes under urban area, its performance is not satisfactory from both deposits as well as loan business till the 1985-86. Thereafter it's loaning business tremendously increased and it reached to 2.28 crores in 1988-89. It is also observed the loaning business of the branches such as Bijapur Road branch, Ujjani Nagar branch and Madha branch is inadequate (see Table No. 2.9).

2.2.3 THE IMAGE OF EACH BRANCH IN VIEW OF OVERALL BANKING BUSINESS OF JANATA BANK :-

A small effort is made in this section to pose an image of each branch in view of overall banking business. We assume three indicators to measure the image of each branch (see Table No. 2.10).

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Table No.: 2.9

BRANCHWISE LOANS AND ADVANCES OF SOLAPUR JANATA BANK

(Figures in thousand)

Sr. No.	Branch	1984-85	1985-86	1986-87	1987-88	1988-89
1.	Navi peth	16831 (18.57)	20383 (19.19)	24148 (16.80)	31945 (18.69)	67865 (32.21)
2.	Mangalwar peth	15016 (16.57)	15894 (14.96)	26726 (18.60)	22779 (13.33)	25094 (11.91)
3.	Barshi	7130 (07.87)	9008 (08.48)	12622 (08.78)	16890 (09.88)	22820 (10.83)
4.	Sadar Bazar	8104 (08.94)	10591 (09.97)	12721 (08.85)	15659 (09.16)	18981 (09.00)
5.	Kasabe Tadwale	2781 (03.06)	3174 (02.98)	3444 (02.39)	3742 (02.19)	5121 (02.43)
6.	Pachha peth	20542 (22.67)	16663 (15.68)	22461 (15.63)	27479 (16.08)	33007 (15.66)
7.	Omerga	3781 (04.17)	4723 (04.44)	4940 (03.43)	6109 (03.57)	7941 (03.76)
8.	Railway Lines	4311 (04.75)	6000 (05.64)	7197 (05.00)	7421 (04.34)	9231 (04.38)
9.	South Kasaba	6078 (06.70)	6022 (05.66)	6250 (04.35)	8179 (04.78)	10887 (05.16)
10.	Market yard	4101 (04.52)	5681 (05.34)	7988 (05.56)	10301 (06.02)	12704 (06.02)
11.	Ujjani Nagar	718 (00.79)	1126 (01.06)	1169 (00.81)	3456 (02.02)	5733 (02.72)
12.	Bijapur Road	1106 (01.22)	1659 (01.56)	2093 (01.45)	2497 (01.46)	3476 (01.64)
13.	Madha	88 (00.09)	368 (00.34)	962 (00.66)	1799 (01.05)	2286 (01.08)
14.	Asara Nagar	--	3924 (03.69)	11059 (07.69)	12589 (07.36)	14088 (06.31)
15.	Shelgi	--	--	--	--	1440 (00.68)
Total :		90587	106216	143660	170838	210692

* Figures in Bracket shows % of each Branch to the total.

Table No.: 2.10

IMAGE OF EACH BRANCH OF SOLAPUR JANATA BANK

Sr. No.	Branch	1984-85		1985-86		1986-87		1987-88		1988-89	
		Deposits	Loans	Deposits	Loans	Deposits	Loans	Deposits	Loans	Deposits	Loans
1.	Navi peth	27.50	18.57	24.68	19.19	24.46	16.80	24.13	18.69	23.29	22.21
2.	Mangalwar peth	9.60	16.57	8.25	14.96	8.69	18.60	8.37	13.33	7.95	11.91
3.	Sadar Bazar	14.89	8.94	13.01	9.97	13.46	8.85	14.06	9.16	13.65	9.00
4.	Pachha peth	9.95	22.67	12.01	15.68	7.55	15.63	6.65	16.08	5.98	15.66
5.	Railway Lines	7.99	4.75	8.88	5.64	9.67	5.00	8.80	4.34	8.57	4.38
6.	South Kasaba	7.89	6.70	7.66	5.66	8.05	4.35	8.57	4.78	8.71	5.16
7.	Market yard	2.06	4.52	2.48	5.34	2.36	5.56	2.75	6.02	2.68	6.02
8.	Ujjani Nagar	1.66	0.79	1.93	1.06	2.16	0.81	2.63	2.02	3.11	2.72
9.	Bijapur Road	4.63	1.22	4.53	1.56	5.16	1.45	5.78	1.46	6.25	1.64
10.	Asara Nagar	-	-	1.15	3.69	2.24	7.69	2.26	7.36	2.62	6.3E
11.	Barshi	9.04	7.87	8.12	8.48	8.30	8.78	8.72	9.88	9.25	10.8E
12.	Kasabe Tadwale	2.89	3.06	3.02	2.98	2.61	2.39	2.54	2.19	2.42	2.4E
13.	Omerga	3.16	4.17	3.31	4.44	3.45	3.43	3.13	3.57	3.27	3.7E
14.	Madha	0.74	0.09	1.15	0.34	1.48	0.66	1.52	1.05	1.82	1.0E
15.	Shelgi	-	-	-	-	-	-	0.009	-	0.37	0.6E

(1) Deposits -

The figures in this column indicate the percentage share of each branch to the total deposits of Janata Bank in each year under study.

(2) Loans and Advances -

The figures in this column indicate the percentage share of each branch to the total loans and advances of Janata Bank in each year under study.

(3) Profit -

The figures in this column shows the total amount of profit (in absolute number) of each branch, since as the total profit of the Janata Bank is not being tallied with the total of the profit earned by all branches together, we have taken absolute figures only (not percentage).

It is clear from the Table No. 2.11 that -

- a) The Navi peth branch being the main branch under the direct contact and communication of Head Office has top image. Because the three indicators i.e. deposits, loans & advances and profit have the highest percentage share throughout the period under study.
- b) As it is clear from the table and the graph excluding Main branch of Navi peth, the image of three branches i.e. Mangalwar peth, Sadar bazar and Pachha peth branch is brighter than other branches.

Table No.: 2.11**BRANCHWISE PROFIT OF SOLAPUR JANATA BANK**

(Rs.in thousand)

Sr. No.	Branch	1984-85	1985-86	1986-87	1987-88	1988-89
1.	Navi peth	134	322	676	381	3403
2.	Mangalwar peth	440	693	1041	1400	1064
3.	Barshi	305	374	290	606	800
4.	Sadar Bazar	232	375	401	650	1023
5.	Kasabe Tadwale	40	82	82	112	86
6.	Pachha peth	621	641	362	227	464
7.	Omerga	85	105	137	123	240
8.	Railway Lines	-63	-18	132	278	456
9.	South Kasaba	102	145	230	311	689
10.	Market yard	98	189	344	378	785
11.	Ujjani Nagar	-52	-51	-32	-56	285
12.	Bijapur Road	-17	-45	28	74	202
13.	Madha	-56	-78	-71	-43	50
14.	Asara Nagar	-	112	478	374	457
15.	Shelgi	-	-	-	-08	-14

- c) The two branches of Railway line and South Kasaba have potential to show their better performance e.g. the deposit indicator of Railway line branch was 8.88, 9.67 and 8.80% in the period of 85-86, 86-87 and 87-88 respectively. Moreover, the deposit indicator of South Kasaba branch was 8.57 and 8.71% to the total deposits of the bank in 87-88 and 88-89 respectively.
- d) It is our opinion that the Barshi branch has more scope to progress further and show its brighter image. Because the two indicators of deposits and loans are more or less near to each other and this position remains constant throughout the period under study. It implies that the Barshi branch is successful in both mobilising the deposits and getting new business of loans and advances. This may not be the case of other branches of Janata Bank e.g. the deposit indicator of Sadar Bazar branch for the year 84-85 was 14.72% whereas loan indicator was 8.94% to the total of the bank only. Moreover in case of Pachha peth branch the loan indicator is always greater than deposit indicator throughout the period under study.

Thus, the profiles of Solapur Janata Sahakari Bank Ltd., Solapur given in preceding sections clearly indicate that the Solapur Janata Bank is prospering bank not only in the city of Solapur but also in the district.