



CHAPTER - 4

ROLE OF SATARA DISTRICT CENTRAL CO-OPERATIVE BANK

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BANK

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CHAPTER - 4

ROLE OF SATARA DISTRICT CENTRAL CO-OPERATIVE BANK

4.1 INTRODUCTION

Satara is a town located in the Satara District of Maharashtra state of India. The name is derived from the seven (sat) hills (tara) surrounding the town. The town is 2320 ft. above sea-level, near the confluence of the Krishna River and its tributary the Venna, 110 km south of Pune. Satara district is counted amongst the richest districts in Maharashtra in terms of cultural and historical tradition. Satara became famous during the independence struggle of India, as there was a Prati Sarkar operating in Satara. During the independence of India, the Satara district was re-constituted as part of merger of the former Indian states. The district was divided into two districts namely South Satara and North Satara. However, the name of North Satara district was changed to Satara and the South Satara was re-christened as Sangli in 1960. Presently, there are 4 Sub-Divisions in Satara district namely Satara, Mahabaleshwar, Karad and Phaltan. The Satara district is located in the western part of Maharashtra and is bounded by Pune district to the north, Solapur district to the east, Sangli district to the south and Ratnagiri district to the west. The Raigad district lies to the north-west side of Satara. The Satara district is quite rich in its cultural tradition. The culture of the district is Maharashtrian and the people like to follow various customs. The Satara district is most famous for its religious aspects. There are numerous pilgrimages of various religions located in the district. This district in Maharashtra is predominantly an agricultural district. As a result majority of the people are engaged in agricultural activities. There are also many co-operative societies operating in Satara and they provide employment to a significant number of people. Another important aspect of the Satara district is its well planned educational system.

The Satara district is considered one of the prominent administrative districts in the state of Maharashtra. The district is rich in its culture, history,

economy, education, health, etc. and is also counted amongst the largest contributors to the tourism sector of Maharashtra.

4.1.1 ADMINISTRATIVE SET-UP OF MAHARASHTRA

Administrative set-up of Maharashtra divided into 7 divisions and 35 Districts. The Konkan Division includes 6 districts. The Pune division includes 5 districts, Nasik division 5 districts, Amravati division 5 districts, Nagpur division include 6 districts and Aurangabad division includes 4 districts. Thus in 1991 the state has 31 districts spread over 6 divisions. Newly created Nandhed (5 Jan 2009) division 4 districts. Now there are 35 districts spread over 7 divisions. They are shown in following table.

Division wise break-up of the state.

Konkan	6
Pune	5
Nasik	5
Amravati	5
Nagpur	6
Aurangabad	4
Nandhed	4
Total	35

(Note: Maharashtra at glance)

4.1.2 ADMINISTRATIVE DIVISION OF SATARA DISTRICT

The whole state of Maharashtra is divided into seven revenue divisions; Pune, Konkan, Nashik, Aurangabad, Amravati, Nagpur and Nandhed. Satara district is part of the Pune division along with the districts of Pune, Sangli, Kolhapur and Solapur. Satara district covers an area of 10480 sq. km. with an east west expanse of 135 km and a north south expanse of 112 km. Satara district has three different terrains namely western hilly terrain, central Krishna river basin and eastern dry terrain. Satara City is the district head quarter and hence the Collectorate, Zilla Parishad and all the district level offices are situated at Satara. The district is divided into eleven administrative sub units (tahsils) - Satara, Wai, Khandala, Koregaon, Phaltan, Khatav, Man, Karad, Patan, Jawali and Mahabaleshwar.

Sub – Division	Tahsils Incorporated In Them
Satara	Satara, Koregaon, Jaoli
Karad	Karad, Patan
Mahabaleshwar	Wai, Khandala, Mahabaleshwar
Phaltan	Phaltan, Khatav, Man

(Note: Satara at glance)

4.2 PROFIL OF SATARA DISTRICT

1. Location

Satara district is located in the south western part of the state of Maharashtra and lies between 17.5° to 18.11° North Latitudes and 73.33° to 74.54° East Longitudes. The district is completely landlocked being surrounded by Ratnagiri district on the West, Sangli district on the south, Solapur on the west, Pune on the north and Raigad on the North West. It covers 10,480 sq kms. Most of the central Satara district's area falls in the river Krishna basin and limited area falls in the river Bhima basin.

2. Rivers and dams

The main rivers of Satara district are Koyna and Krishna. The Krishna is one of the three largest sacred rivers of southern India. Approx. 172 kms. of the river course falls inside the district. The Krishna River begins on the eastern brow of the Mahabaleshwar plateau and the source is about 4500 ft. above sea level.

Kudali, Urmodi, Venna and Tarali are small feeder rivers of Krishna. Koyna is the largest tributary of the Krishna in the district. Neera and Manganga rivers are the two representative of the Bhima drainage in the north and north-eastern parts of the district respectively.

Lake

Satara has many lakes in the city like the Mangalwar lake, Moti lake, Phutka lake, Hatti lake, Mahardare lake.

Dam

There are three major dam projects in the district: Koyna Dam on the Koyna River, Dhom Dam on the Krishna River and Kanher Dam on the Krishna River.

3. Climate

In summer, western part of the district experiences cool and pleasant climate and during the rainy season the climate is cold. In summer the central part of the district experiences hot climate. In winter the nights are colder and days are warm. The climate in eastern part is hot compared to western and central part. Change in season affects the climate in the district.

4. Rainfall

The monsoon period starts in the month of June with the maximum precipitation in July and August. Total rainfall is 3104 mm although there are large differences in the amount of precipitation over various parts of the district. The Sahyadri hill ranges -chiefly in Mahabaleshwar tahsil -in the western extremity receive more than 6000 mm. Patan and Jawali tahsils also have rainfall in excess of 2000 mm. moving eastwards the rainfall amount drops to less than 600 mm in the tahsils of Koregaon, Karad, and Satara.

5. Forest

Only 12% of the total area of Satara district is covered by forest. Forest Development Corporation, Maharashtra (FDCM) together with the Social Forestry. Department of Government is implementing the schemes for development of social forestry.

6. Soil

The soil pattern in the district differs widely due to marked variations in the topography of the region.

Black cotton soil is the predominant soil type found here as is the case with most of the districts on the Deccan Plateau.

Lateritic soil covers many parts of the western tahsils of Mahabaleshwar, Jawali, Wai and Patan, is typically clayey in nature and reddish in color.

Black cotton soil is found in the central part of the district.

Soil fertility is especially high in the valleys of the rivers Krishna, Venna, Kudali, Koyna and Kole.

In Khandala and Phaltan tahsils, the soil has low fertility and is rocky except for the area along the Nira River and its tributaries.

7. Land use pattern

Agriculture is the main land use in the district with more than 75% of the total area being used for agricultural activities. Forest cover is more in the western part of the district - evergreen forests have been identified on the western extremities.

8. Availability of minerals

There are no major mineral deposits in the district. However, Sand, Murum, Stone and clay are available in abundance, which can be suitably used for construction of roads and building. Traces of Iron ore are found in the western part of the District.

9. Tourism spot

Satara district has some of the most prominent tourist destinations in the state of Maharashtra. The district largely contributes to the tourism sector of the district, as several people visit the tourist spots every year. Apart from the above mentioned pilgrimages, there are also many other important tourist destinations in Satara. The most important tourist destinations in Satara district include the Koyana Dam, Kanher Dam, Dhom Dam, Ajinkyatara Fort, Char Bhinti Hutatma Smarak, Thoseghar Water Fall, Chalkewadi Wind Energy Project, Kas Lake, Mayani Bird Sanctuary, Mahabaleshwar Temple, Panchgani, etc. Among all these places, the Mayani Bird Sanctuary and Mahabaleshwar Temple are considered the most popular ones.

10. Agriculture

This district in Maharashtra is predominantly an agricultural district. As a result majority of the people is engaged in agricultural activities. The major crops cultivated in the district include Bajra, Jowar, Wheat, Rice, Ghewada, Gram, Sugarcane, Groundnut, Potato, Soybean, etc. Among the crops, Sugarcane is considered the annual crop in Satara.

4.3 CO-OPERATIVE BANKING IN INDIA

Co-operative banks play a very important constituent of the Indian financial system. The co-operative banks in India are organized groups of people and jointly managed and democratically controlled enterprises. They exist to serve their members and depositors and produce better benefits and services for them.

Co-operative banks reflect the co-existence of high level of skills and standards in performing, duties entrusted to an individual. Co-operative bank needs current and future development in information technology. It is indeed necessary for cooperative banks to devote adequate attention for maximizing their returns on every unit of resources through effective services.

Co-operative banks have completed 100 years of existence in India. They play a very important role in the financial system. The cooperative banks in India form an integral part of our money market today. Therefore, a brief resume of their development should be taken into account. The history of cooperative banks goes back to the year 1904. In 1904, the co-operative credit society act was enacted to encourage co-operative movement in India. But the development of cooperative banks from 1904 to 1951 was the most disappointing one. The first phase of co-operative bank development was the formation and regulation of cooperative society. Constitutional reforms which led to the passing of the Government of India Act in 1919 transferred the subject of "Cooperation" from Government of India to the Provincial Governments. The Government of Bombay passed the first State Cooperative Societies Act in 1925 "which not only gave the movement, its size and shape but was a pace setter of co-operative activities and stressed the basic concept of thrift, self help and mutual aid."

Co-operative banks are an important constituent of the Indian banking system. The co-operative banks originated in the west but they have assumed importance in India because of their vast network which is rarely paralleled anywhere else in the world. A co-operative bank is a financial entity which belongs to its members, who are at the same time the owners and the customers of their bank. Co-operative banks are often created by persons belonging to the same locality or professional community or sharing a

common interest. Co-operative banks generally provide their members with a wide range of banking and financial services (loans, deposits, banking accounts etc.). Co-operative banks differ from stockholder banks by their organization, their goals, their values and their governance. Co-operative banking is retail and organized on a co-operative basis. Co-operative banking institutions take deposits and lend money in most parts of the world. Co-operative banking includes retail banking, as carried out by credit unions, mutual savings and loan associations, building societies and co-operatives services.

4.3.1..CO-OPERATIVE BANK

Banking may be defined as the accepting for purpose of lending or investment of deposits of money from public repayable on demand or otherwise and withdrawal by cheques, draft and orders of any other acceptable mode. A co-operative bank is one which performs the following functions on a co-operative basis as a) Borrowing b) Lending c) Agency service d) General utility services.

i. Henry wolf

“Co-operative bank is an agency which is a position to a deal with the small man on his own terms accepting the security he has had without drawing on the protection of the rich.”¹

ii. Devine

“Co-operative bank is mutual society formed, composed and governed by working people themselves for encouraging regular saving and granting small loan on easy term of interest and repayment.”²

District Central Co-operative Banks in India

Table no 4.1

(Rs in lacks)

Sr. No		2009-10	2010-11
1	No. of D.C.C. Banks	372	371 (-0.27)
2	No. of offices INCLG. Ho	13181	13327 (1.11)
3	Total membership	3975660	3146070 (-20.87)
4	Paid up capital	777653	725768 (-6.67)
5	Total Reserves	2013296	2069202 (2.78)
6	Total Deposits	14630314	16130882 (10.26)
7	Total Borrowings	3035483	3910116 (28.81)
8	Working capital	20691844	23543070 (13.78)
9	Investments	7562446	7562446 (0.00)
10	Total loans issued	11052929	13775717 (24.63)
11	Total collection	6513284	7706922 (18.33)

(Source: Cooperative Movement at a Glance -Office of the Commissioner for
Co-operation and Registrar of Co-operative societies)

The above table 4.1 shows the progress of District Central Co-Operative Banks in India during the period from 2009-10 to 2010-11. For the purpose of evaluation of progress of the banks eleven points is considered. The above table concludes that-

The number of DCCBs decreased in the India during the study period from 372 to 371 (-0.27%). The number of branches increased during the period was 13181 in the year 2009-10 to in 13327 the year 2010-11. The total number of member of DCCBs also shows the decreasing position during the period from 3975660 to 3146070. The growth rate of members of DCC Bank was -20.87 per cent in 2010-11. The amount of paid up Capital of DCCBs shows the decreased by 777653 lacks to 725768 lacks and growth rate is -6.67 per cent in 2009-10 to 2010-11. In the year of 2009-10 total reserves is 2013296 lacks and in 2010-11 total reserves is 2069202 lacks. The growth rate increase up to 2.78 per cent in 2010-11. The growth seen from the table in the total deposits was 14630314 lacks to 16130882 lacks during the study period 2009-10 to 2010-11 and growth rate is 10.26 per cent. The total Borrowing was increased from 3035483 lacks to 3910116 lacks in the year 2009-10 to 2010-11. The working capital is increased in the India during the study period from 20691844 lacks to 23543070 lacks. The growth rate of working capital is 13.78 per cent in 2010-11.

The progress of Investment shows by the table that the Investment of DCCBs stable from 7562446 lacks to 7562446 lacks (0.00%) during the two years period.

The Total loans issued also shows the growth from 11052929 lacks in the year 2009-10 to 13775717 lacks in the year 2010-11. The growth rate of total loan issued increased by 24.63 per cent in 2010-11. In the year of 2009-10 the amount of total collection is 6513284 lacks and in 2010-11 it is increased up to Rs. 7706922 lacks. The growth rate of total collection is increased up to 18.33 per cent in 2010-11.

4.4 RBI POLICIES FOR THE CO-OPERATIVE BANK

The RBI appointed a high power committee in May 1999 under the chairmanship of Shri K. Madhava Rao, Ex-Chief Secretary, Government of Andhra Pradesh to review the performance of Urban Co-operative Banks (UCBs) and to suggest necessary measures to strengthen this sector. With reference to the terms given to the committee, the committee identified five broad objectives:

- To preserve the co-operative character of UCBs

- To protect the depositors' interest
- To reduce financial risk
- To put in place strong regulatory norms at the entry level to sustain the operational efficiency of UCBs in a competitive environment and evolve measures to strengthen the existing UCB structure particularly in the context of ever increasing number of weak banks
- To align urban banking sector with the other segments of banking sector in the context of application of prudential norms in to and removing the irritants of dual control regime.
- RBI has extended the Off-Site Surveillance System (OSS) to all non-scheduled urban co-operative banks (UCBs) having deposit size of Rs. 100 Crores and above.

4.5 TYPES OF CO-OPERATIVE BANK

The co-operative banks are small-sized units which operate both in urban and non-urban centers. They finance small borrowers in industrial and trade sectors besides professional and salary classes. Regulated by the Reserve Bank of India, they are governed by the Banking Regulations Act 1949 and banking laws (co-operative societies) act, 1965. The co-operative banking structure in India is divided into following 5 components:

1. State Co-operative Bank (Apex Bank)

The State Co-operative Bank, which is at the top of the credit structure, is also called as the Apex bank. Its functions are to co-ordinate and to guide the working of the Central Co-operative Banks and to arrange re-finance facilities for them. The Maharashtra State Co-operative Bank thus acts like a supervisory body at the top of the structure and create an atmosphere to spread the co-operative movement on large.

2. District Central Co-operative Bank (DCCB)

They act as link between state cooperative banks and primary agricultural cooperative credit societies. DCCBs also undertake normal banking functions like accepting of deposits from public, collection of bills, cheques and drafts etc. They also provide required credit for needed persons.

In DCCBs membership is open to individuals and other societies falling under its area of operation. Marketing societies, consumers' societies, farming societies, urban banks and PACS usually enroll as its members.

3. Primary Agricultural Credit Societies (PACS)

The State Co-operative Bank, which is at the top of the credit structure, is it's also called as the Apex bank. Its functions are to co-ordinate and to guide the working of the Central Co-operative Banks and to arrange re-finance facilities for them. The Maharashtra State Co-operative Bank thus acts like a supervisory body at the top of the structure and create an atmosphere to spread the co-operative movement on large.

4. Land Development Bank (LDB)

Central Land Development Bank is an apex bank in the two-tier cooperative credit structure providing long-term credit to PLDBs and its subsidiary/affiliated branches. The branches of CLDBs, PLDBs and individual entrepreneurs are the members of CLDB. National Bank for Agriculture and Rural Development and Life Insurance Corporation (LIC) subscribe for its debentures. NABARD is a refinancing agency to the CLDBs. CLDB is a link between NABARD and government in long-term transactions.

5. Urban Co-operative Bank (UCB)

The term Urban Co-operative Banks (UCBs), though not formally defined, refers to primary co-operative banks located in urban and semi-urban areas. These banks, till 1996, were allowed to lend money only for non-agricultural purposes. This distinction does not hold today. These banks were traditionally centered on communities, localities, work place groups. They essentially lend to small borrowers and businesses. Today, their scope of operations has widened considerably.

DR. J. K. KHARDEKAR LIBRARY

4.6 FEATURES OF CO-OPERATIVE BANKING

Some characteristics of the nature of co-operative banks are as follows:

1. They are organized and managed on the principle of co-operation, self-help, and mutual help. They function with the role of “one member, one vote.”
2. They function on “no profit, no loss” basis. For commercial banks also, profitability is no longer the main objective, but in their case this change has been brought about as a result of social or public policy, while co-operative banks, by their very nature, do not pursue the goal of profit maximization.
3. Co-operative banks are perhaps the first government-sponsored, government-supported, and government-subsidized financial agency in India. They get financial and other help from the RBI, NABARD, Central government and state governments.
4. Co-operative bank do banking business mainly in the agricultural and rural sector. However, certain types of banks viz., UCBs, SCBs, CCBs operate in semi-urban, urban, and metropolitan areas also.
5. Co-operative bank perform all the main banking functions of deposit mobilization, supply of credit and provision of remittance facilities. However, it is said that the range of the services offered is narrower and the degree of product differentiation in each main type of service is much less in the case co-operative banks, compared to commercial banks.
6. Co-operative banks belong to the money market as well as to the capital market. Primary agricultural credit societies provide short-term loan. Land development banks (LDBs) provide long-term loan, UCBs meet working capital as well as fixed capital requirements, and SCBs and CCBs also provide both short-term and medium term loans. Similarly, they accept short-term and long-term deposit, and some of them mobilize resources through the issue of debentures.

7. Some co-operative banks are scheduled banks, while others are non-scheduled banks. For instance, SCBs and some UCBs are banks but other co-operative banks are non-scheduled banks.
8. Co-operative banks are financial intermediaries only partially. The sources of their funds are: (a) central and state government, (b) the RBI and NABARD, (c) other co-operative institutions, (d) ownership funds, and (e) deposits or debenture issues. It is interesting to note that intra-sectoral flows of funds are much greater in co-operative banking than in commercial banking. Inter-bank deposit, borrowings and credit from a significant part of assets and liabilities of co-operative banks. This means that intra-sectoral competition is absent and intra-sectoral integration is high for co-operative banks.
9. Co-operative banks have a federal structure of three-tier linkages. Further, their operation is of mixed banking type. Primary credit societies are unit banks; many UCBs also are unit banks. But SCBs, DCBs, (CCBs) and SLDCs, PLDBs and many UCBs have a number of branches.
10. Co-operative banks accept current, saving, and fixed or time deposit from individuals and institution include banks.
11. The co-operative banks are subject to CRR and liquidity requirement as other scheduled and non-scheduled banks are. However, they are required to maintain the CRR and SLR only at the level of three per cent and 25 per cent respectively, at present. They are subject to SCCs also. Further the USBs have been advised to lend 60 per cent of their total advances to the priority sectors. It means that the target for priority sector lending has been fixed at a higher level for these banks compared to commercial banks. Similarly while the CAS has now been withdrawn in the case of commercial banks, it is still applicable to the USBs although in a liberalized form. With effect from January 1989, they have to seek prior approval of the RBI for grant of advances to a single party exceeding certain limits, which vary from bank to bank depending on their size.

12. Since 1966, the lending and deposit rates of commercial banks have been directly regulated by the RBI had powers to regulate the rates of co-operative bank also, these powers the SCBs and CCBs were not exercised much till about 1979, in respect of their lending rates. From the early years till 1979, the SCBs and CCBs were expected to provide finance for agricultural and allied activities to the ultimate borrowers at reasonable rates, i.e., at concessional rates, by virtue of their being entitled to concessional refinance from the RBI.
13. Although the main aim of the co-operative banks is to provide cheaper credit to their members, and not to maximize profit, they may access the money market to improve their income so that they remain viable. This is in keeping with the opening up of non-farm sector to them in the recent past. Their need to access money market arises due to a variety of factors. First, CCBs are mainly in the field of financing seasonal agricultural operations, which creates cycles of flows of funds. Second, the short-term agricultural loans are given at a concessional rate of interest whereas interests paid on deposits by co-operative banks are higher than those paid by the commercial banks. It is true that they get concessional refinance from the NABARD, but its availability depends upon fulfilling conditions such as minimum involvement, non-overdue cover, etc.
14. Co-operative banks (COBs) in short, have played a pivotal role in the development of short-term and long-term rural credit structure in India over the years. The co-operative credit endeavor is said to be the first ever attempt at micro-credit dispensation in India.

4.7 OBJECTIVE OF CO-OPERATIVE BANK

1. To induce the people to join it as members and shareholder, if only in a small way-labor or effort.
2. To safely loan these saving and the bank credit to the bank members or customers within the local territory of the bank for wisely productive purposes wise use.
3. To act as an agent for the joint purposes of domestic and other requirements of members.

4. To encourage them to save money and deposit their savings in their own bank-capital accumulated.
5. To enable the people themselves to credit efficient management of their bank.
6. To borrow funds from the members or others to be utilized for loan to members for useful purposes.
7. To undertake collection of bills down, accepted or endorsed by members and constituents and to discount cheques and bills of approved members subject to rules and bye-laws in this behalf.
8. To provide other facilities as provided by commercial bank.
9. To arrange for the custody of valuables and discounts of members and constituents.
10. To encourage thrift, self-help and co-operation among the members.

4.8 INTRODUCTION OF DISTRICT CENTRAL CO-OPERATIVE BANK

When the co-operative societies act was passed in 1904 there was no provision for the formation of central banks. It was also contemplated that any deficiency in the funds would be made good by loans from the government. But these expectations of the promoters did not materialize. The isolated and poorly managed societies failed, in the first instance, to tap funds from the more affluent; secondly they could not augment their own capital base by encouraging thrift and self-help among their members.

As the movement gained in popularity, the societies started increasing in number by leaps and bounds. But the financial arrangement envisaged did not yield enough money to meet their growing requirements. The co-operative societies act was, therefore, amended in 1912 with a view to permitting registration of central societies. It may of interest to note that even before the amendment; some central banks had been established to cater to the financial needs of the primary societies. The first central bank was registered in Uttar Pradesh in 1906 as a primary society. But the first perfect central bank in the modern sense saw the light of the day in the former central province. In Rajasthan, the first central co-operative bank was started in 1910 at Ajmer.

But the revised act stimulated the growth of the central financing agencies and within a few years a large number of such banks were established. The period from 1906 to 1918 may be called the period of the origin of the central banks in various part of country.

The central Co-operative banks located at the district headquarters or some prominent town of the district. A Central Co-operative Bank is a federation of primary agricultural co-operative banks and other primary societies in a specified area, normally a district. The rural credit survey committee recommended that there should be only one central co-operative bank in a district so that it could be strong enough economic unit. When membership of a central co-operative bank is restricted to primary societies only, it is known as a banking union. Main objective of the central co-operative bank is to arrange the supply of funds for their constituents. In the present stage of development, the primary societies are not very strong so as to meet the credit requirements of their members. The central co-operative banks play a crucial role by arranging a regular flow of credit to the primary societies. The central co-operative banks also supervise the working of primary societies and ensure a satisfactory implementation of recognized credit policies.

4.9 ROLE AND FUNCTIONS OF DISTRICT CENTRAL CO-OPERATIVE BANK

The main functions of central co-operative banks are as follow:

1. The DCCBs are banking entities recognized by the Reserve Bank of India under the Banking Regulations Act. They accept deposits from general public and provide loans to individuals and institutions including primary cooperative societies. They are governed by the various regulations stipulated by the Reserve Bank of India from time to time. Special provisions have been incorporated in the Banking Regulations Act 1949 considering the special nature of their ownership, development role etc.
2. To meet the credit requirement of the primary credit societies for production, marketing and sales and supply operations by providing them a regular flow of credit.

3. To maintain close contact with primary societies, work as intermediary between state co-operative bank and primary agricultural credit society at village level.
4. To provide safe place for investment of funds of primary co-operative credit society.
5. To develop co-operative movement in the district on sound lines and extend banking facilities to the members and to the rural etc.
6. To act as friend, philosopher, and guide to the primary societies and to make them available surplus funds in their time of need.
7. To undertake non-credit activities such as supply of seeds, fertilizers, food-stuffs, and consumers goods.

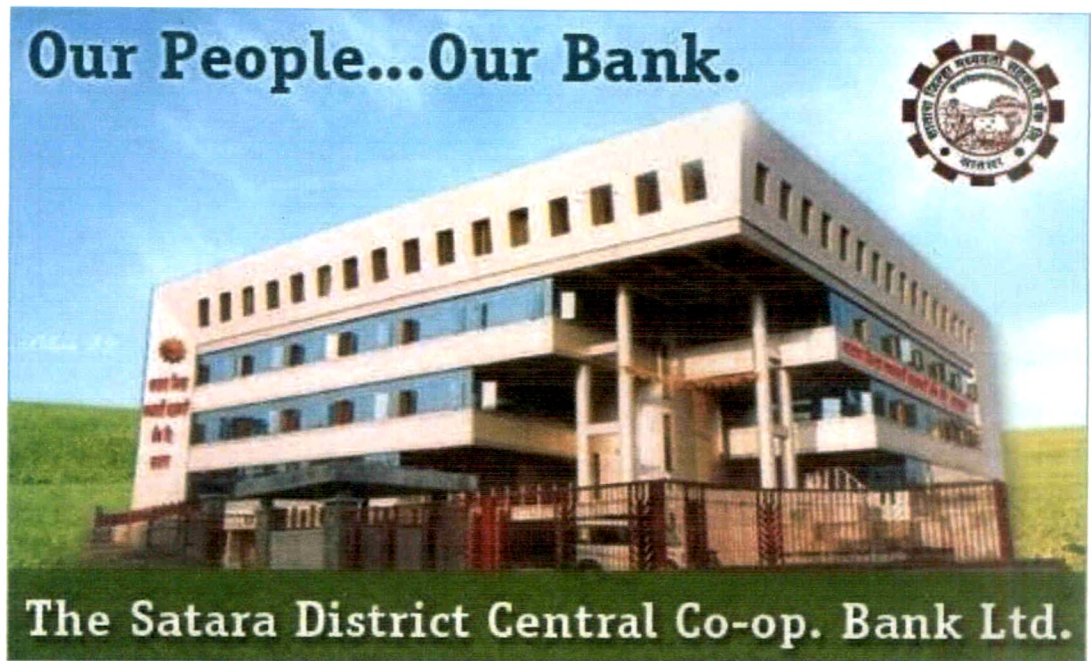
4.10 SATARA DISTRICT CENTRAL CO-OPERATIVE BANK

The Satara District Central Co-operative Bank has established on 15th November 1949. Late EX-Deputy prime minister of India Mr. Y.B. Chavan was the founder of the bank. The capital of the bank at that time was Rs. 2, 00,000/- only. The actual working of the bank was started as on 15th November 1950. After some days of incorporation of the bank the work of Karad branch Bombay Provisional Bank is taken over by the Satara District central co-operative Bank on the 15th August 1961. The Laxmi Central co-operative Bank, Phaltan get merged in the bank.

In the establishment of the Satara District Central Co-operative Bank Hon'ble Mr. Y.B. Chavan, Balasaheb Desai, Abasaheb Veer, Nilkanthrao Kalayani, Raghunathrao Patil, Baburao Godse, M.B. Mutha, L.K. More played important role.

Honorable co-operative Minister of Mumbai State Mr. Morarjibhai Desai inaugurated the bank. Honorable Balasaheb Desai was the 1st President and Nilkanthrao Kalyani was the 1st Vice President of the Bank.

The main aim of the development of the bank is to use the investment. Which is available from the rural sector which is available from the rural sector for the development of the rural sector itself?



4.10.1 AWARDS:-

Following are the award of the **Satara District Central Co-operative Bank Ltd. Satara**

Sr. No.	Award instituted by	Year	Award	Auspicious hands
1	National Bank for Agriculture and Rural Development(NABARD)	1996-97	Best Performance Award	Hon. Former Prime Minister Shri. Atal Bihari Vajpayee
2	National Bank for Agriculture and Rural Development(NABARD)	1997-98	Best Performance Award	Hon. Former Finance Minister Shri. Yashwant Sinha
3	National Bank for Agriculture and Rural Development(NABARD)	1998-99	Best Performance Award	Hon. Former Finance Minister Shri. Yashwant Sinha
4	National Bank for Agriculture and Rural Development(NABARD)	1999-00	Best Performance Award	Hon. Former Finance Minister Shri. Yashwant Sinha

5	National Bank for Agriculture and Rural Development(NABARD)	2000-01	Best Performance Award	Hon. Former Finance Minister Shri. Jaswant Sinha
6	National Bank for Agriculture and Rural Development(NABARD)	2003-04	Best Performance Award	Hon. Finance Minister Shri. P.Chidambaram
7	Maharashtra State Co-op. Banks Association, Mumbai	1999-00	Best District Central Co-op. Bank Award	Hon. Former Finance Minister For State Shri. Balasaheb Vikhe Patil
8	Maharashtra State Co-op. Banks Association, Mumbai	2001-02	Best District Central Co-op. Bank Award	Hon. C.M. Maharashtra Shri. Vilasrao Deshmukh
9	Maharashtra State Co-op. Banks Association, Mumbai	2002-03	Best District Central Co-op. Bank Award	Hon. Former State Minister for Co-operation Shri. Balasaheb Kupekar & Hon. Former State Minister for Finance Shri. Diliprao Deshmukh
10	Maharashtra State Co-op. Banks Association, Mumbai	2003-04	Best District Central Co-op. Bank Award	Hon. Minister for Co-operation, Maharashtra state Shri. Patangrao Kadam
11	Maharashtra State Co-op. Banks Association, Mumbai	2004-05	Best District Central Co-op. Bank Award	Hon. Former State Minister for Co-operation, Shri. Jayprakash Dandegaonkar
12	Maharashtra State Co-op. Banks Association, Mumbai	2005-06	Best District Central Co-op. Bank Award	Hon. Chief Editor Loksatta News Paper Shri. Kumar Ketkar

13	Maharashtra State Co-op. Banks Association, Mumbai	2006-07	Special Award for Best Performance In Last Three Consecutive Years	Hon. Vice Chancellor, Pune University, ShriDr. Narendra jadhav
14	Maharashtra State Co-op. Banks Association, Mumbai	2002-03	Late Bapuroji Deshmukh Best Co-op. Bank Employee In Manager Grade allotted to Mr. A.S. Nalawade (General Manager)	Hon. Former State Minister for Co-operation Shri. Babasaheb Kupekar and Hon. Farmer State Minister for Finance Shri. Diliprao Deshmukh
15	Maharashtra State Co-op. Banks Association, Mumbai	2006-07	Late Bapuroji Deshmukh Best Co-op. Bank Employee In Manager Grade allotted to Mr. A.B. Kshirsagar (Manager Loans and Devp.)	Hon. Vice Chancellor, Pune University, ShriDr. Narendra jadhav

Source: Annual report of Satara District Central Co-operative Bank Ltd.,
Satara (2001-02 to 2010-11)

4.10.2 POSITION OF BANK:-

The Satara District central co-operative Bank plays important role in development of agriculture credit co-operative and other types of societies. They act as a balancing center by transferring the funds to these societies.

The Satara District Central co-operative bank occupy a position of cardinal importance in co-operative credit movement largely depends on their financial strength, in view of this the development and success of this Bank is of great importance. The chief objective of The Satara District Central Co-operative Bank is to meet the credit requirements of member's societies. They finance

agriculture credit societies for production purposes. Marketing societies for marketing and supply operations and industrial and other societies for working capital.

They work as an intermediary to link the primary Societies with the money market. The Satara District Central Co-operative Bank serves as balancing center for adjusting the surplus and deficiency of working capital of primary credit societies. Besides providing the loans the Satara District central co-operative Bank also provide certain normal banking facilities to member's, such as acceptance of deposits, remittance of funds, collections of cheques etc.

4.10.3 OBJECTIVES OF SATARA DISTRICT CENTRAL CO-OPERATIVE BANK

The bank has been trying to achieve the following object:

- 1) To raise resources and attain self-sufficiency of resources.
- 2) To arrange for supervision and inspection for the Primary Agriculture Co-operative Banks (PACBs) and other Member Societies.
- 3) To finance for co-operative societies and Primary Agriculture Co-operative Banks (PACBs) and other Member Societies in district.
- 4) To advance short term, medium term and long term loan to handloom, cottage and small-scale industries.
- 5) To promote new societies, financing of new societies, appraising the performance of various types of co-operative societies.
- 6) To develop banking habit among the rural people in its operational area.
- 7) To receive money on current, savings and fixed or other accounts.
- 8) To develop socio- economic conditions of rural people especially weaker sections in the society.
- 9) To finance co-operative societies and carry on banking business.
- 10) Providing refinance to PACS for Short term, Medium term agricultural credit.

4.10.4 POSITION OF TALUKAWISE BRANCH EXPANSION

Area of operation of the bank is confined to Satara District only. There are eleven Taluka in District. There are 257 branches and 28 extension counters of the Bank in the district.

Sr.no.	Name of Taluka	No of branches	Extension counters
1	Satara	40	4
2	Karad	48	5
3	Patan	22	1
4	Koregaon	27	1
5	Khatav	22	4
6	Man	17	3
7	Phalatan	29	2
8	Khandala	20	2
9	Wai	15	3
10	Jawali	11	1
11	Mahableshwar	6	2
	Total	257	28

Source: Annual report of Satara District Central Co-operative Bank Ltd.,
Satara (2011-12)

4.11 BOARD OF THE DIRECTORS OF THE BANK

28 Members are in the Board of Directors of the Satara District Central Co-operative Bank, which is constituted as below.

Sr.No	Name of Board of Directors	Post
1	Hon. Laxmanrao Pandurang Jadhav (Patil)	Chairman
2	Hon. Ravindra Tatyaso Kadam	Vice – Chairman
3	Hon. Shrimant Ramraje Pratapsinh Naik-Nimbalkar	Director
4	Hon. Vilasrao Balkrishna Patil	Director
5	Hon. Shrimant Chhatrapati Shivendrasinharaje Abhaysinharaje Bhosale	Director
6	Hon. Vikramsinh Ranjeetsinh Patankar	Director
7	Hon. Shashikant Jaywantarao Shinde	Director
8	Hon. Prabhakar Devba Gharge	Director
9	Hon. Sadashivrao Aabaji Pol	Director
10	Hon. Lalasaheb Vitthalrao Shinde	Director
11	Hon. Dattatraya Narayan Dhamal	Director
12	Hon. Rajendra Nivruti Rajpure	Director
13	Hon. Vilasrao Govindrao Patil (Watharkar)	Director
14	Hon. Shrimant Chhatrapati Udayanraje Pratapsinhamaharaj Bhosale	Director
15	Hon. Yashwantrao Appaso Nimbalkar alias Dadaraje Khardekar	Director
16	Hon. Anil Shivajirao Desai	Director
17	Hon. Vishwasrao Rajaram Nimbalkar	Director
18	Hon. Shahuraj Vasantarao Phalke	Director
19	Hon. Dadasaheb Jotiram Godase	Director
20	Hon. Prakash Dyannu Badekar	Director
21	Hon. Shivaji Bandoba Jamadade	Director
22	Hon. Arjunrao Ramchandra Khade	Director
23	Hon. Smt. Sunetra Rajendra Shinde	Director
24	Hon. Mrs. Mangal Ravindra Pawar	Director

25	Hon. Aanand Katake, The District Deputy Registrar, Cooperative Society, Satara	Director
26	Sou. Arunadevi Shashikant Patil President of Zilla Parishad Satara	Director
27	Hon. Pradip Tatyaso Pawar	Director
28	Hon. Shamrao Yadavrao Gaikwad	Director

Source: Annual report of Satara District Central Co-operative Bank Ltd.,
Satara (2011-12)

4.11.1 FUNCTIONS OF BOARD OF DIRECTORS

1. To raise funds, sanction loans and recover debts.
2. To convene general meetings.
3. To prepare annual budget estimates.
4. To control the paid staff and look into their appointment, suspension, punishment and removal.
5. To supervise and manage the affairs of the bank.

4.12 FINANCIAL POSITION OF SATARA DISTRICT CENTRAL CO-OPERATIVE BANK

The Satara district central co-operative bank plays important role in development of agriculture credit co-operative and other types of societies. The Satara district central co-operative bank serves as a connecting link between the co-operative bank and primary co-operative credit societies. They act as a balancing center by transferring of the societies.

The Satara District central co-operative bank occupy a position of cardinal importance in co-operative credit movement largely depends on their financial strength, in view of this the development and success of this bank is of great importance. The chief objective of the Satara District Central Co-operative Bank is to meet the credit requirement of member's societies. They finance agriculture credit societies for production purposes, marketing societies for marketing and supply operation and industrial other societies for working capital.

They work as an intermediary to link the primary societies with the money market. Further the Satara District Central Co-operative Bank serves as

balancing center for adjusting the surplus and deficiency of working capital of primary credit societies. Besides providing the loan Satara District Central Co-operative Bank also provide certain normal banking facilities to members, such as acceptance of deposits, remittance of funds, collections of cheques etc.

The growth of the Satara district central co-operative bank include what goes on increase the working of the bank which include the management, membership, share capital, deposits, borrowing, other liabilities, investment, short term loan, medium term loan, cash credit and other loan and other assets.

For studying all these point in detail it would be appropriate to study which is given in the following:

I) GROWTH OF MEMBERSHIP

The development of the bank, the basic factor is membership. In Satara district central co-operative bank having two classes of members, viz; society members and individual members.

Table no. 4.2

Classification of Members

Sr.No.	Year	No. of P. C. C.	Growth Rate	No. of Individual	Growth Rate	Total	Growth Rate
1	2001-02	2773	--	213	--	2986	--
2	2002-03	2805	1.15	197	-7.51	3002	0.54
3	2003-04	2818	0.46	185	-6.09	3003	0.03
4	2004-05	2632	-6.60	172	-7.03	2804	-6.63
5	2005-06	2660	1.06	162	-5.81	2822	0.64
6	2006-07	2596	-2.41	158	-2.47	2754	-2.41
7	2007-08	2601	0.19	150	-5.06	2751	-0.11
8	2008-09	2596	-0.19	145	-3.33	2741	-0.36
9	2009-10	2647	1.96	138	-4.83	2785	1.61
10	2010-11	2644	-0.11	134	-2.90	2778	-0.25

Source: Annual report of Satara District Central Co-operative Bank Ltd.,

Satara

(2001-02 to 2010-11)

Graph No.4.1



This table shows the members of Satara District Central Co-operative Bank. Membership of the bank is divided in to two divisions. 1. Society members and 2.Individual members.

In this table indicate that primary credit co-operative society members are high and low during the period of last 10 years. Because many primary credit co-operative societies become closed or bankrupt and some of them merged into other credit society, dairy societies were closed down. Bank also closed their accounts as the financial transaction was not with the bank. In 2001-02 the society members was 2773 and in 2010-11 members was 2644. The percentage of society member is 1.15 per cent in 2001-02 and -0.11 per cent in 2010-11. The highest members of society were 2818 in 2003-04. The maximum percentage of members of society is 1.96 per cent in 2009-10.

In this table denote that individual members are decreased in study period 2001-02 to 2010-11. Because of most of the existing a/c holders were dead and there is no such rule for making a/c holders to the heir on the place of instead existing A/c holder after become the bank was autonomous. The individual members was 213 in2001-02 and 134 in 2010-11. The maximum member of individual was 213 in 2001-02. The percentage was -7.51 per cent in 2001-02 and -2.90 per cent in 2010-11.

In this table shows total members of the bank is ups and downs in last 10 years. In 2001-02 the total members of the bank is 2986 and in 200-11 total members was 2778 in 2010-11. In the year of 2003-04 the growth of total members 3003 is highest. The percentage of total members is 0.54 per cent in 2001-02 and -0.25 per cent in 2010-11. Two time growth is 3002 and 3003 in 2002-03 to 2003-04.

A) CAPITAL AND LIABILITIES

1) ISSUED SHARE CAPITAL

The central co-operative banks issue shares to their members. Issued share capital is the total of the share capital issued to share holders

Table no.4.3

Issued share capital (Rs in lacks)

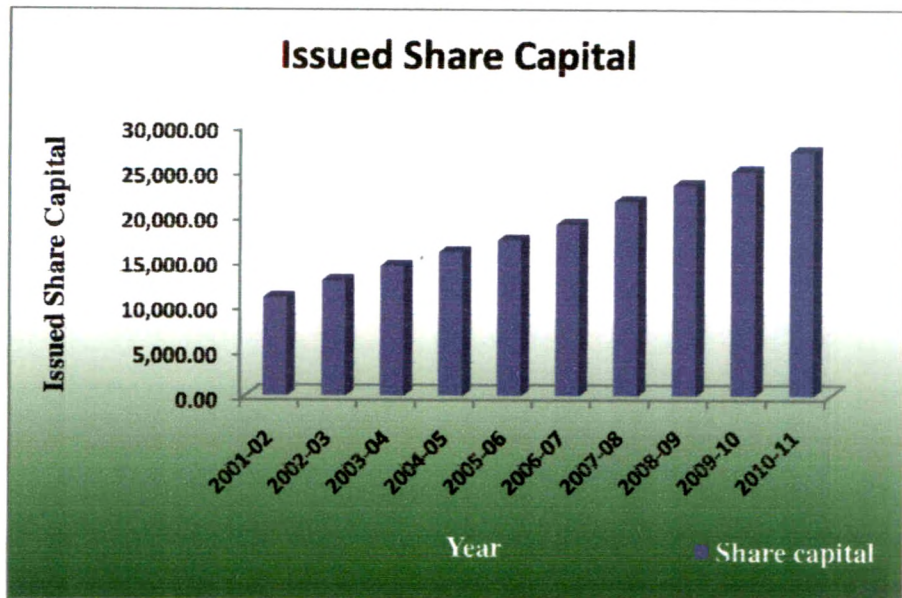
Sr. No.	Year	Issued Share capital	Growth rate (%)
1	2001-02	10,861.03	--
2	2002-03	12,717.90	17.10
3	2003-04	14,376.14	13.04
4	2004-05	15,931.39	10.82
5	2005-06	17,238.72	8.21
6	2006-07	19,022.66	10.35
7	2007-08	21,607.06	13.59
8	2008-09	23,429.74	8.44
9	2009-10	24,965.28	6.55
10	2010-11	27,135.11	8.69

Source: Annual report of Satara District Central Co-operative Bank Ltd.,

Satara

(2001-02 to 2010-11)

Graph no. 4.2



It is clear from Table 4.3 that the issued share capital of the bank during the study period from 2001-02 to 2010-11 shows an increasing trend. Satara district central co-operative is providing loan to the primary credit co-operative societies. The societies were mandate to buy the share of bank in the proportion of the loan provided. Most of the area was become horticulture in Satara district and hence bank started providing loans for cash crops. The capacity of taking loans A/c holders was increased so share capital was increased as the a/c holder in 2001-02 the share of capital was 10,861.03 lacks and in 2010-11 is 27,135.11 lacks. The percentage of share capital increased from 17.10% in 2001-02 and 8.69% in 2010-11. The highest growth rate is 17.10 percent in 2002-03. Two times growth is 8.44 per cent and 8.69 per cent in 2008-09 to 2010-11 are the same growth of share capital.

2) DEPOSIT

Deposit is a source of working capital of the bank. Every bank is trying to explore the possibilities of collecting maximum deposits from the public. There is an area of keen completion among the banks most of the banks complete saving of the public by means of different kinds of deposits. It is not an to say that almost every day a new kind of deposits is being introduced. At the same time a banker should be very careful deposit accounts are operated

very often. He should safeguard his position in such a way that he may not be victimized by unscrupulous person.

Types of deposits

Banks generally accept the following types of deposits for each type of deposits should frame rules.

There rules should have the approval of the board and wherever necessary the rules may be got approved by the register of co-operative societies.

1) Current deposits

Generally, affiliated societies individual firm or businessmen opened the current account with bank an account to man transaction and large scale for their convenience.

There is no any limit to deposits with draw amount form current account money can be deposits with drawn only by means by cherubs, usually a banker does not allow any interest on the account.

2) Fixed deposits

Deposits invest their amount in fixed deposit with their necessity.

- 1) Fixed is one which is repayable after the expiry of a predetermined period fixed by the customer himself.
- 2) Normally the money invested in fixed deposits is not repayable before the expiry of a fixed period. But taking in to account the necessity of deposit is not repayable before in to account the necessary of deposits is refunded before maturity according to the rules farmed there under.
- 3) Its interest is fixed.
- 4) The rate of interest offered by the bank is depending on the period on the deposit they are as follows.

Sr. No.	Period Of Fixed Deposit	Interest Rate
1	30 Days to 45 Days	4.5%
2	46 Days to 90 Days	5.50%
3	91 Days to 180 Days	7.50%
4	181 Days to 1 Year	8.50%
5	1 Year to 2 Year	10.00%
6	2 Year to 3 Year	10.00%
7	3 Year to 5 Year	9.50%
8	Above 5 Year	8.50%

3) Saving deposits

This deposit is intended primarily for small scale savers. The main objective of this account is promotion of thrift.

- 1) It has no limit to deposits maximum cash but there is restriction on Withdrawals within a month.
- 2) Heavy withdrawals are permitted only against prior notice.
- 3) The depositor is supplied with a pass book now a day. Saving account holder are given cheque facilities also.
- 4) The rate of interest is offered 3%, 5% by the bank for saving account.

4) Recurring deposit

It is one form of term deposits.

- 1) Deposits save and deposits regularly every month a fixed installment so that they are assured of the sizeable amount at a later period.
- 2) A recurring deposits holder can get a loan on the security of recurring deposits.
- 3) Account holder remitting fixed amount on incremental basis for a period from 1 year to 10 year with the bank.
- 4) In recurring deposits rate of interest are most equal deposits.

5) Dam didpat deposits

The account holder can deposit the round up figure in the dam didpat deposit with the bank.

1) The one half of invested amount will be refunded to the customer after completing the period of 81 month and 21 days.

2) If a customer requires refund before maturity, the amount paid to customer according the rate of interest.

6) Dam duppat deposits

The account holder can deposits the round up amount in the Dam duppat deposits.

1) The double of invested amount will be refunded to the customer after completing the period of 139 month and 20 days.

2) If a customer requires refund before maturity, the amount paid to customers according to the rate of interest offered to fixed deposits, deducting one percent rate of interest.

Table no. 4.4

Total Deposit

(Rs in lacks)

Sr. No.	Year	Total Deposit	Growth rate
1	2001-02	1,04,785.46	--
2	2002-03	1,10,850.01	5.79
3	2003-04	1,19,759.69	8.04
4	2004-05	1,23,793.44	3.37
5	2005-06	1,35,339.69	9.33
6	2006-07	1,47,809.03	9.21
7	2007-08	1,70,706.48	15.49
8	2008-09	2,08,791.39	22.31
9	2009-10	2,28,573.73	9.47
10	2010-11	2,57,494.23	12.65

Source: Annual report of Satara District Central Co-operative Bank Ltd.,

Satara

(2001-02 to 2010-11)

Graph no.4.3

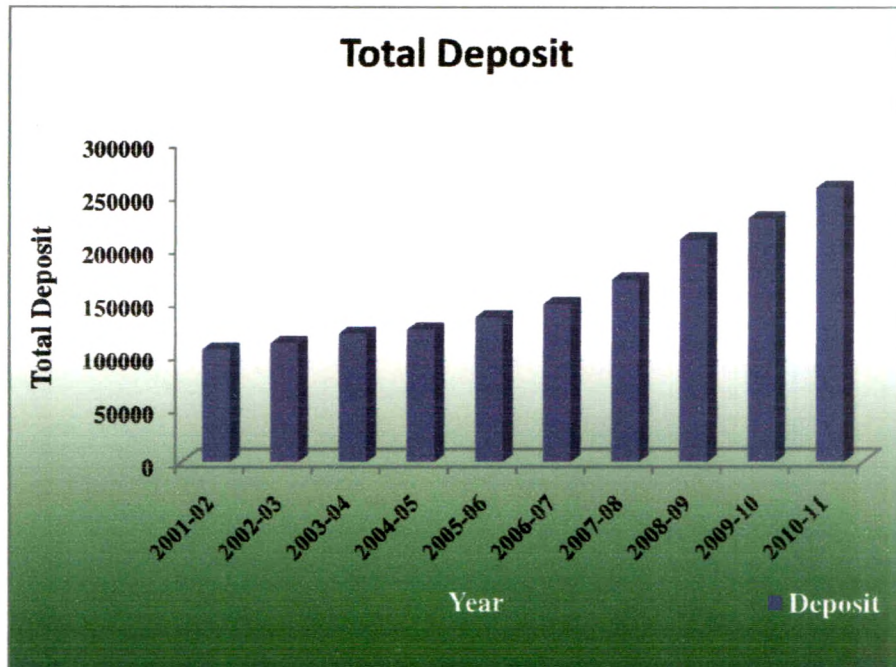


Table 4.4 shows that the total deposit of the bank has been increased constantly during the study period in 2001-02 to 2010-11. The deposit increased from 1, 04,785.46 lacks to 2, 57,494.23 lacks during 2001-01 to 2010-11. In the year of 2008-09 the growth rate of total deposit is 22.31 per cent is highest. Two time growth is 9.33 per cent and 9.47 per cent in 2006-07 and 2009-10 are the same growth of total deposits. The maximum growth of total deposits is 2, 57,494.23 lacks in 2010-11.

Table no 4.5

Classification of Deposits (Rs in lacks)

Sr. No	Year	Society	Growth	Individual	Growth	Z.P	Growth
1	2001-	36,706.94	--	62,721.87	--	5,356.65	--
2	2002-	39,586.08	7.84	66,061.67	5.32	5,202.26	-2.88
3	2003-	43,994.95	11.14	68,131.66	3.13	7,633.08	46.73
4	2004-	42,353.01	-3.73	72,419.90	6.29	9,020.53	18.18
5	2005-	46,175.82	9.03	79,833.60	10.24	9,330.27	3.43
6	2006-	49,168.70	6.48	84,169.67	5.43	14,470.66	55.09
7	2007-	62,707.36	27.54	94,553.05	12.34	13,446.07	-7.08
8	2008-	76,652.09	22.24	1,15,530.16	22.18	16,609.14	23.52
9	2009-	73,555.73	-4.04	1,36,808.23	18.41	18,209.77	9.64
10	2010-	74,984.35	1.94	1,56,839.86	14.64	22,667.62	24.48

Source: Annual report of Satara District Central Co-operative Bank Ltd.,

Satara

(2001-02 to 2010-11)

This table shows bank accepts deposit from Society, Individual members and Zilla Parishad.

Primary co-operative credit societies are depositor of Satara district central co-operative bank. This table shows that the deposits of societies were increasing constantly and satisfactory during the last 10 years. It shows the amount of outstanding deposits increased from 36,706.94 lacks to 74,984.35 lacks during 2001-02 to 2010-11. The highest growth rate of deposit is 27.54 per cent in 2007-08.

This table shows that the deposit from individual members in bank. The deposits of individual members are increasing from 62,721.87 lacks to 1, 56,839.86 lacks in 2001-02 to 2010-11. Because sugarcane payment was made to the sugarcane producers through Satara district co-operative bank. The base rate of sugarcane was increased since last 4 to 5 years and hence deposits were increased. The highest growth of deposits is 1, 56,839.86 lacks in 2010-11. The growth rate of deposit is increasing from 5.32 per cent to 14.64 per cent in 2010-11. The highest percentage of deposits is 22.18 per cent in 2008-09.

This table shows that the deposits from zilla parishad in the bank. The deposits of zilla parishad are increased during the last 10 years from 2001-02 to 2010-11. In the year of 2001-02 the amount deposits is 5,356.65 lacks and in 2010-11 it is increased up to 22,667.62 lacks. The percentage of deposits is -2.88 per cent in 2001-02 and 24.48 per cent in 2010-11. The maximum growth rate of deposit is 55.09 per cent in 2006-07.

3) BORROWING

Borrowing is yet another vital source of working funds. Satara District Central Co-operative Bank generally borrows from NABARD / State Co-operative Bank.

Table no 4.6

		Borrowing	(Rs in lacks)
Sr. No	Year	Borrowing	Growth Rate
1	2001-02	7,851.93	--
2	2002-03	3,049.43	-61.16
3	2003-04	2,450.80	-19.63
4	2004-05	1,647.30	-32.79
5	2005-06	1,742.00	5.75
6	2006-07	17,988.72	932.65
7	2007-08	15,772.45	-12.32
8	2008-09	10,639.68	-32.54
9	2009-10	12,329.83	15.89
10	2010-11	15,780.45	27.99

Source: Annual report of Satara District Central Co-operative Bank Ltd.,

Satara

(2001-02 to 2010-11)

Graph no.4.4

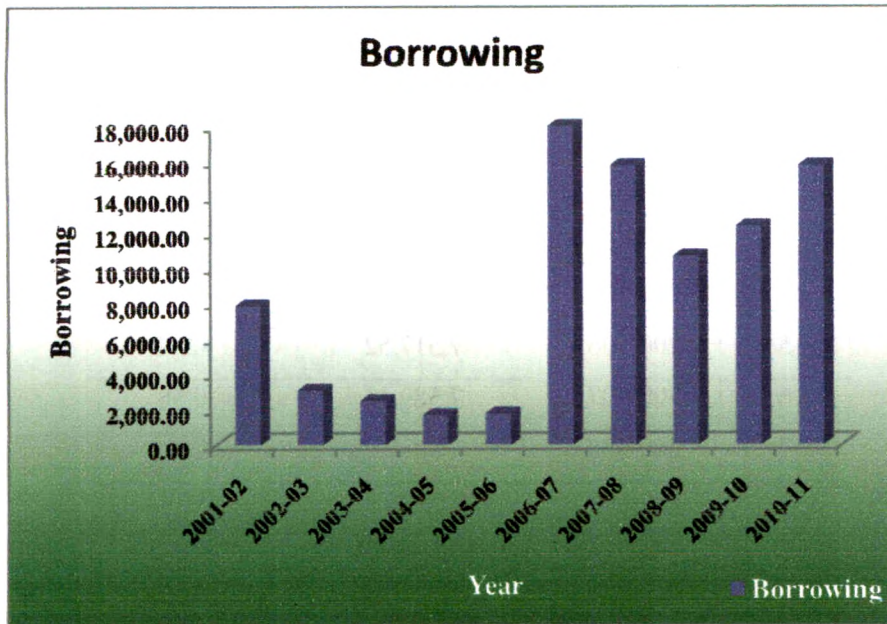


Table 4.6 indicates a fluctuating trend in the borrowing of the bank. Because in the year 2005-06 banks provided Borrowing of bank increased from 7,851.93 lacks to 15,780.45 lacks within 10 years. In 2005-06 demand for borrowing loan has low, But in the year 2006-07 the demand for borrowing loan has increased. In 2006-07 bank has provided loan to its society's members. Due to this bank has increase outside loan in high proportion. The bank borrowing loan graph is changing according to the rise and fall in demand for the loan. The growth rate of borrowing is increased from -61.16 per cent in 2001-02 to 27.99 per cent in 2010-11. The highest growth rate of borrowing is 932.65 per cent in 2006-07. In 2007-08 the growth rate of borrowing is 12.32 per cent which is lowest. Bank has take low borrowing loan from 2002-03 to 2005-06 which is 3,049.43 lacks to 1,742.00 lacks. After 2006-07 it is increased with 17,988.72 lacks.

4) OTHER LIABILITIES

The other liabilities form part of the working capital which includes bills payable, interest payable, unclaimed dividend, sundry creditors, branch adjustments, profits as shown in the balance sheet, suspense account and sundries.

Table no. 4.7

Other Liabilities

(Rs in lacks)

Sr. No.	Year	Other liabilities	Growth Rate
1	2001-02	3,497.64	--
2	2002-03	4,137.85	18.30
3	2003-04	5,472.54	32.26
4	2004-05	5,259.98	-3.88
5	2005-06	7,517.52	42.92
6	2006-07	7,589.43	0.96
7	2007-08	10,864.23	43.15
8	2008-09	6,690.29	-38.42
9	2009-10	15,484.47	131.45
10	2010-11	14,695.85	-5.09

Source: Annual report of Satara District Central Co-operative Bank Ltd.,
Satara (2001-02 to 2010-11)

Graph no. 4.5

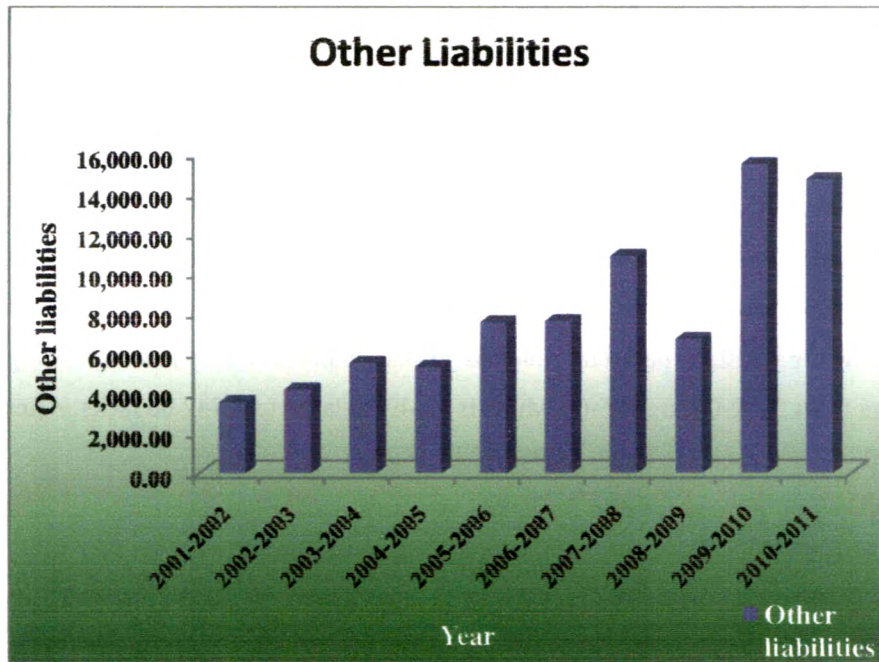


Table 4.7 provides a clear picture of the growth of other liabilities of the bank which shows a mixed trend. Other liabilities increased from 3,497.64

lacks to 14,695.85 lacks during 2001-02 to 2010-11. The highest growth is 15,484.47 lacks (131.45) per cent in 2009-10. The percentage of other liabilities is 18.30 per cent in 2001-02 and -5.09 percent in 2010-11. In 2001-02 to 2006-07 other liabilities are increasing constantly by 18.30 per cent to 0.96 per cent. Other liabilities to gain in 2007-08 is 10,864.23 lacks (43.15) per cent. In 2008-09 other liability decreased by -38.42 per cent. After 2009-10 it is increased.

B) PROPERTY AND ASSETS

1) CASH IN HAND AND BANK

Funds that are immediately available to a bank, and can be spent as needed, as opposed to assets that must be sold to generate cash. What financial hardships can be absorbed, without going into debt or arranging other financing.

Table no 4.8

Cash in hand and bank (Rs in lacks)

Sr. No.	Year	Cash in Hand and Bank	Growth Rate (%)
1	2001-02	5,949.12	--
2	2002-03	7,169.49	20.51
3	2003-04	7,388.82	3.06
4	2004-05	7,020.78	-4.98
5	2005-06	6,386.80	-9.03
6	2006-07	8,905.66	39.44
7	2007-08	12,340.59	38.57
8	2008-09	10,988.82	-10.95
9	2009-10	12,738.14	15.92
10	2010-11	15,798.18	24.02

Source: Annual report of Satara District Central Co-operative Bank Ltd.,

Satara

(2001-02 to 2010-11)

Graph no.4.6

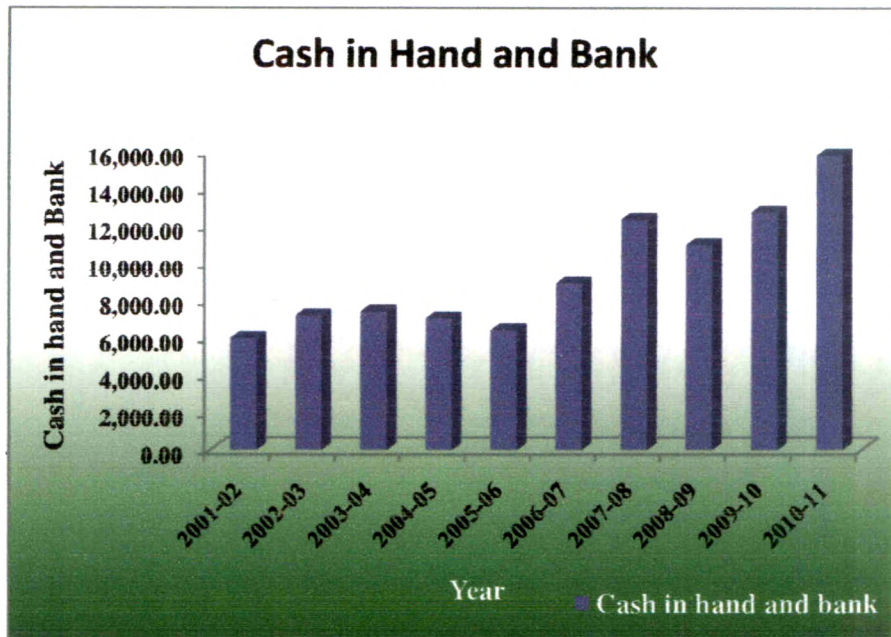


Table 4.8 shows that the cash in hand amount is increased from Rs. 5,949.12 lacks in 2001-02 to Rs 15,798.18 lacks in 2010-11. The maximum growth of cash in hand and bank was Rs 15,798.18 lacks in 2010-11. The highest contribution of cash in hand and bank is 39.44 per cent in 2006-07. The growth rate of cash in hand and bank is 20.51 per cent in 2001-02 to 24.02 per cent in 2010-11.

2) INVESTMENT

Investment is the accumulation of newly produced physical entities, such as factories, machinery, houses, and goods inventories.

Table 4.9

Investment (Rs in lacks)

Sr. No.	Year	Investment	Growth Rate (%)
1	2001-02	48,765.73	--
2	2002-03	54,153.02	11.05
3	2003-04	69,209.76	27.80
4	2004-05	81,682.65	18.02
5	2005-06	73,316.60	-10.24
6	2006-07	71,938.97	-1.88
7	2007-08	1,00,273.80	39.34
8	2008-09	1,33,656.04	33.34
9	2009-10	1,49,203.59	2.08
10	2010-11	1,34,684.80	-9.73

Source: Annual report of Satara District Central Co-operative Bank Ltd., Satara (2001-02 to 2010-11)

Graph no.4.7

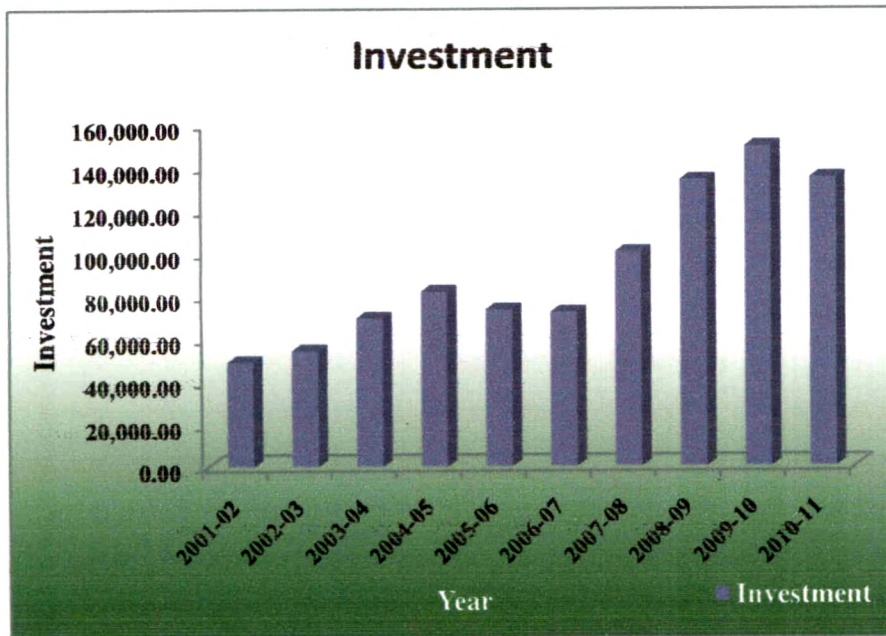


Table 4.9 shows that investment of the bank were increasing constantly and satisfactorily during the last 10 years from 2001-02 to 2010-11. In the year

of 2001-02 the amount of increased investment is Rs. 48,765.73 lacks and in 2010-11 it is increased up to Rs.1, 34,684.80 lacks. In 2001-02 investment is 11.05 per cent which is greater than -9.73 per cent in 2010-11. The maximum growth rate of investment is 39.34 per cent in 2007-08.

3) SHORT TERM LOAN (S.T.)

Bank provides short-term loans to the farmers who are members of the primary Agriculture credit societies for raising various crops. The short term credit for different crop is mainly required for various inputs viz. fertilizers, seeds, insecticides etc. due to timely supply of loans to the farmers.

Table 4.10

Short Term Loan (Rs in lacks)

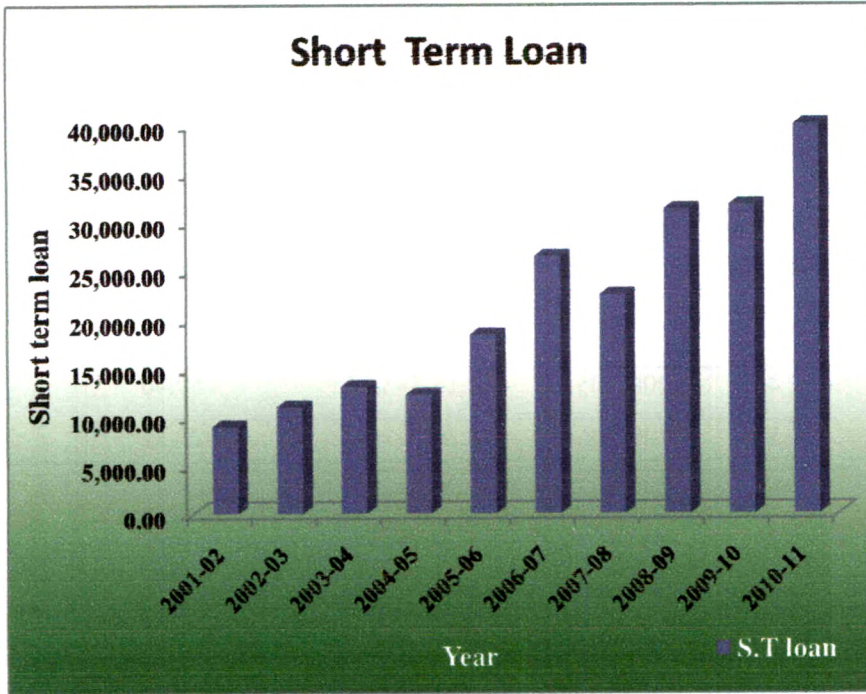
Sr. No.	Year	Short Term Loan	Growth rate (%)
1	2001-02	8,972.85	--
2	2002-03	10,988.80	22.47
3	2003-04	13,092.57	19.14
4	2004-05	12,268.40	-6.29
5	2005-06	18,430.03	50.22
6	2006-07	26,468.52	43.62
7	2007-08	22,509.61	-14.96
8	2008-09	31,272.39	38.93
9	2009-10	31,724.36	1.45
10	2010-11	39,990.99	26.06

Source: Annual report of Satara District Central Co-operative Bank Ltd.,

Satara

(2001-02 to 2010-11)

Graph no. 4.8



The above table 4.10 it seems that the amount of S.T. loan increased steadily during the study period 2001-02 to 2010-11. In 2001-02 the S.T loan was 8,972.85 lacs and in 2010-11 short term loan is 39,990.99 lacs. The percentage of S.T loan increased from 22.47 per cent in 2001-02 to 26.06 per cent in 2010-11. The highest growth rate of S.T. loan is 50.22 per cent in 2005-06. Two times growth is Rs. 31,272.39 lacs in 2008-09 and Rs. 31,724.36 lacs in 2010-11 are same growth of Short term loan.

4) MEDIUM TERM (M.T.) AND LONG TERM (L.T.) LOAN

Medium and long term loan provided by Satara district central co-operative bank.

Table no. 4.11

Medium Term and Long Term Loan

(Rs in lacks)

Sr. No.	Year	M.T. and L.T. loan	Growth rate (%)
1	2001-02	6,440.30	--
2	2002-03	10,982.96	70.53
3	2003-04	10,250.67	-6.67
4	2004-05	16,345.94	59.46
5	2005-06	20,893.89	27.82
6	2006-07	26,842.03	28.47
7	2007-08	29,746.61	10.82
8	2008-09	31,603.11	6.24
9	2009-10	31,309.51	-0.93
10	2010-11	37,896.24	21.04

Source: Annual report of Satara District Central Co-operative Bank Ltd.,

Satara

(2001-02 to 2010-11)

Graph no. 4.9

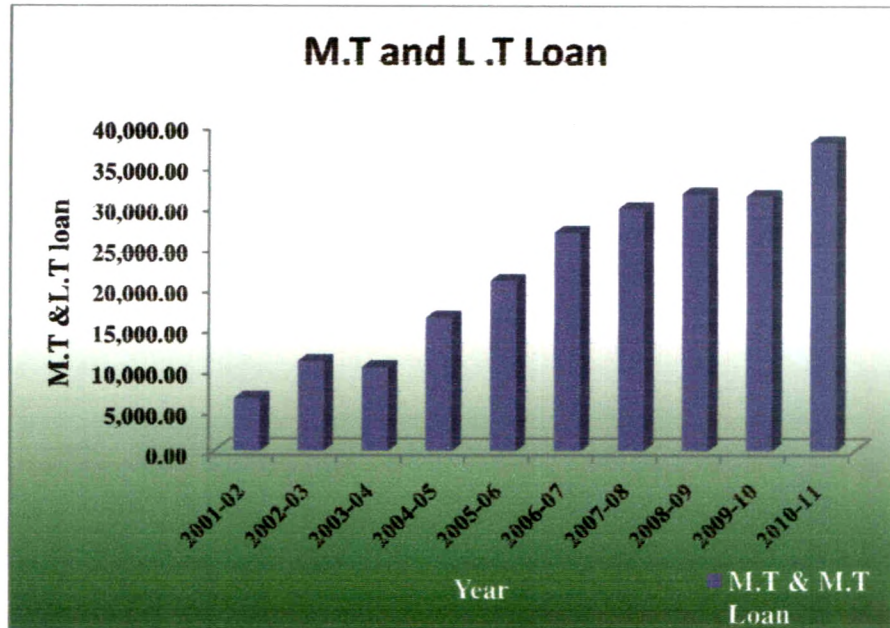


Table 4.11 shows that the position of medium term loan and long term loan of the bank. This table shows that the M.T and L.T loan has also increased during the last 10 years from 2001-02 to 2010-11. The maximum percentage of M.T and L.T loan is 70.53 per cent in 2001-02. The amount of M.T and L.T loan increased from Rs.6, 440.30 lacks in 2001-02 and Rs 37,896.24 lacks in 2010-11. The percentage of M.T and L.T loan is 70.53 per cent in 2001-02 to 21.04 per cent in 2010-11.

5) CASHCREDIT AND OTHER LOAN

Cash credit is an arrangement under which a customer of a bank or financial institution is allowed an advance up to certain limit against credit granted by bank.

Table no 4.12
Cash Credit and Other Loan (Rs in lacks)

Sr. No.	Year	Cash Credit and Other Loan	Growth rate (%)
1	2001-02	52,099.64	--
2	2002-03	46,447.88	-10.85
3	2003-04	41,048.61	-11.62
4	2004-05	27,155.04	-33.85
5	2005-06	39,345.71	44.89
6	2006-07	54,013.99	37.28
7	2007-08	45,402.71	-15.94
8	2008-09	34,944.04	-23.04
9	2009-10	46,218.45	32.26
10	2010-11	79,344.63	71.67

Source: Annual report of Satara District Central Co-operative Bank Ltd.,

Satara

(2001-02 to 2010-11)

Graph no. 4.10

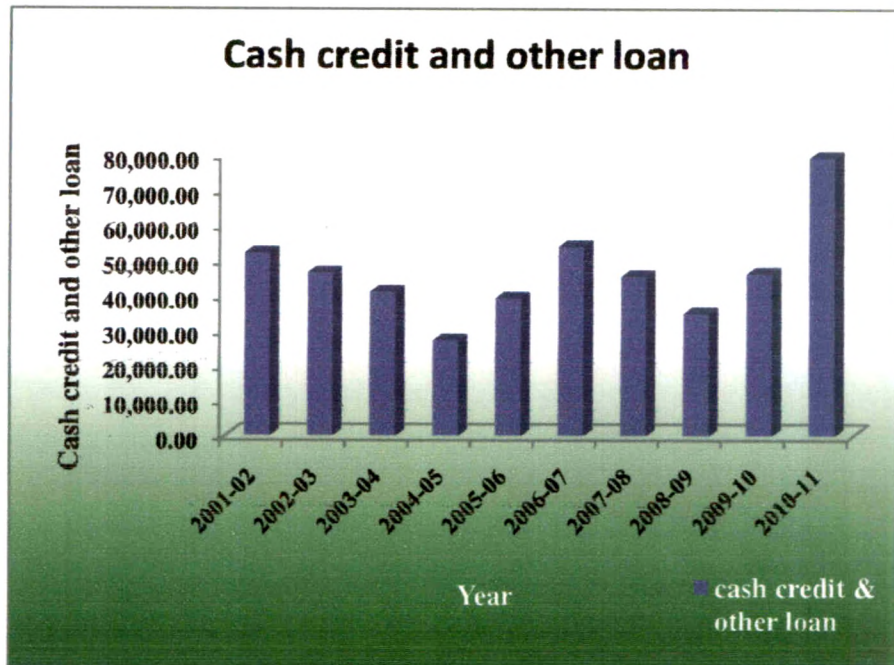


Table 4.12 shows that the cash credit and other loan have also increased and decreased. In 2001-02 cash credit and other loan is Rs 52,099.64 lacks and in 2010-11 is increased up to Rs. 79,344.63 lacks. The percentage of cash credit and other loan increased from -10.85 per cent in 2001-02 and 71.67 per cent in 2010-11. The highest percentage of cash credit and other loan is 71.67 per cent in 2010-11. The cash credit and other loan is growth with great numbers is Rs. 79,344.63 lacks in 2010-11

6) OTHER ASSETS

Anything tangible or intangible that is capable of being owned or controlled to produce value and that is held to have positive economic value is considered an asset.

Table no. 4.13

Other assets (Rs in lacks)

Sr. No.	Year	Other Assets	Growth Rate (%)
1	2001-02	6,768.52	--
2	2002-03	3,064.02	-54.73
3	2003-04	3,120.24	1.83
4	2004-05	3,559.30	14.07
5	2005-06	4,214.90	18.42
6	2006-07	4,940.67	17.22
7	2007-08	11,034.54	123.34
8	2008-09	6,573.47	-40.43
9	2009-10	11,188.28	70.20
10	2010-11	8,722.44	-22.04

Source: Annual report of Satara District Central Co-operative Bank Ltd.,

Satara

(2001-02 to 2010-11)

Graph no 4.11

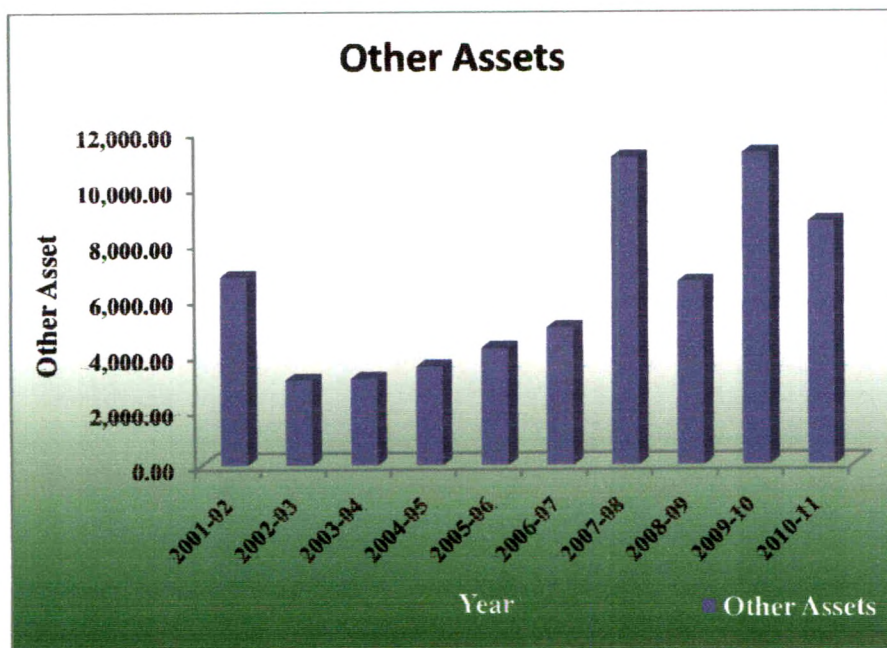


Table shows 4.13 that the position of other assets of the bank. This table shows that other assets have ups and downs in study period during 2001-02 to 2010-11. In 2001-02 the other assets was Rs. 6,768.52 lacks and in 2010-11 Rs. 8,722.44 lacks. The percentage of other assets is -54.73 per cent in 2001-02 and -22.04 per cent in 2010-11. The maximum percentage of other assets is 123.43 per cent in 2007-08. Two times growth is Rs. 11,034.54 lacks in 2007-08 and Rs. 11,188.28 lacks in 2009-10 are same growth of other assets.

Conclusion

It is observe that co-operative banks play important role in national development. The performance of co-operative banking sector as a whole has attracted considerable attention.

The Satara District Central Co-operative Bank has expanded its financial activities in the form of membership, share capital, deposits, borrowing, and cash in hand and bank, investment, short term loan, medium and long term loan and cash credit and other loan. There is balance between liabilities and assets. The bank show great performance in financing.

4.13 REFERANCES

Annual report of Satara District Central Co-operative Bank Ltd., Satara.