

Chapter III
PROFILE OF SAHYADRI SAHAKARI BANK
LTD., KARAD

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3.1 Introduction

Co-operation has become an important aspect in the economic life of society. Co-operative organizations are playing vital role in the economic development of the rural areas of the country as well as urban areas.

In recent years co-operative movement in India has made considerable progress. Today large number of co-operative societies has been working in the field of agriculture, housing, manufacturing, banking etc.

Co-operative banking is considered as one of the most powerful instrument for re-construction of credit structure of under-developed countries. Recently most of the co-operative banks are established for the economic development of the urban and rural areas in general and for economic progress of weaker sections of the society in particular. They advances loans to traders, businessman, farmers, teachers, consultants, doctors, lawyers, engineers, medical distributors and other salary earners. They advances loans for both production and consumption purpose.

This study covers the role of Sahyadri Sahakari Bank Limited, Karad, organisational and financial aspects of their working and problems faced by them.

3.2 Bank History and Origin

3.2.1 Commercial Eye View of Karad City

Karad is a developing market center in Satara District as well as educational center. Karad is well-known agricultural market center. The population of Karad city 56167 as per data available in the year 2001.

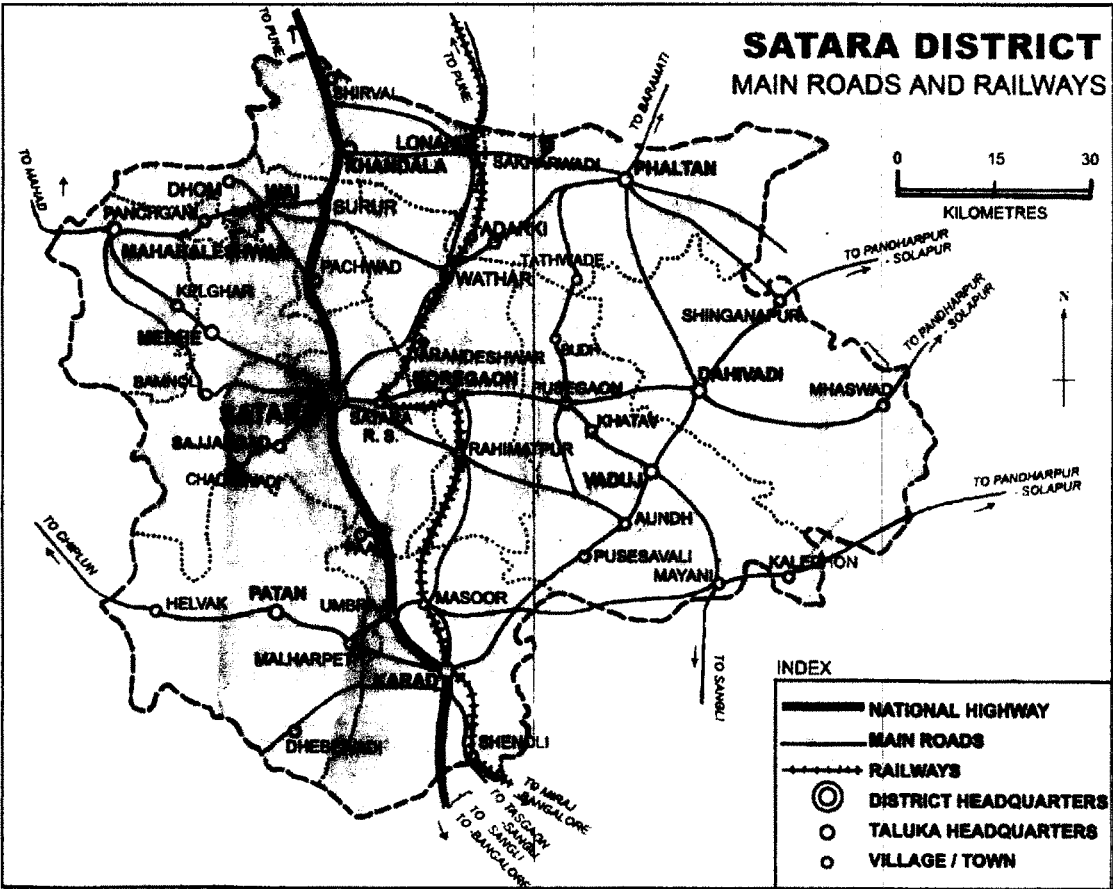
Various commercial firms have been established for satisfying needs of citizens of Karad. These firms are developing rapidly due to various reasons like location of Karad is on Pune-Bangalore Highway, availability of full of natural resources like water, fertile land and establishment of small scale industries.

Various banks started their business in Karad city to fulfill the credit requirements of trading firms, industries, agriculture and people living in Karad City and nearby villages.

At present i.e. as on 31st March, 2006, Twelve Commercial Banks and Twenty One Co-operative Banks are working in Karad.

3.2.2 Map of Satara District

Location of Karad in Satara District



3.2.3 List of Urban Co-operative Banks Working at Karad

The first Urban Co-operative Bank in Satara District was established as on 24th January, 1917 named Karad Urban Co-operative Bank Limited. The following is the list of Urban Co-operative Banks working at Karad:

1. Karad Urban Co-operative Bank
2. Wai Urban Co-operative Bank
3. Karad Janata Sahakari Bank
4. Krishna Sahakari Bank Ltd., Rethare Budurk, Tal. Karad
5. Preetisangam Sahakari Bank Ltd., Karad
6. Yashwant Sahakari Bank Ltd., Karad
7. Shrimant Maloji Raje Sahakari Bank Ltd., Phaltan
8. Ganesh Co-operative Bank, Kurundwad
9. Ichalkaranji Co-operative Bank Ltd., Ichalkaranji
10. Sainik Sahakari Bank Ltd., Satara
11. Koyana Sahakari Bank Ltd., Karad
12. Parshwanath Co-operative Bank, Kolhapur
13. Sahyadri Sahakari Bank Ltd., Karad
14. Vijaya Co-operative Bank
15. Satara District Central Co-operative Bank
16. Maharashtra State Co-operative Land Development Bank
17. Bharati Sahakari Bank Ltd.
18. Rajaram Bapu Sahakari Bank Ltd.
19. State Transport Co-operative Bank Ltd.
20. Patan Co-operative Bank Ltd.
21. Prathamik Shikshak Sahakari Bank Ltd.

3.2.4 History and Origin of Sahyadri Sahakari Bank Ltd., Karad

First meeting was held on 29th March, 1994 at Town Hall, Karad before the establishment of Sahyadri Sahakari Bank. Ex-MLA Shri. Pandurang Dadaso Patil, President of Karad Nagarpalika was the President of this meeting. Temporary Board of Directors was established. He was the chief promoter for the establishment of Bank.

Board of Directors decided the name and authorized capital of bank was planned in this meeting. They decided the objectives of the Bank as given below:

1. To develop self help, co-operation, savings habit among the shareholders.
2. To accept deposits and give loans to needy people.
3. To finance rural, low income group of people.
4. To provide finance to businessmen, traders, small scale industries, farmers, artisans.
5. To help the people to be self dependent.

Sahyadri Sahakari Bank Limited, Karad was registered as on 16th March, 1995. Hon. Pandurang Dadaso Patil become Chairman. R.B.I. license was obtained as on 16th June, 1995. Bank started its banking transactions since 21st March, 1996. Registration No. was SAT/KRD/BNK/(O)/-113/1995.

3.3 Share Capital

Share Capital of Sahyadri Sahakari Bank Ltd., Karad is divided in the shares valued Rs. 100 each. Authorised capital of this Bank was 25 Lakh in the year 1995-96. Issued and Paid-up Share Capital of the Bank was Rs. 15,83,000 during the year 1995-

96. Authorised Share Capital of the Bank is Rs. 300 Lakh in the year 2005-06. Issued and Paid-up Share Capital is Rs. 177.70 Lakh as on 31st March, 2006. Share Capital of the Bank is increased by Rs. 161.87 Lakh during the period from 1995-96 to 2005-06.

3.4 Members

People from different categories became the members of this Bank. During the year, 1995-96, there were 1583 members.

Number of members was increased upto 7581 in the year 2005-06. Out of which 6648 were regular and 933 were nominal members. There were 645 femal and 6936 male members as on 31st March, 2006. Total number of members is increased by 5998 during the period from 1995-96 to 2005-06.

3.5 Loans

Sahyadri Sahakari Bank has divided loans into short term (non-mortgage) loans and long term (mortgage) loans. During the year 1995-96, Bank has not given any loan. During the year 1996-97, Bank issued total loans of Rs. 115.35 Lakh. Total loans of Bank were Rs. 2184.93 Lakh as on 31st March, 2006. Out of which mortgage loans were Rs. 2125.32 Lakh and non-mortgage loans were Rs. 59.61 Lakh. There is increase in loans given by Rs. 2069.58 Lakh from 1996-97 to 2005-06.

3.6 Deposits

Deposits of Sahyadri Sahakari Bank Ltd., Karad has divided into Fixed Deposits, Savings Deposits and Current Deposits.

During the year 1995-96, the Bank has collected total deposits of Rs. 59.85 Lakh. Total deposits of the Bank are Rs. 3588.59 Lakh upto the year 2005-06. Out of which Fixed Deposits were Rs. 2791.28 Lakh, Saving Deposits were Rs. 646.40 Lakh and Current Deposits were Rs. 150.91 Lakh.

Deposits are increased by Rs. 3528.74 Lakh from 1995-96 to 2005-06.

3.7 Accountholders

Total number of accountholders of the Bank was 439 during the year 1995-96. The number of accountholders as on 31st March, 1997 was 3007. This number is increased upto 36425 upto 31st March, 2006. Average deposit per accountholder was Rs. 6274.69 as on 31st March, 1997 while this number is increased upto Rs. 9852 per accountholder.

Amount of average loan per accountholder was Rs. 3836 as on 31st March, 1997 while this number is increased upto Rs. 5998 per accountholder.

3.8 Employees

There were 13 total employees of this Bank in the year 1995-96. Out of which 12 employees were graduate and one was B.Sc. passed. In the year 2005-06, total number of employees in this bank is increased upto 59. Out of which 58 are male and one is female. There are 4 employees from SC category, 1 from ST category, 9 from OBC category. Total 14 employees are from reservation category and 45 employees are from Open category.

Out of 59 employees, 1 is Chief Executive Officer, 3 Senior Officers, 8 Junior Officers, 3 Passing Officers, 7 Cashiers, 21 Clerks and 16 Peons. 10 employees are Post Graduates, 33 employees are Graduates and 16 employees are S.S.C. passed.

3.9 Distribution of Profit

Sahyadri Sahakari Bank Ltd., Karad has earned profit of Rs. 1033.99 in the year 1995-96. This profit was distributed as Reserve Fund Rs. 26,000, Building Fund Rs. 77,000, Balance for next year Rs. 399. In the year 2005-06, Bank earned profit of Rs. 51,31,945. This profit was distributed as Reserve Fund (25%) Rs. 12.83 Lakh, Dividend Rs. 12.70 Lakh, Building Fund Rs. 20 Lakh and General Reserve Rs. 5.79 Lakh.

3.10 Audit Class

Sahyadri Sahakari Bank Ltd., Karad has obtained Audit Class 'A' in the year 1995-96. Bank obtained Audit Class 'A' every year from establishment upto year 2005-06. During the year 2005-06, Bank has implemented Quality Management System because of which Bank has obtained ISO 9001:2000 Standard.

3.11 Services and Facilities

Sahyadri Sahakari Bank Ltd., Karad has declared and implemented different schemes of deposits and loans and others.

1. Deposit Schemes – Period

- i. Dam Didpat Deposit → 5 Years 1 Month and 13 Days
- ii. Dam Duppat Deposit → 8 Years 9 Months and 1 Day
- iii. Special Deposit → 27 Months, 9.5% Interest

2. Cash Certificate Deposit Scheme

3. Accident Insurance Protection Scheme
4. Sahyadri Cash Bond New Deposit Scheme
 - Invest Rs. 3,365 → After 5 Years get Rs. 5,000
 - Invest Rs. 5,745 → After 5 Years get Rs. 10,000
5. Long Term House Loans for Members, Salary earners
6. Loan Scheme for Professionals
7. Overdraft Scheme for Salary earners
8. Multipurpose EMI Scheme
9. Agricultural Loan Scheme
10. Loan on the basis of Agricultural Income
11. Crop Loan Scheme
12. Gold Mortgage Loan
13. Interest giving Schemes
 - i. Monthly
 - ii. Quarterly
 - iii. Six Monthly
 - iv. Annually
 - v. After Maturity Period
14. Extra 0.5% Rate of Interest for Senior Citizens
15. Insurance Protection for Deposits upto Rs. 1,00,000/-
16. Customer Service → Membership of Clearing House, Demand Draft facility for all cities in the country with the co-operation of HDFC Bank and Nationalised Banks.
17. Proposed Schemes:
 - i. Core Banking
 - ii. Tele Banking
 - iii. ATM Banking
 - iv. Internet Banking

18.Computerization at all Branches

19.Pigmy Data Collection Machines

20.Locker Facility

