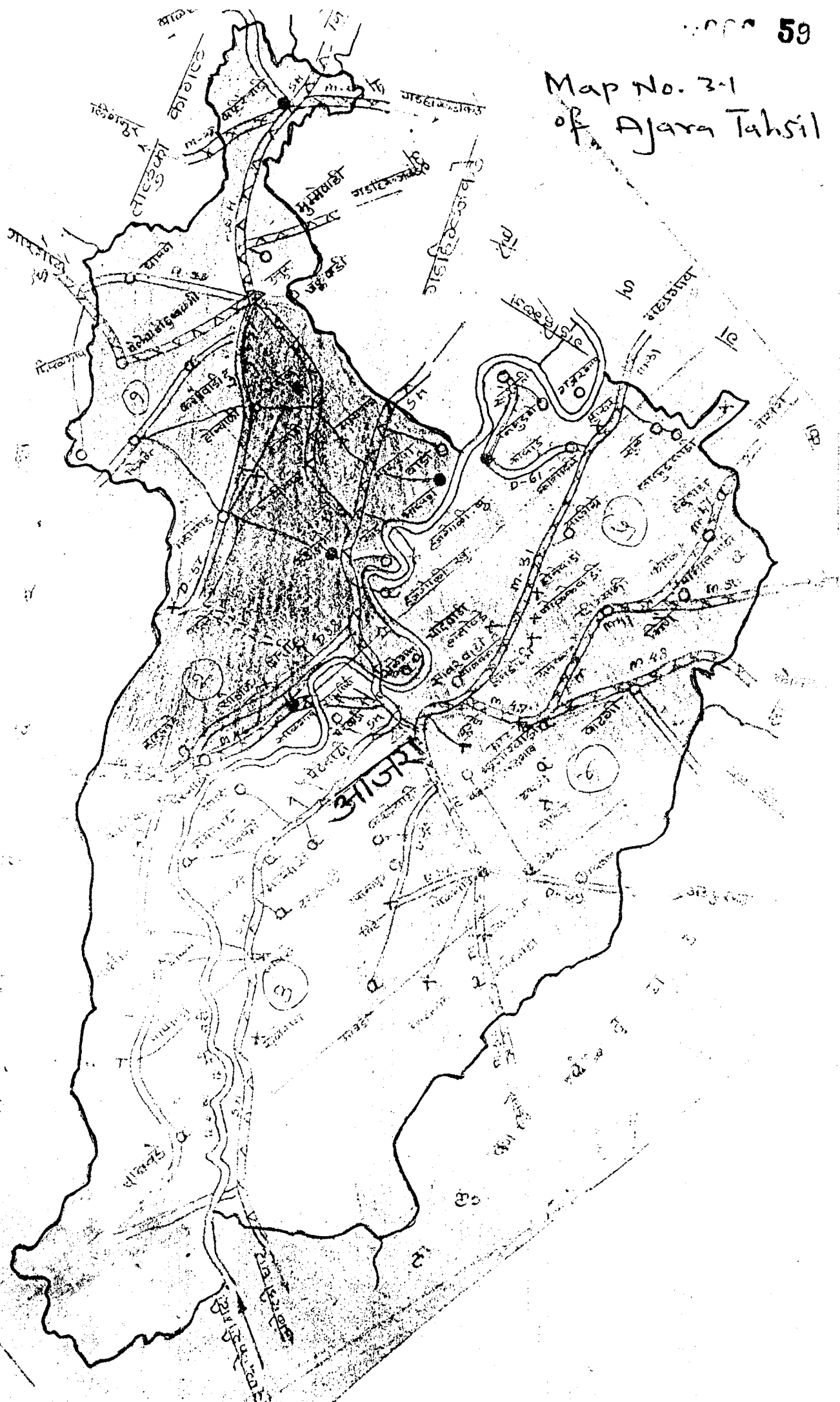


CHAPTER - III

OPERATIONS OF URBAN CO-OP. BANKS IN AJARA TOWN :-

- 3.1 Profile of Ajara Taluka.
- 3.2 Profile of The Ajara Urban Co-op. Bank and Janata Sahakari Bank Ltd., Ajara.
 - 3.2.1 - Brief History of The Ajara Urban Coop.Bank Ajara.
 - 3.2.2 - Brief History of The Janata Sahakari Bank Ltd., Ajara.
 - 3.2.3 - Present Position of the Ajara Bank and Janata Bank.
 - 3.2.4.- Performance of Branches of the Ajara Bank and Janata Bank.
- 3.3 Operations of the UCBS in Ajara Town.

Map No. 3-1
of Ajara Tahsil



3.1 PROFILE OF AJARA TALUKA/BLOCK :

In Kolhapur district, there are twelve blocks. Ajara is one of the rural and backward blocks, having 89 inhabited villages and 02 uninhabited villages. The economical and social background of the Ajara block can be realised from the following various items :-

a) AREA :

As per the census of India 1981, the total geographical area of the Ajara block is 55,184 hectares, out of which 14,346 hectares (26% of total) is under forests, 7,138 hectares (12.93%) is culturable waste land and 5,602 (10.15%) hectares is not available for cultivation¹.

b) RAINFALL :

In Ajara block the average rainfall is 64" to 72" .

c) DEMOGRAPHY :

The total population of Ajara block as per census of India, 1981 was 94,499 as against 84,439 in 1971, showing an increase of 11.91%. Out of the total population of the block, 100% population live in rural area. Total population consists of 43,518 Male and 50,918 female population. Sex ratio was highest in the Kolhapur district which was 1171. Number of households was 17,352 out of which 1457 households were of scheduled caste and 14 households were of scheduled Tribes. The magritude of Scs and STs was 8.07% in the total

population of block. The density of block's population was 154, whereas density of Kolhapur district was 314 and that of Maharashtra and India was 204 and 221 respectively.²

d) LITERACY :

Only 36.65% of the total population of Ajara block was able to read and write in 1981. There were 34,640 - literates, consisting of 22,808 Males and 11,832 females. Therefore in 1981, out of the total population 47.58% Males and 76.79% females remained illiterates. Literacy of Scs and STs population was only 25.63%

e) POPULATION BELOW POVERTY LINE (BPL) :

In our country 50% of households live under Below poverty Line (BPL), out of which 1/3 families have no land at all.³ In Kolhapur district 164538 families were in BPL list in 1981. Whereas in Ajara block 11176 families fall under BPL in 1981, the percentage of which with districts BPL families comes at 6.79

f) OCCUPATIONAL DISTRIBUTION :

According to 1981 census, the occupational distribution of the total population of the Ajara block is shown in Table No.3.1. Main workers shown in the table means the workers who have worked at least for 6 months or 183 days in the preceding year. Such main workers were 43.17% of the total population consisting of 77.02% cultivators, 10.29% agricultural labours, 10.40% other workers and only 2.29% workers were engaged in

SHOWING OCCUPATIONAL DISTRIBUTION OF THE TOTAL POPULATION OF AJARA BLOCK IN 1980

Sr.No.	Occupation	No. of Workers		% of workers to total workers
		Male	Female	
(1)	Main Workers	20506	20287	40793 (100)
	(a) Cultivators	14588	16834	31422 (77.02)
	(b) Agricultural labours	1283	2916	4199 (10.29)
	(c) Household Industries, Manufacturing, Processing servicing and Repairs.	739	198	937 (2.29)
	(d) Other Workers	3896	339	4235 (10.40)
(2)	Marginal Workers	913	4762	5675
(3)	Non-Workers	22099	25932	48031
Total : (1 + 2 + 3)		43518	50981	94499
				100.00

(Source - Census of India 1981)

Figures in to brackets show % of Workers with main workers.

trade, commerce and Industry. Marginal workers means those who worked for sometime during the previous year. but not for major part of the year. Such marginal workers were only 6% of the total population. All those who had not worked at all during the previous year were classified as Non-workers. Non-workers include students, dependents, retired persons, rentiers, beggars etc. The share of non-workers in total population of the Ajara block is 50.83% . It is clear that role of agriculture in the economy of the block is vital as 87.42% of total main workers are engaged in agriculture and allied agricultural activities. There is vast scope for development of non-farm sectors because only 6% population is engaged in household industries, trade and commerce.

g) IRRIGATION :

The block is adversely lacking in case of irrigation facilities. The block lies in the 'Hiranyakeshi' river ba sin. Gross cropped area of the Ajara block is 30582 hactares out of which only 1978 hactares net area is irrigated. It means only 6.46% of gross cropped area is under irrigation. While 14.13% of gross cropped area of the Kolhapur district is irrigated. Net area irrigated in the Ajara block is in the tune of 1978 hact, out of which 81.64% is provided with surface irrigation and only 18.36% through well sources.⁴ Therefore urgent efforts are necessary to bring more land under irrigation as it is crying need of

developing agricultural economy of the block.

h) CROPPING PATTERN :

Generally brown soil is found in the Ajara Tahsil. This soil is rich and fertile. The number of small and Marginal farmers is more than 75% of total farmers in the Tahsil. At present the land under main crops is as under-

1) Rice	-	7,330	hactares
2) Groundnuts	-	3,520	hactares
3) Nachani	-	4,310	hactares
4) Jawar	-	1,730	hactares
5) Sugarcane	-	1,243	hactares
6) Other crops	-	3,267	hactares
Total....		----- 21,400 =====	hactares

Staple foods of the people are rice and nachani. In the irrigated area mainly sugarcane, pulses, vegetable oil seeds are taken on the other hand in unirrigated area jawar, nachani etc. are taken.

i) RURAL ELECTRIFICATION :

According to the information given by the officials of punchayat Samiti, Ajara, all villages have electricity for domestic purpose.

j) EDUCATIONAL FACILITIES :

There are 92 primary schools, 50 Matriculation or secondary schools and one senior college at taluka place.

k) MEDICAL FACILITIES :

There is one maternity and child welfare centre 3 primary health centres and 3 primary health subcentres in the block. There is one family planning centre and four dispensaries.

l) DRINKING WATER :

Villages in the Ajara Tahsils are provided drinking water through wells, rivers, tanks, tubewells etc. There are ten problem villages for drinking water.

m) COMMUNICATION FACILITIES :

Out of 92 villages, 32 villages in the block have no post offices and 29 villages have no bus stop.

n) MARKETS :

There is no agricultural market in the block only two weekly Bazars are held. The regular market available is "Gadhinglaj Krushi-Utppanya Bazar" at Gadhinglaj which deals with agricultural produce mainly, rice, groundnut, jawar, chillies etc.

o) INDUSTRIES :

All industries are small scale Industries and household industries namely poha, bakery, food product, furniture making, cash^W processing units, saw mills etc. There is urgent need of expansion of small, village and cottage industries.

p) BANKING :

There are 3 branches of the nationalised banks working in the area of Ajara Tahsil; namely Bank of India, Bank of Maharashtra and Dena Bank. Kolhapur District Central Co-op. Bank has opened six branches in the block. There is one branch of Maharashtra State Land Development Bank Ltd. Two Urban Co-op. Banks are working in the block namely Ajara Urban Co-op. Bank and Janata Sahakari Bank Ltd., Ajara.

3.2 PROFILE OF THE AJARA URBAN CO-OP. BANK LTD., AJARA
AND JANATA SAHAKARI BANK LTD., AJARA

3.2.1 BRIEF HISTORY OF AJARA
URBAN CO-OP. BANK LTD., AJARA :

The Ajara Urban Co-op. Bank Ltd., Ajara has been established on 21st October, 1960. Before that there was a branch of Ichalkaranji Central Co-operative Bank. Late Shri. Narayan Abasaheb Ghorpade, who was a talented and dutiful sansthanik of Ajara and Ichalkaranji Jahagiri, had urge to develop mofussil area like Ajara, opened a branch of Ichalkaranji Central Co-op. Bank at Ajara in 1944. Meanwhile in 1950, the said bank was converted into Urban Bank and its area of operation was restricted for only Ichalkaranji city. This event upshotted to close the branch of said bank on 14/9/1960. Thus the local leadership in

Ajara thought over to open a new bank to get back the urban banking facilities which were forfeited due to the above mentioned incidence. Especially, five young men, namely Shri Charati K.V., Shri Deshpande M.S., Shri Walavalkar G.V., Shri Ramechandra alias Daji Topale, and Shri Joshi M. came together and as on 17.9.1960, took a informal meeting in a small shop of Shri Charati K.V. for establishment of new Urban Co-op. Bank. First share contribution was made by Shri N.I. Dang by purchasing shares of Rs. 251. In a short span of time, required statutory share capital of Rs. 20,000 was subscribed. Due to the efforts of Shri K.V. Bhusari, Shri Deshpande M.S. Shri Walavalkar G.V., Joshi Madhavrao, late Shri Daji Topale, Shri S.V. Bhusari, Shri Kotakar, Ladhi, Narake, Sawant, Hukkeri, G.B. Watave, - Phalanikar, Narvekar, Parulekar, Kurunkar and other promoters, the Deputy Registrar of co-operative Shri Khan and office superintendent Shri S.K. Devdhar sanctioned the proposal of bank and registered the name of bank on 19.10.1960. First Board of Directors, Supervision committee and Advisory coyncil was appointed and byelaws were accepted on 11.11.1960. The actual working was inagurated by a Great Leader in Co-operative Sector, Shri Deshbhakth Ratnappanna Kumbhar on 26th Jan, 1961. From the inception, Shri Ratnappanna Kumbhar has helped for growth and development of this bank. Still he is a friend, philosopher, inspiration and guide of this bank.

Initially the bank had a share capital of Rs.26,000 and only Rs. 14,000 against Deposit accounts. Up-till-now

the bank has made nail-biting progress in its working. The share capital and Deposits of this bank stood at Rs. 40.29 lakhs and Rs. 699.93 lakhs respectively by Jan. 1986. The working capital of the bank increased from 1.30 lakhs in 1961 to 866.66 lakhs in 1986 (Jan). Out of top hundred Urban co-op. Banks in India as per their working capital, as on 30.6.1987, the Ajara Urban Co-op. Bank Ltd., Ajara stood 88th bank; with its 9 branches.⁵ The bank has crossed the period of 25 years on 26.1.1986. It has been extending an excellent services to the needy and un-privileged people in its area of operation. The bank has helped to improve economic condition of lower and middle income group, common urban men, small merchants, peasants residing in urban as well as rural area, servicemen, professional people etc.

3.2.2 BRIEF HISTORY OF JANATA SAHAKARI BANK LTD., AJARA :

Janata Sahakari Bank Ltd., Ajara has been established on 2nd June, 1963. Before that there were two banks in Ajara Ichalkaranji Urban Co-op. Bank and the Ajara Urban Co-op. Bank Ltd., Ajara. But still, the backward, hilly and rainy area of Ajara was in crucial need of banking facilities. There were some limitations on the working of the branch of - Ichalkaranji Urban co-op. bank and the Ajara bank was in its initial stage. To cater the economical need of poor people, small farmers, traders, employees of other institutions, one more urban Co-op. bank was essential. Considering the situation some leaders from Ajara came together and thought for establishment of urban Co-op. bank. This thought was supported by traders, merchants, small farmers and public of Ajara.

With the efforts of Shri. Vishwanath Dundappa Mahalank, Shri. Amrut Kaka Desai, Shri. Datta Sawant, Shri. Baliram Desai, Shri. B.R. Patil, Shri. Shankarrao Turambekar Late, Shri. Malappa Shengave, Shri. Gopalrao Injal, Shri. Vasantrao Desai, Late Shri. Keshavrao Topale, Shri. Pundalik Nalawade, Late Shri. Gundopant Shimpi, Shri. Basawani Dang, Shri. Gundu Patil, Shri. Kashavrao Samant and other social leaders, the Janata Bank was established. As a chief promoter of Janata Bank, Shri. Vishwanath Mahalank played an important role in mobilisation of share capital and deposits. In the meantime one most remarkable thing had happened that, the branch of Ichalkaranji Urban bank was closed in the year 1965 and all the transactions of the Bank were transferred to the Janata Bank. With this the Bank got a good foundation and stability in its starting years. Today, the Bank is working with its 5 branches in Kolhapur District.

The membership moved up from 450 in 1963 to 643 in 1965 to 4634 in 1986. The paid-up share capital, reserve fund and other reserves were raised from Rs. 21,080, Rs. 488 in 1963 to Rs. 48,460 and Rs. 1,25,550 in 1967 and stood at - Rs. 14,67,630 and Rs. 9,84,243 in 1986. While deposits, loans and advances stood at Rs. 2,38,88,571 and Rs. 1,98,77,355 respectively in 1986 as against Rs. 2,49,330 and Rs. 4,08,041 - respectively in 1965. The working capital stood Rs. 3.04 crores in 1986 against Rs. 4,99,145 in 1965. The Bank is working efficiently to cater the financial need and for economical improvement of mill employees, traders and urban middle class and providing working capital for saw mill, cinema-talkies, hojiary, press, Bekari etc.

3.2.3 PRESENT POSITION OF THE AJARA BANK AND JANATA BANK :

a) AREA OF OPERATION :

An area of operation of a urban co-operative bank means an area in which the bank works. All the urban or semi-urban centres in the districts may be allowed as the area of operation of new urban Co-op. bank. As it has been discussed in previous chapter that the growth of urban Co-op. bank is uneven in all over the country, therefore RBI has decided some norms about area of operation to be allowed to urban Co-op banks. New Urban Banks will be licenced in those districts, which do not have any urban Co-op. bank;⁶ and urban banks will be allowed to open offices in the unbanked pockets of urban area on a highly selective basis taking into account specific need and potential viability of new branches.⁷ By this RBI policy, new urban banks will be started in an area which is at present completely devoid of urban bank facilities.

1) AREA OF OPERATION OF THE AJARA BANK :

As per bye-law No.3, the bank's area of operation was, Kolhapur District, Bombay city and suburbs and with the permission of Registrar of Co-op. societies, Kolhapur at such places where the bank would open it's branches. But this bye-law No.3 was amended from 1985-86 as per the instructions received from the RBI. ,Presently the area of operation of the Ajara Bank covers Kolhapur District, Bombay city and suburbs and with the permission of Registrar of Co-op. societies Kolhapur, at such places where the bank will open it's branches; provided that in order to change the area of

operation sanction must be taken from the RBI and Co-op. Department . That means bank is working within whole Kolhapur district and peculiarity of this bank is that, it has been registered in semi-urban, hilly area and opened it's branch at metropolitan city - Bombay. The bank's head office is located in Ajara town and it has opened 8 branches at Uttur. Gargoti, Nesari, Chandgad, Malkapur, Kapashi, Pratibhanagar (Kolhapur) in Kolhapur district and one branch in Bombay city.

2) AREA OF OPERATION OF JANATA BANK :

In the begining the area of operation of Janata bank was confined to Ajara Taluka only. Management tried continuously to extend it's area to other takukas in Kolhapur district. Now the Janata bank is working in Kolhapur district only. Any essential change in area of operation of the bank can be made by the permission of RBI and district deputy Registrar of Co-op Societies. The Janata bank is working with it's five branches in Kolhapur district. The management of this bank is trying to open branches in Kolhapur city as well as in Bombay, (a capital of Maharashtra state). The bank has - succeeded to open a fifth branch at Nool, in Kolhapur district as on 5th May 1988.

b) MANAGEMENT :

Prof. Harold Koontz has defined 'Management', as the art of getting things done through and with people in formally organised groups. It is an art of creating an enviornment in which people can perform as individuals and yet Co-operate towards attainment of group's goals. It is the

art of removing blocks to such performance, a way of optimising efficiency in reaching goals."⁸ From the above definition it will be clear that management gets things done by working with people and other resources to achieve a predetermined goals. It does functions like planning, organising, motivating, directing, staffing, co-ordination, reporting, budgeting and controlling. It plans the work and works the plans. It is responsible for assigning tasks to people, defining responsibilities, delegating authority. It provides effective leadership, co-ordination, communication and motivation. It compares actual performance with those planned and necessary corrective actions are taken.

UCBs have a democratic management. All members of a UCB enjoy equal rights. The final authority in all matters rests with General Body composed of members. The General Body is a Supreme Body in the organisation of UCBs. The UCB is managed by the Board of Directors elected by members of the bank on the basis of "one member, one vote", irrespective of their shareholdings. The General Body exercises control over the Board by participating in decision-making and election of directors. Actual day-to-day management and conduct of the bank is done by the qualified and trained staff selected by Board of Directors. Generally, the efficiency, performance, success and even survival of UCB depends upon ability of management.

(1) MANAGEMENT OF THE AJARA BANK :

The Board of Directors of the Ajara Bank consists of 12 members including Chairman, Vice-Chairman, representative

of Kolhapur Branch, Bombay Branch and Back^ward Class, other seven members from Head Office at Ajara and additional representative from employees of the bank. The members of Board belong to different sections of the society traders, agriculturists, tailors, goldsmiths, servicemen, transport operators, doctors and social workers. It means the bank is organised by the middle income class of the society. The Ajara bank is making good progress under direction and control of dedicated directors of the bank. As per the provisions of bye-laws of the bank, election of board is held once in three years. The advisory council of three members has constituted for smooth execution of the bank. Branch committees are formed for supervising and guiding the performance of branch. The bank also receives valuable advice from lawyers and chartered accountants. The board meets at every Sunday to sanction loans, day-to-day working and to take steps for recovery of loans etc.

The annual general meeting of members is held in every February. At the same time meetings are held at branches to discuss the performance of the branch. The annual report and notice of annual general meeting is sent to members before one month. The bank has arranged to collect questions about the working of bank from its members before seven days of general meeting. The business of annual general meeting includes :- confirmation of proceedings of the last annual general meeting sanction of annual reports with Balance sheet and profit and loss A/c of the year already ended, acquaint with the audit reports of Internal and Government auditors and answers given to the audit memos by bank, sanction extra

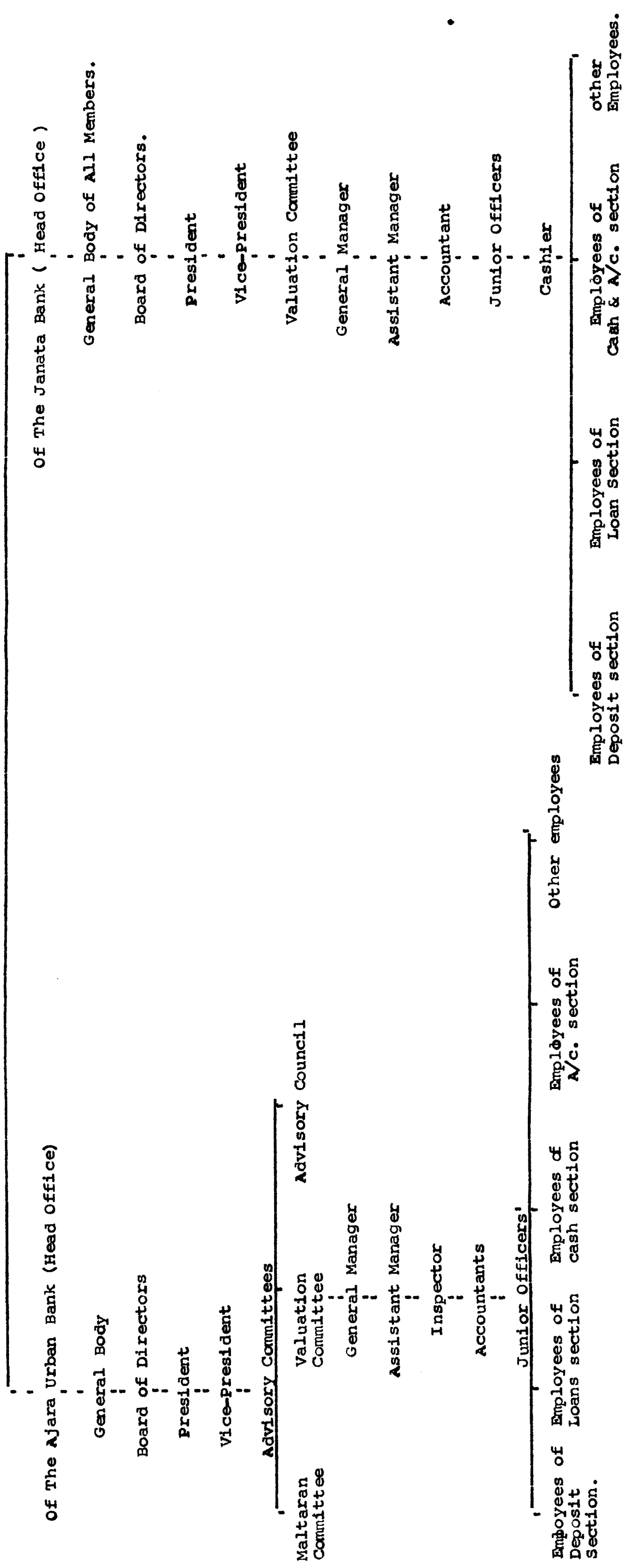
expenditures incurred^u than budgeted and next year's budget, declaration of dividend and allocation of net profits, answering the questions relating to working of the bank, raised by its members. The plans and policies laid down by the Board are executed by the Manager and his staff. Table No.3.1^(a) shows an organisational structure of the bank, and Table No.3.1^(b) shows organisational chart of its branches. In the initial period the day-to-day working of the bank was done by first Manager Shri A.B. Patankar and his assistants Shri V.B. Dang and peon Shri S.B. Parpolkar, Shri A.B. Patankar was in service upto 31.3.1961. Then Shri Gokhale V.G. was appointed as a Manager. The bank has made progress under a good leadership, working skill, hardwork of Shri Gokhale Manager. Since June 1983, Shri Kurunkar V.G. is promoted to the post of General Manager of this bank. He has gained faith of members, depositors, and others due to his good leadership and Co-operative character.

Shri K.K. Bhusari was a first Chairman and founder members of the bank. The bank has developed due to the services and guidance of founder member Shri K.V. Charati. During the period under study the bank was working under the chairmanship of Shri G.B. Watave, Shri K.K. Bhusari, Shri K.V. Charati, and Dr. M.G. Somshetti.

The success of any institution depends upon its qualified, trained, loyal, honest, hopeful, humble and stable employees. The Ajara bank has a good staff. In the beginning of the bank there were only 3 employees. At present there are 119 employees including 23 officers, 65 clerks and 31 peons.

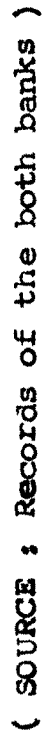
- TABLE SHOWING ORGANISATIONAL STRUCTURE OF THE TWO BANKS -

:: ORGANISATIONAL CHART ::



(SOURCE : Record of the both banks)

:: ORGANISATION CHART ::



The staff has a lion share in the progress of this bank. The staff supposes the banks progress is it's own progress.

(2) MANAGEMENT OF JANATA BANK :

The Board of Directors consists of 11 members, out of which 9 representatives are elected by the members of head office at Ajara, one representative is elected by the sheduled cast and Tribe members of head office, one representative is elected by the members from all branches in Kolhapur district. Elected eleven directors select the president and one director as a vice President. Table No.3.1^a clearly indicates the organisational structure of this bank.

Shri Vishwanath Malalank was a first president / Chairman of this bank. During the period under study the bank was working under the chairmanship of Shri Suryaji Narvekar, Shri Chandrakant alias Shivajirao Desai, Shri N.G. Patil, and T.R. Kotakar. In the initial stage Shri Vishwanath Mahalank has worked as a chairman for a period above decade. After that under the chairmanship of Shri Gopalrao Injal the bank opened two branches at Mahagaon and Kowad. In the period of Chairman Suryaji Narvekar the bank built it's own building at Ajara. Election of Board of Directors is held once in three years. On an average the Board met 25 times during the year. The bank has appointed a valuation committee and also appointed two legal advisors. General body meets once in a year. The meeting of members of branch is also called for discussion over the working of bank once in a year at the places of respective branches. The working of each branch is supervised, guided and controlled by its Branch Advisory council as shown

in table No. 3.¹ ⑥ The day-to-day working of branch is done by the branch Manager and his staff.

Shri B.B.Patil is working as a General Manager of the Janta Bank. He has an experience of over two decades in Co-operative sector and received the training afrom V.L. Mehta Co-op.training College, Pune. During the year 1981/82 there were 25 employees in service of this bank; increased over to 40 in 1942-83 and to 46 in 1985-86. As on 30.6.1986 there were 10 officers 23 clearks and 13 peons. The staff of the bank is well educated, enthusiatic and most of them are commerce graduate and have a diploma in co-operation.

Though, members of board of directors confined to middle-class engaged in trade, agriculture, thair original leadership qualities, attachment with institution and helping hand of local leadership and staff of the bank, stimulated the performance of bank towards suc⁶cess.

c) MEMBERSHIP :

The membership of an Urban Co-op.Bank comprises persons living in urban areas such as traders, merchants, salaried persons, professionalpeople etc. An individual may be admitted as a member if he is an adult competent to contract and resides within the area of operation of the bank or is gainfully engaged in any occupation in the area. But a person is not admitted as a member if he has convicted of any criminal offence involved moral trepitude. A person engaged in a business competing with or conflicting with business of bank, is not eligible to admit as a member. The

bank can admit industrial units conducted by individual, partnership firm company and societies, as a member. The membership should not be restricted to a particular class of people only but should be open to all eligible persons irrespective of community, religion, caste, creed, language, trade etc. Regular members of the UCB are known as 'A' class members. In addition, there are 'B' class members, who are known as Nominal members. Nominal members are occasional borrowers for a temporary period against certain tangible securities such as gold, silver, jewels, life insurance policies, Government or other trustee securities. To allow them small loans, the nominal membership is conferred on them on payment of nominal share value. However 'B' class members cannot exercise voting rights.

(1) MEMBERSHIP OF AJARA BANK :

The table No.3.2 indicates that the membership of the bank increased from 9,343 including A and B class in 1981-82 to 9,465 in 1985-86. There was a sharp increase in 'A' class members. 'A' class members rose from 3811 in 1982 to 5081 in 1986 showing an increase of 33% while 'B' class members declined from 5,532 in 1982 to 4384 in 1986, due to the reason that some of 'B' class members, have been enrolled as regular members. The figures relating to 'B' class members are fluctuating year to year because^{use} as soon as their purpose is served, they may close their account with the bank. The proportion in between 'A' and 'B' class members was 41:59 in 1981-82, and 54:46 in 1986. It showed that 'A' class members have increased and nominal members decreased as compared to

TABLE SHOWING THE POSITION OF MEMBERSHIP OF TWO BANKS DURING THE PERIOD FROM 1982 to 1986

Sr. No.	As on 30/6. Years	THE AJARA URBAN BANK			JANATA SAHAKARI BANK			Ratio of A : B	
		A' Class	B' Class	Total	A' Class	B' Class	Total	Ajara Bank	Janata Bank
1)	1981-82	3811	5532	9343	2739	2703	5442	41:59	50:50
2)	1982-83	4131	5322	9453	3356	2011	5367	44:56	63:37
3)	1983-84	4593	6852	11445	3635	2169	5804	40:60	63:37
4)	1984-85	4780	3957	8737	3954	2487	6441	55:45	61:39
5)	1985-86	5081	4384	9465	4634	2469	7103	54:46	65:35

(Source : Annual Reports of the two banks)

'A' class members. Average growth of 'A' class members per year was 254.

(2) MEMBERSHIP OF JANATA BANK :

The table No.3.^{2.} shows that the membership of the bank stood 7103 (including 'A' and 'B' class), in 1986 as against 5442 in 1982. 'A' class members showed an increase of 41% during the period from 1982 to 1985. These were increased from 2739 in 1982 to 4634 in 1986. While 'B' class members were decreased from 2703 in 1982 to 2469 in 1986, because some of the nominal members were converted in regular members. The ratio between A and B class was 50:50 in 1982 became^{me} 65:35 in 1986. It means the 'A' class members were increased than 'B' class members during the period under study and average growth of 'A' class members per year was 379.

d) SHARE CAPITAL :

Share capital is the main source of owned funds of Urban Co-op. Banks. It serves as a security to the depositors and other loan creditors. Management of Urban Co-op. Banks should raise adequate share capital, because owned capital is always better than borrowed capital. The members of UCBs are mainly confined to lower and middle income groups of urban and semi-urban area. Therefore the face value of the share should be reasonable and within the reach of a common man. Presently, as per RBI directions, the share value of UCBs should be Rs. 25/-. There should be only one class of shares except shares representing Government contributions. UCBs can not

sale shares at a premium and bank's byelaws should not prescribe any minimum share qualification for ordinary membership and for a member to contest for a seat on Board of Directors.

(1) SHARE CAPITAL OF THE AJARA BANK :

The table No.3.3 clearly indicates that the paid up share capital of the Ajara bank increased from Rs. 13.18 lakhs in 1981-82 to Rs. 18.69 lakhs in 1985-86. Therefore the board of directors has raised the Authorised share capital of the bank from Rs. 20 lakhs in 1981-82 to Rs. 25 lakhs in the year 1985-86. The increase in paid up share capital was mainly due to branch expansion by the Ajara bank.

The percentage of paid up share capital to owned funds of the bank decreased from 47.44% in 1981-82 to 32.26% in 1985-86. Also, the percentage of paid up capital to working capital decreased from 3.37% in 1981-82 to 1.87% in 1985-86. However share capital per member has increased from Rs. 346 in 1982 to Rs. 368 in 1985.

(2) SHARE CAPITAL OF THE JANATA BANK :

The table No. 3.3 shows that the paid up share capital of the Janata bank increased from Rs. 6.74 lakhs in 1981-82 to Rs. 14.68 lakhs in 1985-86. Therefore board of directors has raised the Authorised share capital of the bank from Rs. 10 lakhs in 1981-82 to Rs. 25 lakhs in the year 1984-85.

TABLE NO. 3.3

TABLE SHOWING THE POSITION OF PAID-UP SHARE CAPITAL OF THE TWO BANKS FOR THE PERIOD FROM 30-6-82 TO 30-6-86.

Sr.No.	Year ended on 30/6.	A J A R A B A N K				J A N A T A B A N K				Amount in Lakhs	
		Share Capital	% of S/Capital to owned funds	% of S/Cap. to W/capital	S/Cap. per member	Share Capital	% of S/Capital to owned funds	% of S/Cap. to W/capital	S/Cap. per member.		
1)	1981-82	13.18	47.44	3.37	346	6.74	56.83	5.24	246		
2)	1982-83	14.13	41.19	3.01	342	8.44	59.03	5.06	251		
3)	1983-84	16.62	40.32	2.69	362	9.99	60.08	4.68	275		
4)	1984-85	17.13	34.31	2.20	358	11.95	59.40	4.79	302		
5)	1985-86	18.69	32.26	1.87	368	14.68	59.87	4.85	317		

(Source - Annual Reports of the both Banks)

The percentage of paid up share capital with owned funds of Janata bank raised from 56.83% in 1981-82 to 59.87% in 1985-86 but its percentage to working capital declined from 5.24% in 1982 to 4.85% in 1985. However the paid up share capital per member increased from Rs. 246 in 1982 to Rs. 317 in 1985.

RESERVE FUND AND OTHER RESERVE :

Reserve fund of a UCB is a statutory fund created by transferring each year, certain percentage of their net profits. The reserve fund and other reserves are being a part of owned funds intended to meet unforeseen losses or financial difficulties. The other reserves include building fund, Dharmadaya fund, sahakar Prachar fund, development fund silver jubilee fund etc.

As per table No. 3.4 the reserves and other reserves of the Ajara bank stood at Rs. 14.60 lakhs in 1982 increased to Rs. 39.24 lakhs in 1986. The percentage of reserves to owned funds has raised from 52.55% in 1982 to 67.73% in 1986. The proportion of reserves to working capital of the bank was at an average 4.03%.

The reserves of Janata bank increased from Rs. 5.12 lakhs in 1982 to Rs. 9.84 lakhs in 1986. The percentage of reserves to its own funds declined from 43.17% in 1982 to 40.13% in 1986. However the average proportion of reserves to banks working capital was 3.42%.

TABLE SHOWING THE POSITION OF RESERVE FUND AND OTHER RESERVES OF TWO BANKS FOR THE PERIOD FROM 1982 TO 1986.

Rs. in lakhs.

Sr.No.	Years	A J A R A B A N K				J A N A T A B A N K			
		R.F. & other Rese	Increase	% of R/F to owned fund	% of R/F to W/capital	R.F. & other Rese	Increase	% of R/F to owned funds	% of R/F to W/capital
		ves				ves			
1)	1981-82	14.60	-	52.55	3.73	5.12	-	43.17	3.98
2)	1982-83	20.18	5.57	58.81	4.31	5.86	0.76	40.97	3.51
3)	1983-84	24.60	4.42	59.67	3.98	6.64	0.78	39.92	3.11
4)	1984-85	32.79	8.19	65.68	4.22	8.17	1.53	40.60	3.27
5)	1985-86	39.24	6.45	67.73	3.92	9.84	1.67	40.13	3.25

(Source - Annual Reports of the two Banks)

It would be noted that the detailed and comparative study of Reserves of two banks under review is done by the researcher in chapter No. VI.

OWNED FUNDS OF THE TWO BANKS :

Resources of the UCBs mainly consist of owned funds and borrowed funds. Owned funds include paid up share capital reserve fund and other reserves. Whereas borrowed funds include deposits and borrowings. The position of owned funds of the two banks is as below -

Table No. 3.5 shows the position of owned funds of the two banks from 1982 to 1986. During the period under reference the owned funds of the Ajara bank increased from Rs. 27.78 lakhs to Rs. 57.93 lakhs; showing an annual average growth rate of Rs. 6.03 lakhs. The percentage of owned funds to working capital of the bank during the period under study declined from 7.11% to 5.79% .

The owned funds of the Janata bank were increased from Rs. 11.86 lakhs in 1982 to Rs. 24.52 lakhs in 1985, showing an average annual growth rate of Rs. 2.53 lakhs. The share of owned funds in working capital of the bank during the period under review declined from 9.22% to 8.09% . More detail study of owned funds is done by the researcher in chapter VI.

TABLE SHOWING THE POSITION OF OWNED FUNDS OF THE TWO BANKS FROM 1982 to 1986.

Rs. in lakhs.

Sr.No.	Years	A J A R A B A N K			J A N A T A B A N K				
		Owned funds	% of S/capital to owned funds	% of Reserves to owned funds W/capital	Owned funds	% of S/capital to owned funds	% of Reserves to owned funds W/capital		
1)	1981-82	27.78	47.44	52.56	7.11	11.86	56.83	43.17	9.22
2)	1982-83	34.31	41.19	58.81	7.32	14.30	59.03	40.97	8.57
3)	1983-84	41.22	40.32	59.68	6.68	16.63	60.08	39.92	7.79
4)	1984-85	49.92	34.31	65.69	6.43	20.12	59.40	40.60	8.07
5)	1985-86	57.93	32.26	67.74	5.79	24.52	59.87	40.13	8.09

(Source - Annual Reports of the two Banks)

9) DEPOSITS OF THE TWO BANKS :

Deposits are the main source of raising funds of UCBs. The loan transactions depend upon increasing deposits of the bank. If deposits increase, loan transactions can be increased and bank can run efficiently and profitably. An increasing trend of deposits is a symbol of faith and confidence of members and depositors. The position of deposits of the two banks is as below :

(1) DEPOSITS OF THE AJARA BANKS :

Table No.3.6 clearly indicates that the deposits of the Ajara Bank increased from Rs. 324.66 lakhs in 1981-82 to Rs. 383.09 lakhs in 1982-83, to Rs. 501.21 lakhs in 1983-84 to Rs. 619.99 lakhs in 1985 and to Rs.796.08 lakhs in 1986. The average annual growth of deposits of the bank annual growth of deposits of the bank was Rs. 94.28 lakhs. The share of deposits in the working capital of the bank was 83.15% in 1982 decreased to 79.60% in 1986. However, the bank has got sufficient funds through deposits. Nearly about 80% of working capital was made up of deposits.

(2) DEPOSITS OF JANATA BANK :

The deposits of the Janata Bank has increased from Rs. 92.54 lakhs in 1982 to Rs.118.96 lakhs in 1983, to Rs.152.17 lakhs in 1984, to Rs. 183.72 lakhs in 1985-86 as shown in table No.3.6. The average annual growth of deposits was Rs.29.27 lakhs. The percentage of deposits to working capital also raised from 72% in 1982 to 79% in 1986 . It - -

TABLE NO. 3.6

TABLE SHOWING THE POSITION OF DEPOSITS OF THE TWO BANKS FOR THE PERIOD FROM 30/6/82 to 30/6/86.

Sr.No.	Years	Amount in Lakhs			
		A J A R A B A N K	J A N A T A B A N K		
		Deposits	Deposits	Increase	% of Deposits to working capital
1)	1981-82	324.66	92.54	-	71.97
2)	1982-83	383.09	118.96	26.42	71.35
3)	1983-84	501.21	152.17	33.21	71.39
4)	1984-85	619.99	183.72	31.55	73.69
5)	1985-86	796.08	238.89	55.17	78.89

(Source - Annual reports of the Bank)

means nearly 80% of working capital was composed of deposits.

Further detailed study about deposit mobilisation of the two banks (H/O) in Ajara Town has been dealt in Chapter No. IV th.

(h) BORROWINGS FROM OTHER BANKS :

Urban Co-op. Banks occasionally borrow from other financial agency. Generally, the amount of such borrowings is negligible, because the most of UCBs are self-reliant on their resources in the form of paid-up share capital, Reserve Fund and other reserves, deposits. The structure of UCBs is single-tier, thus the RBI has allowed these banks to - borrow from District central Co-operative Bank and State Co-op. Bank. The RBI has laid down a maximum borrowing power of UCBs that is "irrespective of the provisions in bye-laws or permission of the Registrar of Co-op. Societies that the total borrowings of bank including deposits, should not have exceed 25 times of its paid-up share capital and reserves".⁹

1. BORROWING OF AJARA BANK :

In case of Ajara Bank the maximum borrowing power of the Bank was fixed by bye-law No.6, as the total borrowings of the bank including deposits, should not have exceed - 12 times of its paid-up capital, reserve fund and building fund. This limit can be extended with the prior permission of Deputy Registrar, Co-op. Societies, Kolhapur. This maximum borrowing power of the bank has increased due to the increasing

transactions of the bank upto 20 times of paid-up capital, reserve fund and Building fund w.e.f. 1981-82.

During the period from 1981-82 to 1985-86, the borrowings from other banks, of Ajara bank are NIL. It is a policy of Ajara bank that the deposit mobilisation is a better source of fund than borrowings. The bank has got sufficient deposits and owned funds. However, to provide for day-to-day transactions need, the Ajara bank has taken overdraft facility of Rs. 6,50,000/- on security of own fixed deposit from Kolhapur District ^{Central} Co-op. Bank Ltd., Kolhapur. The Branches at Bombay and Kolhapur use facility of overdraft from Bank of Maharashtra of Rs. 2,00,000/-. The bank also gets the co-operation from State Co-op. Bank, Bank of India, Indian Overseas Bank, State Bank of India.

2. BORROWINGS OF JANATA BANK :

During the year 1981-82, Janata bank took a cash credit loan from Kolhapur District Central Co-op. Bank. The balance outstanding on cash credit account of K.D.C.C. as on 30/6/1982 was Rs. 16,57,299.35. K.D.C.C. has sanctioned a Cash Credit of Rs. 30 lakhs to this bank. The balance outstanding as on 30/6/1983 was Rs. 5,85,584.67. In the year 1984, K.D.C.C. sanctioned a cash credit to this bank upto Rs. 35 lakhs and at the end of 1984 the outstanding balance was Rs. 26,19,005.25. During the year 1985, K.D.C.C. - sanctioned cash credit of Rs. 33 lakhs of which the bank owes to K.D.C.C. at the end of 1985 Rs. 17,67,866.83, while at the end of 1986, the balance on cash credit was stood NIL.

The percentage of borrowings from other banks to working capital stood at 10.44% in 1982, reduced to 3.51% in 1983, increased to 12.27% in 1984 and again reduced to 7.09% in 1985 while in the year 1986 there were no borrowings from other banks.

i) WORKING CAPITAL :

Working capital is assumed to be the total of liability side of the balance sheet. The working capital of the two banks during the period under study has studied as under :-

WORKING CAPITAL OF THE AJARA BANK :

Table No. 3.7 indicates that the working capital of the Ajara Bank increased sharply from Rs. 390.45 lakhs in 1982 to Rs. 468.08^{lakhs} in 1983, to Rs. 616.89^{lakhs} in 1984, to Rs. 776.00^{lakhs} in 1985 and to Rs. 1,000.09 lakhs in 1986. The average growth per year was Rs. 121.92 lakhs. Nearly 80% of working capital was made up of the deposits and 7% of owned funds. It means the bank was self-reliant and had no need of any borrowings from other banks during the period under review. (1982-86)

WORKING CAPITAL OF THE JANATA BANK :

The working capital of the Janata Bank as shown in Table No. 3.7 has been raised from Rs. 128.59 lakhs in 1982 to Rs. 166.71 lakhs in 1983, to Rs. 213.40 lakhs in 1984, to Rs. 249.29 lakhs in 1985 and to Rs. 302.79 lakhs in 1986. The annual average growth in working capital was Rs. 34.84 lakhs. The share of deposits in working capital was 72% in 1982,

TABLE NO. 3.7

TABLE SHOWING THE POSITION OF WORKING CAPITAL OF TWO BANKS DURING THE PERIOD FROM 1982 to 1986.

Sr.No.	Year	A J A R A B A N K				J A N A T A B A N K				Amount in Lakhs.	
		Working Capital	Increase	% of owned funds to W/capa	% of Deposits to W/Capital	Working Capital	Increase	% of owned funds to W/capital	% of Deposits to W/capital		
1)	1981-82	390.45	-	7.11	83.15	128.59	-	9.22	71.98		
2)	1982-83	468.08	77.63	7.32	81.84	166.71	38.12	8.57	71.35		
3)	1983-84	616.89	148.81	6.68	81.24	213.40	46.69	7.79	71.30		
4)	1984-85	776.00	159.11	6.43	79.89	249.29	35.89	8.07	73.69		
5)	1985-86	1000.09	224.09	5.79	79.59	302.79	53.50	8.09	78.89		

(Source - Annual Reports of the two Banks)

increased over to 79% in 1986. While the share of owned funds in working capital was 9.22% in 1982, decreased to 8.09% in 1986. It means near about 80% of working capital was consisted of deposits.

J) LOANS AND ADVANCES OF THE TWO BANKS :

Both the banks under study have provided loans and advances to their members. The position of loans and advances outstanding of the two banks are as below :

Table No.3.8 gives the loans and advances of the two banks. They were increased from Rs. 236.96 lakhs to Rs. 491.63 lakhs during the period under reference. The average growth per year from 1983 to 1986 was Rs. 50.93 lakhs. The percentage of loans outstanding to working capital during the period from 1982 to 1986, decreased from 60.68% to 49.15% . It further reveals that the percentage of overdues to loans outstanding declined from 4.48% in 1982 to 1.38% in 1986. The credit deposit ratio decreased from 42:58 in 1982 to 38:62 in 1986. The percentage of credit to deposit also reduced from 73% to 62% from 1982 to 1986.

Table No. 3.8 further reveals that the loans and advances of the Janata banks increased from Rs. 87 lakhs in 1981-82 to Rs. 199 lakhs in 1986, showing an annual average loans outstanding growth Rs. 22.33 lakhs. The percentage of loans outstanding to working capital ranges from 65.64 to 70.24 during the period under study. The credit deposit ratio was reduced from ^{48:52} in 1982 to 45:55 in 1986. While the % of credit to deposit was reduced from 94% to 83% from

T A B L E - 3.8

SHOWING LOANS AND ADVANCES OF THE TWO BANKS FOR THE PERIOD FROM 1982, to 1986. Rs. in lakhs.

Sr. No.	Year ended on 30/6	T H E A J A R A B A N K					J A N A T A B A N K						
		Loans & Advances outstanding	Increase	% of loans outstanding to working Capital	Credit deposit ratio	% of overdues to loans outstanding	Loans and Advances outstanding	Increase	% of loans outstanding to working capital	Credit Deposit ratio	% of overdues to loan outstanding		
1.	1981/82	236.96	-	60.68	42:58	73	4.48	87.08	-	67.71	48:52	% 94	2.14
2.	1982/83	255.15	18.19	54.50	40:60	% 67	3.40	117.10	30.02	70.24	50:50	% 98	2.76
3.	1983/84	343.95	88.80	55.75	41:59	% 69	1.41	146.90	29.80	68.83	49:51	% 96	2.75
4.	1984/85	419.84	75.89	54.10	40:60	% 68	1.16	164.91	18.01	66.15	47:53	% 90	4.94
5.	1985/86	491.63	71.79	49.15	38:62	% 62	1.38	198.77	33.86	65.64	45:55	% 83	3.98

(Source - Annual Reports of the two banks).

1982 to 1986. However it should be noted that the percentage of overdues to loans outstanding increased from - Rs. 2.14% in 1982 to 4.94% in 1985 and reduced to 3.98% in 1986.

It will be clear from the above analysis that the overdues of the Janata Bank are more than the Ajara Bank. Further the credit deposits ratio of Janata bank was at an average from 1982 to 1985 stood 92.20% as against 67.80% in respect of the Ajara Bank.

More detailed study of loans and advances of the two head offices of the two banks under study is done in chapter No. V.

K) PROFIT OF THE TWO BANKS :

Though UCBs, do banking business, they observe the principles of co-operation. They give helping hand to their members in difficult times. Their object is not to earn - profit but to provide service. However, in order to maintain the banking business, they must earn profit. It is important to make profit for their own existence and future development. The net profit of the two banks are analysed as under.

As per table No.3.9 it shows that ^{the profit of Ajara bank reduced} from Rs. 5.53 lakhs in 1981-82 to Rs. 4.53 lakhs in 1982-83 mainly due to loss occurred by new branch at Kolhapur and increase in rate of interests on deposits by RBI. However, the net profit increased to Rs.7.32 in 1983-84 and to Rs. 8.26 in 1984-85 and to Rs. 8.34 lakhs in 1985-86.

TABLE NO. 3.9

TABLE SHOWING PROFIT MADE BY THE TWO BANKS FOR THE PERIOD FROM 1982- to 1986

Sr. No.	Years	A J A R A B A N K					J A N A T A B A N K					Amount in Lakhs	
		Net Profit	% of N/P to working capital	% of N/P to owned funds	N/P per Share	% of N/P to total income	Net Profit	% of N/P to working capital	% of N/P to owned funds	N/P per Share	% of N/P to total income	Rs.	
1)	1981-82	5.53	1.41	19.90	10	11.14	0.22	0.17	1.85	0.32	1.59		
2)	1982-83	4.53	0.96	13.20	8	7.62	0.70	0.41	4.90	1.82	3.68		
3)	1983-84	7.32	1.19	17.75	11	9.18	1.27	0.59	7.63	1.27	5.08		
4)	1984-85	8.26	1.06	16.54	12	7.80	1.77	0.71	8.79	1.48	5.80		
5)	1985-86	8.34	0.83	14.39	11	5.74	2.45	0.80	9.99	1.67	6.71		

(Source - Annual Report of the two banks)

The percentage of net profit to working capital reduced from 1.41%. In 1982 to 0.83% in 1986. Also % of N/P to owned fund declined from 19.90% in 1982 to 14.39% in 1986. However, the net profit per share which was Rs.10 in 1982 decreased to Rs. 8 in 1983 but increased to Rs.11 by 1986.

The table No.3.9 further gives the net profit of the Janata Bank. It increased from Rs.0.22 lakhs in 1982 to Rs.2.45 lakhs in 1986. The percentage of net profit to working capital increased from 0.17% in 1982 to 0.80% in 1986. The proportion of net profit to owned funds increased from 1.85% in 1982 to 9.99% in 1986. The Net profit per share increased from Rs. 0.32 in 1982 to Rs. 1.67 in 1986.

The proportion of net profit to total income of Ajara bank reduced from 11.14% to 5.74% from 1982 to 1986 on the other hand the same was increased in case of Janata Bank from 1.59% to 6.71%. However, it may be noted that the standard proportion of net profit to total income of the UCB is 8.3% to which both the banks are yet to reach. The standard efficiency ratio of net profit to working capital is 1% whereas in case of Ajara Bank it was 1.09% during five years and 0.54 case of Janata Bank.

The detailed study of net profits of both banks with their all branches has made in chapter No.VI.

3.2.4. PERFORMANCE OF BRANCHES OF THE AJARA URBAN CO-OP. BANK AND JANATA SAHAKARI BANK :

A) BRANCH EXPANSION PROGRAMME OF AJARA BANK :

In the begining, the area of operation of the Ajara

bank was confined to Ajara Town only. Within a short period, the bank gained confidence of people in it's area of operation. Management thought over to extend it's area and tried continuously for opening the branches outside the Ajara town. After considering the bank's performance regarding deposit mobilisation, loaning business, then Deputy Registrar of Co-op societies permitted the extention of area of operation. Bank opened it's first branch on 10.11.1969 at Uttur, in Ajara taluka. After that the bank want on increasing it's branches in Kolha-pur district. Second branch was opened on 25.5.1972 at Gargoti, in Bhudargad taluka. After that within six months the bank opened therd branch on 7.11.1972 at Nesari, in Gadhinglaj taluka. In 1975 the bank started it's fourth branch at Bombay, capital of the state of Maharashtra. The fifth branch was started at Chandgad as on 18.10.1979. The sixth branch was opened at Malkapur taluka, Shahuwadi as on 17.4.1980. The bank opened it's seventh branch by the good response from public at Kapashi in Kagal taluka as on 3.8.1981. It has spread it's branches in taluka places in district as well as in proper Kolhapur at Prathibhanagar as on 14.4.1983. Hitherto, the bank has succeeded to provide own attractive building at four branches Nesari, Chandgad, Bombay and Kolhapur. The other four branches will start the construction of buildings in due course.

B) PERFORMANCE OF BRANCHES OF THE AJARA BANK :

Branch banking has enabled to tap more resources through mobilisation of deposits and increment in loaning

business. The Ajara bank was working with its 8 branches including head office on 30.6.1986.

Table No. 3.10 indicates the performance of all branches of Ajara bank as on 30.6.1982 and 30.6.1986. The table reveals that the membership of 'A' class of all branches rose from 2,625 in 1982 to 3,583 in 1986. Contributing towards paid-up share capital of Rs. 8.14 lakhs in 1982 and of Rs. 12.11 lakhs in 1986. The paid-up share capital has increased by 48.77% during the period under review. The deposits mobilised by them rose nearly by three times to Rs. 796.08 lakhs in 1986 against Rs. 206.31 lakhs in 1982. While the loans and advances which were Rs. 147.28 lakhs in 1982 stood around Rs. 345 lakhs as on 30.6.1986. The increase was at 2½ times compared to the year 1982. The working capital stood around Rs. 407 lakhs as on 30.6.86 as against Rs. 164.58 lakhs as on 30.6.1982. It showed an increase of nearly 2½ times in working capital. The net profit made by all branches increased from Rs. 2.87 lakhs in 1982 to Rs. 4.04 lakhs in 1986.

The researcher has observed that the share of all branches in the paid-up share capital of the bank, was stood 65% in 1986 as against 62% in 1982. Out of total membership of the bank, 70% members were provided by all branches. The share of branches in total deposits of the bank rose from 64% in 1982 to 78% in 1986; while share of branches in total loaning business of the bank stood 70% in 1986 ^{as} against 62% in 1982. The working capital of the branches constituted nearly 40% in total working capital of

TABLE SHOWING THE PERFORMANCE OF BRANCHES OF THE TWO BANKS AS AT 30/6/1982 and 30/6/1986

Sr. No.	Heads	Rs. in Lakhs.											
		A J A R A B A N K						J A N A T A B A N K					
		1982			1986			1982			1986		
		H/o	Branches	Total	H/o	Branches	Total	H/o	Branches	Total	H/o	Branches	Total
1)	'A' Class members	1186	2625	3811	1498	3583	5081	1495	1244	2739	2026	2608	4634
2)	'B' Class member	346	5186	5532	609	3775	4384	697	2006	2703	798	1671	2469
3)	Paid-up S/capital	5.04	8.14	13.18	6.58	12.11	18.69	4.69	2.05	6.74	7.75	6.93	14.68
4)	Deposits	118.35	206.31	324.66	178.07	618.01	796.08	47.84	44.70	92.54	112.21	126.68	238.89
5)	Loan outstanding	89.70	147.28	236.96	147	344.63	491.63	52.82	34.26	87.08	91.71	107.06	199.77
6)	Working capital	225.88	164.58	390.46	592.90	407.19	1000.09	89.90	39.59	128.59	186.47	116.32	302.79
7)	Net Profit	2.66	2.87	5.53	4.30	4.04	8.34	0.13	0.09	0.22	0.85	1.60	2.45
8)	Employees	25	54	79	27	79	106	13	12	25	16	30	46

(SOURCE - Annual Reports of the Two Banks)

the bank. Nearabout 50% of total net profit was brought by all branches.

One significant fact in branch banking of the Ajara bank was that nearly about 30% of total deposits of the bank came from Bomaby^a branch. While the share of Bombay branch in total loans and advances outstanding as on 30.6.1986 was only 9.23%.

It means that the urban saving has been diverted towards rural area as the Bombay branch is situated in metropolitan urban area and its deposits can be used for development of rural area like Ajara and other talukas in Kolhapur district.

C) BRANCH EXPANSION PROGRAMME OF JANATA BANK :

The Board of Directors thought of branch expansion, when the bank became stable in Ajara taluka. They desired this bank to help poor people residing in other backward talukas. The bank opened it's first branch at Mahagaon, taluka Gadhing-laj as on 21.4.1977. With the intention to uplift the economic conditions of poor, the bank opened it's second branch at Kowad in Chandgad taluka as on 27th Sept. 1979. The board of directors endeavoured to extend the area of operation in other talukas and out of kolhapur district especially at Bomaby. In 1982, the bank started it's two more branches; out of which one at sarawade as on 21.1.1982 and at Kasaba Walave as on 29.4.1982. Considering the performance and increase in transactions the RBI permitted the bank to

open a fifth branch at Nool, in Gadhinglaj Taluka. The fifth branch opened at Nool as on 5.5.1988.

D) PERFORMANCE OF BRANCHES OF THE JANATA BANK :

The Janata Bank was working with it's four branches at Mahajaon, Kowad, Sarvade, Walva as on 30.6.1986. The table No.3.10 reveals the performance of all branches of the ^{Janata} bank as on 30.6.1982 and as on 30.6.1986. During the years under study (1982-86) the membership of all branches has been doubled and paid up share capital has been increased by over three times. The deposits mobilised by all branches rose from Rs. 44.70 lakhs in 1982 to Rs. 126.68 lakhs in 1986, showing an increase of 2.82 times. The loans and advances outstanding rose from Rs. 34.26 lakhs on 1982 to Rs. 107.06 in 1986. It means loaning business of the branches has been raised by three times during the period over 1982 to 1986. The working capital of all branches stood at Rs. 116.32 lakhs in 1986 as against Rs. 39.59 lakhs in 1982. It means the working capital has been increased by 2.94 times during the period under study. The net profit earned by branches rose from Rs. 0.22 lakhs in 1982 to Rs. 1.60 lakhs in 1986.

The researcher has observed that the share of membership of all branches in total membership increased from 45% in 1982 to 56% in 1986. The branches contributed 47% in total paid-up share capital in 1986 as against 30% in total paid-up share capital of the bank as on 30.6.82 . The share of branches in total deposits stood 53% in 1986 as against 48% in 1982. The branches shared 39% of total

loans outstanding of the bank in 1982, increased to 54% in 1986. The contribution of branches in total working capital of the bank rose from 31% in 1982 to 38% in 1986. Out of total net profit made by the bank, all branches brought 41% net profit in 1982, increased to 65% in 1986. Of the four branches working at the end of 1986, branches at Mahagaon and Kowad showed a good progress. The performance of other two branches at sarvade and walave was also progressive.

3.3 OPERATIONS OF UCBS IN AJARA TOWN :

There are two UCBS in Ajara town namely The Ajara Urban Co-op. bank Ltd., Ajara and Janata Sahakari Bank Ltd., Ajara. They are located in the heart of Ajara town. Both the banks have their own attractive buildings.

Table No. 3.11 gives operations of two UCBS (head office only) in Ajara town. It shows that the total membership of 'A' and 'B' class of both the banks raised from 3724 in 1982 to 4931 in 1986. The paid-up share capital of both the head offices of the two banks rose from Rs. 9.73 lakhs 1982 to Rs. 14.33 lakhs in 1986. The annual average growth of share capital was 0.92 lakhs during the period under review. The deposits mobilised by both the head offices raised from 159.19 lakhs to Rs. 290.29 lakhs from 1982 to 1986. They are nearly doubled. The loans outstanding increased from Rs. 142.52 lakhs in 1982 to Rs. 238.66 lakhs in 1986, showing an increase by 1.67 times. The working capital of both the head offices raised from Rs. 314.88 lakhs in 1982 to Rs. 779.38 lakhs in 1986. Both the

3.11 Table showing operations of UCBS in Ajara Town (H/O only) from 1982 to 1986.

Amount in lakhs.

Sr. I t e m no.	1 9 8 2		1 9 8 3		1 9 8 4		1 9 8 5		1 9 8 6		Total Rs.				
	Ajara Bank Rs.	Janata Bank Rs.	Total Rs.	Ajara Bank Rs.	Janata Bank Rs.	Total Rs.	Ajara Bank Rs.	Janata Bank Rs.	Total Rs.						
1. Membership (In actual) 'A' Class.	1186	1495	2681	1391	1598	2989	1420	1596	3016	1449	1648	3097	1498	2026	3524
'B' Class.	346	697	1043	821	758	1579	978	840	1818	877	897	1774	609	798	1407
Total..	1532	2192	3724	2212	2356	4568	2398	2436	4834	2326	2545	4871	2107	2824	4931
2. Paid up share Capital.	5.04	4.69	9.73	5.41	5.24	10.65	5.91	590	11.81	6.11	6.53	12.64	6.58	7.75	14.33
3. Deposits.	118.34	47.84	159.19	125.50	59.96	185.46	141.62	74.48	216.16	159.28	88.84	248.12	178.08	112.21	290.29
4. Loans outstanding.	89.70	52.82	142.52	92.30	63.68	155.98	107.71	74.10	181.82	130.92	79.83	210.76	146.95	91.71	238.66
5. Working Capital	225.88	89.00	314.88	282.92	109.82	392.75	354.56	136.58	491.14	452.86	161.14	614.23	592.90	186.46	779.38
6. Net profit	2.26	0.13	2.79	2.83	-0.17	1.90	3.43	0.44	3.86	3.87	0.36	4.23	4.30	0.85	5.15
7. Employees.	25	13	38	25	13	38	27	18	35	31	25	56	39	28	67

(Source - Annual Reports of the two banks)
(H/O)

banks earned net profit of Rs. 2.79 lakhs in 1982, but Janata bank (~~410~~) suffered a loss of Rs. 0.17 lakhs in 1983. However the net profit of both the banks (~~410~~) raised to Rs. 5.15 lakhs in 1986. Both the banks employed 67 persons in 1986, as against 38 persons in 1982.

The detailed study of deposit mobilisation, loans outstanding and overdues of the two head offices of the two banks under study is done by the researcher in chapter No. IV and V.

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