

Chapter 3

Profile of Rayat Sevak co-operative Bank Ltd; Satara.

Branch: Karad.

- 3.1 Introduction.
- 3.2 Historical Background of Rayat Sevak Co-operative Bank Ltd. Satara.
- 3.3 Origin and History of Karad Branch.
- 3.4 Committee Members.
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- 3.7 Accountholders.
- 3.8 Employees.
- 3.9 Audit Class.
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3.1 Introduction

Co-operation has a more evolutionary force in the development of man than has bitter competitive struggle for existence. Co-operation has become an important aspect in the economic life of the society. Co-operative organisations are playing vital role in the economic development of the rural areas of the country as well as urban areas. Co-operation was conceived as the answer to the injustice of capitalism and was developed as its antidote. Poorer man saw in it a price advantage, economists a new incentive to efficiency, and the utopian socialists as a method of developing a completely new society.

In recent years co-operative movement in India has made considerable progress. The working of the co-operative movement all the world over clearly demonstrates that there is hardly any economic need that cannot be met by organizing co-operative societies and hardly any form of social or political organisations with which they cannot be reconciled or integrated. Today a large number of working co-operative societies has been working in the field of agriculture, housing, manufacturing banking etc.

An important segment of the organized sector of the Indian banking system is represented by a group of financial institutions collectively called co-operative banks. They are so called because they have been organized under the provisions of the co-operative societies Law of the States. Under the law the co-operative societies may be organized for credit or for other purposes. 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 advance loans to traders, businessmen, 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 Rayat Sevak Co-operative Bank Ltd; Satara. Branch: Karad. Organisational and financial aspect of the working and problems forced by them.

3.2 Historical Background of Rayat Sevak Co-operative Bank Ltd ; Satara.

Today's movement of co-operative banks in India, at the beginning stage, was mainly known as Co-operative credit society. Prof. Vithalrao Kawattekar, a professor of economics, laid foundation stone of "Annoyan Sahkari Mandali" in 1883, at Baroda in Mumbai state. If we consider about the progress, rate of growth, functions of civil co-operative banks in Maharashtra, we can draw a conclusion that almost 33% co-operative banks out of total in India are functioning only in Maharashtra. There stood 37 scheduled banks in India but out of those 26 banks are in Maharashtra are present.

The district of Satara has achieved a unique place in this regards, in Maharashtra. To educate the common man, Dr. Karmveer Bhaurao Patil continued or started a battle, for education and knowledge and to fulfil it, He established first high school at Kale Tal: Karad Dist: Satara, on 4th Oct. 1919. And by this he brought out a comprehensive and vital change in society, especially in religious historical, social, co-operative fields etc. Dr. Karmveer Bhaurao Patil planted this stem at Kale but now the same stem has been transformed into a big, tall and mighty tree. The branches of this mighty tree have covered almost in 14 districts of Maharashtra and in one of Karnataka state.

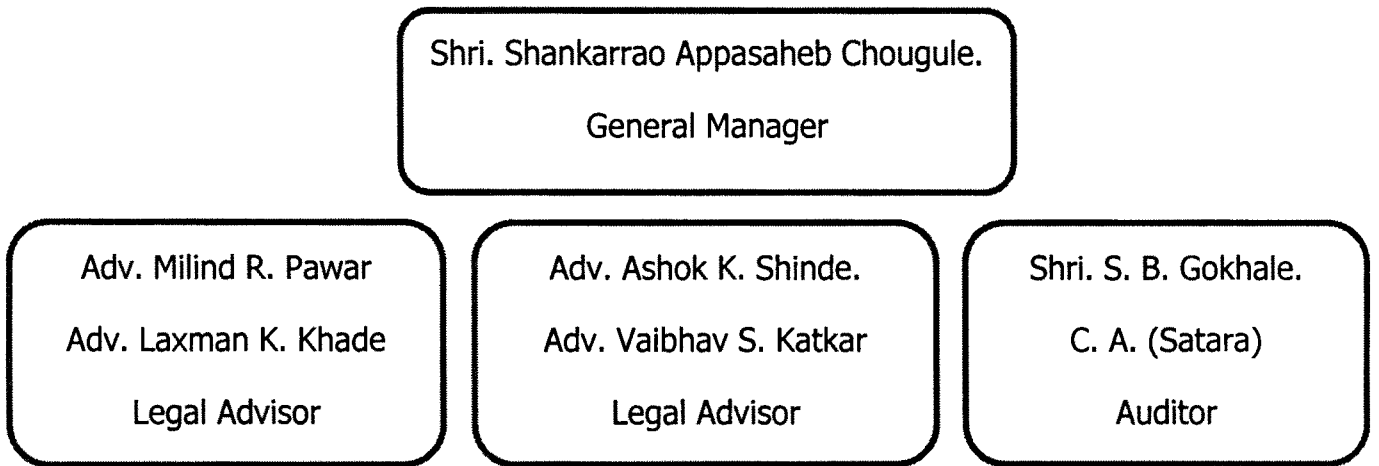
Karmveer Anna strongly condemned slavery and relying on others for all. In the field of education and knowledge, he successfully carried on one experiment- education through self help. He was of the opinion that every Rayat employee should become self-reliant and independent. To help the Rayat employees economically and to give them well settlement in society, even in hard times, he laid the foundation stone of 'The Rayat Sevak Co-operative Credit Society' on 16 Aug. 1940 for their welfare. And in this way, Anna stepped in to co-operative realm.

In 1940, The Rayat Sevak Co-operative Credit Society had a petty capital of Rs. 400/-. But in 1969 it came into light as The 'Rayat Sevak Co-operative Bank' with magnanimity. During the period of 60 years this Rayat Sevak Co-operative Bank has achieved a marvellous progress and reacted the peak of glory. Really it is a rare example in the history of civil co-operative banks.

3.2.1 Rayat Sevak Co-operative Bank Ltd; Satara

Board of Directors

1.	Shri. Magdum R. K.	Chairman
2.	Shri. Shaikh N. H.	Vice chairman
3.	Shri. Jadhav J. G.	X officer
4.	Shri. Shelar A. K.	Director
5.	Shri. Taware G. R.	Director
6.	Sou. Nibe A. V.	Director
7.	Shri. Herwade A. D.	Director
8.	Shri. Boleej S. V.	Director
9.	Shri. Patil A. S.	Director
10.	Shri. Shingade T. R.	Director
11.	Shri. Chougale S. V.	Director
12.	Shri. Pawar P. S.	Director
13.	Shri. Devakar N. R.	Director
14.	Shri. Dhale S. N.	Director
15.	Shri. Khandeshe B. M.	Director
16.	Shri. Jadhav C. S.	Director
17.	Shri. Dhaytonde T. B.	Director
18.	Dr. Sou. Gandhe S. N.	Director
19.	Shri. Sable R. J.	Sevak Representative
20.	Shri. Jadhav M. A.	Sevak Representative



3.2.2 Progress of The Rayat Sevak Co-operative Bank Ltd; Satara.

The progress of The Rayat Sevak Co-operative Bank Ltd; Satara shows on following diagram

Table 3.1 Progress of The Rayat Sevak Co-operative Bank Ltd, Satara.

(Rs. in Lacks)

Years	Share Capital	% change	Reserve and Other Funds	% change	Deposits	% change	Loans	% change	Investments	% change	Profit	% change	Working Capital	% change
2003-04	1254.97	-	1227.28	-	23075.93	-	17306.13	-	7487.24	-	250.41	-	26476.55	-
2004-05	1386.91	10.51	1327.45	8.16	25663.55	11.21	18722.62	8.18	8822.07	17.83	297.02	18.61	29359.61	10.89
2005-06	1421.34	2.48	1441.46	8.59	28679.42	11.75	21082.23	12.6	9285.53	5.25	271.89	-8.46	32485.2	10.65
2006-07	1676.16	17.93	1601.83	11.13	30393.62	5.98	23572.29	11.81	8964.33	-3.46	180.24	-33.71	34590.23	6.48
2007-08	1812.12	8.19	1988.02	24.11	31735.49	4.41	25884.29	9.81	9321.79	3.99	240.69	33.54	37823.64	9.35

Source :- Annual report of the Bank.

1. Share Capital

In 2003-04 share capital of Rayat Sevak Co-operative Bank Ltd; Satara was Rs. 1254.97 lackss which increased to Rs. 1386.91 lackss in 2004-05. Showed 10.51% change. Again it was increased to Rs. 1421.34 lackss in 2005-06. In 2006-07 it was further increased to Rs. 1676.16 lackss. Rs. 1812.12 lacks in 2007-08 showed 8.11% increased as compared to year 2006-07.

2. Reserve And Other Funds

In 2003-04 Reserve and Other Fund of Bank was Rs. 1227.28 lacks which increased to Rs.13.27.45 lacks in 2004-05. Showed 8.16% change. It was further increased to Rs. 1441.46 lacks in 2005-06 and Rs. 1601.83 lacks in 2006-07. In 2007-08 Reserve and Other Fund of Bank was Rs.1981.02 lacks.

3. Deposits

In 2003-04 deposits of Rayat Sevak Co-operative Bank was Rs. 23075.93 lacks which increased to Rs. 25663.55 lacks in 2004-05. Showed 11.21% change. It was further increased to Rs. 28679.42 lacks in 2005-06, Rs. 30393.62 lacks in 2006-07. It was again was increased 31735.49 in 2007-08 showed 4.41% change.

4. Loans

In 2003-04 loans of Rayat Sevak Co-operative Bank was Rs. 17306.13 lacks which increased to Rs.18722.62 lacks in 2004-05, showed 8.18% increased.

Rs. 21082.23 lacks in 2005-06 and Rs. 23572.29 lacks in 2006-07. In 2007-08 was Rs. 25884.29 lacks. Thus is period showed that loan of Rayat Sevak Co-operative Bank had increased significantly.

5. Investment

In 2003-04 investment of Rayat Sevak Co-operative Bank was Rs. 7487.24 lacks which increased to Rs. 8822.07 lacks in 2004-05 showed 17.82% change. It was further increased to Rs. 9285.43 lacks in 2005-06, Rs. 8964.33 lacks in 2006-07 and Rs. 9321.79 lacks in 2007-08.

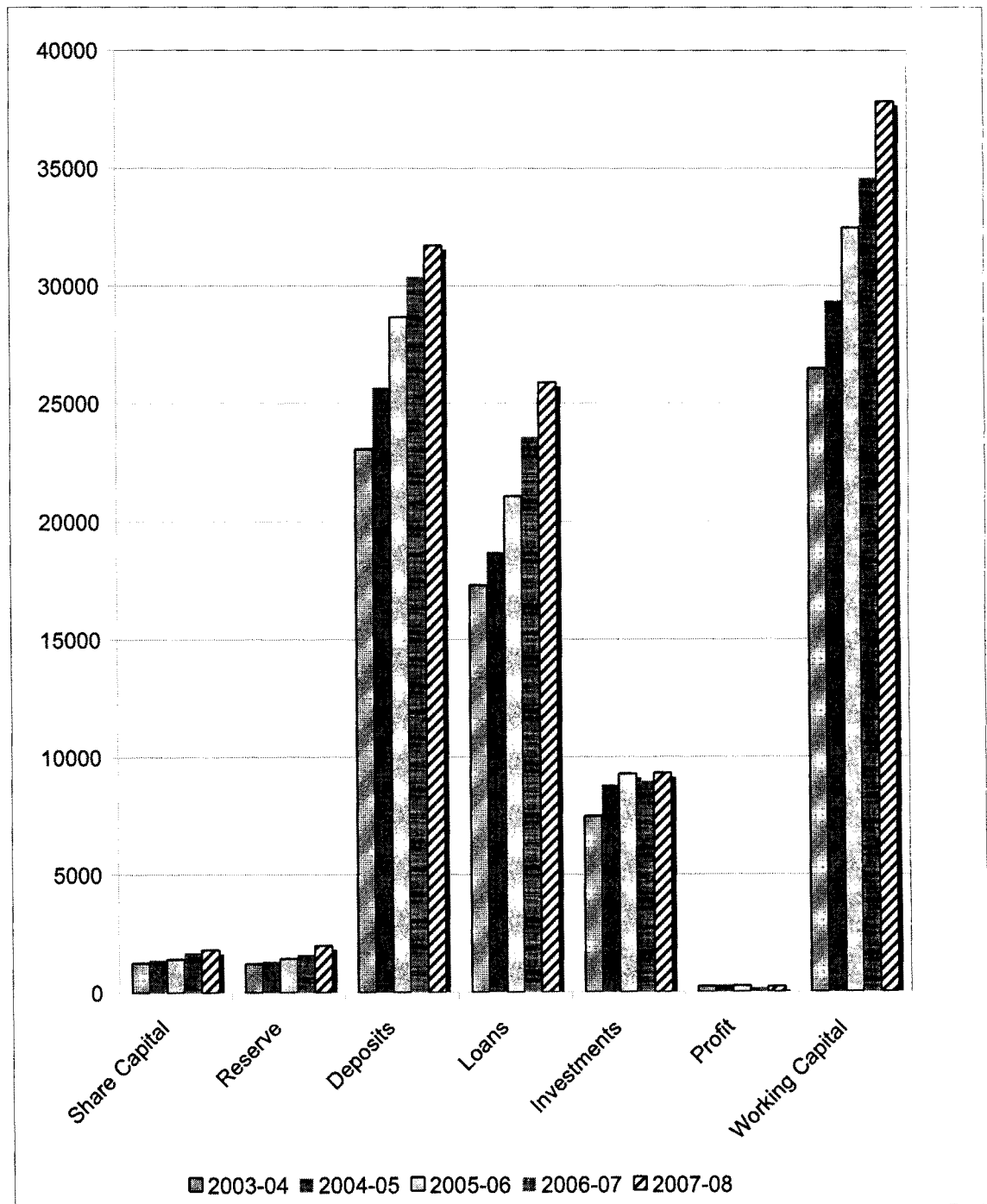
6. Profit

Profit of Rayat Sevak Co-operative Bank was Rs. 250.41 lacks in 2003-04 which was increased to Rs.297.02 lacks in 2004-05 which showed 8.61% change. It was increased to Rs. 271.83 lacks in 2005-06 and Rs. 180.24 lacks in 2006-07. It was agains increased to Rs. 240.69 lacks in 2007-08.

7. Working Capital:-

In 2003-04 working capital of Rayat Sevak Co-operative Bank was Rs. 26476.55 lacks which increased to Rs.29359.61 lacks in 2004-05 showed 10.88% change over previous years. In 2005-06 it was increased to Rs. 32485.20 lacks and Rs. 34590.23 lacks in 2006-07. It was further increased to Rs. 37823.64 lacks showed 9.34% change.

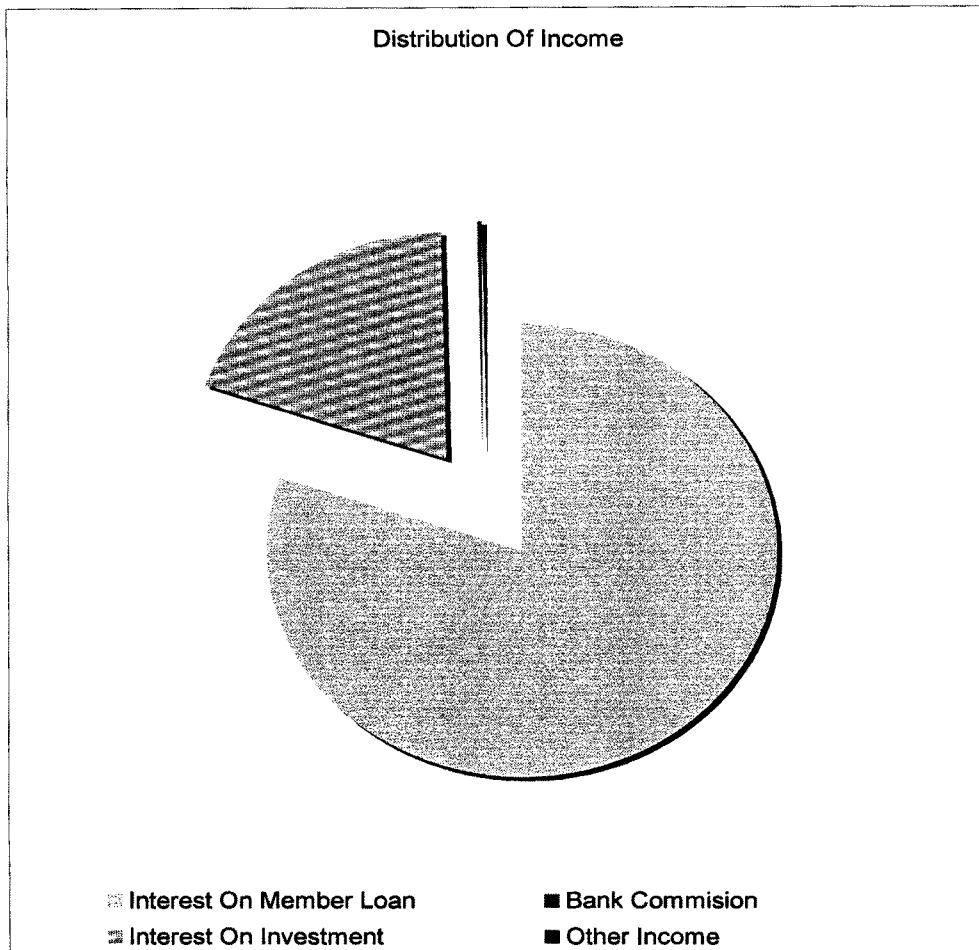
Graph 3.1 Progress of The Rayat Sevak Co-operative Bank Ltd;
Satara.



3.2.3 Distribution of Income of The Rayat Sevak Co-operative Bank Ltd; Satara.

Following diagram shows that distribution of Income of Rayat Sevak Co-operative Bank Ltd; Satara.

Pie Chart 3.1



The diagram above shows that the distribution of income of the Rayat Sevak Co-operative Bank; Ltd. Satara. In which the important source of income of the bank was interest on member's loan that is 80.15. Bank commision was 00.16 was lowest source. Interest on investment was 19.30 and other income was 00.39

3.2.4 Distribution of Expenditure of The Rayat Sevak Co-operative Bank Ltd; Satara.

Following diagram shows the distribution of expenditure of Rayat Sevak Co-operative Bank Ltd; Satara.

Pie Chart 3.2

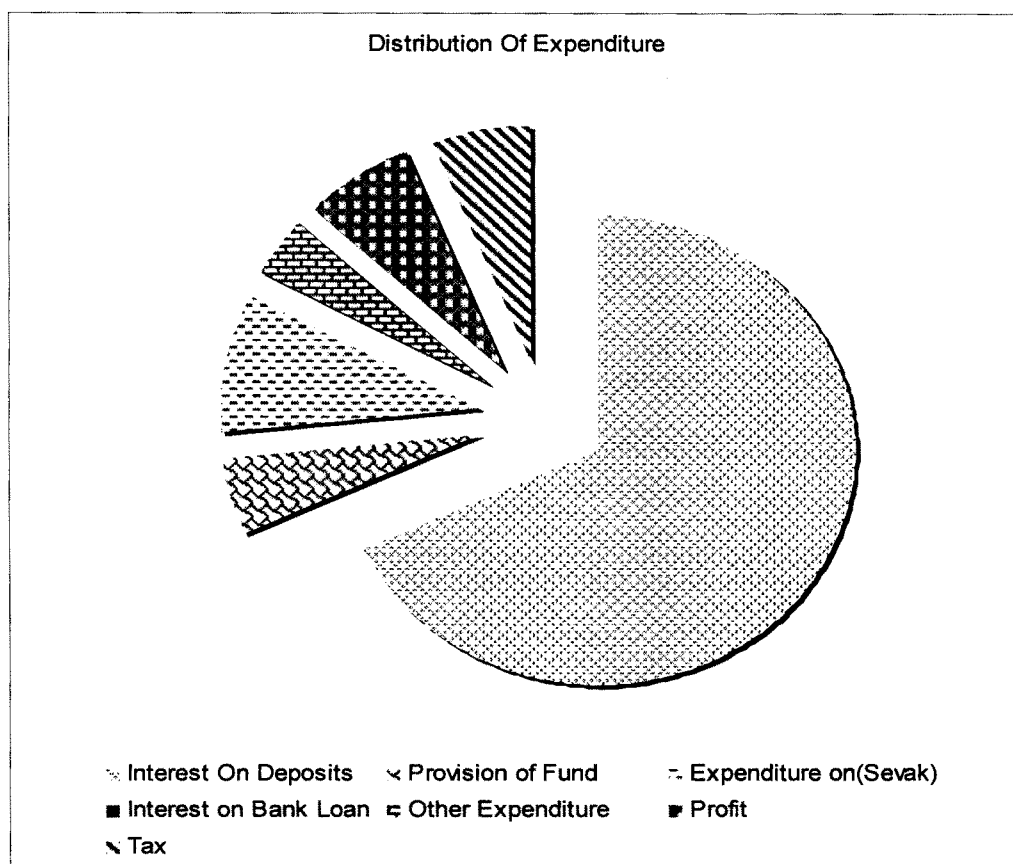


Diagram shows the distribution of the expenditure of the bank. The bank spends lowest expenditure on Interest on Bank Loan that is 0.03. The bank spends on provision of fund is 5.18. Other expenditure is 4.11. Profit is 6.95. The bank spends higher expenditure on the interest on deposit that is 68.04 shows that is success on the mobilisation of deposits and earn confidence of the members. The bank spends expenditure on Tax is 6.10 and the expenditure on sevak is 9.59.

Table 3.2 Branch Expansion of Rayat Sevak Co-operative Bank Ltd; Satara.

Sr. No.	Branches	Date
1	Satara [Main Branch]	16-08-1940
2	Aundhgaon Pune	12-09-1986
3	Ahmadnagar	28-12-1983
4	Sangali	12-09-1986
5	Pandharpur	26-12-1993
6	Kopargaon	03-12-1993
7	Vashi -New Bombay	03-12-1993
8	Baramati	03-12-1993
9	Vita	03-12-1993
10	Sadarbazar- Satara	07-01-1994
11	Karmaveer Samadhi Parisar Satara	16-08-1940
12	Shivaji college Satara	12-01-1996
13	Dahiwadi	12-01-1996
14	Manchar	12-01-1996
15	Shrirampur	12-01-1996
16	Karad	12-01-1996
17	Karjat	16-06-1997
18	Kolhapur	26-05-1997
19	Aadgao- Nashik	01-01-2000
20	Lonand	21-04-1999
21	Hadapsar	26-03-2000

Source-Office record of Rayat Sevak Co-operative Bank Ltd; Satara.

Table shows that The Rayat Sevak Co-operative Bank Ltd; Satara established in the year 1940 in Sadar Bazar Satara and Karmveer Samadhi Parisar Satara. Upto 1983 bank has no any branch but to face rising response, bank has opened it first branch on 28th Dec. 1983 in Ahmadnagar. Then after 3 years Bank has opened two branches in Aundhgaon Pune and Sangli on 12th Sep. 1986.

Then after 3 years bank has opened 5 branches in Pandharpur, Kopargaon, Vashi- New Bombay, Baramati and Viata on 3 December 1993. In 1994 7th June, the bank has opened new branch at Sadarbazsar Satara.

The management found that existing branches inadequate to assist it decided to open some new branches. And in this way the management lifted up the more of expansion and opened 5 branches in Shivaji College Satara, Dahiwadi, Manchar, Shrirampur and Karad at 12th Jan 1996.

In the year 97 the bank has opened 2 branches at in Karjat on 16th June 1997 and in Kolhapur on 26th May 1997. After 2 years bank has opened a branch in Lonand on 21st April 1999. In 2000 Rayat Sevak Co-operative Bank Ltd. Satara opened 2 branches in Aadgao Nashik on 1st June 2000 and Hadapsar on 26th March 2000.

Table 3.3 Branch Transaction of The Rayat Sevak Co-operative Bank Ltd; Satara.

(Rs. in Lacks)

Sr. No.	Branch	Deposits 2007-08	Loans 2007-08	Profit 2007-08	Loss 2007-08
1	Satara [Main Branch]	1037.33	178.89
2	Aundhgaon Pune	1094.19	1050.96	201.26	
3	Ahmadnagar	1489.97	1610.45	30.59	
4	Sangali	1680.79	1522.88	29.37	
5	Pandharpur	1106.50	1785.29	24.94	
6	Kopargaon	1136.34	1830.03	25.74	
7	Vashi –New Bombay	1938.37	1735.00	34.52	
8	Baramati	761.07	1052.23	9.96	
9	Vita	1127.25	878.99	10.48	
10	Sadarbazar- Satara	2229.69	1099.20	28.34	
11	Karmaveer Samadhi Parisar Satara	7114.27	1512.68	40.58	
12	Shivaji college Satara	2132.69	900.77	34.93	
13	Dahiwadi	876.75	956.68	9.34	
14	Manchar	869.36	1078.19	16.58	
15	Shrirampur	1131.62	1682.62	33.07	
16	Karad	1471.91	1490.96	18.78	
17	Karjat	974.52	1694.37	23.30	
18	Kolhapur	824.06	1187.67	6.83	
19	Aadgao- Nashik	486.11	1096.53	1.63	
20	Lonand	699.53	760.89	5.08	
21	Hadapsar	1253.39	957.82	15.27	

Source- Annual Report of Bank.

Table shows that

1. Table shows that the transaction of all branches of Rayat Sevak Co-operative Bank Ltd: Satara.
2. All branches received deposits but the Karmveer Samadhi Parisar Satara Branch collected highest deposits in the year 2007-08. That is Rs. 7114.27 lackss. And Aadgao- Nashik branch collected lowest deposits in the year 2007-08 that is 486.11 lackss.
3. All 21 branches distributed loan to the needy people. In the year 2007-08 the highest loan distributed branch is Kopargaon the amount is 1830.30 lackss. And Lonand branch distributed lowest loan to the people that is Rs.760.89 lackss in the year 2007-08.
4. In the year 2007-08 all branches of Rayat Sevak Co-operative Bank Ltd; Satara earned profit except the main branch Satara. The amount of loss was Rs. 178.79.
5. All branches earned profit but Aundhgaon- Pune branch earned highest profit that is Rs. 178.89 lackss in year 2007-08. The Audgao- Nashik branch earned lowest profit in the year 2007-08 that is Rs. 1.63 lacks.

Table 3.4 Distribution of Profit of The Rayat Sevak Co-operative Bank Ltd; Satara.

Distribution of profit for the year ended 31st March. 2008.

(Rs. in lacks)

Sr. No.	Distribution of profit	Amount Rs.	Percentage
1	Reserve Fund	6024897	25%
2	Member Dividend	15600000	65%
3	Donation to Rayat Shikshan Sanstha	240690	1%
4	Member Welfare Interest Fund	1203452	5%
5	Dividend Equation Fund	1000000	4%
	Total	24069039	100%

Source- Annual Reports Of The Bank

Table reveals the following facts:

1. The bank has transferred 25% of their profits to Reserve Fund.
2. The percentage of amount spent on payment of dividend out of profit is 65%. It shows that members have received large amount by the way of dividend from the bank.
3. The percentage of profit transferred to donation to Rayat Shikshan Sanstha Satara is 1%.
4. The percentage profit transferred to members welfare interest fund is 5%.
5. The percentage transferred to Dividend Equation Fund is 4%.

3.3 Origin And History Of Karad Branch

For removing or solving economical problem of the Rayat Sevaks, for smooth communication for creating healthy harmony between the bank and the Rayat Sevaks. The Rayat Sevak Co-operative Bank opened its Branch Ahmadnagar, Sangli and Pune. To assist, by the permission of the Reserve Bank Of India. And because of this morenot only the Bank advanced but also the Rayat Sevak. The management found that existing four branches inadequate to assist, it decided to open some new branches. And in this way the management lifted up the the more of extensions and opened some new branches at Dahiwadi, Manchar, Shrirampur, Karad, Karjat and Kolhapur etc. Hence Karad branch established on 12 Jan. 1996 at Datta Chowk, Karad. This expansion brought both the bank and members neaver and neaver, day close withn no time, the Bank became an integral part of members life.

The objectives of the Bank

1. To devlop self help, co-operation, saving habit among the sharholders.
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, members, teachers, small scale industries.
5. To help the people to be self dependent.

3.4 Commitee Members

Committee members of the Karad branch.

1	Sou. Gandhe T. B.	Chairman
2	Shri. Magdum R. K.	Member
3	Shri. Herwade A. D.	Member
4	Shri. Mohite V. G.	Member Representative
5	Shri. Maske D. D.	Member Representative
6	Shri. Patil A. S.	Member Secretary

3.5 Loans

Rayat Sevak Co-operative Bank Ltd; Satara Branch: Karad has divided loan into secured Loan and nonsecured Loan. During the year 2000-01 bank has issued total loans of Rs. 8,05,78,669 out of which secured loan were Rs. 6,42,45,710 and unsecured loans were Rs. 1,63,32,959. Total and unsecured loans were Rs. 14,90,96,099 as on 31st March 2008. Out of which secured loan were Rs. 11,52,58,534 and unsecured Rs. 3,38,37,565. There is increase in loans given by Rs. 6,85,17,430 from 2007-08.

3.6 Deposits

Deposits of Rayat Sevak Co-operative Bank Ltd: Satara Branch: Karad has divided into members monthly deposits, Reinvestment deposits, cumulative deposits, Saving deposits, Current deposits, fixed deposits etc.

During the year 2000-01, the bank has collected total deposits of Rs. 7,13,21,555 out of which fixed deposits were Rs. 93,56,080. Saving deposits were Rs. 47,52,104 and current deposits Rs. 6,11,791. Total deposits for the bank are Rs. 14,71,91,336 upto the year 2007-08. Out of which fixed deposits were Rs. 1,26,07,587, Saving deposits were Rs. 1,39,36,884 and current deposits are Rs. 21,94,702.

Deposits are increased by Rs. 7,58,69,781 from 2000-01 to 2007-08.

3.7 Account Holders

The accountholders of Karad Branch Shows on the following table-

Table 3.5

(Accountholders in no.)

Year	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Deposit Holders	3698	4160	4265	5166	5393	5502	5329	5031
Loan Holders	1080	1025	1025	1093	1074	1130	1125	1167
Total Account Holders	4778	5185	5290	6259	6447	6632	6424	6198

The total number of accountholder of the bank was 4778 during the year 2000-01. The number of account holder on 31st March. 2008 was 6198.

3.8 Employees

Total number of employees in Rayat Sevak Co-operative Bank Ltd: Satara main branch 158 employees in the year 2000-01. In the year 2007-08 the total number of employees 174 increased upto 16.

There were 8 employees of this Karad branch in the 2000-01. In the year 2007-08 total number of employees 7 out of which 2 female and 5 male. There are 3 employees OBC and 4 employees open category. Out of 7 employees 1 is branch manager employees are graduates and passed G. D. C. and A. exam, 1peon is 9th passed.

3.9 Audit Class

Rayat Sevak Co-operaative Bank Ltd: Satara Branch: Karad has obtained Audit class 'A' in the year 2000-01. Bank obtained Audit class 'A' every year upto year 2007-08.

Main branch Satara obtained Audit class 'A star' in the year 2003-04 and the year 2004-05 the main branch obtained Audit class 'A cama'.

3.10 Services and Facilities

Rayat Sevak Co-operative Bank Ltd: Satara Branch: Karad has declared and implemented different scheme of deposits and Loans and others.

1. Deposits Schemes- Period
 - i) Dam Didpat Deposit - 4 years 9 months
 - ii) Dam Duppat Deposit – 8 years 3 daysSenior citizens.
 - i) Dam Didpat Deposit - 4 years 5 months 8days
 - ii) Dam Duppat Deposit – 7 years 6 months 29 days
2. Cash Certificate Deposit Scheme
3. Pension Deposit Scheme
4. Subhmangal Deposit Scheme
5. Long term House Loans For members, Salary earners.
6. Loan Schemes For Proffessionals
7. Multipurpose EMI Scheme
8. Gold Mortgage scheme
9. Educational Loan Scheme
10. Interest Giving Schemes
 - i) Monthly
 - ii) Quaterly
 - iii) Six Monthly
 - iv) Annually
 - v) After Maturity Period.
11. Locker Facility
12. Modem System Of Computer
13. Extra 0.5% rate of interest for senior citizens
14. Insurance Protection for Deposits upto Rs. 1,00,000
15. Customer services and membership of clearing house, Demand Draft facility.
16. Proposed Schemes:
 - i) Core Banking
 - ii) Tele Banking
 - iii) ATM Banking
 - iv) Internet Banking