

## *Chapter - 2*

# PROFILE OF BANK'S BRANCH

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## **CHAPTER -II**

### **PROFILE OF BANK'S BRANCH**

#### **2.1 INTRODUCTION:**

The Kolhapur Urban Co-operative Bank Ltd is established with kind blessings of Rajarshee Chhatrapati Shahu Maharaj in 1913. In 1912, All India Co-operative Society Act has been passed and this new act had applied to Kolhapur city by Chhatrapati Shahu Maharaj. The Kolhapur Urban Co-operative Society is the first society which was established in 24/5/1913.

Bhaskarao Jadhav had worked in Kolhapur Municipal which was influenced by Chhatrapati Shahu Maharaja's thoughts and his social work.

Bhaskarao Jadhav had seen miserable condition of poor people, as well as their suffering from Savakar/ Sophisticated people so the Urban Co-operative Society has been established in the Kolhapur Municipal by Bhaskarao Jadhav.

#### **2.2 HISTORY OF THE BRANCH:**

The Khasbaug branch of the Kolhapur Urban Co-operative Bank was established on 19-4-1988. The Branch opening was done by Ex-Agricultural Minister Shri Shripatraoji Bondre. The function was presided over by Shri. Bapuso Patil. Mr. U.B.Mahajan, the district deputy registrar was present as a guest of honour. The branch opening was decided by the bank's ex-chairman Mr. V.T. Patil but due to some obstacles he could not attend the programme.

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So Shri. Shripatrao Bondre who was present as a chief guest was requested to inaugurate the branch and he accepted the request at once with willingly.

### 2.3 GROWTH OF THE BANK:

Growth of the bank includes that grows on increasing the working of the bank in respect of Deposits, Loans and Advances, Overdues, Working Capital and Manpower.

The researcher has made detailed study of growth of the Kolhapur Urban Cooperative Bank Ltd., Kolhapur which is given below.

**2.3.1 Growth of Working Capital:** The working capital is one of the most significant part of the Urban Cooperative banking activities. Working capital indicates the turnover of all financial position of the bank. The following table indicates the position of working capital of the bank during the period under study:

**Table 2.1**  
**Growth of Working Capital: 2004-05 to 2008-2009**

Year	Working Capital (Rs. in lakhs)	Increase in working capital	Growth over previous year (%)
2004-05	2172.93	-	-
2005-06	2411.31	238.38	10.97%
2006-07	2484.35	73.04	3.03%
2007-08	2999.65	515.3	20.74%
2008-09	3216.19	216.54	7.22%

**Source: Compiled from Annual Reports of the KUC Bank.**

Table 2.1 indicates that the working capital has increased from Rs.2172.93 lakhs in 2004-05 to Rs.3216.19 lakhs in the year 2008-09. The growth of working capital over previous year i.e. 2005-06 is 10.97%, 2006-07 is 3.03%, 2007-08 is 20.74% and 2008-09 is 7.22%. The bank has maintained satisfactory growth of working capital during the period under study i.e. from 2004-05 to 2008-09.

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### 2.3.2 DEPOSITS GROWTH:

Deposits is one of the main sources of the banking activities. Table 2.2 shows the position of growth of deposits during the period of past 5 years from 2004-05 to 2008-09.

**Table 2.2**  
**Growth in Deposits: 2004-05 to 2008-09**

Year	Deposits (Rs in. Lakhs)	Increase in Deposits Rs.	Growth over previous year (%)
2004-05	2112.86	-	-
2005-06	2253.92	141.06	6.67%
2006-07	2367.46	131.54	5.83%
2007-08	2860.67	492.21	20.79%
2008-09	3110.11	249.44	8.71%

Source: Compiled from Annual Reports of the KUC Bank

Table 2.2 shows that the total deposits increased from Rs.2112.86 lakhs in 2004-05 to 3110.11 lakhs during 2008-09. The share of the total deposits in total working capital is movable and ups and down yet bank has maintained the growth of deposits share in the working capital above 90%.

### 2.3.3 GROWTH IN LOANS AND ADVANCES:

According to the Bye- laws the bank, advances and loans to the members for various purposes. Table 2.3 indicates the position of loans and advances during the period under study i.e.2004-05 to 2008-09.

**Table 2.3**  
**Growth In Loans And Advances: 2004-05 to 2008-09**

Year	Loans And Advances (Rs in Lakhs)	Growth over previous year (%)
2004-05	1021.79	-
2005-06	1023.61	0.17%
2006-07	1080.21	5.52%
2007-08	1509.35	39.72%
2008-09	1723.37	14.18%

Source: Compiled from Annual Reports of the KUC Bank.

Table 2.3 shows that the loans and advances increased from Rs.1021.79 lakhs in 2004-05 to Rs.1723.37 in 2008-09. The growth of loans and advances over previous years i.e. 2005-06 is 0.17%, 2006-07 is 5.52%, 2007-08 is 39.72% and 2008-09 is 14.18%. The loans and advances has increased more in 2007-08 i.e. 1509.35 and 2008-09 i.e. 1723.37.

#### 2.3.4 TREND OF PROFIT AND DIVIDEND RATE:

Earning of profit is not the main objective of corporative concerns. But profit is the name; surplus fund is an essential for future development of the organization. The same principle is adopted by the Kolhapur Urban Cooperative Bank Ltd., Kolhapur. Table 2.4 indicates the position of earned profit during the period under the study.

**Table 2.4**  
**The Position of Profit And Dividend: 2004-05to2008-09**

Year	Showing The Position of Net profit (Rs In Lakhs)	Dividend Rate
2004-05	26.12	12 %
2005-06	30.23	9%
2006-07	23.84	12%
2007-08	18.60	11%
2008-09	51.39	12%

Source: Compiled From Annual Reports of the KUC Bank

Table 2.4 early shows that there is variation in the increase of Net Profit of the bank. But in the year 2006-07 to 2007-08 there is decrease in the net profit 23.84 to 18.60. In the year 2008-09 there is highest increase in net profit i.e. 51.39. This is due to the slackness in the business yet the bank has declared the 12% dividend and later the dividend rate are decreased.

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### 2.3.5 MANPOWER:

The main object of the bank is to maintain the public faith and confidence without which the bank cannot run. The efficiency of the bank, business is mainly depending upon the prompt staff member. The growth of the banking business has been mainly possible due to the whole hearted involvement of staff of all categories.

**Table 2.5**  
**Staff of the Bank Branch: 2004-05 to 2008-09**

Year	Staff ( In No)
2004-05	15
2005-06	15
2006-07	16
2007-08	16
2008-09	16

**Source: Compiled from Annual Reports of the KUC Bank.**

Table 2.5 shows that there is no large change in the number of staff. The strength of staff member is constant.

At present there are 16 staff members in Khas Bag Branch of Kolhapur Urban Cooperative Bank.. Branch Manager-1, Supervisors-3, Cashier - 1, Clerks-6, Peons -3, Guard - 1 and Watchman 1.

### 2.3.6 OVERDUES:

Recovery of loans may be taken as principle pointer of its operational efficiency advancing of loan is not important but the recovery of already advanced loan is important. Whatever the bank advances, its first and fore most duty is to get recovery of loan within the specific period mentioned in the bond.

**Table 2.6**  
**Position of Overdue: 2004-05 to 2008-09**

Year	Loans & Advances (Rs in lakhs)	Overdue (Rs in lakhs)	Overdue %
2004-05	1021.79	56.23	5.50%
2005-06	1023.61	86.72	8.47%
2006-07	1080.21	113.14	10.47%
2007-08	1509.35	63.24	4.19%
2008-09	1723.37	56.58	3.28%

Source: Compiled From Annual Reports of The KUC bank.

Table 2.6 shows that the overdue increased Rs. 56.23 lakhs in 2004-05 to Rs 113.14 lakhs in 2006-07. The overdue ratio increased from 2004-05 to 2006-07 .i.e.5.50% to 10.47% so it is dangerous. In the year 2007-08 the overdue amount is 63.24 lakhs and overdue ratio is 4.19% it is decreased to 56.58 lakhs and overdue ratio is 3.28% in the year 2008-09.

### **2.3.7 BRANCH OFFICE:**

The bank opened all branch offices in the particular area for operation in the Kolhapur city only. The main objective of the bank is to serve the members and depositors and constituents efficiently and effectively by serving them at their very door though the branches of fices the following table shows the position of branch office.

**Table 2.7**  
**Branch Offices of The Kolhapur Urban Coop. Bank**

Sr. No.	Location of The Branch	Opening Date	Office Type
1	Gokul Shirgaon	26-03-1997	Branch Office
2	Khasbag	19-04-1988	Branch Office
3	Kolhapur Urban Coop (Gangavesh)	11-06-1913	Head Office
4	Main Branch (Gangavesh)	11-06-1913	Branch Office
5	Market Yard	17-05-1979	Branch Office
6	Nagala Park	25-07-1984	Branch Office
7	New Shahupuri	10-06-1973	Branch Office
8	Rajarampuri	22-05-1964	Branch Office
9	Subhash Road	26-03-1997	Branch Office
10	Uchagaon	24-10-1993	Branch Office

**Source: Compiled From Annual Reports of The KUC bank.**

Table 2.7 shows that a total number of 9 Branch offices and 1 Head office was opened by the bank.

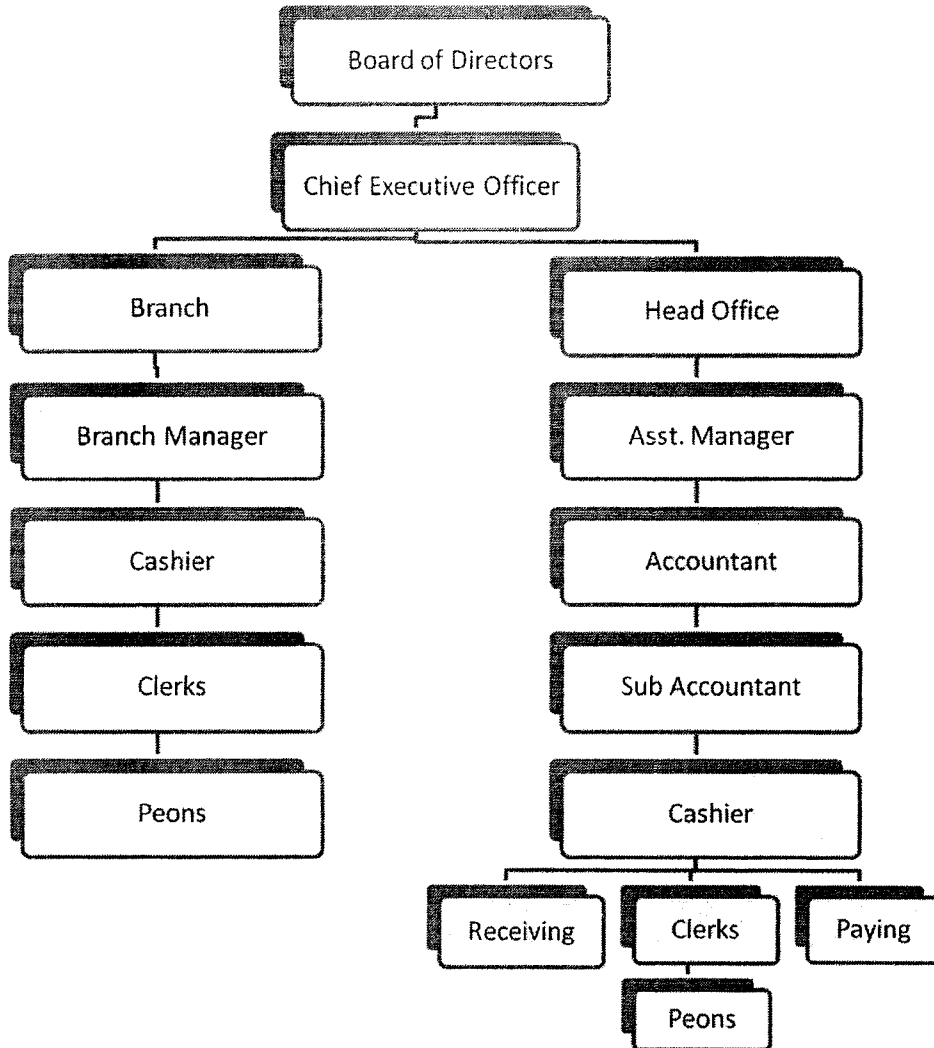
#### **2.4 ORGANISATIONAL SET-UP OF THE BANK:**

The Kolhapur Urban cooperative bank ltd., Kolhapur has organized its set-up for an efficient handling of its business, particularly the lending, operations. A proper organizational set-up in banking institution from the top level at which important financial and policy decisions are taken down to the level at which these decisions are implemental is therefore a vital importance.



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**Figure 2.1 : Organisation Structure of Kolhapur Urban Cooperative Bank**



**2.5 CONCLUSION:**

The main object of the bank is to maintain the public faith and confidence without which the bank cannot run. Earning of profit is not the main objective of corporative concerns. But profit is the name; surplus fund is an essential for future development of the organization. Working capital indicates the turnover of all financial position of the bank. The role of the bank is no longer regarded merely as a supplier of credit on usual business firms, but also a development agency.