
CHAPTER -II

PROFILE OF THE PANDHARPUR URBAN CO-OPERATIVE BANK LTD., PANDHARPUR

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PROFILE OF THE PANDHARPUR URBAN CO-OPERATIVE BANK LTD., PANDHARPUR.

2.1: INTRODUCTION -

The Pandharpur Urban Co-operative Bank Ltd., Pandharpur has become increasingly popular in the Pandharpur. Pandharpur town is famous for the temple of God Vithoba which has made a place of Pilgrim not only for the Pandharpur but also for all over the country.

According to the progress & development of Urban Co-operative Banking industry in Pandharpur Location, surrounding & area of Pandharpur town introduced as well market, commercial business and banking centre. For this historical and basic point of view Pandharpur town is always in a position of an advance town of co-operative mind and kind of peoples. It ^{creatively} ~~creatively~~ favourable result in co-operative banking sector.

2.2 : HISTORY OF THE BANK -

The Pandharpur Urban Co-operative Bank Ltd., Pandharpur is one of the most popular banks in the Pandharpur town.

The main source of spirit behind the establishment of the Pandharpur Urban Co-operative Bank Ltd

was given to the Late Shri.JOG V.S. Late Shri.Vasudeo Atmaram Joshi. Damodhar Trimbak Purandare, Dattatraya Balkrishna Paricharak. Who were well known persons'

The Pandharpur Urban Co-operative Bank Ltd., Pandharpur was established On 12th November 1912. First General Meeting of the Pandharpur Urban Cooperative Bank Ltd., was held on 5/12/1912 under the President -ship of Akbar Alli and a committee was formed under his presidentship. Following were the directors of that committee.

1. Shri.Vinayak Shivaji Jog.
2. Shri.Vasudeo Atmaram Joshi.
3. Shri.Dattatraya Balkrishna Parichark
4. Shri.Damodar Trimbak Purandare.
5. Shri.Narayan Hariba Kolangde.

Firstly the accounts of this co-operative were opened on the name of Vasudeo Atmaram Joshi and Shri.Vinayak Shivaji Jog.

Shri.Vinayak Shivaji Jog was one of the popular advocates, in the Pandharpur. He was the first Chairman and Shareholder of this bank. He was also the founder of Solapur District Central Cooperative Bank and the Pandharpur Urban Cooperative Bank.

In, 1917, Mr.Jog was appointed as the Honarary District Organiser of the Co-operative Society. The Pandharpur Co-operative Credit Society changed into the Pandharpur Urban Co-operative Credit Bank Ltd., and this proposal was passed in 19/7/1923 in the General Meeting.

At the time of establishment of the bank there were only 145 shareholders and the share capital of Rs.2310. In 1927-28 the Bank has started to accept the Cheques Hundies, Drafts and Railway receipts and started to give the Cash Credit loans First Cash Credit Loan was given to the N.H.Nadaf, N.S.Badave, B.L.Bahadule and A.S.Tamboli.

Due to the many reasons i.e. little party fractions, dishonesty of the staff, default among the borrowers, the bank is passing through crisis, the bank had gone into the insolvency. They stopped to give the loans, Bank had gone into the liquidation so the bank has appointed a committee to recover the loans from the borrowers.

Tn 1940-43 Mr.Kane was the Chairman of the bank, he developed the bank and started regularly in routine, In general, the bank has made an excellent progress. All the praise goes as already said to the

masterly lead of the Chairman.

In 19/4/1946 Mr.Kane resigned as a Chairman. In the auditing report the auditors says " Mr.Kane's resignation should have come a great shock to the bank. For it was we how, with co-operation of his colleagues has been responsible for not only the present prospectus position of the bank but in its very existance. Every things were in dark and glomy when Mr.Kane took charge of the Chairmanship. It was as if the fate of the bank was sealed but this courage with foresight made him very successful Chairman.

In 1962, the bank had completed its 50 years but, bank had not celebrated a half century because of the war of Chaini and India. At the time of war the bank had given all the dividend to the National Defence fund.

" The Current year i.e. 1987 " is the Golden Jubilee year, for the bank and the Chairman Shri.S.R. Paricharak himself able businessman who has guided the affairs of the bank very aptly. During his Chairmanship the business of the bank has been increased threefold. The president Shri.A.H.Kavathekar and all other directors of the bank are giving full co-operation to him and to his task ".

2.3: OBJECTIVES OF THE BANK -

As per the bye.laws of the bank the objectives of the bank may be grouped under two broad outlines, such as -

A) Objective relating to the banking functions viz, to receive money on current,saving,fixed and other term deposits, to receive for safe custody securities ornaments and other valuables, to buy and sale securities of the Government of India or Government of Maharashtra or other securities, to draw accept, endorse buy, sell and negotiate, inland bills of exchange.

B) Objects relating to general viz, To finance enterprénuers, artisians, small traders, to act as an agent for Govarnment of Maharashtra for the purpose of distribution of industrial and other loans granted to small, medium and cottage industries, forest and weaving industries, to act as an agent for the Reserve Bank of India or any other banks, to acquire land and household properties in satisfaction of claims and hold properties for purpose of construction of buildings etc. for office and godown purposes.

For achievement of above banking objectives the bank may open their branch offices or pay offices

in their area of operation. The area of operation is in Solapur district and registered address of the bank is at Navi Peth, Pandharpur.

2.4: LOCATION OF THE BANK -

The Pandharpur Urban Co-operative Bank Ltd., is located in the heart of the Pandharpur. It is the Municipal area particularly known as Navi Peth. This area is crowded by various small and medium size businesses, transport working and transport agencies. vehicle showrooms, printing presses, medical shops, bakeries and other attractive commercial shops. There are very conducive circumstances for development of banking industry in Navi Peth, Pandharpur.

Further the Navi Peth area is also known as banking centre area in Pandharpur. There are various bank offices located nearer to the Pandharpur Urban Co-operative Bank.

It is significant that, all the leading banks, nationalised and scheduled banks are located nearer this bank. It shows that the bank has located selected the very apt place for its operation.

2.5 : GROWTH OF THE BANK -

The growth of the Pandharpur Urban Coop,Bank

Ltd., can be studied as under:-

A) Geographical Coverage -

The Pandharpur Urban Co-operative Bank Ltd., has covered nearly all the Solapur District area. There are 8 branches of the Pandharpur Urban Cooperative Bank in all over the Solapur district. It has opened a branch offices in Taluka areas like, Pandharpur, Sangola, Mohol, Barshi & in the district Place at Solapur. This bank opened its a branch in the modnims in the Madha Taluka. This geographical area covered it better banking activities and services.

B) Membership -

Most of the banks having two classes of members, viz regular and nominal members. The membership of the bank consists of individual over 18 years of the age compotent to contract. The nominal membership was introduced with a view to enabling persons to borrow a short and temprary period, against readily realisable securities as like gold. The bank admited as a nominal members on payment of an admission fee and nominal amount. The nominal members are not given subscription. Subscribe to the Share capital and right of voting and participation in the management, and also no entitled to distribution of the profit, and do not have any i

liability in the event of bank windingup. The final power of admitting new nominal members has been vested in the Board of Directors.

The Nominal member will not entitled

- 1) To receive a share capital
- 2) To attend, and participate in the General Meeting and
- 3) Right of voting power.
- 4) To receive audited accounts and annual reports.

Any other persons as defined bye-laws 4(ix) have its registered office within the area of operation of the bank and conducting business within such area may be admitted as a Regular member provided that

1. The individual persons is not a member of any other primary co-operative Bank.
2. The member do not have any criminal offence involve moral puritude.
3. The person not engaged in a business competing with the business of the bank.

The following table shows the position of membership during the period of last ~~22~~ 2 years (i.e. 1986-87 to 1987-88).

TABLE NO 2:1

Table showing the position of membership.

Members	1986.87	1987-88	Increased
Regular Members	12,807	13,408	601
Nominal members	5,744	7,273	1529

Source - Compiled from Office record of the bank.

Above table indicate the growth of the membership which increased continuously. Regular Members are increased from 12807 in 1986-87 to 13,408 in 1987-88 representing a speculator growth of 104 %. The Nominal Members are also increased from 5,744 in 1986-87 to 7273 in 1987-88.

The average growth of regular members increased 601 during the period of 1986-87 to 1987-88 And average growth of nominal increased 1529 during the period of 1986-87 to 1987-88.

C) Reserve & Funds

Reserve fund is the most important component of the working capital. For the purpose of banking

business, the Reserve fund is very important. Before, giving the dividend to the Shareholder the bank has made an arrangement of funds. The bank has build up a permanent reserve fund.

The following chart indicates the position of Reserve fund and other reserves during the last two years i.e. 1986-87 to 1987-88.

TABLE NO 2.2

The table showing the position of Reserve funds

Items	1986-87	1987-88	Increase
Reserve funds & Other Reserves	20246457	22980221	2733664.

Source- Compiled from Annual Report of the Bank.

The table reveals that the growth of reserve funds over the period under review, increase from Rs. 2,02,46,457. in 1986-87 to Rs.2,29,80,121 in 1987-88 making an increase of Rs. 2733664.

The recorded near about 1 fold increase within the period of two years.

The average growth rate of reserve and other

reserves is 21613289 during the corresponding period.

The bank is in a position of build up sound reserves for better banking activities.

D. Share Capital

" Authorised Share capital of the bank is Rs. 35,00,000 divided into 70,000 ordinary shares of Rs.50/- each. These shares can only be subscribed by Regular members. The Board of Director enjoys direction in the allotment of shares as per the number of shares demanded or less than the demanded number or of refusing allotment of shares completely to any applicant. The following table indicates the position of share capital during the period of last two years that is 1986-87 to 1987-88.

TABLE NO 2.3

The Table showing the position of paid up capital.

Item s	1986-87	1987-88	Increase
Paid-up Share			
Capital	23,14,610	26,03,420	2,88,810

Above table indicates that the paid up share

capital is divided into two groups i.e. 23921 ordinary shares of Rs. 10/- each and 41508/- ordinary shares of Rs.50/- each in 1986-87 and 23542 ordinary shares of Rs.10 each and 47360 Ordinary shares of Rs.50/- each i.e. The paid-up capital remarkably increased during the period of last two years. The share capital raised by Rs. 2,88,810 from Rs. 23,14,610 to Rs.26,03,420/- during the period of 1986-87 to 1987-88.

They recorded near about 1 fold increase within a period of two years.

The main reason for such increase in Share capital has been that the persons required to purchase the shares for better facilities from the bank and meet the credit needs.

It should be pointed out the share capital are raised slowly during the period of last two years i.e. from 1986-87 to 1987-88.

E. Deposits -

Deposit is one of the main objectives of the bank. There are many types of deposits as like, current, saving & fixed deposit. It is one of the sources of increasing the capital of the bank. The bank can initiate

the new efforts to tap more deposits by opening the new branches in the area of active trade centres of the town and cities. The following table indicates the position of Deposits mobilisation during the period of last two years. i.e. from 1986-87 to 1987-88.

TABLE NO 2.A

Table showing the growth of Deposits

Year	Deposit Amount	Deposits share in W.C.
1986-87	13,93,05,334.	75%
1987-88	17,00,61,513.	78%

Source- Compiled from Annual Report of the Bank.

Above table shows that the total deposits raise by Rs. ~~22,75~~ 17,00,61,513. from Rs. 13,93,05,334 to Rs. 17,00,61,513. during the period of 1986-87 to 1987-88 They recorded near about 1.28 folds during the period of last two years. The average growth of the deposit is Rs. ~~15468243~~ 154683423 during the corresponding years.

The share and total deposits in the total Working capital also increased from 75% in 1986-87 to 78% in 1987-88.

F. Loans & Advances -

Hence the leading operation of the bank will include both for productive and unproductive purposes. The pattern of loan lending of the bank would be usually in the form of Cash Credit Accomodation, overdraft facilities and clean loan etc. loan operation of the bank consists of granting loans against mortgage of immoveable property or on the surety or on the pledge of agricultural produce, industrial goods, gold and silver ornaments Government securities or security of term deposits and insurance policies.

According to the bye-laws 11(57 to 95) the bank position of loans and advances during the period of last two years i.e. (from 1986-87) to 1987-88)

TABLE NO. 5 (2.5)

Table showing the position of loans & Advances

Years	Loans & Advances	Shares in W.C.
1986-87	9,99,48,459	54%
1987-88	11,72,38,828	54%

Source- Compiled from Annual Report of the Bank.

Above table remark that the loans & advances rose by Rs. 1,72,90,369 from Rs. 9,99,48,459 to Rs. 11,72,38,828 during the period 1986-87 to 1987-88. The average growth of the loans and advances 108593643 during the period of last two years. The share of the loans and advances in the working capital also same in the corresponding period.

G. 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 banks. The following table indicates the position of working capital of the bank during the period of last two years. That is from 1986-87 to 1987-88.

TABLE NO 2.6

Table showing the position of working capital

Years	Working Capital amount	Increase
1986-87	18,64,50,645	-
1987-88	21,83,24,861	31,83,24,216.

Source- Compiled from Annual Report of the Bank.

Above table indicates that the working capital increased Rs. 31874216 from Rs. 18645064 in 1986-87 to Rs. 218324861 in 1987-88.

The average growth of the working capital is Rs. 20,23,88,77,53 during the period of last two years.

H.Branch Offices -

According to the bye-laws 2(D) and the objectives of the bank i.e. to serve the members and depositors and constituents efficiently and effectively by serving them at their very door through the branch offices. Licencing from Reserve Bank of India and permission from Deputy Registrar of Co-operative Societies, solapur. The bank opened its branch offices as per the area of operation.

The following table indicates the branches owing the period of last 75 years 1912 to 1987.

TABLE NO 2.3

Table showing the position of Branch Offices

Location of Bank/ Name of the Branch	Date of Opening	Number of Branches
Head Office Pandharpur	12/11/1912	First
Branch sangola	5/4/1962	Second

Branch Modnimls	30/4/1969	Third
Branch Barshi	24/12/1970	Fourth
Branch Solapur	11/5/1973	Fifth
Branch -Datta Ghat Pandharpur	5/2/1976	Sixth
Branch -Mohol	4/3/1980	Seventh
Branch-Market Yard Pandharpur	14/4/1985	Eighty

Source - Compiled from office record of the Banks

Above table shows that the total number of eight branch offices opened by the bank during the period of last 75 years. And also bank made an attempt for expansion of branches for better banking business.

I.Net Profit -

The Main objective of the Co-operative bank or Co-operative society is not earning a profit, but, profit in the name of surplus is essential for future development of organisation. The same principle is adopted by The Pandharpur Urban Co-operative Bank Ltd., The following chart indicates the position of earned profit during the period of last two years i.e. 1986-87 to 1987-88.

TABLE NO 2.0

Table showing the position of Net profit -

Items	1986-87	1987-88	Increase
Net Profit	36,82,924	44,43,080	7,60,156.

Source- Compiled from Annual Report of the Bank.

The table clearly shows that the earned profit is increased of Rs. 7,60,156 from Rs. 36,82,924 in 1986-87 to Rs. 44,43,080 in 1987.88.

The average growth rate of earned profit is Rs. 40,63,002. during the period of last 2 years.

The net profit formed a rising proportion of working capital throught out the period under review.

According to the satisfactory earned net profit proportion the rate of dividend declaration also increase by the bank. The divided pay to the member as per their shares holding ratio and declared rate of dividend.

In the year 1985.86 the Bank would declare 15% dividend. And this rate however changed during 1986-87. The bank maintained the rate of dividend at 14% in 1987-88.

J. Manpower -

The growth of banking business has been achieved mainly due to whole hearted involvement of staff of all categories. In the involvement efforts by and large at almost all branches. The General Manager and his colleagues have taken special care to keep liasion with staff at all levels. The positions of actual strength of staff of different categories in different branches of the bank is presented below.

TABLE NO 2.109

Table showing the position of Branch-wise Staff.

Branch Office	Officer	Spl Asstt.	Clerks	Sub Staff	Total
Head Office Pandharpur	4	6	28	13	51
Sangola Br	-	2	6	3	11
Modnimls Br	-	2	5	3	10
Barshi Br	-	1	11	4	16
Solapur Br	-	1	11	4	16
Mohol Br	-	-	3	3	6
Pandharpur Mahila Br	-	2	9	5	16
Pandharpur Market Yard Branch	-	-	3	3	6
Total	4	14	76	38	132

source - Compiled from office of the Bank.

Above table indicates that the strength of the Bank is increased day by day. The strength of the staff depends upon the customers of the bank.

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