CHAPTER 7

FINDINGS

AND

SUGGESTIONS
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7.1 Findings of the Study

A detailed functional analysis of the Saraswat Co-operative Bank Ltd., Maharashtra, has led to the following generalizations:

(1) The Saraswat Co-operative Bank Ltd., Maharashtra is an urban cooperative bank, constituted under the Maharashtra Co-operative Societies Act, 1960. Established on September 14, 1918, the area of operation of the Bank is confined to Maharashtra state presently, the Bank operates through the head office a network of 194 Branches.

(2) The bank’s mission is to accomplish the organizational Objectives adopting highest standards of professionalism in all areas and at the same time have an intimate approach towards all its customers.

(3) The specific business strategy of the Bank is to ensure excellence n ‘quality’ embedded in all the products and services at an optimum cost, by strictly complying with the regulatory requirements.

(4) The sources of finance of the Bank consist of its own funds and borrowed funds. Owned funds mainly comprise share capital and
accumulated reserves created out of appropriations from profits. Borrowed funds consist mainly of the different types of deposits received from members and non-members.

(5) The Bank has two categories of members; regular and nominal. A regular member is entitled to: subscribe to the share; receive a share certificate; receive dividend; receive audited accounts and annual report; attend participate and vote in the Annual General Meeting; and vote in elections to the Board.

(6) The Executive Management of the Bank vests in the Board of Director which is elected by the General Body.

The Board of Directors are collectively responsible for directing, governing and controlling the policies of the Bank. The Chairperson and Vice Chairperson are elected from among the elected Directors. The Chairperson presides over all officers who are entrusted with substantial powers of management. The CEO executes the policies framed and decisions taken by the Board of Directors.

The CEO is assisted by two General Managers to look after executive supervision and control over day-to-day management.
The General Managers help in maintaining efficiency and coordinating the working of different departments, sections and people in the Bank.

(7) The staff as well as the Board of Directors is regulatory sent for training programmes, so that they can learn new skills and update themselves with the trends in the interest.

(8) The Annual General Meetings (AGM) of the Bank is held once in a year. The purpose of AGM is to give information to the regular members regarding the progress and problems of the bank, secure their approval on various matters, and take decisions about expansion, diversification or modernization of the Bank.

(9) The Primary functions performed by the Bank include:

(a) Accepting deposits and

(b) Granting of Loans and advances.

(10) The Bank accepts deposits on current, savings, fixed, and under any other special schemes(s), on such rates of interest and subject to such rules and regulations as may be approved by the board of Director and also subject to the directive issued by the Reserve Bank of India in this regards from time to time.
(11) A close look at the trend in deposits of the Bank, during the period 2001-02 to 2009-10, reveals that:

(a) There has been reasonable growth in the current and savings deposits of the Bank.

(b) To re-visit the root and branch of every NPA in the Bank in a very specific way.

(c) To create a separate cell for recovery of NPAs in the Retail Segment in the NPA Department.

(12) As outlined in the last Annual Report, we took steps to introduce the product-ownership concept in your Bank. To attract customers, it is not enough to have the right pitch and the right price, it is important to have a right product. Continual product augmentation is therefore critical to our success in the

• To streamline functions, processes and procedures

• To reduce transaction costs

• To introduce speed as capital and to lessen turnaround time

• To improve delivery of services.
These Missions and levels of business call for very high and finer level of knowledge, skills, call for very high and finer level of knowledge, skills, motivation, efficiency and professionalism amongst our officers and employees spearheading the growth for the last many years. The Bank has worked with a top-down approach. With our accelerated growth, we have to secure greater understanding, greater cooperation and greater participation officials and employees at all levels. This calls for a bottom - approach in place of the top down approach, so that there is greater involvement of our staff in all that we think and do.

In the world of marketing, and experiments is the order of the day. Brand Ambassador has been an idea promoted by many advertising agencies and business houses for years now, with Varying results. Also, advertising research in recent years has prompted new Ideas. A large number of companies around the world to allot a significant share of their advertising budgets to ‘experiential marketing’. In the olden kind of umbrella-type marketing, products were advertised in newspapers and electronic media. The ‘experiential marketing’ the product is moved from place to place among groups of customers who sell it, test it and savor the fun. Thus, by experiencing the product, a demand is created.
(15) The Saraswat Co-operative Bank Ltd. Has now remained the largest financial entity in Maharashtra owned by private individuals in the form of co-operative enterprise.

(16) It is in this backdrop, that your bank as the largest private financial entity in the State has now projected itself in a true spirit to the people of Maharashtra – as YOUR OWN BANK. Coincidently, you’re whose presence was largely confined to the twin cities of Mumbai and Pune is now spreading its wings to the rest of Maharashtra by acquiring several UCBs through the merger processes.

(17) You’re Bank has been understanding a transformation for the last four to five years. The Bank has a glorious past. However, particularly from the year 2003-04, the Bank is increasingly undergoing a make- over. In the earlier years, in the culture of the Bank, modernity paid homage to tradition and now while our core values remain the same, modernity has become the essence as well as the expression. Modernity in a banking organization would entail higher degree of professionalism, a deeply felt craving for quality, a sustained emphasis on enchantment of efficiency at levels, a unique bond with the customers that has a continual recall value, value addition in all that we undertake to do and more.
importantly, a whole-heated acceptance of the market reality expressed in
the Dictum “Survival of the fittest”. The acquisition of the qualities
mentioned hereinbefore as inherent culture of the organization would
necessitate a change of mindset and also re-branding our Bank so that
customer confidence comes to us as a ringing affirmation.

(18) Our uncompressing commitment to the highest levels of customer
services, leading to customer delight, is not only a promise but it is an
enduring tradition in your bank. We provide best of service conditions to
our staff and we also give them challenging tasks. Talents of individual
human beings are the greatest resources of any services organization like
your Bank. We therefore give our staff necessary training from time to
time to groom them and to provide them with proper nature. In our Bank,
our employees have the freedom to dream, to explore and to achieve.
With this enabling environment, employees as a whole in your Bank have
blossomed. They are friendly, fair, frank and firm. They value their bond
with the customers enormously because they do realize that it is the
customers who pay for their salaries. It is with these increasingly
competent and trained human resources that your Bank has taken control
of its economic destiny. You’re Bank human resources have been
organized under the two representative bodies’ viz. Officers’ Association
and Employees’ Union. Your Bank, following the Principle of cooperation, has stressed on the processes of consultation whereupon. These bodies are continuously engaged in dealing with critical issues facing the Bank. A fresh wage revision agreement was signed with both the representative bodies on 26th April 2006. Tenure of this agreement will be from 1st April 2005 to 31st March 2008. Under the agreement Consultative Committees have been formed as hitherto for both the Association and the Union, In addition to this, a Joint Business Council comprising.

a) The Members of the Board,

b) Senior Executives,

c) Officers’ Association and

d) Employees Union has been created in pursuance of section 42 of the Multi – State Co-op. Societies Act., 2002. During the year under Report, the Consultative Committee.

(19) The investment and credit policies of your Bank have spelt various risks embedded with these business lines and also militarizing measures for the same. Risk management being a continuous process, These laid
down policies are tested from time to time. To conclude, “Functional Evaluation of Saraswat Co-operative Bank Ltd., Maharashtra is well – managed, financially sound, operationally efficient and functionally effective Urban Co-operative Bank.
7.2 Suggestions

Keeping in view the conclusions derived from the functional evaluation of Saraswat Co-operative Bank Ltd., Maharashtra, following suggestions is offered to the Bank.

(1) As is well known, "branch network is a great strength of banks" The Bank should, therefore, open more branches and extension counters within the Maharashtra state. In order to meet the banking needs of large number of local people. Further, the Bank should expand its operations by setting up branches and extension counters all over Maharashtra and throughout the country, and conduct the banking business on a large scale on uniform business policies.

This will enable the Bank to avail of all the economics, which are available to any business conducted on a large scale.

(2) The Bank should extend the time of services across all the branches. The Bank should be working for at least 8 hours in a day i.e. 8 A.m. to 1 p.m and further from 2 p.m to 7 p.m.

(3) The Bank should transact business on Sunday. This is especially convenient to those customers who are busy on weekdays on account of occupational commitments.
(4) The Bank should try to attain more consistency and stability in its business i.e. there should be consistent growth in deposits and advances of the Bank.

(5) The bank should ensure adequate sanction of funds.

(6) The Bank should devise and finance schemes for amelioration of the financial condition of the members.

(7) The Bank should ensure clarity in the policy of loan repayment.

(8) The Bank should further ensure timely repayment of loans.

(9) To keep the Co-operative stables and enterprising.

(10) To provides fair and adequate return to the capital provided and the undertaken.

(11) To supply accurate and complete financial information about the Bank.

(12) Management is one of the most important factors in business. In these modern days of keen competition, success depends on ‘management skill’ of a high grade. To ensure professional management, following suggestions are offered to the Board.
(i) The Director should be prepared to accept short tenures. They should see reason in injecting young blood.

(ii) The Director should be well informed, involved, committed, and fairly motivated.

(iii) The Board should be keen on curbing wasteful expenditure.

(iv) The Bank should strive for excellence in customer services, keeping in view the following Ten Commandments.

i) A customer is the most important person in a business.

ii) A customer is not dependent on us; we are dependent on them.

iii) A customer is a part of our business, not an outsider.

iv) A customer is not a cold statists; he is a flesh and blood human being with feelings and emotions.

v) A customer is not someone to argue or match wits with.

vi) A customer is people who bring us his wants; it is our job to satisfy those wants.

vii) A customer deserve the most courteous and at tentative treatment.
viii) A customer is the life blood of every business. A customer is not an interruption of our work. He is the purpose of it.

ix) A customer does us a favor when he calls; we are doing him a favor by serving him.

1) The Bank should install ‘Customers Advisory Receptacle’ in every branch, to give due consideration to the complaints and suggestions of the customers. Finally the Bank should strive to raise the functional efficiency by:

(i) Fighting competition effectively.

(ii) Adapting innovatively to survive and succeed.

(iii) Changing decisively, creativity and with immigration.

(iv) Establishing a framework for continuous quality improvement.

(v) Ensuring consistency and standardization in operations, and optimality in work allocation.

1) The Bank should reduce rate of interest.
2) Improving operational efficiency. The Bank should adopt dynamic strategy to meet the challenges of today’s fast paced business world. The Bank should provide services keeping customer satisfaction paramount.
7.3 Conclusions

The Saraswat Co-operative Bank Ltd., Maharashtra is an urban co-operative bank, constituted under the Maharashtra Co-operative Societies Act, 1960. Established on September 14, 1918, the area of operation of the Bank is confined to Maharashtra state presently, the Bank operates through the head office a network of 194 Branches.

The bank’s mission is to accomplish the organizational Objectives adopting highest standards of professionalism in all areas and at the same time have an intimate approach towards all its customers. Bank inspire of its growth in size has been able to offer to the customers the dual advantage of "Ability of Big Banks and Agility of Small Banks" The Saraswat Co-operative Bank Ltd. Has now remained the largest financial entity in Maharashtra owned by private individuals in the form of co-operative enterprise. It is in this backdrop, that your bank as the largest private financial entity in the State has now projected itself in a true spirit to the people of Maharashtra – as YOUR OWN BANK.