CHAPTER 4 - SELECTED BANKS’ PROFILE

In any country financial institution is a backbone of economy. This sector includes banking sector and non-banking financial institutions. The heart of the subject is looking on the important part of the banking sector. At present financial health of banking sector is all time worrying question of a person. When we think about banking sector as far as India is concerned, it is divided in scheduled, non-scheduled and agricultural, industrial, rural and co-operative sector. The financial statement includes profit-loss and balance sheet statement. These two statements defer with the reference of timings. The profit and loss account must be prepaid what the whole year while the balance sheet is prepaid for the last day of the year. To know the various ratios indicates the out come of that institution. One must take note of the said statement that banking sector as general but urban bank is a particular.

The history of co-operative sector in India is witness of a century. The oldest co-operative bank in India is anyone co-operative bank, which was established in the year 1908 but the first registered bank in India is “The Surat People’s Bank”, the said bank include in my topics. After independence the Central Govt. made one Act in the year of 1949, this is known as Banking Regulation Act 1949. The said act was not initially applicable to co-operative sector but the RBI has accepted the importance of this sector and the development of a primary sector. The said Act was applicable to co-operative sector from the year 1966 but the main problem face by the co-operative banking sector is a dual control i.e. from the RCS and RBI.
In the year of 2002 a large bank of the sector failed which is MCB (Madhavpura Mercantile Co-operative Bank). A multi stage co-operative banks due to close of this bank there are so many co-operative banks working closed. To survive the sector one documents sign between state govt. and RBI, which is known as memorandum of understanding and on the basis of this documents now a days the RBI, has gain wider power then state govt. The crux of the subject reveals the financial health of urban banks after the MCB failure and for that the name of the subject is an appropriable one i.e. “History and Profile of Various Banks under study”.

### 4.1 Surat People’s Co-operative Bank

**History**

The Surat People’s Co-operative Bank was established in 1922 at Surat. Bank was registered on 10th April, 1922 & started functioning on 22nd May, 1922. The bank was the first registered ‘Urban Co-operative Bank’ in India & become scheduled bank’ on 1st September, 1998. The bank is serving since last 9 decades in the service to Surat. Bank has 23 branches.

With the advent of the 21st century co-operative movement started in our country Late Raosaheb Varundhavan Jadav a visionary dreamt of establishing co-operative bank. This dream turned into reality in the name of “The Surat People’s Co-Operative Bank Ltd”.

**Services of SPB**

1. Tele-banking services
2. Safe deposit locker
3. Fund transfer
4. ATM services
5. VAT (visual auto terminal) services
6. D-MAT Account facilities
7. Core BankingSolution (CBS)

Awards
1. Inauguration of Bankstall (Best stall award winner) at Vyapaar-2007 by Shri Saurabh Patel, hon. Minister of state for Finance, Energy & Petrochemicals, Govt. of Gujarat.
2. Receiving two awards of “Mari Priya Bank” for the best customer services in Deposit & Advances’ category, organized by Gujarat mitra a leading newspaper & customer forum Surat.
4. Receiving award of “Outstanding Utilization of Communication & Information Technology” from Golden Jubilee Memorial Trust of the south Gujarat of commerce & industry.

4.2. SUTEX CO-OPERATIVEBANK LTD.

History
Sutex is Abbreviation of the Surat Textile Co-Operative Bank Ltd. It was born on 15th May 1972 with Regd. No. S/5033 of 1972 at the Bank Block Textile Market Ring Road as its head office. It started as Urban Co-operative Bank with the motto of “HELPS YOU LIVE BETTER” at the start there were 270 members, and share capital of Rs.5,23,315. It is started under the chairmanship of Mr. Surajram H. Bachkaniwala, who is famous merchant of Gujarat and also founder of “Surat Textile Co-operative Ware Housing Society Ltd.”, “Surat Vankar Sangh”, “Ram Mandir Trust”, “Himson Group of Industry” etc. He is associated with many social organizations. Mr. Ashabhai S. Patel was the vice chairman and Mr. Bhupatbhai Dholabhai was organized secretary at started.
Development of Sutex Bank: -

In the year of 1975-76 this has been given 9% dividend to the shareholder. At that time it started as sub member of DistrictCo-operative Bank Ltd. For clearing services. In the year of 1977-78 the profit was Rs.1, 43,067.

In the year of 1983, there was big change in the working of bank because in that year for the first time total deposit was more than Rs. 1,09,15,000 and profit was Rs.4,53,145. In the year of 1986 bank got the full flagged membership of clearing house.

Bank started its first branch at Station Road in the year of1986. In the same year bank got the life time membership of “GUJARAT URBANCO-OPERATIVE BANKS FEDRATION”. All over it has 12 branches in the city like Ring Road (Head office), Station Road, Gopipura, Katargam, Rander Road, Varachha Road, Udhna Road, Athwa Lines, Parvat Patia, Sachin G.I.D.C., Citylight Road, Salabatpura.

Keeping in consideration importance of computerized banking, bank started on line-computerized service at head office in the year of 1992-93. Now all branches are computerized.

Safe Deposit vault facility was stared in the year of 4th April, 1990 at Gopipura branch. Now these facilities are available at Katargam, Udhana Magdalla, Athwalines, Parvat Patia and Salabatpura also.

Automatic Tailor Machine (ATM) facility was started in the year of 1st November, 1994 at Rander Road Branch. These facilities are available at Rander road, Athwalines, City light, and Station Road.
Awards

- An awards & certificate by Gujarat Co-operative Association for the best work done in 94-95.
- An award for the participation in Udhyog 2000 by south Gujarat chamber of commerce and industry.
- An award for the best work done in the year of 2002-03 by Surat District Co-operative Association.

4.3 VARACHHA CO.OP.BANK LTD.

History

The people in Saurashtra, located in western part of Gujarat, are always depending upon the rain-fed cultivation. As a search for income generation in an alternate way for their survival, they have chosen Surat city, where there is a good scope for trade in Diamond and Textile sector. Well off people have entered into the trading sector and the others on labour front. In a phased manner, the population of the people, involved in diamond trade, belonging to Saurashtra increased to a sizeable extent in Surat and in particular in the area of Varachha. It was become obvious for a necessity of a Bank for their own people; the efforts were taken by a well known philanthropist, story writer and columnist in local dailies, Mr. P. B. Dhakecha, founder chairman of the Bank. As such, The Varachha Cooperative Bank Ltd., came into existence on 16th October 1995 and Inauguration ceremony was done by on the hand of Shree Swami Sacchidanand. Some of the directors are belonging to diamond trade, who are official site holders of getting rough block diamonds from foreign countries. At the end of the first financial year the number of shareholders was 4484, Share Capital 57.44 lacs, Deposit Rs.2.70 crores, Advance Rs.2.07 crores and profit stood at 4.77 lacs.
The Bank has gradually developed the Banking activities and at the end of 5th year, with a network of 5 branches, the share capital and reserves raised to more than 8 crores and the deposit have crossed 100 crore mark, which is a rare phenomenon in Cooperative Banking Sector in all over India and the number of depositors have increased 58222. The Bank has been awarded with First Prize for the best performance among all Cooperative banks in Surat District during the FY.2000 - 01. At present the share capital and reserves raised to nearly 40 crores. The deposit is Rs.160.70 crores Advances 78.21 crores. Total 7 branches and 130 staff members. In spite of run in a cooperative sector in the year 2001, due to Madhavpura episode, the Bank has not only survived but also developed the base without any difficulty due to confidence reposed upon by the public with the Bank.

The bank has introduced the system of quick delivery of vehicle loans, with minimum papers and documents, without any hidden charges. Other advances of the Bank have been spread over on the following categories:

- Vehicle Loan
- Loan against gold ornaments
- Loan on personal guarantees (Surety Loan)
- Retail trade business
- Professional and Self employed
- Loan against Bank’s own deposit/NSC
- Cash credit – hypothecation on stocks on trade
- Technology Upgradation Finance (TUF) loan with subsidy

Besides the banking activity, the Bank has entered into the insurance business arrangement with IFFCO-TOKIO. The bank is also having tie-up arrangements with insurance companies on referral basis, as per RBI guidelines. It has covered with accident insurance
cover for the shareholders, depositors and borrowers of the Bank and has received settlement to the tune of Rs.1 crore from the insurance companies. The data pertaining to the Bank is being sent to Reserve Bank of India, banking regulator of the country, through e-Mail under offsite surveillance system (OSS) for the past 3 years.

The Bank has been fully computerized banking system, right from inception and present program, front end Visual Basic and the back end (database) Oracle 10G Platform. It has the staff members, most of them belonging to younger generation, with energetic and enthusiastic approach in Customer Service. The staff attendance is being controlled under Biometric device system. CCTV system is being installed to monitor the alertness of the entire banking activity, fitted with cameras at the vital points. The Bank has introduced Mobile Banking and Any Branch Banking (ABB) in the year 2007. The future plan is the introduction of on and off site ATMs and Core Banking System.

Other vital factors of the Bank are as follows:

- One of the leading cooperative Banks in South Gujarat
- Audit grade, continuously at ‘A’, from the beginning
- Any Branch Banking (ABB)
- CCTV system is being installed to monitor the alertness of the entire banking activity, fitted with cameras at the vital points.
- Bank has started E-payment facility for the customers of the Bank for the purpose of payment of Income-Tax.
- Personalized Cheque Book are being issued to all the customers of the Bank. - RTGS/NEFT facility is also available.
- Mobile Banking system to customers for getting various details about their accounts like Current Balance, Cheque Return Status, FD Rates, Loan Rates, Various Loan Schemes etc. by way of SMS.
• Display/provision of VAT machine in Banking hall, for customers’ approach
• Strong working capital, Deposit base and our investment assets are profit oriented
• Net NPA continuously at zero percent
• No default in CRR/SLR
• Concurrent audit system
• Implementation of Know Your Customer (KYC) policy
• Teller system for payment upto Rs.20000 in CA and Rs.10000 in SB
• Franking of adhesive stamp duty – arranged by Revenue Dept. of Gujarat State.

Besides banking, the Bank has done a little for some noble social cause, by conducting blood donation camps. The bright wards of the shareholders are being given with educational scholarship for their future study.

4.4. PRIME CO.OP.BANK LTD.

Landmark achievements in PRIME BANK’s growth are:

<table>
<thead>
<tr>
<th>Year</th>
<th>Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td>Bank was incorporated under the chairmanship of Mr. Gokul Bakshi. Bank commenced business from a rented location. Retail banking was the initial activity of the bank. Focus of strategy was stability, market penetration; resources build up and steady growth.</td>
</tr>
<tr>
<td>1995</td>
<td>Product development strategy initiated. Bank started financing small scale industries as recommended by RBI from Goiporia Committee and Narsimha committee.</td>
</tr>
<tr>
<td>1996</td>
<td>“Customer is a king” approach initiated concept of information technology was used like TELE Banking/Remote Banking with the advent of</td>
</tr>
</tbody>
</table>
computerized operations. Off time banking concept were introduced i.e. evening 6:00 p.m. to 8:00 p.m. were provided for bank’s retail customer to reduce their Cash risk and continue as on date.

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>Branch Expansion Strategy initiated and bank started its first branch Bhulka Bhavan Branch at Adajan in August 1997 with in the very next month i.e. Sept.97 bank had started another Branch at Katargam GIDC.</td>
</tr>
<tr>
<td>1998</td>
<td>Branch Expansion had continued during the year and 3rd branch was opened in June 98 at M.G.Road, 4th branch was opened in oct-98 at new sardar market &amp; 5th branch was opened in Dec-98 at bhatar char rasta.</td>
</tr>
<tr>
<td>1999</td>
<td>Bank has taken permission from RBI to accept the NRI deposit. Introducing “smart cash” – a smart alternative of cash named as “prime purse”. It is useful at 143 places in the entire Surat area and response encouraging received from valuable class of people of Surat.</td>
</tr>
<tr>
<td>2000</td>
<td>Bank started with opening of a new millennium branch at navsari (millennium branch in feb.2000 first bank in south Gujarat to open its out city branch. Bank has opened another outstation branch at Bharuch in sep-2000, starting to open D-MAT a/c in November 2000</td>
</tr>
<tr>
<td>2004</td>
<td>Prime Completed its 10th anniversary, and introduced schemes like Prime Sarasvatee, Prime Health Card and Prime Citizen for its valued customers</td>
</tr>
<tr>
<td>2005</td>
<td>Prime joined its hands with Worlds Number 5 raked Insurance Provider named AVIVA Insurance, providing Life Insurance and with IFFCO-TOKIO for providing Marine Insurance and General Insurance to its customers.</td>
</tr>
<tr>
<td>2006</td>
<td>Introduced Schemes like Loan for Gold in partnership with ICICI Bank. Also opened a Bill Collection Centre at its Bharuch Branch for collecting Gas Bills of Gujarat Gas Co. Ltd. To make payment system qicker RBI has launched RTGS scheme for scheduled bank. Prime has joined hands with Kalupur Commercial Bank to help its customers to have the advantages of RTGS. Prime has done a remarkable job as Baroda District Industrial Co-operative Bank’s merger with Prime Co-operative Bank, placing its management on its 7</td>
</tr>
</tbody>
</table>
branches, which has increased area of its working upto Chotta Udaipur in Gujarat just 72 km away from the MP border.

Prime started the process of Franking on 21st Nov. at Surat & Baroda, where customers can bring in their blank papers and convert them to a stamp paper without paying additional fees.

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>Prime has done a remarkable job as Adajan Nagrik Co-Op. Bank's merger with Prime Co-operative Bank, placing its management on it, which has increased area of its working in Surat city.</td>
</tr>
<tr>
<td>2007</td>
<td>Prime Bank has started business of Mutual Funds on a referral basis. Bank has tied with Principal PNB Mutual Fund, UTI, Benchmark, ICICI Prudential, Reliance, SBI, Lotus, Birla, Kotak, Sundaram ETC.</td>
</tr>
<tr>
<td>2010</td>
<td>Implementation of 100% Core Banking Solutions.</td>
</tr>
</tbody>
</table>
4.5 SARVODAYA SAHKARI BANK LTD.

Established in the year 1982 with an authorized Share Capital of Rs. 25.00 lacs and the paid up Share Capital of Rs. 4.00 lacs, the Sarvodaya Sahakari Bank Ltd., Surat is rightly bracketed as one of the leading and top-most co-op. banks of the city.

From a small rental place into the centrally air-conditioned well equipped premises, Bank had leapfrogged in the year 1991. To meet with the high-tech demand of the time, Bank got fully computerized in the year 1993 and gratified the inhabitants of the City with its efficient services. Thereafter many Banks took a leaf out of it and got themselves computerized.

To serve the larger number of people, the Bank kept on opening its branches. At present Bank is having network of 7 (Seven) branches. To compete and meet with the demand of time, in Feb’08, Bank started implementation of CBS facility at the Head Office, so that its customers can avail better facilities. In a short span of 1 year, it linked-up all its branches with CBS. To ease the burden of its customers and to offer them better services, Bank has also initiated Mobile (SMS) banking services. It also desires to offer off Site ATM services in the different areas too. Bank has also installed ‘KIOSK’ at all the branches so as to get the account information for its customers. Above that the Bank is to provide Internet Banking facility to its customers shortly after completion of certain required procedures.

Realizing the fact of difficulty in the survival only on the income out of the Banking business, the Bank has entered into the Life Insurance field with the help of “Kotak Mahindra Old Life Insurance Ltd.” on its foundation day (i.e. 08TH May 2008) to expand and flourish. Moreover the Bank is already at work of protecting the assets & valuates of its customers through the General Insurance Policy in affiliation with ICICI Lombard General
Insurance Co. Ltd. and is earning handsome commission from its non-banking business.

The Bank became the FIRST of its kind in the South Gujarat & second in the State of Gujarat by providing the ATM Facility to its customers SINCE 1996. The Bank was the first Co-op. Bank in Gujarat to offer the VAT (View Account Terminal) facility at all its branches. The bank was the FIRST Co-op. Bank to get the approval for sanction of Term Loans under TUF Scheme.

By “The National Federation of Co-op Credit Society “(Delhi), the Bank got the Second position in the year 1998 & 99 at the national level for getting Class – “A “ Audit & for being the non-controversial Bank. It also acquired the FIRST position in the district for the Best services at the competition staged by the “Surat Jilla Sahakari Sangh” in the year 2001/02.

Further in the year 2008/09, Bank secured the 2nd prize for the stunning performance in the entire south Gujarat at the function of “Toppers Award” organized by “South Gujarat Bank’s Association”. It is the ONLY Bank in the Surat City to cater to the needs of huge nos of FLOOD Victims in the year 2006.

4.6. SURAT NATIONAL CO.OP.BANK LTD.

History
Up to 1970, there were a few Co-Operative Banks in surat city. An urgent need for a truly ‘ Prajakiya Bank’ was felt to provide banking facilities to the cross section of the society. In the beginning of 1972, a group of 15 persons who were associated with Art Silk Textiles, Jari, Chemicals, Diamond Industries and legal as well as consumer movements. Under the leadership of Late Shri Jayantilal B. Chokhawala, came together and
established “SURAT NATIONAL CO-OPERATIVE BANK LTD”. They obtained registration from district registrar of Co-operatives of Surat vide Registration No: 5034 Dt: 15-05-1972 and banking operations were commenced from 28-07-1972 in a rented premises at kotsafil road, Surat. Reserve Bank of India granted the License No: GJ/UBD/656P on 19-11-1986.

Profile

SURAT NATIONAL CO-BANK LTD is committed to provide banking services on the Co-operative lines to across section of population of Surat district. The missions of the bank are as follows:

- To cultivate public confidence through transparency and good corporate governance.
- To ensure utmost customer satisfaction through an efficient, quick and courteous services to them.
- To contribute to the growth of industry, trade and services in general.
- To discharge social responsibilities as in Co-Operative organization.
- To ensure welfare of the members staff and public in general.

4.7. SARDAR BHILADWALA PARDi PEOPLES’ CO.OP.BANK LTD.

The bank was registered on 23rd march 1929 with 78 memberS. The bank establishment day was on 1st jan 1930. The bank’s founder and lifetime chairman was Sri Sardar Khan Bahadur Vikaji pirojsha Bhiladwala.

In the very first year the bank had paid 5.25% dividend. Head office of the bank is situated at Killa Pardi, Dist: Valsad. This is the second scheduled bank of south Gujarat after the Surat people’s co-op bank.
At the end of March 2009, the bank is working with 11 branches with 9 branches having their own premises.

4.8. SURAT MERCANTILE CO.OP.BANK LTD.

The Surat mercantile co-op bank was founded in the year 1965. The bank was proposed and founded by the renown advocate and corporator of Surat, late Shri Ballubhai. P. Desai. The bank was established with an initial share capital of Rs. 50000. The head office of the bank was in the main business area called Bhagal. Today the bank operates with 12 branches in the city and 1 branch in the rural area of Kadodara.

The total deposit of the bank as on 31.03.2012 are Rs. 190 crores while the advances amount to Rs 101 crore. The bank is running in profit from the beginning and till date it has Rs. 50 crore worth of its own funds.

The bank is doing business of advances to small businessmen and needy people. The bank also provides finances for housing loan to small and middleclass sections of the society. The bank had the goodwill of this section of society and since the last 15 years, the bank has been working on basis of the Co-operative principles. The Bank pays 15% dividend to its shareholder and has always got an ‘A’ class in its audits. The 8 branches of the bank are running under their own premises including the admin office. The main lending of the bank is in the Textile Industry.