CHAPTER 2

ORGANIZATION
2.1 History of Bank of Maharashtra

Maharashtra state has a strategic location so most of the activities of commercial happened in this state. This state is located in Indian sub continents so the ample availability of natural resources helps in the progress of the state.

In Maharashtra state the activities related to finance and banking was also started in early years as compared with other states. The first commercial bank founded in the year 1840 as bank of Bombay, and the bank founded outside Mumbai was Bank of Poona in the year 1889 followed by The Deccan Bank in 1890 and the Bombay Banking Company in 1898.

Due to First World War many banks failed in operations and were ended with great depression. Out of 380 banks failed in India in the year 1914 and 1935, 54 were Bombay based banks. So the failure rate was great in Maharashtra state because many well established banks also failed as compared with other.

After that the further developments took place a depression of failure melt down and Maharashtra began with new hopes in all parts of economy, off course major in banking.

Reference: Bank of Maharashtra website
2.2 General Introduction of BOM

This study concentrates on the public sector banks and we have considered The Bank of Maharashtra (Pune Branches) as specimen bank to study. We are representing following details about bank with reference to web sources.

About Organization – The Bank of Maharashtra is one of the major public sector banks in India and established on 16 September 1935 with an legal capital of ₹1 million. The actual business started on 8 February 1936. This bank basically known as a common people bank since its start, the bank given funds to many small units which became giant and today knows as big organizations. This bank nationalized in the year 1969 and after that rapid expansion was took place. This bank has largest network of branches than any bank in Maharashtra.

The bank of Maharashtra was established by group of visionaries led by the late V. G. Kale and the late D. K. Sathe and registered as Banking Company on 16 September 1935 at Pune. Now days the bank has reached to the highest number of branches with the number 1825 in 29 states and 2 union territories.

The logo of the bank is designed with the below items

1. The DEEPMAL— with many lights for rising to greater heights

2. The PILLAR— the strength symbol for the institutions

3. The diya— symbol of our branches services

4. The three M’s symbolising—mobilisation of money—modernisation of methods and— motivation of staff.

In the mid time bank observed media attention negatively in June 2013, when local as well as major newspapers noticed the victimisation story of the bank's ex-Director Shri Devidas Tuljapurkar, who had written to the RBI Governor Dr. D. Subbarao in year 2012 regarding loans frauds given by the bank. The complaint was immediately forwarded to BoM management by the governor, which then started alleged harassment of Tuljapurkar, showing the absence of a safe

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In year 1934 the Mahratta Chamber of Commerce (MCC) was founded in Poona and it was founded by Secretary Shri A.R.Bhat who had great visions about that.

After the start of MCC Shri. Bhat took initiative of issue of Kesari for the review of banking operations available in that region. Shri. Varde who was known for king of cooperative movement was written an article on need of separate bank of Maharashtra. Initially the article was not noticeable but after that the discussion on that continued with industry and trade.

Shri Bhat then insisted that Mahratta Chamber and its Directors to led up the matter and organized a Conference on Industry and Business in Poona on behalf of the MCC in February1935.

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On 19th May 1935 the committee meeting firstly held in office of Kesari Mahratta with the various committee members from the city like Shri Babasaheb Kamat, then President of the MCCI, J S.Karandikar, Rajabhau Godbole, Govindrao Pandit, Damuanna Potdar, S.R.Sardesai, Baburao Gokhale, and N.N. Kshirsagar among others participated in deliberations.
Another or second meeting was held in the same office on 27th May 1935 and the various policy decisions on various matters like count of directors on the board so as per the decisions took that maximum 11 members will form a committee of board.

Amount for each share declared as Rs.50/- and primary requisite for becoming a Director to hold a minimum of 500 shares were taken.

So finally the Bank of Maharashtra founded on 16th September 1935

2.3 Need felt for an Independent Bank for Maharashtra

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Shri Bhat pushed the desire proposal for formation of a bank in Maharashtra state and got success in getting the following policy decisions adopted by the conference:

“For trade and industry capital in state of Maharashtra there is need to foundation of joint stock commercial bank. And Mahratta chamber initiated and make all required steps on that matter to start of such bank. And even the community belonging to business also supported to the effort taken”
So the need felt to form an independent bank of Maharashtra due to fore future of banking industry in India.

2.4 Commitment given by bank prospectus published on 21st September 1935:

“To develop its business operations slowly across Maharashtra and depends upon the opportunities, outside of state dealing with various services to the general public while trying to be useful to trade, commerce and industry consistently with big standards of efficiency and safety”

1936 : Started business operations on 8th February 1936 in city Pune..
1938 : Foundation of Second branch of the bank in 1938 at Fort, Bombay.
1940 : Next branch established at Deccan Gymkhana, Pune.
1944 : Got status as Scheduled Bank.
1946 : Crossed the amount of deposits to 1 Crore and became fully owned subsidiary. Outside of Maharashtra state the first bank opened up in Hubli (Karnataka)
1949 : Next out of Maharashtra branch in AP: Hyderabad branch.
1963 : Panjim Branch opened so in Goa state.
1966 : Opened branch in Indore which comes under Madhya Pradesh and Entered in Gujarat: Established Baroda branch.
1969 : 13 other banks nationalized in that period. Entry in Delhi region by opening branch of Karolbagh on 19th Dec 1969.
1974 : Deposits in bank crossed the figure of Rs. 100 Crore.
1978 : New building of Head Office inaugurated by Hon’ble Prime Minister of India. Shri. Desai along with the deposits figure beyond 500 Crores.
1979 : For farmers of Maharashtra a public trust opened up for research work and provide more services to farmers community as “Mahabank Agricultural Research and Rural Development Foundation”,
1985: With the hands of Mrs. Gandhi the 500th branch of Bank of Maharashtra was inaugurated at Nariman Point, Mumbai. Advanced Ledger Posting Machine (ALPM) firstly installed at the branch.

1986: Bank of Thane Grameena sponsored.

1987: Dr. Shankar Dayal Sharma, the Honourable Vice President of India inaugurated the 1000th branch at Indira vasahat, Bibwewadi, Pune.

1991: The entry in domestic credit card business by launch of “Mahabank Farmer Credit Card” the main frame computer was installed.

1995: The deposits crossed 5000 Crore and for the celebration RBI governor was the chief guest.

1996: Moved from “C” category to “A” category.

2000: Rs 10000 crore deposits crossed the line.

2004: Issue of shares in Public around 24% shares owned by Public, the bank was listed in Bombay Stock Exchange and National Stock Exchange.

2005: Mutual Fund and insurance distribution business taken command.

2006: Chased the line of 50000 Crore deposits and the total business level was on high.

2009: Completed 75th Year of business with the continuous service to the Indian people. Taken adoption of 75 underdeveloped villages for integrated overall development.

2010: Total business of bank branches across India crossed 1,00,000 Crore. Opened 76 new branches in the year taking the total to 1506. Platinum Jubilee Year concluding ceremony at the hands of the then Finance Minister, Shri Pranab Mukherjee held at Vigyan Bhavan, New Delhi. New initiatives like Mahachetana, opening of E-lounges in Pune, Mumbai and Delhi, Micro Asset Recovery cells were implemented.

2011: First SHG Branch opened in Pune. Bank sponsored Maharashtra Gramin Bank achieved 100% CBS in record 77 days.

77th anniversary of Foundation day celebrations at the hands of Honble Finance Minister, Shri Pranab Mukherjee dedicating 5 specialised branches to SHGs and opening of 5 Mid-Corporate branches on the occasion. First ever visit of Union Finance Minister to Bank’s
Central Office - Honble Finance Minister, Shri Pranab Mukherjee visits Lokmangal, the Bank’s Head quarters in Pune on 7-11-2011.

2012: Hon’ble Union Finance Minister Shri P Chidambaram inaugurates the Bank’s 1624th branch at Rajgambiram on 25th August 2012 and September 2012 and Bank’s total business crossed Rs.1,50,000 Crore and reached the level of Rs. 1,51,320 Crore.

Bank of Maharashtra got award of “Best Banker” for 2012 by The Sunday Standard. Then bank Received the Dun & Bradstreet – Polaris Financial Technology Banking Award 2012 as Best Public Sector Bank under the category “Asset Quality”.

2.5 Mission of Bank of Maharashtra

- To provide quick and effective response to need, wants and desires of customers.
- To develop new products and services satisfy the needs of the customers.
- To change the technology as per the requirements of the time.
- To employ the skilled, professional and customer friendly workforce.
- To increase the wealth of shareholders by good practices and governance in corporate
- To start and enter in the international market through the expansion of Branch network across globe.

To be a Good, Innovative forward looking, technology oriented and customer centred bank serving various departments of the community, increasing shareholders' and value of employees while moving towards global presence.