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A Profile of Sunderlal Sawji Urban Co-operative Bank Ltd. At a Glance

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Introduction

In Maharashtra, Marathwada region was one of the backward and underdeveloped regions in 1960s. At the same time, co-operative movement was started. In 1965, there were only four to five urban co-operative banks in marathwada region. These banks are only at a district level. Late Member of Legislative Assembly (MLA) Sunderlal Sawji established first urban co-operataive bank in Parbhani district named "Sunderlal Sawji Urban Co-operative Bank Ltd, Jintur". Many people came together and started co-operative movement in Parbhani district. Late Sunderlal Sawji was one of the personalities who not only started the co-operative movement but also developed and served the society at the grass root level. He had taken efforts, spearheaded the co-operative movement and had a lion's share in establishing – The Parbhani District Central Co-operative Bank, District Purchase-sale Association, the Jintur Co-operative Ginning and Pressing Factory etc. Considering the future opportunities, he had started a bank on 3rd January, 1966 in semi urban areas of Jintur. He was one of the courageous and positive attitude personality. With the help of local people of Jintur, businessmen and political leaders such as Bhujangraoji Deshmukh, freedom fighters late shri. Nandlalji Rathi, late Shri. Limbajirao Dudhagaonkar etc. and others had confidently commenced the bank. The bank had provided financial assistance and employment to thousands of people. It has commenced its functioning with only Rs. 35000/- as a paid up share capital. Today, Sunderlal Sawji bank is one of the leading banking institutions in Marathwada and Vidharbh region with more than Rs. 35 crores paid up share capital. As the bank has widened its operation, many new branches were also commenced in urban areas.

Objectives of the Study

- 1) To study the organizational profile of Sunderlal Sawji bank.
- 2) To study the financial performance of Sunderlal Sawji bank.

Methodology

The study is based mainly on primary as well as secondary data. Primary data is collected by making discussions with various department of banking officers such as credit manager, investment manager; branch managers and general manager of the selected bank.

The secondary data is collected from annual reports of Sunderlal Sawji urban co-operative bank, Jintur Dist. Parbhani. The period of study is from 2005-06 to 2014-15, ten years. The research paper includes various aspects such as social aspect, financial aspect, ets. The following points are considered for overall view and analysis of Sunderlal Sawji Urban Co-operative bank.

Organizational Profile of Sunderlal Sawji Bank

- 1) **Foundation:** Sunderlal Sawji Urban Co-operative Bank Ltd., Jintur was registered on 30th December, 1965. The bank got license from Reserve Bank of India (RBI) on 6th May, 1986.
- 2) **Name and Address :** Sunderlal Sawji Urban Co-operative Bank Ltd., Jintur
Head Office - APMC, Market Yard, Jintur – 431509, Dist. Parbhani.
Phone no. : (02457) 237330/237699/238591
Fax no. : (02457) 237149
Email : ssucb.admin@gmail.com
Website : www.sunderlalsawjibank.com
- 3) **Registration No. and Date:** The bank has a registration number is PBN/BNK/102P dated on 30/12/1965. The bank has also got license from Reserve Bank of India (RBI), its number is UBD M.H.460P dated on 06/05/1986.
- 4) **Premises:** The ten branches of bank have their own premises. The name of branches are Hingoli, Parbhani, Sengaon, Karanja, Akola, Jalna, Shivajinagar Parbhani, Nanded, Jalna road Aurangabad, Itwari Nagpur. Other ten premises are on rental basis. Also, a main head office of bank at Jintur are on temporary basis. The discussion with bank officers reveals that within one or half years the branch of Tarodanaka, Nanded will have our own premises.
- 5) **Area of Operation:** The bank has their jurisdiction in all the districts of Maharashtra state.
- 6) **Membership:** Table number 1 displays a continuous increasing trend of regular members. In 2006-07, the number of regular members were only 14335. It has slowly increased till 2010. But since 2011, there was a high increase of 40% till today.

Table No. 1
Progress At a Glance of Sunderlal Sawji Bank, Jintur

Years	No. Regular Members	No. of Branches	Staff Members	Audit Class	Dividend
2005-06	14134	16	193	A	15%
2006-07	14335	16	192	A	12%
2007-08	14675	16	193	A	12%
2008-09	15736	18	192	A	15%
2009-10	16662	18	242	A	15%
2010-11	18100	18	246	A	15%
2011-12	19434	21	254	A	15%
2012-13	21315	21	252	A	15%
2013-14	23095	21	247	A	15%
2014-15	25213	21	250	A	15%

Source: Annual Reports of Sunderlal Sawji Bank/

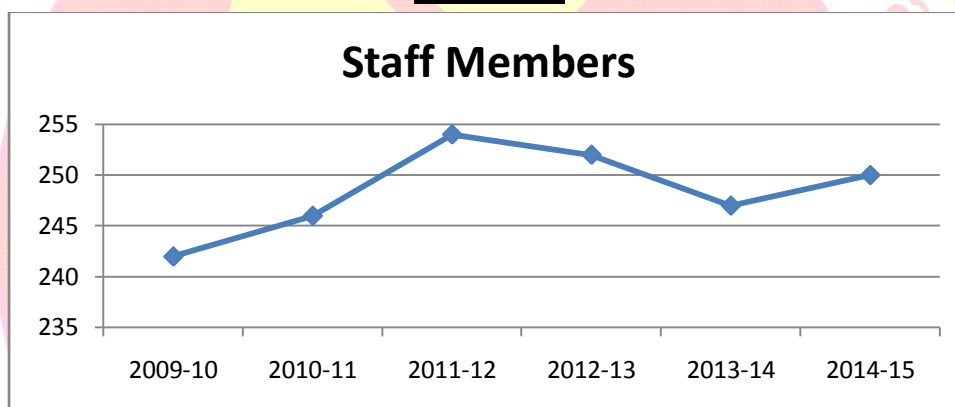
- 7) **Audit Class:** During the whole study period, the bank has placed 'A' grade audit class as per camels rating shown in table number 1.
- 8) **Number of Branches:** In the year 2005-06, the bank has sixteen (16) branches in operation including head office, Jintur. It has opened two new branches in 2008-09 – on 12th March, 2009 at Gangakhed and on 22nd March, 2009 at Anjangao Surje, Dist. Amravati.

Again in 2011-12, the Reserve Bank of India gave permission to open three new branches at i) Shahupuri, Kolhapur,
ii) Etwari Nagpur and
iii) Deulgaon Raja, Buldhana.

At present, there are twenty one (21) branches together with head office of the bank.

- 9) **Staff Members:** During the study period, the staff members employed shows a fluctuating position. Till 31st March, 2012, there is a continuous increase in employment of the bank except in two years, it decreases marginally by one member. In 2013, it has slightly decreased by two (02) and again followed in 2014 by three (03) members. On 31st March, 2015, there was a marginal improvement by employing three (03) staff members. In the total staff members, 50% are clerical staff, 25% banking officers and 25% peons. The overall position of staff members displayed in table no. 2.

Table No. 2



- 10) **Dividend:** In 2006-07 and 2007-08, the dividend provided to shareholders was 12%. In remaining eight years of study period, the bank has distributed 15% dividend to shareholders. It has served the society by providing returns in the form of dividend honestly.

11) **Special Features of Bank:**

- i) Every year the bank provides training to some members employed. In 2014-15, the bank has provided training to 112 staff members at Mumbai, Pune, Aurangabad and Jintur. Also, lectures/seminars are arranged for all members on the various topics such as software, hardware, loans and their recovery, Know Your Customer (KYC) norms, audit class, documentation, importance of insurance, personality development etc.
- ii) All the branches and head office are linked with computer. In every branch, a note counting machines are available. The note detector machines are also available for recognizing fake notes.
- iii) The bank has provided RTGS and NEFT facility through Axis bank and Saraswat Co-operative bank.
- iv) The bank has insured deposits of depositors with Deposit Insurance and Credit Gaurantee Corporation (DICGC).

v) The bank has also provided a facility of core banking system, ATM services etc.

vi) The bank has a customer complaint redressal cell (CCRC) at head office, Jintur. The customers who have a complain can direct call shri. S.A.Maske, Mobile No. 9921063904.

12) Social Responsibility : i) On the occasion of Late Sunderlal Sawji death anniversary i.e. 26th and 27th November, special speech sessions are organised every year. Well known/well educated and knowledgeable personalities deliver the thought provoking speeches on various topics like social awareness, morality, health awareness, self employment, etc.

In 2014-15, on 26th November, 2014, Dr. Ramdas Awad, famous ayurvedic and panchkarma specialist, Kopargaon, Dist. Ahmednagar had conferred speech on “Our fitness in our hands”. And on 27th November, 2014 shri. Bahadursinghji Sahab, Sagar, Madhya Pradesh conferred speech on “ Organic Farm System and Rural Self Employment”. Local peoples of Jintur have attended and benefitted through these programmes.

ii) Every year the bank also celebrates International Women’s Day i.e. 8th March.

On 8th March, 2015, the bank had arranged a special speech of Dr. Sow. Anuradha Tote, famous eye specialist of Amravati on the topic “Soar in the High Sky”.

iii) In 2012-13, the bank has installed ‘Wind Mill’ for generating electricity at Sengaon branch. It is the natural renewable (solar system) source of energy. It is utilized in day to day working of bank.

iv) In 2005-06, the bank has provided ambulance facility at minimum charges for patients in Jintur. It has benefitted many peoples in the society.

13) Awards : The Maharashtra State Urban Co-operative Association (MSUCA), Mumbai selected Sunderlal Sawji bank as number one bank of marathwada region. The bank has been awarded ‘ Late Padmabushan Vasantdada Patil Utkrushta Sahakari Bank’ during the whole study period every year.

In 2012-13, the bank has got the following awards :

i) Maharashtra government has awarded “Sahakar Nista Puraskar” at state level conferred by Governor, K. Shankar Naryanan, Chief Minister, Shri. Pruthviraj Chavan and Sahakar Minister, Shri. Harshavardhan Patil at Balewadi, Pune.

ii) The Magazine, Banking Frontier, had awarded ‘Over All Best Bank Award’ in the category of Rs. 300 to 700 crores at Lavasa, Pune.

iii) The bank has also awarded ‘NAFCUB Vision-2020 Awards’ conferred by Ex General Manager, Reserve Bank India, shri. Kamble at Bengaluru.

14) Special Activities : In the year 2007-08, 2008-09 and 2009-10, the British Standard Institute (BSI) India Pvt. Ltd. Co. have certified the bank as International Standard Organisation (ISO) 9001:2000 for quality management system at its various branches. They are :

- Head Office, Jintur,
- Shivaji Nagar, Parbhani,
- Mahavir Chowk, Nanded and
- Jalna Road, Aurangabad

Financial Performance of Sunderlal Sawji Bank

- 1) Deposits :** The total deposits of the bank was Rs. 179.65 crores in 2005-06. It was increased by more than four times i.e. Rs. 845.95 crores on 2014-15. The average total deposits during the study period is Rs. 455.70 crores. Since 2008-09, the bank has introduced many different deposit schemes to attract the customers.
- 2) Loans and Advances :** The total loans and advances of the bank was Rs. 122.41 crores in 2005-06. It was increased by more than four times i.e. Rs.574.64 crores in 2014-15. The average loans granted by the bank is Rs. 326.78 crores. The discussions with the credit manager of the bank implies that loans are sanctioned by the management committee of the bank within a week. Fast and better decisions are taken by bank's management. The loan management committee members are more cautious and have a proper supervision on the amount of loan so that it should be utilized for the said purpose.
- 3) Paid Up Capital :** In 2005-06, the share capital of the bank was Rs. 450.49 lakhs. It shows a rising curve of Rs. 3538.34 lakhs i.e. more than seven times. The average share capital for ten years from 2005-06 to 2014-15 is Rs. 1562.20 lakhs. The share capital is increased due to rise in members of the bank. It represents the trust of peoples on the bank.
- 4) Working Capital :** During the study period, the mean working capital of the bank is Rs. 53456.30 lakhs. The working funds of the bank was increased by more than four times from 2005-06 to 2014-15, it was raised by Rs. 21629.03 lakhs to Rs. 98689.68 lakhs respectively.
- 5) Reserve Fund and Other Funds:** There is a continuously tremendous increase in reserve funds and other funds during the study period. Statutory reserve fund are increased for more than four times. The rise in reserve fund and other funds represents that sufficient provisions are available with the bank to face the future challenges. It was Rs. 2025.60 lakhs in 2005-06 and raised up to Rs. 7547.26 lakhs in 2014-15.
- 6) Investments :** As per Reserve Bank of India (RBI) norms, investments must be maintained 21% of net profit. From 2005-06 to 2007-08, the investments are stable due to decrease in net profit. But since 2008-09, the investments are increased highly for five times during the study period. The discussions with the bank's investment officer reveals that surplus funds of the bank are immediately and properly maintained. Never the funds are ideal.
- 7) C/D Ratio :** C/D ratio means credit deposit ratio. As per Reserve Bank of India (RBI) standard norms, 72% of the deposits may be mobilized by the bank in the form of loans and advances. The selected bank has maintained best c/d ratio during the whole study period. The average ratio is 72.46%. The maximum ratio is 83.14% in 2010-11 and minimum is 65.96% in 2011-12.
- 8) Net Profit :** The net profit position is decreased from 2005-06 to 2007-08 averagely by 33%. The bank officers expresses various reasons for declining trend. They are as follows :
 - i) In the 2007, the bank has a high expenditure on construction of Jawala Bazar branch. Today, the bank has its own premises at Jawala Bazar.
 - ii) The new branches of bank was opened at Gangakhed and Anjangaon Surje Dist. Amravati. The branches in the initial period were in losses. The expenses are higher such as furniture, HR personnel etc. But today, they are in profit.

iii) In 2006-07, Shenggaon branch premises was also constructed. Today, the bank has its own premises.

iv) At the same time, the customers deposits in the bank are also lower.

Since 2008-09, the net profit of the bank has increased highly for more than four times till 2014-15. In 2008-09, it was Rs. 313.48 lakhs and raised high up to Rs. 1000.00 lakhs in 2014-15. The average net profit of ten years study period is Rs. 535.88 lakhs.

9) **Non-performing Asset** : The performance of a credit institutions can be judged not merely from the quantum of credit disbursed but also from recoveries of loans affected. During the study period, the non-performing asset of the bank is zero (0%) percent except in 2012-13 and 2014-15, it was 0.39% (RS.182.02 lakhs) and 1.31% (Rs. 726.00 lakhs) respectively. The bank officers expresses their views regarding non-performing asset that in last two years NPA problem of bank was created because the marathwada region is affected by drought. In the current year, 2015-16, it was 1.24% (Rs. 714.65 lakhs). The discussion also states that sufficient funds provisions are available to recover the losses of bank.

Conclusions

Considering the organizational profile and various financial aspects of Sunderlal Sawji Urban Co-operative Bank Ltd, the following conclusions can be drawn :

- a) The number of members of bank are increased which also raises the paid up capital and working capital.
- b) The bank serves the society by providing employment and different facilities.
- c) The bank has got various awards and certificates during the study period which shows its priority in Marathwada region.
- d) The bank is aware of social responsibilities so they arranges various programmes on different occasions.
- e) The bank has introduced various new deposit schemes such as Sunder Kanya Ratna deposits specially for the members of the bank. It attracts the customers and increases deposits of the bank.
- f) The bank sanctions the loans during the short duration and also takes the efforts for fast recovery.
- g) The bank has sufficient statutory reserve fund and other provisions which indicates the financial strength of it.
- h) The bank has taken a drastic steps to increase the net profit and its investments during the study period.
- i) The deposits of the bank are utilized properly in the form of loans and advances which is displayed by c/d ratio. The table number 3 shows that the ratio is satisfactory.
- j) Since 2012-13, the non-performing asset problem is created in the bank. The bank has a sufficient provisions to recover it.

Suggestions

The analysis leads to following recommendations for Sunderlal Sawji Urban Co-operative bank:

- 1) The bank must take efforts to increase the share of low costs deposits, saving and current deposits.
- 2) The bank sanctions maximum loans for short duration in the form of short term loans. They must take the efforts to grant for medium term and long term loans.
- 3) The bank must strive hard for zero percent non-performing assets.
- 4) The bank must increase its branches in western Maharashtra region like Pune, Mumbai, Thane etc. At the same time the bank must arrange the video conferencing programmes at least one day in a month. It will be helpful to solve the queries of various branch managers and other banking officers as there is a face to face interaction with Chief Executive Officers (CEO) and management of Sunderlal Sawji bank.
- 5) The bank has a tie up with Saraswat Infotech Company. They provide a data centre through a software SAAS (Software As A Service). The point must be note down that always a back up of such software must be installed in some other company also. If SAAS software has a problem, immediately another may be started without any delay in time.

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