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**MARKETING OF SERVICES: A STUDY OF THE
DCC BANK Ltd., DIST. SOLAPUR,
MAHARASHTRA**



UGC
University Grants Commission

**Minor Research Project
Submitted To**

**UNIVERSITY GRANTS COMMISSION
WESTERN REGIONAL OFFICE
Pune - 411 007**

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September 2019

Chapter I

INTRODUCTION AND RESEARCH METHODOLOGY

- 1.1 Introduction**
- 1.2 Rationale of the Present Study**
- 1.3 The Concept of Bank Services Marketing**
- 1.4 The Juice of Bank Marketing**
- 1.5 Marketing Research and Information System**
- 1.6 Peculiar Features of Bank's Services**
- 1.7 The Evolution of Bank Marketing in India**
- 1.8 Bank Marketing Strategy for the Future**
- 1.9 The Co-operative Credit Structure in India**
- 1.10 Role of D.C.C. Banks Ltd.**
- 1.11 Management of D.C.C. Banks**
- 1.12 The Problem of the Present Study**
- 1.13 Objectives of the Present Research Study**
- 1.14 Research Methodology of the Study**
- 1.15 Summing up**

Chapter I

INTRODUCTION AND RESEARCH METHODOLOGY

1.1 Introduction

Credit constitutes the core component of the co-operative system in India. In terms of membership, resources and business transacted, credit co-operatives excel non-credit co-operatives. Co-operative agency continues to be the major source of institutional finance for agriculture. Co-operative continues to be considered highly suitable agencies for financing.

Every business enterprise has to perform two basic operating functions namely production (or purchase) and marketing. This is true in case of almost all the enterprise. Marketing is one of the most important factor in management because unless the goods produced are immediately marketed, the efforts needed and put in the production are proves waste. Marketing is a most creative, dynamic and challenging activity which to followed by every business enterprise. In the present era of competitive economics marketing has become integral activity of all business firms. Marketing is a basic function of every kind of business firm. According to Peter Durcker, it is in marketing that we satisfy individual and social values, needs and works, be it through producing goods, supplying services fostering innovation for creating satisfaction.

The concept of marketing occupies an important place in the organization of a business unit. It is hard to think for a firm to survive in the long-run unless it is able to market its product. The concept of marketing consists of those efforts which effect transfers in ownership of goods and also take into consideration their physical distribution. It is the integration of business activities for production of goods and services in accordance with the desires of customers and to sell them on the basis of what consumer wants. It is the process by which products are made available to the ultimate consumers from the point of origin of the product. It consists of all those activities which are meant to ensure the flow of goods and services from the producer to the consumer. The concept of marketing involves all the activities from product development to storage, transportation, sales promotion, pricing, financing etc.

In general usage, the work 'marketing' means purchasing and selling of commodities, but the experts on the subject take a wide meaning of the term, and include the activities performed before and after the purchasing and selling. Under its scope, some people describe marketing as the process of exchanging or transferring ownership of products, and others as the creation of time, place and possession utilities or as a process of demand and supply adjustments or as a process of concentration, equalization and dispersion and thus no unanimous definition has yet evolved.

Under the socialistic system, the marketing will be concentrated on the fulfillment of the social responsibilities and not on earning maximum profits. The maximization of the social welfare, through the performance of various marketing functions would be the main objects of the state and its all agencies and organizations concerned with marketing so that the motto of the establishment of a welfare state may be realized.

A fine network of distribution channels will have to be formed, so that as far as possible the middlemen may be eliminated as they add much to the prices in consideration of mere distribution services.

Banking in India has undergone a sea change in the present century, the change has been more perceptible since nationalization of major banks in 1969. The banking system has taken upon itself the role of most important development agency of the country. From the commercial wholesale banking, we have come down to retail social development banking. From large cities banks have moved to towns, villages and to unheard of hamlets, from large and medium industry to small scale units and to tiny one from big agency houses to small business, from qualified professionals to barbers and washerman, to the tribals and to the physically handicapped from the privileged to the altogether unprivileged. In fact, this is unprecedented in the history of banking anywhere in the world. Geographical expansion and functional diversification in newer and complex areas encompassing millions of clientele in dispersed and far flung areas have been the hallmark of this phenomenal growth. No doubt the spectacular expansion of banking infrastructure has given tremendous boost in spreading banking habits among the people and has accelerated growth of banking business but this has not been without strains. Profitability of the banks has been under a constant strain. Overdues in agriculture and blockage of funds

in sick industrial units have increased. House keeping has suffered and incidences of frauds and robberies have been on the rise. Whereas aspirations and expectations of the people from the banking system have increased customer service has affected adversely.

Banks do not function in vacuum. Their functioning, services, systems and future planning are affected by host of other factors. At least changes in political, economic, social technology and international areas have direct bearing on the working of banks. In the words of Shri. R.N. Malhotra, Ex-Governor, Reserve Bank of India 'In order that a broad perspective may be available to the banks to help them draw up their long range plans, it might be useful to develop receptions at the macro-level as to how economic variable, affecting the banking industry would move over a period of say the next fifteen years.' In this chapter, an attempt has made to review the theoretical framework of the research study.

1.2 Rationale of the Present Study

Cooperative banks are operating today in a highly competitive and rapidly changing environment. Too many institutions are in the fray exing on the common man who can afford to save. Not only the competition within the banking industry has increased tremendously, but also the non-banking competitors have come to expert themselves in the market thereby necessitating a strong trust to restore equity if not to recapture on edge.

The non-banking competitors of banks can broadly classified into two categories (a) Public sector and (b) Private sector. In the public sector, we have the Life Insurance Corporation of India, Unit Trust of India, Postal Savings, National Small Saving Scheme, Lotteries, the public sector companies and corporations of good asset value etc. In the private sector we have the multitude of chit fund companies, large industrial undertakings and other big houses raising resources from the public.

This brings to the force the need for a deliberate and well thought-out marketing strategies on the part of the banks in order to retain their supremacy and well established reputation of being the best conduits of savings with the public. Thus co-op. Banks marketing assumes critical significance as a strategy for improving both deposits and credit.

There is a subtle distinction between selling and marketing. Selling focuses on the needs of the seller and marketing on the needs of the buyers. Marketing is the creation and delivery of customer satisfying services as the key to satisfying co-op. banks objectives.

Marketing concept provides for an inquest into the system periodically at different levels in any organization and help building better sales in tune with the cooperative objectives. Indian cooperative banking is ripe enough to adopt this new approach.

The concept 'Marketing' in relation with its applicability to banking involves the following functions.

- 1) Identifying the most profitable markets now and in the future.
- 2) Assessing the present and future needs of customers.
- 3) Setting business development goals and making plans to meet them.
- 4) Managing the various services and promoting them to achieve the plans.
- 5) Adapting to the changing environment in the market place.

It is noteworthy that in co-op. banking the word 'Marketing' is mainly associated with central marketing service departments that concentrate more on pricing analysis, marketing research, branch marketing planning, providing advertising support and new services etc. than they do on the central or line function.

In view of the contribution of the co-op. banks in socio-economic development of the country, it felt necessary to the researcher to undertake this research study.

1.3 The Concept of Bank Services Marketing

The concept of modern marketing has not been fully adopted in the field of marketing of Banking Services in India. However, there are signs that the marketing concept is having an appreciation in India amongst the banks too, though it is quite insignificant. Banks are appointing officers to look after their marketing problems. New services are appearing fast and almost continually. The varied services rendered by our banks at present testify this fact, however, this is also a fact that they are rendered in most busy manner.

The American Marketing Association define services as "activities, benefits on satisfactions which are offered for sale or are provided in connection with the sale of goods."

Banks are regarded as providers of utility services involving public interest and welfare. In India they, are more or less nationalized services. Banks offer numerous financial services to business concerns. Finance is the life blood of business. Long-term finance is required for fixed capital. Short term finance is required for working capital. Merchant banking services are required for promoting new enterprises and floatation and marketing of new capital issues. Many consumers requires the services of banks for financing their purchase of durable goods usually through installment sales. Home owing is made easy with the help of mortgage loans. Relatively higher standard of living has become a reality for many due to customer oriented marketing' approach adopted by banks in 1960's.

Banks services are viewed in terms of the satisfactions they deliver. For instance, bank account is 'seen in terms of customer satisfactions, such as safety, convenience of paying dues, keeping records, transferring funds, accuracy, pride in ones bank, status, economy and so on. Bank account, credit cards, etc. are the products sold by a bank. Modern bank must have product planning and deve10pment just like a manufacturer of a commodity. In fact, banks are regarded as manufacturers and dealers in money and credit.

We may now define Bank Marketing as:

BM = f (S, I, D, P) .

BM = Bank Marketing

f = Function of (dependent on)

S = Services to Customers

I = Includes received (Interest Service Charges etc.)

D = Distribution of Services (By post by bank, branches etc.)

P = Promotion (Advertising, personal selling, publicity, public relations etc.)

1.4 The Juice of Bank Marketing

The uncontrollable environment within which a bank operates constitutes

technological, cultural, social, economic, educational, political, governmental, legal, institutional environments.

The inner hexagon is controllable from individual Bank's marketing point of view. In making marketing decisions the banks should sort out controllable features from the uncontrollable and try to adapt to the uncontrollable features on which it has possibly no control. In the above prose model it has been assumed that a bank could exert influence on the controllable features.

- **Location Selection**

Effective bank marketing delivers satisfaction to customers. It offers the right service to customers in right time very economically at the right place. Their location in bank marketing plays a very significant role in the marketing of Bank's services mix. As stated earlier banking is a convince, business-hence suitable location's selection is important for the success of banking business.

1.5 Marketing Research and Information System

Marketing research is equally important for banks as it would be for any other business. The studies for market potential and customer relations should be conducted on a continuous basis. A bank should conduct a study to determine the total amount of loans made by all banks in the specific area to different segments, the market shares, strategies and interest and service charges etc. and the major developments that would affect the financial needs of various segments in the future. Useful information could be obtained through such studies which in turn would help a bank to install an effective bank marketing planning and control system.

- **Promotion**

It is an essential ingredient in the Bank's Services and personal selling is a must for the growth of account holders, in mobilization of deposits, personal services etc. Similarly, advertising is also an important vehicle to research the clientele. An advertisement in bank marketing is a promise of satisfaction to prospects who are likely to use the bank's services. Banks reach on to present and prospective customers through newspapers, radio, T.V. magazines, Journals etc. Bank's also use various sales promotion devices by giving gifts (purses, Novelties-Calenders, ball points pens, diaries, note pads, paper weights

etc.), brochures, leaflets describing the various services rendered by the bank, of late, banks also use public relations in a big way to maintain image and goodwill in the community.

1.6 Peculiar Features of Bank's Services

The peculiar characteristics of Bank's Services create challenges and offer opportunities to bank marketers.

1. The services are best marketed by meeting the already established needs of the consumer and by to performance. If a service is performed well the banking business will prosper. It will flourish simply by "word of mouth" advertising.
2. There are variety of ways in which banking services may be undertaken. Different bankers adopt different methods for attracting various kinds of deposits. These deposits may be fixed, saving or current.
3. Banking services are intangible. It is not possible to see, feel, taste and smell before we buy bank's services. It has an abstract phenomenon, while selling a bank's service the bankers has to concentrate entirely on the benefits and satisfactions the customer could derive after buying that particular service. For example, banks promote the sale of credit cards by emphasizing the convenience by possessing a credit card vis-à-vis a cheque or cash.
4. A Banks service has a high degree of perishability. If a service is not used today, it is lost forever. It cannot be stored. It cannot be carried forward. Unutilized services are economic losses.
5. Fluctuating Demand: The market for banking services fluctuate usually by day or week. There is a peak period, followed by a slack period. Special efforts are needed to even out demand throughout.
6. Highly Differentiated Marketing System: The banking area needs to be more careful with the selection of channel as it demands greater creativity and ingenuity on 'the part of the bank marketer.
7. Heterogeneity: Services are numerous and customers are also heterogenous. The heterogeneity of services offers both an advantage and challenge to the Bank marketing man. Bank marketer has greater flexibility. He is better equipped to adopt his services to the individualized

needs of his customers. However, heterogeneity forces a bank marketing man to have complete knowledge of the entire range of his Bank's services. Moreover, satisfactory matching of Bank's services offerings and customer's need require him to be a more creative salesman.

8. Customer Relationship: Customer is more prominent in marketing of banking services. It is personal and direct in nature. The customer places himself in the, hands of the banker and abides by the suggestion or advice provided by him. Therefore, bank marketing has to be more professional in nature.

1.7 The Evolution of Bank Marketing in India

Before 1940 banks in India had no appreciation of marketing services. Banks gave a look of a prison or a fort. They did not bother for different types of account holders. Clerks were a frustrated lot. Cashiers used to sit on high platform on thick mattresses and were prisoned behind the thick iron bars. Customers were nervous and hesitant to collect his own money through token. Cashiers hardly smiled rather most of the time kept shouting. To borrow from banks was a hell of task as every banker insisted for furnishing security.

Gradually Banks started advertising and branch managers started moving to the fields for mobilization of deposits as they were facing competition. So for attracting new clients Banks started advertising and engaged in other promotional activities. Since every bank engaged to some degree in some form of promotion, this weapon also lost its strength. Through promotion it is easy to attract potential customers to one's bank but it is difficult to convert them into loyal customers. Loyalty has to be earned. So virtually all banks realized the importance of courtesy and friendliness in service but to date they have not practiced it. Courtesy amongst Indian bank employee's is more of an exception rather than a rule. Over a period of time if every bank becomes equally courteous, the weapon of curtsey may also loose strength as it relates to the selection of a particular bank.

Of late what is crucial is whether a bank has installed effective systems for market analysis, and to planning and control. In the absence of effective market planning and control banks may achieve their total targets but might fail to achieve the potentials of its various markets.

1.8 Bank Marketing Strategy for the Future

1. Banks should Invest Continuously in Innovation

Banks should develop new services to meet new needs and wants of Indian's changing customers. They should research on customer needs design new services and develop plans for marketing them on a continuous basis. They should try to cope up with the varying financial needs of customers-from time to time. The banker must innovate by conceiving radically, new products and services. So as to keep abreast of the changed circumstances and requirements of a world that is in the throes of rapid and continuous mutation. The profession of a banker indeed calls for creative imagination e.g. printing the names of customers on cheques, facility of deposits and withdrawals on telephone; festival saving plan. Small loans a weeks time, will go a long way in giving lead to banks to stay ahead of their competitors.

2. Introduce Home-Banking Services

With the terrorist activity on increase, customer would avoid visits to the banks either for making deposits or for withdrawals due to fear that he may not be deprived of the cash he carries or for that matter he might get killed. Bills payment through T.V. receiving sets is still a dream in India as is done in Japan or USA but still a humble beginning could be made in that direction by collecting the deposits and making withdrawal payments at the home of the customer. It would save time of customers for standing in queues and develop a sense of security. Similarly rate of interest information or information on foreign exchange and money markets should readily be made available on the phone.

3. A Bank must have 'niche' in the Market

No bank can be the best bank for all customers, neither it can offer all services. Logically, therefore, it must specialize in a particular package of services. Let us say if a particular bank resorts to merchant banking or for that matter in Agricultural financing, then it should specialize only in those services. This sort of directive should come from Reserve Bank of India to various public sector Banks which will reduce unnecessary competition amongst the various Banks and the banker will have a specialized position in the market place in the eyes of the customers. The positioning approach will help customers know the

real differences between competing banks so that they can go to only those banks that can be of most value to them.

4. Life-Style Segmentation is Necessary

Banks should explain its customers how a credit card works and explain its advantage over carrying cash or for that matter cheque book. Users of Bank credit cards have a life-style which is significantly different from customers who do not use bank cards.

Bank credit card holders tend to perceive themselves as socially active, urban and belonging to upper socio-economic class in terms of income, position and education. This type of input on life style segmentation will give bank marketing and advertising executives a great deal of useful information for selecting appropriate promotional appeals and advertising media.

5. Target Marketing Approach will Relieve the Bank Marketer of Unnecessary Bird-dogging

If the decision of a particular Bank is to serve the working class customers then it need not run after other class of customers. The bank's marketers in this case would know its mission. Statement which may be a consumer enhancement mission that *is* bank would help its customers increase their total assets so that they could achieve a higher standard of living and improve their quality of life.

6. To Offer High Quality of Services Bank Employees should be Well Trained and should be Well Acquainted with their Customers .

They should know their customers as lawyers or doctors know their clients or patients, for this purpose it is necessary that bank's clerks or managers should not be transferred frequently so that they could dig deep roots in the community. The banker has a vocation to advise its clientele which implies both close contact and to find the best solutions to the financial problems that arise between him and his customers.

7. Give Marketing a Definite Status in Banking Hierarchy

In a typical Indian bank, the responsibility for performing the marketing function is diffused throughout the organization, with no one officer responsible

for overall marketing activities such as market evaluation and measurement, designing service innovations and modifications etc. The lack of coordination results in overemphasizing some marketing activities, such as advertising or sales promotion" at the expense of others, such as providing adequate customer service at teller windows, and under emphasizing other marketing activities, such as periodical evaluation of services offered and potential new services needed.

1.9 The Co-operative Credit Structure in India

The co-operative credit structure, so far as rural finance is concerned, consists of two wings - one dealing in short-term. The short-term credit and the other in long term credit. The short-term credit structure is a three-tiered (pyramidal) one. The 'Primary Agricultural Credit Societies' of the village form the base. They federate into 'Central Co-operative Banks' at the district level, which in turn federate the 'State Co-operative Bank' serving an entire state. The State Co-operative Bank (SCB) in turn has been linked with the Reserve Bank of India till July 1982 and with the National Bank of Agriculture and Rural Development (NABARD) since July 1982, which provides among others, considerable financial assistance to agriculture through the State Co-operative Banks, Central Banks and the Primary Societies. The long-term credit structure consists of two-tiers. There are 'Primary Land Development Banks' at the base (generally at Taluka/Block level) and 'Central Land Development Banks' at State level. In some states the Central Land Development Banks operate through their branches. Thus, the structure is unitary in a few states.

As on 30th June 1981, the short-term credit structures consists of 27 State Co-operative banks, 337 Central Banks, and 95000 Primary Credit Societies, whereas the long term credit structure consists of 19 central and 889 Primary Land Development Banks.

1.10 Role of D.C.C. Banks Ltd.

The Central Co-operative Banks (hereafter referred as Central Banks) from an integral part of the short and medium term co-operative credit delivery system and play a strategic role. They provide a connecting link between the small scattered primaries in the district and the State Co-operative Bank at the State level.

Central banks impart strength to primaries in more than one way. They mobilize resources primarily by collecting deposits as well as by borrowing from the State Co-operative Bank and channel them to primaries. The problem of primaries are conveyed to the State Co-operative Bank and the Government and the solutions and suggestions offered by them are transmitted to the primaries with necessary guidelines. They guide, supervise and control the operations of the societies. They act as 'balancing centers' for primaries by pooling up the resources of primaries and disbursing them to the needy societies. They also promote and develop co-operative activities in their areas. Thus, they act as financier, friend, philosopher and guide to the societies and as leaders of the co-operative group at the district level.

Several committees, commissions, study teams as well as co-operators have highlighted from time to time the importance of central banks. The rationale for the continued emphasis on central banks rests on the following -

- a) Their democratic organization and management help in catering better to the local needs, mobilization of resources and recovery of the loans advanced.
- b) They serve as a cushion in absorbing a part of the overdues of societies.
- c) They are best suited to guide, supervise and control the societies.
- d) They constitute the basic units of planning and development of co-operative activity of the district level.

1.11 Management of D.C.C. Banks

As per the latest bye-laws of the banks. the management of a central bank vests in the Board of Directors consisting of 23 members (25 prior to 1982) which formulates policies, appoints managerial staff to carry out these policies, supervises and controls their performance and assumes the responsibility for the overall performance of the bank. There day-to-day administration of the bank carried on by the General Manager (Previously by the Secretary) who is responsible to the Board for the general administration of the bank.

The management of a central bank poses a challenge, as a variety of factors "influence the operations of the bank. The important among them are: the

small size of the bank; lay character of the members of the Board of the bank as well as those of the Boards of societies; non-existence of democratic control in bank and in societies, federal character of the bank; ill-competent staff; the rigorous administrative control by the Registrar of Co-operative Societies of the State (hereafter referred to as Registrar) and the financial control by the RBI and the SCB; the socio-economic and political situation In the area of operation of the bank.

Given the aforesaid constraints, the management is obliged to maintain operational efficiency of higher order to safeguard the interests of the member societies, depositors and creditor. This calls for pursuing sound banking policies, while endeavoring to achieve the social objectives set for the bank. This is beyond cavil an onerous task for the management.

The performance of a central bank assumes greater importance by virtue of its place in the structure. It being the vital connecting link in the chain of credit delivery, its performance will have a telling effect on the performance of the primaries as well as of the apex bank. The RBI and the SCB find it difficult to channel credit through weak, inefficient central banks. The primaries also on their part cannot look to such central banks for financial and administrative help.

While there has been a consistent growth and diversification in the size and operations of central banks since the fifties, their operational efficiency has been at a low ebb. More often, central banks have come under big fire for their continued operational inefficiency, on account of ineffective leadership, incompetent management, politics in their working. Several bodies which have evaluated the performance of banks from time to time were critical of their delayed and inadequate deposit mobilization, ill qualified staff, lack of business approach in operations, ineffective supervision over federated units.

A large number of central banks (111 out of 338) have become sick and are under the special treatment of rehabilitation. A scheme of financing the primaries through commercial banks in lieu of central banks, wherever the latter are weak and inefficient, has been in force since 1970. New agencies like the Regional Rural Banks have come into existence since 1976 to fill in the credit gap created mostly on account of the failure of co-operatives in several areas.

In spite of their operational weaknesses, it is widely accepted that central banks should continue. Every effort is being made to strengthen them.

1.12 The Problem of the Present Study

In the context where the marketing efficiency of DCC banks becomes crucial in ensuring adequate and timely credit flow to societies for diverse purposes, intensive studies on their organization and management deserve serious consideration.

It is true that several committees and commissions like All India Rural Credit Survey Committee, All India Rural Credit Review Committee, Banking Commission and CRAFICARD have evaluated the performance of central banks, from time to time, and suggested several measures for strengthening them. But, the official studies on DCC banks have presented an overall view of the working of central banks either in the country as a whole or a state, but not a critical assessment of the performance of the marketing of the banks, given the legal and policy framework within which they operate. The individual efforts in evaluating the marketing performance of DCC banks are very few, and are confined to two or three aspects of their working.

There is hardly any study which has aimed at a detailed enquiry into the procedural aspects of various operations of central banks and their marketing performance in adhering to those procedures, identifying their problems, if any. Further, studies on the relative efficacy of the banks with the elected Boards vis-à-vis the nominated boards are conspicuous by their absence, despite the controversy over the relationship between democratic set-up and efficiency. Also, not enough empirical evidence has been brought to light on the nature of functional linkages between central banks and their societies. Thus, central banks as units of research study have not received due attention.

A recent survey of research in credit co-operation concludes that 'not much research has been done in the field of credit planning and in the marketing aspects of co-operative credit and it is necessary to conduct studies in the areas of management, credit planning, financial management at the institutional level'.

Knowledge of prevailing pattern and marketing efficiency of management is vital for the efforts to strengthen the management of a crucial institution like DCC bank. This study aims at throwing light on the aforesaid vital but neglected aspects of marketing of DCC bank.

The Act of 1912 permitted the organization of higher federal societies. The primary cooperative credit societies in compact areas federated themselves into banking unions and organized central banks to collect funds from the urban areas and divert to the village societies. Thus, every district in the state got one central bank. there should be an intermediary agency between the primary credit society with rural bias run by agriculturalists having no touch with the money market and the provincial cooperative bank run mainly by city men with urban bias and having no close association with the country side. the central cooperative banks in India can be classified under three heads according to their constitution i.e. banks whose membership is open to individuals, banks whose membership is confined to societies and mixed type banks whose membership includes both individuals and societies. The size and area of operation is very important for the successful working of central banks. In 1915, the Maclagan committee had expressed the view that, a central bank should cover as large as area as compatible with convenience and efficiency. The standing advisory committee on agricultural credit of the Reserve Bank of India was of the view that there should be only one central bank for each district, but if, however, other conditions justify the formation of the banks in a region smaller than a district there should be no objection to that this view was endorsed by the All India Rural Credit Survey Committee. Since there were more than one central bank in a district, the committee strongly recommended that schemes of amalgamation must be introduced in all states on a compulsory basis.

Marketing plays a central role in achieving any business objective. Peter Drucker writes that if one accept that the purpose of business is to create a customer, it becomes clear that marketing is the key element in all business objectives. In fact, it is difficult to see how any overall corporate objectives, such as improving profitability could be achieved without practicing marketing. In other

words, an improvement in profitability will only occur if specific marketing objectives have been achieved, e.g. increasing sales volume, improving advertising effectiveness and so on. If these objectives are fulfilled, it is essential that we quantify the same. If we increase the marketing share by 10 percent within the next two years, objectives need to be worded as precisely as possible otherwise it would be impossible for the working personnel to know when they have been achieved. This draws our attention on quantifying the performance results. Thus, we find a study of marketing objectives significant even to the banking organizations since it helps them in marching ahead in a right direction. The marketing objective includes increasing the market share, maximizing the profitability and expanding the business.

In view of the contribution of the Solapur District Central Cooperative Bank Ltd., Solapur in the socio-economic development of Solapur district, it felt necessary to the researcher to undertake this Minor Research Project. There are very few research articles appeared in various journals relating to marketing in India with the limited aspects of District Central Cooperative Banks. Having this in mind, researcher has taken a comprehensive approach for studying this topic.

1.13 Objectives of the present Research Study

The following are the main objectives of the present research study.

1. To overview the growth and development of selected DCC Bank Ltd.
2. To study the product (services) strategy of selected DCC Bank Ltd.
3. To study the pricing (charges) strategy of selected DCC Bank Ltd.
4. To overview the place (branches) strategy selected DCC Bank Ltd.
5. To observe the promotion (new branches and new services) strategy of selected DCC Bank Ltd.
6. To suggest improvement in the marketing policies of the selected DCC Bank Ltd.

1.14 Research Methodology of the Present Study

1. Primary Data

The primary data was collected as per requirement through visits to different branches of selected DCC Bank Ltd. The opinions regarding the marketing performance and working of the selected DCC Bank was collected from Chairman, Board of Directors and employees of the selected DCC Bank. The researcher has arranged personal interview of various experts and authorities in the field of co-operative credit structure. The researcher has attended annual general meetings of selected DCC Bank Ltd.

Questionnaire was prepared for customers of the selected DCC Bank. In whole Solapur district, DCC Bank has opened 220 branches at different rural, semi-urban and urban areas of the district. The researcher has selected 10 customers from each and every branch. The selected population of customer respondent was 2200. Simple random sampling method was applied for selection of customer respondent for collection of data.

2. Secondary Data

Secondary data was collected from the various sources like Books, Expert Committee Reports, Journals, Annual Reports, Audit Reports, Byelaws, official records of various co-op. and government offices of taluka, district, state and national level and websites etc.

3. Selection of the District

Solapur district of Maharashtra has purposely selected for this proposed investigation. The reason for selection is due to its major contribution in the development of co-operative banking. Similarly in all talukas i.e. 11 in Solapur district have major contribution of Solapur District Cooperative Banks in the overall development of the district.

4. Selection of Talukas

The census method has been used for the selection of taluka i.e. 11 talukas viz. North Solapur, Barshi, Akkalkot, South Solapur, Mohol, Mangalwedha, Pandharpur, Sangola, Karmala, Malshiras and Madha.

5. Selection of Branches

The census method has used for selection of Branches of Solapur District Central Co-operative Banks. In Solapur district 220 branches are working and all 220 branches have selected for collection of data.

Table 1.1

**Solapur DCC Bank Ltd., Solapur
Present Branches in the District**

Sr. No.	Name of Taluka	No. of Branches	Percentage
1	North Solapur	18	08.18
2	South Solapur	14	06.36
3	Mohol	24	10.92
4	Madha	23	10.45
5	Karmala	12	05.45
6	Pandharpur	17	07.73
7	Sangola	22	10.00
8	Mangalwedha	14	06.36
9	Malshiras	34	15.45
10	Akkalkot	14	06.36
11	Barshi	28	12.73
	Total	220	100.00

Source: 96th Annual report of SDCC Bank Ltd., Page 67, 68 and collection of data through personal efforts.

6. Selection of Bank Customers

As per bank records, in Solapur district 220 branches are at present working in different talukas of Solapur district. From each branch 10 customers have selected as questionnaire respondent. There have total 2200 customer respondents for collection of primary data on the basis of random sampling technique.

Table 1.2
Selection of Respondents (Account Holders)

Sr. No.	Name of Taluka	No. of Branches Working	No. of Respondents Selected	Percentage
1	North Solapur	18	180	08.18
2	South Solapur	14	140	06.36
3	Mohol	24	240	10.91
4	Madha	23	230	10.45
5	Karmala	12	120	05.45
6	Pandharpur	17	170	07.73
7	Sangola	22	220	10.00
8	Mangalwedha	14	140	06.36
9	Malshiras	34	340	15.46
10	Akkalkot	14	140	06.36
11	Barshi	28	280	12.74
	Total	220	2200	100.00

Source: 96th Annual Report of SDCC Bank Ltd., 2013-14, Page No. 67, 68 and collection of data through personal efforts.

7. Statistical Tools

For analysis and interpretation of data the researcher has used the tabulation, classification, simple average, growth rate, percentage, trade analysis technique and graphical presentation technique etc.

8. Analysis and Interpretation of Data

After collection of the research data, an analysis of data and interpretation of the result are necessary. Analysis of the data has made with reference to the objectives of the study. An analysis has made with reference to the research problem at hand,

9. Scope and Limitations of the proposed Study

For the proposed study, the three financial years will be considered i.e. 2011-12, 2012-13 and 2013-14. The geographical area will be limited to Solapur district only. The area of the study will be limited to marketing of services of selected DCC Bank Ltd.

1.15 Summing up

1. Competition amongst banks in India is growing because of economic forces, technology, consumers sophistication and government pressures. Bank's customer must be valued, for his contribution to profits, not merely for his balances or usefulness in increasing market share. Each service, each customer, each branch must be carefully measured to establish their contribution to profits and their significance to the bank and in improving the quality of life of the Citizens of this country.
2. The bank which wishes to be successful should identify relatively more profitable segments and cater to the needs of this: segment: They should try to create a distinct image in the eyes of their customers for themselves to have a position in the market place.
3. Unless banking institutions own people are sold on the services concept, the effectiveness of its marketing programmes will be compromised at the customer contact level. Logically, therefore, the success of any banking marketing programme will rest heavily on the willing involvement and commitment from everyone in the bank. Personal access to and interaction with each functional area in a bank will contribute substantially to total marketing efforts.
4. If the banking industry wants to grow in leadership on the consumers side of banking, it must position its future destiny. Those banks which will more rapidly sense, adopt to and cope with the short and long-term implications

of market place and technological innovations will have a futuristic perspective for dealing with tomorrows uncertainties and opportunities. Futuristic marketing and its tool innovation is a means toward that end.

5. Some research on qualitative attributes such as convenience, range of service, friendliness, quality of services, modernity and community spirit etc. should be taken up by the banks as it relates to consumer survey. It will help them to design for effective marketing strategy.

In our country the social economic conditions and resource base of different regions are widely divergent and this calls for different approaches and solutions in bank marketing. An imaginative approach is therefore necessary to focus on the specific problems of each region which require different priorities.

6. The success in mobilizing deposits lies in the team work put in by the manager, his staff and the customers in the locality. It can no longer be considered only the bank manager's job.

Banks should try to reach those areas of the country which are completely or partially devoid of credit facilities instead of concentrating them in a few selected regions. Multidimensional problems of Indian rural masses should be pooled, so that banks could evolve a more pragmatic and realistic policy about smooth credit supply to the rural borrower.

7. In customer service curtsey, speed, accuracy and helpful attitude in understanding the customer's needs will go a long way in toning up bank marketing in this country. Expansion without adequate trained manpower will dilute Bank's service standards and cause considerable inconvenience to clients in all the branches.

The above banking challenges can be met effectively with desired measure of success if we implement the think tank concept. In the ultimate analysis what is necessary for improving Bank marketing is the active participation of employees at all levels in bank functions.

Chapter II

DISTRICT CENTRAL CO-OPERATIVE BANKS: A REVIEW

- 2.1 Introduction**
- 2.2 Membership Strength**
- 2.3 Share Capital**
- 2.4 General Reserve and other Reserve Funds**
- 2.5 Owned Funds**
- 2.6 Mobilization of Deposits**
- 2.7 Borrowed Funds**
- 2.8 Origin and Growth of DCC Banks in India**
- 2.9 Important Policy Developments Relating to DCC Banks in India**
- 2.10 Case of Continuance of DCC Banks in India**
- 2.11 Studies on DCC Banks**
- 2.12 Studies on Overall Performance**
- 2.13 Studies on Selected Aspects of D.C.C. Bank**
- 2.14 Evaluation of Performance of D.C.C. Bank by the Auditor**
- 2.15 Summing Up**

Chapter II

DISTRICT CENTRAL CO-OPERATIVE BANKS: A REVIEW

2.1 Introduction

This chapter presents a brief review of origin and growth of central banks, the important policy developments relating to and empirical studies on central banks.

Financial statements represent the snapshot of a concern's activities at the end of a particular period. The financial statements are the end product of Financial Accounting. Financial statements are overall general purpose entity statements, as they present the financial position and operating results of an entire business at the end of the annual accounting period or for a shorter period. Financial statements reveal how a business has prospered under the leadership of its Management personnel. The financial statements are the medium of evaluation of management performance. To know and to investigate the financial position and soundness of a business enterprise the three statements are very important i.e. Profit and Loss Account or Income Statement, Balance Sheet and Profit and Loss Appropriation Account or statement of owners Equity or of Retained Earnings. Financial appraisal is a technique to evaluate past, current and projected performance of a concern. Generally financial appraisal is concerned with the analysis of financial statements. The main purpose of this analysis is to evaluate past performance, financial position, liquidity position, future prospects for earnings, ability to pay interest and debt on maturity and profitability of a concern.

The primary objectives of appraisal of financial statements are to determine the measure of efficiency of operations or the profitability from its income statement and to appraise financial appraisal is intended to give an accurate picture of the financial condition of a concern in condensed form. Ratio analysis is not a fool-profit indicator for assessing the financial soundness of a concern. Therefore, trend analysis technique is used to evaluate the trends and tendency of events. Trend analysis is a guide to follow the changes that occur in a business from period to period. Trend analysis reveals the direction of changes or is a guide to the movement of facts and figures revealed while comparing the

financial statements of different periods. The results of financial statement analysis are of value only when viewed in comparison with the results of other firms. It is only through comparison one can gain insight into trends, and make intelligent judgments as to their significance. The aim of this chapter is to review the financial marketing of selected SDCCB.

2.2 Membership Strength

Membership in a co-op. is both open and voluntary. Open membership means that anyone who could be benefited by a co-op. is at liberty to join it. It must be open to all to whom it can be of service (or ne). Voluntary membership means joining without being coerced in any way. Open membership is possible only when membership is voluntary. There shall be no artificial restrictions include high initial shareholding or entrance fee, and restriction of membership on the ground of caste, creed, colour, community, race or religion. The membership of SDCCB is confined to persons who are of good character, and this criterion is not only adopted in the beginning when the SDCCB is started but also followed throughout the life of the SDCCB. The irresponsible or dishonest members may cause losses to the SDCCB. Constant vigilance is generally kept on the doing of members.

The development of any SDCCB depends upon its strength of membership. With increasing population, a large number of people are brought into the fold of SDCCB. A healthy growth of membership is very important for all-round development of SDCCB. As a matter of fact the SDCCB are required to play an important role in bringing the all round development of the areas where they are functioning by meeting the financial needs of all persons alike, without any distinction as to caste, creed, community or income level. While analyzing the composition of membership, it was found that the membership was not restricted to any caste or community. However, the data on caste wise composition of membership were do not available with these SDCCB. The people from higher strata like teachers, doctors, factory workers, nurses, owners of small-scale industries, small traders, whole sale traders, farmers and lower strata peoples such as municipal corporation sweepers, hawkers etc. have become the members.

2.3 Share Capital

Share capital is the primary and basic source of funds. The share capital, besides, being a source of financial strength to the co-op. banking institutions, are of special significance to the SDCCB as they serve the needs of interim finance required by them. Since the co-op. movement is essentially intended to promote thrift and self-reliance, greater attention should be given to generate adequate funds from internal sources i.e. share capital, reserve fund and other reserves. The contribution made by the member of SDCCB in the form of share capital constitute as one of the basic source of capital. It is a convenient and cheap source of finance as no payment of interest is involved. It provides an important part of the working capital of the SDCCB. The committee on co-op. credit put great emphasis on the system of raising capital from the members on a large scale. It, therefore, recommended that the individual should be required to contribute to the share capital in certain proportions of their borrowings.

2.4 General Reserve and other Reserve Funds

The important purpose of reserves is to meet unforeseen losses, to supply a source of income which may be drawn in lean years and to fortify outside confidence. As per the M.C.S. Act, 1960 and Rules, 1961, the SDCCB are required to carry over at least 25 percent of their net profits to reserve fund and 10 percent of remaining profits to any charitable purpose. The reserve funds may be called the second line of defense against the enforcement of unlimited liability, the first being sound management.

The reserve fund maintained by the SDCCB, belongs to the SDCCB and can be utilized for the following purposes.

1. To meet unforeseen losses incurred by the SDCCB.
2. To meet such claims of the creditors of the SDCCB as cannot otherwise be meets.
3. To provide for other financial needs in times of special scarcity.

However, no SDCCB, whose reserve funds has been separately invested or deposited can drawn up, pledge or otherwise employ such funds, except with the sanction of the Co-op. Registrar previously obtained in writing. When SDCCB is wound up its reserve fund is applied by the liquidator to discharge such liabilities of the SDCCB as may remain undischarged out of the assets of the SDCCB i.e. the debts of the SDCCB, the paid up share capital and the dividend upon paid up share capital at rates declared by the management. No

dividend can be paid on shares capital if the bye-laws of the SDCCB do not provide for such payment. Any surplus funds remaining after the above payment are made can be utilized for such object of public utility as may be selected by the general body of the dissolved SDCCB at a meeting approved by the Co-op. Registrar.

There is a material difference between the capitalistic institutions and co-op. institutions. The objective of capitalistic institution is maximization of profit and its distribution to the maximum extent among to the share holders while the object of the co-op. institutions is to provide the maximum services to their members. But it does not mean that co-op. institutions should function without profit. Keeping this view that service motto is the first and profits the later; the co-op. institutions should also earn the minimum profit as they have to bear some cost of capital. The proportion of profit distributed as dividend to members is limited in the co-op. institutions. It is retained to the maximum extent within the organization in the form of General Reserve and other funds. The retained profits help these institutions to strengthen their financial position. The SDCCB can reduce their cost of fund by building large reserves.

2.5 Owned Funds

The owned funds of the SDCCB consist of paid up share capital, Reserve fund and other funds. Owned funds are the indicators of self-reliance of the SDCCB. Owned funds are the real sources of improving the financial position of the SDCCB. The borrowing power of SDCCB depends on the owned funds raised by the SDCCB. The share capital and reserves i.e. the owned funds of the SDCCB constitute relatively small proportion of the lendable resources, they provide cushion to absorb the overdues and sticky advances and facilitate extending term loans to an extent. The owned funds constitute a very important component of resources since the strength of the SDCCB is based on them. They serve as a base for raising further resources by way of borrowing and deposits, because the maximum borrowing power of SDCCB is fixed in relation to owned funds. Increasing trend of owned funds is a measure of good performance of the any credit institution.

2.6 Mobilization of Deposits

Deposit mobilization is a very important activity of any bank. The larger the amount of deposits a bank holds, the greater leverage it has. Deposits form

an important source of working capital of these co-op. financial institutions. Mobilization of saving of the people both in urban as well as in rural area is of special significance for the development of non-agricultural sector. A considerable stress has been laid down by the committees and commissions for raising deposits by these SDCCB, so that they may be able to meet the financial requirements of the members and customers on a larger scale. Capital and reserves are internal resources of the SDCCB, and no SDCCB will endanger its financial standing, by trading with its 'owned funds'. Hence, SDCCB necessarily depend on external finance for augmenting its resource position so as to meet the enormous demand for funds. Financial requirements of the SDCCB are primarily meant for short-term accommodation and the SDCCB generally meet this requirement from the resources replenished through deposits. For the country as a whole deposit of SDCCB increased considerably over the years. But there were period when the rate of such growth did not keep pace with the growing requirements of members.

Like any other banker, the SDCCB have also to mobilize resources mostly in the form of deposits. It is the size of the deposits that largely decides the lending activity of the SDCCB and it is only when the lending is on the rise that the other internal resources like share capital and reserves are augmented. Further, deposits serve as a cushion in absorbing the shocks of overudes enabling the SDCCB to maintain an uninterrupted flow of credit. In the three-tier short and medium term credit structure, SDCCB are considered best suited for deposit mobilization as compared to the other co-op. banks. The SDCCB operate both in urban and rural areas of district, and this advantage not available to the other co-op. credit organization. Accepting deposits from the public is primary or basic function of the SDCCB. As a matter of fact, SDCCB business has its origin in this function. Safety of saving is a major concern for most people. The SDCCB not only protects the deposits of the people but also pay interest on deposits so collected. The business of SDCCB depends on its capacity to attract deposits from the people at large.

2.7 Borrowed Funds

Next to deposits, borrowing forms another important source of resources for the SDCCB. The DCC Bank is the single most important source of such

borrowings. It is worth mentioning in this context that from the time of its establishment, the DCC Bank of every district continues to be parent institutions of the co-op. credit institutions in the country. A NACCS may borrow from the DCC Bank of the district or other SDCCBs on certain occasions when it faces the problem of liquidity and is in need of cash to meet the demands of its customers. All such borrowings are liabilities of the SDCCB, hence, they appear on the liabilities side of the balance sheet.

2.8 Origin and Growth of DCC Banks in India

The central banks have come to be organized since the passing of the Co-operative Societies Act, 1912, to finance the primary societies and to act as balancing centers for them. These banks were originally organized with societies and individuals as members. This mixed pattern was chosen for them for the then circumstances prevailing in India. It was thought that the association of individuals with the banks enhances the banks prestige for inspiring confidence in the minds of investing public helping resource mobilization, and provides opportunity for selection of some eminent persons with expert knowledge of co-operation or banking as directors. It was, however, suggested as back as in 1915 that these banks should become pure federal organizations gradually reducing the number of their individual shareholders. The admission of individual members in central banks has been stopped since the thirties. However, the old members are continued. Thus, we find today a mixed pattern of membership in majority of the central banks.

The central banks have passed through several phases of expansion, set back, stagnation and revival from their inception to the dawn of planning era. The World Wars I and II. the economic depression of the thirties, and the post war boom have greatly influenced their growth and working. The All Indian Rural Credit Survey Committee which had for the first time probed thoroughly into the working of co-operative credit mechanism found the central banks as 'extremely unsatisfactory institutions.' They were small in size, financially weak, and their business operations were exhibiting several unsatisfactory features. However, since the fifties, the banks have made rapid strides in' growth development, with the active support of the Government and the RBI. They have come to be

regarded as leaders of co-operative movement at the district level. The trends in their progress since the beginning of planning era are presented in Table 2.1

2.9 Important Policy Developments Relating to DCC Banks in India

The size, composition and character of central banks are by and large influenced by the policies of the RBI and the Government. The important policy developments relating to central banks since the fifties are presented below in brief.

In the fifties, the emphasis was on the structural re-organization of central banks and strengthening of their capital base. The central banks were reorganized through the process of amalgamation, following the policy of 'one central bank for one district'. However, it was agreed that more than one central bank in the same district may be allowed to continue, provided they are viable. Their share capital base was also strengthened by Government contribution in large measure.

Further, their financial position was strengthened by Government grants and subsidies for varied purposes.

In the sixties, the emphasis was on re-orientation of the lending policies of central banks and strengthening of their deposit position. With a view to rationalize the loaning policies of co-operative at all levels, the crop loan system was introduced in 1966. The banks were entrusted with the major responsibility for the successful implementation of the crop loan system. The policy of production oriented system of lending for identified agricultural purposes for medium term was introduced in 1968. The Banking Regulation Act (as applicable to co-operative societies) was enacted in 1966 to bring co-operative banks including the central banks under the purview of the RBI for regulating their banking business. The Deposit Insurance Scheme was also extended to co-operative banks in 1968, with the hope that they may gain public confidence and attract more deposits. The State Governments on the advice of the Government of India approved of the State Co-operative Banks and the Central Banks as being eligible for receiving of deposits of local bodies like Panchayats, Zilla Parishads and Municipalities. The State Governments continued to grant managerial subsidies to central banks to help them improve managerial competence.

In the seventies, the emphasis was on the rehabilitation of weak central banks, central banks ensuring financing of small farmers, their extensive branch expansion to attract deposits, diversification of their loaning business and re-organization of primary agricultural credit societies *into* viable units.

A central sector plan for rehabilitation of selected weak central banks came *into* force in 1972-73. Under this scheme, special financial assistance was made available to weak central banks to write off their bad and doubtful debts, accumulated losses and chronic overdues. In 1970, the weak central banks were replaced by commercial banks to finance primary agricultural credit societies direct through a scheme and this scheme has been continuing in selected areas to fill in the *credit* gaps. Since 1970-71, the central banks have been required to finance the small farmers on a large scale by ensuring that their lendings to them for seasonal agricultural operations through primaries would be not less than the prescribed minimum proportion of total lendings. The crop loan system was revised in 1971 and the medium term loan policy was further liberalized many a time during the seventies. The policy of issuing consumption loans through primaries was introduced in 1976.

In order to induce the central banks to mobilize more deposits and discourage their borrowings from the RBI, a scheme of linking of borrowing with deposit mobilization of central banks was introduced in 1973. The procedures relating to branch licensing were liberalized and the subsidies for opening of branches were enhanced to facilitate branch expansion by these banks. Although the program of reorganization of primary agricultural credit societies had been in operation since the sixties, it had received special attention and priority only in the fifth plan. Special schemes were drawn for their re-organization into viable units and central banks were associated with the implementation of those schemes.

Thus, it is clear from the foregoing review that the business activities of central banks have grown and got diversified over years. They are also largely guided and controlled by the RBI and the Government to ensure uniformity in their policies and procedures.

2.10 Case of Continuance of DCC Banks in India

The need for central banks has been a subject matter of debate almost since their inception. Often, it has been suggested that the central banks might with an advantage be converted into branches of apex bank. This is based on the rationale of reduction in cost of borrowing to ultimate borrower, delay saving in issue of loans, striking at vested interests and improving the image of the banks. However, the protagonist's of central banks argue that the justification for central banks lies in their democratic management, their better response to local needs and the involvement of local leaders in recovery of loans and mobilization of deposits. They argued that the three-tier credit structure has been successful in several countries including Japan, whose agricultural holdings are small and is, therefore, worth emulation.

Several committees, commissions, conferences, study teams/groups, eminent co-operators and writers have advocated continuation of the three-tier credit structure with central banks constituting the middle tier, having considered the pros and cons of the central banks. However, they have made it categorical that wherever the central banks are weak and are not able to cater to the requirements of primaries; a transitional arrangement like financing of the primaries by the State Co-operative Bank or a Commercial Bank, or the Agricultural Credit Corporation through its branches may be attempted and the normal pattern should be restored as and when the dormant central banks are rehabilitated.

Even the latest Committee To Review Arrangements For Institutional Credit For Agriculture And Rural Development (CRAFICARD) (1981) which has examined the subject has observed that "We feel that the substantial expansion in 'the quantum of finance dispensed by co-operative credit structure the considerable diversification of purposes for which credit is made available and the growing complexity of operations make it necessary to have a unit a district level for efficient and e effective management of operations. The experience of RRBs also shows the functional relevance of decentralized banking at the district level. ... The need for a district level organization for successfully implementing and monitoring the various credit based development schemes for ensuring effective co-ordination with other institutional agencies and for proper

representation of co-operative institutions is obvious A summary dismissal of the institution (DCC Bank) as useless and redundant under all circumstances seems to be an extreme, unwarranted.

The committee was of the view that the three tiers are the three functional components of a single structure co-operative credit and a part cannot be removed without impairing the structure as a whole. It was of the opinion that while a two tier structure may be continued in smaller States and Union Territories, having regard to the smaller span of control and business resulting from the smaller size of the State, making the middle tier redundant, the three tier system could remain as the general pattern for bigger States. What needs to be done in regard to chronically weak and irredeemable DCCBs was suggested by the committee .

2.11 Studies on DCC Banks

The studies of central banks could broadly be classified into two groups- (a) those which have covered all the important aspects of the working of central banks in greater details, and (b) those which have covered one or two aspects of their working. Both the types of studies are reviewed to assess the work done and identify the gaps.

2.12 Studies on Overall Performance

The studies sponsored by the RBI and the Government of India fall this category. Several committees and Study Teams have attempted from time to time an evaluation of overall performance of central banks either in the country as a whole or in a State. These studies have covered the most important aspects of the working of central banks and used a few indicators for the purpose of reviewing overall progress or evaluating overall performance.

They have identified that inefficient management or lack of management approach is a factor influencing the performance of the banks. But, these studies have not addressed themselves to an objective and in-depth study of the specific role of the managements in the performance of the banks, given the legal and policy frame work within which they operate.

While the studies on performance of the central banks in the country as a whole have not attempted to evolve a comprehensive criteria to judge the overall performance of a central bank, the Study Team and Agricultural Credit Institutions set up by the RBI in the seventies, have made a modest attempt in that direction. For the first time, the Study Team of Rajasthan has attempted to evolve a criteria to rate the performance of the banks in that State with respect of 10 major aspects of their business. Equal marks are allotted for each of the aspects and the banks are rated on the basis of marks they obtained.

Its criteria was improved subsequently by the Study Team of Madhya Pradesh by assigning weights in the form of marks to each norm of business relating performance to potential. This improved criteria has subsequently been followed by the other Study Teams. However, the criteria as evolved by the Study Team of Madhya Pradesh suffers from one important limitation, *viz.* arbitrary weightage given to the indicators in the form of marks. Further, the criteria is of little help to evaluate the operational performance of central banks. Its focus is on year end results, but not on operations of the banks. •

The comprehensive studies on central banks, excepting that of the All India Rural Credit Review Committee, have not addressed themselves to the details of operational performance of managements of central banks and their criteria for performance evaluation needs improvement to be more objective.

2.13 Studies on Selected Aspects of D.C.C. Bank

The studies sponsored by the RBI and the Government as well as the case studies, doctoral studies etc., undertaken by the individuals, which dealt with one or two aspects of the working of the central banks fall in their category.

Majority of the studies on co-operative credit have addressed themselves to 'the implementation of crop loan system' 'overdues' and 'supervision' at primary society level in selected districts, which broadly speak of the performance of central banks in those districts. There are very few studies on other aspects like deposit mobilization, democracy, viability, integration of central banks with the apex bank, audit problems and management.

The search studies on co-operative banking undertaken in the fifties and sixties are general studies on co-operative banking which have reviewed the overall performance of the primaries, central banks and apex bank in a State.

The study of Prof. Rathod is more a study of the organizational set-up and personnel management in a central cooperative bank in Gujarat. However, his design for management development in central banks will be of much help to all those concerned with central banks and interested in improving their management performance.

The doctoral study of Ravindra Prasad is a study of the role of elite (political and bureaucratic) in the administration of a central bank in Andhra Pradesh. In analyzing the degree of commitment of the elite, the study throws light on the personnel practices, role of bureaucracy, administrative procedures connected with credit, supervisory practices and political process and their effect on central bank's administration. However, many of the observations of the author are based on interviews and participant observation, but not supported by quantitative data and case illustrations. The study has not attempted to assess the role of elite of the bank against a set criteria.

Periodically, the Reserve Bank of India will be reviewing the selected operations of the central banks in the country. These include loans and advances sanctioned by banks, deposits position of banks and operations on credit limits sanctioned to banks. The RBI will also be reviewing the progress of co-operative movement in India, of which central banks form a part. These periodical surveys/reviews broadly indicate the performance of central banks in respect of selected aspects examined, but do not go into the details of the operational performance of managements of the banks.

The studies on selected aspects of central banks reviewed hitherto, excepting that of Ravindra Prasad, have not evaluated the management performance of the banks. Several aspects of management of central banks have not been duly examined in earlier studies on central banks. These include organizational structure, credit planning, financial and personnel management

and the impact of the policies and procedures of the RBI on the performance of banks. Further, studies on relative effectiveness of banks with elected Boards *vis-à-vis* nominated Boards are conspicuous by their absence, despite the importance of the issue of democracy *vs.* efficiency. Also, not enough empirical evidence has been brought to light on the effectiveness of the banks in maintaining and promoting discipline in financial and administrative matter at society level.

Thus, it is obvious from the foregoing review that central banks as units of research study have not engaged the due attention of the researchers.

2.14 Evaluation of Performance of D.C.C. Bank by the Auditor

The auditor evaluates the overall performance of a bank annually and classifies it as either A or B or C or D based on 8 norms. An important limitation of this type of audit classification, which forms the basis for sanction of credit limits to bank, is that even if one norm prescribed for A Class is not satisfied, the bank is classified as B and if a norm prescribed for B class is not satisfied, it is classified as either C or D, as per the other guidelines in the matter. Considering the limitations of this type of classification, the RBI has introduced a new system since 1978-79, wherein the marks are awarded for the performance of the bank in various matter-and the bank is classified as A or B or C or D, on the basis of the marks obtained. (See Annexure 1 V). This type of audit classification also suffers from the limitation of arbitrary weightage given to the norms in the form of marks and subjective considerations of Auditor in awarding marks to the bank in several respects.

2.15 Summing Up

The structure and functioning of the central banks are generally influenced by the policies of the RBI and the Government, evolved on the recommendations of various committees on co-operative/rural/agricultural credit. It is argued that the justification for continuance of central banks lies in their democratic management, better response to local needs, help in recovery and deposit mobilization and effective supervision and control over societies. It is, however, unanimously agreed that where the central banks are weak and are not

able to cater to the requirements of the primary societies. despite the efforts made for strengthening them, they may be replaced by other agencies like commercial banks and rural banks.

Many of the studies on central banks are official studies undertaken by the committees, commissions and study group teams. They have reviewed from time to time the overall progress/performance of central banks in the country 01 a State, as a part of their overall study of rural/agricultural credit. They have not addressed themselves to a detailed study of management performance of these banks. The individual efforts in evaluating the performance of central banks are very few and are confined to two or three aspects of their working. Several aspects of central banks, especially those pertaining to their management, have not been adequately examined in the studies undertaken so far. Thus, central banks as units of research study have not received the due attention.

There is need to undertake intensive studies on management of central banks in all its dimensions, identifying the relevant factors influencing it. This study is an attempt in that direction. It starts with an analysis of organizational structures of selected central banks in the chapter following.

Chapter III

ORGANIZATION AND MANAGEMENT OF SELECTED DCC BANK LTD.

- 3.1 Introduction**
- 3.2 Organizational Structure of D.C.C. Bank under Study**
- 3.3 Analysis of the Management Structures of the DCC Banks**
- 3.4 Growth and Development of Selected Bank**
- 3.5 Summing Up**

Chapter III

ORGANIZATION AND MANAGEMENT OF SELECTED DCC BANK LTD.

3.1 Introduction

Since the focus of the present study is on the management performance, an understanding of the organizational structure of central banks, which provide a framework within which the material tasks are performed, is required at the outset. This Chapter, therefore, aims at an analytical study of the organizational structures of the bank under study. The analysis takes the form of a critical review of the composition and roles of the constituents of the structure of the banks. It is done in the light of the principles of corporation as well as the principles of organization which guide the designing of organizational structure for a co-operative.

3.2 Organizational Structure of D.C.C. Bank under Study

The structure of a central bank consists of two organically linked parts-one consisting of democratic elements responding to the urges of the members, safeguarding the co-operative ideology and generally representing the social component of the organization and the other consisting of the chief executive and his supporting staff, who have been mobilized to make the organization work and achieve its objectives. Stated the traditional way, the structure of a central bank consists of three constituents.

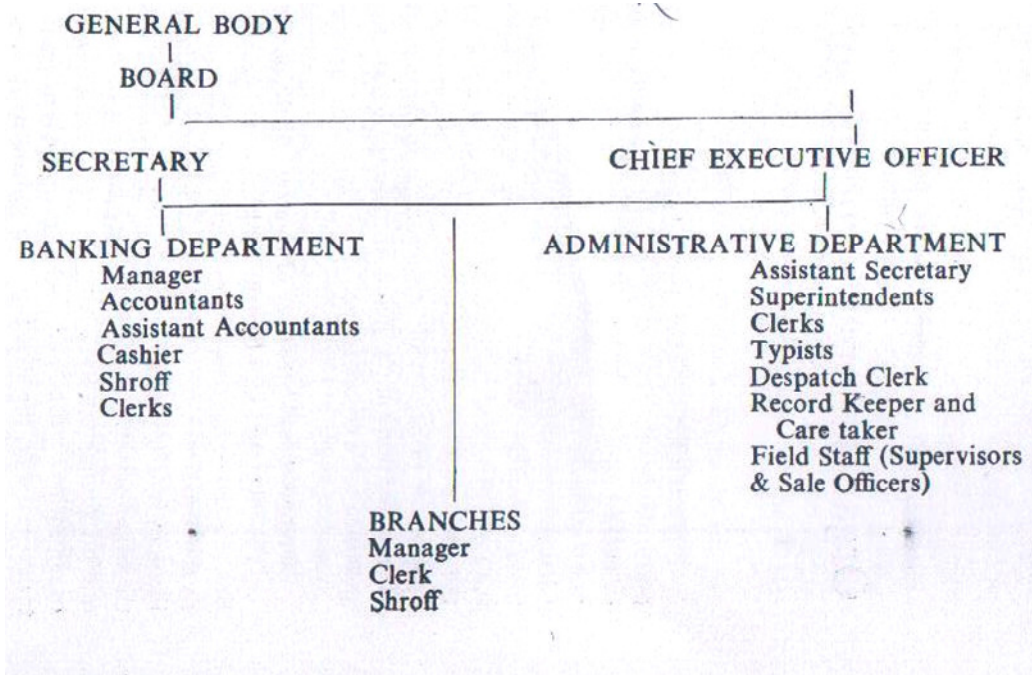
- a) General Body
- b) Board of Directors
- c) Managerial Group

The organizational structure of the Board Bank is depicted in Chart 3.1 and that of the DCC Bank in Chart 3.2.

The composition and role of each organ of the structure are analyzed below in brief.

Chart 3.1

Organizational Structure of Board of D.C.C. Bank



I) Composition and Role of General Body

the general body of central bank consists of...

- a) Representatives of all the affiliated primary societies delegated at the rate of one from each society.
- b) Individual members
- c) Government

The following table shows the composition of the Central Body of the banks under study as on 30th June 1981.

**Table 3.1
Composition of the General Body of the DCC Banks**

Category of Members	Number
Societies	4090
Individuals	2713
Others	11

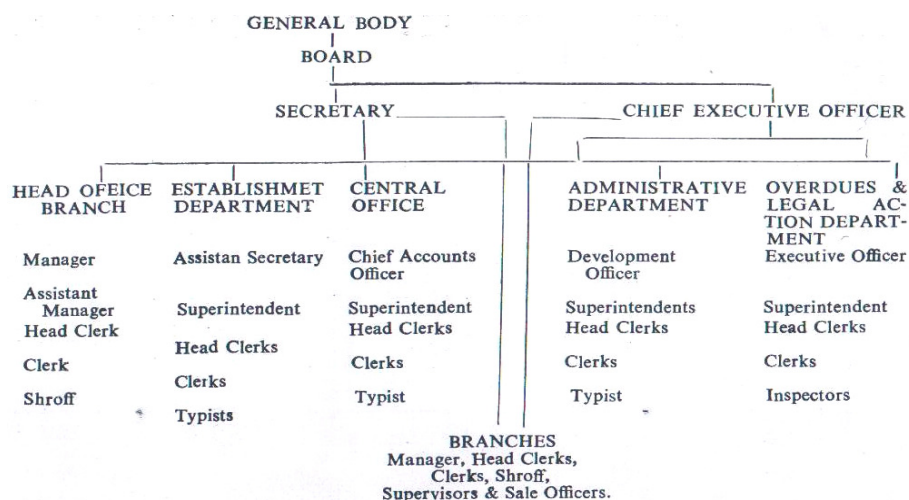
Source: Annual Reports of the Banks Year 2012-13.

The General Body is the ultimate authority in all matters relating to the administration of the banks. It meets generally once in an year. Its functions include election and removal of members of the Board of Directors, expulsion of members, consideration and approval of audit report, annual administrative report, amendment to bye-laws, annual financial budget and disposal of profits. The General Body cannot delegate its powers to the Board, excepting those specified in the bye-laws and interfere with the powers vested in the Board of Directors by the bye-laws of the bank.

The General Body meeting provides the opportunity for the members to review the working of the bank, to question its unhealthy policies and practices, if any, to offer suggestions for its better service to members and to amend bank bye-laws, as and when required. Each member of the General Body has one vote to exercise at the meeting.

3.2.1 Analysis of the Role of the General Body

**Chart 3.2
Organizational Structure of SDCC Bank**



The analysis of the role of the General Body is based on ~ critical examination of the relevant provisions of the Co.op. Act and Rules, the bye-laws of the bank and minutes of the General meetings held during the selected period of study.

The role of the General Body, as envisaged in the cooperative legislation and the bye-laws of the bank, is governed by the cardinal principle of co-

operation viz. 'democratic control'. The principle of democratic control implies that (a) the General Body is the ultimate authority in regard to the conduct of the affairs of the bank, (b) the members enjoy equal rights of voting (One member has one vote) and participation in decisions affecting their bank, (c) the affairs of the society are administered by the Board in accordance with the democratically expressed will of the members, (d) the Board is elected by members, and (e) the Board is accountable to members.

A perusal of the MSCS Act and Rules, the bye-laws of the banks as well as the various circulars of the RBI and the Registrar of Co-operative Societies makes it obvious that the General Body is only a supreme body, but not a supreme authority, as contemplated in the legislation and bye-laws. Its authority is limited to matters specified in the Act, Rules and the bye-laws to which a reference was made earlier in this section. The ultimate authority of General Body even with regard to those specified matters is subject to powers vested with the Registrar by the Co-operative Legislation. Several provisions of the MSCS Act and Rules seem to encroach on the powers of the General Body.

The business transacted at General Body meetings is non-interesting and non-controversial. It is generally confined to consideration and approval of annual report, audit report and budget and amendment of bye-laws. The quorum prescribed for General Body meetings is too low to make the meeting an effective forum for discussion on matters relating to the Bank.

The General Body elects the members of the Board in the manner specified by the bye-laws, subject to the provisions of the Act. However, there is no provision for the removal of a Director or replacement of the Board by the General Body before the expiry of the term of office, through methods like moving no confidence motion. The Board is accountable to members by reporting on the performance at General Body meeting to be held once in a co-operative year. However, there is no effective penal statutory provision or administrative action for the failure of the Board to hold General Body meetings regularly.

The DCC Bank had convened the General Body meeting every year in the month of June. Even though the Registrar has the statutory powers to summon the General Body meeting in the event it is not called for by the Board, it seems that he has not been exercising his power, if the irregular conduct of the General Body meetings by the DCC. Bank. The better performance of the Board Bank in this respect suggests that an elected Board feels more responsibility, or even pressurized to hold General Body meetings regularly, as the elected representatives owe a moral obligation to account for their performance to their electorate.

In effect, the principle of democratic control is followed only to the extent of providing equal voting rights to members of the General Body.

3.2.2 Composition and Role of the Board of Directors

The Board of a DCC bank is a composite body, consisting of representatives of various types of affiliated societies. individual members and the Government.

The following Table shows the composition of the Boards of the Banks under study as per their bye-laws.

Table 3.2
Composition of the Boards of the DCC Banks as per Bye-Laws

Category	Number of Directors
I. Society	
a) Agricultural credit Societies	10
b) Other Societies	15
II. Individuals	01
III. Government	01

Source: Annual Reports of the Banks Year 2013-14, P. 5, 6.

The composition of the board shows that the representatives of societies constitute the majority and among the representatives of societies, the representatives of agricultural credit societies constitute the majority. The ensure

equitable representation on the Board to various classes of societies, they are grouped into a few categories for the purpose of election. Of the five representatives of individual members, two are elected from among those members holding fixed deposits in banks. The officials of the Co-operative Operative Department nominated by the Registrar represent the Government on the Board.

The DCC Bank had the elected Board until 31st March 2018, which was succeeded by a nominated Board consisting of 27 persons, whereas, the DCC Bank had a nominated Board all the period of study.

The function of the Board as specified in the bye-laws of the banks include raising of funds, sanctioning of loans, investing of funds, appointing personnel and regulating personnel matters, arranging for efficient supervision of affiliated societies, convening the meetings of the General Body and admitting new members. Thus, the Board is not only a policy making body, but also a sanctioning approval authority in respect of several important matters. The members of the Board will elect from among themselves a President and a Vice-President. The term of the Office of the Board is 5 years.

As per the bye-laws, the President exercises general control and supervision over the affairs of the Bank and the work of the officers. He presides over the meeting of the General Body and the Board. He exercises the powers delegated to him by the Board. They include sanctioning of credit limit statements of societies, recruiting certain categories of employees, issuing orders of promotion and transfers of employees, sanctioning of certain types of leaves for employees on the basis of proposals put up by the Secretary and taking disciplinary action as per the special bye-laws. Thus, he enjoys considerable administrative authority and plays an important role in the administration of the bank.

3.2.3 Latest Reconstitution of Board of D.C.C. Banks in the State

As per Rule 22-A. as amended in 1981, the constitution of the Committees (Boards) of all the DCC banks in the States is as given on page 40.

This new pattern has come into force since 1982 with the elections to the banks in the State held in 1982 according to the aforesaid Rule 22-A.

However, the discussion on structure of Boards of banks in this study is limited to the old structure of the Boards, as the period of study ended with 1980-81.

Table No. 3.3
Reconstruction of Board of Directors

Sl.	Directors Representing	Total No. of Seats	Filled by Elections			Open to All
			SC	ST	BC	
1	Territorial Societies consisting of PACS, Rural Banks, ISCS, FSS	10	1	1	2	6
2	Functional Societies (Societies under other than those in Group A)	15	1	1	2	11
3	Individual Members	1	--	--	--	1
4	Govt. Nominees	1	--	--	--	--

Source: Annual Reports of the Banks 2013-14.

3.2.4 Analysis and Structure of the Board

The principle of democratic control implies, among others, equitable representation to various classes of members of the General Body on the Board. An analysis of the composition of the Board of the banks under study revealed that there is disproportionate representation of various member groups on the Board. Individual members are over-represented compared to the societies other than agricultural credit societies. There is no equitable representation to various classes of societies. The federal character of the bank does not justify undue representation to individual members. The conditions which warranted the enrolment of individuals as members in these banks and the larger representation to them on the Board in early days no longer exist to-day and there is now little scope for them to play any useful role. The strength of their representatives need to be pruned. Similarly, the spread of co-operative activity

into non-agricultural sphere calls for more representation to societies other than agricultural credit societies.

The absence of suitable provision in the bye-laws to ensure the office of the President to societies' representative provides an opportunity for the individual members to assume the power in the banks. In fact, the President of the Board Bank, who held the office during the period of study, was a representative of individual members. It would be in the fitness of federal character of a central bank, if there is a suitable bye-law provision providing opportunity only for the representatives of societies to be elected to the position of President.

There is no representation on the Board to the financing bank, i.e. the State Co-operative Bank, unlike in other types of co-operatives like sugar factories.

Another important deficiency noticed is that there is no provision for the constitution of sub-committees by the Board. Sub-committees are a potential device by which effective participation of members of the Board in the administration of the bank can be ensured. Committees ensure group deliberation and judgment, representation of interested groups, motivation through participation, and therefore, they help better management of matters. In the absence of sub-committees, the business transacted at the Board meetings would be heavy resulting in scanty attention paid excepting to the interested issues. It is observed from the minutes of the Board meetings that the resolutions on various subjects passed at such meetings ranged from 22 to 185 in the banks. This is, by all means, an unhealthy feature.

It is good that the latest re-organization of committees has sought to reduce drastically the number of representatives of the individual members to 1, increase the number of representatives of societies other than agricultural credit societies and provide for representation to weaker sections. But an important deficiency is that in the absence of division of the area of the bank into constituencies for purpose of elections, there is likelihood of more representation of societies in one area on the Board of central bank and no or little representation of societies in the other areas.

3.2.5 Analysis of the Role of the Board of D.C.C. Bank

The role of the Boards of the banks under study is examined under two heads viz., (a) policy making, and (b) review of executive management performance. This is based on a critical examination of the relevant provisions of the MBSCS Act and Rules, bye-laws of the bank, the minutes of the Board meetings for a 3 year period (1974-75 to 1976-77) and on discussion with the President / Person-in-charge, Secretary and Chief Executive Officers of the banks.

Table 3.4
List of the Board of Directors of S.D.C.C. Bank, Solapur
(As on 1st April 2015)

Sr. No.	Name of Directors	Position
1	Hon. Shri. Dilip Brahmadeo Mane	Chairman
2	Hon. Shri. Babanrao Baburao Awatade	Vice-Chairman
3	Hon. Shri. Vijaysinh Shankarrao Mohite-Patil	Director
4	Hon. Shri. Dilip Gangadhar Sopal	Director
5	Hon. Shri. Sudhakar Ramchandra Paricharak	Director
6	Hon. Shri. Rajan Baburao Patil	Director
7	Hon. Shri. Sanjay Vitthalrao Shinde	Director
8	Hon. Shri. Sidramappa Malkappa Patil	Director
9	Hon. Shri. Jaywantrao Namdeorao Jagtap	Director
10	Hon. Shri. Chandrakant Ganpatrao Deshmukh	Director
11	Hon. Shri. Suresh Sidramappa Hasapure	Director
12	Hon. Shri. Ranjeetsinh Vijaysinh Mohite Patil	Director
13	Hon. Shri. Pratapsinh Shankarrao Mohite Patil (up to Date 11-8-2013)	Director
14	Hon. Shri. Babanrao Vitthalrao Shinde	Director
15	Hon. Shri. Dipakrao Bapusaheb Salunke Patil	Director

Sr. No.	Name of Directors	Position
16	Hon. Shri. Arun Subrao Kapase	Director
17	Hon. Shri. Sampatrao Maruti Patil	Director
18	Hon. Shri. Sanjay Namdeo Kamble	Director
19	Hon. Shri. Bahiru Santu Waghmare	Director
20	Hon. Shri. Ramdas Birappa Hakke	Director
21	Hon. Shri. Sunil Narhari Satpute	Director
22	Hon. Sau. Sunanda Babasaheb Babar	Director
23	Hon. Smt. Rashmi Digambarrao Bagal	Director
24	Hon. Shri. Dhanyakumar Shivajirao Patil	Empolyee Representative
25	Hon. Shri. Shivaji Shripati Das	Empolyee Representative
26	Hon. Shri. Rajendra Naganath Pawar	Empolyee Representative
27	Hon. Shri. Bibhishan Tukaram Lawand	State Govt. Representative

Source: Annual Reports of Bank 2014-15.

3.2.6 Role of the Board in Policy Making of D.C.C. Bank

The role of the Board of an individual co-operative like central bank is limited to acting within the framework of policy and procedures of the RBI and the Registrar. While policies and procedures relating to financial matters like loaning and deposit mobilization are suggested by the RBI, those relating to the administration like amendment of bye-laws and special bye-laws, elections to and super session of the Board, audit, enquiry, inspection and settlement of disputes relating to recovery of loans are prescribed by the Registrar. As the bank heavily leans on the RBI for funds and as the Registrar has enormous statutory powers over co-operatives, their circulars containing policy perceptions and procedural guidelines are taken as orders and implemented.

While policy formulation is peripheral, the Board has limited options to exercise in execution of policies and procedures accepted, responding to the local needs. Similarly, the initiative in matters like amendments to bye-laws and introduction of a new program or procedure rests with the Board. It can, however, influence policy making by representing its view point to the RBI and the Registrar on matters of interest.

With important matters decided by external bodies, what is left to be decided by the Boards of these banks is to look into routine matters like the sanctioning of loans as per rules and the various proposals concerned with the internal administration put up by the Secretary for their approval. Most of these proposals are also based on the circulars of either the RBI or the Registrar and, therefore, the Board has little discretion to exercise in approving those proposals. Thus, the routine nature of business transacted even at Board meetings does not evoke interest among members to actively participate in the meeting excepting in the case of matters of direct interest to them. Thus, the role of the Board as a policy making body is only nominal. Boards can play an effective role only in ensuring effective implementation of the policies and procedures. Their role in influencing the policy making takes the form of representation of their view point to the authority concerned.

3.2.7 Role of the Board of Directors in Reviewing the Executive Management Performance

The other important function of the Board is to review the performance of the management. The active role played by the Board in evaluating the management performance manifests in periodical review of the following:

- a) Lendings to societies, (type-wise, area-wise and society-wise)
- b) Lendings to small farmers and weaker sections (purpose-wise, society-wise and area-wise).
- c) Deposits position (branch-wise).
- d) The progress in the usage of banking facilities provided to the customers (branch-wise).
- e) The progress in recovery of loans (society-wise). (I) the work of supervisory staff and
- g) The coverage of overdues by legal action at society level and bank level.

In respect of majority of the matters under consideration there has been no review of management performance, while the review done in respect of other matters is observed to be formal, as the comment noted in the minutes book against the said item is 'recorded' or 'reviewed'. It is learnt from the 'Secretaries of the bank that there will be no discussion on these matters for the pressure on time of the Board meetings and lack of personal interest of directors in those matters. The Board comes to know of the overall position of lendings, deposits and overdues through the monthly progress reports which are submitted to the apex bank and are presented to the Board for its formal approval at the meeting. No special reports on these vital operations are prepared exclusively for the Board.

It is learnt from an interview with the President of the Board and the Person-in-charge of the DCC Bank that the pressure on time at the Board meetings, practical difficulties in convening more such meetings absolute faith of the Directors in the President and the General Manager are the important reasons for the absence of regular and critical review of management performance by the Board. It is learnt that the review takes the form of frequent

dialogue between the President / Person-in-charge of the Board and the General Manager the Chief Executive Officer. There is no system of the Secretary reporting the President and the President in turn to the Board on the progress and problems of the bank through comprehensive reports submitted at regular intervals.

3.2.8 Composition and Role of the Managerial Group

The managerial group of a central bank: consists of two principal officers, viz., 'Secretary' and 'Chief Executive Officer' and a host of subordinate executive staff. The functions of these two principal officers as laid down in the bye-laws are briefed here under.

1) General Manager

The Secretary is the key officer of the bank. He is responsible for the general administration of the bank. He works under the general control of the President. He is empowered, to do all that is necessary for carrying on the day to day administration of the bank. He has powers to accept deposits: of 'all accounts and carry on general banking transactions within the framework of the bye-laws. He is the custodian of the bank and is the officer to sue or to be sued on behalf of the bank. Thus, he is the 'Chief Executive' of the bank in the real sense of the term.

He has direct and complete control over the Banking department and all other departments, excepting the Administrative department of the bank, which is controlled by the Chief Executive Officer-a Government official. However, the Secretary has overall control over the staff of even the Administrative department.

2) Chief Executive Officer

He is the other principal officer of the bank. He is an employee of the Co-operative Department of the State working with the bank: on deputation. He generally belongs to the cadre of 'Deputy Registrar' or 'Sub-Registrar' of Co-operative Societies. He is responsible for initiating pursuing the legal action against the defaulting members/societies. His other functions include recommending loan applications of societies, periodical inspection of societies,

attending to the work of collection of loans due, and supervising and controlling the work of the field staff of the bank. He works under the general control of the President.

3.2.9 Departmentation in Banks

The departmentation; the staffing pattern and the complement of the staff have been the subjects of discretion of the banks till recently. Hence the difference in departmentation of the banks. It is seen from the charts 3.1 and 3.11 presented earlier in the Chapter that the executive management structure of the Board Bank, with only 2 departments, is tall featuring centralization, while that of the DCC Bank, with 5 departments, is flat featuring decentralization. There are no departments at the branch level in either of the banks .

3.2.10 Branches of the DCC Banks

The branches of a central bank have two major functions to perform, *viz.*, (a) to serve the affiliated societies of the bank tby disbursing the loans and advances to them and receiving collections from societies on account of loans advanced by the banks and (b) to carryon ordinary banking business by accepting deposits and offering other banking facilities needed in the area. In recent years, greater emphasis has been laid on the role of branches in guiding and supervising the 'operations of the societies in their jurisdiction.

There is a difference in the status of the branches of the banks under study. The branches of the Board Bank have been functioning as mere 'pay offices' in that they are simply carrying on ordinary banking business and disbursing loans to societies in their area on the basis of loan sanction orders of the Head Office. They have nothing to do with the supervision and control over societies and field staff of the bank.

On the other hand, the branches of the DCC Bank have been functioning as decentralized units from the year 1974-75. They are entrusted with the work of maintaining the loan accounts and registers of societies in their respective areas, and also of supervising and controlling the work of field staff attached to the branch. The Head Office acts through the branches in respect of several business operations, The branches constitute the basic units for planning and operations, execution of orders and supervising the operations of societies.

The Branch Managers of the Board Bank work under the control of the Secretary, while those of the DCC Bank work under the control of the both the General Manager and the Chief Executive Officer, as the branches are decentralized administrative units.

3.2.11 Field Staff

The Field Staff consists of Inspectors. Supervisors and Sale Officers. They are also known as 'Out-door Staff'. The Inspectors and Supervisors are considered the back bone of central bank. They provide the vital connecting link between the bank and the societies. They are the friend, philosopher and guide to societies. They being the representatives of the bank. supervise and control the business operations of societies borrowing from the bank. Their functions include periodical visits to societies for assisting the societies in borrowing from the central banks and in proper maintenance of accounts and books, for collection of loans due to the bank and for persuading or pressuring them to initiate legal action against the defaulting members.

They work under the guidance and control of the Chief Executive Officer in the Board Bank of the Branch Managers and the Chief Executive Officer in the DCC Bank.

The Sale Officers are the staff of the Co-operative. Department working on deputation with the bank. They assist the Chief Executive Officer in entertaining and disposing of legal cases filed by the societies and the bank against defaulters. They also assist the bank in recovery of loans and advances.

3.2.12 Re-Organization of the Management Structure of DCC Banks in the State

The RBI has taken up a study of the staffing pattern in central banks in the State in 1975 and suggested a uniform structure and staffing pattern for all the central banks in the State. It consists of three departments *viz.*, (a) Banking. (b) Loans and Supervision, and (c) Development under the overall charge of the General Manager, assisted by the Deputy General Managers, Assistant General Managers, etc.

There seems to be lack of awareness on the part of even the RBI to equip the central banks with the technical expertise also to aid the management of the banks in technical aspects of business. There is no provision for a technical cell in the organizational structure suggested for the banks. The technological advancement in agriculture and spread of cooperative activity into non-agricultural sphere underline the need for technical expertise in the banks and creation of a technical cell in the bank to undertake business potential surveys and evaluate the technical aspects of financing proposals of the bank.

The CRAFICARD has also emphasized the organizational restructuring as well as the strengthening of the existing staff arrangements in the central banks and suggested a model structure for all central banks in the country. It has six divisions, under the overall charge of the Managing Director.

The reorganization of the structure of all the central banks including the banks under study on the lines suggested by the RBI, was in the process by the end of the period of study. Therefore, the analysis of management structure's of the banks under study that follows is confined to the old pattern .

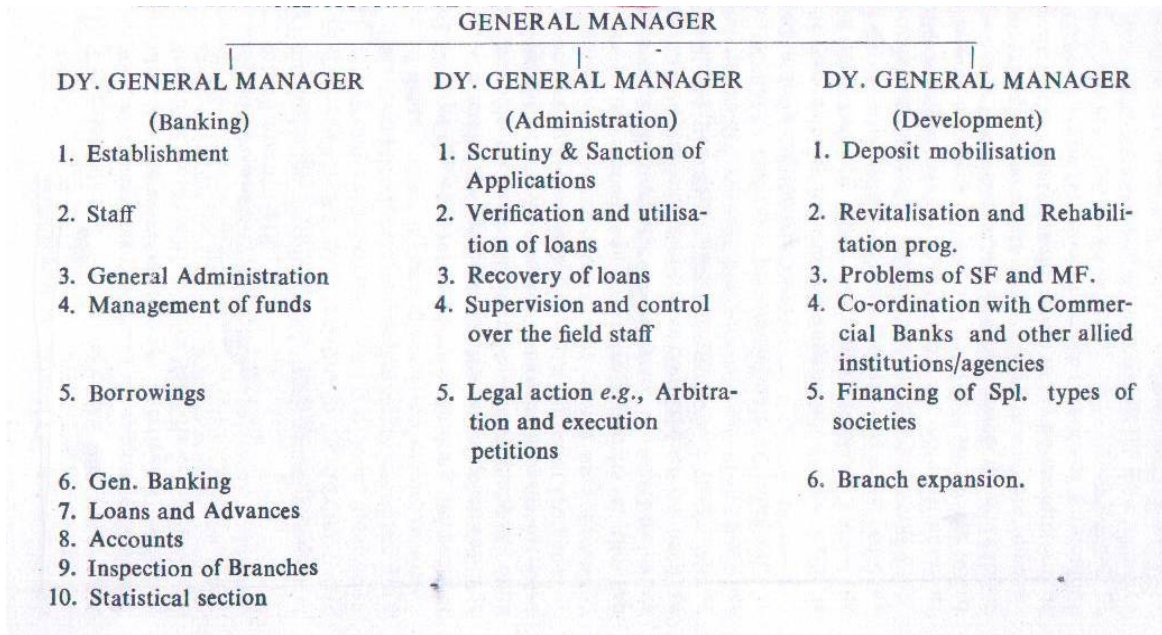
3.3 Analysis of the Management Structures of the DCC Banks

The management structure of an organization is designed, guided by the principles of organization. The management function of organizing involves (a) identifying and grouping of the activities necessary to accomplish the objectives, (b) delegating to the head of each group the authority necessary to perform the activities and (c) tying these grouping together horizontally and vertically, through authority relationships and information structures.

The management structures of the banks under study are analyzed in terms of the process and principles of organization to know whether they are properly conceived and maintained The process of organization is examined under three heads viz., (a) Grouping of work, (b) Span of management and (c) Authority and Responsibility.

Chart 3.6

ORGANIZATIONAL SETUP IN DCC BANKS IN MAHARASHTRA



3.3.1 Grouping of work

In organizing, it is important that the activities to be undertaken to achieve the objectives of the organization are identified and grouped together in a logical way. The grouping of activities in accordance with the functions of the organization is a widely accepted practice.

If the functions of a central bank are any guide, the structure of a central bank should consist of three major departments viz., (i) Banking, (ii) Loans and advances, and (iii) Development. The structure of either of the banks does not conform to this pattern. While the structure of the Board Bank, which has remained the same over two decades, is quite outdated, that of the Bank which has been reorganized three times during the period of study is not properly conceived.

An enquiry into the nature of grouping of activities into department, based on the statements of function of departments, has revealed that the grouping of activities in either of the banks is not properly done. The following are a few examples of irrational grouping of activities:

- a) The work which normally belongs to the general administration of the bank like arranging for Board meetings, General Body meetings and inspection of banks by external authorities are entrusted to the Banking department of the DCC Bank.
- b) The Establishment department of the DCC Bank deals with a crucial activity viz., 'management of funds' also. All the work relating to investments, collateral securities, gold loans, lockers, loan drawal applications by the bank to the apex bank, liquid resource maintenance is attended to by this department, besides the establishment work.
- c) Similarly, the overdues and legal action department deals with some work relating to the Administrative department. For example, scrutiny of loan application of non-agricultural credit societies, review of the work of the inspectors is done in the Overdues department.
- d) Some of the work relating to the Banking department is attended to by the Administrative department. For example, the work relating to branch expansion, rents for branches, subsidy due to new branches is attended to by this department.

There is no unified administrative authority at the top management level. Both the General Manager and Chief Executive Officer (CEO) exercise administrative control over the staff of the Administrative department in the ~ Bank and of Administrative department, Overdues department and Branches in the DCC Bank. Thus, the 'principle of unity of command' is ignored in designing the structure.

The responsibility for the administration of the bank is also divided between these two principal officers. While the Secretary is responsible to the Board for the banking operations and also for general administration of the bank, the CEO is responsible for that part of the administration as it relates to recovery of loans. Under this set up, the Board also cannot get continuous and proper advice from a single functionary subordinate to it. It is difficult, though not impossible, to fix responsibility for the lapses in the administration of the bank on a single functionary. In the absence of harmonious relations between these two

officers, there is likelihood of a clash of executive instructions or orders to the staff.

It appears that it is not in the interests of the bank to assign important tasks like recovery of loans and supervision and control over the field staff to a departmental officer (CEO) who is liable to be transferred and whose interests lie outside the organization. These important tasks require a person who keeps close and continuous personal contacts with the societies and staff, to understand better to local situation and decide the matters to suit local conditions. The turn-over of CEOs is very high in the case of PIC Bank as compared to the Board Bank. While as many as a Departmental Officers have worked as CEOs in the PIC Bank, the corresponding figure for the Board Bank is 4.

3.3.2 Span of Management

The 'Span of Management' refers to the number of subordinates one superior can effectively manage. In organizational planning, it is important to decide how many subordinates a superior can effectively manage as there is a limit in each management position to the number of persons with whom an individual can effectively deal with. The superior subordinate ratio will vary in terms of the type of management and organization in which he operates, the character of the work he supervises, the nature of the staff assistance available to him, and the capabilities of his subordinates. However, it is widely believed that the span can be wider at the middle and the lower levels of management as compared to the higher level.

The superior subordinate ratio in the banks under study is ascertained from the statements of staff strength at all levels. department-wise, to examine whether the span is wide or narrow It is understood that the span at any level of the structure is within the normal limits, if the studies on span are any guide.^{1sa} The subordinate directly reporting to a superior are 2 to 4 at top level and 1 to 12 at middle and lower levels in the banks. Even considering the volume of work: load and nature of supervision at every level, the span of management seems to be neither too wide nor too narrow to cause concern.

3.3.3 Authority and Responsibility of the Officers

Authority is the organizational power vested in management positions to enable the persons occupying these positions to act and command others to act in order to achieve the results expected of them. Responsibility is the obligation owed by subordinates to their superiors for exercising authority delegated to them to accomplish the results expected of them.

The authority available to executives at different levels is recorded from the sources like bye-laws, special bye-laws subsidiary rules and regulations, and the Minutes of the meetings of the Board, supplemented by the interview with the staff concerned to examine its adequacy in relation to needs, considering the constraints and restraints of the banks.

It is understood from a perusal of the above said sources that the Secretary and the Chief Executive Officer of the banks exercise considerable administrative authority to carry on smoothly the day-to-day administration of the bank. Yet, their subordinate officers of the bank are authorized to correspond independently with the societies, branches, field staff and local co-operative departmental officers on routine and ordinary matters. They are the recommending authority in respect of all matters falling in their jurisdiction. In both the banks, there has been the practice that the senior officer delegates his authority in specific matters like inspection of branches or conducting an enquiry into the charges framed against a society or a member of the staff or representing the bank at the State Co-operative Bank to any one of his direct subordinate or any other officer he chooses for the purpose.

So far as delegation of authority by the Chief Executive Officer is concerned, a part of his administrative authority relating to supervision and control over the field staff has been delegated to the Branch Managers of the DCC Bank since 1974. Branch Managers are authorized to approve the tour programs of the field staff, convene their meeting in the first week of every month for reviewing their work and report on their performance to the CEO recommending necessary action against the recalcitrant staff.

Branch Managers of the DCC Bank have nothing to do with the supervision and control over the field staff.

It is felt that there is much scope for decentralization of authority at branch level, making them units of planning, organizing, supervision and control over the operations of the bank pertaining to societies.

The factors influencing the limited delegation of authority in the banks are: (a) small size of the bank, (b) limitations imposed by the bye-laws and the special bye-laws of the bank and (c) the uniform policies and procedures adopted by the bank.

All the major principles of delegation of authority IS are adhered to by both the banks. This is evident from a study of a few cases of delegated authority. Authority is delegated top-down, i.e., from superior to subordinate. Thus, 'scalar principle' is followed. There is no confusion as to the source of authority and accountability at any level of management in both the banks. Whenever authority is delegated by the superior to the subordinate, the latter is informed of authority delegated and the results expected. Thus, the 'principle of delegation by results expected' is followed. The authority delegated is adequate. It is in accordance with the provisions of the bye-laws and the special bye-laws. Thus the 'principle of parity of authority with responsibility' is observed. The instances of assigning authority without responsibility or holding subordinates responsible without delegating necessary authority to them are not reported by the staff interviewed.

3.4 Growth and Development of Selected Bank

3.4.1 Investments

Cash, money at call and short notice and bills discounted are known as 'liquid assets'. In contrast, investments are referred to as 'earning assets' and constitute the 'Fourth Line of Defense' of the SDCCB. SDCCB invest substantial funds in fixed deposit scheme of D.C.C. Bank, Government Securities and fixed interest yielding securities. These securities can be easily converted into cash without much loss of value. Generally, SDCCB invest their excess funds in securities during the slack season and sell them during the busy season. They

yield a fairly good return. Some SDCCB also invest in shares of other co-op.s like co-op. sugar factories, co-op. cotton mills, DCC Bank and District and State Federations SDCCB. All such different types of investments are shown separately in the balance sheet of SDCCB. Securities constitute the most important item of liquid assets after cash resources. Security not only serves the purpose of liquidity, but also earns for the SDCCB a steady and definite rate of return. It is, therefore, obvious that the SDCCB exercise utmost care in selecting and investing in securities. In following the wise banking practice of 'not keeping all the eggs in one basket', SDCCB generally invest in different types of securities, such as, government securities, trustee and other types of securities.

3.4.2 Loans and Advances

The money that is received by the SDCCB by way of deposits from the customers is not kept idle in the cash box but is utilized for granting loans and advances to the needy borrowers. Lending of money is an important function of SDCCB from the point of view of its earnings. The profit of SDCCB predominantly depends upon its lending operations. Co-op. Banking is a business and like any other business, SDCCB also operate with a motive to earn profit. This function of lending of money is important also for the economy as a whole and for industry and commerce in particular. This is because the lending operations of SDCCB involve the creation of credit which in turn facilitates the financing of industry and commerce. It is in this sense that SDCCB play an important role in the socio-economic development of the urban and rural people of India. Before granting loans and advances to the borrowers, the SDCCB satisfy itself fully about their credit worthiness. This is why SDCCB lends money against the personal security of the borrowers or against the security of movable and immovable properties.

3.4.3 Total Assets

The term 'assets' refers to those heads on account of which the SDCCB are to receive an income from others. These heads are given on the right hand side of the balance sheet. The assets side of the SDCCB balance sheet is interesting as well as complicated. It is interesting because it reveals the manner in which the funds of the SDCCB in general are being employed or utilized. The success of the SDCCB depends on competence of the management to distribute

the funds among the various types of investments known as assets. The various types of assets must be balanced in such a way as to maximize the income of the SDCCB without incurring the danger of insolvency.

3.4.4 Recovery of Loans and Advances

For the sound functioning of credit co-op. movement, recovery of loans and advances assumes an important factor. Timely recovery of loans strengthens the resource position of co-op. institutions and enables them to repay the borrowed loans to the central financing agencies on time. The improvement in the strength of owned funds increases their borrowings capacity resulting in the channalization of additional resources to the members. This leads to more amount of transactions resulting in increased confidence of members in co-op. institutions. Further, it improves the morale and co-op. awareness among the members of the SDCCB.

The major problem in non-agricultural credit is poor recovery of the loans and advances, for any SDCCB, repayment of credit is of crucial importance as it not only ensures recycling of public money for development and building up confidence among the clientele, but also success and performance of any lending agency depends upon its recovery level. The recovery of loan in time is a primary factor of the loaning program of SDCCB. If the loan amount is not paid within time specified, it is called overdue and the borrower is known as defaulter. Of course, in the process of loaning, overdue may be formed like bad debt in business. The overdue should be within an allowable limit. If it exceeds time limit, the entire loaning structure gets diluted.

The Board of Directors has to play an important role in the timely recovery of the loans and advances. It has to plan the recovery program for every season before the debts become overdue taking into consideration the statutory and non-statutory powers, local understanding, local leadership and demographic conditions. The profitability is greatly influenced by non-performing advances. Poor credit appraisal, lack of proper follow up, failure to take corrective steps on advances showing signs of sickness etc. are some of the important causes for the increase in sticky and stagnant accounts.

3.4.5 Interest Income

When the market forces of demand and supply are not given a free hand and the rates of interest are determined by the monetary authority, they are referred to as 'Administered' or 'Regulated' rates of interest²⁵. NACCS is a business and like any other business, SDCCB aim at finding out sources of income for earning reasonable margin of profit. Obviously, the major sources of income for the SDCCB are interest and commission on loans granted and services rendered. A NACCS has an implied right to charge interest on loans granted to the customer. When a customer is permitted to overdraw his account or when a customer is granted advances through a loan account, the SDCCB has a right to charge interest and debit the customers account at agreed rates and intervals.

3.4.6 Commission Received

There is going to be a strong tendency among co-op. Banks to increase the non-funding business like merchant banking, guarantee, leasing companies etc. This will provide enough profit to banks at lower cost. However, the R.B.I. policy and rules are going to largely responsible for the future trends in co-op. banking industry. There is a vast scope in the merchants banking activities. The need is to develop expertise and delivery into new area like Project counseling, Management consultancy, Tax consultancy, Portfolio management, Corporate consultancy, Capital restructuring, Lease brokership and many other areas. Fast growing capital market will provide them with ample opportunities. There is a little doubt that the future of co-op. banks lies in innovative services, which can be provided through merchant banking. Today's co-op. banks lies on his deposits, tomorrow with increasing emphasis on merchant banking.

3.4.7 Other Incomes

In the context of decreasing profitability of co-op. banks operations, profit planning assumes crucial importance to any efforts towards efficiency improvement. Profit planning is based on fund management. It necessitates locating profit and cost centers identifying elements that determine income and cost structure of each center and the organization as whole, finding out the extent to which these factors can be influenced in policy and planning evolving

means to widen spread between cost and returns and developing supplementary and alternatives source of income or profits i.e. other income.

3.4.8 Profits

The basic objective of the nationalization of 14 commercial banks in 1969 was to use commercial banks as active and creative agents of social and economic change. It was, therefore, inevitable that the profits were given the bank seat in the priority lists of banks. Indeed it was argued that profits have no place in the operational goals of public utilities. But economic performance is essential for the survival of any business activity and the banking industry too no exception. For sustained growth, it is necessary for SDCCB that they should earn sufficient profits not only to meet current contingencies but also to strengthen their reserves to enable them to assume greater responsibilities. Profit in any commercial undertaking is, what remains out of the total income after meeting all the expenses, associated with realizing that income.

3.4.9 Number of Employees

Human resource management is quite essential for any growth oriented and dynamic organization, which wants to succeed in a fast changing competitive environment. The fundamental principle of HRM is to treat people as a valuable asset rather than a mere factor of production. Although it is taking place at large extent as substitute of human resources but it is only an aid to human efforts and not a substitute thereof. If the technology is the equalizer, then the human capital shall be the differential in future. The present position of HRM in banks demands, appropriate human resource strategies, policies and practices to achieve organization goals. It is pertinent to place the right person on the right job and at the right time also and then evaluate his/her performance against the predetermined goals of the organization.

The present situation demands that the men employed in the banking organizations, work with full commitment, devotion and discipline.

3.4.10 Dividend Paid Expenses

No co-op. bank shall pay a dividend to its members at a rate exceeding 12 percent on the paid up share capital and on the face value of the shares.

However, with the permission of the State Government the dividend can be paid at more than 12 percent rate. Dividend is to be paid only from net profit of that year, or from the amount accumulated in the Dividend Equalization Fund. Dividend cannot be paid from any other fund or Reserve Fund or from capital.

In order to enable the co-op. bank to pay dividend at a certain rate every year, this fund is created. A co-op. bank may credit a sum not exceeding 2 % of the paid up share capital in any year, until the total amount in such fund amount to 9 % of the paid up share capital. The co-op. bank may withdraw amount from this fund when its profits are not sufficient to pay the dividend at the rate at which it was being paid during the last five years or more.

3.4.11 Interest Expenses

Accepting deposits from the public is the primary function of SDCCB. In fact, the SDCCB business has its origin in this function. Safety of saving is the major concern for most people; therefore, they deposit their money in SDCCB for safe keeping. The SDCCB not only protects the deposits of the people but also pays interest on deposits so collected. SDCCB pay interest on fixed deposits, saving deposits and recurring or pigmy deposits.

Fixed deposits, as we know, are also known as Time Deposits or Term Deposits. These deposits are made for a fixed time period and cannot be withdrawn before the expiry of the term. The SDCCB can freely make use of such deposits for a fixed period for granting loans and advances. This is why SDCCB offer higher rates of interest on such deposits. The rate of interest on fixed deposits depends upon the period for which money is deposited; the longer the period of deposit, the higher is the rate of interest. Generally, interest accrued on fixed deposits is payable on the maturity of the FDR, but if the depositor desires and makes a request; the SDCCB pay interest quarterly or half-yearly. The interest accrued during a quarter or half-year is paid to the depositor in cash or is credited to his saving account from which he can withdraw as per his needs. The chief objective of savings deposits is to encourage the habit of thrift among people with low incomes. Deposits can be made in this account any number of times but there are restrictions on withdraws. For instance, a depositor cannot withdraw more than once or twice in a week. Sometimes restrictions are also put on the total

amount that can be withdrawn at one time and the total amount that can be deposited in one account. The rate of interest paid by SDCCB on deposits maintained in savings accounts is prescribed by the Co-op. Department of Maharashtra. The rate of interest on deposits in this account is generally 5.00 to 6.00 percent per annum.

3.4.12 Employees Salaries and Allowances

Qualified human capital will not be available cheaply. This will mean that a different approach will have to be taken for the salary to be paid to the recruited staff. If the qualities are different and the banks are able to compete the private sector banks how are they going to match the issue on pay and perquisites. This brings us to the next challenge of will the bank management be permitted to have more flexible compensation system so that the recruitment is made of people suitable for banking in the knowledge economy and who be able to get at least comparable way scales as that in the private sector.

3.5 Summing Up

The structure of central bank consists of General-Body, Board and Executive Group. While General Body is the supreme body, it is not in fact the supreme authority. Its authority is limited to matters specified in the bye-laws and is subject to the provisions of the co-operative law of the State and bye-laws of the DCC bank.

The composition of Board is not rational. There is undue representation of individual members, inadequate representation of societies other than agricultural credit societies, and no representation of the financing bank on the Board. Further, the Boards are deprived of the help and advice of sub-committees, as the Act does not provide for the appointment of such committees. Providing the opportunity even for the representative of the individual members to be elected as President is not in the fitness of the federal character of banks.

The role of the Board in policy making is nominal. It is the RBI and the Registrar that prescribe almost all the policies and procedures of the banks. The

role of the Board is then limited to ensuring effective implementation of those policies and procedures through periodical appraisal of the management performance. In practice, this role is not properly conceived and effectively played.

A disquieting feature of the structures of the managements of banks is that the (responsibility for the administration of the bank is divided between the two principal officers of the banks. As a result, there is no unified command from the top management. The vesting of considerable administrative authority in respect of vital matters in the hands of a Government Official who is liable to be transferred and whose interests lie outside the organization, does not appear to be in the interests of the bank. While the departmentation in the banks is not proper, the span of management is reasonable. While the two principal officers of the bank enjoy considerable administrative authority, the Branch Managers do not. But, whenever the authority is delegated by a superior to his subordinate in specific cases, the principles of delegation are followed.

The uniform structure of management suggested by the RBI for all the banks in the State rectified the important structural defects like lack of unified authority/command and improper departmentation in banks, whereas the composition of the Boards of the banks is much improved by the State Government through the latest amendments to the Rules concerned. A few other defects pointed out in this study need to be rectified by necessary departments to the MSCS Act and the bye-laws of the banks.

Chapter IV

ANALYSIS AND INTERPRETATION OF DATA

4.1 Introduction

4.2 Analysis and Interpretation of Data

4.3 Summing Up

Chapter IV

ANALYSIS AND INTERPRETATION OF DATA

4.1 Introduction

The co-operative credit movement is the movement for the people, by the people and of the people. The co-op. credit structure is the channel through which progress and prosperity of the common people can be enhanced. The co-op. credit movement in India is largest in the world. The co-op. credit have now emerged as a vital segment of the economy in our country. Some middle class Maharashtrian families settled in the erstwhile Baroda state started first SDCC BANK's i.e. 'A Mutual Aid Society' in Baroda on 5th February 1889 under the guidance of Maharashtrian Shri. Vithal Laxman Kavthekar. After independence, the topmost leaders like Rashtrapita Mahatma Gandhi and First Prime Minister Pandit Jawaharlal Nehru advocated strongly the co-operative movement in our country.

The organization of the SDCC BANK's is an activity which touches the lives of millions directly and indirectly everyday and everywhere. The basic objectives of SDCC BANK's are threefold, i.e. promotion of thrift among members and non-members, provision of credit on reasonable terms to persons of modest means and provision of banking services to customers. The SDCC BANK has been also sensitive and responsive to the needs of society. The SDCC BANK is a system which can be proud of possessing enviable network, literate and intelligence work force, competent management, clear regulatory frame-work and a definite role in economic life of individuals and organization.

There are some notable examples of co-op. success in areas such as Dairy co-op. in Gujarat, Sugar co-op. in Maharashtra, the Urban Co-op. Banks in Maharashtra, Gujarat and Karnataka. The growth and development of SDCC BANK's in Maharashtra is also indicative of a movement based on local initiative, which is neither state driven nor state supported. Keeping into consideration the complex role of the SDCC BANK's, its performance needs to be examined from various aspects. This chapter is devoted to study the performance evaluation through analysis and interpretation of members questionnaire, which was prepared for 2200 member respondents of selected SDCC BANK's.

Table 4.1
Saving Habits of Selected Customers in he Bank
(Amount Rs. in thousand)

Sr. No.	Tame of Taluka	Paticulars of Selected Respondents						Total
		Leess than Rs. 1000	Rs. 1001 to 4999	Rs. 5000 to 9999	Rs. 10000 to 19999	Rs. 200000 to 300000	More than Rs. 300000	
1	N. Solapur	85	35	27	14	14	5	180
2	S. Solapur	70	25	20	11	7	7	140
3	Mohol	90	49	34	34	22	11	240
4	Madha	95	43	31	31	21	9	230
5	Karmala	35	17	13	17	18	20	120
6	Pandharpur	52	19	19	17	37	26	170
7	Sangola	77	47	32	33	21	10	220
8	Mangalwedha	75	24	19	10	6	6	140
9	Malshiras	99	58	30	34	51	68	340
10	Akkalkot	86	22	14	9	4	5	140
11	Barshi	51	62	52	45	42	28	280
	Total	815	401	291	255	243	195	2200
	Percentage	37.05	18.27	13.23	11.64	11.05	08.85	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

The Table 4.1 shows the saving habits of the customers in selected SDCC Bank. The majority customers are depositing or invest amount less than Rs. 10,000. Only near about 20% selected customers are invests more than of the selected SDCC Bank depends upon high saving habits of the selected customers or account holders.

Graph No. 1
Saving Habits of Selected Customers in the Bank
 (Amount Rs. in thousand)

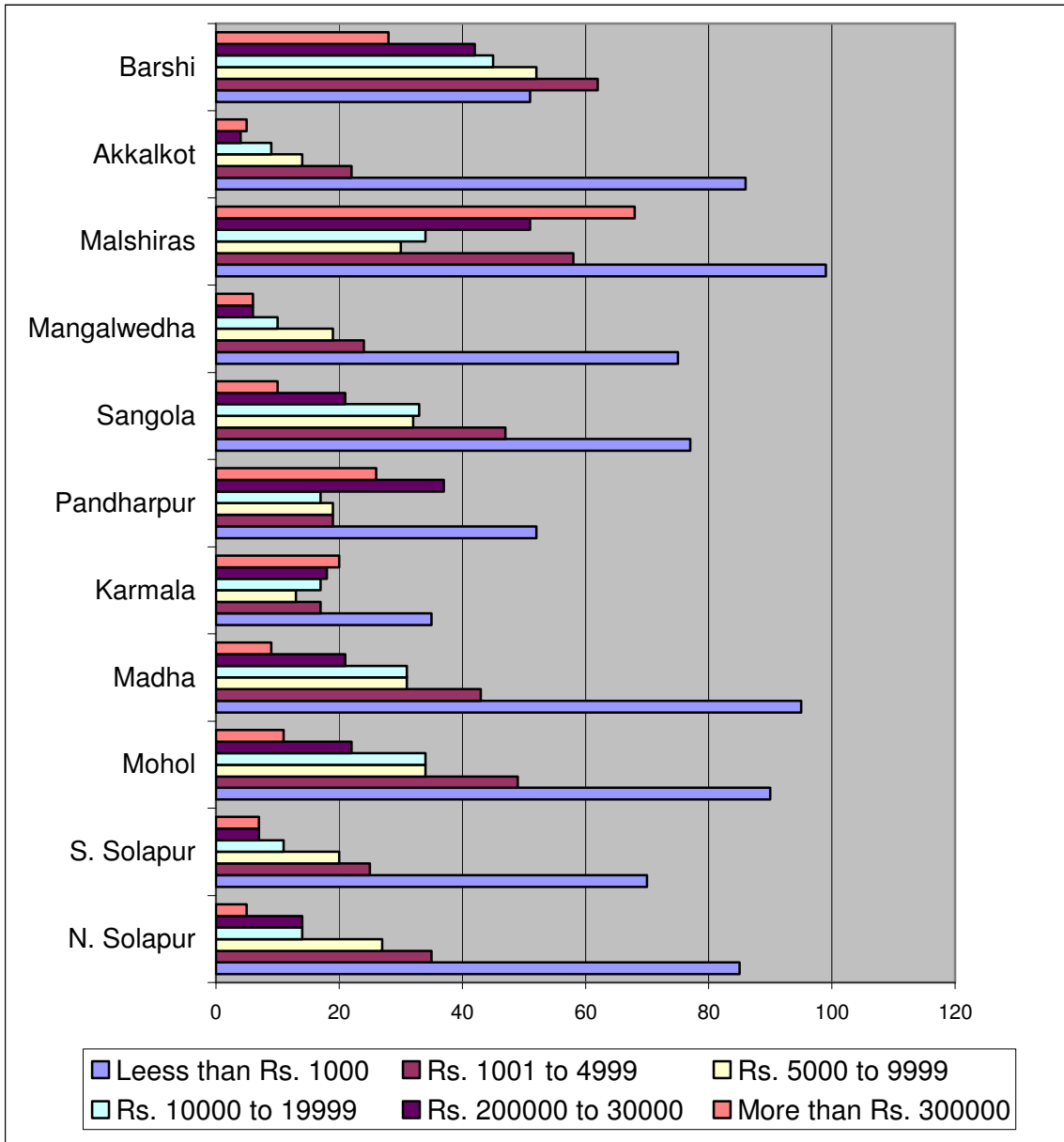


Table 4.2
Investment Decisions of Selected Customers in the Bank

Sr. No.	Tame of Taluka	Types of Investment							
		Bank	Insurance	Gold	Share Market	Real Estate	Land	Private Firm	Total
1	N. Solapur	111	9	9	5	10	27	9	180
2	S. Solapur	48	6	7	3	14	51	11	140
3	Mohol	142	8	10	7	12	48	13	240
4	Madha	75	9	23	7	6	105	5	230
5	Karmala	51	6	9	3	15	30	6	120
6	Pandharpur	79	8	12	5	9	40	17	170
7	Sangola	115	7	11	5	19	54	9	220
8	Mangalwedha	64	5	15	4	9	36	7	140
9	Malshiras	160	17	20	10	15	88	30	340
10	Akkalkot	53	15	22	3	7	34	6	140
11	Barshi	120	21	20	16	15	74	14	280
	Total	1018	111	158	68	131	587	127	2200
	Percentage	46.27	5.05	7.18	3.09	5.95	26.68	5.77	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

The Table 4.2 indicates investment decisions of selected customers in the SDCC Bank. There are five types of options for investments. More than 50% selected customers are like to keep amount in Bank account and taking life insurance. The 26.68 % selected customers are investing their savings in agricultural land. Only 3.09 % selected customers are investing their saving in share market. The success of marketing policies of the selected SDCC Bank depends upon saving in bank accounts.

Table 4.3
Selected Customers having Accounts in other Banks

Sr. No.	Tame of Taluka	Particulars of Customers		
		Yes	No	Total
1	N. Solapur	120	60	180
2	S. Solapur	75	65	140
3	Mohol	180	60	240
4	Madha	145	85	230
5	Karmala	65	55	120
6	Pandharpur	105	65	170
7	Sangola	125	95	220
8	Mangalwedha	79	61	140
9	Malshiras	195	145	340
10	Akkalkot	88	52	140
11	Barshi	166	114	280
	Total	1343	857	2200
	Percentage	61.05	38.95	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

The Table 4.3 reveals selected customers having accounts in other banks in Solapur district. There are different types of banks i.e. Co-op. banks, Nationalized banks, Scheduled banks and Private banks. In selected 2200 customers only 61.05 percent customers are having only one bank account in selected SDCC Bank. In total 38.95 percent selected have opened another bank account in other banks. The success of marketing policies and services are clearly depend upon operations of bank account in SDCC Bank.

Table 4.4
Sources Regarding Information about the Selected Bank

Sr. No.	Name of Taluka	Secretary	Gram Sevak	Talathi	Friends	Relatives	Advertisement	Colleagues	Ohters	Total
1	N. Solapur	56	50	51	2	3	2	1	15	180
2	S. Solapur	62	39	21	1	2	1	2	12	140
3	Mohol	145	30	32	3	3	2	4	21	240
4	Madha	99	55	45	2	4	3	3	19	230
5	Karmala	65	16	20	2	3	2	3	9	120
6	Pandharpur	107	14	35	1	2	1	2	8	170
7	Sangola	157	10	24	3	4	2	3	17	220
8	Mangalwedha	110	1	3	1	6	3	5	11	140
9	Malshiras	270	14	16	3	6	3	4	29	345
10	Akkalkot	105	6	9	2	3	1	3	6	135
11	Barshi	201	10	37	2	3	2	4	21	280
	Total	1377	245	293	22	39	22	34	168	2200
	Percentage	62.51	11.12	13.30	1.00	1.77	1.00	1.54	7.76	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

The Table 4.4 shows details about the sources regarding information about the selected SDCC Bank. In questionnaire, the researcher had given 8 sources, which are related to the rural areas and agricultural farmers. The majority 62.51 percent selected customers obtained in information about the SDCC Bank from the secretary of PACS in rural areas. The role of other sources like friends, relatives and advertisement is very less i.e. near about 4.00 percent.

Table 4.5
Types of Bank Accounts Opened by Selected Customers

Sr. No.	Name of Taluka	Types of Bank Accounts of Customers						
		Saving A/c	Current A/c	Fixed Deposit A/c	Recurring A/c	Cash Credit A/c	Any other	Total
1	N. Solapur	115	3	20	19	18	5	180
2	S. Solapur	97	2	14	11	13	3	140
3	Mohol	162	5	23	21	20	9	240
4	Madha	162	4	19	17	21	7	230
5	Karmala	89	2	11	7	6	5	120
6	Pandharpur	109	4	15	16	13	13	170
7	Sangola	148	5	19	20	11	17	220
8	Mangalwedha	80	4	14	15	14	13	140
9	Malshiras	244	14	31	18	16	17	340
10	Akkalkot	95	3	16	10	12	4	140
11	Barshi	202	7	23	17	16	15	280
	Total	1503	53	205	171	160	108	2200
	Percentage	68.32	2.41	9.32	7.77	7.27	4.91	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

The Table 4.5 contains data related to the types of bank account opened by selected customers in the SDCC bank Solapur. The majority customers i.e. 68.32 percent opened saving account in the selected bank. Very few customers are opened other type of bank account i.e. current account and cash credit account. The success of marketing of bank services is depends upon opening and operations of different types of bank accounts in selected banks.

Table 4.6
Opinion of Selected Customers Regarding Services of Bank

Sr. No.	Name of Taluka	Opinion of Selected Customers		
		Yes	No	Total
1	N. Solapur	171	9	180
2	S. Solapur	135	5	140
3	Mohol	229	11	240
4	Madha	220	10	230
5	Karmala	116	4	120
6	Pandharpur	163	7	170
7	Sangola	211	9	220
8	Mangalwedha	135	5	140
9	Malshiras	277	13	290
10	Akkalkot	136	4	140
11	Barshi	319	11	330
	Total	2112	88	2200
	Percentage	95.81	4.19	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

The Table 4.6 points out analysis regarding opinion of selected customers regarding services of selected SDCC Bank. The majority i.e. 95.81 percent customers are satisfied with services provided by SDCC bank and only 4.19 percent customers are not satisfied with services provided by the selected SDCC bank. The above table also shows success of marketing policies of selected SDCC Bank Ltd. Solapur.

Table 4.7
Satisfaction of Customers Regarding Quality of Services of Bank

Sr. No.	Name of Taluka	Opinion of Selected Customers		
		Yes	No	Total
1	N. Solapur	176	4	180
2	S. Solapur	137	3	140
3	Mohol	233	7	240
4	Madha	224	6	230
5	Karmala	115	5	120
6	Pandharpur	167	3	170
7	Sangola	216	4	220
8	Mangalwedha	137	3	140
9	Malshiras	327	13	340
10	Akkalkot	134	6	140
11	Barshi	275	5	280
	Total	2141	59	2200
	Percentage	97.32	2.68	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

Table 4.7 depicts the satisfaction of customers regarding quality of services of SDCC Bank. The 97.32 percent selected customers are satisfied about the services of SDCC Bank and only 2.68 percent selected customers are not satisfied with services provided by selected SDCC Bank Ltd., Solapur. The above table shows that selected SDCC Bank succeeded in marketing of services.

Table 4.8
Rating Given by Selected Customers for Quality of Services at Bank

Sr. No.	Name of Taluka	Opinion of Selected Customers					Total
		Very Excellent	Excellent	Good	Bad	Very Bad	
1	N. Solapur	17	69	89	3	2	180
2	S. Solapur	15	57	65	2	1	140
3	Mohol	25	86	123	3	3	240
4	Madha	21	88	118	1	2	230
5	Karmala	11	44	63	1	1	120
6	Pandharpur	18	76	71	3	2	170
7	Sangola	23	78	113	3	3	220
8	Mangalwedha	15	49	72	2	2	140
9	Malshiras	35	125	173	4	3	340
10	Akkalkot	15	47	74	2	2	140
11	Barshi	29	97	147	4	3	280
	Total	224	816	1108	28	24	2200
	Percentage	10.18	37.09	50.36	1.27	1.09	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

Table 4.8 points out the analysis of rating given by selected customers for quality of services at selected branches of SDCC Bank Ltd., Solapur. The majority customers i.e. 50.36 percent are given 'Good' opinion regarding services provided by the SDCC Bank Ltd., Solapur. Only 2.36 percent customers given 'Bad' and 'Very good' remark regarding services provided by the selected SDCC Bank.

Graph No. 2

Rating Given by Selected Customers for Quality of Services at Bank

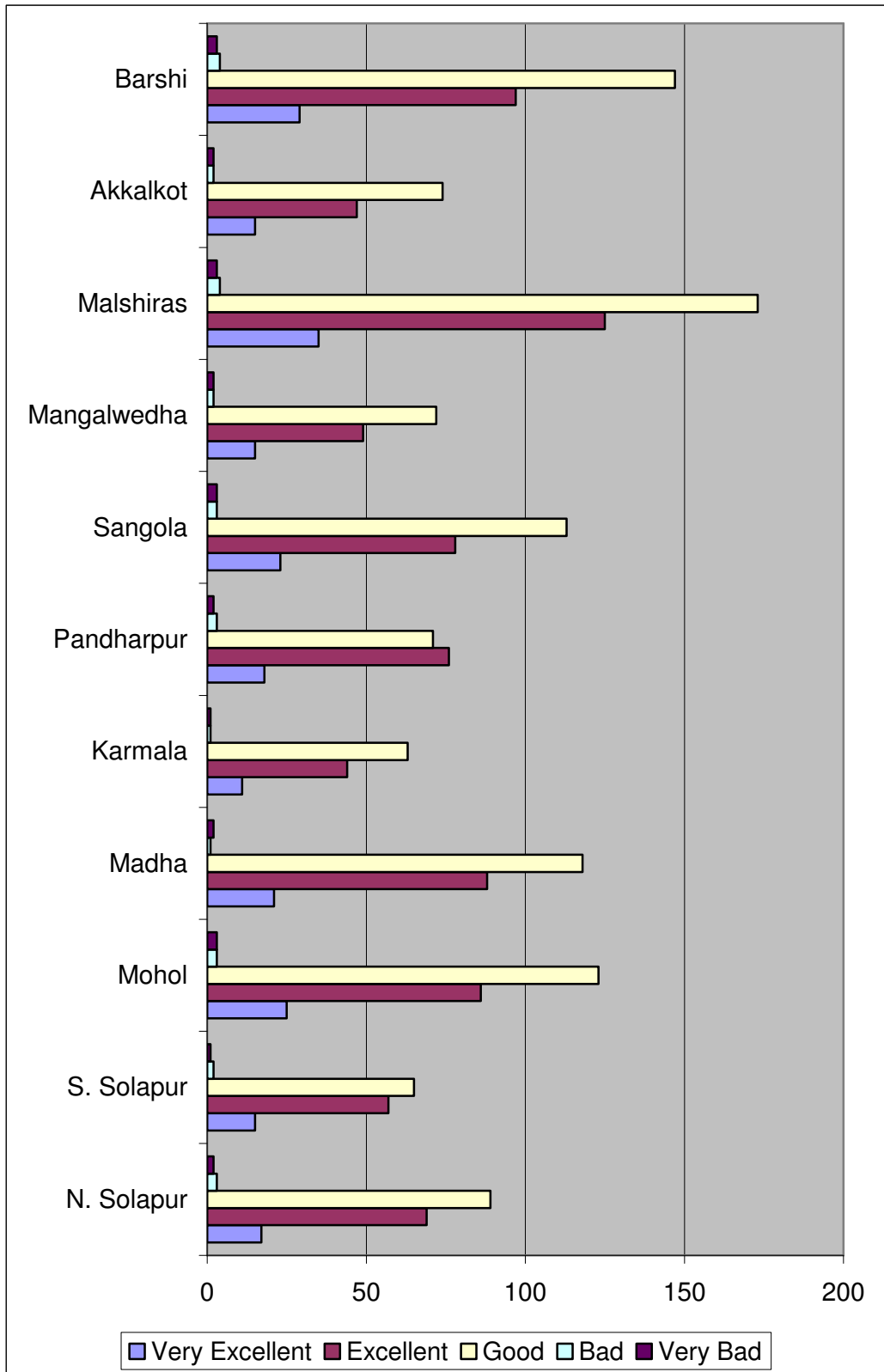


Table 4.9**Marks Allotted by Selected Customers for Overall Performance of Bank**

Sr. No.	Name of Taluka	Opinion of Selected Customers										Total
		1	2	3	4	5	6	7	8	9	10	
1	N. Solapur	2	4	3	53	9	15	18	20	19	37	180
2	S. Solapur	3	5	4	37	6	11	14	16	15	29	140
3	Mohol	4	3	5	72	11	21	24	26	25	49	240
4	Madha	3	5	4	69	10	20	23	25	24	47	230
5	Karmala	2	3	4	32	3	11	13	14	13	25	120
6	Pandharpur	1	3	2	56	7	13	16	19	18	35	170
7	Sangola	4	6	5	64	9	19	21	24	23	45	220
8	Mangalwedha	3	5	4	34	8	11	11	18	17	29	140
9	Malshiras	5	3	4	116	14	31	31	34	33	69	340
10	Akkalkot	3	4	1	53	3	10	10	14	13	29	140
11	Barshi	4	6	5	94	11	23	24	28	27	58	280
	Total	34	47	41	680	91	185	205	238	227	452	2200
	Percentage	1.55	2.14	1.86	30.91	4.14	8.41	9.32	10.82	10.32	20.55	100

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

Table 4.9 disclosed marks allotted by selected customers for overall performance of the selected SDCC Bank Ltd., Solapur. The 30.91 percent customers are given 4 marks out of 10 marks for overall performance. The 20.55 percent customers are given 10 out of 10 marks for overall performance of the selected SDCC Bank. This table also shows success of selected SDCC Bank regarding services provided.

Table 4.10
Opinion of Selected Customers Regarding Quantity of Services Provided

Sr. No.	Name of Taluka	Opinion of Selected Customers					Total
		2	3 to 4	6 to 7	8 to 10	More than 11	
1	N. Solapur	66	120	18	17	9	230
2	S. Solapur	72	108	14	13	8	215
3	Mohol	96	59	24	23	13	215
4	Madha	113	61	23	22	11	230
5	Karmala	62	30	12	11	5	120
6	Pandharpur	71	60	17	16	6	170
7	Sangola	110	58	23	21	8	220
8	Mangalwedha	80	27	15	13	5	140
9	Malshiras	121	88	35	33	13	290
10	Akkalkot	73	33	16	13	5	140
11	Barshi	94	67	29	27	13	230
	Total	958	711	226	209	96	2200
	Percentage	46.17	31.71	9.42	8.71	4.00	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

Table 4.10 provided details about the opinion of selected customers regarding quantity of services provided by the SDCC Bank Ltd., Solapur. The 31.71 percent selected customers agree about 3 to 4 types of services provided by the selected SDCC Bank. The 46.17 percent selected customers agree about only 2 types services i.e. Loan facility and Account operation facility. In present competitive environment different types of services are very important.

Table 4.11
Services Providing by Selected Bank as per Opinion of Customers

Sr. No.	Name of Taluka	RTGS or NEFT	Online Banking	Demand Draft	ATM Card	Locker	NEFT	Cheque	Other	Total
1	N. Solapur	9	2	7	14	11	9	118	10	180
2	S. Solapur	6	3	5	10	9	7	92	8	140
3	Mohol	11	4	9	20	14	12	157	13	240
4	Madha	12	3	10	19	13	11	150	12	230
5	Karmala	5	2	4	10	8	6	78	7	120
6	Pandharpur	8	2	6	13	10	8	114	9	170
7	Sangola	11	3	9	17	13	11	144	12	220
8	Mangalwedha	7	2	6	10	8	6	94	7	140
9	Malshiras	16	4	14	29	19	18	222	18	340
10	Akkalkot	7	3	6	11	8	8	90	7	140
11	Barshi	10	3	9	24	16	14	189	15	280
	Total	102	31	85	177	129	110	1448	118	2200
	Percentage	4.64	1.41	3.86	8.05	5.86	5.00	65.82	5.36	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

Table 4.11 disclosed the different types of services such as RTGS, online banking, demand drafts, credit card, locker, NEFT, cheque and ATM cards. the 65.82 percent customers opinion is that, selected SDCC Bank provides only cheque book facility to the customers. At present RTGS or NEFT and online banking services are very important in each branch of the selected SDCC Bank Ltd.

Graph No. 3
Services Providing by Selected Bank as per Opinion of Customers

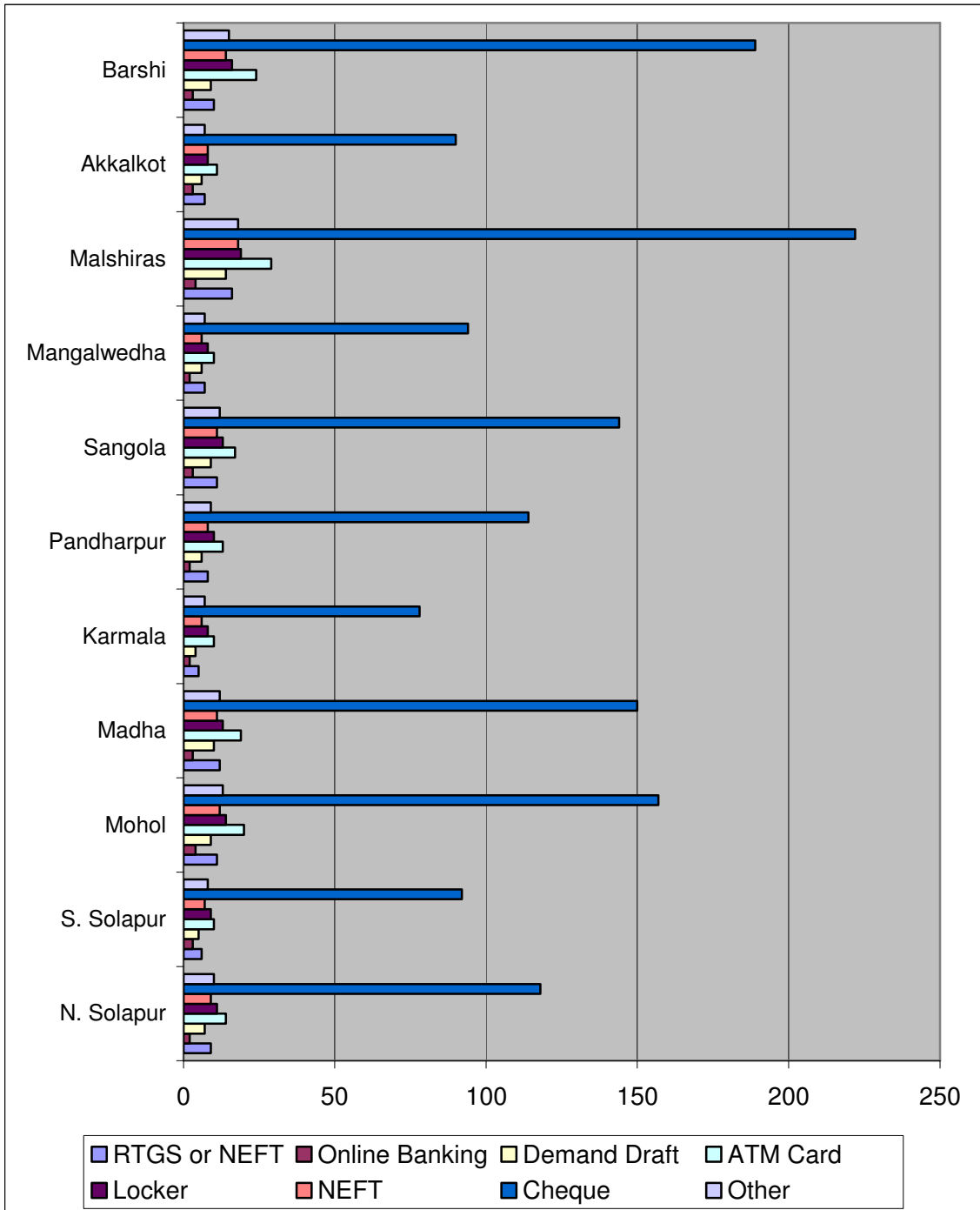


Table 4.12
ATM Cardholders in Selected Customers in Selected Banks

Sr. No.	Name of Taluka	Particulars of Customers		
		Yes	No	Total
1	N. Solapur	26	174	200
2	S. Solapur	26	134	160
3	Mohol	35	125	160
4	Madha	29	221	250
5	Karmala	26	114	140
6	Pandharpur	30	160	190
7	Sangola	32	108	140
8	Mangalwedha	19	131	160
9	Malshiras	41	319	360
10	Akkalkot	06	134	140
11	Barshi	39	261	300
	Total	319	1881	2200
	Percentage	14.50	85.50	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

Table 4.12 discloses the ATM cardholders in selected customers in selected SDCC Bank Ltd., Solapur. The above table shows that only 5.95 percent selected customers applied and using the ATM cards. The 94.05 percent selected customers are not using ATM cards for banking transactions. Majority of the selected customers are from rural areas therefore they are not using ATM facility.

Table 4.13
ATM Machine Provided by Selected S.D.C.C. Bank Ltd. Solapur

Sr. No.	Name of Taluka	Opinion of Customers		
		Yes	No	Total
1	N. Solapur	2	178	180
2	S. Solapur	2	138	140
3	Mohol	5	235	240
4	Madha	3	227	230
5	Karmala	2	118	120
6	Pandharpur	4	166	170
7	Sangola	4	216	220
8	Mangalwedha	3	137	140
9	Malshiras	7	333	340
10	Akkalkot	2	138	140
11	Barshi	6	274	280
	Total	40	2160	2200
	Percentage	1.82	98.18	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

Table 4.13 shows the opinions of selected customers regarding of availability of ATM machines in branches. The only 1.82 percent selected customer's opinion regarding ATM machines are available in their branches. But majority of selected customers i.e. 98.81 percent said that, ATM machines are not available in their branches. In each and every branch, ATM machines are very essential for successful marketing of Bank services.

Table 4.14
Selected Customers Experience Regarding ATM Facility

Sr. No.	Name of Taluka	Opinion of Customers		
		Yes	No	Total
1	N. Solapur	172	28	200
2	S. Solapur	133	27	160
3	Mohol	227	23	260
4	Madha	219	31	250
5	Karmala	115	25	140
6	Pandharpur	162	28	190
7	Sangola	110	30	140
8	Mangalwedha	133	27	160
9	Malshiras	324	26	360
10	Akkalkot	133	27	160
11	Barshi	167	33	200
	Total	1895	305	2200
	Percentage	86.14	13.86	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

Table 4.14 shows the experience of selected Bank customers about the good marketing about the good working of ATM machines and availability of funds at any time in ATM machines. The 86.14 percent selected customers are satisfied about good working conditions and availability of cash in ATM of SDCC Bank Ltd. The 13.86 percent selected customers are not satisfied about services of ATM regarding availability of cash.

Table 4.15
Selected Customers Having Cheque Book in Selected Bank

Sr. No.	Name of Taluka	Opinion of Customers		
		Yes	No	Total
1	N. Solapur	37	143	180
2	S. Solapur	39	101	140
3	Mohol	51	189	240
4	Madha	47	183	230
5	Karmala	26	94	120
6	Pandharpur	57	113	170
7	Sangola	47	173	220
8	Mangalwedha	29	111	140
9	Malshiras	35	305	340
10	Akkalkot	29	111	140
11	Barshi	63	217	280
	Total	460	1740	2200
	Percentage	20.91	79.09	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

Table 4.15 shows the selected customers having cheque book in selected Banks. The 460 selected customers are given positive answer regarding use of cheque book in day to day transactions with selected branches of the SDCC Bank. The 1740 selected customers are given negative answer regarding use of cheque book. Near about 80 percent selected customers are not using cheque book facility for making day to day transactions with other peoples.

Table 4.16
Number of Selected Customers as a Borrower in Selected Bank

Sr. No.	Name of Taluka	Particulars of Customers		
		Yes	No	Total
1	N. Solapur	143	37	180
2	S. Solapur	111	29	140
3	Mohol	191	49	240
4	Madha	183	47	230
5	Karmala	94	26	120
6	Pandharpur	135	35	170
7	Sangola	144	76	220
8	Mangalwedha	111	29	140
9	Malshiras	270	70	340
10	Akkalkot	111	29	140
11	Barshi	243	37	280
	Total	1736	464	2200
	Percentage	78.91	21.09	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

Table 4.16 provides details about the number of customers as a borrower in selected SDCC Bank Ltd. The 1736 selected customers has taken loan facility from selected branch of SDCC Bank Ltd. Only 464 selected had not borrowed loan from selected branch of SDCC Bank Ltd. Near about 79 percent selected customers had borrower of the selected SDCC Bank Ltd.

Table 4.17
Types of Loan Taken by Selected Customers in the Bank

Sr. No.	Name of Taluka	Types of Loan						Total
1	N. Solapur	151	23	2	1	1	2	180
2	S. Solapur	101	31	2	1	2	3	140
3	Mohol	199	30	1	2	3	5	240
4	Madha	189	29	1	2	4	5	230
5	Karmala	89	23	2	1	2	3	120
6	Pandharpur	137	21	2	3	3	4	170
7	Sangola	181	27	3	2	3	4	220
8	Mangalwedha	111	17	2	3	4	3	140
9	Malshiras	285	37	3	4	5	6	340
10	Akkalkot	113	19	1	2	2	3	140
11	Barshi	228	37	2	2	5	6	280
	Total	1784	294	21	23	34	44	2200
	Percentage	81.09	13.36	0.95	1.05	1.55	2.00	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

Table 4.17 shows different types of loans providing by SDCC Bank Ltd., Solapur. The different types of loans were agricultural loan, business loan, housing loan, education loan, personal loan and car or vehicle loan etc. In selected SDCC bank majority customers i.e. 81.69 percent are taking agricultural loan from selected bank. The second number was business loan. The 13.36 percent selected customers were taking business loan from selected bank.

Table 4.18
Regular Re-paying Selected Customers in the Bank

Sr. No.	Name of Taluka	Particulars of Customers		
		Yes	No	Total
1	N. Solapur	31	149	180
2	S. Solapur	29	111	140
3	Mohol	49	191	240
4	Madha	47	183	230
5	Karmala	26	94	120
6	Pandharpur	36	134	170
7	Sangola	29	191	220
8	Mangalwedha	33	107	140
9	Malshiras	71	269	340
10	Akkalkot	35	105	140
11	Barshi	63	217	280
	Total	449	1751	2200
	Percentage	20.41	79.59	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

Table 4.18 shows data regarding regular repaying selected customers in the selected bank. Only 449 customers out of 2200 selected customers repaying their loans and advances regularly. The 1751 customers or borrowers are not paying his loan installment regularly. In the selected bank overdues percentage was very high and amount of N.P.A. was also very high. Honestly attempts are very essential for recovery of overdues amount.

Table 4.19
Reasons for the Non-Payments of Loans by Selected Customers

Sr. No.	Name of Taluka	Particulars of Customers					Total
		Low Productivity/ Earning	Absence of Surplus/ Extra Income	Non Availability of Salary	Loan used for Unproductive Purpose	Natural Loss	
1	N. Solapur	81	47	10	9	33	180
2	S. Solapur	62	34	7	6	31	140
3	Mohol	111	48	13	11	57	240
4	Madha	101	59	10	9	51	230
5	Karmala	57	25	6	5	27	120
6	Pandharpur	79	47	7	6	31	170
7	Sangola	103	57	10	9	41	220
8	Mangalwedha	63	37	6	5	29	140
9	Malshiras	161	93	14	13	59	340
10	Akkalkot	62	41	5	4	28	140
11	Barshi	129	60	13	11	67	280
	Total	1009	548	101	88	454	2200
	Percentage	45.86	24.91	4.59	4.00	20.64	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

Table 4.19 shows reasons for the non-payment of loans and advances disbursed by selected bank. The selected bank has disbursed loans and advances to the farmers in the rural area of Solapur district. The low productivity of agricultural land was the main reason of non-recovery of loans and advances disbursed by selected bank. The 45.86 percent selected respondents given the reason of low-productivity.

Table 4.20
Opinion of Selected Customers Regarding Service Charges of Bank

Sr. No.	Name of Taluka	Particulars of Customers					Total
		Very High	High	Medium	Low	Very Low	
1	N. Solapur	20	14	91	36	19	180
2	S. Solapur	16	10	71	28	15	140
3	Mohol	26	17	121	51	25	240
4	Madha	25	18	116	47	24	230
5	Karmala	14	7	61	25	13	120
6	Pandharpur	19	12	86	35	18	170
7	Sangola	24	15	113	45	23	220
8	Mangalwedha	16	7	73	29	15	140
9	Malshiras	36	61	173	35	35	340
10	Akkalkot	16	6	74	29	15	140
11	Barshi	30	22	142	57	29	280
	Total	242	189	1121	417	231	2200
	Percentage	11.00	8.59	50.95	18.95	10.50	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

Table 4.20 displays the opinions of respondents about the service charges charged by selected banks. The five alternatives was given for the respondents. The majority respondents i.e. 50.95 percent opinion is that, the charges given by selected bank were at medium rate. Only 18.59 percent respondents are given their opinion that, charges given by selected bank are very high. The customers satisfaction was depend on charges given by selected bank for different transactions.

Graph No. 4
Opinion of Selected Customers Regarding Service Charges of Bank

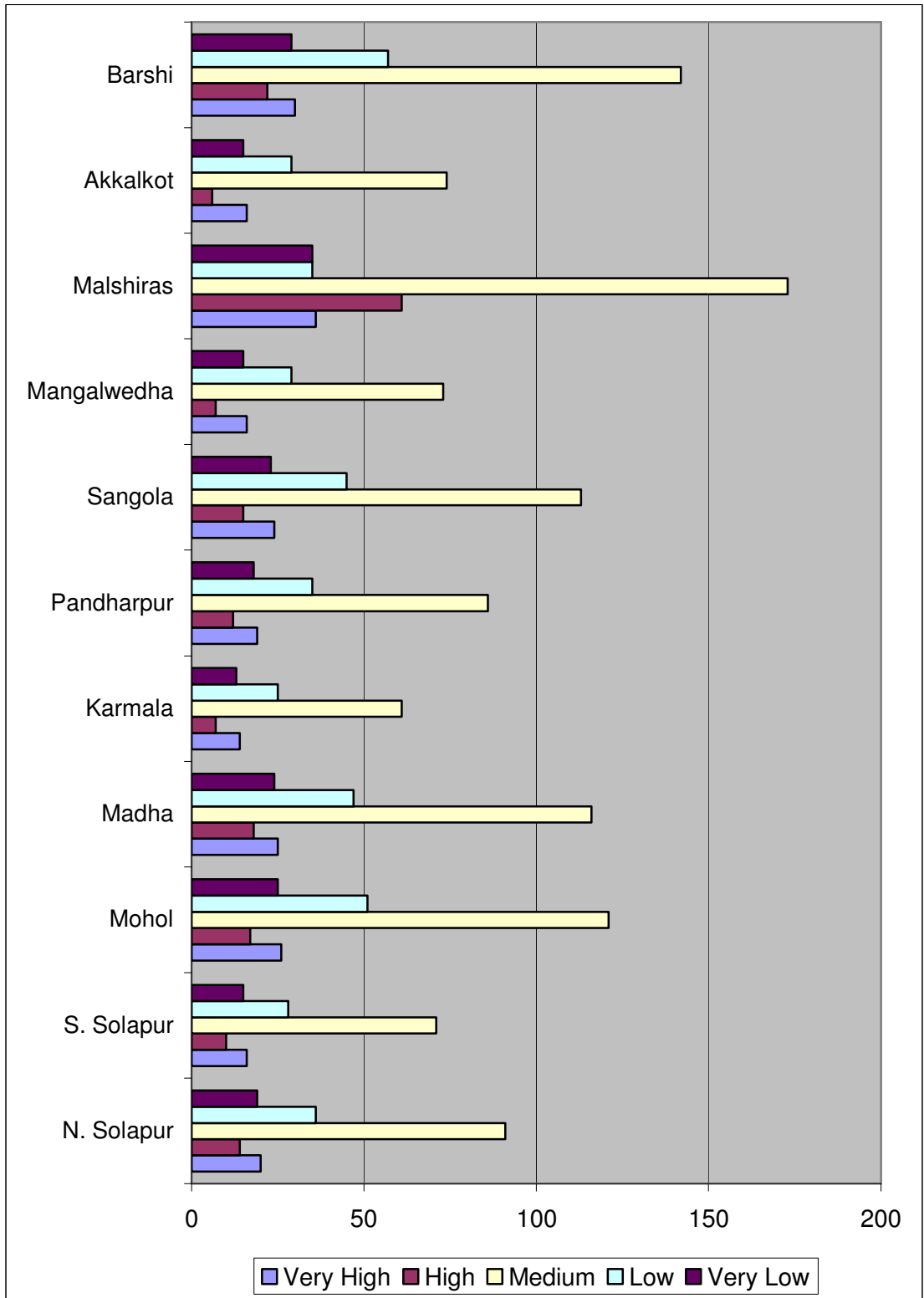


Table 4.21
Opinion of Selected Customers Regarding Location of Branch

Sr. No.	Name of Taluka	Particulars of Customers		
		Yes	No	Total
1	N. Solapur	46	124	170
2	S. Solapur	36	94	130
3	Mohol	61	169	230
4	Madha	66	154	220
5	Karmala	33	177	210
6	Pandharpur	37	123	160
7	Sangola	59	151	210
8	Mangalwedha	37	93	130
9	Malshiras	91	239	330
10	Akkalkot	36	104	140
11	Barshi	77	193	270
	Total	579	1621	2200
	Percentage	26.31	73.69	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

Table 4.21 indicates opinion of selected customers regarding location of branches of selected banks. At the time of survey, there were 220 branches working at the different rural, semi urban and urban areas of the Solapur district. The majority of respondents i.e. 73.69 percent are not satisfied with proper place of the present branches, only 26.31 percent respondents are satisfied with present location of the branches of selected bank. The success of the banking industry is depends upon proper location of branch.

Table 4.22
Opinion of Selected Customers Regarding Parking Facility in the Branch

Sr. No.	Name of Taluka	Particulars of Customers		
		Yes	No	Total
1	N. Solapur	161	29	190
2	S. Solapur	125	25	150
3	Mohol	111	39	150
4	Madha	202	38	240
5	Karmala	101	29	130
6	Pandharpur	151	29	180
7	Sangola	192	38	230
8	Mangalwedha	123	27	150
9	Malshiras	301	49	350
10	Akkalkot	121	29	150
11	Barshi	243	37	280
	Total	1831	369	2200
	Percentage	83.23	16.77	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

Table 4.22 shows opinions of selected customers regarding parking facility in the selected branches of SDCC Bank. At present parking facility is very essential for customers satisfaction. The majority respondents i.e. 83.23 percent were satisfied with availability of parking facility for customers vehicles. The 16.77 percent selected customers were not satisfied with parking facility available in branches selected.

Table 4.23
Opinion of Selected Customers about Opening of New Branches

Sr. No.	Name of Taluka	Particulars of Customers		
		Yes	No	Total
1	N. Solapur	134	56	190
2	S. Solapur	106	44	150
3	Mohol	187	63	250
4	Madha	179	61	240
5	Karmala	97	33	130
6	Pandharpur	131	49	180
7	Sangola	169	61	230
8	Mangalwedha	109	41	150
9	Malshiras	261	89	350
10	Akkalkot	108	42	150
11	Barshi	116	64	180
	Total	1597	603	2200
	Percentage	72.60	27.40	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

Table 4.23 shows opinion of selected customers about opening of new branches, place of new branches and policy of the selected bank regarding opening of new branches. The majority of customers i.e. 72.60 percent satisfied about the policy of selected bank about opening of new branches. The 27.40 percent selected respondents are not satisfied with policy and place of the new branches of selected bank. The total banking business is depends upon place of the branch.

Table 4.24
Opinion of Selected Customers regarding Quick Services in the Bank

Sr. No.	Name of Taluka	Particulars of Customers		
		Yes	No	Total
1	N. Solapur	37	143	180
2	S. Solapur	29	111	140
3	Mohol	49	191	240
4	Madha	47	183	230
5	Karmala	26	94	120
6	Pandharpur	35	135	170
7	Sangola	47	173	220
8	Mangalwedha	29	111	140
9	Malshiras	69	271	340
10	Akkalkot	29	111	140
11	Barshi	57	223	280
	Total	454	1746	2200
	Percentage	20.64	79.36	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

Table 4.24 shows the opinions of the selected customers regarding quick services provided by the selected bank. The majority of respondents i.e. 79.36 percent were not happy or satisfied about the quickness of branch employees for given services to the selected customers. The only 20.64 i.e. 454 selected customers were satisfied about the quickness of services. The minimum time requirement is very essential for customers satisfaction.

Table 4.25
Opinion of Customers Regarding Time Consumption of Services

Sr. No.	Name of Taluka	Opinion of Customers				
		Up to 10 Minutes	11 to 20 Minutes	21 to 30 Minutes	More than 31 Minutes	Total
1	N. Solapur	19	37	34	90	180
2	S. Solapur	15	29	23	73	140
3	Mohol	25	49	43	123	240
4	Madha	24	47	41	118	230
5	Karmala	13	25	21	61	120
6	Pandharpur	18	36	32	84	170
7	Sangola	23	45	40	112	220
8	Mangalwedha	15	29	23	73	140
9	Malshiras	35	75	70	160	340
10	Akkalkot	15	29	22	74	140
11	Barshi	29	57	51	143	280
	Total	231	458	400	1111	2200
	Percentage	10.50	20.82	18.18	50.50	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

Table 4.25 reveals opinion of customers regarding time consumption or time requirement for completion of work in selected bank. The five options were given for customers. The majority of customers i.e. 50.50 percent are given requirement 31 minutes for completion of work or service. The only 231 selected customers i.e. 10.50 percent customers given time of up to 10 minutes for completion of work or service. The minimum time requirement or fast service is very essential for customers satisfaction.

Table 4.26
Rating Given by Selected Customers for Working of the Bank

Sr. No.	Name of Taluka	Opinion of Customers					
		Very Excellent	Excellent	Good	Bad	Very Bad	Total
1	N. Solapur	17	19	107	28	9	180
2	S. Solapur	13	15	85	20	7	140
3	Mohol	23	25	150	30	12	240
4	Madha	22	24	145	26	13	230
5	Karmala	11	13	72	17	7	120
6	Pandharpur	16	18	106	21	9	170
7	Sangola	21	23	133	31	12	220
8	Mangalwedha	13	15	84	21	7	140
9	Malshiras	33	35	211	42	19	340
10	Akkalkot	13	15	91	13	8	140
11	Barshi	27	29	175	33	16	280
	Total	209	231	1359	282	119	2200
	Percentage	9.50	10.50	61.77	12.82	5.41	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

Table 4.26 indicates the opinion of customers or regarding rating given by selected customers for working of the selected bank. The five types of options or alternatives were given to selected customers. The majority of customers i.e. 61.77 percent were given the remark of 'Good' for working standards of the selected bank. Only 12.82 percent and 5.41 percent selected customers given 'bad' and 'very bad' remarks for working standards of the selected bank.

Graph No. 5
Rating Given by Selected Customers for Working of the Bank

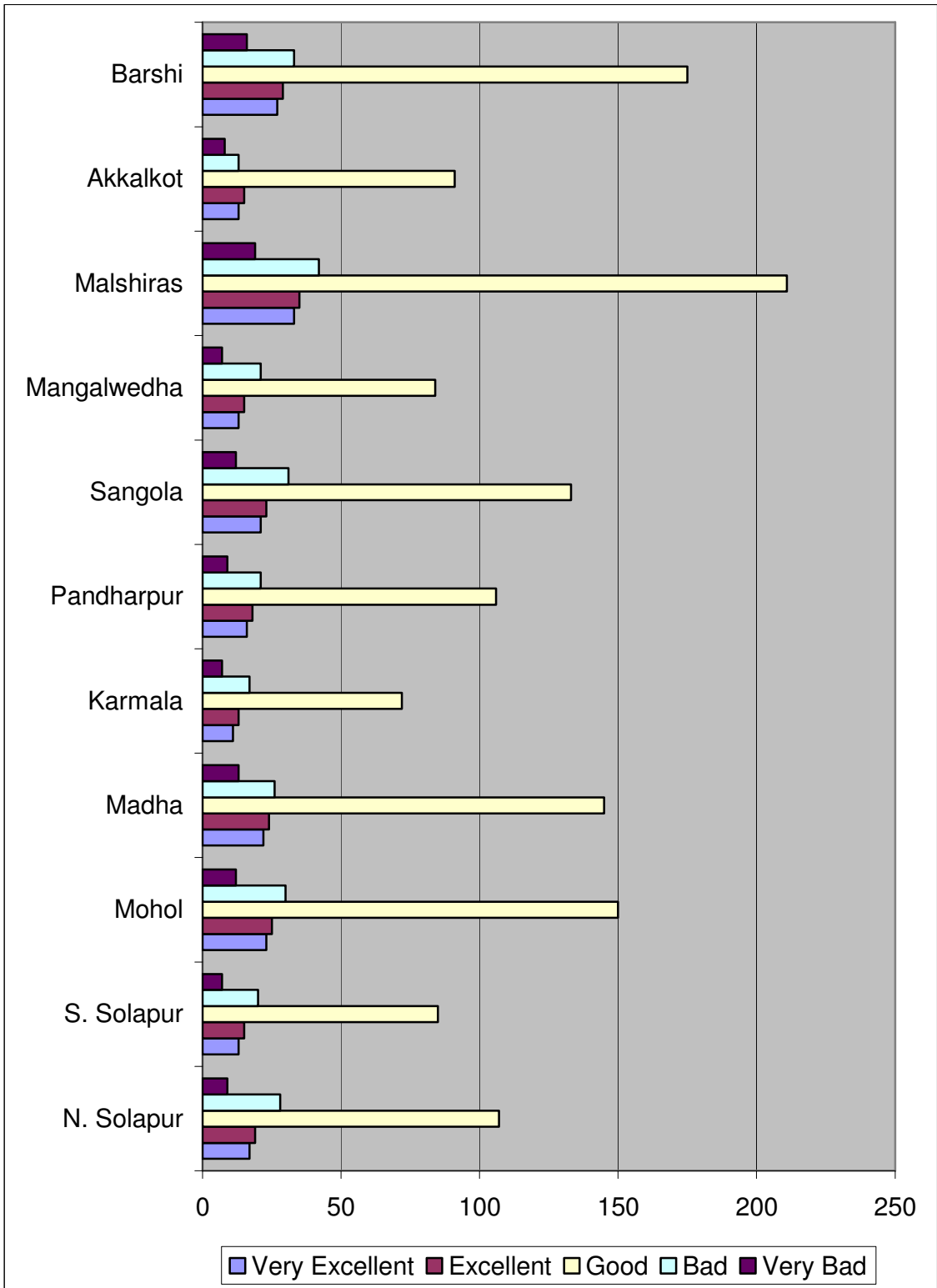


Table 4.27
Opinion of Selected Customers regarding Politeness and Friendly Staff

Sr. No.	Name of Taluka	Particulars of Customers		
		Yes	No	Total
1	N. Solapur	143	27	170
2	S. Solapur	111	19	130
3	Mohol	209	21	230
4	Madha	185	35	220
5	Karmala	193	17	210
6	Pandharpur	134	26	160
7	Sangola	181	29	210
8	Mangalwedha	109	21	130
9	Malshiras	280	50	230
10	Akkalkot	108	32	140
11	Barshi	222	48	270
	Total	1875	325	2200
	Percentage	85.23	14.77	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

Table 4.27 indicates the opinion of selected customers regarding behavior of employees i.e. politeness and friendly nature with customers. The majority of customers i.e. 85.23 percent customers are satisfied with behavior of employees at the time of working hours. The only 14.77 percent selected customers are not satisfied with behavior of the employees working at different branches of the selected bank. The customers satisfaction is depends upon employees politeness and friendly behavior with customers.

Table 4.28
Opinion of Selected Customers regarding Efficiency of Working Staff

Sr. No.	Name of Taluka	Opinion of Customers		
		Yes	No	Total
1	N. Solapur	143	37	180
2	S. Solapur	114	26	140
3	Mohol	193	47	240
4	Madha	187	43	230
5	Karmala	99	21	120
6	Pandharpur	139	31	170
7	Sangola	177	43	220
8	Mangalwedha	114	26	140
9	Malshiras	277	63	340
10	Akkalkot	111	29	140
11	Barshi	221	59	280
	Total	1775	425	2200
	Percentage	80.68	19.32	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

Table 4.28 shows opinion of selected customers or respondent regarding efficiency of employees working under different selected branches of SDCC Bank Ltd. The majority customers i.e. 80.68 percent are given favorable reply or opinion regarding efficiency of employees. The only 19.32 percent customers are given unfavorable opinion regarding efficiency of employees working in different branches of SDCC Bank Ltd.

Table 4.29
Opinion of Selected Customers regarding Availability of Working Staff

Sr. No.	Name of Taluka	Opinion of Customers		
		Yes	No	Total
1	N. Solapur	163	17	180
2	S. Solapur	127	13	140
3	Mohol	217	23	240
4	Madha	209	21	230
5	Karmala	111	9	120
6	Pandharpur	165	5	170
7	Sangola	201	19	220
8	Mangalwedha	129	11	140
9	Malshiras	309	31	340
10	Akkalkot	129	11	140
11	Barshi	257	23	280
	Total	2017	183	2200
	Percentage	91.68	8.32	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

Table 4.29 shows opinion of selected customers regarding availability of working staff or employees in selected branches of SDCC Bank. The majority of respondents i.e. 91.68 percent given favorable reply, which means strength of employees was as per requirement of that branch. Only 8.32 percent respondents were given negative answer for that question. The customers satisfaction is depends upon fast service to customers visited in that branch.

Table 4.30
Rating Given by Selected Customers for Working of the Bank

Sr. No.	Name of Taluka	Opinion of Customers						Total
		Cooperative	Punctual	Sincere	Hard worker	Neutral	Laxy	
1	N. Solapur	119	116	106	96	20	19	476
2	S. Solapur	103	97	89	77	17	15	398
3	Mohol	154	149	139	129	24	22	617
4	Madha	159	148	143	130	27	25	632
5	Karmala	107	96	84	69	15	13	384
6	Pandharpur	118	107	98	85	17	16	441
7	Sangola	151	143	134	119	25	23	595
8	Mangalwedha	122	113	91	79	16	13	434
9	Malshiras	207	199	189	171	38	36	840
10	Akkalkot	107	93	78	73	13	11	375
11	Barshi	189	171	159	145	31	29	724
	Total	1536	1432	1310	1173	243	222	5916
	Percentage	25.96	24.21	22.14	19.83	4.11	3.75	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

Table 4.30 shows rating given by selected customers for working of the selected Bank. For obtaining rating six options are given. As per rating given 25.96 percent employees were co-operative for his customers. The 24.21 percent employees were punctual for their duties. The 22.14 percent employees are sincere about their responsibilities. Lastly 19.83 percent employees were hard worker as per opinion of selected customers.

Table 4.31
Opinion of Customers regarding Computerization of Bank

Sr. No.	Name of Taluka	Opinion of Customers		
		Yes	No	Total
1	N. Solapur	161	19	180
2	S. Solapur	124	16	140
3	Mohol	214	26	240
4	Madha	207	23	230
5	Karmala	115	5	120
6	Pandharpur	154	16	170
7	Sangola	197	23	220
8	Mangalwedha	126	14	140
9	Malshiras	305	35	340
10	Akkalkot	127	13	140
11	Barshi	251	29	280
	Total	1981	219	2200
	Percentage	90.05	9.95	100.00

Source: Data compiled from the questionnaire of customers of selected S.D.C.C. Bank, Ltd.

Table 4.31 shows opinion of customers regarding computerization of selected Bank. As per the opinions given 88.32 percent customer's opinion was positive for computerization of selected bank. Only 11.68 percent customer's opinion was negative for computerization of selected bank. At present situation computerization is very essential for online transactions and net banking.

4.3 Summing Up

Today when globalization is fast becoming the order of the day and technology is advancing rapidly not just vertically but also laterally to hold out

new promises to developing economies, SDCC BANK's could not have found themselves in a more challenging situation as they do now. On the one hand there is urgency for these organizations with limited means to keep pace with growing technology and business opportunities or else face extinction in the face of fierce competition. On the other hand, being the society's most effective mechanism to keep a check on the gap between the rich and the poor, which threatens to become even wider in the present scenario of burgeoning opportunities, the responsibility of those democratic institutions to maintain and function in accordance with their co-op. identity has increased manifold. Thus, not survival but meaningful survival as messaged by co-op. ideology is the greatest challenge that confronts co-operatives all over the world today.

The success of SDCC BANK's depends on the loyalty of the members based on commercial benefits accruing to them, and harmonious relationship between the members and the elected leaders. The major challenge for SDCC BANK's today is their capacity to integrate themselves with their national and global counterparts without sacrificing their own cultural ethos. The future of the SDCC BANK's depends upon their capability to provide better services in terms of variety, quality and cost. The SDCC BANK's have to realize the implications of market economy and adjust accordingly. However, SDCC BANK's will have to equip themselves to meet the challenges of tomorrow's banking area with the committed performance, leadership, professionalization of management, knowledge, skill, adoption of new technology and positive attitudes of employees of SDCC BANK's, these member driven organization have a bright future in Solapur district. The SDCC BANK's would have to strengthen its foundation, kept it self up-to-date in schemes and services as also effective and sufficient at the operational levels.

Chapter V

CONCLUSIONS AND SUGGESTIONS

- 5.1 Introduction**
- 5.2 Summary of the Research Study**
- 5.3 Conclusions of Research Study**
- 5.4 Important Suggestions**
- 5.5 Direction for Future Research**

Chapter V

CONCLUSIONS AND SUGGESTIONS

5.1 Introduction

Credit constitutes the core component of the co-operative system in India. In terms of membership, resources and business transacted, credit co-operatives excel non-credit co-operatives. Co-operative agency continues to be the major source of institutional finance for agriculture. Co-operative continues to be considered highly suitable agencies for financing.

5.2 Summary of the Research Study

Economic activities and marketing run hand in glove, as economy is developing marketing activities also run parallel. If there is any discrepancy in the two it creates glut in business houses. Therefore, efficient marketing channels are required to clear the glut as it is just like blood circulation of a healthy person which keeps him active while there is no obstruction in its circulation.

Indian economy is a developing economy under democratic system. In democracy economic activities can't be regimented. It requires free flow of goods and services either as material in production or output for distribution. Old system of mixed economy has been made less mixed in the light of new economy policy which has been adopted in the first year of 1990s.

Under the changed circumstances these market forces are allowed to work forcefully than in previous decades, after 1950 when India had adopted policy of mixed economy which was partially guided and partially free. But under new economic policy it has opened its partial blockage. Under these circumstances, marketing activities are replying on market force. Market force is an automatic force which regulates economy both in the matter of production and distribution.

Though effective measures, the exploitation of any sort, at any stage, involved in any marketing activity would be eliminated so that the consumer satisfaction may be maximized.

The co-op. banking industry is moving towards better tomorrow. In the post-IT era foreign banks and new private sector banks has made remarkable progress. The co-op. sector banks are also trying to catch these banks but their performance is still beyond the expectations. If they made some reforms (internal and external) they will also able to compete in the global market. On the basis of the performance, the researcher can say that future of co-op. banking is very bright and co-op. banks will able to compete in the global market.

5.3 Conclusions of Research Study

- 1) Quality of services is a challenge forced by the Indian co-op. banking industry, service quality can attract more and more customers. It is an opportunity for co-op. banking industry to use e-delivery channels in a very effective manner to improve the quality of services.
- 2) Technology is a challenge as well as opportunity for all co-op. banks. It is a challenge before public sector banks because technology has widens the gap among private and public sector banks. It is an opportunity also because the application of technology can speeds up the process of co-op. banking operations and reduce the drudgery and time taken in normal banking operations. It has the special features of speed, capacity to process mass of the data very fast. These features are eminently suitable for speeding up the banking operations.
- 3) Qualified human capital will not be available cheaply. This will mean that a different approach will have to be taken for the salary to be paid to the recruited staff. If the qualities are different and the banks are able to compete with private sector banks how are they going to mach the issue on pay and perquisites. This bring us to the next challenge of will the banks management be permitted to have more flexible compensation system so that the recruitment is made of people suitable for banking in the knowledge economy and who will be able to get at least comparable pay scales as that in the private sector.
- 4) With deregulation of interest rates, margins have tinned out. As such, banks profitability has gone down. Thus there is a need for further rationalize of interest rates, step-by-step approach needed rather than a rapid deregulation.

- 5) Fast growing knowledge economy is also a challenge. To meet this challenge, the thrust needs to be on human resource development for which the training system need to be revamped. Large investments will have to be made both in information technology and human resources development for imparting knowledge and skill which in turn would reduce response time and accelerate credit delivery and decision making as well as to expand ancillary business.
- 6) Low productivity, overstaff and the archaic methods of operations. All these factors have affected the productivity and profitability of co-operative sector banks. Global competition has become threat and motivation for co-operative banks. Government should have the way for universal banking with a three-tier structure for the banking system.

5.4 Important Suggestions

On the basis of study done so far it is clear that the growth and development of marketing activities of SDCCB in Solapur district is satisfactory, though there were imbalances in the various marketing factors. However, we can suggest some of the suggestions which can help to improve the marketing performance of SDCCB in Solapur district.

5.4.1 General Suggestions

- 1) The due consideration should be given to the rural and backward areas of Solapur district while opening new branches.
- 2) The SDCCB should not charge or impose the artificial restrictions on the new membership. The worthy and needy peoples should be helped without delay. The people who have not accepted membership of SDCCB should be encouraged to accept membership by inculcating in them the importance of urban co-op. banking and co-op. principles. Women and backward class membership should be increased.
- 3) The SDCCB should make the maximum attempts to mobilize various types of deposits from members and customers for developing a very sound and self-reliant SDCCB.

- 4) The SDCCB should accept deposits on a large scale from the members as well as from the public. This will help the customers to develop the saving habits and to meet the needs of funds.
- 5) In the present age of liberalization, privatization and globalization, the SDCCB should decrease the interest rate on loans and advances.
- 6) For successful marketing of loans and advances, the SDCCB should reduce the time between loan application and actual disbursement of loans.
- 7) There should be a proper supervision on the utilization of loans and advances. There should be a provision of separate field staff for the supervision of loans and advances.
- 8) For the efficient recovery of loans and advances and to reduce bad debts, the management of SDCCB should find out the real repaying capacity of borrower by study of salary certificate and profit and loss account and balance sheet of borrower. The physical inspection of business site is also very important.
- 9) The bank staff should keep continuous personal contacts with borrower members. They should be given proper guidance regarding the repayment of loans and advances and scheme of rebate in interest.
- 10) It is suggested that, directors and staff should concentrate more on recovery of overdues of loans and advances.
- 11) For successful marketing of banking business, maximum coverage of membership shall be insured by introducing door to door banking.
- 12) The SDCCB should appoint the sufficient, well educated, well experienced and qualified official staff for smooth and efficient marketing of banking services to customers.
- 13) The experienced and enlightened board of directors will make the banks marketing management more efficient. Therefore, co-operative training and development program should be arranged for chairman and board of directors.
- 14) In the present age of cut-throat competition, SDCCB should work like professional organization to improve their all-round marketing performance. The board of directors also should be professional, experienced. Participation of chartered accountants, I.C.W.A., M.B.A. and

company secretary in board of directors is very essential for financial safety of bank.

- 15) The board of directors must develop business attitude for better progress of the SDCCB to face the challenges of liberalization, privatization and globalization. It is a co-op. financial organization so, they must have social obligations and commitment for better progress of the poor and middle class common people.
- 16) The SDCCB should start new services to the customers and members i.e. safe deposit lockers, credit card facility, ATM services, money transfer facility and MSEB bill collection center etc.
- 17) With a view to redressing to complaints of the members and the customers, the suggestion box should be kept in the head office.

5.4.2 Suggestions for Improve the Bank Services

There are many drawbacks in the services of banks. It is a need of an hour to improve the banks services to face global competition. Customer education, staff training and simplified rules are ranked second and third respectively. Least preferred suggestions are personalized services, greater trust in staff and gearing up grievances.

- 1) SDCCB should also adopt the latest technology to provide e-services as need of the hour.
- 2) Appoint young employees with fresh and creative mind experts in latest technology and trained the other also.
- 3) Introduce innovative and globally accepted products / services.
- 4) Trust should be created among the customers for all types of e-channels.
- 5) Cost-free and cost-effective e-channels should make available.
- 6) The SDCCB should provide products and services at comparatively lower prices to capture their market share.
- 7) The SDCCB should provide the job training to the employees to make them capable to understand work with the latest technology.
- 8) The SDCCB should make the recruitment, selection, performance appraisal and control policies transparent.

- 9) Performance of the staff should be evaluated quarterly or monthly to update their knowledge in case of any deficiency.
- 10) By using efficient technology and quality services, banks can enhance their customer base which return increase the profitability.
- 11) The bank should lead to those sectors where bank can charge higher rate interest.
- 12) The SDCCB should change in deposit mix i.e. increasing low cost deposits, both saving and current.
- 13) The SDCCB should make effective and attractive advertisement according to customers needs regarding our financial products.
- 14) The SDCCB should provide products and services at comparatively lower prices to capture their market share.
- 15) By using efficient technology and quality services, banks can enhance their customer base which return increase the profitability.
- 16) The bank should change in deposit mix i.e. increasing low cost deposits, both saving and current.
- 17) Customers should be given more and more motivation for venturing into e-banks.

If the given above suggestions will be successfully implemented, the day to day marketing functions of SDCCB should be improved and finally the customers and members will get more efficient and advanced banking services from SDCCB.

5.5 Direction for Future Research

On the basis of above findings the researcher feel comprehensive research is required of the following areas.

- 1) Co-op. Bank branch banking in India.
- 2) Comparative study of the financial performance of rural and urban branches of SDCC banks.
- 3) New avenues of income for SDCC sector banks.
- 4) Feasibility and viability of new branches of SDCC banks in rural and semi-urban areas.
- 5) Spread of e-banking in rural and semi-urban areas.
- 6) Customer relation management in SDCC bank.

- 7) Strategies to reduce the NPAs in rural branches of banks.
- 8) Changing work culture and emerging new competition in banking.
- 9) Business re-engineering in Co-op. banking in India.
- 10) Policies and strategies for the Globalization of Co-op. banking in India.
- 11) Customer Delight - Comprehensive study in rural and urban sector.
- 12) E-banking Services - Cost differences of Co-op. banks.
- 13) Study of income from e-channels to the Co.op. banks.
- 14) Feasibility and viability of Indian Co.op. banks in the global market.
- 15) WTO and its impact on Indian Co.op. banks.
- 16) Partnership of Indian Co.op. banks with foreign Co-op. banks.
- 17) Possibilities of merger of Indian co-op. banks to compete with foreign banks.
- 18) To explore new possibilities of Co.op. banks in products / services in developing countries.
- 19) New retail activities of Co.op. banks in comparison to new private sector banks and foreign banks.
- 20) New strategies or Co.op. banks in the global market.

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APPENDICES

Appendix - I

QUESTIONNAIRE FOR CUSTOMERS

Originally in Marathi, translated in English

Instructions -

1. The information received from you will be applied only for MRP research work only.
 2. Questions having more alternatives should be answered by making tick () mark against correct alternatives.
-

I) General Information

1. Name : _____
2. Address : _____
3. Contact No. : _____
4. E-mail ID : _____
5. Gender : _____
6. Age : _____
7. Marital Status: _____
8. Educational Qualification
 - 1) Primary Education []
 - 2) Middle School Education []
 - 3) High School Education []
 - 4) Diploma / Certification []
 - 5) Bachelor Degree []
 - 6) Post-Graduate Degree []
 - 7) Other []
9. Occupation
 - 1) Professional []
 - 2) Business []
 - 3) Govt. Employee []
 - 4) Laborer []
 - 5) Unemployed []
 - 6) Sale / Service []
 - 7) Home Maker []
 - 8) Farmer []
 - 9) Retired []
 - 10) Other []
10. Monthly Income (Rs.)
 - 1) Less than 5000 []
 - 2) 5000 to 10,000 []
 - 3) 10000 to 15000 []
 - 4) 15000 to 20000 []
 - 5) 20000 to 25000 []
 - 6) More than 25000 []
11. Family Size
 - 1) Single []
 - 2) 2 - 4 members []
 - 3) 5 - 6 members []
 - 4) More than 7 members []

12. Bank Branch _____
13. Bank Account Number _____

II) Banking Experience

14. What is your saving per annum?
1) Less than 1000 [] 2) Rs. 1000 to 5000 []
3) Rs. 5000 to 10000 [] 4) Rs. 10000 to 20000 []
5) Rs. 20000 to 30000 [] 6) More than Rs. 30000 []
15. Where are you investing your money?
1) Banks [] 2) Insurance []
3) Gold [] 4) Share Market []
5) Real Estate [] 6) Land []
7) Private Firm []
16. Where will you prefer to invest your money?
1) Banks [] 2) Insurance []
3) Gold [] 4) Share Market []
5) Real Estate [] 6) Land []
7) Private Firm []
17. Do you have any other account in other bank?
1) Yes [] 2) No []
18. How do you come to know about SDCC Bank Ltd., Solapur?
1) News paper [] 2) T.V. []
3) Radio [] 4) Magazine []
5) Pamphlets [] 6) Relatives []
7) Friends [] 8) Colleague []
19. From how many years you are a customer of this SDCC Bank Ltd.?
1) New customer [] 2) 1 year []
3) 5 to 7 years [] 4) 7 - 10 years []
5) More than 11 years []
20. How are you related (customer type) with SDCC Bank?
1) Saving Account Holder [] 2) Current Account Holder []
3) Share Holder [] 4) Loan Borrower []
5) Fixed Deposits [] 6) Locker Holder []

21. Is your bank provides services as per promised?
 1) Yes [] 2) No []
22. Are you satisfied with the services provided by the SDCC Bank? []
 1) Yes [] 2) No []
23. How you rate the services provided by this SDCC Bank? []
 1) Very excellent [] 2) Excellent []
 3) Good [] 4) Bad []
 5) Very Bad []
24. Do you think your money is safe in this SDCC Bank?
 1) Yes [] 2) No []
25. Can you able to withdraw money from any branch of this SDCC Bank?
 1) Yes [] 2) No []
26. As an overall performance, how much marks you will give to your SDCC Bank?
 1) 1 [] 2) 2 []
 3) 3 [] 4) 4 []
 5) 5 [] 6) 6 []
 7) 7 [] 8) 8 []
 9) 9 [] 10) 10 []

III) Marketing Mix of Bank Services

27. Do you know how many number of services or products banks offers to its customers?
 1) 2 [] 2) 3 - 4 []
 3) 5 - 7 [] 4) 8 - 10 []
 5) More than 11 []
28. Do you know about how many service products bank offers to its customers?
 1) Saving Account [] 2) Current Account []
 3) Shares [] 4) Loans []
 5) Fixed Deposits [] 6) Locker []
 7) RTGS [] 8) NEFT []
 9) Online Banking [] 10) Cheque []
 11) Demand Draft [] 12) ATM Card []
 13) Credit Card []

29. Which services you had / are used or using?
- | | | | |
|-------------------|-----|--------------------|-----|
| 1) Saving Account | [] | 2) Current Account | [] |
| 3) Shares | [] | 4) Loans | [] |
| 5) Fixed Deposits | [] | 6) Locker | [] |
| 7) RTGS | [] | 8) NEFT | [] |
| 9) Online Banking | [] | 10) Cheque | [] |
| 11) Demand Draft | [] | 12) ATM Card | [] |
| 13) Credit Card | [] | | |
30. In this branch having ATM machine?
- | | | | |
|--------|-----|-------|-----|
| 1) Yes | [] | 2) No | [] |
|--------|-----|-------|-----|
31. Are you a ATM card holder?
- | | | | |
|--------|-----|-------|-----|
| 1) Yes | [] | 2) No | [] |
|--------|-----|-------|-----|
32. Is your branch offering Credit card facility?
- | | | | |
|--------|-----|-------|-----|
| 1) Yes | [] | 2) No | [] |
|--------|-----|-------|-----|
33. Do you have a cheque book?
- | | | | |
|--------|-----|-------|-----|
| 1) Yes | [] | 2) No | [] |
|--------|-----|-------|-----|

IV) Questions related with 'Price' of the Bank Services

34. Is this SDCC bank charging any hidden cost?
- | | | | |
|--------|-----|-------|-----|
| 1) Yes | [] | 2) No | [] |
|--------|-----|-------|-----|
35. Had you taken any loan from this SDCC Bank?
- | | | | |
|--------|-----|-------|-----|
| 1) Yes | [] | 2) No | [] |
|--------|-----|-------|-----|
36. If yes, then which type of loan?
- | | | | |
|---------------------|-----|-----------------------|-----|
| 1) Agriculture Loan | [] | 2) Business Loan | [] |
| 3) Housing Loan | [] | 4) Education Loan | [] |
| 5) Personal Loan | [] | 6) Car / Vehicle Loan | [] |
37. Are you paying regular EMI?
- | | | | |
|--------|-----|-------|-----|
| 1) Yes | [] | 2) No | [] |
|--------|-----|-------|-----|
38. If no, what is the reason?
- | | |
|--|-----|
| 1) Low productivity / earning | [] |
| 2) Absence of surplus / extra earning | [] |
| 3) Non-availability of remuneration / salary | [] |
| 4) Loan used for unproductive purpose | [] |
| 5) Natural loss | [] |

39. Compare to other banks, how your bank charges for its services?
- 1) Very high [] 2) High []
 3) Medium [] 4) Low []
 5) Very low []
40. Compare to other banks, how your bank charges for its loans?
- 1) Very high [] 2) High []
 3) Medium [] 4) Low []
 5) Very low []
41. Compare to other banks, how your bank paying interest for deposits?
- 1) Very high [] 2) High []
 3) Medium [] 4) Low []
 5) Very low []
42. How much bank charges for Demand draft?
- 1) Very high [] 2) High []
 3) Medium [] 4) Low []
 5) Very low []

V) Questions Related with 'Place' of the Bank Services

43. Is the SDCC bank branch location is near to your house?
- 1) Yes [] 2) No []
44. Is the SDCC bank branch location is near to your office?
- 1) Yes [] 2) No []
45. Is the SDCC bank branch location is near to your business center?
- 1) Yes [] 2) No []
46. Do you think for the ease of customer, the SDCC bank should start its sub-branch in another area of big city?
- 1) Yes [] 2) No []
47. Are you getting all services in a single window?
- 1) Yes [] 2) No []
48. Is parking facility is available in the SDCC bank?
- 1) Yes [] 2) No []

VI) Questions related with 'Promotion' of Bank Services

49. Is the SDCC bank promoting its new product or services by inviting you?
1) Yes [] 2) No []
50. Do you find any leaflets, pamphlets, advertisement pages, digital boards etc. in a SDCC bank?
1) Yes [] 2) No []
51. Is SDCC bank offering ZERO balance salary account?
1) Yes [] 2) No []
52. Had you watched any advertisement of SDCC bank on national or local TV channel?
1) Yes [] 2) No []

VII) Questions related with 'Process' of Bank Services

53. How much time you are spending in a bank?
1) Less than 10 min. [] 2) 11 - 20 min. []
3) 21 - 30 min. [] 4) More than 30 min. []
54. How you rate to the process of the bank?
1) Very Excellent [] 2) Excellent []
3) Good [] 4) Bad []
5) Very bad []
55. For any operation in bank, how many days you need to wait for?

Operation	Days			
	1 - 3	4 - 6	7 - 10	More than 10
Account opening				
Loan sanction				
Loan paying				
Fixed deposits				
Purchase of shares				

VIII) Questions related with Employee of Bank

56. Is SDCC bank staff is polite and friendly?
1) Yes [] 2) No []
57. Is SDCC bank staff provides services efficiently?
1) Yes [] 2) No []

58. Is adequate staff is available in the SDCC bank?
 1) Yes [] 2) No []
59. The work culture of SDCC bank staff is...
 1) Cooperative [] 2) Sincere []
 3) Punctual [] 4) Hard worker []
 5) Neutral [] 6) Lazy []

IV) Questions related with 'Physical Evidence' of Bank Services

60. Is your SDCC bank is fully computerized?
 1) Yes [] 2) No []
61. Is water facility is available there?
 1) Yes [] 2) No []
62. Suggestions for Management...

Place :

Signature of Respondent

Date :