

**A STUDY OF COMPUTERISATION AT
VASANT DADA SHETKARI SAHAKARI BANK LTD., SANGLI (MAHARASHTRA)
INDIA**

Abstract

The Vasant Dada Shetkari Sahakari Bank Ltd. Sangli is one of the leading Urban Cooperative Bank in Maharashtra. The Bank has achieved good results in its functioning and received number of awards. All the Banking parameters are wisely followed through excellent management. However, the Computerisation study of the bank made by the author reveals that the Bank has lot of scope to improve the same for facilitating the decision makers, staff and customers of the Bank. The author has made an important suggestions for computerisation on the lines of new Information Technology Solutions available to lead the bank in computerisation drive also.

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***Dr. YS Patil**

INTRODUCTION

Vasant Dada Shetkari Sahakari Bank formerly known as Shetkari Sahakari Bank was established in the year 1965 under the leadership of great cooperators Late Shree Vasant Dada Patil & late Shri Appasaheb Birnale. From the inception itself, the bank focused its major activities for development of its farmer members. After the sad demise of both these founder leaders, the responsibility of the bank fell on Shri Vishnu Anna Patil under whom the bank continued the path of progress. His experience due to his association with the Asia's biggest co-operative bank, i. e. the Maharashtra State Co-operative bank, Mumbai in different capacities proved to be a great inspiration to the management of the Shetkari Bank .

The bank since its establishment has shown excellent working results .Many new schemes were introduced and implemented successfully. With its excellent functioning, the bank has received number of awards. Due to untimely demise of Vishnu Anna Patil, the bank lost its true friend philosopher and guide. However, the bank has continued its march towards progress. Though the main focus of the study was computerisation aspects, the working results and the overall progress of the bank needs to be put for the very reason that the same are excellent.

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MANAGEMENT

The bank is managed by a team of seventeen directors out of which two are women directors and one director is an employee's representative. The bank has thirty branches and one Head Office. The branches are spread in five districts of Western Maharashtra.

GENERAL INFORMATION ABOUT THE BANK

The bank is one of the leading co-operative banks in Maharashtra. There are in all 349 staff for managing 30 branches, Head Office and one extension counter. Out of these 349 strength, there are 102 officer grade employees, 160 clerical employees and remaining 87 are supporting staff. The bank has 39 women employees which indicates that only 10% staff are women.

The working results of the bank shows that the bank has taken every care to fulfill its objectives and with excellent management policy, the bank has emerged as a superior bank in every aspects like per employee business, overdues, reserve funds, per employee productivity etc. The members of the bank are getting 30% dividend for the last five years which is very rare in the present competitive business environment.

Being co-operative bank, the bank is also associated in social developmental work. Free medical check-up camps, Dental check-up camps, Eye check-up and operations etc. are

organized regularly to benefit the common people. Apart from this, the bank also contributes towards donations to the schools and for religious functions. The bank has also undertaken felicitating the people every year for their contribution in the field of Agriculture, Education, Social work etc. in memory of founder late Shri Vasant Dada Patil.

THE PROGRESS OF THE BANK AT A GLANCE

Following table-1 shows the progress made by the bank.

Table-1.

Sr.No.	Particulars	For the year (Rs. in lacs)	
		1999-2000	2000-2001
1	No.of branches including H.O.	27+1(extn)	31+1 (extn)
2.	Membership Regular Nominal	8,638 3,663	8,672 8,013
3	Paid up share capital	65.22	65.26
4	Total Reserve & funds	1,757.26	2,293.07
5.	Deposits		
	i. Saving	1,492.84	1,723.88
	ii. Current	1,51,243	1,885.48
	iii. Fixed	16,026.81	22,445.96
6.	Advances		
	i. Secured	14,174.39	22,684.58
	ii. Unsecured	10.11	43.68
	Total % of priority Sector	71.16	69
	Total % of Weaker section	18.33	17
7	Borrowings	Nil	1600
8	Investment (Including govt. Security)	3,237.21	3,496.75
9	Overdues (percentage)	4.18	3.70
10	Audit Class	A	A
11	Profit	314.95	405.09
12	Working Capital	22,058.89	31,677.13
13	Total Staff	349	349

Source:- Annual reports of the bank

The bank has performed well, if we consider various parameters, it can be seen the overdues have been significantly reduced as compared to the year 2000-2001. It is also revealed that the total staff of the bank has remained same in spite of opening of 4 new branches. This has enabled the bank to improve its productivity per employee which stands 139.78% for the year 2000-2001.

The profit for the year 2000-2001 has increased by 90 lacs. The bank has also succeeded in strengthening its reserve funds which has increased by 5 crores as compared to the year 1999-2000. The Regular membership has increased marginally but there is considerable (about 5000) increase in nominal membership.

COMPUTERISATION STATUS

The computerisation has become an essential and mandatory requirement for any business in today's competitive world. The organisations like banks are leading in computerisation and co-operative banks are no exception to this. Keeping in view the need to serve the customers effectively and efficiently, the bank has introduced computerisation way back in the year 1998. In the initial phase the bank computerised its four branches which are spread in and around Sangli city. In the same year, the bank opened its four new branches with on-line

computerisation. In the subsequent years , the bank computerised its other branches taking the tally of computerised branches to eighteen.

The Automatic Teller Machine ATM facility has been provided by the bank for its three city based branches to provide 24 hours banking facility to the customers of these branches. At present the bank has fixed Rs. 15,000/- as the maximum withdrawal amount for a day through ATM. Though the ATM utilisation at present is below the desired level, the bank aims to improve its ATM utilisation in due course. There are about 1000 ATM card holders for all the three ATM units installed at three different cities. The bank has planned to computerise all its remaining branches which are -operating off-line and it is expected that by May-2002 all the branches will be on-line. Though the bank has computerised its eighteen branches on-line. There is no separate computer or Electronic Data Processing (EDP) section to take care of Hardware and Software. The bank has one hardware engineer to look after Hardware of all the computeried branches. Though the bank has purchased hardware & software from one source and local vendor, it is not advisable to depend entirely on the supplier.

HARDWARE SET UP AT BANK

The Bank has installed Multi National Company (MNC) brand servers at each of the on-line computerized branches. This has been supported with sufficient number of terminals of Pentium I and Pentium III configuration. The recently opened branches have latest and high end server and terminals. All the computerized branches have been provided UPS [Unintrrupted Power Supply] with sufficient hours of battery back up provision. The passbook printers and dot matrix printers are installed in all 18 computerised on-line branches which

takes care of printing of all reports of the branches. In the Head Office 18 Pentium machines are installed and are supported with dot matrix printers and one line printer of 500 lines per minute capacity to take care of mass printing at head office level.

SOFTWARE AT BANK

In spite of the fact that the bank started its computerization very late as compared to other urban cooperative banks, the bank has opted for software which may not support for the future banking requirements.

SYSTEM SOFTWARE

- I. Novel Netware (5/10 users license)
- II. Windows 98
- III. Visual FoxPro professional

APPLICATION SOFTWARE

- i. Software in FoxPro (on – line branches).
- ii. Software in FoxPro (offline branches).

All the major systems are computerized. The software environment implemented by the bank for all its on-line branches is uniform one and even the off line branches are working with uniform off-line application software supplied by the same local vendor. All the on-line branches are operating independently and data transfer from branches to head office is done manually. Recently the bank has

decided to use floppies for data transfer. Some of the branches have been provided with DAT (Digital audio tape) for data storage. The ATM connectivity is given through Modem from the respective branches. At the Head Office level, data entry of all the branches is done on regular basis for which the bank has as many as 18 nodes. This is time consuming work.

The present HO module has its limitations and there is need to have integrated HO module to take care of the information requirements at bank level and for time to time reporting to RBI, and other agencies for non performing Assets (NPA), Tax deduction at source (TDS) and other important parameters.

CONCLUSION

The bank has achieved good results for its over all performance and has emerged as model bank for other cooperative banks especially urban cooperative banks. However, Information Technology (IT) in bank needs to be at par with the present IT scenario in order to take fullest advantage of Information Technology for satisfying changing customer needs, effective and efficient database management and to increase the business base. The present software has its own limitations for data stage, data access and data integrity which may not support for offering changing customer services of any branch banking, shared network payment system and bank banking. In the age of internet, the bank needs to adopt strategic planning for moving to Relational Database Management System (RDBMS) in order to keep pace with technology changes. This will facilitate to have integration of various application software and connectivity of all the branches for sharing of database. The RDBMS solution will also support for the future net banking and E-commerce business applications.

Based on the study, the following suggestions are made for computerisation aspects.

1. The bank needs to establish separate computer section as the entire business will depend on Information Technology (IT) and in due course all its branches will be interconnected. The bank cannot afford to depend totally on the vendors of Hardware and Software. The bank may recruit computer qualified staff at various levels.
- 2 The bank may constitute a separate IT committee to ensure IT implementation at par with the technology changes.
- 3 The bank has spread of its branches in five districts of Maharashtra and in due course of time may expand its area of operation in other major districts and cities. In order to project the bank and to provide on-line information about the bank, the bank needs to develop its own active web site. The web-site of bank can be a base for future banking business like Net banking etc.
- 4 The present application software necessarily needs to be changed to new environment which can integrate the various applications and can provide information about each customer at glance through customer Relationship management (CRM) module. Also present Software ,both the HO module and

branch module does not take care of various reporting formats, which is done manually, The system and application software needs to be changed to take care of reporting to RBI, State Govt. etc. and also to satisfy the information requirements of decision makers.

5. The awareness about computerisation and information technology for all the bank staff is essential and therefore the bank may train the senior officers and staff.

- 6 The bank may connect its branches with new software environment and in due course can go for interconnecting its all branches through lease line options or any other option for connectivity.

7. The bank has received many awards for excellent performance and with its strong financial position , the bank may think of implementing latest IT solution and set an example for IT implementation also to other urban cooperative banks not only in Maharashtra but also for the co-operative banks of the other States of the country.
