Mumbai District Central Co-operative Bank Ltd.

History of MDC co-op

The **Mumbai District Central Co-operative Bank Ltd.** is a central financing agency of all affiliated co-operative societies in Mumbai district, which is popularly known as **"MUMBAI BANK"** and is registered under MCS Act in the year 1974 and started its functioning on **12th Feb.1975**. Since there is no agriculture production in this District, MUMBAI BANK is catering to the financial needs of non agricultural co-operative societies such as **Urban co-op. banks, Urban co-op. credit societies, Employees co-op. credit societies, Housing co-op. societies, Co-op. consumers stores, Industrial, fisheries and labour co-op. societies etc**.

In India, an integral part of the policies formed by the Co-operative movement is focused on the development of the country, upliftment of poor and propagation of principle which represents the very socio-cultural ethos of the country. Co-operative movement has enabled us to develop the economy and to bring social change at large. The success of the co-operative depends largely on their ability to face the challenges by converting these challenges into opportunities of growth and development in the fast changing liberalized economic era. The Indian co-operative movement is so far the largest movement in the world. In India co-operatives operate in almost all important sectors i.e. **agricultural, agro-processing, fertiliser, marketing, credit, dairies, spinning, handloom and handicrafts, sugar, fisheries, banking, etc**.

In India co-operatives have gained popularity because they have proven capabilities to reach at the grass root level and have strengthen the faith in co-operatives. The area of operation of some of the co-operatives is limited to village, taluka, district, state or all India basis. Computerization is a new need of business in co-operatives. Operational efficiency, customer service, communication & management information system are the four important parameters to ensure success of business organization. These parameters are improved to a great extent with the help of computers and information technology (IT) by The Mumbai District Central Co-operative Bank Limited. Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. The co-operative principles are the guidelines by which co-operatives put their values into practice. **The International Co-operative Alliance (ICA)** in its centennial conference held in Manchester in September 1995 approved and adopted seven basic principles of Co-operation.

* Voluntary and Open Membership
* Democratic Member Control
* Member Economic participation & Control
* Autonomy & Independence
* Education, Training & Information
* Co-operation among Co-operation
* Concern for Community

A co-operative society is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs through a jointly owned and democratically controlled enterprise. There is three tier co-operative credit structure in the state of Maharashtra. The Maharashtra State Co-operative Bank is the Apex institution working at the state level whereas the district central co-operative banks are working at district level. These district central co-operative banks are catering to the financial needs of primary co-operatives in the concerned district. These banks are playing vital role particularly in providing financial assistance for agriculture as well as non-agricultural cooperative sector through member co-operatives. District Central Co-operatives are also acting as a balancing centre of surplus funds of all primary co-operatives in the district..

We appeal to all co-operatives and corporations to come forward and avail financial assistance from our bank for the socio- economic Development of the people in greater Mumbai and Maharashtra.

Service of banking

* [RTGS / NEFT](http://mdccbank.com/other-services/rtgs-neft.aspx)
* [SMS Banking](http://mdccbank.com/other-services/sms-banking.aspx)
* [Mobile banking](http://mdccbank.com/other-services/mobile-banking.aspx)
* [ATM Network](http://mdccbank.com/other-services/atm-network.aspx)
* [CTS](http://mdccbank.com/other-services/cts.aspx)
* [Insurance Products](http://mdccbank.com/other-services/insurance-products.aspx)
* [E-Statement](http://mdccbank.com/other-services/e-statement.aspx)
* [Demat](http://mdccbank.com/other-services/demat.aspx)
* [Mutual Funds](http://mdccbank.com/other-services/mutual-funds.aspx)
* **RTGS / NEFT :-**
* **What is RTGS?**
* RTGS stands for real time gross settlement, which means that it enables money to move from one bank to another on a real time and gross basis. Simply put, real time means the beneficiary bank receives the instructions for fund transfer immediately and gross means that it is not bunched with any other transaction and settlements of funds transfer instructions happen individually. Since the funds settlement takes place in the books of the Reserve Bank of India (RBI), keep in mind that the payments are final and irrevocable.

**What is Neft?**

Neft stands for National Electronic Funds Transfer and is a payment system which facilitates one-to-one funds transfer. Like RTGS, Neft also transfers funds from one bank, but unlike RTGS the settlement takes place in batches (that may include transfers from various individuals) rather than individually. The batches are settled in hourly time slots.

**How is RTGS different from Neft?**

**Timing:** As mentioned above, Neft operates in hourly batches. Currently, it has 11 settlements from 9am to 7pm on weekdays and five settlements from 9am to 1pm on Saturdays. So, in case you initiate a transaction after a settlement time you have no option but to wait till the next settlement time. But that’s not the case with RTGS transactions, since they are processed constantly throughout the RTGS business hours.

The service window for RTGS at banks is available from 9am to 4.30pm on week days and from 9am to 1.30pm on Saturdays for settlement at the RBI end. Keep in mind that the timings that each bank follows may vary.

**Amount:** As far as Neft goes, it does not have a minimum or maximum limit of amount you can transfer. But the maximum amount per transaction is limited to Rs 50,000 for cash-based remittance and remittance to Nepal.

As far as RTGS goes, it is mostly meant for large transactions. The minimum amount that can be remitted through it is Rs 2 lakh. RTGS does not have an upper ceiling for transactions.

**Charges:** For Neft, inward transactions (when you receive funds via Neft) are free, as no charges are to be levied from the person to whom fund are being transferred to. When you use Neft to make an outward transaction (when you send funds via Neft) at a bank branch for amounts up to Rs 1 lakh, the charge is up to Rs 5 plus service tax. For transactions above Rs 1 lakh and up to Rs 2 lakh, the charge is up to Rs 15 plus service tax. for transactions above Rs 2 lakh, the charges can’t exceed Rs 25 plus service tax.

For RTGS, inward transactions (when you receive funds through RTGS) are free. For outward transactions (when you send funds via RTGS), if the amount is between Rs 2 lakh and Rs 5 lakh, the charges will be up to Rs 30 per transaction. If the amount transferred is above Rs 5 lakh, the charges can’t exceed Rs 55 per transaction.

**SMS banking :-**

**SMS banking** is a type of [mobile banking](https://en.wikipedia.org/wiki/Mobile_banking), a technology-enabled service offering from [banks](https://en.wikipedia.org/wiki/Bank) to its customers, permitting them to operate selected banking services over their [mobile phones](https://en.wikipedia.org/wiki/Mobile_phone) using [SMS messaging](https://en.wikipedia.org/wiki/SMS_(messaging)).

**ATM networking :-**

**Definition: ATM** is a high-speed networking standard designed to support both voice and data communications. ATM is normally utilized by Internet service providers on their private long-distance networks. ATM operates at the data link layer (Layer 2 in the [OSI model](http://compnetworking.about.com/cs/designosimodel/g/bldef_osi.htm)) over either fiber or twisted-pair cable.

ATM differs from more common data link technologies like [Ethernet](http://compnetworking.about.com/cs/ethernet1/g/bldef_ethernet.htm) in several ways. For example, ATM utilizes no routing. Hardware devices known as *ATM switches* establish point-to-point connections between endpoints and data flows directly from source to destination. Additionally, instead of using variable-length packets as Ethernet does, ATM utilizes fixed-sized cells. *ATM cells* are 53 [bytes](http://compnetworking.about.com/cs/basicnetworking/g/bldef_byte.htm) in length, that includes 48 bytes of data and five (5) bytes of header information.

**CTS : -**

Truncation is the process of stopping the flow of the physical cheque issued by a drawer at some point by the presenting bank en-route to the paying bank branch. In its place an electronic image of the cheque is transmitted to the paying branch through the clearing house, along with relevant information like data on the MICR band, date of presentation, presenting bank, etc. Cheque truncation thus obviates the need to move the physical instruments across bank branches, other than in exceptional circumstances for clearing purposes. This effectively eliminates the associated cost of movement of the physical cheques, reduces the time required for their collection and brings elegance to the entire activity of cheque processing.

**2. Why Cheque Truncation in India?**

As explained above, Cheque Truncation speeds up the process of collection of cheques resulting in better service to customers, reduces the scope of loss of instruments in transit, lowers the cost of collection of cheques, and removes reconciliation-related and logistics-related problems, thus benefitting the system as a whole.

With the other major products being offered in the form of RTGS and NEFT, the Reserve Bank has created the capability to enable inter-bank and customer payments online and in near-real time. However, cheques continue to be the prominent mode of payments in the country. Reserve Bank of India has therefore decided to focus on improving the efficiency of the cheque clearing cycle. Offering Cheque Truncation System (CTS) is a step in this direction.

In addition to operational efficiency, CTS offers several benefits to banks and customers, including human resource rationalisation, cost effectiveness, business process re-engineering, better service, adoption of latest technology, etc. CTS, thus, has emerged as an important efficiency enhancement initiative undertaken by Reserve Bank in the Payments Systems arena.

**3. What is the status of CTS implementation in the country?**

CTS has been implemented in New Delhi, Chennai and Mumbai with effect from February 1, 2008, September 24, 2011 and April 27, 2013 respectively. After migration of the entire cheque volume from MICR system to CTS, the traditional MICR-based cheque processing has been discontinued across the country.

**4. What is the new approach to CTS implementation in the country?**

The new approach envisioned as part of the national roll-out is the grid-based approach. Under this approach the entire cheque volume in the country which was earlier cleared through 66 MICR Cheque Processing locations is consolidated into the three grids in New Delhi, Chennai and Mumbai.

Each grid provides processing and clearing services to all the banks under its respective jurisdiction. Banks, branches and customers based at small / remote locations falling under the jurisdiction of a grid would be benefitted, irrespective of whether there exists at present a formal arrangement for cheque clearing or otherwise. The illustrative jurisdiction of the three grids are indicated below

**Insurance Products:-**

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| [ Health Insurance](http://www.orientalinsurance.org.in/insurance-products-policies.jsp) |
|  |
| [ Motor Policies - Terms & Conditions](http://www.orientalinsurance.org.in/Motor-Policies-TC.htm" \t "_blank) |
| [ Individuals/Family](http://www.orientalinsurance.org.in/insurance-products-policies.jsp) |
|  |
| [ Personal Accident](http://www.orientalinsurance.org.in/insurance-products-policies.jsp) |
|  |
| [ Professionals](http://www.orientalinsurance.org.in/insurance-products-policies.jsp) |
|  |
| [ Business/Office/Traders/Multiperil](http://www.orientalinsurance.org.in/insurance-products-policies.jsp) |
|  |
| [ Engineering/Industry](http://www.orientalinsurance.org.in/insurance-products-policies.jsp) |
|  |
| [ Motor Vehicle -- Private/Commercial](http://www.orientalinsurance.org.in/insurance-products-policies.jsp) |
|  |
| [ Agriculture/Sericulture/Poultry](http://www.orientalinsurance.org.in/insurance-products-policies.jsp) |
|  |
| [ Animals/Birds](http://www.orientalinsurance.org.in/insurance-products-policies.jsp) |
|  |
| [ Aviation](http://www.orientalinsurance.org.in/insurance-products-policies.jsp) |
|  |
| [ Marine](http://www.orientalinsurance.org.in/insurance-products-policies.jsp) |
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**Demat Accounts :-**

In [India](https://en.wikipedia.org/wiki/India), [shares](https://en.wikipedia.org/wiki/Share_(finance)) and securities are held electronically in a [dematerialized](https://en.wikipedia.org/wiki/Dematerialization_(securities)) (or "Demat") ([/dimæt/](https://en.wikipedia.org/wiki/Help:IPA_for_English);) account, instead of the investor taking physical possession of certificates. A Dematerialized account is opened by the investor while registering with an [investment broker](https://en.wikipedia.org/wiki/Investment_broker) (or sub-broker). The Dematerialized account number is quoted for all transactions to enable electronic settlements of trades to take place. Every shareholder will have a Dematerialized account for the purpose of transacting [shares](https://en.wikipedia.org/wiki/Shares).

Access to the Dematerialized account requires an [internet](https://en.wikipedia.org/wiki/Internet) [password](https://en.wikipedia.org/wiki/Password) and a transaction password. Transfers or purchases of [securities](https://en.wikipedia.org/wiki/Security_(finance)) can then be initiated. Purchases and sales of securities on the Dematerialized account are automatically made once transactions are confirmed and completed.

Advantages of demat[[edit](https://en.wikipedia.org/w/index.php?title=Demat_account&action=edit&section=1" \o "Edit section: Advantages of demat)]

The bonus/right shares allotted to the investor will be immediately credited into his account.There is no risk due to loss on account of fire, theft or mutilation. Transaction costs are usually lower than that in the physical segment. A demat account also helps avoid problems typically associated with physical share certificates. For example: delivery failures caused by signature mismatch, postal delays and loss of certificate during transit. Further, it eliminates the risks associated with [forgery](https://en.wikipedia.org/wiki/Forgery) and due to damaged [stock certificates](https://en.wikipedia.org/wiki/Stock_certificates). Demat account holders also avoid stamp duty (as against 0.5 per cent payable on physical shares) and filling up of [transfer deeds](https://en.wikipedia.org/wiki/Transfer_deed). The biggest advantage of having demat account is that you don't have to pay for stamp since these are electronically stored which reduces the transaction cost.. .

**Mutual Funds :-**

A **mutual fund** is a type of professionally managed [investment fund](https://en.wikipedia.org/wiki/Investment_fund) that pools money from many investors to purchase [securities](https://en.wikipedia.org/wiki/Security_(finance)).[[1]](https://en.wikipedia.org/wiki/Mutual_fund#cite_note-1) While there is no legal definition of the term "mutual fund", it is most commonly applied only to those collective investment vehicles that are regulated and sold to the general public. They are sometimes referred to as "investment companies" or "registered investment companies". [Hedge funds](https://en.wikipedia.org/wiki/Hedge_fund) are not mutual funds, primarily because they cannot be sold to the general public.