

CHAPTER -V
FINDINGS AND SUGGESTIONS

5. 1 FINDINGS

5. 2 SUGGESTIONS

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5.1 FINDINGS:-

After considering the summary of loans and advances and particulars regarding sample survey made by the researcher and personal discussion with the officials at the bank, the important findings of the study are dictated below:

- 1) The bank has been working efficiently. It has completed 93 years of yeomen service in the Kolhapur, As a recognition of its sound financial performance the bank has been given audit class “A” since its establishment in 1913. In the financial year 2005-06 bank has got “A” grade from the Government Auditor.
- 2) Other banks are providing the various types of vehicle loans but The Kolhapur Urban Co-Operative Bank, Ltd. Kolhapur is not providing not large amount of vehicle loan. The vehicle loan is decreased each year from 6226.93 in 2001-02 to 4466.13 lakhs in 2005-06.
- 3) The lending policy of the bank is rather complicated from the point of view of borrowers. The lending policy in regards to the process take time, which results delay to sanction loans.
- 4) Secured and unsecured loans were given by the bank but the proportion of secured loans and unsecured loans were

70.38% and 26.91% respectively in the total loan outstanding at the end of march 2006.

- 5) It is found that the overdue amount continuously increased from Rs.607.30 lakhs in 2001-02 to 1101.70 in 2005-06. The percentage of overdue also increased from 7.00% in 2001-02 to 10.93% in 2005-06 total loan outstanding. The increasing trend of overdue shows that the bank has not taken serious steps for recovery of loans. The present staff fails to check rigorously all documents, while sanctioning loans.
- 6) It is found that the borrowers have to submit various documents such as licenses, certificates, legal documents about loan security within the stipulated period. It is difficult for the borrowers to get all the necessary documents from the concerned offices to attach with the loan application form in time.
- 7) It is found that 44% of the advances given to general castes and 26% to backward class and there is no preference for Scheduled Casts its percentage is 0%.
- 8) The bank has given lots of loan to unproductive purposes. But it has not given preference to educational finance.
- 9) It is found that the Kolhapur Urban Co-operative Bank loan application form is complicated common borrowers find it difficult to understand this form they fill it up with the help

of others. 15% of the borrowers feel that the loan application form is complicated.

10) It is found that the bank has not taken due care for collecting of overdue.

11) It is found that the rate of interest charge by the bank is not reasonable out of 50, the 28 respondent thought that rate of interest is not reasonable.

5.2 SUGGESTIONS :-

After considering the findings the researcher would like to make following suggestions for efficient working of the bank:

- 1) To avoid delay the process of quick sanctioning loan to borrowers is essential.
- 2) The bank should make its maximum efforts to sanction the loans for productive purposes and loan for non productive purposes should be avoided.
- 3) The bank should take care of sanctioning loans and obey strictly the rules and regulations laid down by the Reserve Bank of India irrespective of Loans and Advances.
- 4) The bank should be separate staff appointed for sanctioning loans and recovery of loans.
- 5) The bank should adopt simplified loan application form to understand for common borrowers.
- 6) The bank should as far as possible avoid delay in collection various documents, should reduce the number of documents. It should be possible to make arrangement to get these documents directly from the concerned officials.
- 7) The bank should fix installment amount, and period according to productivity and profitability of units concerned.

- 8) The bank should adopt some flexibility in fixing the repayment installment for the borrowers, because the borrowers sometimes do not get the payment of installments as per anticipations. So it becomes difficult for them follow the repayment installment as fixed by the bank.
- 9) The credit may be made cheaper by the reducing the rate of interest on different types of loans.