

CHAPTER - VII

SUMMARY, CONCLUSION AND

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In this chapter the summary and conclusions of the present study and some of the important suggestions based on these are given.

1. In credit Co-operative movement Urban Co-operative Banks occupy a distinguished place. The main objective of the Urban Co-operative Banks are to meet the credit needs of poor and lowermiddle class people in Urban and Semi-Urban areas, and to promote the habit of saving in them.
2. Urban Co-operative Banks originated in Germany. The Urban Co-operative credit movement in India started at the end of nineteenth century. The first Urban Co-operative Bank was started in Baroda on 5th February 1889, under the guidance of Shri. Vitthal Laxman Kavatekar. The development of Urban Co-operative Banks credit societies did not receive much attention until 1975. A number of committees and The Reserve Bank of India, emphasized the need of establishing the Urban Co-operative Banks in India.
3. Maharashtra is a ^{leading state} / in the Urban Co-operative Banking business. It has made magnificent progress in respect of number of banks, deposits, loans and advances etc.

As on 30th June, 1985 362 Urban Co-operative Banks were founded working smoothly in Maharashtra having paid up share capital amounting to Rs. 6850 lakhs, deposits Rs, 146000.00 lakhs and outstanding loans Rs. 92800.00 lakhs. The total working capital was Rs. 175000.00 lakhs and amount of profit Rs. 2000.00 lakhs was earned.

4. Sangli District has Lion's share in Urban Banking business in Maharashtra. The Urban Banking business in 'Jath' town of Sangli District was carried on by Jath Urban Co-operative Bank to meet the increasing financial requirements of the population of Jath. Jath Urban Co-operative Bank was established on 2nd January, 1953 and made a remarkable progress during the period of 33 years.
5. The Jath Urban Co-operative Bank has rendered very important and useful services to the urban community in Jath town by encouraging thrift and savings. The bank had strongly supported development of retail traders, transport operation, consumption, development of housing.
6. It is seen that, the bank has been making consistently satisfactory progress in the field of mobilisation of deposits and advancing loans. Working capital, Membership and paid up share capital has increased.
7. Deposits are one of the chief and important elements in banking business in fulfilling the credit requirement of the

members. They raise Banks working capital by way of deposits. Urban Banks have to collect their own sufficient resources to cope with the needs of the members. This bank has tried to become self sufficient and made concentrated efforts in mobilisation of deposits. As on 30th June, 1986 the aggregate deposits of the bank amounted to Rs. 124.76 lakhs and working capital amounted to Rs. 150 lakhs. Thus as on 30th June, 1986 the share capital of the bank amounted to Rs. 4.99 lakhs, the reserve fund, other funds of the bank amounted to Rs. 14.48 lakhs.

8. In the early stage the bank collected deposits under the main Deposits Schemes like Time Deposits, Saving Deposits, Current Account Deposits to strengthen its position. Later on the bank introduced new attractive and incentive oriented schemes for the masses such as Recurring Deposits Double Amount Deposits.
9. Advancing loans to needy and eligible persons or institutions is one of the main aims of this bank. The lending policy of the bank is quite practical. It emphasises repaying capacity of the borrowers rather than security. The Bank strictly followed sound procedure for granting loans. Bank has sanctioned loans for various purposes.
10. From the beginning, the bank has sanctioned short term and medium term loans. The short term loans increased

continuously from Rs. 5.98 lakhs to Rs. 48.80 lakhs in the period under review. Medium term loans went on increasing from Rs. 2.37 lakhs to Rs. 44.95 lakhs during the same period.

The Jath Urban Co-operative Bank has given almost over 70% of its loans for only three activities, namely retail trades consumption and Transport operation. To some extent loans were sanctioned for education and housing development.

11. It is clear that the bank has sanctioned loans for production, development and consumption purposes also. The proportion of loans given to retail trade increased from 28% in 1984 to 41% in 1986. Next important activity financed by The Jath Urban Bank was consumption, the share of which in the total loans was 26.7% in 1984 to 22.5% in 1986.
12. It is observed that overdues of the bank were not substantial. It clearly indicates that the bank has always taken care in recovering loans. As proportion of total loans, overdues were never more than 10% except in the year 1976 and 1977, when they were 12% and 14.5%.
13. The difference between income and expenditure may be called as profit or loss. So long as income exceeds expenditure profits accrue. On the contrary loss is measured, when expenditure is more than income. Profit shows rising trend. Profits were Rs. 0.18 lakhs in 1975 and Rs. 4.23 lakhs in 1986.

SUGGESTIONS :

After considering the performance and working of the Jath Urban Co-operative Bank Ltd. Jath during the period under review the following suggestions may be made.

1. The Bank needs to make additional efforts to increase the saving through its deposits mobilisation programme.
2. Bank should extend large scale loans for Housing.
3. A survey should be made by the Bank in its area of operation and a yearly programme of financing different sectors of the community should be chacked out.
4. Loan for consumption purposes should be reduced gradually.
5. Bank should support the scheme introduced by the Government for Agricultural improvement.