

CHAPTER VI

Chapter VI Observations and suggestion of the study

In this chapter an attempt is made to give a summary and conclusions on the aspects of working of the "Kolhapur District Government Servant's Co-operative Bank Ltd., Kolhapur for covered in this study. However the conclusions are based on the data so far available.

1. General

Urban Co-operative banks are important constitutions of Urban Co-operative credit movement. They follow almost all the principles of Co-operative. The main objectives of these banks are to meet the credit needs of various people in Urban and semi-Urban areas and to promote the habit of savings among them. They differ with commercial banks in respect of objectives, organisation and area of operation.

Generally, Germany is the first country in the world where the foundation of Urban Co-operative banks has been prepared. Thereafter many other countries including India followed the path of establishing such Urban banks.

Accordingly in Feb. 1889. The first Urban Co-operative credit society was established in Baroda. Then number of commilities and even RBI emphasised the need of establishing the urban banks in all the cities and towns for providing the banking acilities to middle class people. The real

development of urban banks took place only after the nationalisation of 14 commercial banks.

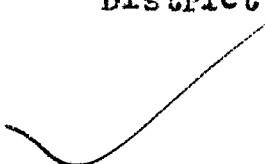
The state-wise growth of urban banks also shows that the state of Maharashtra is the leading state among the states - Gujrat, Karnataka, Tamil-Nadu etc., in respect of Number of banks deposits, loans and adances.

From 1904 to 1931 Number of committees recommendation the need of speedy and bettwe development of Urban Banks. Considering the impressive performance of Urban Co-operative banks in Maharashtra it can be said that these banks have shows great promise and potentiations similarly these banks have reached almost all the towns and cities in the state. So, far as the deveopment of these banks in Western Maharashtra is concerned Kolhapur is a leading district among concerned six districts in respect of membership, owned funds, profit and number of banks. And Urban Co-operative banks in Kolhapur District have made repid progress with satisfactory results upto 1990.

In the begining Rajeshi Shahu Chhatrapati Maharaje took the inlative in starting the Urban Co-operative banks in Kolhapur. Then with the introduction of Co-operative Credit societies. Act 1904 and 1912 number of Urban co-op. banks established in Kolhapur.

The Kolhapur Urban Co-operative bank Ltd., was the first urban co-operative bank established in 1913 the total number of urban banks realed to 15th with 54th branches at the and of 1984.

Similarly 37 % of the total urban banks in Kolhapur District are concentrated in Kolhapur city.



Chapter : VI6.1 Observations of the study

In this chapter observation based on data analysis are presented :-

- 1) Among the defaulters the bank gives the borrowing facility to 30 % of the defaulters in Maratha Caste than the other caste defaulters corresponding to 27 %.
- 2) From the sample defaulters it is observed than 26 % of the the defaulters have taken the secondary Education.
- 3) From the sample defaulters it is observed that the 18 % of the defaulters are from the police Department and remaining defaulters are from other departments.
- 4) From the sample defaulters it is observed that 88 % of the defaulters are Male and remaining i.e. 12 % of the defaulters are female.
- 5) From the sample defaulters it is observed that 25 % of the defaulters are taking loan facility upto Rs.10,000/- 15,000/- then the defaulters are taking the loan facility upto Rs. 25,000/- and above.
- 6) From the sample defaulters it is observed that 47 % of the defaulters are from the 30-40 years age group other than the only 3 defaulters are from 60 and age group.

- 7) From the sample defaulters it is observed that 96 % of the defaulters are married other than the only 4 % of the defaulters are married other than the only 4 % of the defaulters are unmarried.
- 8) From the sample defaulters it is observed that 30 % of the defaulters are taking the loan for medical ground purpose other than the only 6 % of the defaulters are taking the loan for education of son or daughter.
- 9) From the sample defaulters it is observed that 25 % of the defaulters taking the borrowing facility at 2 times other than only 2 % of the defaulters were taking borrowing facility at 8 times.
- 10) From the sample defaulters it is observed than 29 % defaulters were joining the bank in the year 1970-75 other than 12 % of the defaulters were joining the bank in the year 1955-60.
- 11) From the sample defaulters it is observed that 30 % of the defaulters were earning their monthly gross income from Rs. 500/- to 1,500/- other than 6 % of the defaulters were earning their monthly gross income Rs.2,000/- and above.

12) From the sample defaulters it is observed that 43% of the defaulters earning their monthly net income 1,500/- to 1,000/- other than 14% of the defaulters earning their monthly net income 2,000/- and above.

13) From the sample defaulters it is observed that 98% of the defaulters are not pensioner other than 2% of the defaulters are pensioner.

6.2 Suggestions

The researcher would like to make the following few suggestions for efficient working or recovery process of the bank.

1. The Bank should make its maximum efforts to sanction the loans for only productive purpose.
2. Loans for consumption purpose should be given least preference or should be avoided completely.
3. The Bank should take the care while sanctioning loans. It should follow strictly the rules and regulations laid down by Reserve Bank of India regarding recovery.
4. Loans applications should be carefully scrutinised so that loans would be properly sanctioned for genuine purpose only.
5. The most important suggestion is that the Bank should establish a separate statistical department to maintain up-to-date statistical information about Deposit Schemes, various loans, Credit worthiness of customers etc. This will definitely help in policy decision of the banks.