
CHAPTER VI

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SUMMARY, CONCLUSION AND SUGGESTION

6.1 SUMMARY AND CONCLUSIONS.

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6.2 SUGGESTIONS.

SUMMARY, CONCLUSION AND SUGGESTIONS**6.1 SUMMERY AND CONCLUSIONS :**

The summery and conclusion of the present study relating to the Ajara Urban Co-operative Bank is as under.

- (1) Except in 1991, the paid up share capital of the bank shows increasing trend during the five year period. In the year 1991 it is decreased due to issue of less number of shares in that year.
- (2) The Reserve Fund and other reserves are satisfactorily increased during the study period.
- (3) the percentage of fixed deposits and saving deposits in the total deposit shows fluctuating trend the five years period.
- (4) The yearwise percentage of current deposits in the total deposits shows decreasing trend upto 1993 but in 1994 it increased due to increase in deposits by traders and businessmen .

- (5) The yearwise percentage of fixed deposits in the total deposits shows more than 2/3 during this period.
- (6) During the study period Bank has maintain satisfactory growth of working capital.
- (7) By observing the net profit earned by the bank it is found that the Bank has earned sufficient amount of profit which enabled the share holders to get the increased rate of dividend within the prescribed limits of R.B.I.
- (8) Regarding the branch expansion, during the study period, the Bank has not opened the new branches but after 31-3-1994 the bank has opened two new branches, at present the bank has 12 branches and a head office.
- (9) By observing the purposive classification of loans it is found that the Bank has adopted productive purpose loan policy, which helps the bank to recover the loan promptly.
- (10) It is found that the Bank has given the preference to provide a loan within the

limit of 5001 to 10000 and above 1,00,000.

- (11) By observing the periodwise loan it is found that during the study period the Bank has given preference to short term loans, in the sense it has provided more than 50% loan for short period.
- (12) Share of long term loan in total loan outstanding shows increasing trend during the study period. ✓
- (13) The share of medium term loan in total loan outstanding shows on an average constant during the study period. ✓
- (14) It is found that the share of secured loans in the total loans outstanding is more than 90% during the study period, which enables the Bank to reduce the over dues.
- (15) By observing the over dues loans of the Bank, it can be seen that more than 90% overdues were secured over dues during the study period. ✓

6.2 SUGGESTIONS :

- (1) The Bank should make its maximum efforts to sanction the loans for unproductive purposes should be avoided.
- (2) The Bank should adopt simplified loan application form so that the common borrower will understand the details to be filled in easily.
- (3) The Bank loan policy should still be sufficiently wide and varied which would suit to different needs of different borrowers which would enable further development of small scale industry.
- (4) The bank should draw up a programme to recover over dues by all possible methods for example rescheduling repayment period in respect of genuine and hard cases, initiating legal action in case of defaulters and better supervision and use of loan.
- (5) The bank should make efforts to mobilise more saving deposits current deposits by all possible methods.