
CHAPTER -V

SUMMARY, CONCLUSIONS AND SUGGESTIONS

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SUMMARY, CONCLUSIONS, SUGGESTIONS

5.1: INTRODUCTION -

In this chapter the researcher wants to give summary, conclusions and suggestions of cash credit facilities of the Pandharpur Urban Cooperative Bank Ltd., Pandharpur. However, the study is based on the data available from the Bank office and the respondents.

5.2 SUMMARY

1. The Performance of the Pandharpur Urban Cooperative Bank Ltd., Pandharpur

The Pandharpur Urban Cooperative Bank is the first co-operative Bank in the Pandharpur town. It has made better banking business and progress and stands first among other co-operative banks in this town in respect of share capital, Reserve funds, other funds, Deposits, and other Accounts, Working Capital, loans and advances profit and dividends. The Bank has provided more facilities to middle class people of this area. The Bank has strongly supported for the development of business in this area of operation by providing loans and advances to its members. It has created good impression in the minds of the common people of this area by providing the loans.

2) Cash Credit Loans -

Cash Credit arrangement is made by the bank to commercial members, especially small traders and business men. The Bank has allowed to the needy commercial members to borrow money upto Rs.6000, against two securities, Operations to the Cash Credit account are allowed by the bank to any numbers of times during the limits sanctioned.

The Bank has sanctioned loans against hypothecation of goods upto the 60% of the value of the goods. The bank has sanctioned such type of loans for commercial purposes with a maximum limit of Rs. 1,00,000 to the member. The researcher found that the bank used this type of loan as cash credit against security of goods.

The bank has also given the loan for the commercial and for other purposes from 1986-87 to 1987-88.

The Bank has also given a cash credit loans against personal surety and Hypothecation of goods.

The amountwise loans analysis shows that the bank has given more loans on personal surety in the period of 1986-87 to 1987-88.

3. sample Survey -

In this bank there are number of Cash Credit



borrowers. But the borrowers are not willing to give the particular data of their finance of the bank. Even the bank also refused to provide the name and addresses of the borrowers, Hence for analysis and interpretation of the data, it is decided to take a sample of at least 12 to 13 borrowers. The names and addresses of the borrowers are ascertained by going around the Pandharpur town.

So, the researcher has taken only 13 borrowers for Sample survey.

5.3: CONCLUSIONS -

1. From the point of view of the borrowers the lending policy of the bank is very simple. The process of lending take very short time. So the borrowers have taken advantages of the loans facilities.
2. The loan application form is very simple. It is easy to understand to common borrowing members. So, any member can fill up this application form without much difficulty.
3. The bank has provided loans mainly for commercial purpose. i.e. productive purpose. The bank has also given loans for other purposes, such as, commercial purposes, household purposes, domestic purposes, loan for retailer purposes, Loan for

wholesale purposes. The bank has not actively provided loans for repairs, construction of house property, Educational purposes and professional and self employment purposes.

4. The bank has given cash credit loan on personal surety. The limit of personal surety is Rs.6000/-

5. The bank has given cash credit hypothecation loans upto 60% of the value of the goods.

6. The bank has given preference to the limitations of Rs.6000 and also to the short term loans.

7. Conclusion from the analysis and interpretation of the data collected by the sample survey can be summerised as under.

- a) The bank has sanctioned loans mostly to the borrowers who are educated upto matric.
- b) Most of the respondent have saving bank accounts with the bank.
- c) Most of the respondents have taken cash credit loans for trade but some of the respondents have taken cash credit loans for other activities and domestic purposes.
- d) The bank has sanctioned the cash credit loans within the period of 15 days from the submission of loan application.

- e) The respondents are of the opinion that the rate of interest charged by the bank is reasonable.
- f) Most of the respondents have not maintained the accounts of the loans used. So, they failed to submit the statement of accounts of utilisation of loans.
- g) Most of the respondents have used the cash credit loans for the trade purposes.
- h) Most of the respondents have drawn their cash credit loans many times and the deposited the cash in the account in many times.
- i) Mostly, the respondents who have taken the cash credit loans from this bank are the share-holders of this bank.
- j) Most of the respondents improved their financial conditions by taking the cash credit loans.

5.4 : SUGGESTIONS -

After considering the conclusions, the researcher would like to make the following suggestions for the improving the working of the bank in future.

1. The Bank should sanction the cash credit loan on a large scale for the purpose of trade and industry.
2. It is suggested that the bank has to make an attempt to increase the cash credit loans for

the priority sector and weaker sector. Necessary change in the loan policy and effective execution of the same is essential for the bank.

3. The bank should increase the cash credit loans limit for providing cash credit loans requirements of the borrowing members and also the bank should form a fixed cash credit loan sanctioning policy.
4. The bank should give proper guidance and advice to the borrowing members in respect of market conditions, Government and R.B.I. policy and local authority policies.
5. As far as possible, the bank should minimise the restrictions on the cash credit hypothecation loans.
6. Urban banks should also be affiliated with central co-operative bank. The latter should be recognised their legitimate demand and provide loans and overdrafts from time to time.
7. At least some percentage of cash credit loan should be given to non members so that they will also participate actively in deposit mobilisation.