



*Chapter - 6*

**FINDINGS,  
SUGGESTIONS  
&  
CONCLUSION**

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## **CHAPTER - VI**

### **FINDINGS & SUGGESTIONS**

From the analysis and interpretation made in earlier chapter the researcher is able to put forward the following findings and suggestions:-

#### **6.1 FINDINGS:**

- 1) The bank has shown the continuously increasing trend in the disbursement of home loan.
- 2) The repayment amount was not satisfactory because the ratio of repayment amount to the disbursement of loan is continuously declining and lowest at 2008-09.
- 3) The NPA of the bank is satisfactory because the bank has recovered the loan efficiently during the period from 2004-05 to 2008-09.
- 4) ICICI bank has preferred to Door step service and Sanction TAT services for loan but Bank of India has preferred to attractive interest rate and Kolhapur Urban Co-operative Bank has preferred to Easy and Minimum Documentation..
- 5) Lower interest rate is charged by Bank of India as compared to other professional banks and KUC bank.
- 6) ICICI and other banks will apply lower income slab provision except Bank of India and KUC Bank..
- 7) Age limit of borrowers is lower in KUC Bank as compared to other banks.
- 8) A term for loan for all the banks is 10 to 20 years, which is uniform..

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- 9) KUC Bank and Bank of India are financing to any construction plan, but ICICI Bank do not finance to non-agriculture plot.(N.A.Plot)
  - 10) KUC bank accepts registered mortgage only and ICICI bank accepts only equitable mortgage but Bank of India accepts both type of mortgages.
  - 11) It is observed that majority of the borrowers (42%) are below 40 years age group.
  - 12) It is observed that majority of the borrowers are from Government servant (34%) because government servant get good salary and they have permanent job.
  - 13) Majority of the borrowers' (36) income is below Rs 150000/- it means these borrowers are from middle class.
  - 14) It is observed that majority of the borrowers have possessed the flat (44%) and bungalows (28%).
  - 15) Majority of the borrowers 66% got the information from relatives and friends.
  - 16) Majority of the borrowers(80%) were availing the home loan for the purpose of their own accommodation.
  - 17) The borrowers have invested their saving in bank deposit (48%) and post office (26%) for their future prospects.
  - 18) It is observed that majority of the borrowers(66%) have taken loan for first time.
  - 19) Majority of the borrowers (36%) were affected from the factorize- rate of interest and quick service of the KUC bank.
  - 20) It is observed that majority of the borrowers (64%) are satisfied with the easy documentation of the KUC bank.

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- 21) The researcher has observed that majority of the borrowers (60%) have got quick loan from the bank.
  - 22) It observed that majority of the borrowers (66%) had not paid additional charges of the KUC bank. ICICI bank has additional charges.
  - 23) Majority of the borrowers 46% were opined that bank rate of interest is high it means they are borrowing loan from private and cooperative bank but other borrowers are opined average or low it means these borrowers have taken loan from nationalized bank.
  - 24) It is observed that majority of the borrowers (84%) have paid EMI promptly..'
  - 25) Majority of borrowers have monthly expenditure below Rs 12000 as (34%) have in the range of Rs 7000 to 9000 and (38%) have in the range of Rs 9000 to 12000.
  - 26) KUC Bank borrowers have affected for their monthly expenditure due to the deduction of installment of loan whereas Bank of India is less effective because they do proper plan for the repayment of loan.
  - 27) It is observed that majority of borrowers (64%) due to expenses problem they are unable to invest their money for child education.
  - 29) It is observed that majority of the borrowers (56%) observed that facility of deduction of installment through the payment depends upon borrowers income group.
  - 30) It is observed that majority of the borrowers (74%) were satisfied with the service of the bank due to quick loan, easy documentation.

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## 6.2 SUGGESTIONS:

1. At the time of giving loan bank should follow RBI guidelines. Bank should consider securities before sanctioning the loan and check the financial position of the borrowers.
2. The bank should improve in the recovery system because some borrowers have not repaid their loan in time, firstly the bank has to warn the borrowers about the worst effect of overdues then the bank has to take necessary action like the seal the property i.e. Flat, plot.
3. The bank should provide better supplementary services like door step service, sanction and disbursement to create more good relationship in society.
4. As the majority of the borrowers of the home loan are middle age, service age class people, the bank has to formulate their policy and strategy as their convenience like repayment, documentation.
5. The bank should implement advertising strategy and should consider more on Medias like T.V, Magazines and Trade fair etc. for awareness in people, and for expanding turnover of the bank.
6. The bank should adopt some flexibility in fixing the repayment installment for the borrowers, because the borrowers sometimes do not get the payment as per anticipations.
7. The rate of interest of the bank should be less as per the borrowers convenience, this will help to increase the members of the bank so that bank's turnover will increase.

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8. The bank should arrange the visit to borrowers units and see whether the loans are used properly for the purpose or not..

### **6.3 CONCLUSION:**

The Kolhapur Urban Cooperative Bank has form an important sector in the banking sector. The Reserve Bank is of the view that the capital base of Urban Cooperative Banks should be strong. The Kolhapur Urban Cooperative Bank still have an edge on public sector banks in terms of their services because of their proximity to the customers and a helpful attitude of their staff to cater the needs of their members. The Bank has prepared loan policy, with the introduction of sensitive norms like assets classification, provisioning, it has become a necessary to keep close watch on the assets to keep them always in standard category. The members who are having deposits above 1 lakh get "Deposit Security Fund". Probably Kolhapur Urban Cooperative Bank is only Bank in India having such Fund. Banks efforts coupled with power of imagination, decision-making, firmness shall continue for more glorious success in days to come.

Housing loan of Kolhapur Urban Cooperative Bank is customer oriented in respect of various services provided by bank i.e. easy documentation, less processing fee, average interest rate, quick service of the bank. Working capital is one of the significant part and indicates the turnover of all financial position of the bank. Taking into consideration the suggestions given by the researcher the bank will improve their home loan policy.