

CHAPTER - VI

FINDINGS AND SUGGESTIONS

6.1 FINDINGS

6.2 SUGGESTIONS

FINDINGS AND SUGGESTIONS

6.1 FINDINGS :

The present study deals with an urban co-operative, which has completed fifty years of its business in Kolhapur and is a leading bank in various parameters of banking. It is intended to understand various developmental aspects undertaken by Shree Veershaiv Co-operative Bank Ltd. The findings of the research work are discussed below.

- (1) The bank has completed 50 years of its business and has developed twenty three innovative deposit schemes to cater to the needs of different walks of life.
- (2) The motto of banking is to mobilise deposits for the purpose lending. This has being aptly followed by the bank. The bank has developed twelve types of purposewise loans and twelve types of security wise loans and advances taking into consideration the needs of people, business, and traders.
- (3) The bank carries its business through its eleven branches spread over Kolhapur district covering industrial centres such as Gadhinglaj, Ichalkaranji, Jaysingpur.

(4) The business of the bank in terms of various banking parameters like number of members, share capital, reserve funds, deposits, loans, investment, working capital, management expenses net profit and dividend paid have increased many folds over fifty years from 1942 to 1992.

(5) The bank has devised various deposit mobilisation schemes for businessmen, traders, common people, poor/daily wage earners, children, education purpose, marriage scheme, gratuity cum pension scheme, doubled and tripled deposits, etc. to cater to various developmental aspects like, business, education, domestic personal etc. *Somewhat*

(6) The bank has been actively engaged in inculcating saving habit among different strata of economy and demography besides mobilising deposits for the purpose of lending.

(7) The study of growth rates in twenty three types of deposits revealed that there is no definite trend in a particular type of deposit, either increasing constant or decreasing. The yearwise growth rates in all these types of deposits is observed to be erratic with wide fluctuations. This is due to basically the nature of deposits.

- (8) The study of composition of various types of deposits over a period of twenty years revealed that the composition of fixed deposits and saving deposits are declining over last two decades.
- (9) The decline in the fixed deposits and savings deposits is compensated by Dam Duppat and Akshay Cash Certificate Scheme, which happen to be different types of fixed deposits itself.
- (10) Thus, taking into consideration this the total fixed deposits composition seems to have grown to above 58 percent of the total deposits in 1991 from 42.97 percent in 1972.
- (11) The bank sanctions purpose wise loans either on short term or medium term. The various types of loans sanctioned for developmental activities include cottage and small scale industries, priority sector lending such as professional and self employed, transport operations, wholesale traders, retailers and agriculture. Besides, these loans for personal purposes like ceremonies, domestic, consumption, repayment of other debts, acquisition of land and housing or storage facilities and education are also sanctioned.

- (12) The study of yearwise growth rates of different types of purposewise loans of the bank over last twenty years reveals that there is no definite increasing, constant or decreasing pattern in twelve types of loans and advances.
- (13) The yearwise growth rate observed to be declining especially in case of cottage and small scale industries, agricultural and allied activities. Whereas the professional and self employed transport operations, consumption and development of housing property loans and advances are showing increasing growth rate.
- (14) The composition of purposewise loans and advances reveals that wholesale trading, transportations, consumption and miscellaneous types show increasing trend in last twenty years.
- (15) On the other hand, loans and advances sanctioned for education and repayment of other debts have negligible composition.
- (16) In addition to various purposewise loans and advances, bank sanctions thirteen types of loans and advances based on different types of securities for business, industrial, trading, domestic consumption and personal reasons.

- (17) The study of yearwise growth rates in security wise loans and advances reveals that practically all loans and advances show no fixed trend in the growth.
- (18) The yearwise composition of security wise loans and advances shows that pledge loans and advances shows that pledge loans, hire purchase, loans against deposit receipts other secured loans and bills purchased and disocunted are decreasing in last two decades.
- (19) On the other hand, hypothecation loans, land and building, gold and silver security show increasing trend where, the composition of bills purchased and discounted, other unsecured advances, Government trustee securities and LIC policy are negligible as compared to other types in the same category.
- (20) The bank is maintaining the position in first fifty ranks out of a total of 1300 urban banks in India.
- (21) The bank is rated as excellent bank in the Lead Bank Report.
- (22) The bank undertake social activities such as conducting blood donation camps, eye bank, medication and diagnosis to poor and in particular to workers suffering

from T.B. heart ailments from industrial towns like Ichalkaranji and adoption of villages.

(23) The bank gives training programme to budding entrepreneurs to promote and start new industries and self employment avenues.

(24) The bank conducts free marriage ceremony for rural folks and economically backward and down trodden community.

(25) Various sports and cultural programmes are promoted by the bank in Kolhapur district.

6.2 SUGGESTIONS :

The data collected, analysis, interpretation and findings of the present study reveals that bank has been actively engaged in banking business for last fifty years and is one of the leading urban banks. In addition to the banking several social, cultural, community, economic development have been given priority by this bank. In spite of engaged in all the activities, the bank is most profitable in last 20 years. Based on the present findings, the researcher would like to put forward following suggestions.

- (1) The analysis of the data leads to conclusion that the bank seems to rather non-professional. In this context, the bank should give more thrust on bank marketing.
- (2) All the portfolios of deposits loans and advances should be analysed periodically reviewed and suitable steps should be taken.
- (3) The rather ad-hoc approach should be changed to more planned and determinative. The analysis of data on past business parameters should be treated as guidance for future planning.
- (4) Especially, the yearwise growth rate and composition of



deposits loans and advances reveal that there is no positive trend and inturn efforts put by the bank or its officials to increase business and if not develop suitable alternative schemes.

- (5) In view of this, it is suggested that the bank should have planning and research department besides bank marketing to market various services.
- (6) The priority sector and weaker sections of society should be given more importance instead of short term remunerative security wise loans such as gold and silver, housing development, vehicles purchase etc.
- (7) The bank should give more loans for education and higher studies not only for the shareholders sons and daughters but to all common but meritorious students.
- (8) The branch managers need to be delegated rights to sanction loans upto 5000 and thus, should decentralise the sanctioning of loans and advances. This will reduce time delays and develop managerial staff besides professionalisation.

- (9) Bank should celebrate deposit mobilisation week in a year through all the 11 branches. Various camps should be held to promote banking especially in fairs and other get-togethers.

- (10) The managerial personnel and staff should be trained especially in customer service, innovative banking, behavioural skills etc. to improve quality to service and bank image.

- (11) In view of the Government Policy of welcoming Non-Resident Indians, for deposits and investment, the bank should survey such clientel and get deposits from them and hunt for any investment or industrial activities in terms of setting up of new Export Oriented Units in Kolhapur district.

- (12) The bank being 50 years old has no fixed deposit vault facility for its customers. Hence, by putting forward the example of new young urban banks, this bank should start this much warrnated services to its customers.

- (13) Unfortunatly, there are no branches of this bank in any of the industrial estates in Kolhapur district. Therefore, bank should give a second thought while opening new branches as per RBI policy.
- (14) Efforts should be made by this bank to see that its drafts are accepted by all the banks all over India.