

Golden Research Thoughts

Abstract:-

The government of India started the cooperative movement of India in 1904. Then the government therefore decided to develop the cooperatives as the institutional agency to tackle the problem of usury and rural indebtedness, which has become a curse for population. In such a situation cooperative banks operate as a balancing centre. At present there are several cooperative banks which are performing multipurpose functions of financial, administrative, supervisory and development in nature of expansion and development of cooperative credit system. The study of the women bank's

THE STUDY OF DIFFERENT LOAN SCHEMES OF MAHILA COOPERATIVE BANK

different loan schemes provided to the customers is herewith undertaken. The customer has taken more than one type of loan from the banks. Ahilyadevi Urban Co-operative Bank Ltd, Solapur occupy a key position in the Women Co-operative credit structure. Such banks are aimed at meeting the credit requirement of member of the bank. Bank has been systematically arranged credit structure so that the members can easily assimilate the true spirit. This article highlights different loan schemes and customer's satisfactory level about the loan practices of Ahilyadevi Urban co-operative bank Ltd, in Solapur District.

Keywords:

Women Cooperative Bank, Loan, Customers, Lending Practices, Schemes, Services.



Anjali Chandrakant Salunkhe

Assistant professor, College of
Computer Application for Women,
Satara , SNDT University.

Govind Mahadeo Dumbre¹ and Anjali Chandrakant Salunkhe²

¹HOD & Vice-Principal, A.W.College, Otur. , Chairman BBA BOS Member
Academic Council Savitribai Phule Pune University.

²Assistant professor, College of Computer Application for Women,
Satara , SNDT University.



INTRODUCTION

The Women banks provide most services such as savings and current accounts, safe deposit lockers, loan or mortgages to private and business customers. The loan operations of the bank consist of granting term loans or cash credit loans to their members against their security of mortgage of immovable property or on the security of one or more persons who are also members, or gold and silver bars or ornaments, or on the fixed deposits and insurance policies. The byelaws of co-operative banks specify the terms and conditions of loans and also it depends upon the opinion of the board of directors. The maximum amount of loans, the numbers of installments vary from bank to bank. While granting the loans, the bank examines the ability of the borrower to pay his debt. The women banks have financed for unproductive loans for consumption and ceremonial expenses. The lending policies of women cooperative banks seem very liberal in the case of unproductive loans.

Government of India and Reserve Bank of India has been very keen on strengthening the credit flow to women in India as the rate of return is considerably good.

OBJECTIVES OF THE STUDY:

1. To study and evaluate the various loan schemes of Ahilyadevi Urban co-operative bank Ltd, in Solapur city.
2. To suggest the appropriate measures to improve the efficiency of the bank related to lending practices.
3. To know the satisfaction level of the customers from Bank lending practices.
4. To study the structure of loans granted to various persons.
5. To study and analyze the amount and period pattern of loans lended.

REVIEW OF LITERATURE:

1. Bhatia (1978), in his study titled, "Banking Structure and Performance- A Case Study of the Indian Banking System" attempted to analyze the economic performance of Indian banking system, as reflected by its output, price and profitability during the period 1950-68. He found that profit of the Indian banking system during the period had an upward trend. The study suggested deregulation of interest rates to enhance the profitability of financial institutions and to ensure a competitive banking environment which would ultimately result in better services.

2. Kalyanekar (1983), in his study titled, "Willful default in loans of cooperatives examined the trends in deposits, share capital, working capital, loans outstanding, advances, overdues and recoveries at the district level financing institutes, socio-economic factors responsible in projecting and promoting future development in the operations and approaches of the cooperative credit organizations were also considered to examine the specific progress made by centre cooperative Bank of Parbhani District.

3. Kurulkar (1983), in his published work on Agricultural finance in backward region reported glaring defects in the set-up of cooperative credit system. He pointed that out of the ten sample owners who obtained long term credit from the cooperative banks 30% could not secure short term credit. Lack of short term or production credit to the farmers who availed long term credit resulted in lower output per acre, there by resulting in overdue.

4. Shah (2007), conducted a case study of Sangli and Buldhana District central cooperative Banks regarding the financial health of credit cooperatives in Maharashtra and found NPA's or overdue as the main factors for deterioration in health of these banks. The study revealed that both these banks showed a decline in their financial health and economic viability during the late nineties as against the early nineties period.

5. A study titled "performance of Cooperative banks in supply of loans to farmers in Karnataka" was undertaken by Sri B.N. Ganvir, Sri D.L. Sale and Sri N.L. Kale with the objective to know the performance of different cooperative Banks in respect of distribution of short-term, medium-term and long term loans. The study concludes that there was considerable increase in loans, outstanding loans and also overdue.

SCOPE OF RESEARCH:

The scope of the research is limited only to the Ahilyadevi urban co-operative bank in Solapur city. From Solapur city Mahila co-operative bank has been selected for the purpose of this study. The present study is only related with the various schemes offered by the Mahila Co-operative Bank and not to analyze the management performance, loan recovery, NPA etc.

RESEARCH METHODOLOGY:

1. Descriptive Research is used in this study in order to identify the lending practices of bank and determining customers' level of satisfaction.
2. Researcher used Primary data like Questionnaire and interview method, and
3. Secondary data like Annual reports of the bank, Manual of instructions on loans and advances, Books, Articles and Research Papers, Internet.

POPULATION:

All the Mahila Co-operative Banks working in Solapur District are the population of the present study. But of the time constraint only Ahilyadevi Co-operative Bank is taken for the study.

Sampling Unit:

The Study population includes the customers of the bank.

Sampling Size:

The present study is related with Ahilyadevi Co-operative Bank. Hence, the researcher should have to collect and analyze information from all the members of the bank. But again it is very difficult to collect information from each and every client. Therefore, 100 Respondents are selected for making an in-depth study.

Techniques and Tools of Data Analysis

On the basis of data collected, Lending Practices of Ahilyadevi Urban co-operative bank has been analyzed by using statistical techniques. The objectively collected data have been suitably classified and arranged in tables, charts and graphs.

Loan schemes offered by the Bank:

The prime function of banks can be defined as the creation and delivery of customer-needed services in a customer- satisfying manner. Ahilyadevi Bank has providing the various loan schemes to their customer.Loans are offered to the customers to fulfill their monetary requirements. The various types loans, which are offered to the customers include:

- House loan
- Vehicle Loan
- Gold Loan
- Secured Loan
- Term Loan
- Personal Loan
- Staff Loan
- Education Loan
- Loan against Deposits

Bank offers loans for marriage expenses, medical expenses, educational expenses, purchase of customer durables etc. depending upon the income. Bank are providing financial assistance for purchase of own vehicle with reasonable rate of interest. Bank customer can get an instant loan against gold jewellery and ornaments. So no need to sale valuable ornaments for short term cash requirements. Bank are offering Housing loan depending upon low processing charges. The bank also offers the loan against National saving certificate, Kisan vikas patra as well as bank fixed deposits, loans for their staff, secured loans and Term loans to their customers.

While granting loans the following points taken into consideration:

- 1.Bank gives loan to customers on their creditworthiness.
- 2.Easy installments and repayment schedule
- 3.Fast and easy procedure with simple and minimum paper requirement
- 4.Prompt disbursement.

Table No. 1: Statement showing the Loan disbursed, total collections, & Loan outstanding during the period (Rs. In Lakhs)

Year	Loan Disbursed	Total Collection	Loan Outstanding
2010-11	213.43	192.75	20.68
2011-12	183.50	175.67	7.83
2012-13	166.94	161.47	5.47

(source: Researcher’s compilation from the Annual Reports of the bank)



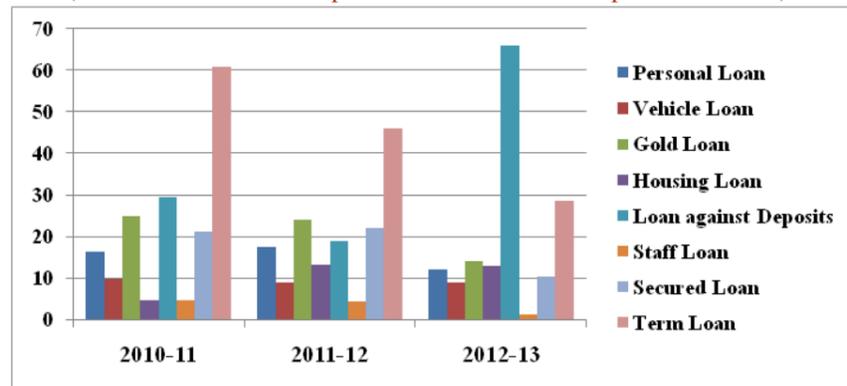
Above table and diagram shows that loan amount disbursed among the account holder has decreased from Rs. 213.43 Lakhs in 2010-11 to Rs. 166.93 Lakhs in 2012-13. But loan outstanding amount has been continuously decreased. In 2010-11 90.3 % Loan collected and 9.7% outstanding. And in 2011-12

95.7% collected and 4.3% outstanding. And in 2012-13 total collection 96.7% and outstanding loan in percentage 3.3%.

Table No.2: Statement showing Various Loan Schemes disbursed for the period 2010-11 to 2012-13 (Rs. In Lakhs)

Year	Personal Loan	Vehicle Loan	Gold Loan	Housing Loan	Loan against Deposits	Staff Loan	Secured Loan	Term Loan
2010-11	16.29	9.67	24.97	4.43	29.35	4.53	21.02	60.88
2011-12	17.49	9.00	23.94	13.05	18.92	4.33	21.88	45.92
2012-13	11.93	8.73	13.91	12.82	65.87	1.24	10.23	28.70
Max	17.49	9.67	24.97	13.05	29.35	4.53	21.88	60.88
Min	11.93	8.73	13.91	4.43	18.92	1.24	10.23	28.70
Mean	15.23	9.13	20.94	10.1	38.04	3.36	17.71	45.16
SD	2.92	0.48	6.10	4.91	24.65	1.84	6.49	16.10
Harmean	14.82	9.11	19.51	7.88	29.38	2.38	15.70	41.07
AVEDEV	2.20	0.35	4.68	3.78	18.54	1.41	4.98	10.97

(source: Researcher`s compilation from the Annual Reports of the bank)

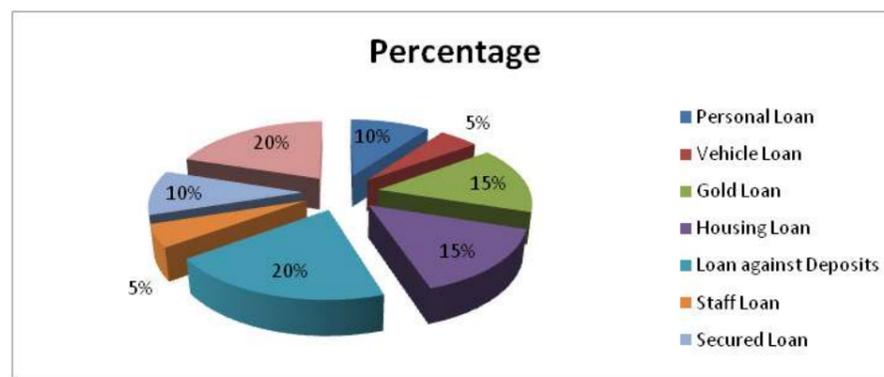


Above table and the diagrammatic presentation shows the various loan schemes offered by the bank are decreased by year to year Loans like personal loan, vehicle loan, gold Loan, staff loan, secured loan, and term loan. But the position of housing loan and loan against deposits are increased from 2010-11 to 2012-13.

Table No.3: Preferences of the customers in percentage for the loan

Type of Loan	No. of Respondent	Percentage of Respondent
Personal Loan	10	10%
Vehicle Loan	5	5%
Gold Loan	15	15%
Housing Loan	15	15%
Loan against Deposits	20	20%
Staff Loan	5	5%
Secured Loan	10	10%
Term Loan	20	20%
Total	100	100%

(Source: Primary Data)

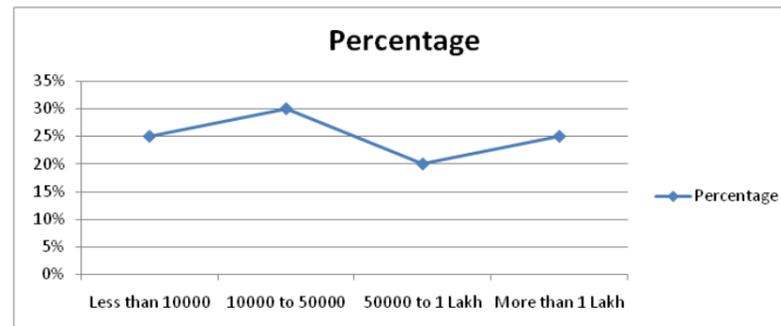


Above Table No.3 and diagrammatic presentation shows that majority of the respondents have taken Gold, Housing, Loan against Deposits, Term loans and fewer respondents prefer Personal, Vehicle, Staff, and Secured loans.

Table No.4: The Percentage Range of the amount of loan

Particulars (Loan Amt.)	No. of Respondent	Percentage of Respondent
Less than 10000	25	25%
10000 to 50000	30	30%
50000 to 1 Lakh	20	20%
More than 1 Lakh	25	25%
Total	100	100%

(Source: Primary Data)



Above Table No.4 and diagrammatic presentation shows the range of loan amount of respondent. It indicates that 30% of the customers prefer the 10000 to 50000 loan amount. 25% of the customer's prefer less than 10000 and more than 1 lakh loan amount. And 20000% customers prefer 50000 to 1 lakh loan amount.

Table No.5: The Percentage of Preferable Term of Loan

Particulars (Term of Loan)	Total Customer	Percentage of Customer
Less than 1 Year	20	20%
1 to 3 Years	50	50%
More than 3 Years	30	30%
Total	100	100%

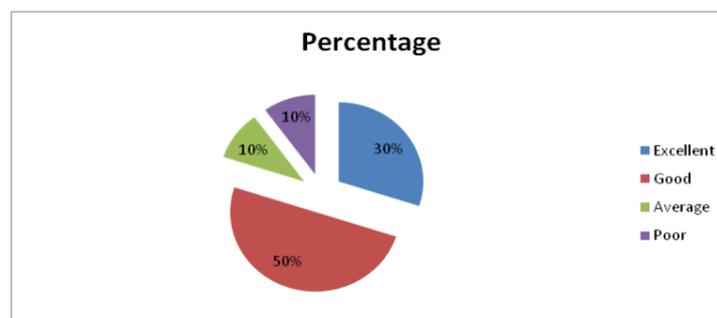
(Source: Primary Data)

The table shows that 30% respondent take loan for more than 3 years and 50% respondent take loan for 1 to 3 years and 20% respondent take loan for the period of less than 1 year.

Table No.6: The Percentage of respondent ranking for loan services provided by Bank.

Particulars (Loan services)	Total Customer	Percentage of Customer
Excellent	30	20%
Good	50	50%
Average	10	20%
Poor	10	10%
Total	100	100%

(Source: Primary Data)



The Table No.6 and diagrammatic presentation shows that loan services of the Ahilyadevi Urban

cooperative Bank Ltd. It indicates that maximum 50% bank loan service is good. And 10% bank loan service is poor. So it concludes that customer is satisfied relating to the loan services of the bank.

CONCLUSION

- ❖ There is a very simple procedure followed by bank for loan.
- ❖ Easy repayment and less formality are the main factors determining customer's selection of loans.
- ❖ Majority of the respondent were having housing, gold, and loan against deposits and term loans from this bank.
- ❖ Most (50% as per the study) of the customers prefer to take loan for a term which is 1 to 3 years.

SUGGESTIONS

- Bank should have scope to sanction loan proposals.
- The banks should plan to introduce new schemes for attracting new customers and satisfying the present ones.
- The banks should improve the customer services of the bank to a better extent.

LIMITATIONS:

- 1.The study is based on the data of past three year's i.e 2010-11 to 2012-13.
- 2.The data for study mainly based on a single bank.
- 3.The time period of the research was limited.

REFERENCE:

A.Reference Books:

- 1.Dr.B.N.Choubey: Principles and practice of co-operative banking in India, Asia publishing house, Bombay, 1968.
- 2.Government of India, "Report of the Study Group on Credit Co-operatives in the Non-Agricultural Sector" New Delhi, 1963, pg.5.
- 3.Kulkarni K.R.: Theory and practice of cooperation in India and Abroad, Vol IV, co-operator's Book depot, Bombay, 1962.
- 4.Laud G.M. (1982): Seven Decades of Innovative Banking, Maharashtra State co-operative Bank Ltd.
- 5.Partho Pratim Roy, Management of UCB's, Himalaya Publishing House, Mumbai, 2001
- 6.S.G.Panandikar and D.M.Mithani, "Banking in India" Bombay, 1975.

B.Website References:

- 1.<http://www.Shodhgangotri.ac.in>
- 2.<http://www.shodhgangotri.infilbent.ac.in>
- 3.<http://www.indianetzone.com>
- 4.<http://www.sanglicorporation.gov.in>
- 5.<http://www.maharashtra.gov.in>
- 6.<http://www.mapsofindia.com>.