6.1 INTRODUCTION

Banks occupy a unique position in the economy of any nation and they have a long history in India, as in other countries, though the form and character of their operations have been changed in consonance with the changing times. The co-operative banks in Indian banking were started with the objectives of prevention of concentration of economic power, achieving wide dispersal of ownership of productive resources, active involvement of people in development programmes, augmentation of the productive resources, liquidation of unemployment and poverty, and relieving the people from indebtedness to money lenders (Vijayalakshmi, 2010).

This chapter provides the summary of major findings, suggestion and conclusions from the whole work have been done in the research of the study.

6.1.1 MAJOR FINDINGS:
The major findings of the study are presented here.

6.2 GROWTH AND DEVELOPMENT OF URBAN CO-OPERATIVE BANKS IN INDIA

6.2.1 Number of UCBs in India

In the year 2005-06 there were 1853 UCBs but the number declined to 1579 in 2014-15, registering a negative growth of -1.59 percent.
6.2.2 State-Wise Distribution of Urban Co-operative Banks in India

An analysis of distribution of UCBs in India revealed that four states namely, Maharashtra (510), Gujarat (226), Karnataka (265) and Tamilnadu (129) together accounted for more than 75% of the banks as well as in resources and loans distribution.

6.2.3 Region-Wise Distribution of Urban Co-operative Banks in India

The development of UCBs was confined to western & southern region. In these regions almost every district had one or more UCBs. In resource mobilisation and deployment, also their presence was overwhelming.

6.2.4 Share Capital Position of UCBs in India

The Share Capital of UCBs registered growth during the study period and the CAGR was 11.06. The Mean share capital was Rs.6480 crores except for the year 2013-14 other years registered growth.

6.2.5 Reserves Fund Position of UCBs in India

The Reserve Fund of UCBs in India increased from Rs.10,485 crores in 2005-06 to Rs.27,375 crores in 2014-15. The CAGR was 10.07

6.2.6 Deposits Position of UCBs in India

The Mobilization of deposits by UCBs in India increased from Rs.1,14,060 crores in 2005-06 to Rs.3,55,134 crores in 2014-15. Even Though there was considerable variation and was the C.V. was 39.69.
6.2.7 Classification of UCB on the basis of Quantum of Deposits in India

The UCBs which mobilized Rs.1 Crore to Rs.5 Crores formed greater proportion than UCBs with lesser amount of deposits. Further the data revealed that 300 UCBs accounted for nearly 40 per cent of the total deposits. It showed greater unevenness in the mobilization of deposits among UCBs.

6.2.8 Position of Loans and Advances of UCBs in India

There was tremendous increase in Loans and Advances from Rs.71,641 crores in 2005-06 to Rs.2,24,329 crores in 2014-15. The CAGR was 12.09 but percentage of C.V. at 39.91 showed wide variations in loan disbursement.

6.2.9 Priority and Weaker Section Advances by UCBs

Composition of loans disbursed by UCBs showed that the proportion of loans to priority sectors was 48.9 and the percentage to weaker sections formed 12.9 percent. The loans to micro and small enterprises accounted for 23.1 percent of the total loans disbursed.

6.3 MOBILISATION AND DEPLOYMENT OF RESOURCES BY SIRKALI URBAN CO-OPERATIVE BANK LTD.,

6.3.1 The growth of Paid up Share Capital, Reserve Fund and Other Reserve for period 2005-06 to 2014-15

There was marginal decline in the share capital i.e., from Rs.75,13,050 to Rs.74,37,875 and this was also reflected CAGR which was-01.10. But Reserves and Other Reserves showed marked increase. The increase in other reserves was mainly due to provision for NPAs.
6.3.2 Deposit Mobilisation

The total deposits of the UCB increased from Rs.22,01,65,393 in 2005-06 to Rs.55,17,38,453 in 2014-15. Throughout the study period Fixed Deposits accounted for a major share of the total deposits. The CAGR for Fixed deposits, Savings Deposits and Current Deposits respectively being, 9.96, 9.17 and -26.35.

6.3.3 Loans and Advances

The Sirkali UCB disbursed Short Loans, Medium Term Loans and Long Term Loans during the study period. Among the loans disbursed short term loans formed a major share followed by medium term and Long term. The CAGR for short term loans, medium term loans and long term loans respectively being 14.14, -2.99 and -9.97, while short term loans increased, medium term and long term loans showed decline, during the study period.

6.3.4 Investment Portfolio

The Sirkali UCB invested in Central and State Government Securities and also in co-operative institutions. The Sirkali UCB also invested in buildings and other assets also. The total investment of the Bank increased from Rs.71,588,080 in 2005-2006 to Rs.188,022,052 in 2014-15. The CAGR for investment in Government securities, co-operatives and others being 11.32, 0.00 and 40.68 respectively.
6.3.5 Profit Earned

The Sirkali UCB has earned profit consistently but there was much flotation in profit earned during the study period and the CAGR was 7.29. The profit increased from Rs.21,00,243 in 2005-2006 to Rs.42,46,734 in 2014-15.

6.4. ANALYSIS OF NON-PERFORMING ASSETS IN SIRKALI URBAN CO-OPERATIVE BANK LTD.,

6.4.1 ANALYSIS OF NPAs AND THEIR RELATIONSHIP TO TOTAL ADVANCES


Result of Hypothesis Testing: Since the P–value (0.000) is less than 0.05, alternative hypothesis is accepted. It means that there is a significant difference in the amount of short term loan provided by the bank for the period 2005-06 to 2014-15.

Analysis of Medium Term advances and NPAs: Medium Term Loans came down from Rs.5,09,35,800 to Rs.3,75,85,154 in 2014-15 registering a negative growth rate of -2.99. Unlike in Short Term Loans the NPA for Medium Term Loans remained high throughout the study period and the average percentage of NPA to total was 10.
**Result of Hypothesis Testing:** Since the P–value (0.000) is less than 0.05, alternative hypothesis is accepted. It means that there is a significant difference in the amount of medium term loan provided by the bank for the period 2005-06 to 2014-15.

**Analysis of Long Term Loans and NPAs:** Loan Term Loans provided by the bank i.e., it came down from Rs.1,42,37,295 in 2005-2006 to Rs.49,79,891 in 2014-15. But the NPAs remained high throughout the study period and the average was 16 which was quite high.

**Result of Hypothesis Testing:** Since the P–value (0.000) is less than 0.05, alternative hypothesis is accepted. It means that there is a significant difference in the amount of long term loan provided by the bank for the period 2005-06 to 2014-15.

**Analysis of Total Loans & Advances and NPAs:** There was substantial increase in Loan and advances which increased from Rs.13,88,44,949 to Rs.31,91,69,606 during the study period. The bank also registered significant decrease in percentage of NPAs which came down from 11.04 to 4.60.

**Result of Hypothesis Testing:** Since the P–value (0.000) is less than 0.05 alternative hypothesis is accepted. It means that there is a significant difference in the amount total advances provided by the bank for the period 2005-06 to 2014-15.

**6.4.2 ANALYSIS OF NPAs OF DIFFERENT TERM LOANS**

The overall NPAs of the bank registered negative growth of -0.44. But in real terms there was considerable variation in NPAs among the different term
loans and different years of the study period. Even though NPAs for Short term loans remained high the proportion of NPAs to total loans remained within the permissible limits but that was not the case with Medium term and Loan Term Loans.

6.4.2.1 Result of hypothesis Testing

**NPAs from short term loan:** Since the P–value (0.014) is less than 0.05, alternative hypothesis is accepted. It means that there is a significant difference in the amount of NPAs for Short Term Loan for the period 2005-06 to 2014-15.

**NPAs from medium term loan:** Since the P–value (0.000) is less than 0.05, alternative hypothesis is accepted. It means that there is a significant difference in the amount of NPAs for Medium Term Loan for the period 2005-06 to 2014-15.

**NPAs from long term loan:** Since the P–value (0.001) is less than 0.05, alternative hypothesis is accepted. It means that there is a significant difference in the amount of NPAs for Long Term Loan for the period 2005-06 to 2014-15.

**Overall NPAs:** Since the P–value (0.001) is less than 0.05, alternative hypothesis is accepted. It means that there is a significant difference in the amount of overall NPAs for different term loan for the period 2005-06 to 2014-15.

6.4.2.2 Correlation between the overall NPAs and different Term loans’

The overall NPAs is positively correlated at very high level to the NPAs from short term loan.
The overall NPAs is positively correlated at very high level to the NPAs from medium term loan.

The overall NPAs is not correlated with the NPAs from long term loan.

6.4.2.3 Regression analysis for the overall NPAs and different term loans

The multiple correlation coefficients (R), using the predictors simultaneously, is 0.99 and the adjusted $R^2$ is 0.99, meaning that 99% of the variance in overall NPAs can be predicted from the combination of short term and medium term loan’s NPAs.

The ANOVA table shows that $F (2,7) = 331.897$ and is statistically significant ($p<0.001$). This indicates that the combination of the short term and long term’s NPAs significantly combine together to predict overall NPAs.

Since the result were statistically significant $F (2,7) = 331.897$, $P<0.001$. The identified equation to understand this relationship was overall NPAs = $679150.473 + 0.900 \times \text{(NPAs from short term loan advances)} + 1.311 \times \text{(NPAs from medium term loan advances)}$.

6.4.3 ANALYSIS OF NPAs AND NET PROFIT

6.4.3.1 Analysis of NPAs and the profit

The profit earned by the bank increased from Rs.21,00,243 in 2005-2006 to Rs.86,86,510 in 2014-15. Even though NPAs for Short Term Loans increased the proportion to Total Loans remained low when compared to Medium Term Loans and Long Term Loans. Medium Term Loans and Long Term Loans’ NPAs significantly affected the overall profitability of the bank.
6.4.3.2 Result of Hypothesis Testing:

Since the P–value (0.000) is less than 0.05, alternative hypothesis is accepted. It means that there is a significant difference in the amount profit earned by the bank for the period 2005-06 to 2014-15.

6.4.3.3 Analysis NPAs of short term loan advances and the Profit earned by the bank

The profit earned by the bank has increased for m Rs.21,00,243 to Rs.42,46,734 during the last ten years. It also shows that the NPAs increased from Rs.59,32,209 to Rs.86,86,510. While the CAGR for profit was 7.29 it was only 3.89 for NPAs relating to Short Term Loans. The overall NPAs also showed negative growth during the study period.

6.4.3.4 Analysis of NPAs Medium Term Loans and the Profit earned by the bank

The profit earned by the bank has increased from Rs.21,00,243 to Rs.42,46,734 during the last ten years. It also shows that the NPAs from Medium Term Loans decreased from Rs.62,85,721 to Rs.56,29,233.

6.4.3.5 Correlation analysis between profit earned and NPA and Medium term loans provided by the bank

The profit earned by the bank is negatively correlated with the NPAs through Medium term loan advances and overall NPAs during the period from 2005-06 to 2014-15.
6.4.3.6 Regression analysis for the profit earned and NPAs from medium term loans

The simple correlation coefficients (R), using the predictors simultaneously, is .72 and the adjusted $R^2$ is .52, meaning that 52 % of the variance in profit can be predicted from the NPAs from medium term loans NPAs.

The ANOVA table shows that $F (1,8) = 8.637$ and is statistically significant (p<0.019). This indicates that the profit and NPAs through medium term loans are significantly combined together to predict overall NPAs.

Since the result was statistically significant $F(1,8) = 8.637$, P<0.019. The identified equation to understand this relationship was Profit = 5182239.733 - 0.524*(NPAs from medium term loan advances).

6.4.3.7 Regression analysis for the profit earned and overall NPAs

The simple correlation co-efficient (R), using the predictors simultaneously, is .65 and the adjusted $R^2$ is .43, meaning that 43 % of the variance in profit can be predicted from the overall NPAs.

The ANOVA table shows that $F (1,8) = 5.981$ and is statistically significant (p<0.040). This indicates that overall NPAs significantly predict the profit.

Since the results were statistically significant $F (1,8) = 5.981$, P<0.019. The identified equation to understand this relationship was Profit = 4535500.627 -0.119*(Overall NPAs).
6.4.3.8 Analysis of NPAs from Long Term Loans and the Profit earned by the bank

The profit earned by the bank has increased from Rs.21,00,243 to Rs.42,46,734 during the last ten years. It also shows that the NPAs through Long term loans decreased from Rs.31,15,402 to Rs.3,50,363 during the study period. But the proportion of NPAs to total long term loans remained very high affecting the profitability of the bank.

6.4.3.9 Correlation analysis between profit earned and NPAs from Long term loans provided by the bank

The profit earned by the bank is not correlated with the NPAs through Long term loan advances and it also negatively correlated with overall NPAs during the period from 2005-06 to 2014-15.

6.4.4 ANALYSIS OF NPAs WITH SUNDRY DEBTORS

6.4.4.1 Sundry Debtors and the NPAs of Short Term Loans

The amount owed by sundry debtors was Rs.720405 in the year 2005-06 and it increased to Rs.3515135 in the year 2014-15. The NPAs for sundry debtors registered a CAGR of 17.18 which was quite high and the percentage of NPAs to total was also very low and the average being 3.89.

6.4.4.2 Result of Hypothesis Testing:

Since the P-value (0.021) is less than 0.05, alternative hypothesis is accepted. It means that there is a significant difference in the amount of sundry debtors of the bank for the period 2005-06 to 2014-15.
6.4.4.3 Correlation analysis between sundry debtors and NPAs

The sundry debtor of the bank is not correlated with the NPAs through short term loans. The sundry debtors are not the main cause of NPAs of the bank. But it is significant.

6.4.4.4 Sundry debtors and NPAs from Medium Term Loans provided by the bank

The sundry debtors of the bank increased from Rs.7,20,405 to Rs. 35,15,135 during the last ten years. It also shows that the NPAs of Medium Term Loans decreased from Rs.62,85,721 to Rs. 56,29,233.

6.4.4.5 Correlation analysis between sundry debtors and NPAs from Medium term loans provided by the bank

The sundry debtors of the bank are not correlated with the NPAs from Medium term loans during the period from 2005-06 to 2014-15.

6.4.4.6 Analysis NPAs of Sundry Debtors of the bank in long term loans.

The sundry debtors of the bank increased from Rs.7,20,405 to Rs.35,15,135 during the last ten years. It also shows that the NPAs from Long term loans decreased from Rs.31,15,402 to Rs.3,50,363.

6.4.4.7 Correlation analysis between Sundry Debtors and NPAs from Long Term Loans provided by the bank

The sundry debtors of the bank is not correlated with the NPAs through long term loans during the period from 2005-06 to 2014-15.
6.4.4.8 Analysis of NPAs of Long Term Loans and the Sundry Debtors NPAs

The sundry debtors of the bank increased from Rs.7,20,405 to Rs.35,15,135 during the last ten years. It also shows that the overall NPAs decreased from Rs.153,33,332 to Rs. 146,66,106.

6.4.4.9 Correlation analysis between NPAs of Sundry Debtors and overall NPAs of the bank

The sundry debtors of the bank is not correlated with the overall NPAs during the period from 2005-06 to 2014-15.

6.5 ANALYSIS OF NPAs AND DEPOSITS

6.5.1 Analysis of Fixed Deposits and NPAs.

The fixed deposit was Rs.190,926,191 in the year 2005-06 and it increased to Rs.493,292,727 in the year 2014-15. In the year 2013-14, the fixed deposit was higher than other years during the study period. The percentage of NPAs also decreased substantially during the study period.

6.5.1.1 Result of Hypothesis Testing:

Since the P–value (0.000) is less than 0.05, alternative hypothesis is accepted. It means that there is a significant difference in the amount fixed deposit of the bank for the period 2005-06 to 2014-15.

6.5.1.2 Correlation analysis between Fixed Deposit and overall NPAs of the bank

The fixed deposit of the bank is not correlated with the overall NPAs during the period from 2005-06 to 2014-15.
6.5.2 Analysis of Savings Deposits and NPAs

The saving deposit was Rs.242,07,712 in the year 2005-06 and it increased to Rs.582,09,305 in the year 2014-15. It shows that the saving deposit from the public continuously increased from the year 2005-06 to 2014-15.

6.5.2.1 Result of Hypothesis Testing:

Since the P–value (0.000) is less than 0.05, alternative hypothesis is accepted. It means that there is a significant difference in the amount saving deposit of the bank for the period 2005-06 to 2014-15.

6.5.2.2 Correlation analysis between Savings Deposit and overall NPAs of the bank

The saving deposit of the bank is not correlated with the overall NPAs during the period from 2005-06 to 2014-15.

6.5.3 Analysis of Current Account Deposits and NPAs

The current account deposit was Rs.50,31,490 in the year 2005-06 and it increased to Rs.2,36,421 in the year 2014-15. It shows that the current account deposit from the public continuously decreased for the year 2005-06 to 2014-15.

6.5.3.1 Result of Hypothesis Testing:

Since the P–value (0.015) is less than 0.05, alternative hypothesis is accepted. It means that there is a significant difference in the amount current account deposit of the bank for the period 2005-06 to 2014-15.

6.5.3.2 Correlation analysis between current account deposit and Overall NPAs of the bank

The current account deposit of the bank is not correlated with the overall NPAs during the period from 2005-06 to 2014-15.
6.5.4 Analysis of Total amount of deposits and NPAs

The total amount of deposit was Rs.220,165,393 in the year 2005-06 and it increased to Rs.551,738,453 in the year 2014-15. It shows that the total amount of deposit from the public continuously increased from the year 2005-06 to 2014-15.

6.5.4.1 Result of Hypothesis Testing:

Since the P-value (0.000) is less than 0.05, alternative hypothesis is accepted. It means that there is a significant difference in the total amount of deposit of the bank for the period 2005-06 to 2014-15.

6.5.4.2 Correlation analysis between total amount of deposit and total amount of NPAs of the bank

The total amount of deposit of the bank is not correlated with the total amount of NPAs during the period from 2005-06 to 2014-15.

6.5.5 ANALYSIS OF RESERVE FUND AND NPAs

The Reserve fund was Rs.70,31,584.00 in the year 2005-06 and it increased to Rs.162,24,203.00 in the year 2014-15. It shows that the Reserve Fund continuously increased from 2005-06 to 2014-15.

6.5.5.1 Result of Hypothesis Testing:

Since the P-value (0.000) is less than 0.05, alternative hypothesis is accepted. It means that there is a significant difference in the reserve fund of the bank for the period 2005-06 to 2014-15.
6.5.5.2 Correlation analysis between Reserve fund and total amount of NPAs of the bank

The Reserve Fund of the bank is not correlated with the total amount of NPAs during the period from 2005-06 to 2014-15.

6.5.6 ANALYSIS OF NPAs WITH INVESTMENT

6.5.6.1 Investment in central and state Government securities growth and total amount of NPAs

The investment in central and state Government securities was Rs.484,01,200 in the year 2005-06 and it increased to Rs.141,438,000 in the year 2014-15. It shows that the investment in central and state Government securities continuously increased from the year 2005-06 to 2014-15.

6.5.6.2 Result of Hypothesis Testing:

Since the P-value (0.000) is less than 0.05, alternative hypothesis is accepted. It means that there is a significant difference in the investment in central and state Government securities of the bank for the period 2005-06 to 2014-15.

6.5.6.3 Correlation analysis between investment in central and state Government securities and total amount of NPAs of the bank

The investment in central and state Government securities of the bank is not correlated with the total amount of NPAs during the period from 2005-06 to 2014-15.

6.5.7 Analysis of NPAs and other investments

The other investment was Rs.230,81,880 in the year 2005-06 and it increased to Rs.464,79,052 in the year 2014-15. It shows that the other investment continuously increased from the year 2005-06 to 2014-15.
6.5.7.1 Result of Hypothesis Testing:

Since the P–value (0.000) is less than 0.05, alternative hypothesis is accepted. It means that there is a significant difference in the other investment of the bank for the period 2005-06 to 2014-15.

6.5.7.2 Correlation analysis between other investment and total amount of NPAs of the bank

The other investment of the bank is not correlated with the total amount of NPAs during the period from 2005-06 to 2014-15.

6.5.8 Analysis of NPAs and Total Investments

The total investment amount was Rs.230,81,880 in the year 2005-06 and it increased to Rs.464,79,052 in the year 2014-15. It shows that the total investment amount continuously increased from the year 2005-06 to 2014-15.

6.5.8.1 Result of Hypothesis Testing:

Since the P–value (0.000) is less than 0.05, alternative hypothesis is accepted. It means that there is a significant difference in the total investment amount of the bank for the period 2005-06 to 2014-15.

6.5.8.2 Correlation analysis between total investment amount and total amount of NPAs of the bank

The total investment amount of the bank is not correlated with the total amount of NPAs during the period from 2005-06 to 2014-15.
6.6 CONCLUSIONS

Urban Co-operative Banks have been mobilizing deposits from middle and low income groups and giving credit to their members. There was marked increase in Share Capital, Reserve Fund and Deposits as well as in Disbursement at all India level. But the development was confined to few states in the western and southern part of the country. NPAs of UCBs also increased due to subprime loans and willful default. In Sirkali UCB there was appreciable increase in owned funds and deposits. But this bank was also plagued by NPAs. While the NPAs for short term loans declined, the NPAs for medium term and long term loans remained high during the study period. An analysis of NPAs that NPAs affected the performance of the bank in different areas like deposit mobilization and profitability.

6.7 SUGGESTIONS

6.7.1 LOAN PORTFOLIO SHOULD BE DIVERERFIED

Urban banks have not been as aggressive in increasing their loans and advances as they have been in augmenting the deposit resources. Urban banks should actively explore possibilities of increasing their advances by conducting surveys within their respective area of operation to identify the scope for and purposes of lending. The initiative for building up the loans portfolio should come from the board of management and the Chief Executive Officer. The assistance of the Lead Bank of the area, State Co-operative Bank, the Industries and
Co-operative departments of the state government and the State Financial Corporation may be taken, if necessary.

6.7.2 EFFICIENT MANAGEMENT

The efficient management of a bank depends on the competence of its staff. In a weak bank, the staff morale would be at the lowest ebb. The management and the chief executive officer should exhort them with a view to produce better results. Training plays an important role. It may be necessary to take up with the federation to arrange suitable training programmes for the staff and workshops for the management. The bank should specifically lay down the duties and the responsibilities of the various categories of the staff and ensure that the staff discharges them efficiently. The staff should be motivated to improve their performance.

6.7.3 IMPROVEMENT IN LEGAL MEASURES

Legal action must be initiated; once the bank is convinced and reaches the conclusion that the rehabilitation or any other restructuring alternative is not possible. While many steps have been undertaken in the recent past in bringing changes to the legal environment to facilitate the effective recovery of NPAs, a lot is still desired. It is suggested that legal hurdles must be cleared on priority basis to improve recovery of NPAs through the legal route. In addition, the guidelines on takeover of the management need to be issued as expeditiously as possible.
6.7.4 SUPERVISION, FOLLOW UP AND MONITORING

Supervision and follow up are two sides of the same coin. The regular monitoring makes the borrowers not to divest the funds for the purposes other than the purpose for which the loan is sanctioned. Funds should not be sanctioned and released suddenly or immediately rather it required to be done step by step. A personal enquiry may be conducted over the borrowers whose accounts became NPAs. Repayment ethics should be inculcated in the minds of the borrowers by optional utilization of various media i.e. television, video films, All India Radio and press.

6.7.5 CONTROLLING OF NPAs

The bank can employ the RBI’s compromise scheme of ‘one time settlement’ to wipe out loss assets from the bank’s financial statement. Removing these assets from financial statement could provide more time and energy to the bank officials to concentrate on other categories of NPAs.

6.7.6 OTHERS

1. To improve return on total funds it is suggested hereby to increase the portfolio of advances, simplification of the procedure of advancing and to provide door to door services to customer. Similarly they should go for beneficial and safe investment of funds. But they should be simultaneously aware about the quality and quantity of advances and advance which do not convert in NPAs.
2. Management audit is to be introduced as a tool for an objective evaluation of the management performance of the nationalized banks in the overall functioning of the organization. Such an audit should clearly reveal the lapses in the organization structure, systems and procedures so that corrective actions can be taken.

3. It was observed during the study certain shortcomings relating to the disclosure of information, accuracy of facts and figures displayed in the annual reports and maintenance of proper records with regard to the various components of income, expenditure, non-performing assets, number of employees, liabilities etc. which naturally causes inconvenience to the members as well as to the general public in understanding clearly the real status of the banks. Hence, it is very essential for the banks to improve their disclosure standards, accuracy of the information disclosed in their annual reports and maintaining the proper records containing detailed information about all the components of the financial statements.

4. It would be desirable for the bank to encourage loans for productive purposes such as trade and commerce, small scale industries, technical training, purchase of implements and other materials required by the artisans, setting up of legal/medical practice, etc. which will enhance the income earning capacity of the borrowers and thereby make the loans self-liquidating. It should be ensured that loans for unproductive purposes do not exceed 15 to 25 per cent of the total loans and advances.
5. Security also constitutes an important consideration for determining the realisability of loans. It would be desirable for the bank to diversify its lending risks by obtaining from the borrowers easily relisable securities such as government and other trustee securities, quoted shares, gold on ornaments, merchandise, etc. and restrict its unsecured advances.

6.8 SCOPE FOR FUTURE RESEARCH

It is recommended that similar future research could be conducted taking in all the states in India and with more sample sizes; also to differentiate between urban co-operative banks and commercial banks in terms of operational and financial performance with more sample banks. Further research is required to analyze the Credit Risk Management and Assets Liability Management in Urban Co-operative Banks.