CHAPTER – V

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION
CHAPTER-V

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

It deals with the summary of main findings and suggestions with conclusion.

Main Findings:

The followings are the main findings of the study.

1) At present, Salem Urban Co-operative Bank Ltd., Salem-1 has 14 Branches in and around Salem City.

2) Thiruvilakku Deposit Scheme introduced during the year 1977 which is popular among the public and Rs.8630.30 lakhs have been received under this special deposit scheme till date.

3) The bank gave a donation of Rs.50,000/- to a Chief Minister Flood Relief Fund in the month of October 2005.

4) The number of ‘A’ Share Members was 49663 in the year 2000-2001 which was increased to 51125 in the year 2004-2005.

5) The amount of share capital was Rs.673.54 lakhs in the year 2000-2001. But it was decreased to Rs.603.83 lakhs in the year 2004-2005.
6) The amount of deposits was Rs.15136.99 lakhs in the year 2000-2001. But it was decreased to Rs.13619.99 lakhs in the year of 2004-2005.

7) The amount of loan outstanding was Rs.11108.43 lakhs in the year 2000-2001. But it was decreased to Rs.8523.94 lakhs in the year 2004-2005.

8) The amount of Net Profit was Rs.199.28 lakhs in the year 2000-2001. But it was decreased to Rs.102.31 lakhs in the year 2004-2005.

9) In the year 2000-2001, the reserve fund was Rs.402.90 lakhs and it was increased to Rs.678.39 lakhs during the year 2004-2005.

10) In the year of 2000-2001, the working capital was Rs.16080.90 lakhs and it was increased to Rs.17427.53 lakhs during the year 2004-2005.

11) In the year 2000-2001, the loans issued by the bank were Rs.9295.82 lakhs and it was increased to Rs.9546.70 lakhs during the year 2004-2005.

12) In the year 2000-2001, the over due loans of the bank was Rs.639.26 lakhs and it was increased to Rs.2568.24 lakhs during the year 2004-2005.

13) Rate of Dividend was given by the bank stood at 14% in the year 2000-2001. But it was decreased to 6% in the year 2004-2005 due to
decline in the Net Profit of the bank. No dividend was declared in the year 2002-2003 and 2003-2004.

14) For House Mortgage Loan maximum amount of loan per square feet is Rs.250/-.

15) For House Mortgage Loans, the rate of interest is 12% and it is given for a maximum of 5 years (60 months).

16) During the year 2000-2001, House Mortgage Loans for the medium term period paid by Salem Urban Co-operative Bank Ltd., stood at Rs.3082.66 lakhs, which was reduced to Rs.461.45 lakhs in the year 2001-2002. Again it was increased to Rs.1475.35 lakhs in the year 2002-2003 and again increased to Rs.1613.66 lakhs in the year 2003-2004. But it was reduced to Rs.840.19 lakhs in the year 2004-2005.

17) During the year 2000-2001 House Mortgage Loans outstanding (Medium Term Loans) stood at Rs.6940.13 lakhs which was reduced to Rs.1666.70 lakhs in the year 2001-2002. And again it was increased to Rs.6177.77 lakhs in the year 2002-2003. And again it was reduced to Rs.5530.48 lakhs in the year 2003-2004 and again it was reduced to Rs.4158.09 lakhs in the year 2004-2005.

18) It also gives House Mortgage Loans (Long term) to its Staff during the year 2000-2001 is stood at Rs.32.76 lakhs which was increased to Rs.42.53 lakhs in the year 2001-2002. Again it was reduced to
Rs.38.04 lakhs in the year 2002-2003. Again it was reduced to Rs.35.40 lakhs in the year 2003-2004. Again it was reduced to Rs.16.53 in the year 2004-2005.

19) Long term House Mortgage Loans are given for a period upto retirement of the employees. In the year 2000-2001 it stood at Rs.78.78 lakhs which was increased to Rs.107.09 lakhs in the year 2001-2002 and also increased to Rs.128.04 lakhs in the year 2002-2003. Also it increased to Rs.140.21 lakhs in the year 2003.04. But it was reduced to Rs.133.45 lakhs in the year 2004-2005.

20) House Mortgage Loans for the long term period was introduced by the bank from the year 2004-2005 only. In the year 2004-2005 the amount of House Mortgage Loans was given by the bank amounted to Rs.260.58 lakhs.


22) As on 31.3.2005, House Mortgage Loans outstanding (Medium term) in Gugai Branch stood at Rs.3.51 Crores.

23) As on 31.3.2005, House Mortgage Loans outstanding (medium term) in Arisipalayam Branch stood at Rs.2.20 Crores.

24) As on 31.3.2005, House Mortgage Loans outstanding (Medium term) at Ponnammapet Branch stood at Rs.3.34 Crores.
25) As on 31.3.2005, House Mortgage Loans outstanding (Medium term) at Hasthampatty Branch stood at Rs.2.65 Crores.

26) As on 31.3.2005, House Mortgage Loans outstanding (Medium term) at Udayapatty Branch stood at Rs.0.58 crores.

27) As on 31.3.2005, House Mortgage Loans outstanding (Medium term) at Annadhanapatty Branch stood at Rs.1.64 crores.

28) As on 31.3.2005, House Mortgage Loans outstanding (Medium term) at Dadagapatty Branch stood at Rs.5.50 Crores.

29) As on 31.3.2005, House Mortgage Loans outstanding (Medium term) at Kitchipalayam Branch stood at Rs.3.88 Crores.

30) As on 31.3.2005, House Mortgage Loans, outstanding (Medium term) at Gorimedu Branch stood at Rs.0.79 Crores.

31) As on 31.3.2005, House Mortgage Loans, outstanding (Medium term) at Ayothiyapattanam Branch stood at Rs.1.04 Crores.

32) As on 31.3.2005, House Mortgage Loans, outstanding (Medium term) at Omalur Branch stood at Rs.0.65 Crores.

33) As on 31.3.2005, House Mortgage Loans, outstanding (Medium term) at Old Suramangalam Branch stood at Rs.0.61 Crores.

34) As on 31.3.2005, House Mortgage Loans, outstanding (Medium term) at Pallapatty Branch stood at Rs.0.47 Crores.
35) As on 31.3.2005, House Mortgage Loans outstanding (Medium term) at Reddyur Branch stood at Rs.0.18 Crores.

36) During the year 2000-2001, House Construction Loans for the long term paid by Salem Urban Co-operative Bank Ltd., stood at Rs.1.8 lakhs which was increased to Rs.3.9 lakhs in the year 2001-2002 and again it was increased to Rs.4.1 lakhs in the year 2002-2003. Now, such long term loans are not given by the bank.

37) Among the 14 branches of Salem Urban Co-operative Bank Limited, Salem – 1 the amount of house mortgage loans outstanding (medium term) at the Dadagapatty bank stood at Rs.5.50 crores which is highest among the 14 branches of Salem Urban Co-operative Bank Ltd., Salem – 1.

38) To know about the changes the amount of medium term house mortgage loans paid to members from the year 2000-01 to 2004-05. The year 2000-01 is taken as base year was 100 but in the year 2001-02. Percentage of changes was decreased to 85.36% and again it was decreased to 52.14% and it was again decreased to 47.65% in the year 2003-04 and it was decreased to 72.74% in the year 2004-05 as compared to 2000-01 (Base year).

39) To know about the trend ratio for the medium term house mortgage loans paid to members for the 5 years. The year 2000-01 is taken as
base year as 100. Trend ratio was decreased to 14.97 in the year 2001-02 again it was decreased 47.86, 52.35 and 29.26 in the year 2002-03, 2003-04 and 2004-05 respectively.

40) To know about the changes the amount of medium term house mortgage loans outstanding (members) from the year 2000-01 to 2004-05. The year 2000-01 is taken as base year was 100 but in the year 2001-02. Percentage of changes was decreased to 79.91% and again it was decreased to 10.98% and it was again decreased to 20.31% in the year 2003-04 and it was decreased to 40.08% in the year 2004-05 as compared to 2000-01 (Base year).

41) To know about the trend ratio for the medium term house mortgage loans outstanding (members) for the 5 years. The year 2000-01 is taken as base year as 100. Trend ratio was decreased to 20.09 in the year 2001-02 again it was decreased 89.02, 79.69 and 59.92 in the year 2002-03, 2003-04 and 2004-05 respectively.

42) To know about the changes the amount of medium term house mortgage loans paid to staffs from the year 2000-01 to 2004-05. The year 2000-01 is taken as base year was 100 but in the year 2001-02 it was increased to 29.82% and again it was increased to 16.12% and it was again increased to 8.06% in the year 2003-04 and it was
increased to 49.54% in the year 2004-05 as compared to 2000-01 (Base year).

43) To know about the trend ratio for the medium term house mortgage loans paid to staffs for the 5 years. The year 2000-01 is taken as base year as 100. Trend ratio was increased to 129.82 in the year 2001-02 again it was increased 116.12, 105.06 and 50.46 in the year 2002-03, 2003-04 and 2004-05 respectively.

44) To know about the changes the amount of medium term house mortgage loans outstanding (staff) from the year 2000-01 to 2004-05. The year 2000-01 is taken as base year was 100 but in the year 2001-02 it was increased to 35.94% and again it was increased to 62.53% and it was again increased to 77.98% in the year 2003-04 and it was increased to 69.39% in the year 2004-05 as compared to 2000-01 (Base year).

45) To know about the trend ratio for the medium term house mortgage loans outstanding (staff) for the 5 years. The year 2000-01 is taken as base year as 100. Trend ratio was increased to 135.94 in the year 2001-02 again it was increased 162.53, 177.98 and 169.39 in the year 2002-03, 2003-04 and 2004-05 respectively.

46) To know about the changes the amount of long term house mortgage loans paid by Salem Urban Co-operative bank from the year 2000-01
to 2004-05. The year 2000-01 is taken as base year was 100 but in the year 2001-02 it was increased to 116.67% and again it was increased to 127.78%. From the year 2003-2004 long term loans are not given by the bank.

47) To know about the trend ratio for the long term house mortgage loans paid by Salem Urban Co-operative bank for the 5 years. The year 2000-01 is taken as base year as 100. Trend ratio was increased to 216.67 in the year 2001-02 again it was increased to 227.78. From the year 2003-2004 long term loans are not given by the bank.
SUGGESTIONS

The following suggestions are arrived after the careful study was conducted by the researcher.

1) The Bank should take necessary steps to reduce the overdue amount of house loans in the future.

2) The Bank should perform its function effectively and thereby to increase the amount of Net Profit in the future.

3) The amount of House Mortgage Loan for a long period should be increased in the future and thereby to increase the amount of profit.

4) Loans for House Constructions should be increased at a high rate to maximize the income of the bank.

5) Maximum House Mortgage Loan amount per square feet should be increased from Rs.150 to Rs.200 in case of tiled house and from Rs.250 to Rs.300 per square feet in case of concrete roof building.
CONCLUSION

At present, Bank is giving more House Mortgage Loan to its members and its staff employees. So the overall performance of the Salem Urban Cooperative Bank Ltd., Salem-1 is improving year by year. But Net Profit of bank is decreased. So, the bank should give more House Mortgage Loan for a long period and House Construction Loan for long period increasingly and thereby, to earn more profit by the bank.