CHAPTER -V
PROFILE OF AUTOMOBILE FINANCE COMPANIES UNDER STUDY

5.1 INTRODUCTION:

In this chapter researcher has studied and presented profile of different automobile finance companies operating in the study area, and auto finance procedure being followed by them. The auto finance companies selected for the study are especially those banks and non-banking finance companies whose auto loan financing is one of the core activities under retail lending.

The banks and non-banking finance companies functioning in the Kolhapur are the banks from public sector, co-operative sector, private sector, and the financial institutions from non-banking finance companies. These includes State Bank of India, Bank of Maharashtra Dena Bank, Bank of India, Saraswat Co-operative bank Ltd, Kallappanna Awade Janta Urban co-operative Bank, Jaysingpur, Warana Sahakari Bank Ltd.Warnanagar, Veershaiv Co-operative Bank, Rashivade, Janta Sahakari Bank Ltd. Ajara and Ajara Urban co-operative bank. Axis Bank and HDFC Bank. Shriram city finance, and Mahindra and Mahindra finance. These are presented in classified form as shown below.
5.2 PUBLIC SECTOR BANKS

5.2.1 STATE BANK OF INDIA:

Prior to State Bank of India, the Bank of Calcutta in Calcutta was established on 2nd June 1806. Later on the Bank of Bombay and the Bank of Madras followed the Bank of Bengal. These three banks influenced the modern banking scenario in India. In the history of State Bank of India, its contribution in the first five year plan of independent India in 1951 is significant and noteworthy.

An Act was passed in the Parliament in May 1955, and as a result, the State Bank of India (SBI) was established in 1st July 1955. In 1959, the State Bank of India (Subsidiary Banks) Act was passed which enabled the eight former State associated banks as its subsidiaries. The State Bank of India became financially influence with its operations carried out by 480 branches inherited from the Imperial Bank. Its corporate centre is located in Mumbai and...
has 57 zonal offices with 14 local head offices, and more than 20193 branches throughout India. SBI provides access to money through more than 8500 ATMs in India, and provided debit cards to its lacs of customers for easy financial services.

State Bank of India is the largest state owned banking and financial services company in India and has network of 20193 branches with 5076 branches of its five associate banks. With the financial services the bank provides various facilities like life insurance, merchant banking, credit cards, factoring, pension fund management and other services to its customers.

SBI is one of the oldest banks and the leading players in the field of automobile finance existing in India. “SBI EZEE CAR LOAN” is the brand name for its auto loan. It provides outstanding services at lower cost as compared to other financial institutions. The SBI provides automobile finance to new vehicles as well as old vehicles with lowest interest rate, longer repayment up to 84 month i.e.7 years. It also finances to one time road tax, registration fee, insurance premium and accessories. The term loans and overdrafts can be sanctioned by the bank for the purchase of new passenger cars, Multi Utility Vehicles (MUVs) and Sport Utility vehicles (SUVs) with minimum loan component of Rs.5 lakh and above. There is a facility of takeover of existing loan from other bank or financial institution with certain conditions for the convenience of the bank customers.

SBI- BRANCH KOLHAPUR:

The branch was opened in the year 1999. The branch is specialized personal banking branch.(SPBB) It is specialized in extending personal segments such as corporate salaried group, professionals, self employed. The branch is specialized in advancing for car loan, housing loan, education loan, personal loan. It advances more particularly for scholar students who are pursuing studies abroad, the limit for such education loan is Rs.20 lacs and in exceptional cases the limit can be enhanced. Further the other loan like housing
which meant for dwelling purpose may vary with the income group of the borrower; it can be upto one crorer.

Besides these the branch have extended facilities of alternate channels of banking like mobile banking, internet banking and demat account. The branch has also locker facility of various sizes like small, medium and large provided to the customers as per their requirements. The branch is creating awareness among public at large with regard to internet banking and mobile banking so as to save time and money of the customer. The branch is providing one more important service of accident insurance to the customer ,which cost Rs.100 p.a. only and in turn the accident cover Rs.400000. The home loans and car loans are also covered by SBI life group insurance facility, which give shield of covering insurance of the loan amount availed. Such group insurances are provided to the customers by payment of meager amount of insurance premium.

The business in advances achieved by branch has more than Rs. 100 crores and in respect of deposits it has more than Rs.125 crore in 2011-12

**Social responsibility of the branch -** As a part of social obligation the branch has donated ceiling fans and water purifiers in government run schools in and around the city. The SBI branch Rajarampuri ceiling fans in Shahu vidyalay, Sane Guruji, vasahat, Kolhapur and Jijama school of Kolhapur in the year 2011-12

**The branch eligibility criteria for avail of car loan are as follows.**

i) Individual between the age group of 21 and 60 years.

ii) A permanent employer of state/central Government, public sector under takings, private company or a reputed establishment, or

iii) Professionals or self employed individual proprietary, partnership firms who are an assesses.

iv) Net Annual Income Rs. 250000 and above
The salient features of SBI easy car loan of the branch are as follows.

**Loan Amount**

In respect of loan amount of car, there is no upper limit. The maximum loan amount can be granted to customer at his 4 times net annual income. And if the customer is married and his spouse is a working woman her income could also be considered as a co-borrower in the loan. The loan amount comprises finance for one time road tax, registration fee and insurance. There is no ceiling on the loan amount for new cars.

**Type of loan**

The SBI provides vehicle loan as follows.

1) Term loan, and
2) Overdraft.

This facility of loan is availed to only new vehicles. In this regard the minimum loan amount is Rs. 5 lakh.

**Documents required**

The customer has to submit the following documents with duly completed application.

- Statement of bank account of the borrowers of last 12 months
- Two passport size photographs of borrower
- Signature identification from bankers of the borrower
- A Xerox copy of passport/voters ID card/PAN card.
- Proof of residence
- Latest salary slips showing all deductions.
- IT Returns/Form No.16 of 2 years for salaried employees and 3 years for professionals/Self employed.
- employers/business policy accepted by the ITO
- Proof of official address for non-salaried individuals.
Margin

In case of new or used vehicle loan, the bank has stipulated margin of 15% on the road price.

Mode of repayment

The SBI provides the longest repayment period in the banking industry. The bank has maximum repayment period for salaried employees, self employed and for professionals, i.e. 84 months i.e. 7 years for car loans.

Prepayment Penalty

In case of vehicle loan the bank has a policy of prepayment penalty. The bank imposes prepayment charge of 2% on the outstanding amount of the loan.

Processing fees

In case of processing fees the charges of such fees as 0.50% of loan amount and to be paid up front, minimum Rs.500/-, and maximum Rs.10,000. 25% of processing fees will be retained if application is rejected after pre-sanction survey.

5.2.2 BANK OF MAHARASHTRA:

Bank of Maharashtra is the premier bank of Maharashtra operating in India. It was registered on 16th Sept. 1935 with an authorized capital of Rs.10 lakh and commenced business on 8th Feb. 1936. Bank of Maharashtra is known as a common man’s bank for its provides financial services in small units to fulfill the needs of housing, car purchasing, gold loans etc. It has given birth to many today’s industrial houses. After nationalization in 1969, the bank expanded rapidly with its 1375 branches (as on 31st March 2008) all over India. The bank has the largest network of branches by any public sector bank in the state of Maharashtra.

Bank of Maharashtra was founded by a group of visionaries led by the late V.K. Kale and the late D.K. Sathe and was registered as a ‘Banking Company’ on 16th Sept.1935 at Pune. Today, Bank of Maharashtra has over 12
billion customers across the length breadth of the country serve through 1577 branches in 23 states and two union territories.

It is one of the leading banks in the automobile finance market in the district. At present bank have 10 branches in the Kolhapur district.

**BANK OF MAHARASHTRA-BRANCH KAGAL**

The branch under study is located at Kagal. It is a Taluka place. The branch was opened in the year 1977-78. The branch also offers loans to priority sector as well as retail sectors; it includes agriculture, small scale industry, weaker sections loans, car loan for new cars, jeep and two wheelers, housing, educational, consumer durables and personal. It provides loan for second hand four wheeler too, but the condition for second hand four wheeler loans is that, it should be up to of 3 years old. The further table is showing car loan features of the branch.

**Table No. 5.1**

Bank of Maharashtra: Car Loan Product

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particulars</th>
<th>New car</th>
<th>Used car</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Type of loan</td>
<td>Term loan</td>
<td>Term loan</td>
</tr>
<tr>
<td>2.</td>
<td>Ex. Showroom/on Road</td>
<td>on Road</td>
<td>on Road</td>
</tr>
<tr>
<td>3.</td>
<td>Loan amount limit</td>
<td>Maximum Loan amount Rs.15laks</td>
<td>Maximum loan amount Rs.15laks</td>
</tr>
<tr>
<td>4.</td>
<td>Tenure</td>
<td>Minimum 36 month Maximum 84 month</td>
<td>Min. 12 months Max 60 months</td>
</tr>
<tr>
<td>5.</td>
<td>Time to process loan</td>
<td>7days</td>
<td>7days</td>
</tr>
<tr>
<td>6.</td>
<td>Stamp duty</td>
<td>As per Actual</td>
<td>As per Actual</td>
</tr>
<tr>
<td>7.</td>
<td>Legal, Repossession And Incidental changes</td>
<td>As Per Actual</td>
<td>As Per Actual</td>
</tr>
<tr>
<td>9.</td>
<td>Margin</td>
<td>15%</td>
<td>50%</td>
</tr>
</tbody>
</table>

(Source: Head office Kolhapur)
5.2.3 DENA BANK:

DENA bank is one of the prestigious banks engaged in treasure, corporate banking, retail banking and other banking operations. Different deposits schemes offered by the bank included Premium Savings Accounts scheme, Premium Current Account Scheme, Dena Jeevan Saving Bank Account, Dena Fixed Deposit Scheme, other schemes. The bank provides loans for housing, auto, education, pensioner’s loan scheme, and for other financial operations. Up to March 31st 2012 DENA Bank had opened 51 new branches. At present DENA Bank is providing its services through 1342 branches and 513 ATMs.

DENA was established on 26th May 1938 by the family of Devkaran Nanjee Banking Company Ltd. During the years 1996-97 the bank has its maiden public issue of 6 crore equity shares of Rs. 10 each at a premium of Rs.20 per share aggregating to Rs. 180 corer . During the year 2002-03 the bank launched Dena International Debit Card with affiliation to USA International, and opened 44 new ATMs for customers’ services. As such in 2004-05 the bank signed a MoU with the oriental Insurance Company Ltd. for its non-life insurance products for customers retail needs. DENA Bank brought the concept of “Finmart” and with 40 Dena Finmart provides speedy and efficient services to the customers. During the year 2006-07, the bank provided Dena Bhoomiheen kisan card for tenant farmers, handless laborers’ and sharecroppers also. The bank brought Denalaxmi Gold Deposits Scheme and other schemes for investors. During the year 2007-08, the bank commenced 25 new branches, with three branches in Himachal Pradesh. The bank entered in various financial operations by signing with MoU, LIC and other corporate companies for expanding its business transactions.

The bank entered into arrangement with Birla Sunlife Mutual Fund, Tata Mutual Fund, and SBI Mutual Fund for distribution of their mutual fund products. As such, in Nov 2008, SBI and DENA bank launched the SBI DENA bank card jointly. The SBI DENA Bank Credit Card is developed with the franchise of Visa International.
Dena Bank is also aggressively working in the field of automobile finance in the district. It has 10 branches in Kolhapur district.

**THE DENA BANK – BRANCH HALKARNI**

The branch was opened in the year 1977. Its place of working of the branch in the Kolhapur district is at Halkarni, Taluka Chandgad. The branch is working in the rural area. The branch offers different type of loans and advances to customers. The branch provides finance to priority sectors like agriculture, small scale industry and weaker section. The branch also provides finance to retail sectors, and it includes housing loan, educational loan, consumer durables loan and personal loan and auto loans. The eligibility criteria for customers to avail car loan is that whose gross income is more than Rs.75000 p.a. Dena Bank branch is also aggressively marketing its auto loan product in the district. The salient features of its auto loan product are as follows.

**Features of its Auto Loan Product**

**Loan Amount**

The bank provides the loan amount upto Rs.50000 for purchase of a new two wheeler or scooter, and up to Rs.8 lakh is availed by the bank for purchase of a new car.

**Margin**

In case of margin money, the bank has stipulated 20% of the margin on automobile finance.

**System of interest charge**

The system of interest charge on auto loan is based on daily reducing balance. It means the bank follows floating rate of interest system. It is rather beneficial to the customers compared to fixed rate system of interest.
Prepayment charges

If the whole loan amount paid before the maturity, there are no prepayment charges imposed on the outstanding auto loan amount.

Mode of loan disbursement.

After getting over the agreement, the loan is directly disbursed to the authorized dealer.

Processing fees

In respect of processing fees, it is charged by the bank of Rs.500 for two wheelers, whereas the bank has different charges for four wheelers that are as follows:

. For loans up to Rs.2.50 lakh - Rs.1000/-
. For loan above Rs.2.50 lakh - Rs.1500/- and
. For loan above Rs.7.50 lakh - Rs.2500/-

Repayment Tenure

The bank has repayment period upto 60 EMIs (i.e.5years) for new vehicles, whereas upto 36 EMIs i.e.3 years for old vehicles.

5.2.4 BANK OF INDIA:

For financial and banking transactions Bank of India was established on 7th Sept. 1906 by a group of eminent businessmen in Mumbai along with 13 other banks. The Bank of India was also nationalized in 1969. The bank had started with a paid up capital of Rs. 50 lakh and 50 employees but bank made an outstanding growth over the years. Bank of India has become a powerful financial institution with its presence and sizable international operations. In business volume, Bank of India has a strong position among the nationalized banks.

At present, bank of India has 2609 branches, including 93 specialized branches all over the states and union territories in India. These branches are controlled and administered through 48 zonal offices. The bank, among other nationalized banks, is first completely computerized with ATM facility at the
Mahalaxmi Branch at Mumbai, in 1989. For the first time it introduced the Health code system in 1982, for evaluating and rating its credit portfolio. Bank of India was the first bank to open a branch out of the country, at London in 1946. It is also the first bank opening a branch in Europe, Paris in 1974. The bank has sizable presence abroad with a network of 23 branches at key banking financial centres in London, New York, Paris, Tokyo, Hong-Kong and Singapore.

In this revolutionary era the bank has connected its 4022 branches through internet. It has 20 branches in other countries. Its customers are more than 5.56 Crore. The bank has 3, 38,983 Crore deposits. The bank profit in the year 2011-12 is Rs.2678 Crore. It is the first bank, which has made computerization first in India in 1989. It is also the first bank that, which has opened its first ATM in India. It has 102 branches in Sangli, Satara, and Kolhapur. There are 43 branches in Kolhapur district. It is also one of the leading banks in auto financing. The bank is aggressively marketing its auto loan product.

THE BANK OF INDIA- BRANCH SHASHUWADI

The branch was opened on 16.11.1971, the branch is situated at Shahuwadi, it is a taluka place. The branch is working in rural area and it comes under the medium classification. The percentage of priority sector to total advances of the branch has 74% in the years 2011 and 2012 respectively. In respect of CD ratio of the branch, it has 24.57% in the year 2011 and 21.27% in the year 2012 respectively. The NPA to the total advances of the branch has 5.94% and 14.84% during the year’s 2011 and 2012 respectively. The branch deposits, advances, retail loans, for two year are as follows.
Table No. 5.2

Deposits of the branch

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Deposits</th>
<th>31.3. 2011</th>
<th>31.3. 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Current deposit</td>
<td>523</td>
<td>599</td>
</tr>
<tr>
<td>2</td>
<td>Saving deposits</td>
<td>1209</td>
<td>1411</td>
</tr>
<tr>
<td>3</td>
<td>Term deposits</td>
<td>1261</td>
<td>1474</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>2290</td>
<td>3806</td>
</tr>
</tbody>
</table>

(Source: Bank of India, head office Kolhapur)

Table No. 5.3

The Retail Loans of the Branch

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Parameters</th>
<th>31.03.2011 actual</th>
<th>31.03.2012 actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Star home loan</td>
<td>180</td>
<td>186</td>
</tr>
<tr>
<td>2</td>
<td>Star personal loan</td>
<td>67</td>
<td>61</td>
</tr>
<tr>
<td>3</td>
<td>Star mortgage loan</td>
<td>27</td>
<td>16</td>
</tr>
<tr>
<td>4</td>
<td>Star auto finance</td>
<td>21</td>
<td>14</td>
</tr>
<tr>
<td>5</td>
<td>Star holiday loan/IPO</td>
<td>00</td>
<td>00</td>
</tr>
<tr>
<td>6</td>
<td>Star Education Loan</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>Total retail banking</td>
<td><strong>325</strong></td>
<td><strong>360</strong></td>
</tr>
</tbody>
</table>

(Source: Bank of India, head office Kolhapur)

The branch has eligibility criteria and procedure for its auto loan product is as follows.

Eligibility

For Salaried Employees: - 24 times of monthly gross salary,

For Professionals, self Employed: - 2 times of gross annual income as per IT returns, and

For Proprietor/Partnership firms and corporate: - 2 times of average annual cash accruals as per last 3 years balance sheet.
Quantum of finance

The bank provides auto finance of maximum upto 25 lacs for four Wheeler

Margin

The Bank of India has flexible policy in respect of margin.

Duration of repayment

The bank has maximum 72 EMI’S (6years) for 4 Wheeler, whereas 60 EMI’S (5years) for two wheelers as a repayment duration.

Processing Fees

The bank changes 1.10% processing fees on loan amount. If loan amount is minimum it charges Rs.750/- and the maximum limit of processing fees is Rs2500/-.

5.3 CO-OPERATIVE SECTOR BANKS:
5.3.1 SARASWAT CO-OPERATIVE BANK LTD:

The bank was established on 14th sept.1918 .The area of operation of bank is throughout India. It is a Scheduled bank and the bank has been obtained “A” audit classification since1933 (the year in which, it was registered as a bank). The branches of this bank are spread in other states also, and the two branches are working in Kolhapur city. The researcher has taken one branch to study its automobile finance business. In the profile of bank, branch business, total employees , position of NPA, financial performance of the bank and retail loan business etc .have been taken into consideration.

Expansion of the bank

The Saraswat bank was started a with single branch in the year 1918. In next few decades, it further expanded to the neighboring states of Goa and later to Madhya Pradesh, Karnataka, Gujarat and Delhi. Recently bank has received permission from RBI to extend area of operation to the whole union of India.
Branch wise business

After 83 years of business, there were 73 branches and the banking business of every branch was Rs.64.21crores. In the further decade there was inclusion of the Saraswat Bank. There were 92 branches and the average of every branch banking business reached up to Rs.223.99Crores. Thus from the last decade there have been totally 216 branches. The average banking business has reached up to Rs.126.45Crore.

Employees in the bank

During 83 years of the banking business, there were 1801 employees serving in the bank. Later on the number of employees increased up to 3338 in the next decade. In the last decade, 1537 employees were appointed in the banking service. There were less employees but the business was multiplied. It became possible only because of knowledge skills of the employees at every phase and the latest information technology. This provides that, in the last decade, with perseverance and diligence, the bank has created 1537 new employment opportunities. The further table is showing classification of employees.

<table>
<thead>
<tr>
<th>Posts</th>
<th>No of Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative staff</td>
<td>1310</td>
</tr>
<tr>
<td>Clerical and Accountants</td>
<td>1703</td>
</tr>
<tr>
<td>Office Assistance</td>
<td>325</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3338</strong></td>
</tr>
</tbody>
</table>

(Source- Annual Report of the bank 2010-11)

Non-performing asset

During the annual report 2010-11 the bank has collected Rs.95.61crore in all its NPA, because of which the total ratio of the NPA has successfully brought down up to 3.25%, but, the ratio in the previous year was 3.92%. The bank has become successful in keeping 0% NPA for continually 7 years. The
gross NDA of the in reporting year on 31March 2011 was Rs.374.61croer. After reduction of Rs.146.11cr. The NAP of the Saraswat bank is Rs.226.30 corers i.e. it is 1.98% of the total loan.

**Retail loan performance**

In the year 2010-11 the Bank has achieved two important milestones in the segment of retail assets portfolio. The whole disbursement under retail loans-crossed the major numeral of Rs.1000 crore, in a single financial year. Retail loan portfolio crossed by coveted figure of Rs.200crore. The retail loan portfolio of the bank which was at Rs.1738.68crore as on 31\textsuperscript{st} March 2010 increased to 2,398.17crore as on 31\textsuperscript{st} March 2010 increased to 2,398.17crore as on 31\textsuperscript{st} March 2011 registering a growth of 37%.

**Financial growth of the bank**

The financial growth of the bank is shown in the following table with the help of growth statistics of deposits and the loans of the bank

**Table No. 5.5**

**Financial growth of Bank**

(Rs. in Crores)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31March 2010</th>
<th>31March 2011</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td>14,266.73</td>
<td>15,800.96</td>
<td>10.75%</td>
</tr>
<tr>
<td>Current</td>
<td>1244.30</td>
<td>1,050.94</td>
<td>15.54%</td>
</tr>
<tr>
<td>Savings</td>
<td>3003.37</td>
<td>3513.15</td>
<td>16.97%</td>
</tr>
<tr>
<td>CASA</td>
<td>4247.67</td>
<td>4564.09</td>
<td>7.45%</td>
</tr>
<tr>
<td>Fixed</td>
<td>10,019.06</td>
<td>11,236.87</td>
<td>12.15%</td>
</tr>
<tr>
<td><strong>Loans</strong></td>
<td><strong>9250.35</strong></td>
<td><strong>11511.99</strong></td>
<td><strong>24.45%</strong></td>
</tr>
<tr>
<td>Investments</td>
<td>5321.39</td>
<td>5253.77</td>
<td>1.27%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>23517.08</strong></td>
<td><strong>27312.95</strong></td>
<td><strong>16.14%</strong></td>
</tr>
<tr>
<td>(Deposits+ Loans)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Source: Annual Report of the Bank 2011-2012.)
THE SARASWATBANK - BRANCH KOLHAPUR

The branch was opened in Sept 1997. The head office of the branch is located at Mumbai, Prabhadevi. There are 16 employees working in the branch, it includes 2 SR. Managers, 4 Officers, 2 Account Assistants, 8 clerks and 1 Sub staff. Branch is having various Deposits and Advances product for different type of Customers.

Besides these regular banking facilities the branch is providing various non banking facilities to the customers. The various non banking services offered by branch such as Forex Centre, ATM, Locker, Money transfer Facilities, Insurance Life- HDFC Life insurance, Non Life – Bajaj Allianz General Insurance and Demat Service.

The Business Details for Last two years of the branch are as follows.

Table No5.6
Deposits of the branch

<table>
<thead>
<tr>
<th>Deposits</th>
<th>31.03.2011</th>
<th>31.03.2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saving</td>
<td>1260.13</td>
<td>1336.64</td>
</tr>
<tr>
<td>Current</td>
<td>933.64</td>
<td>934.96</td>
</tr>
<tr>
<td>Term</td>
<td>8551.13</td>
<td>9247.40</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10744.90</strong></td>
<td><strong>11519.00</strong></td>
</tr>
</tbody>
</table>

(Source: Branch office)

Table No5.7
Loans and Advances of the branch

<table>
<thead>
<tr>
<th>Advance</th>
<th>31.03.2011</th>
<th>31.03.2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural</td>
<td>NIL</td>
<td></td>
</tr>
<tr>
<td>SSI</td>
<td>4161.18</td>
<td>4598.61</td>
</tr>
<tr>
<td>Micro</td>
<td>161.13</td>
<td>143.86</td>
</tr>
<tr>
<td>Other</td>
<td>6991.29</td>
<td>8884.64</td>
</tr>
<tr>
<td>Housing loans</td>
<td>1187.13</td>
<td>1210.00</td>
</tr>
<tr>
<td>Auto Loans</td>
<td>250.00</td>
<td>300.00</td>
</tr>
<tr>
<td>Other Loans</td>
<td>311.23</td>
<td>245.54</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13061.96</strong></td>
<td><strong>15382.65</strong></td>
</tr>
</tbody>
</table>

(Source: Branch office)
Table No 5.8
Profit of the branch

<table>
<thead>
<tr>
<th>Profit</th>
<th>31.03.2011</th>
<th>31.03.2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>313.37</td>
<td>423.90</td>
</tr>
</tbody>
</table>

(Source: Branch office)

5.3.2 KALLAPPANA AWADE JANTA URBAN SAHAKARI BANK LTD.

It is one of leading bank in co-operative sector. The year 2012 is the “Golden Jubilee” year of the bank. It has 35 branches spread in all over Maharashtra. Out of 35 branches the branch undertaken for study is located at Jaysinghpur Taluka Hatkanangale District Kolhapur. It was opened in the year 1972. The bank has various types of retail loan schemes such as ‘SAVALI’ Home Loan Scheme, ‘PUSHAPK’ Vehicle Loan scheme, ‘GRUHA SAJAWAT’, loan scheme, ‘DNYANSADHANA’ Education loan, BUSINESS Loan, MICRO FINANCE, Bank centre, franking, pan Card, RTGS & NEFT, Internet and SMS Banking ATM. In order to put forward profile of the bank some of the important factors have been taken into account as follows.

Financial position of the bank

The financial position of the bank is shown in the following table with the help of financial data related to membership, capital, reserve, deposits and loans, working capital, per employee business, profit, credit deposit ratio, and capital to risk adequacy ratio (CRAR). The further table is showing financial position of the bank.
Table No. 5.9
Financial position of the bank

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particulars</th>
<th>31.02.2011</th>
<th>31.03.2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Members</td>
<td>41158</td>
<td>45563</td>
</tr>
<tr>
<td>2</td>
<td>Paid up capital</td>
<td>1642.87</td>
<td>2005.40</td>
</tr>
<tr>
<td>3</td>
<td>Total Reserve</td>
<td>5821.84</td>
<td>8265.77</td>
</tr>
<tr>
<td>4</td>
<td>Own funds</td>
<td>7464.71</td>
<td>10271.17</td>
</tr>
<tr>
<td>5</td>
<td>Deposits</td>
<td>80332.88</td>
<td>92714.33</td>
</tr>
<tr>
<td>6</td>
<td>Loans and Advances</td>
<td>52567.77</td>
<td>63430.84</td>
</tr>
<tr>
<td>7</td>
<td>Working Capital</td>
<td>96628.09</td>
<td>11430.84</td>
</tr>
<tr>
<td>8</td>
<td>Gross Profit</td>
<td>1153.47</td>
<td>1367.50</td>
</tr>
<tr>
<td>9</td>
<td>Net profit</td>
<td>505.02</td>
<td>724.16</td>
</tr>
<tr>
<td>10</td>
<td>Per employee Business</td>
<td>315.44</td>
<td>346.99</td>
</tr>
<tr>
<td>11</td>
<td>Credit Deposit Ratio</td>
<td>65.31%</td>
<td>68.42%</td>
</tr>
<tr>
<td>12</td>
<td>Capital to risk Adequacy Ratio (CRAR%)</td>
<td>12.11%</td>
<td>12.23%</td>
</tr>
</tbody>
</table>

(Source- annual report of the bank 2011-12)

Branch expansion and area of operation

As permitted by Reserve Bank of India, the bank is going to open three new branches at Bhosari, Hadapsar, in Pune and one ‘at Kolhapur’ Bank has covered whole revenue state of Maharashtra and Dharvard, Haveri and Gadag districts in Karnataka as area of operation. The bank has now announced to extend area of operation at other part of Karnataka, and whole area of Goa, Rajasthan and Gujarat state soon. It is very good indication of bank in today’s competitive era.

Social commitment

The main object of every bank is socio-economic development as such the bank is committed to social development in the area of operation and accordingly, this bank has contributed to the extent of Rs.1.60 lac through donations to the educational, social and religious institutions.
Profit

The bank has total income of Rs.10191.25lac and total expenditure of Rs.1367.50lac during this year. After making necessary provisions of Rs.643.34lac the bank has earned net profit of Rs.724.16lac. That it shows good financial position.

Non-performing assets

The bank has become success to achieve 0.86% NPA in the history of bank. Out of the total credit portfolio of Rs.63430.84lacs the total gross NPA amount is Rs.2929.29lacs. The gross NPA is 4.62% and net NPA is 0.86% as compared to the last years 6.01% and 2.01% respectively. It indicates progressive step in keeping at low level.

THE KALLAPANNA AWADEBANK- BRANCH JAYSHINGPUR

The branch was opened in 9th Sept1972. The branch is also providing various deposits and advances products for different types of customers. In order to meet financial needs of customers the branch provides priority as well as retail loan products to customer, it consist such as agriculture, SSI, weaker section loans, and in retail loans as housing, consumer durables, personal, and auto loans. The branch is also playing an important role in offering auto loans. The business details of the branch are as follows.

Table 5.10

<table>
<thead>
<tr>
<th>Sr.No</th>
<th>Business of the branch</th>
<th>31.03.2011</th>
<th>31.03.212</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Deposits</td>
<td>5310.99</td>
<td>5734.57</td>
</tr>
<tr>
<td>2</td>
<td>Loans</td>
<td>1422.51</td>
<td>1436.14</td>
</tr>
<tr>
<td>3</td>
<td>Profit</td>
<td>99.30</td>
<td>103.04</td>
</tr>
</tbody>
</table>

(Source: annual report 2011-12)
5.3.3 WARANA SAHAKARI BANK LTD. WARANANAGAR

Late Tatayasaheb Kore was the founder of the Warana Sahakari Bank Ltd. Warananagar, who was well known as ‘Sahakar Maharshi.’ He was recognized as father of ‘Warana Vikas’ (Warana-Development). The bank was established in the year 1966. The head office of the bank is situated in rural area at Warananagar Tal-Panahala, Dist. Kolhapur. The bank has 25 branches in Kolhapur district as well as two branches in Mumbai. In all there are 27 branches and the bank is successfully working for last 47 years.

In order to put forward the profile of the bank various aspects should be taken in to account like business growth, share capital, members, deposits, loans NPA profit, divided etc. They are as follows.

**Business growth**

Though there is intense competition the bank has shown spectacular progress at the end of the financial year 31.03.2012. The turnover of the bank has 850.00 crore during this year. The following table highlights the performance of bank during the year, 2011-2012.

**Table No. 5.11**

**Business Growth**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Date. 31.03.2011</th>
<th>Date 31.03.2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share Capital</td>
<td>1179.84</td>
<td>13332.83</td>
</tr>
<tr>
<td>Reserve fund</td>
<td>30079.84</td>
<td>3127.41</td>
</tr>
<tr>
<td>Working Capital</td>
<td>53441.48</td>
<td>58636.84</td>
</tr>
<tr>
<td>Capital adequacy Ration</td>
<td>13.18%</td>
<td>12.83%</td>
</tr>
<tr>
<td>Deposits</td>
<td>47257.43</td>
<td>33268.69</td>
</tr>
<tr>
<td>Loans</td>
<td>28622.43</td>
<td>33268.69</td>
</tr>
<tr>
<td>Investment</td>
<td>18983.56</td>
<td>19241.18</td>
</tr>
</tbody>
</table>

(Source- annual report of the bank 2011-12)
Members

Members of the bank are newly included by 732 and upto 31/3/2012 the total members of the bank are 19917.

Share capital and owned funds

For the sound financial position and commercial transactions the banks share capital in this year grew upto Rs. 152.99 lakh, and it became upto Rs. 13,32,83,400 and in reserve fund it grew upto Rs. 272.49 lakh and became Rs. 44,60,24,336. The ratio of efficient fund reached upto 12.83% which the reserve bank requires minimum of 9% showing stability of the bank.

Deposits

Improvement and growth in deposits of the bank shows trust worthiness of its customers. The deposits grown upto 31.03.2012 are Rs. 4275.90 lakhs and the total deposits of the bank at present are more than Rs. 515,33,18,666/-.

The bank has given protection security of upto Rs. 1.00 lakhs deposits under DICGC insurance.

Loans

After a detailed study of interest rate, security, transparency and credit rating, the loan provided by the bank are reached upto Rs. 3326868960 with increasing in banking business of Rs. 4646.26 lakh in the reporting year by 31.03.2012. The rate of loan is 16.23%. The bank has provided 59.68% loan to all needed members and 17.43% of the loan to weaker section.

Non-performing assets

The ratio of NPA in the last year was 0.83% and now it has become 0.60%. There is reduction in NPA and indicates that good and efficient recovery policy.

Distribution of profit and dividend

The bank has obtained the net profit of Rs. 30150106.76 lakh with the previous balance profit of Rs. 6211.10 it has become Rs. 30156317.86 lakh and
is divided as follows with distribution of dividend. The further table is showing distribution of profit and dividend.

Table No. 5.12

Distribution of Profit and Dividend

(Rs.in lakh)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particulars</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>25% reserve fund</td>
<td>8000000.00</td>
</tr>
<tr>
<td>2.</td>
<td>Building fund</td>
<td>1250000.00</td>
</tr>
<tr>
<td>3.</td>
<td>12% profit</td>
<td>14900000.00</td>
</tr>
<tr>
<td>4.</td>
<td>Debenture funds</td>
<td>2000000.00</td>
</tr>
<tr>
<td>5.</td>
<td>Golden jubilee fund</td>
<td>1500000.00</td>
</tr>
<tr>
<td>6.</td>
<td>Bad and doubtful debts</td>
<td>2500000.00</td>
</tr>
<tr>
<td>7.</td>
<td>Balance profit</td>
<td>6317.86</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>30156317.00</strong></td>
</tr>
</tbody>
</table>

(Source- annual report of the bank 2011-12)

Dividend

The director body has recommended dividend to its members at 12% in 2011-2012

Expansion of the branch

In the 2012 current year the bank has opened its new branches at APMC market, Vashi, New Mumbai with computerization and core banking system. As such reserve bank has permitted for new branches at Sangli city, Pune, Panvel and Mumbai soon these branches will be commenced.

Information and technology

Keeping in view the importance of information and technology, the bank has made modification in all the branches with computerization and core banking system. The said branches are connected to the head office and to customers with e-banking system and with main data centre at Kolhapur. For immediate transfer of funds, the bank has provided RTGS system to customers with SMS facilities. The bank has provided ATM facility through eleven
branches based on biometric ATM service. Soon the facility of ‘Ru-pay’ card service will be given to members of NDCI countries.

THE HEAD BRANCH - WARNANAGAR

The head branch was opened on 31.3.1966. The location of the branch is at waranagar, which is rural area. The branch provides different products and services to their customers. The branch offers loans and advances to the priority sectors such as agriculture, small scale industries and weaker sections. The branch also offers loan to the retail sectors like auto finance, housing finance, personal finance, educational loan and consumer durables loan to satisfy such needs of the customers. There are different auto loan schemes of the warana branch like margin money scheme, advanced EMI scheme, and hire purchase scheme. The branch has availed auto loans to persona vehicles like two wheelers and four wheelers and commercial vehicles too. Presently there fifteen employees are working. The financial performance of the warana branch for two years is as follows.

<table>
<thead>
<tr>
<th>Sr.No</th>
<th>Particulars</th>
<th>31.3.2011</th>
<th>31.3.2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Deposits</td>
<td>77.03</td>
<td>68.48</td>
</tr>
<tr>
<td>2</td>
<td>Loans</td>
<td>21.10</td>
<td>29.33</td>
</tr>
<tr>
<td>3</td>
<td>Profit</td>
<td>42.36</td>
<td>49.94</td>
</tr>
</tbody>
</table>

(Source: Branch office)

5.3.4 SHRI. VEERSHAIV CO-OPERATIVE BANK LTD.

The Veershaiv co-operative bank Ltd. was established in the year 1942. It is an old bank established before independence. During the year 2011-2012, the bank has presented its 71st annual report. Since 1942, the bank has been working successfully in co-operative sector. The bank has 27 branches including the head office, is located in the city of Kolhapur. Out of 26 branches one, branch is located at Rashivade. Tal. Radhanagari, Dist-Kolhapur taken for
study. The profile of the bank has been included significant different aspects of the bank as follows,

**Capital share and dividend of members**

Up to 31st March, 2012, the members of the bank have 22772 which were 22514 in the last year. The total increase of bank’s capital share is Rs. 92 lac, and till the end of the year the capital share has reached upto Rs. 5 crore 42 lac.

Income tax is now imposed on the co-operative banks. That’s why the bank has to pay 33% of income tax on dividend amount and then to distribute the dividend. For this year, the director body has recommended 13% dividend to its members by adding 1% compared to last year’s dividend of the bank. As a result, the amount of divided is upto 17% of the bank’s share capital.

**Investment, fund and capital adequacy**

By 31st March, 2012 total investment of the bank in co-operative banks, state and district central co-operative bank, commercial and other banks is Rs. 139 corers, 95 lacks. According to Reserve Bank’s rules, after its investment for CRR/SLR, the bank has invested the remaining amount in the government, co-operative and scheduled banks to get profitable interest.

Up to 31st March 2012, the reserve funds and other funds of the bank are 35 corers 63 lacks. It includes the revaluation of the bank’s assets. In this reporting year, the funds are increased by Rs. 4 corers 87 lacks. The bank has kept the sinking fund as per the rules of reserve bank and transferred its network. Accordingly the bank has made its profit loss account and transaction. Increase in reserve fund and other funds show the sound position of the bank.

According to the rules of Reserve bank, the bank’s capital efficiency/CRAR should be 9% upto 31st March, 2012, the capital efficiency/CRAPR of the bank is 13.95%, it shows increase of 2.22% in CRAR.
Deposits, loans and non-performing loan

Upto 31\textsuperscript{st} March, 2012, the bank has Rs. 321 crore, 77 lac deposits. In this year, there is increase of Rs. 44 crore 52 lac deposits. Besides cutthroat

Achievement of the bank

Competition in interest rate on deposits, the bank has maintained its ‘Market Goodwill” with its members, employees and the staff.

Upto 31\textsuperscript{st} March 2012, the arrears of the bank has Rs. 10 crore 31 lac which is 5\% ratio to its loans. Of total arrears there are court matters for Rs. 6 corers 2 lac pending in the court of law. Under the law of securitization, the bank has taken legal action against 20 debtors for Rs. 2 crore, 64 lac. The administration is trying its best to lessen the ratio of non-productive assets (NPA), it is 3.40\% upto the end of the year, and became successful in maintaining 0\% NPA.

A grand programme was arranged under the presidency of his Holiness Adrushya Kadsiddheshwar Maharaj and in the presence of Dr. Yashwantrao Thorat, Ex. Chairman of NABARD, to honour the bank for achieving the target of deposits of Rs. 300 crore in the reporting year, on 30.1.2012. Most of the directors, customers and well wishers remained present on this occasion. The bank has started ‘Core Banking System’ and decided to provide ‘ATM Banking Service’ in 5 branches. With this regard, an ‘ATM Machine’ and ‘E Lobby Multipurpose Machine’ is installed at Tararani Chowk, Kolhapur. Soon, the same service will be provided in other branches. The building at Tararani chowk Branch is totally renovated with air conditioning and computerization facilities. The bank is ready for customers’ services, in 21\textsuperscript{st} century, by accepting and implementing latest and modern banking technology.

VEERSHAIV BANK-BRANCH RASHIVADE

The branch was opened on 16\textsuperscript{th} July 1967. The branch is located at Rashivde Taluka Radhanagari, Dist. Kolhapur. The branch is working in rural area. The branch offers various products to customers, it includes deposits,
priority sectors loan, and also retail sector loan. The business of the branch for two years is as follows.

Table No5.14

Financial performance of the branch

<table>
<thead>
<tr>
<th>Sr.No</th>
<th>Particulars</th>
<th>31.3.2011</th>
<th>31.3.2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Deposits</td>
<td>626</td>
<td>688</td>
</tr>
<tr>
<td>2</td>
<td>Loans</td>
<td>385</td>
<td>582</td>
</tr>
<tr>
<td>3</td>
<td>Profit</td>
<td>21</td>
<td>26</td>
</tr>
</tbody>
</table>

(Source: Branch Office)

5.4.5 JANTA SAHAKARI BANK LTD. AJARA:

The bank was incorporated in the year 1963. In the year 2011-12 the bank has entered into 50 years and celebrating its’ “Golden Jubilee Year”. The bank has 15 branches including its head office situated in the town of Ajara, which is a taluka place. In the reporting year 2011-12 the bank has made satisfactory development and has net NPA of 2.79%, and the gross NPA ratio of it is approximately 13.82. The bank has its ratio of 66.30% Cash Deposit Ratio is 14.25%. The capital adequacy ratio that should be required to maintain at least 9% as per the RBI rules. That is why, the bank is recognized as an ideal bank and capable, co-operative bank in the society. In the profile of the bank, some important aspects that have taken into account are as follows:-

Golden jubilee

The present year 2011-2012 is the “Golden Jubilee Year” of the bank, in which the bank is planning to organize various programs for its members, customers, account holders, debtors and well-wishers.

Financial performance of the bank

The further table is showing financial performance of the bank during the year 2010-11.
Table No.5.15
Financial Performance of the bank

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particulars</th>
<th>Year 2010-11</th>
<th>Year 2011-12</th>
<th>Growth</th>
<th>Decline</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>‘A’ class members</td>
<td>20,467</td>
<td>20,932</td>
<td>538</td>
<td>---</td>
</tr>
<tr>
<td>2.</td>
<td>“B” class members</td>
<td>3,947</td>
<td>3,817</td>
<td>--</td>
<td>130</td>
</tr>
<tr>
<td>3.</td>
<td>Share capital</td>
<td>209.07</td>
<td>226.70</td>
<td>27.63</td>
<td>--</td>
</tr>
<tr>
<td>4.</td>
<td>Reserve fund and other funds</td>
<td>1049.67</td>
<td>1078.50</td>
<td>28.83</td>
<td>--</td>
</tr>
<tr>
<td>5.</td>
<td>Deposits</td>
<td>7618.94</td>
<td>8879.67</td>
<td>1260.73</td>
<td>--</td>
</tr>
<tr>
<td>6.</td>
<td>Loans</td>
<td>5298.57</td>
<td>5887.35</td>
<td>577.78</td>
<td>--</td>
</tr>
<tr>
<td>7.</td>
<td>Floating capital</td>
<td>9824.77</td>
<td>11206.21</td>
<td>1381.44</td>
<td>--</td>
</tr>
<tr>
<td>8.</td>
<td>Profit</td>
<td>9.91</td>
<td>14.36</td>
<td>4.45</td>
<td>--</td>
</tr>
</tbody>
</table>

(Source- annual report of the bank 2011-12)

Members and owned funds

Compared to last year 538 members of the bank are added in 20467 and 73 members are declined, hence, up to the end of the year the total number of the members of the bank has become 20932. The banks owned capital in the reporting year in improved up to Rs. 27.63 lacks which is a sound growth. The share capital of the bank has Rs. 2,36,69,625/-

Deposits and insurance of deposits

In the year 2010-11, the deposits of the bank were Rs. 7618.94 lac. With the increase of Rs. 1260.73 lac in it, it became up to Rs. 8879.67 lac till 31.03.2012. Compared to last year the increase in deposit is 16.55%. This bank is a member of ‘Deposit Insurance and Guarantee Corporation’, and under this scheme, the deposits up to Rs. 1,00,000/- of the depositors are secured. According to Act. 15 of DICGC Law, the bank has paid the premium of Rs. 4,60,054/- on 18th May 2012 of the insurance of deposits up to Sept. 2012.
Priority and loans for weaker section

According to the guiding principles of Reserve Bank of India, with the intentions of economic development, empowerment and self-employment of debtors through loan supply, this bank has provided loans to the weaker sections in the society. Of the loan amount 71.33% loan amount is turned to the priority sector whereas 17.86% is provided to the weaker section in the society.

Loans, arrears and non-productive loans

The bank has provided loans by increasing Rs. 588.78 lac as compared to last year’s loans of RS. 5298.57 lac. And upto 31 March 2012 the loan of Rs. 5887.35 lac is to be returned to the bank. The increase in the loan is by 11.11% as compared to last year’s. The bank by making a new strategy and rules to provide loans for ordinary customers and to improve their financial condition, the bank continuously supplies loans to regular repaying debtors and trying to increase loan transactions with its appeal to the members to get advantage of the loan schemes of the bank.

Investment

Janata Co-operative Bank Ltd, Ajara has strictly followed the rules of Reserve Bank of India and its criteria in its loan investment. It has also tried its best to obtain more profit by investing the balancing from loan funds and sends its report to Reserve Bank quarterly regarding ‘classification of investment and evaluation’.

Division of profit

In the reporting year the bank has got profit of Rs. 72,02,000/- tentatively and after legal provisions the net profit of the bank is Rs. 14,36,488.50. The director body was recommended for its distribution as follows:
Table No. 5.16
Division of Profit
(Rs.in lac)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Distribution of profit</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Reserve bank’s fund</td>
<td>359122.15</td>
</tr>
<tr>
<td>2.</td>
<td>Golden jubilee fund</td>
<td>700000.00</td>
</tr>
<tr>
<td>3.</td>
<td>Flexible investment</td>
<td>200000.00</td>
</tr>
<tr>
<td>4.</td>
<td>Sinking fund</td>
<td>177366.44</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1436488.59</td>
</tr>
</tbody>
</table>

(Source- annual report of the bank 2011-12)

Capital: efficiency ratio

As per the criteria of Reserve Bank of India, it requires efficient capital up to 9% at minimum; but the bank has its efficient capital of 14.25% which shows the ability and soundness of the bank.

Social services

i. The bank has co-operated many educational, social institutions and with it’s the renowned person’s bank has kept social commitment.

ii. It has given awards and cash prizes to scholar and brilliant students of its members’ and the staff by felicitating them with motivation.

iii. The bank celebrates “Shivjayanti’ and “Ganes Festival” at public and assists financially to public friend’s circles.

JANTA CO-OPERATIVE BANK LTD, AJARA-BRANCH

The branch was opened on 2.6.1963. The branch is situated at Ajara. Taluka Ajara, District Kolhapur. There are fifteen employees working in the branch. As a part of social responsibility the branch has organized “Blood Donation” camp. The branch provides various products and services to customers. The branch provides finance to the priority sectors like agriculture, small scale industry, and weaker sections and also provides finance to retail sector such as housing, consumer durables, personal loans, and auto loans to
two and four wheelers. The branch financial position for two years is shown as follows.

Table No. 5.17

Financial Position of the Branch

(Rs.in crore)

<table>
<thead>
<tr>
<th>Sr.No</th>
<th>Particulars</th>
<th>31.3.2011</th>
<th>31.3.2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Deposits</td>
<td>17.83</td>
<td>19.97</td>
</tr>
<tr>
<td>2</td>
<td>Loans</td>
<td>09.67</td>
<td>11.90</td>
</tr>
<tr>
<td>3</td>
<td>Profit</td>
<td>00.29</td>
<td>00.26</td>
</tr>
</tbody>
</table>

(Source: Branch office)

5.4.6 AJARA URBAN CO-OPERATIVE BANK LTD. AJARA:

The bank was setup on 26/171961. The head office of the bank is located at Ajara, It is a taluka place. The bank has 23 branches, which are spread in the district and out of the district. In reporting year 2011-12 the bank has made satisfactory development and has 17% growth in deposits and 28% growth in loans, the cash deposit ratio (CDR) has increased from 54.78% upto 60.22%. The details of the bank performance regarding share capital, owned funds, loans, NPA are described as follows.

Share Capital and Owned Funds

Upto March 2012 the share capital of the bank is Rs. 4,92,71,000 (four crore ninety two lac and seventy one thousand) Compared to previous year it is increased by 69 lac,82 Thousand rupees. The owned funds and other funds of the bank is of Rs.48,42,94000 (forty eight crore, forty two lac and ninety four thousand) in which 3 crore 70 lac 91 thousand rupees are increased. As per the criteria of Reserve Bank of India 9 % amount is reserved as capital Risk Appropriate Ratio’, but, this bank has reserved 15.77% This shows that The bank is in sound financial position. Even after appeal to members of the bank, they did not pay the arrears of share capital of 500/-. To pay, the bank appeals
again. For the financial year 2011-2012, the Directors Body has recommended for 12% bonus to its members.

To increase the capital share, the bank has aimed at 15 crore. At the end of 31/3/012, the share capital of the bank is Rs. 4 crore 92 lac 71 thousand. According to Reserve Bank’s Policy of the year 2010-2011, it has increased the limit of net worth fund to open branches; and for this it is essential to increase share capital. Till this year, the bank has distributed more than 10% dividend to its members; for 2010-2011 the bank has given 12% dividend and recommended for the same in the year 2011-2012. The rate of this dividend it more than the interest rate of deposits in the market.

**Deposits**

The deposits of the bank till the end of the financial year were Rs. 310 crore and 27 lac; These deposits are improved by Rs. 44 crore and 56 lakhs. Until 30th June 2012, There are the deposits 317 crore71 lakh. The rate of interest on deposits are more attractive than other banks. Because of this, the investors amounts in this bank. It is due to more transparent activities of the bank, and faith of ordinary people in the bank; and excellent service to the customers. So, the bank expresses its gratitude to the investigators and the bank assures the wellbeing of its customers. This bank is a member of ‘Deposit Insurance and Credit Guarantees Corporation. For the protection of the deposits, the bank has paid its advance premium by date 30/9/2012.

**Loans**

The bank has offered the loans of Rs. 186 crore 85 lakh in this financial year, it means, the loan amount is increased by 41 crore 28 lakh. The bank has decided to implement different schemes to increase loans. It is using different strategies to keep competitive interest rates. Due to good response of the members, there is tremendous increase in loans; and the bank is trying its best for further response. After the reporting year, up to 30th June 2012, the bank has made transactions of 201 crore, 30 lacs; witch is 76.26% of loan supply of leading loan and 18.28% supply to weaker section.
Non-Performance Asset

The ratio of NPA of the bank is 0%. The total NPA(gross) of the bank is Rs.11 crore, 82 lac and 96 thousand approximately; which is reduced by Rs.1 crore 43 lac as compared to last year. This reducing ratio of NPA due to the systematic efforts of the Director Body of the bank and follow up of the collection committee of the arrears from the member defaulters of the bank. The bank is grateful to the members for their positive response given to the director body. Henceforth, bank is trying to maintain 0% NPA tentatively.

Investment and Fund Management

After considering the provisions in loan and the guidelines of the Reserve Bank of India of returns, transparency and risk, the bank has invested under different heads. Up to 31/3/2012, the bank invested Rs. 162 crore 16 lac. According to the guidelines and instructions of the Reserve Bank of India, the bank has formed an ‘Investment Committee’ of the director body, which conducts its meetings periodically; and made a strategy of investment. The bank auditing of the entire investment transactions and quarterly sends report to Reserve Bank.

AJARA URBAN CO-OPERATIVE BANK LTD.AJARA-BRANCH GARGOTI

The branch was opened on 25.5.1972. The branch is situated in a small town. The branch has different products of priority loans and advances. It provides finance to agriculture and weaker sections. Branch also offers retail loans to the customers like housing loan, educational loan, personal loan, and auto loans. Auto loans are availed by branch for two wheelers as well as four wheelers. The branch financial position for two years is shown as below.
Table No. 5.18
Financial Position of the Branch (Rs.in crore)

<table>
<thead>
<tr>
<th>Sr.No</th>
<th>Particulars</th>
<th>31.3.2011</th>
<th>31.3.2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Deposits</td>
<td>13.59</td>
<td>15.69</td>
</tr>
<tr>
<td>2</td>
<td>Loans</td>
<td>11.95</td>
<td>15.92</td>
</tr>
<tr>
<td>3</td>
<td>Profit</td>
<td>0.45</td>
<td>0.70</td>
</tr>
</tbody>
</table>

(Source: Branch office)

5.5 PRIVATE SECTOR BANKS:

5.5.1 AXIS BANK AUTO LOAN:
AXIS bank was the first new private bank established in 1994, after the Government of India allowed new private banks to establish. The bank was promoted jointly by the Unit Trust of India, Life Insurance Corporation of India (L I C) and General Insurance corporation of India (G I C) and other four public sector units insurance companies, i.e. National Insurance Company Ltd; The Oriental Insurance Company Ltd; The New India insurance Company Ltd; and United India Insurance Company Ltd; AXIS bank operates in four segments, i.e. Treasury operation, Retail Banking, Corporate or Wholesale Banking and other banking business, hence, it is one of the fastest growing bank in private sector.

The treasury operations include investment in sovereign and corporate debt, equity and mutual funds, trading operations, derivatives trading and foreign exchange operations on the account and for customers and central funding. Retail banking includes lending to individuals or small business units subject to the orientation, products granularity criterion and also includes liability products, card services, Internet banking, ATM services, financial and NRI services. The corporate or wholesale banking segment includes corporate relationship, advisory services, placements, syndication, management of public issue, project appraisal, capital market, and cash management services.

The bank registered office is located at Ahmadabad and the central office is located at Mumbai. As on 30th Sept. 2011, the AXIS bank is
capitalized to the extent of Rs. 412.32 crore with the public holding at 52.07%. AXIS bank has a very wide range of network with more than 7591 ATMs (till Sept 2011) In the year 2003, the bank was authorized to handle Government transactions such as Govt. taxes, and payments. At present, the bank is serving through different branches all over the world.

Axis Bank offers Car Loans at attractive interest rates to both salaried and self-employed individuals who meet their age and income eligibility criteria. The criteria to avail car loan of the bank are as follows,

**AXISBANK- BRANCH KOLHAPUR**

The branch was opened in the year 2005. It was especially opened to offer retail loan products and it is a Retail Asset Centre (RAC). The branch is located in the area at Rajarampuri. The branch provides various types of retail loan to customers like home loan, auto loan, personal loan, gold loan etc. The details of the branch retail loans business are as follows.

**Table No. 5.19**

<table>
<thead>
<tr>
<th>Retail loan products</th>
<th>31.3.2011</th>
<th>31.3.2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Home Loan</td>
<td>69.00</td>
<td>78.00</td>
</tr>
<tr>
<td>2 Auto Loan</td>
<td>29.00</td>
<td>26.00</td>
</tr>
<tr>
<td>3 Personal Loan</td>
<td>1.50</td>
<td>1.60</td>
</tr>
<tr>
<td>4 Gold Loan</td>
<td>-</td>
<td>1.00</td>
</tr>
<tr>
<td>Total</td>
<td>99.50</td>
<td>106.60</td>
</tr>
</tbody>
</table>

(Source-Branch Rajarampuri)

The branch auto loan product features are as follows.

**For Salaried Individuals**

- Minimum age of applicant: 21 years
- Maximum age of applicant at loan maturity: 60 years
- Income: Minimum Net Annual Salary of Rs. 1.5 Lac p.a. for selected models and Rs. 2.5 Lac p.a. for others.
Income eligibility: As per latest salary slip or Form 16
Employment: Minimum 2 yrs of continuous employment

For Self-employed Individuals
Minimum age of applicant: 21 years
Maximum age of applicant at loan maturity: 65 years
Income: Minimum Net Annual Business income of Rs. 1.5 Lac p.a. for selected models and Rs. 2.5 Lac p.a. for others
Income eligibility - As per latest ITR and computation of income
Employment: Minimum 3 yrs in same line of business.

*All of the above is subject to terms and conditions.*

Scheme for Priority Customers
Eligibility All Priority customers, with a vintage of 12 months and A minimum Average Quarterly Balance as below:
- For Category A and B cars, the account must have an AQB of Rs. 1 Lac for last 4 completed quarters.
- For Category C cars, the account must have an AQB of Rs. 2.5 Lac for last 4 completed quarters.
- For Category D cars, the account must have an AQB of Rs. 5 Lac for last 4 completed quarters.
- Maximum loan amount restricted to 3 times the AQB in the last 4 quarters.

Scheme for Salary Customers
All customers having their Salary A/c with Axis Bank since the past 3 months and working with the following organization are eligible for this product.

Eligibility
- Public limited, private Limited companies
- MNCs
• Permanent employees of State / Central Government
• Permanent employees of Public Sector Undertakings
• Permanent employees of reputed schools / colleges

**Parameters**

- Minimum age of applicant: 21 years
- Maximum age of applicant at loan maturity: 60 years
- Income: Minimum Net Annual Salary of Rs. 1.5 Lac p.a. for selected models and Rs. 2.5 Lac p.a. for others.
- Income eligibility: As per latest salary slip or Form 16
- Employment: Minimum 2 yrs of continuous employment

**Car Loan Eligibility Calculator**

Axis Bank has made it easy for customers to quickly check out their Car Loan eligibility. Car Loan eligibility calculator helps customers to find out whether he can avail of auto finance or auto loan.

**5.5.2 HDFC BANK:**

HDFC Bank Ltd was incorporated on Aug.30th, 1994 by Housing Development Finance Corporation Ltd. in Mumbai. This Bank was amongst the first to receive an “in principle” approval from RBI to set up a bank in the private sector, as a part of RBI’s liberalization of the Indian Banking Industry in 1994. In the year 1996, the bank was appointed as the clearing bank by the NSCCL. The bank was the first bank to launch an International Debit Card in association with VISA (Visa Electron). During the year 2001-02, the bank was listed on the New York Stock Exchange. The bank entered in housing loan business through an arrangement with HDFC Ltd; whereby, they sell HDFC Home Loan Product in Sept 2003.

On June 2, 2007 HDFC bank opened 19 branches on a day in Delhi and the National Capital Region (NCR) in the year 2008-09 the bank expanded its network from 761 branches in 327 cities to 1412 branches in 528 Indian cities. The first commercial branch in Bahrain was opened in Oct.2008

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2010-11 the bank expanded to 1986 branches in 996 Indian cities ATMs to 5471.

Today the bank is also one the leading banks in automobile finance. It is a privately owned bank. The bank is increasingly focusing on its product of automobile finance all over India. The bank has wide range of Retail Loan Products, it includes Personal loan, Auto loan, Home loan, two-wheeler loan, loan against securities, loan against gold, education loan ,loan against property, business loan etc. The bank also provides loan for second hand vehicle. Bank has availed competitive rates and competent guidance along with 100% finance on select models. The features and benefits of its automobile finance are as follows features and Benefits for four wheeler customer:

**HDFC- BRANCH GADHINGLAJ**

The branch was opened in the year 2007 The branch has a priority sector and retail sector banking .It offers agriculture, small scale industries, weaker sections loan as priority loans and also offers housing, educational, personal and auto loans etc. as its retail loan products. The branch has deposits products like current deposits, saving deposits and fixed deposits. The details of car loan product of the branch are as follows.

**The branch car loan product features and Benefits**

1. Covers the widest range of cars and multi-utility vehicles in India.
2. Upto 100% finance on your favorite car**.
3. Flexible repayment options, ranging from 12 to 84 months.
4. Borrow up to 3 times your annual salary (for salaried professionals) and 6 times your annual income (for self employed professionals)*.
5. Speedy processing - within 48 hours.
6. Repay with easy EMIs.
7. Attractive Interest rates
8. Hassle-free documentation.
Customer Privileges

a. If customer is an HDFC bank account holder, he has special rates availed by bank.

b. If customers have had a preferred account or a corporate salary account with HDFC Bank for more than six months, he can get fast approvals on his loans with minimal documentation.

c. If customer is an existing HDFC Bank car loan customer with a clear repayment of 12 months or more he can Top-Up his car loan to the extent of the original loan value.

*This would also vary with higher loan value

**Offers on specific models. Terms and conditions apply.

Features for second hand vehicle

. Choose any car manufactured in India within a certain age*.

. Borrow up to 80% of the value of the car.

. Flexible repayment options ranging from 12 to 60 months.

. Borrow up to 3 times your annual salary (for salaried professionals) and 6 times your annual income (for self employed professionals)**.

. Available for almost all car models at attractive interest rates.

. Repay with easy EMIs.

Additional loan on existing loan

This is one more feature of the bank, if customer is an existing with a clear track record of 12 months or more, then he can get an additional loan to the extent of his existing loan amount at attractive rate of interest. Age of Car at loan maturity should not cross 10 years subject to maximum loan tenure of 60 months** this would also vary with higher loan value.

Features of Two wheeler loan:

. Instant approval

. up to 100% funding

. 3% lower rate of interest for HDFC bank account holder

. No income proof required
5.6 NON BANKING FINANCE COMPANIES:

5.6.1 SHRIRAM CITY FINANCE:

Shriram city Union Finance Ltd. is India’s premier financial services company in retail finance. The company was incorporated on 27th March 1986 as a private limited company with the name Shriram Hire Purchase Finance Pvt.Ltd. But, on 29th Oct. 1988, it become a public limited company and become Shriram Hire Purchase finance Ltd. After acquiring the shares to the extend of Rs. 20 lakh (2000000 shares at par ) by City Union bank Ltd in March 1990, with the approvals from reserve Bank Of India , the company was renamed as Shriram City Union Finance Ltd. The company is registered as a deposit taking asset financing NBFC with RBI which become public in 1994.

Shriram City Union Finance Ltd; it is a part of Chennai-based Shriram Group, India’s premier financial services chain? The company provides loans for two wheelers, three wheelers, four wheelers, finance for small business and personal loans to self-employed professionals, general merchants and manufacturers also. Prior to 2002, the company was engaged in transport finance, but after its tie-up with ICICI Bank, the company entered the business of consumer durable financing. It is significant that from April 14 2005, the companies’ shares were listed on the National Stock Exchange. Later on, its shares were purchased by Shriram financial Holding Pvt. Ltd and due to the transfer of 1,44,21,462 equity shares, it become Shriram Enterprises Holding Pvt. Ltd., and in April 24, 2007 the company promoted a subsidiary company Shriram Non Conventional Energy Ltd to the Bio Mass Plant.

At present, the company is wholly owned subsidiary company; and from July 2010, it is serving for housing finance, mortgage finance and other financial activities.

The mission of company

“Striving to serve the largest number of company people we shall strive at all times to build Shriram city into the very best organization, by maintaining the highest stud owe of corporate Governance personal. Behaviors if
Employees and through timely delivery of quality. Non-banking financial services.”

**Genesis of the Shriram phenomenon**

The 30000cr. Shriram group has its humble beginning in the chit fund business over three decades ago. R Thyagrajan, AVS Raja and T Jayarman were three musketeers who ventured into this business not many in the financial services industry thought at that time this squall chit finds business in Chennai would. Need be the foundation for the financial conglomerate that Shriram is today.

**The Shriram way**

Shriram group business strive to save the largest number of common people consider these commercial vehicle financing, co-insurer and enterprise finance, Retail stock booking, life Insurance, General Insurance, chit fund and distribution of Investment and Insurance produce. (Pre dominantly pre-owned) is gain a strong expression of this commitment.

**Industrial Investment**

The group has also made investment in manufacturing sectors such as Engineering project and construction, pharmaceutical, packaging, information technology, property development and recent foray into non-conventional energy

**Corporate Social Responsibility:**

Shriram city in Partnership with Shriram social Welfare Trust has started a certificate course in NBFC under IGNOU. For under privilege, students, first batch of 14 students passed out with flying colors and being employed in Shriram city.

**SHRIRAM CITY- BRANCH KOLHAPUR**

The branch was opened in the year 2005. The branch is playing an important role in the field of auto loan. The branch have different products of
retail loans such as secured and personal loan, small scale enterprise loan, vehicle loan and gold loans. It also provides service of life insurance and general insurance. This branch is one of the leading branches in non-banking finance companies. The branch has offered various schemes of auto loan, it provides auto loans to personal vehicles as well as commercial vehicles with attractive incentive offers to the customers. The retail loan business of the branch for two years is as follows.

**Table No 5.20**

**Retail loans of the branch**

<table>
<thead>
<tr>
<th>Retail loans</th>
<th>31.03.2011</th>
<th>31.03.2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Four wheeler vehicle loan</td>
<td>2.44</td>
<td>2.39</td>
</tr>
<tr>
<td>Secured personal loan</td>
<td>2.69</td>
<td>6.65</td>
</tr>
<tr>
<td>Gold loan</td>
<td>0.82</td>
<td>1.91</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5.95</strong></td>
<td><strong>10.95</strong></td>
</tr>
</tbody>
</table>

(Source-Branch Office)

5.6.2 MAHINDRA AND MAHINDRA FINANCE SERVICES LTD. (MMFSL):

Mahindra & Mahindra Financial Services Ltd. A non-banking finance company in India, established on 1st Jan. 1991 as Maxi Motors Financial Services Ltd. The company provides financial services for vehicle loans, refinancing, housing loan, and for other purposes. It is a subsidiary of Mahindra & Mahindra Ltd; and operating 600 branches across India. Its vehicle finance includes auto and utility vehicles, tractors, cars, commercial vehicles, and construction equipments. It provides insurance solutions to retail customers as well as corporations through its subsidiary, Mahindra Insurance Brokers Ltd.

M&M FSL had received certificate of commencement of business on 19th Feb 1991. On Nov 3, 1993 Maxi Motors become Mahindra & Mahindra Finance Services Ltd; and opened its first branch outside Mumbai, at Jaipure in the year 1995. M&MFSL had registered with RBI as a Non-banking finance
company from 4th Sept.1998, and launched pilot project for retail tractor financing. The company was awarded with Deming Prize by the Japanese Union of Scientists & engineers for terms of cost and quality. In 2005, the company made a tie-up with Hindustan Petroleum Corporation Ltd (HPCL) and formed Mahindra Insurance Brokers Ltd; to undertake the insurance and related activities. M&MFSL won the “Pioneer Award” in the individual category of the “Enterprise Connect Award 2007” instituted by cyber media India. Online Ltd and data quest, and was honored with the Amity, HR Excellent Award for Retention by the Amity Business School, Noida in Aug. 2008. The company to continue the competitive flexible and expeditious lending services to its customers.

MMFSL has national distribution with one of the large network of branches. Mahindra Finance has a presence spread over 450 + Locations across India.

At the end of financial year on 31March 2011, Mahindra Finance recorded a standalone net profit of Rs.463.10crore against Rs. 342.170 crore in F.Y. 2010-2011. In the same period Mahindra finances consolidated net profit stood at Rs.493.66crore compared to Rs.356.09crore over the five quarters. Preceding June 2011 Mahindra finance reported an average growth in renewals and operating profit of 27% and 49% respectively. It average operating margin is 36% and return on net worth is 19%.

MMFSL has achieved around 60% growth MMFSL’s current trust would be in commercial vehicle, construction equipment and second hand vehicle financing. The average loan size is about 3.5lack. The interest rate ranges from 12%-14% for new vehicle loans and 18%-19% for second hand vehicles. Interest rates in urban India would be cheaper by 2%-3%.

MAHINDRA AND MAHINDRA -BRANCH KOLHAPUR

The branch was opened in 2003-04. It is one of the leading branches in Kolhapur district. It provides auto loan to both personal and commercial
vehicles. The branch offers its auto loan product for personal loan vehicles at maximum 95% of the vehicle price. The details of its products are as follows.

**Loan Products of company and branch:**

The Companies product portfolio encompasses right from finance for two wheeler, tractor, farm equipment, cars and Utility vehicles to commercial vehicles and construction equipment. The detail list of product and services offered by MMFSL is presented as follows.

**Tractor loans**

The company is financing to tractors of the Mahindra, Swagaj and shaktiman brands. The loans are highly customized specific to farmer requirements.

**Utility vehicles**

Mahindra Finance also provides loan schemes for Mahindra Utility vehicles and other multi utility vehicles. It also provides trade advance facilities for dealer.

**Car loans**

The company provides loans for car and is preferred financier for M and M Hindusthan motors, Hyundai, General Motors, and Maruti Udyog limited. The loan obtaining process ensures maximum flexibility minimum paperwork and highly customized loans to said car needs.

**Three wheeler loans**

The company supports a wide range of Mahindra three-Wheelers financing with flexibility repayment options and minimal do compensative financial options and quick process of sanctioning a loan makes acquiring a new three-wheeler easier and faster.
Commercial Vehicle Loan

The company has loan scheme for commercial vehicles including trucks, buses, tippers, excavators, light commercial vehicles etc. within this segment company operates in financing both-new as well as old vehicles.

Two wheeler loan

The company provides loans for a wide range of two-wheelers, which include motorbike, mopeds, scooters, and the customers are offered speedy loans with fixable repayment options. The company provides loans to women customers at special rates and offers fast approvals for the same.

Construction Equipments

The company has range of simple and fixable loans. For customers in need of construction equipments within this segment company operates in financing both new well as old equipments.

Refinance

The company has products to support purchase of used cars, utility vehicles, commercial vehicles and tractors. It also provides expedient loans against an existing car, utility vehicle and other commercial vehicles.

Personal Loans

The company has launched products in personal loan segment. Customers can get loans for their needs like marriage related expenses. Children’s higher education, medical treatment, and agricultural etc.

Fixed deposit

MMFSL offers fixed deposits as one of the options for financing savings. As on June 2011 the fixed deposits offered by MMFLS have been given rating of FAAA by CRISIL, MMFSL, offers its customers the options of cumulative and non cumulative deposits.
Gold loan

MMFSL launched its “Loan against Gold” product in Kerala. This offering helps to provide product liquidity against gold ornaments without having to sell them. This offering was launched considering Tata Kerala records the highest number for remittance of finds from overseas, especially the Middle, East.

5.6 CONCLUSION:

The profile of automobile finance companies located in Kolhapur district has visualized the working pattern of these finance companies, their growth and expansion height in terms of capital turnover, various loans and deposits schemes, increase in number of branches position of non-performing asset, social involvement and services and like.
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