CHAPTER V
SUMMARY AND CONCLUSIONS

The study "The Financial performance of Urban Co-operative Bank Ltd., at velur" has come to the following conclusions.

Based on the analysis made by the study with the help of secondary data collected from the various reports of the bank, the study points out the following conclusion with reference to the objectives formed by the study.

The first objective of the study is to know the financial performance and style of co-operative Urban Bank, Velur co-operative Urban Bank functions under the guidelines of Tamil Nadu State Co-operative Bank and also abide the regulation of Reserve Bank of India. It functions as a co-operative organization by accepting shares from the members. It maintains over all financial performance in the good condition.
The second objective is to evaluate the membership and share capital position. It is observed from the collected data that the membership has continuously increased from 11250 in 2000-01 to 12302 in 2004-2005. Due to the increase in the membership, particularly, “A” class, membership, the paid up capital of the bank by the members have also shown a rising trend. This was 48.19 lakhs in 1999-2000 and Rs. 50.96 lakhs in 2001-2002. Thus, the second objective of the study is fulfilled.

The third objective is to study the performance of mobilization of loans and advances. The bank made facilities to avail loans and advances to the members under short-term, medium-term and long-term loans. Among the various types of loans medium term loans and long-term loans provided to the members on a large scale. The total loan amount disbursed to member under the short-term loan was only Rs. 343.89 lakhs and the medium term loan was Rs. 788.47 lakhs and long-term loans accounted for Rs. 1132.36 lakhs during 2004-2005. It is understood that all the three main loans has been steadily increased over a period of time from 1999-2000 to 2004-2005.
The fourth objective of the presented study is to analyze the performance of deposits mobilization of the bank. The study based on the secondary data comes to the conclusion that the overall performance of deposits mobilization under various heads achieved its objectives successfully. Particularly, the bank's performance in the area of reinvestment deposits, fixed deposits and saving deposits were good during the study period. Hence, the fourth objective has also been fulfilled.

The fifth objective of the study is to known the investment position of the bank. No doubt, the investment situation of the bank has steadily increased from Rs. 20.08 lakhs in 1999-2000 to Rs. 297.82 lakhs in 2004-2005. Increase in investment means the bank's function has been extended and its performance has been moving in the positive direction. Investment is the essential factor for any bank and hence it is verified that the fifth objective of the study has also been fulfilled.

The sixth objective is to analyze the assets and liabilities conditions of the bank. The assets and liabilities of the bank are balancing and there is no liabilities beyond the income earnings of the bank.
The seventh objective is to know the profit or loss conditions of the bank. With regard to this, the study found that the net profit of the bank is showing an increasing trend which was Rs. 16.46 lakhs in 1999-2000 and reached Rs. 20.32 lakhs during 2004-2005 which is due to the maintenance of the bank. The bank has to take drastic measures to overcome the overdues so that it may reap increased profits in the forthcoming years. The bank taken for the study has been functioning well and renders its services to the people of the study area.

The eighth objective is to know the working capital position of the bank. Its performance has been moving in the positive direction. So this objective has also been fulfilled.

SUGGESTIONS

The study also makes the following suggestion for further improved and better performance of the bank.

✓ The bank should reduce the overdues in the loan account and it should speedup the collection of overdues efficiently and canon of economy should be exercised.

✓ The existence of the bank at Velur town and its services may be popularized through advertisements or through medias.
✓ Customer's day may be celebrated which will create a cordial relationship between bank and the customers.

✓ The bank should deliberately avoid politician's influence in waiving the interest and even the principals; favoritism should be avoided in all spheres of bank's activities.

✓ The bank may render services particularly for the empowerment of women and enlistment of downtrodden and poor.

✓ The government should enable the banks to have elections for the Board of Directors periodically without delay. Performance of the banks under the Board and its Directors are good than under the bureaucrats like special officers.

✓ The bank should make all out efforts to improve its performance so that it can distribute attractive dividends to its members, which in turn results in the overall development of banks.

✓ The working time may be rescheduled to enable the members to transect even in the evening hours after returning from work.

✓ The area of operation should be extended and even extension counters may be opened up in the areas where there is no banking facility.

✓ Providing incentives to the daily collectors may encourage daily deposit collection with the commercial and business organization.