

CHAPTER-1

INTRODUCTION

INTRODUCTION ABOUT THE STUDY:

The Co-operative banks have a history of almost 100 years. The Co-operative banks are an important constituent of the Indian Financial System. This can be understood by judging the role assigned to them, the expectations they are supposed to fulfill, their number, and the number of offices with which they operate. The co-operative movement was originated in the West but the importance of such banks have assumed in India is rarely paralleled anywhere else in the world. Their role in rural financing continues to be important even today, and their business in the urban areas also has increased phenomenally in the recent years mainly due to the sharp increase in the number of primary co-operative banks.

While the co-operative banks in rural areas mainly finance agricultural based activities including farming, cattle, milk, hatchery, personal finance etc. along with some small scale industries and self-employment driven activities, the co-operative banks in urban areas mainly finance various categories of people for self-employment, industries, small scale units, home finance, consumer finance, personal finance, etc. Some of the co- operative banks are quite forward looking and have developed sufficient core competencies to challenge state and private sector banks. According to NAFCUB the total deposits &lending of Co-operative Banks is much more than that of Old Private Sector Banks & also the New Private Sector Banks. This exponential growth of Co- operative Banks is attributed mainly to their better local reach, personal interaction with customers and their ability to catch the nerve of the local clientele. Though registered under the Co-operative Societies Act of the Respective States (where formed originally) the banking related activities of the co- operative banks are also regulated by Page | 17 the Reserve Bank of India. They are also governed by the Banking Regulations Act 1949 and Banking Laws (Co-operative Societies) Act, 1965.

Cooperative banks in India finance rural areas for:

- Farming
- Cattle
- Milk
- Hatchery
- Personal finance

Cooperative banks in India finance urban areas for:

- Self-employment
- Industries
- Small scale units
- Home finance
- Consumer finance
- Personal finance.

The main objectives of forming co-operatives can be classified into two main types, i.e., the social and economic objectives. While forming an industrial co- operative, the members will have certain social and economic objectives. These objectives are:

1. Social Aim: Social Aim is to safeguard workers interest and to protect them from exploitation by the capitalist and the traders.

Thus the social aim is to render services to the members as well as to the society.

2. Economic Aim: The second aim is Economical, which focuses mainly on creation of the employment. There is lot of disguised unemployment and many layoff stages for the worker in a year. This spare time can be made productive due to the industrial cooperatives.

PROFILE OF THE STUDY

INDUSTRY PROFILE:

Tamil Nadu Industrial co-operative bank drivers of an economy of a country. They provide goods & services, employment opportunities & provide for the growth of the nation's economy. Since ancient times, especially from the days of Bruiser's, the

emphasis on industrial development has been very significant. Mahatma Gandhi encouraged the domestic industry by launching the swadeshi movement. Industries like handloom, khadhi, coir, pottery, handicrafts etc. have been there for a long time in our history.

TAICO with lakhs of village & an economy based on rural earning. Therefore, the development of these villages was considered very important, especially during post independence period. Hence, special attention was paid to the growth & development of industries located in village. This growth could be achieved only through the development of the cottage & handloom industries & other villages based industries. Hence, the need for co-operative organization was realized which would help in bringing all people together to achieve their common objective of self-development. Thus, industrial co-operatives were formed.

An industrial co-operative is an association of workers & craftsmen involved in cottage or village industries, who come together to undertake collective production, processing and marketing of goods manufactured by the members and provide them with the necessary services and assistance.

Industrial co-operative can be defined as 'A co-operative organized by workers, controlled by worker and managed by workers for meeting their common purpose. Thus, an industrial co-operative is an association of workers, wherein all activities are undertaken by the workers and is formed purely to benefit them, socially and economically.

COMPANY PROFILE:

- a) The TamilNadu Industrial Cooperative Bank Ltd., known as "TAICO BANK" was registered on 13.9.1961 and started during 1962.
- b) At present there are 409 members with a paid up share capital of Rs.409.00 lakhs. This includes the Government Share Participation of Rs.268.30 lakhs.
- c) The management of the Bank is headed by the Special Officer from 13.6.1976.

- d) At present the Bank has 146 staff members.
- e) TAICO bank has 27 Branches all over TamilNadu.
- f) TAICO Bank is providing Cash Credit, Term Loans, Bills discounting and Key Loan facilities to the Industrial Cooperative Societies all over the State of TamilNadu.
- g) As on 31.5.2005, there is an outstanding loan of Rs.2368.06 lakhs.
- h) TAICO Bank is providing Loans to SSI Units, Overdraft facility, House Mortgage Loan, House Building Advance and Jewel Loans, etc., to public and personal loan to salaried people.
- i) As on 31.5.2005, there is an outstanding of Rs.15395.60 Lakhs under Loans and Advances under these accounts.
- j) TAICO Bank is mobilizing deposits under Savings Bank, Current, Recurring Deposit, Term Deposits, Cash Certificate, etc., from the public, Government and Quasi Government Institutions.

NEED OF THE STUDY:

Banks occupy a prominent place in the president's egalitarian vision because of their unparalleled outreach and expertise and experience. The banking sector's crucial role at times of major shifts in economic policy has been aptly demonstrated in the past. Bank nationalization and subsequent accent on agriculture and rural credit was the major factor behind successful launching of green revolution in the 1970's. in the 1980's banking reforms have been a fore runner to the wider economic reforms thus in the past decades public sector banks have made a substantial contribution to economic growth, regional development, employment generation and redistribution of wealth.

Banks have experience in implanting development involving from various data as beneficiaries. Contrary to the proper perception that bank has funded and nurtured entrepreneurship. They have discovered that the poor credit worthy and present a huge market for worthy financial products and services. All that is required is the

right product mix and delivery channels. The president asked the banks to provide venture capital to young and innovative and techno enterprenurer, promote employment generating projects and contribute towards the spread of education. He recommended the following mission for the banks for immediate implementation.

- a. A doubling of agriculture credit over three years.
- b. Creation of five rural development projects to employment generation to 10 million youth.
- c. Innovation funding arrives at receiving 3 lakhs sick SSI units.
- d. Provision of funds for creating rural infrastructure including
- e. Allocation of Rs. 10,000 crores as venture capital for funding innovation.

Admittedly, all these activities involved some degree of risk. But Dr. Kalam reassured that in the history of great industrial development, risks always accompany success. "When one dreams alone, it is a just a dream; when the whole nation dreams together, it is the beginning of the reality. It is the time for the baning community to draw upon all the resources to play a catalyst role in the economic development of the country by providing a "rural focus in shining India". Then concepts have to be translated into bankable and economically viable .projects prudence has to be exercised to ensure that the gains made through the painful years of financial reforms do not shift away". From the social and economic point of view, it was felt necessary to focus on the various loans lend by the Tamil nadu Industrial co-operative Bank for the upliftment of the people striving below poverty line.

SCOPE & SIGNIFICANCE OF STUDY:

This study has been undertaken mainly to highlight the changes in the social eco-Condition of the weaker section due to the remedial measures taken by the government for their well being, by introducing various kinds of loan lending through the nationalized banks in the country. The study of bank and its credit structure is not a onetime activity as the procedures change now and then. It should be closely watched and analyzed.

OBJECTIVES OF THE STUDY:

Primary Objectives

- To study the credit risk management in Tamil Nadu industrial cooperative bank ltd.

Secondary Objectives

- To study about Tamil Nadu Industrial Co-operative Bank and its credit policy.
- To evaluate the various services offered by the TAICO Bank.
- To study the attitudes of the borrowers towards repayment.
- To study the steps taken by the bank to recover the loans.

CHAPTER 2

REVIEW OF LITERATURE

REVIEW OF LITERATURE:

1 Bhaskaran and Josh (2000) concluded that the recovery performance of co-operative credit institutions continues to be unsatisfactory which contributes to the growth of NPA even after the introduction of prudential regulations. They suggested legislative and policy prescriptions to make co-operative credit institutions more efficient, productive and profitable organization in tune with competitive commercial banking.

2 Jain (2001) has done a comparative performance analysis of District Central Cooperative Banks (DCCBs) of Western India, namely Maharashtra, Gujarat and Rajasthan and found that DCCBs of Rajasthan have performed better in profitability and liquidity as compared to Gujarat and Maharashtra.

3 Boppana and Nagarjuna (2006) suggested that performance of banking in terms of profitability, productivity, asset quality and financial management has become important to stabilize the economy. They found that public sector banks have been more efficient than other banks operating in India.

4 Pal and Malik (2007) investigated the differences in the financial characteristics of 74 (public, private and foreign) banks in India based on factors, such as profitability, liquidity, risk and efficiency. It is suggested that foreign banks were better performers, as compared to other two categories of banks, in general and in terms of utilization of resources in particular.

5 Campbell (2007) focused on the relationship between nonperforming loans (NPLs) and bank failure and argued for an effective bank insolvency law for the prevention and control of NPLs for developing and transitional economies as these have been suffering severe problems due to NPLs.

6 Singla(2008) emphasized on financial management and examined the financial position of sixteen banks by considering profitability, capital adequacy, debt-equity and NPA.Dutta and Basak (2008) suggested that Co-operative banks should improve their recovery performance, adopt new system of computerized monitoring of loans, implement proper prudential norms and organize regular workshops to sustain in the competitive banking environment.

7 Chander and Chandel (2010) analyzed the financial efficiency and viability of HARCO Bank and found poor performance of the bank on capital adequacy, liquidity, earning quality and the management efficiency parameters.

8 Suresh Padmalatha (2011), in his book highlighted the CAMELS rating to assess the financial conditions of each bank. However, these financial measures are primarily lag indicators, a postmortem view of the business, rather than lead indicators that assess the bank's stability to create value in the future

9 Kanhaiya Singh and Vinay Dutta (2013), provided the detailed view of CAMELS approach with regard to how to analyze the financial statements. It brings out the importance of systematic assessment of banking institutions within a formalized framework both at the time of on-site examination and in between examinations through off site monitoring.

10 Vasant C. Joshi and Vinay V. Joshi (2002), provides a picture of analysis done by The Economic Times for some banks using CAMEL ratings and also brief information regarding different ratios involved in the CAMEL model to test financial performance.

11 S. Rajagopalan (2007), it introduces the concepts of a cooperative and discusses in legal status, various types, and governance and administrative structure in the first article.

12 A.Vijay Kumar (2012), studied the performance of SBI and its associate's bank to measure overall health and financial status using CAMEL rating system. It

isconcluded in the study that the SBI and its associate banks have succeeded in maintaining capital adequacy ratio at the higher level than the prescribed level (more than 9%) during the study.

13 Agrawal, Puhazhendhi and Satyasai (1997) in their article published in “National Bank News Review” on “Gearing Rural Credit for the twenty first centuries,” had commented that the task before the rural credit system in the next century will be formidable and complex, as it has to deal with two diverse challenges, namely, addressing the basic problems of rural development and globalizing Indian agriculture. Thus it has to deal with two distinct groups. One having small individual credit needs but accounting for a high proportion of total credit and the other requiring huge amounts of credit for practicing capital intensive expert oriented hi-tech agriculture. The existing credit system has to be geared up to these challenges.

14 Satish and Gopalkrushna (1998) in their article “Viability of Rural Banking” published in Economic and Political Weekly given the frame work regarding viability of rural banking and have examined the macro level components of financial structure of rural banking institutions, to see whether non-viability structurally inbuilt. Their study is based on macro level proportion of assets and liabilities to the overall assets and liabilities of rural financial institutions. They reveal that margin between total cost of liabilities and total return on assets of various financial institutions is positive.

15 Satyasai and Viswanathan (1998) have attempted to study on “Restructuring the Co-operative Credit systems through Integration” of short-term and long term structures which is published in Indian Journal of Agricultural Economics. The study indicates co-operative system in the country needs restructuring in view of the Changing demand pattern for rural credit and higher expectations from the cooperative which are expected to provide quick and quality service to enable them to be viable and vibrant. De-layering of the co-operative system, integration of short-term and long term co-operative structures are some of the alternative restructuring

options of ten suggested by them.

16 Sourindra Bhattacharjee (1998) in his article “Factors influencing viability of Primary Agriculture Credit Society” studied the viability of Primary Agriculture Credit Societies. He pointed out that the market in which primary agriculture credit societies operate are imperfect as loan business, involves dealing in future transactions and further the market is oligopolistic as only few financial institutions operate in rural sector. Under this context the author has developed a multi-variant econometric model to examine the relative influence of factors determining profitability of Primary Agriculture Credit Societies.

17 Puhazhendhi and Jajaraman, (1998) in their study published in “National Bank News Review” on “Rural Credit Delivery-Performance and Challenges before Banks” have reviewed the performance of the rural credit delivery system in three focus areas of the rural credit markets viz. agriculture, nonfarm sector activities poverty alleviation and challenges that the bank are likely to encounter in the next decade. The study also suggests strategies for overcoming these challenges.

18 Dr. Gadgil D. R. (1944) The Chairman of Agricultural Finance Sub-committee reported in his studies in 1945 that the co-operative developments were not uniform in different provinces and recommended the establishment of agricultural credit corporation for each province.

19 S.M. Patel's (1967) “A case studies of repayment of crop loan and causes of their non repayment in Maharashtra state.” Published in Indian Journal of Agriculture Finance, deals only with the repayment aspect of crop loans provided by the district central co-operative banks and causes of their nonrepayments the causes of repayment mainly due to uneven rain, heavy cost of production, market fluctuations, and the loans were not properly used for purpose it was sanctioned.

20 C. L. Dadhich (1977) has made a study of “Over dues in Farm Co-operative

Credit.” In Popular Prakashan, Bombay studied the co-operative movement in Rajasthan and the causes of over dues of the borrowers, and the institutional level. He has also suggested measures for reducing the over dues.

21 Singh and Singh (1980) have analyzed in their article published in “Indian Co-operative Review” the comparative study of co-operative and non cooperative credit in agriculture related to the advancement and utilization of loan and the time factor involved in sanctioning of the loans, as compared to the commercial banks, the cooperative takes more time to sanction loan and to provide it to farmer.

22 Khatry and Chamola (1981) in their study published in “Haryana Agriculture Banker” on “Utilization pattern of loan advanced by the primary agriculture credit societies in Haryana.” have concluded that small farmers have utilized 60.50% of the total loan for productive purpose.

23 Dandekar, (1993) in his articles published in “National Bank News Review” on “Limit of credit, not credit limit” had reviewed the post independence story of credit for rural development begins with report of committee of directions to direct an all India Rural Credit Survey set up by the Reserve Bank of India in 1954. Its report lies at that bottom of the policy, progress and problem in this field over the last 40 years.

24 K. A. Suresh and E. Vinai Kumar, (1993), the authors studied Primary Agriculture Cooperative Credit Societies in Kerala. One of the main objective of their study is to develop as many methods as possible to iterate determinates of viability/non viability. The basic approach of the authors is to measure viability in terms of positive net worth. Kotaial, (1995), Chairman, NABARD in his article, and entitle “A Revive of Rural Finance,” published in “National Bank News Review” has examined the operational environment of rural financial Institutions, their performance and their policy interventions for improving the same.

CHAPTER 3

RESEARCH METHODOLOGY

RESEARCH DESIGN:

Descriptive research includes surveys and facts – finding enquiries of different kinds. The major purpose of this research is description of affairs as it exists at present. This study includes survey and enquires with existing customers about the various services and schemes.

SOURCES OF DATA:

Primary data: Primary data was collected with the help of questionnaire survey with the customers of Logistics companies.

Secondary data: Secondary data was collected by external sources like books, newspapers and journals; new age sources like the internet. Some White papers and articles were also referred to get an insight on the working of plans designed for road transportation. Access to different articles with respect to road transport on the internet enabled to gather some useful information and facts about the same. This study is totally secondary data based one.

POPULATION:

The overall population in the organization is 350.

SAMPLING METHODS: Sampling Units

The respondents, (i.e.) the existing customers of TAMILNADU INDUSTRIAL CO-OPERATIVE BANK Chennai will be descriptive according to their area of business, needs and profession to certain parameters.

SAMPLE SIZE:

A Sample Size chosen was 120 for the research.

SAMPLING TECHNIQUE:

Simple random sampling is one of the most popular types of random or probability sampling. In this technique, each member of the population has an equal chance of being selected as subject. The entire process of sampling is done in a single step with each subject selected independently of the other members of the population.

PERIOD OF STUDY:

The period of study for the study was a course of 1 month.

STRUCTURE OF QUESTIONNAIRE:

Structured questionnaire was used to collect the information from the customer.

The questionnaire was closed ended where rating scales were used.

ANALYTICAL TOOLS:

For the purpose of analysis CHI-SQUARE, PERCENTAGE RANKING methods are used for calculations and the result were interpreted. These methods are used to minimize the error of data collected. Graphs were used to represent the data for the better and accurate interpretation of result.

Statistical tools used for analysis are as follows:

- ***Percentage analysis:*** Percentage refers to a special kind of ratio in making comparison between two or more data and to describe relationships. Percentage can also be used to compare the relation terms the distribution of two or more sources of data.
- ***CHI Square test:*** Chi square test is a non-parametric test that establishes the independence between variables. It is measured by comparing the observed with those of expected frequencies based on the hypothesis. It is given by.

LIMITATIONS OF THE STUDY:

✓ ***Incomplete information***

Even though the samples are collected personally, some of the schedules were rejected for want of complete information.

✓ ***Out of reach***

As some of the beneficiaries were away from home and as some areas are not reachable.

✓ ***Hiding the facts***

Many beneficiaries refused to give true economic status.

✓ ***Non – Cooperation***

Some beneficiaries refused to respond with a fear that the researcher has come for the recovery of loan.

CHAPTER-4

DATA ANALYSIS & INTERPRETATION

4.1 PERCENTAGE ANALYSIS:

TABLE NO: 4.1.1 Table Showing Gender wise Calculation

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Male	62	51.7
Female	58	48.3
Total	120	100

(Source: Primary data)

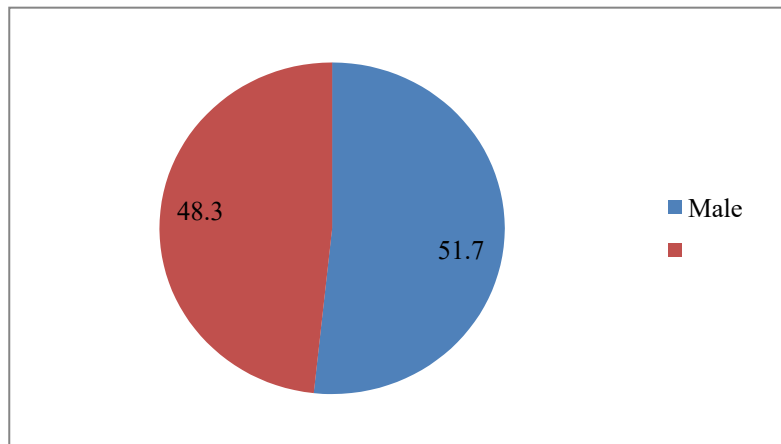


CHART NO: 4.1.1 Chart showing Gender Wise Calculation

Interpretation:

51.7% respondents are male candidates and 48.3% are female candidates.

TABLE NO: 4.1.2 Table showing Age Wise Calculation

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Less than 30	67	55.8
30-40 years	37	30.8
40-50 years	11	9.2
50 years & above	5	4.2
Total	120	100

(Source: Primary data)

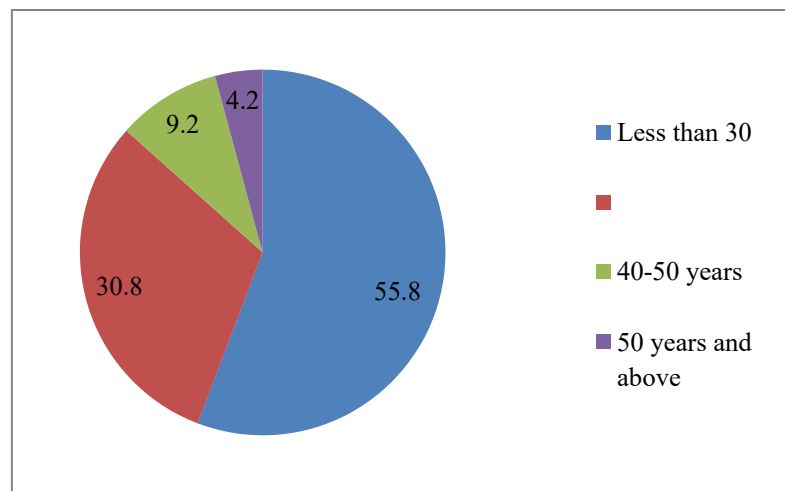


CHART NO: 4.1.2 Chart Showing Age Wise Calculation

Interpretation:

55.8% of the respondents are less than the age of 30, 30.8% of respondents are between 30-40, 9.2% of respondents belongs to the age of 40-50 and 4.2% of respondents belongs to the age category of 50 and above.

TABLE NO: 4.1.3 Table Showing Family Size

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Less than 4	38	31.7
4-6 members	58	48.3
6-8 members	18	15
More than 8	6	5
Total	120	100

(Source: Primary data)

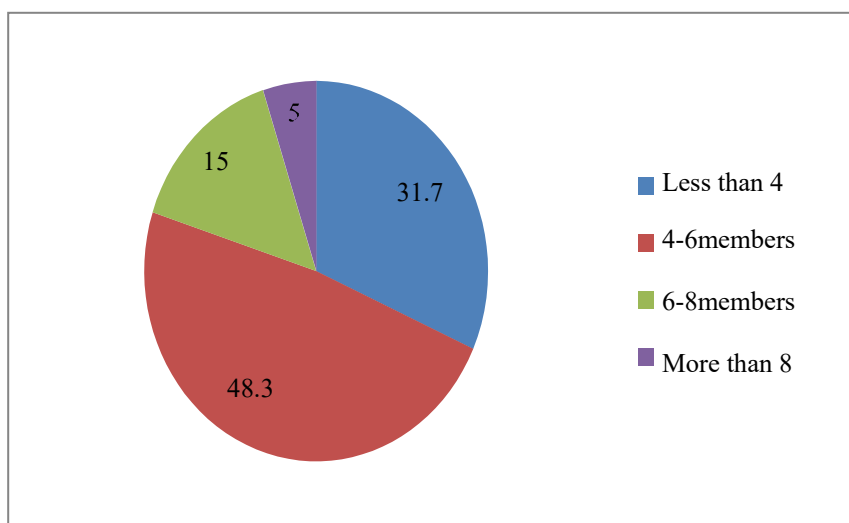


CHART NO: 4.1.3 Chart Showing Family Size

Interpretation:

31.7% respondents family size is less 4, 48.3% respondents family size is of 4-6 members, 15% of respondents family size is of 6-8 members and 5% of respondents family size is more than 8 members.

TABLE NO: 4.1.4 Table Showing Community

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
SC	18	15
ST	20	16.6
OBC	35	29.2
OTHERS	47	39.2
Total	120	100

(Source: Primary data)

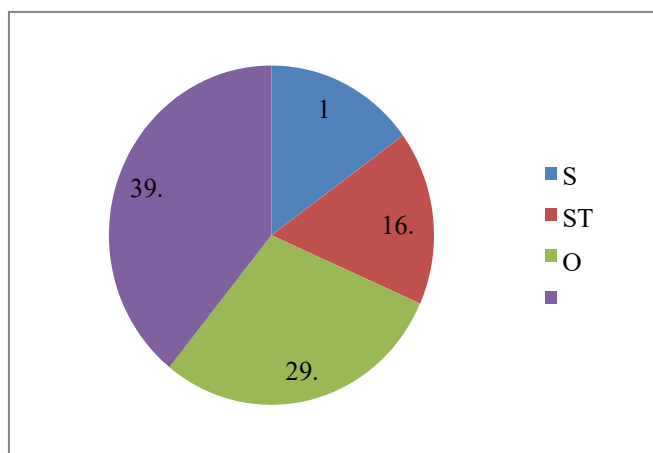


CHART NO: 4.1.4 Chart showing community.

Interpretation:

15% of respondents belongs to SC, 16.6 percentages of respondents belongs to ST, 29.2 percentages of respondents belongs to OBC and 39.2 percentage of respondent belongs to other community

TABLE NO:4.1.5 Table showing the monthly income of Respondents

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Below 10000	25	20.8
10000-15000	56	46.7
15000-20000	33	27.5
20000-40000	6	5
Total	120	100

(Source: Primary data)

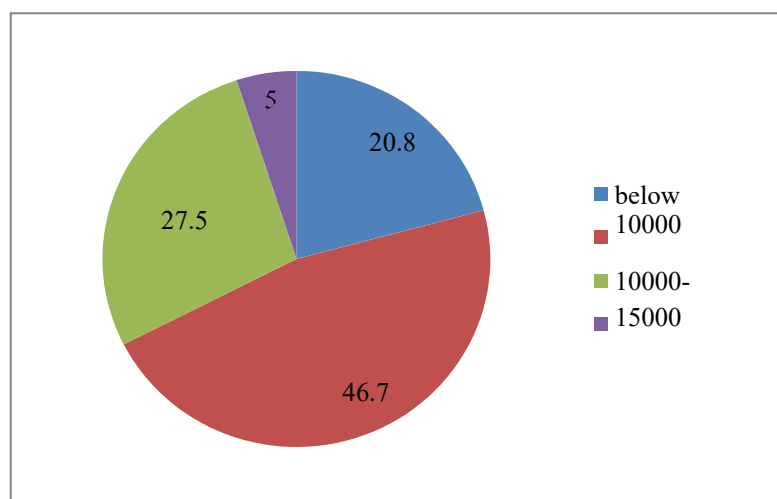


CHART NO: 4.1.5 Chart showing monthly income of Respondents

Interpretation:

20.8% of respondents are paid up with the salary below 15000, 46.7% of respondents are paid up with the salary of 15000-25000, 27.5% of respondents are paid up with the salary of 25000-35000 and 5% of respondents are paid with the salary of 35000 and above.

TABLE NO: 4.1.6 Table showing how long have you been customer

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Less than a year	33	27.5
1-5 years	47	39.2
5-10 years	30	25
10 years & above	10	8.3
Total	120	100

(Source: Primary data)

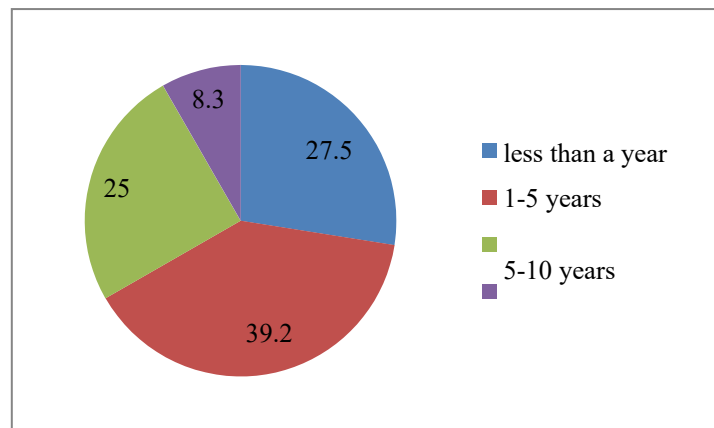


CHART NO: 4.1.6 Chart showing how long have you been customer

Interpretation:

27.5% of respondents have been the customer for less than a year , 39.2% of respondents have been customer for 1-5 years, 25% of respondents have been customer for 5-10 years and 8.3% of respondents have been customer since 10 years and above

TABLE NO: 4.1.7 Table showing How Customer Got to know about the Bank.

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Friends	36	30
Relatives	38	31.7
Advertisement	23	19.2
Others	23	19.2
Total	120	100

(Source: Primary data)

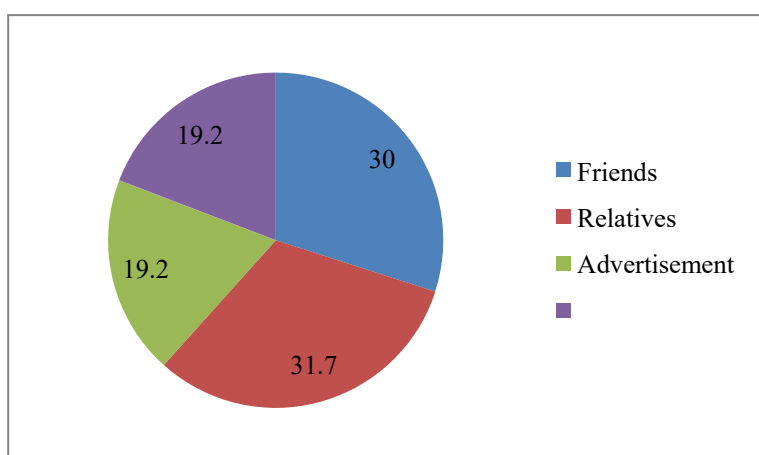


CHART NO: 4.1.7 Chart showing how customer got to know about the Bank

Interpretation:

30% of respondents got to know about the bank through friends, 31.7% of respondents got to know about the bank through relatives, 19.2% of respondents got to know about the bank through advertisements and 19.2% of respondents got to know about the bank through other sources.

TABLE NO: 4.1.8 Table showing the scheme of obtaining the Loan,

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Personnel loan	49	40.8
Business loan	32	26.7
Home loan	34	28.3
Government loan	5	4.2
Total	120	100

(Source: Primary data)

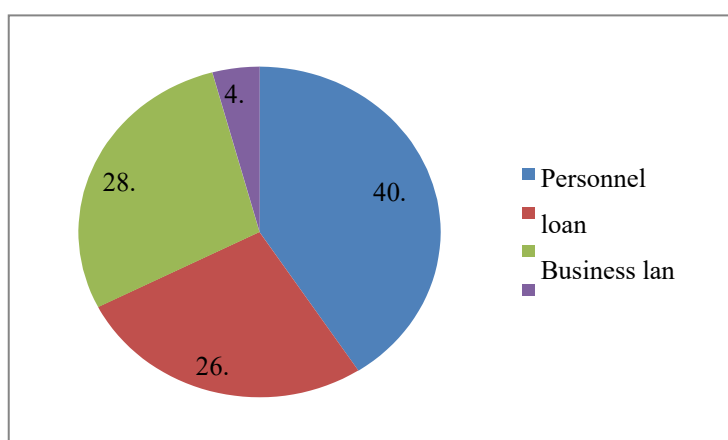


CHART NO: 4.1.8 Chart showing the scheme of obtaining the Loan

Interpretation:

40.8% of respondents chose personnel loan, 26.7% of respondents chose business loan, 28.3% of respondents chose home loan and 4.2% of respondents chose government loan.

TABLE NO: 4.1.9 Table Showing Repayment status of Loan

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
3 years	40	33.3
4 years	36	30
5 years	29	24.2
5 years & above	15	12.5
Total	120	100

(Source: Primary data)

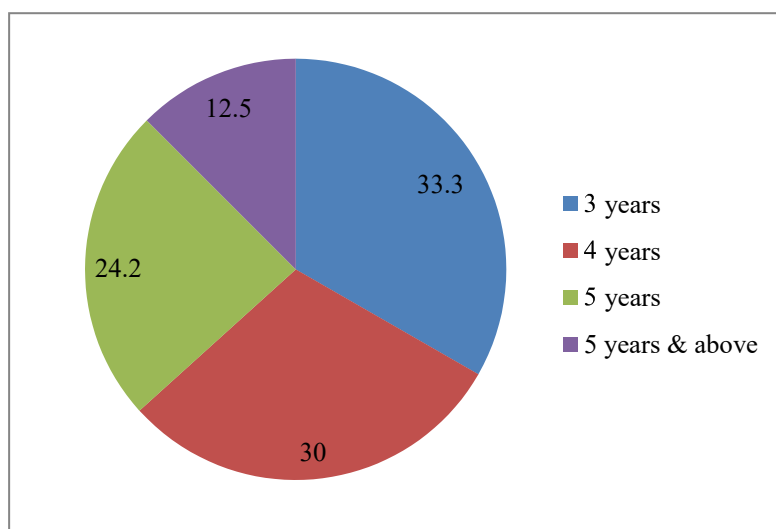


CHART NO: 4.1.9 chart showing Repayment status of Loan

Interpretation:

33.3% of respondents chose 3 years for repayment of loan, 30% of respondents chose 4 years for repayment of loan, 24.2% of respondents chose 5 years and 12.5% of respondents chose 5 years and above for repayment of loan.

TABLE NO: 4.1.10 Table showing how Credit System works

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly agree	21	17.5
Agree	42	35
Neutral	44	36.7
Disagree	10	8.3
Strongly disagree	3	2.5
Total	120	100

(Source: Primary data)

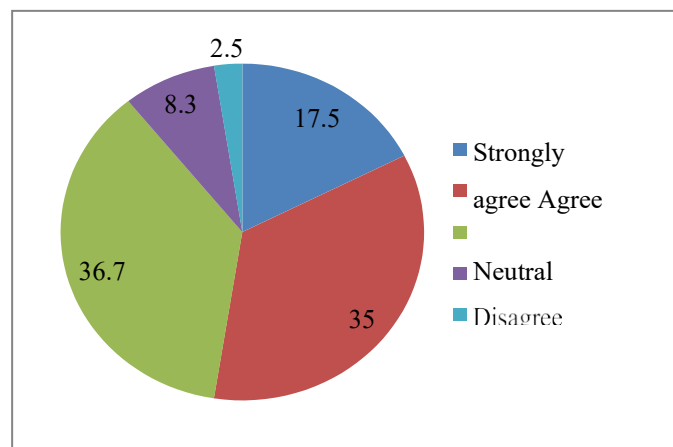


CHART NO: 4.1.10 Chart Showing How Credit System works

Interpretation:

17.5% of respondents strongly agree saying the credit system works good, 35% of respondents agrees saying that the credit system works good, 36.7% says its neutral and 8.3% disagrees and 2.5% strongly disagrees it.

TABLE NO: 4.1.11 Table Showing respondent's usefulness of Credit System

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly agree	23	19.2
Agree	49	40.8
Neutral	36	30
Disagree	11	9.2
Strongly disagree	1	0.8
Total	120	100

(Source: Primary data)

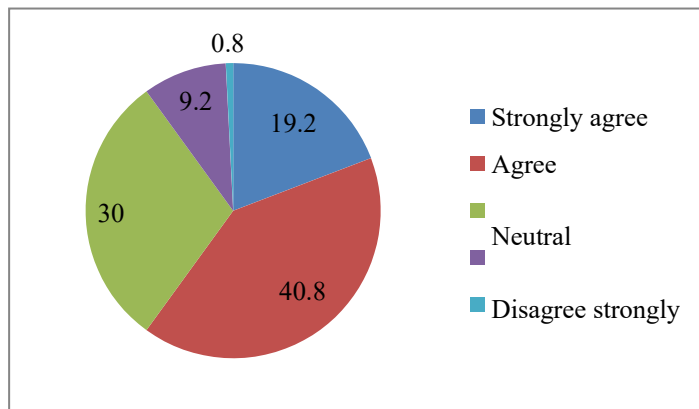


CHART NO: 4.1.11 Chart Showing Respondents Usefulness of Credit System

Interpretation:

19.2% of respondents strongly agrees saying the credit system is useful, 40.8% of respondents agrees to it, 30% of respondents says its neutral, 9.2% of respondents disagrees it and 0.8% of respondents strongly disagrees.

TABLE NO: 4.1.12 Table showing Credit card Usage of Respondents

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly agree	24	20
Agree	42	35
Neutral	37	30.8
Disagree	12	10
Strongly disagree	5	4.2
Total	120	100

(Source: Primary data)

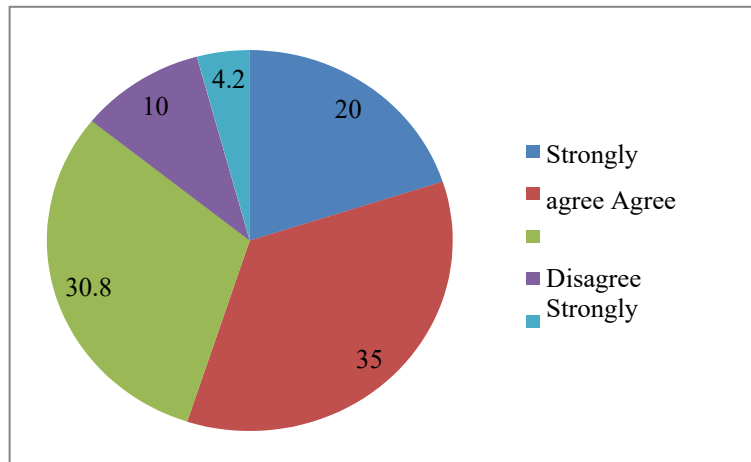


CHART NO: 4.1.12 Chart Showing Credit Card Usage of Respondents

Interpretation:

20% of respondents strongly agree that the credit card is useful, 35% of respondents agrees to it, 30.8% of respondents finds it neutral , 10% of respondents disagrees and 4.2% of respondents strongly disagrees.

TABLE NO: 4.1.13 Table Showing Respondents of credit system Helpfulness during their Emergency.

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly agree	22	18.3
Agree	46	38.3
Neutral	42	35
Disagree	7	5.8
Strongly disagree	3	2.5
Total	120	100

(Source: Primary data)

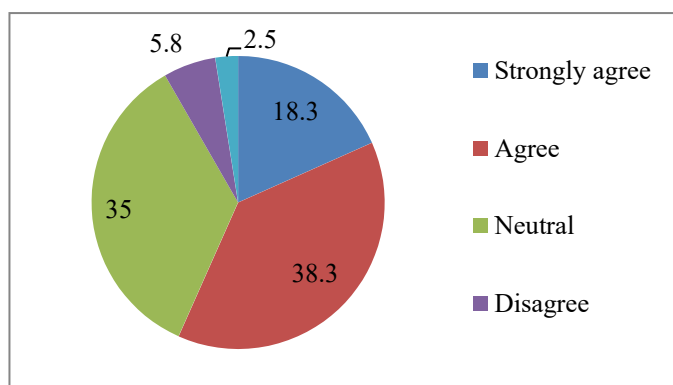


CHART NO: 4.1.13 Chart Showing Respondents of Credit System Helpfulness during their Emergency

Interpretation:

18.3% of respondents strongly agree to it saying they find the credit system helpful during their emergency, 38.3% of respondents agrees to it, 35% of respondents say its neutral, 5.8% of respondents disagree and 2.5% of respondents strongly Disagrees.

TABLE NO: 4.1.14 Table Showing Redeemed Awards from Scorecard Respondents calculation

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly agree	15	12.5
Agree	37	30.8
Neutral	50	41.7
Disagree	15	12.5
Strongly disagree	3	2.5
Total	120	100

(Source: Primary data)

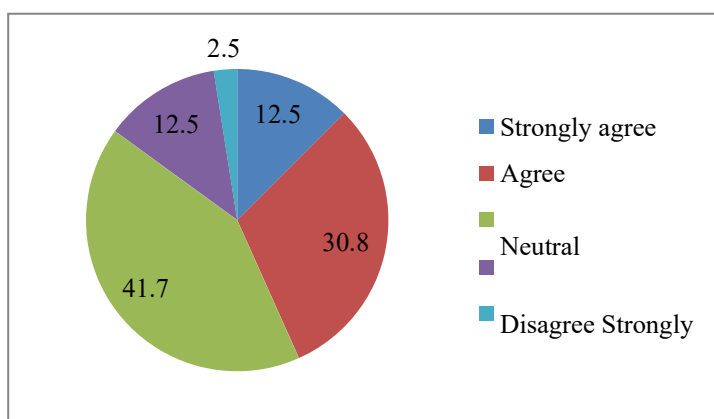


CHART NO: 4.1.14 Chart Showing Redeemed Awards From Scorecard Respondents Calculation

Interpretation:

12.5% of respondents strongly agree that they have been awarded for scorecard, 30.8% of respondents agrees to it, 41.7% of respondents says its neutral, 12.5% of respondents disagrees to it and 2.5% of respondents strongly disagrees.

TABLE NO:4.1.15 Table showing Convenience of Bank by Respondents Calculation

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly agree	17	14.2
Agree	52	43.3
Neutral	32	26.7
Disagree	15	12.5
Strongly disagree	4	3.3
Total	120	100

(Source: Primary data)

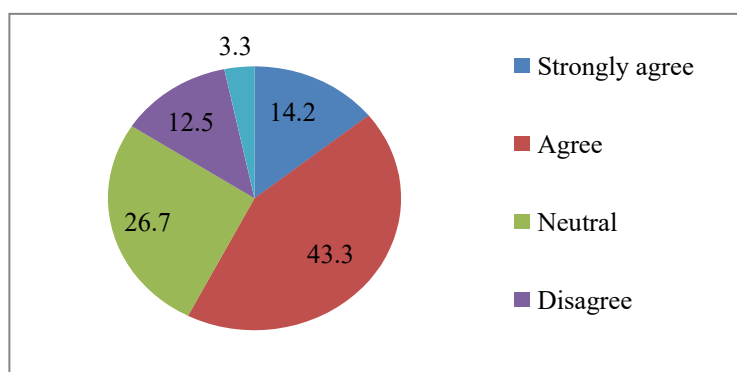


CHART NO:4.1.15 Chart Showing Convenience of Bank by Respondents Calculation

Interpretation:

14.2% of respondents strongly agrees for good of the convenience of the bank facilities, 43.3% of respondents agrees to it , 26.% of respondents says its neutral, 12,5% of respondents disagrees to it and 3.3% of respondents strongly disagrees to it.

TABLE NO:4.1.16 Table Showing Staff workers responses by Respondents Calculation.

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly agree	15	12.5
Agree	51	42.5
Neutral	32	26.7
Disagree	17	14.2
Strongly disagree	5	4.2
Total	120	100

(Source: Primary data)

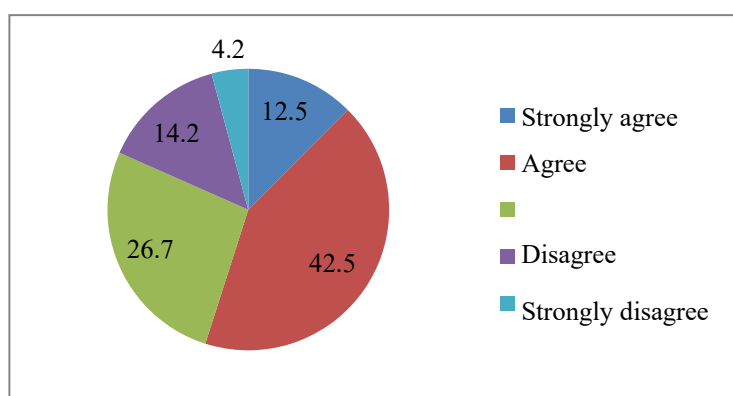


CHART NO: 4.1.16 Chart Showing Staff Workers Responses by Respondents Calculation.

Interpretation:

12.5% of respondents strongly agree that the staff responses are good, 42.5% of respondents agree to it, 26.7% of respondents says its neutral, 14.2% of respondents disagrees and 4.2% of respondents strongly disagrees to it.

TABLE NO: 4.1.17 Table Showing ATM machine availability of bank by Respondents Calculation

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly agree	16	13.3
Agree	40	33.3
Neutral	42	35
Disagree	13	10.8
Strongly disagree	9	7.5
Total	120	100

(Source: Primary data)

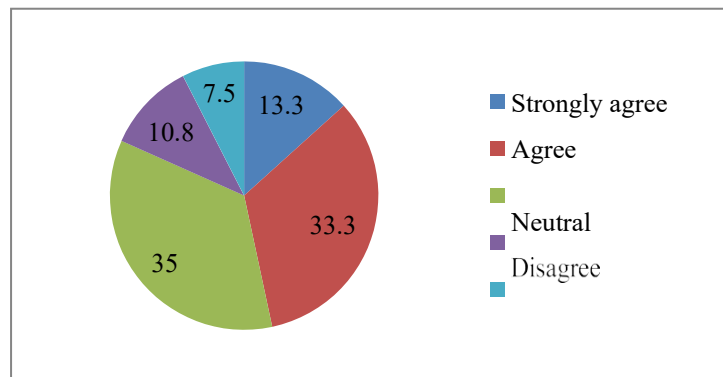


CHART NO: 4.1.17 Chart Showing ATM machine Availability of Bank by Respondents Calculation

Interpretation:

13.3% of respondents strongly agree that the atm machines facilities are good, 33.3% agrees to it, 35% says its neutral, 10.8% disagrees to it and 7.5% strongly disagrees to it.

TABLE NO: 4.1.18 Table Showing Services rating of Respondents Calculation

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly agree	18	15
Agree	49	40.8
Neutral	36	30
Disagree	11	9.2
Strongly disagree	6	5
Total	120	100

(Source: Primary data)

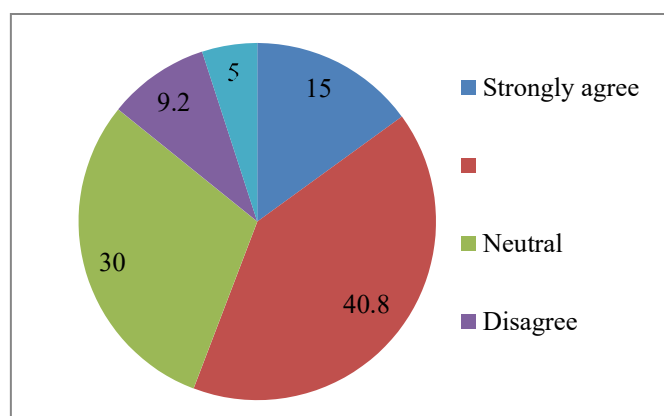


CHART NO: 4.1.18 Chart showing services rating of Respondents Calculation

Interpretation:

15% of respondents strongly agree for the rating of 5, 40.8% of respondents agrees to it, 30% of respondents says its neutral, 9.2% of respondents disagrees to it and 5% of respondents strongly disagrees to it.

TABLE NO: 4.1.19 Table showing Staff Members Punctuality by Respondents
Calculation

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly agree	11	9.2
Agree	59	49.2
Neutral	30	25
Disagree	16	13.3
Strongly disagree	4	3.3
Total	120	100

(Source: Primary data)

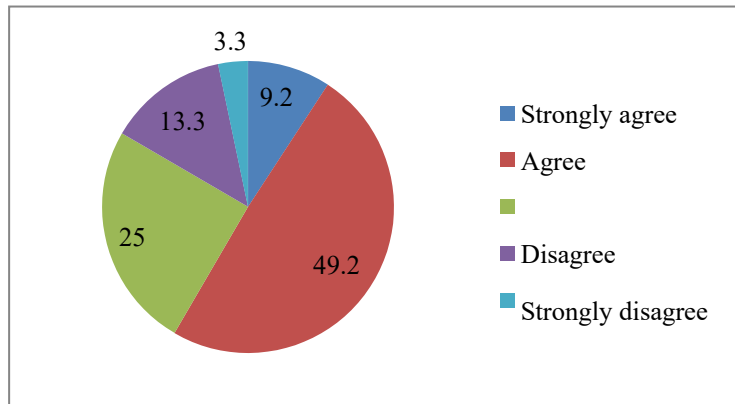


CHART NO: 4.1.19 Chart Showing Staff member's punctuality

Interpretation:

9.2% of respondents strongly agree that staff members punctualities are good, 49.2% of respondents agree to it , 25% of respondents say its neutral, 13.3% of respondents disagrees to it and 3.3% of respondents strongly disagrees to it.

TABLE NO: 4.1.20 Table Showing How Respondents Enjoy Bank Services

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly agree	19	15.8
Agree	45	37.5
Neutral	42	35
Disagree	12	10
Strongly disagree	2	1.7
Total	120	100

(Source: Primary data)

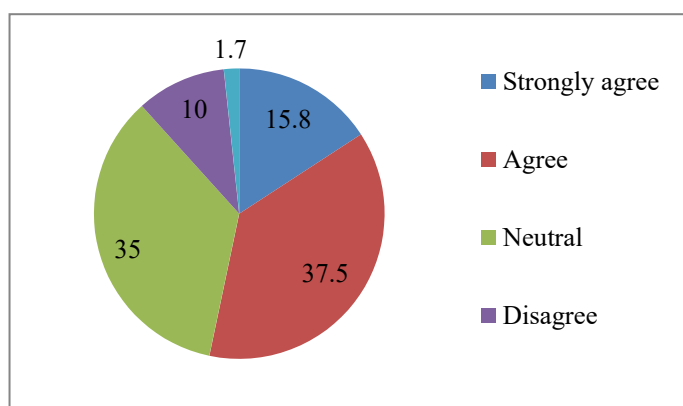


CHART NO: 4.1.20 chart Showing How Respondents Enjoy Bank Services

Interpretation:

15.8% of respondents strongly agree to the enjoyment of banking services, 37.5% of respondents agree to it, 35% of respondents say its neutral, 10% of respondents disagree and 1.7% of respondents strongly disagrees to it.

TABLE NO: 4.1.21 Table Showing Branch Following Consistent policy for levying service Charges towards Repayment

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly agree	20	16.7
Agree	43	35.8
Neutral	40	33.3
Disagree	13	10.8
Strongly disagree	4	3.3
Total	120	100

(Source: Primary data)

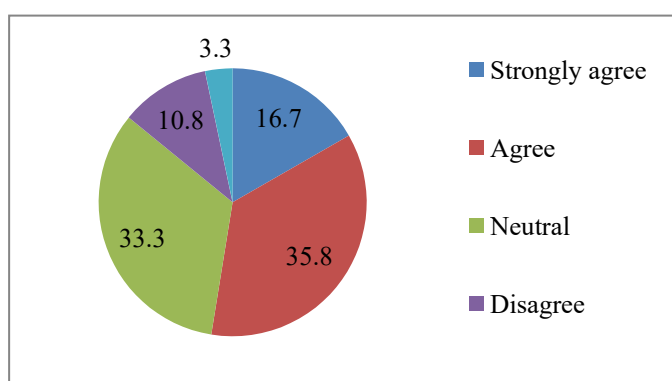


CHART NO: 4.1.21 Chart Showing Branch following Consistent policy for levying service charges towards Repayment

Interpretation:

16.7% of respondents strongly agrees that the consistent policy for levying service charges towards repayment is fair, 35.8% of respondents agrees to it, 33.3% of respondents say its neutral, 10.8% of respondents disagrees it.

TABLE NO: 4.1.22 Table showing the implication of the Documents executed by members with the Bank in Respect of Credit Facility

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly agree	7	5.8
Agree	56	46.7
Neutral	35	29.2
Disagree	18	15
Strongly disagree	4	3.3
Total	120	100

(Source: Primary data)

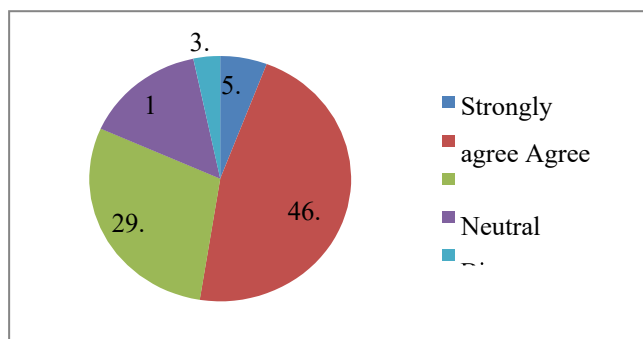


CHART NO: 4.1.22 Chart Showing the implication of the Documents Executed by members with the Bank in Respect of Credit Facility

Interpretation:

5.8% of respondents strongly agrees to the implications, 46.7% of respondents agrees to it, 29.2% say its neutral, 15% of respondents disagrees to it and 3.3% Strongly disagrees.

TABLE NO: 4.1.23 Table showing the information asked by the bank while processing your Loan Too Confidential

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly agree	17	14.2
Agree	48	40
Neutral	37	30.8
Disagree	10	8.3
Strongly disagree	8	6.7
Total	120	100

(Source: Primary data)

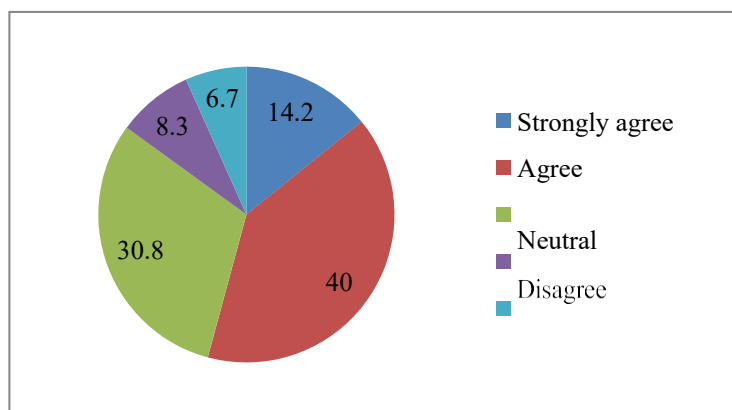


CHART NO: 4.1.23 Chart showing the information asked by the Bank While processing your Loan Too Confidential

Interpretation:

14.2% of respondents strongly agree that the information collected by the bank were too confidential, 40% of respondents agrees to it, 30.8% say its neutral, 8.3% of respondents disagrees to it and 6.7% of respondents strongly disagrees to it.

TABLE NO: 4.1.24 Table showing last 12 months the Bank for Marginal or Temporary Accommodation to meet your emergency Needs

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly agree	4	3.3
Agree	54	45
Neutral	38	31.7
Disagree	14	11.7
Strongly disagree	10	8.3
Total	120	100

(Source: Primary data)

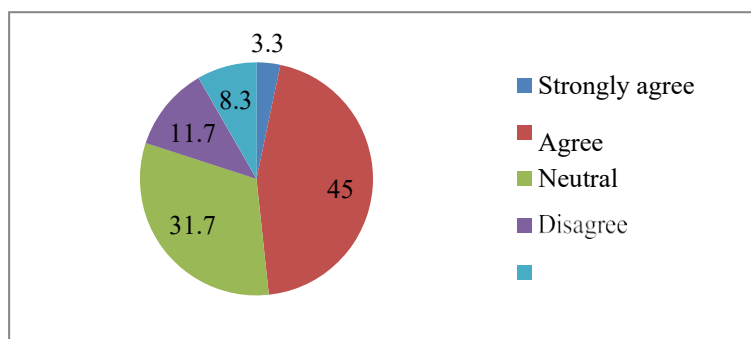


CHART NO: 4.1.24 Chart Showing during last 12 months the Bank for Marginal or temporary Accommodation to meet your Emergency Needs

Interpretation:

3.3% of respondents says during last 12 months the bank for marginal or temporary accommodation to meet your emergency needs were fair, 45% of respondents agrees to it, 31.7% say its neutral, 11.7% of respondents disagrees to it and 8.3% of respondents strongly disagrees to it.

TABLE NO: 4.1.25 Table Showing during last 12 Months If we have to Complain to the Bank officials on any issues

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly agree	11	9.2
Agree	47	39.2
Neutral	33	27.5
Disagree	23	19.2
Strongly disagree	6	5
Total	120	100

(Source: Primary data)

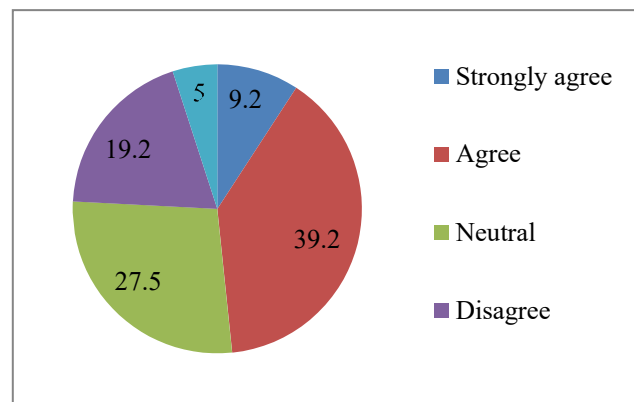


CHART NO: 4.1.25 Chart Showing during the last 12 months If we have to complain to the Bank officials on any issues

Interpretation:

9.2% of respondents strongly agrees that they have to complain on things at bank, 39.2% of respondents agrees to it, 27.5% say its neutral, 19.2% of respondents disagrees to it and 5% of respondents strongly disagrees to it.

TABLE NO: 4.1.26 Table Showing If finding it an Expensive way of Borrowing Money

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly agree	13	10.8
Agree	43	35.8
Neutral	38	31.7
Disagree	22	18.3
Strongly disagree	4	3.3
Total	120	100

(Source: Primary data)

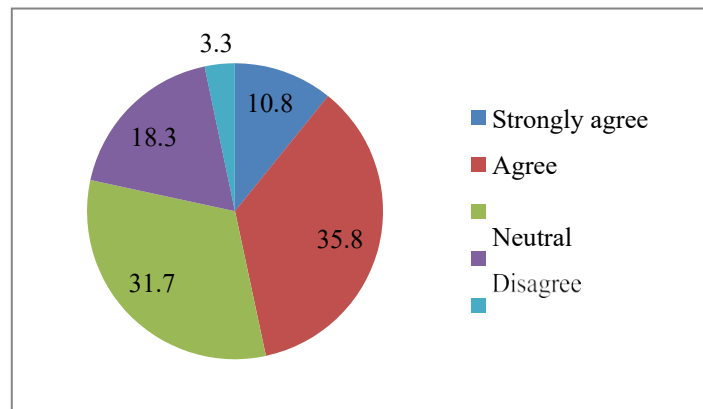


CHART NO: 4.1.26 Chart Showing if finding it an Expensive way of Borrowing Money

Interpretation:

10.8% of respondents strongly agrees that they find it an expensive way of borrowing money, 35.8% of respondents agrees to it, 31.7% say its neutral, 18.3% of respondents disagrees to it and 3.3% of respondents strongly disagrees to it.

TABLE NO: 4.1.27 Table Showing applying for a Grace period/ Extend the term of Borrowing

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly agree	10	8.3
Agree	43	35.8
Neutral	45	37.5
Disagree	20	16.7
Strongly disagree	2	1.7
Total	120	100

(Source: Primary data)

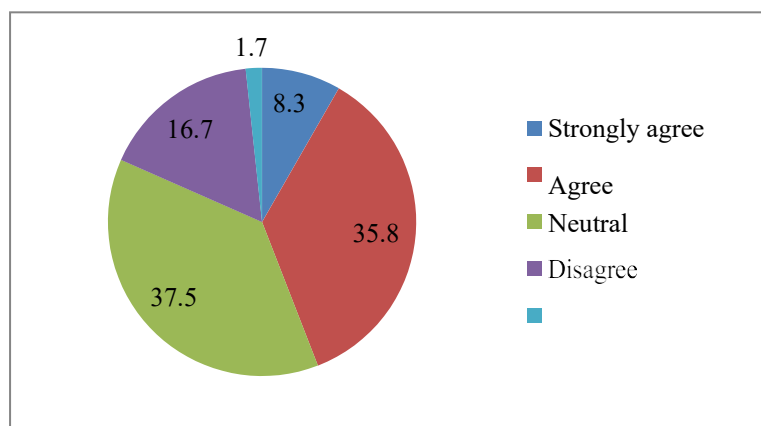


CHART NO: 4.1.27 Chart Showing Applying for a Grace Period/ Extend the term of borrowing

Interpretation:

8.3% of respondents strongly agree that they applied for the grace period on loan, 35.8% of respondents agree to it, 37.5% say its neutral, 16.7% of respondents disagrees to it and 1.7% of respondents strongly disagrees to it.

TABLE NO: 4.1.28 Table showing relatively Short-term Financial commitment

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly agree	9	7.6
Agree	43	36.4
Neutral	49	41.5
Disagree	10	6.8
Strongly disagree	9	7.6
Total	120	100

(Source: Primary data)

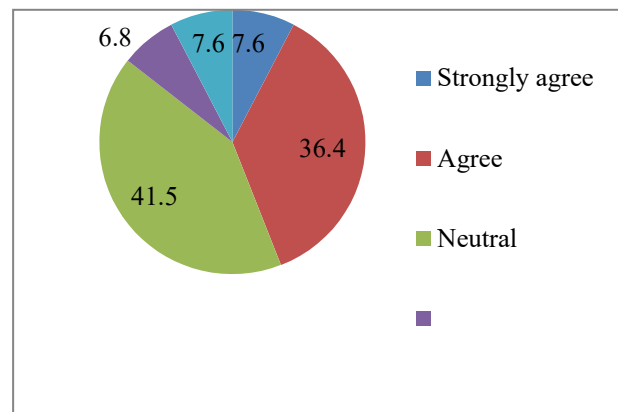


CHART NO: 4.1.28 Chart showing relatively Short-term Financial commitment

Interpretation:

7.6% of respondents strongly agree that it is a short term financial commitment, 36.4% of respondents agree to it, 41.5% say its neutral, 6.8% of respondents disagrees to it and 7.6% of respondents strongly disagree to it

**TABLE NO: 4.1.29 Table showing how secured Respondents are while
Borrowing**

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly agree	12	10
Agree	60	50
Neutral	35	29.2
Disagree	10	8.3
Strongly disagree	3	2.5
Total	120	100

(Source: Primary data)

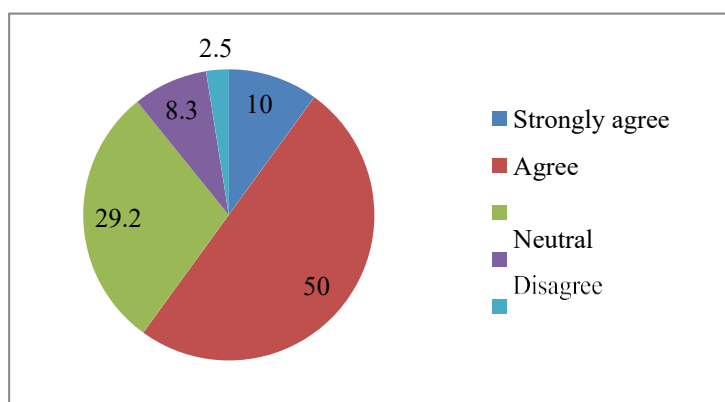


CHART NO: 4.1.29 Chart showing how secured Respondents are while borrowing

Interpretation:

10% of respondents feel it secured while borrowing, 50% of respondents agrees to it, 29.2% say its neutral, 8.3% of respondents disagrees to it and 2.5% of respondents strongly disagrees to it.

CHI- SQUARE TEST

ANALYSIS OF ELEMENTS HAVING IMPACT ON THE LENDING LOANS.

- **General Aspects:**

Interview schedule for the beneficiaries of the various loan schemes available with TamilNadu Industrial Cooperative Bank, Egmore, Chennai are analyzed on the basis of age, income, educational qualification, eligible activities, agricultural land holding, repayment, recovery, reservation category, subsidy, margin and changes in the standard of living of the beneficiaries.

DIFFERENT KINDS OF LOAN LENDING BY TAMIL NADU INDUSTRIAL COOPERATIVE BANK IN EGMORE

- ❖ Industry loan
- ❖ Business loan
- ❖ Housing loan
- ❖ Weaker section loan
- ❖ Government sponsored loan
- ❖ Others

These ten types of loans are divided into three.

- ✓ **Primary Loan:**

The primary loan included that self employed loan; self help group and others.

- ✓ **Secondary Loan:**

The secondary loan included that Industry Loan, Business Loan, Weaker Section Loan and Government Sponsored Schemes.

- ✓ **Territory:**

The territory loan includes of Housing Loan only.

TABLE NO:4.2.1 Percentage of Respondents from the Total beneficiaries

Schemes	Beneficiaries Responded		Beneficiaries not Responded		Total Beneficiaries
	Number	%	Number	%	Total
Primary	50	62.5	25	37.5	75
Secondary	41	43	25	57	66
Territory	29	48	22	52	51
Total	120		72		192

INFERENCE:

Respondents - Beneficiaries who provided full data for survey.

Total Beneficiaries- The total number of persons who availed loans and the outstanding loans under the various government sponsored schemes in TamilNadu Industrial Cooperative Bank during the study period.

Out of the Total 192 beneficiaries of the various government sponsored schemes, 42% of them availed primary loans, 36% availed secondary loans remaining 22% availed territory loans.

Out of 192 beneficiaries available for the study, only 120 respondents are being selected due to various limitations.

INCOME - SLAB:

Family in of the borrower should not exceed Rs.40,000/- PA under primary. Under secondary it should not go to beyond Rs.6,400 PA ink rural areas and Rs.7,200 PA in semi-urban areas.

As far as territory is concerned it should not be above Rs.11,200/-p.a.

TABLE NO: 4.2.2 Sex wise Classification of Total beneficiaries
The Following Table deals with the Sex Wise Classification of Total Beneficiaries

Schemes	Male		Female		Total
Primary	40	74%	17	26%	57
Secondary	30	87%	7	13%	37
Territory	18	75%	8	25%	26
Total	88		32		120

CHI-SQUARE

H0: There is no statistical significance between schemes for the customers and the income wise classification of the respondents.

H1: There is statistical significance between schemes for the customers and the income wise classification of the respondents.

	Value	df	Asymp.Sig. (2-sided)
Pearson Chi-Square	27.925a	6	.000
Likelihood Ratio	37.018	6	.000
Linear-by- Linear Association	10.749	1	.001
No of Valid Cases	100		

a. 4 cells (33.3%) have expected count less than 5. The minimum expected count is 1.80.

Chi-square value = 0.001. Degree of freedom = (3-1) (4-1) = 6

5% level of significance.

Calculated value < tabulated value $0.001 < .005$

H0 is accepted.

INFERENCE:

Hence, there is no statistical significance between schemes for the customers and the income wise classification of the respondents.

TABLE NO: 4.2.3 Classification on the basis of Repayment Period

Under TABCEDCO Scheme, loan is repayable within 3 - 7 years; it is 5 years under TAMCO and 4 years in THADCO schemes approximately.

Scheme	Duration of Years				
	3 Years	4 Years	5 Years	Above 5 Years	Total
Primary	-	10(20%)	18(36%)	22(44%)	50
Secondary	-	15(13%)	6(20%)	20(67%)	41
Territory	11(30%)	9(25%)	8(40%)	1(5%)	29
Total	11	34	32	43	120

(Figures in Bracket show the percentage to scheme wise total)

In this Table it is noted that 20%, 36%, and 44% of the primary respondents fall under the repayment period of 4 years, 5 years and above 5 years respectively.

In case of Secondary 13% come under 4 years, 20% come under 5 years and 67% above 5 years category. Under Territory scheme, 30% of the respondents agree to repay in 3 years, 25% in 4 years, 40% in 5 years and 5% in above 5 years.

Borrowers take it for granted that loans with subsidies are not pressurized by the banks and neglected. Due to this common perception, the tendency of the borrowers towards repayment is negative.

Classification on the basis of repayment period

Count	Duration of years				
Schemes for the Customers	3 Years	4 Years	5 Years	Above 5 Years	Total
Primary	0	10	18	22	50
Secondary	0	15	6	20	41
Territory	11	9	8	1	29
Total	11	34	32	43	120

Chi-Square Tests

	Value	df	Asymp. Sig. (2- sided)
Pearson Chi-Square	37.548	6	0
Likelihood Ratio	36.67	6	0
Linear-by-Linear Association	11.43	1	0.001
N of Valid Cases	100		

H0: There is no statistical significance between schemes for the customers and the duration of years given for the repayment of loan.

H1: There is statistical significance between schemes for the customers and the duration of years given for the repayment of loan.

Chi-square value = 0.001, Degree of freedom = (3-1) (4-1) = 6

5% level of significance.

So, calculated value < tabulated value $0.001 < .005$

H0 is accepted.

INFERENCE:

Hence, there is no statistical significance between schemes for the customers and the duration of years given for the repayment of loan.

SEX WISE CLASSIFICATION OF TOTAL BENEFICIARIES

The Following Table deals with the Sex Wise Classification of Total Beneficiaries.

Schemes	Male		Female		Total
Primary	40	74%	17	26%	57
Secondary	30	87%	7	13%	37
Territory	18	75%	8	25%	26
Total	88		32		120

Schemes for the Customers * Sex Wise Classification of Total Beneficiaries Cross tabulation

	Sex Wise Classification of Total Beneficiaries		
Schemes for the Customers	Male	Female	Total
Primary	40	17	7
Secondary	30	7	7
Territory	18	8	6
Total	88	32	20

Chi-Square Tests

	Value	df	Asymp. Sig. (2- sided)
Pearson Chi-Square	1.884	2	0.39
Likelihood Ratio	2.022	2	0.364
Linear-by-Linear Association	0.185	1	0.667
No of Valid Cases	100		

Cells (16.7%) have expected count less than 5. The minimum expected count is 4.40.

H0: There is no statistical significance between schemes for the customers and the Sex wise classification of the Total Beneficiaries.

H1: There is statistical significance between schemes for the customers and the Sex wise classification of the Total Beneficiaries. Chi-square value = 0.667, Degree of freedom = $(3-1)(2-1)=2$

5% level of significance.

So, calculated value > tabulated value $0.667 > .005$

H0 is not accepted.

INFERENCE:

Hence, there is a statistical significance between schemes for the customers and the Sex wise classification of the Total Beneficiaries.

The loans granted under the different government schemes are analyzed, using chi square tests, percentage analysis. The chi square test is used to verify if all the schemes are uniformly influenced by the different elements of analysis. Percentage analysis helps to know if the norms of the government are adhered by the government. This chapter helps in arriving at the suggestion and conclusions that are discussed in the next chapter.

CHAPTER 5

FINDINGS, SUGGESTIONS AND CONCLUSION

FINDINGS

❖ 30.77% of loan as a short term, 23.08% as a medium term and 46.17% as a long term loan. In the above mentioned 30.77% short term loan 100% was a unsecured one and 23.08% of medium term loan 80% was a secured one and 20% was an unsecured one. Centum of loan term loan were secured one. Because, the borrowed amount is above Rs. 5, 00, 000 among the total amount distributed 65% secured and 35% was an unsecured loan.

❖ 56% of loans as a short term loan, 33% as a medium term loan and 11% as a long term loan. 56% short term loan 100% was a unsecured one. Because, the borrowed amount was below Rs. 5,00,000/- 33% of medium term loan 33% was a secured one and 67% was unsecured one. Centum of long term loan were secured one. Because, the borrowed amount was above Rs. 5, 00,000 among the total amount distributed 22% a secured and 78% was unsecured loans.

❖ 3% of loan as a short term, 8% as a medium term and 89% as a long term loan. 3% short term loan 100% was a unsecured one. Because, the borrowed amount was below Rs. 5, 00,000/- centum of medium term loan and long term loan were secured one. Because, the borrowed amount was above Rs. 5, 00,000/-. Among the total amount distributed 97% secured and 3% was unsecured loans.

❖ 77% of loan as a short term, 23% of loan as a medium term loan. 77% short term loan 100 % (Centum Percentage) was a unsecured one. Because, the borrowed amount was below Rs. 5,00,000/- 23% of medium term loan and 81% was a secured one and 19% was an unsecured one. Among the total amount distributed 19% secured and 81% was unsecured loans.

- ❖ 27% of loan as a short term, 20% as a medium term and 53% as a long term loan. 27% short term loan, 20% of medium term loan, 53% of long term loan was fully unsecured one. Because these loans were sponsored by Government (or) under Government schemes
- ❖ 50% of loan as a short term, 17% as a medium term and 33% as a long term loan. In the above mentioned, 50% short term loan, 1% was a secured one and 99% was a unsecured one. 17% of medium term loan, 3% was a secured one and 97% was an unsecured one. 33% long term loan, 4% was a secured one and 96% was an unsecured one. Among the total amount distributed 2% secured and 98% was unsecured loans.
- ❖ Out of the Total 192 beneficiaries of the various government sponsored schemes, 42% of them availed primary loans, 36% availed secondary loans remaining 22% availed territory loans.
- ❖ Out of 192 beneficiaries available for the study, only 120 respondents are being selected due to various limitations.
- ❖ There is no statistical significance between schemes for the customers and the income wise classification of the respondents.
- ❖ There is no statistical significance between schemes for the customers and the duration of years given for the repayment of loan.
- ❖ Among the respondents, it is noted from the above table that, under primary scheme 30%, 4%, 16% and 25% belong to SC, ST, OBC and Others respectively.

❖ As for as secondary is concerned 40%, 34%, 13% and 13% belong to SC, ST, OBC and General respectively and it is 35%, 15%, and 50% respectively in Territory Scheme.

❖ So, it is inferred that there is significant relationship between the schemes and the reservation categories.

❖ There is a statistical significance between schemes for the customers and the Sex wise classification of the Total Beneficiaries.

❖ The respondents are satisfied with the services provided by the banks. This shows that there is a positive response for the services rendered by the banks.

SUGGESTIONS

On the basis of the findings of the study, the following suggestions are made.

- From the discussions with the borrowers, it is noted that their main complaints is relating to the high rate of interest. At present, even the non priority sector is enjoying an interest rate of 7% to 8% where as it is 10.75%, under primary scheme. The Government sponsored scheme being an employment generation programme, the government may reduce the prevailing rate of interest considerably.
- Post sanction follow up by the government officials along with the Bank is felt necessary. They should visit the place of business at periodical intervals.
- Assistance of revenue authorities for recovery should be intensified.
- In cases, where the activities are going on, and the borrowers are not able to earn cash profit, the loan period can be extended to boost the entrepreneurs for further progress.
- Quantum of loan for technically qualified persons such a IT, Polytechnic, Engineering students for starting a new business to be increased depending upon their needs.
- The District Industries Centre must render post training services such as analyzing the performance of the trainers of Primary Schemes and Secondary Schemes constantly and giving them timely support for facing technical changes, competitions and for effective marketing.
- As Primary Scheme beneficiaries are essentially educated, a provision must be made to make it a rule, that it must be made clear through the certificate for their qualification that they are indebted to concerned bank by the primary loan and that it is the responsibility of the employer to deduct a portion of the borrower's income towards the repayment of the loan.
- Keeping aside the recovery aspect of loans, the banks should come forward in tracing out the new prospective borrowers and help in the development of the nation.
- The borrowers should keep in mind, which their irregular repayment will affect in availing further bank credit at the future period, and in turn lead to the failure of the government's lending policies.
- Awareness program should be conducted by concerned Banks to make the

borrowers realize the need for the repayment of loans.

- The quantum of loan can be raised in proportion to the increase in the cost of living.
- Keeping in view, the security part of the loans, it can be included in the rules of the schemes that the documents of the immovable assets in terms of land, buildings etc., if possessed by the borrowers must be in the hands of the lending banks, till the repayment is fully completed.
- In all, the Government, the Banks and the borrowers should keep in mind that their actions create an impact on the country's social, economical and moral standards.

CONCLUSION:

The prime objective of the present study was to examine the trends in the growth of credit extended by Tamil Nadu Industrial Co-operative Bank in the context of the Indian Economy. For this purpose, the required data were collected and analyzed using the appropriate tools. The collected data have yield many striking conclusions.

It has already been proved empirically that in terms of credit provided for educational purpose, agriculture, allied activities, small-scale industries, artisans and village industries have received the top most priority continuously during the study. However, the total amount of credit extended as well as the per capital credit availability to the allied activities of small scale industries is very negotiable. The present study provides various measures taken by the bank in providing the different government schemes to satisfy the need of the weaker section of society. Provided short term, medium term and long term loans are been provided which satisfied the whole people depending upon the bank.

APPENDIX - I

QUESTIONNAIRE:

1. Name :
2. Age :
 - a) Less than 30 b) 30-40 years c) 40-50 years
 - d) 50 years and above
3. Sex :
 - a) Male b) Female
4. Size of the Family
 - a) 2 b) 3 c) 4 d) Above 4
5. Community
 - a) SC b) ST c) OBC d) Others
6. Monthly Income
 - a) Below 10,000 b) 10,000 – 15,000 c) 15,000 – 20,000
 - d) 20,000-40000
7. You have been a customer since:
 - a) Less than a year b) 1-5 years c) 5-10 years
 - d) 10 years above

a) Friends b) Relatives c) Advertisements
d) Others

a) Personnel Loan b) Industry Loan c) Business Loan

d) Home Loan e) Govt. Schemes

a) 3 Year b) 4 Year c) 5 Year d) Above 5 Year

a) Excellent b) Very Good c) Good d) Satisfactory
e) Poor

a) Excellent b) Very Good c) Good d) Satisfactory
e) Poor

Sl.NO	Question	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree
1	Does the credit manual and the Credit system works good?					

2	Do you find the Credit system useful?					
3	Do you use our credit card regularly?					
4	Do you find the credit system helpful when you meet an emergency?					
5	Have you redeemed awards from scorecard?					
6	SERVICES OFFERED - CUSTOMER SATISFACTION					
7	Does the branch has convenient working hours and located at convenient locations to serve you?					
8	Does the branch has sufficient staff- customer representatives and tellers for your needs Are you provided with automatic teller machine in convenient locations?					
9	Do you rate the services for 5?					
10	Are you satisfied with the punctuality of the staff					

	members?					
11	LOAN RECOVERY					
12	Do you currently enjoy with this bank?					
13	Does the branch follow consistent policy for levying service charges towards repayment?					
14	Do you fully understand the implication of the documents executed by you with the bank in respect of credit facility?					
15	Do you find the information asked by the bank while processing your loan too confidential?					
16	During last 12months, did you ask the bank for marginal or temporary accommodation to meet your emergency needs?					

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ARTICLE

A study on performance of Credit Risk Management

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ABSTRACT:

The article proposes a model of credit risk assessment on the basis of factor analysis of retail clients/borrowers in order to ensure predictive control of the level of risk posed by potential clients in commercial banks engaged in consumer lending. The aim of the study is to determine the level of risk represented by different groups (classes) of retail clients (borrowers) in order to reduce and prevent credit risk in the future as well as to improve the management of banking risks. The main results of the study are the creation of a model of borrowers' internal credit ratings and the development of the methods of improving credit risk management in commercial banks

INTRODUCTION:

The Co-operative banks have a history of almost 100 years. The Co-operative banks are an important constituent of the Indian Financial System. . The co-operative movement was originated in the West but the importance of such banks have assumed in India is rarely paralleled anywhere else in the world. While the co-operative banks in rural areas mainly finance agricultural based activities including farming, cattle, milk, hatchery, personal finance etc. along with some small scale industries and self-employment driven activities, the co-operative banks in urban areas mainly finance various categories of people for self-employment, industries, small scale units, home finance, consumer finance, personal finance, etc.

REVIEW OF LITERATURE:

Bhaskaran and Josh (2000) concluded that the recovery performance of co- operative credit institutions continues to unsatisfactory which contributes to the growth of NPA even after the introduction of prudential regulations. They suggested legislative and policy prescriptions to make co-operative credit institutions more efficient, productive and profitable organization in tune with competitive commercial banking.

Jain (2001) has done a comparative performance analysis of District Central Cooperative Banks (DCCBs) of Western India, namely Maharashtra, Gujarat and Rajasthan and found that DCCBs of Rajasthan have performed better in profitability and liquidity as compared to Gujarat and Maharashtra.

Boppana and Nagarjuna (2006) suggested that performance of banking in terms of profitability, productivity, asset quality and financial management has become important to stable the economy. They found that public sector banks have been more efficient than other banks operating in India.

OBJECTIVE OF THE STUDY

- To study the credit risk management in Tamil Nadu industrial cooperative bank ltd.
- To study about Tamil Nadu Industrial Co-operative Bank and its credit policy.
- To study the attitudes of the borrowers towards repayment.

RESEARCH METHODOLOGY

Research is a systematic study of a given problem. This study is based on the primary and secondary data. The primary data has been collected through questionnaire by using Conveniencesampling technique on respondents. The secondary data had collected from published books, journals and internet.

PERCENTAGE ANALYSIS

Schemes	Beneficiaries Responded		Beneficiaries not Responded		Total Beneficiaries
	Number	%	Number	%	Total
Primary	50	62.5	25	37.5	75
Secondary	41	43	25	57	66
Territory	29	48	22	52	51
Total	120		72		192

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly agree	18	15
Agree	49	40.8
Neutral	36	30
Disagree	11	9.2
Strongly disagree	6	5
Total	120	100

RESULTS AND DISCUSSIONS

Classification on the basis of repayment period

Count	Duration of years				
Schemes for the Customers	3 Years	4 Years	5 Years	Above 5 Years	Total
Primary	0	10	18	22	50
Secondary	0	15	6	20	41
Territory	11	9	8	1	29
Total	11	34	32	43	120

Chi-Square Tests

	Value	df	Asymp. Sig. (2- sided)
Pearson Chi-Square	37.548	6	0
Likelihood Ratio	36.67	6	0
Linear-by-Linear Association	11.43	1	0.001
N of Valid Cases	100		

H0: There is no statistical significance between schemes for the customers and the duration of years given for the repayment of loan.

H1: There is statistical significance between schemes for the customers and the duration of years given for the repayment of loan.

Chi-square value = 0.001, Degree of freedom = (3-1) (4-1) = 6

5% level of significance.

So, calculated value < tabulated value 0.001 < .005

H0 is accepted.

INFERENCE:

Hence, there is no statistical significance between schemes for the customers and the duration of years given for the repayment of loan.

FINDINGS:

- 30.77% of loan as a short term, 23.08% as a medium term and 46.17% as a long term loan. In the above mentioned 30.77% short term loan 100% was a unsecured

one and 23.08% of medium term loan 80% was a secured one and 20% was an unsecured one. Centum of loan term loan were secured one. Because, the borrowed amount is above Rs. 5, 00, 000 among the total amount distributed 65% secured and 35% was an unsecured loan.

- Out of the Total 192 beneficiaries of the various government sponsored schemes, 42% of them availed primary loans, 36% availed secondary loans remaining 22% availed territory loans.
- Out of 192 beneficiaries available for the study, only 120 respondents are being selected due to various limitations.

SUGGESSTION:

From the discussions with the borrowers, it is noted that their main complaints is relating to the high rate of interest. At present, even the non priority sector is enjoying an interest rate of 7% to 8% where as it is 10.75%, under primary scheme. The Government sponsored scheme being an employment generation programme, the government may reduce the prevailing rate of interest considerably. Post sanction follow up by the government officials along with the Bank is felt necessary. They should visit the place of business at periodical intervals.

CONCLUSION:

The prime objective of the present study was to examine the trends in the growth of credit extended by Tamil Nadu Industrial Co-operative Bank in the context of the Indian Economy. For this purpose, the required data were collected and analyzed using the appropriate tools. The collected data have yield many striking conclusions.

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