Vol 2 Issue 12 Jan 2013

ISSN No : 2230-7850

International Multidisciplinary Research Journal

Indian Streams Research Journal

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RNI MAHMUL/2011/38595

ISSN No.2230-7850

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Indian Streams Research Journal Volume 2, Issue.12,Jan. 2013 ISSN:-2230-7850

Available online at www.isrj.net

ORIGINAL ARTICLE



"TO STUDY ON LOANS AND ADVANCES"

D. B. Bagul

"Director", RJSPM, Institute of Computer and Management Research, Alandi, Pune.

Abstract:

Research is prepared on the topic "A Study of Loans & Advances" at Goa State Co-operative Ltd. The purpose behind preparing this research is to study the present situation of Loans and Advances and to provide suggestions to reduce it.

The loans are the assets of the bank as they are investment for the bank. Hence Loans and Advances have impact on bank performance. An asset account becomes Nonperforming assetwhen it ceases to generate income for the bank. Loans & Advances management has becomethe major challenge for the banks as it eats the profit of the bank. This research has helped researcher to understand the Loans & Advances concept and its relevance. An effort has been made in the instant research to study and find out various reasons leading to Loans and Advances and ways of Managing Loans in different types of Banks. Loans & Advances is an important concept in the banking industry. The concept of Loans & Advances can be understood by the rules and regulations provided by the RBI which are studied in while preparing this research.

KEYWORD:

Loan, Advance, RBI, NPA, Profit, Ratio, Credit, Debit, Savings, Co-operative Society, Interest

INTRODUCTION

CONCEPT AND CONTEXT OF THE STUDY

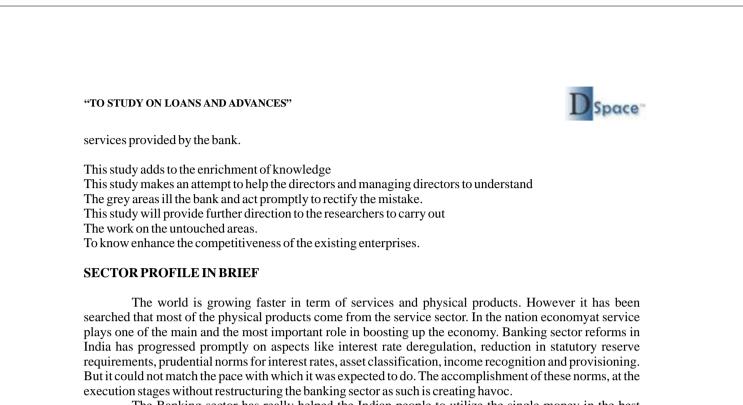
In finance, a loan is a debt evidenced by a note which specifies, among other things, the principal amount, interest rate, and date of repayment. A loan entails the reallocation of the subject sets for a period of time, between the lender and the borrower. In a loan, the borrower initially receives or borrows an amount of money, called the principal, from the lender, and is obligated to pay back or repay an equal amount of money to the lender at a later time. Typically, the money is paidback in regular installments, or partial repayments, in an annuity each installment is the same amount. The loan is generally provided at a cost, referred to as interest on the debt, which provides an incentive for the lender to engage in the loan. In a legal loan, each of these obligations and restrictions as enforced by contract, which can also place the borrower under additional restrictions known as loan covenants. Although this article focuses on monetary loans, in practice any material object might be lent.

Acting as a provider of loans is one of the principal tasks for financial institutions. For other Institutions, issuing of debt contracts such as bonds is a typical source of funding.

RATIONALE OF THE STUDY

This research is undertaken on loans and advances in Goa State Co-operative Bank Ltd. on

Title : "TO STUDY ON LOANS AND ADVANCES", Source:Indian Streams Research Journal [2230-7850] D. B. Bagul yr:2013 vol:2 iss:12



The Banking sector has really helped the Indian people to utilize the single money in the best manner as they want. People now have started investing their money in the banks and banksalso provides returns on the deposited amount. The people now have at the most understood that tanks provide them good security to their deposits and so excess amounts are invested in the banks.

OBJECTIVES

OBJECTIVES OF STUDY: -

To study Loans and Advances at Goa State Co-operative Bank Ltd. To understand the various services provided by the bank. To examine the lending made by the bank. To find out the various schemes provided by bank. To analyze the problems of bank.

RESEARCH METHODOLOGY

METHOD OF DATA COLLECTION

Data includes facts and figures, which are required to be collected to achieve the objectives of the research. Data constitute the foundation on which the superstructure of statistical analysis is built. With help of data analysis the result are properly interpreted and policy decisions are taken.

Data are classified under two categories: -

1.Primary Data:

Primary data are obtained by a study specifically designed to fulfill the data needs of the problems at hand. Such data are original in character and are generated in large number of surveys conducted mostly by some individual, institutions.

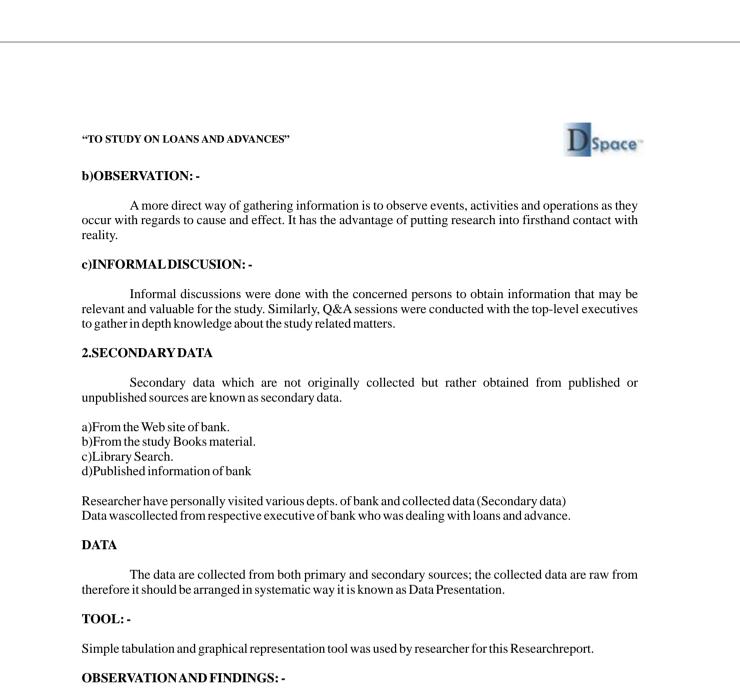
SOURCES OF THE PRIMARY DATA: -

a)INTERVIEW:-

This method is mostly used to collect the primary data; it is a method of data collection in which a formal conversation takes place between the interviewer and the respondent. Interviews were conducted to staff of the organization including branch managers.

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OBSERVATIONS: -

 After the study of bank researcher observed that the bank gives loan to the person who is relatives of banks employees & only the people who associated with bank.
Follow up is less.
Valuation is not properly handling.

FINDINGS

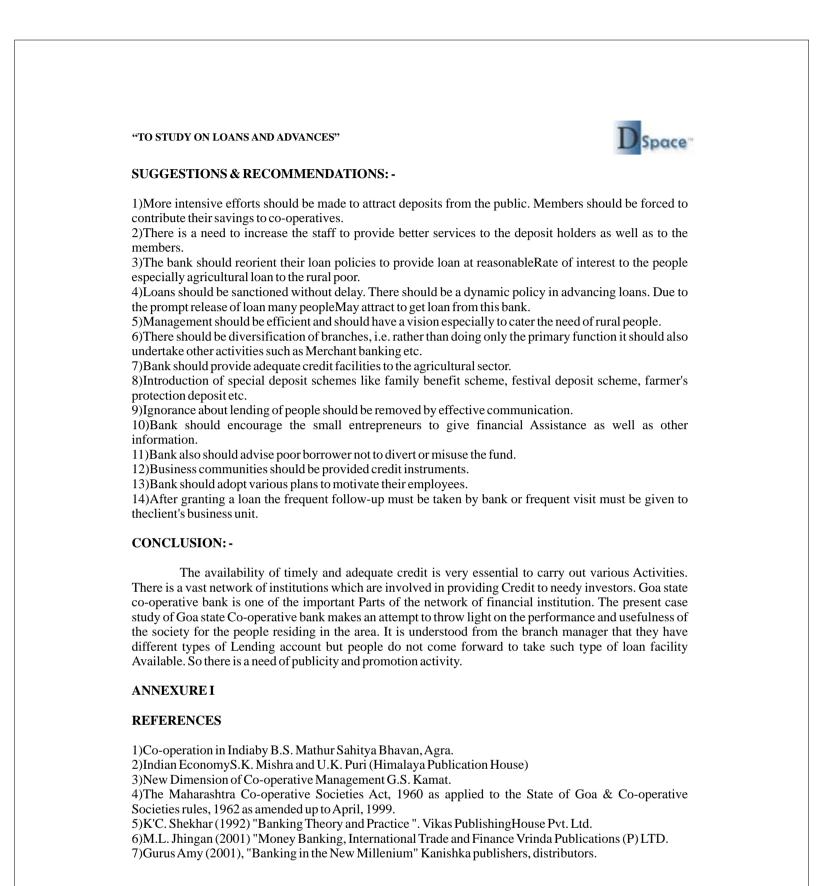
The bank is more conservative in nature it clearly seen at the time of comparing the deposits and advances.
Bank has granted loans in various sectors i.e.

Term Ioan
Vehicle Ioan
Personal Ioan
Housing Ioan
Education Ioan

3)The possibility of default is more in hypothecation & term loan as a numbers & Personal loan by percentage against the loan distributed.

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