

A Study of Customer's Perspicacity about Bank Credit Facilities at NKGSB Cooperative Bank Ltd. (Chinchwad Branch)

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ABSTRACT--A foremost concern for any organization is how it will fit in debt in its capital structure, simultaneously they have to consider the structure of its equity financing. The company ought to look at its capital structure as a whole and be decisive on how much capital it requires instantaneously and eventually, and the mixture of equity and debt that it will employ to accomplish those necessities. Credit facilities can absorb numerous types of credits as accessible for the company as a source of reserve funding. Whereas there are numerous causes why a company would set up some type of credit facility, the approach is generally a way of generating a backup supply of revenue for different projects. For instance, a company may decide to issue a bond as a medium of raising money for a particular project. Together with instituting the bond issue, the company also manages a backup line of credit or perhaps a term loan as a backup in the incident that the project be unsuccessful to produce enough revenue to honor the terms of the bond. The study is carried out from January 2019 to April 2019 to understand the customer's perceptiveness about various credit schemes (Retail Loan) at NKGSB Cooperative Bank Ltd.

Key Words--Corporation, Letters of Credit, Term Loans, Credit Facilities, Customer's Perceptions

JEL Classification: E5, E580

I INTRODUCTION

- ❖ The credit policies and guidelines are defined on the basis of long term growth and objectives by the Banks. Therefore an option to project loans is always available. On the contrary bonds are more susceptible to short term macroeconomic and company trends. Nationalized banks play a vital role in financing credit facilities to companies
- ❖ Credit facilities of the banks offer attractive rates of interest of saving.
- ❖ Credit schemes may be long term or short term.
- ❖ The intention of credit facility is to make available credit to customers for numerous functions.

Credit Facilities At Nkgsb Cooperative Bank Ltd.:

- ❖ Home Loan: Purpose : Purchase residential premises
Eligibility : Salaried / Professional / Businessmen
Quantum of loan

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- Up to 80% of agreement value for salaried persons
 - Up to 75 % of Agreement value only (excluding stamping and registration) for professionals
 - Limit up to 70 Lacs
- ❖ Profina:Fasttrack customized loan for professionals.
Purpose:Acquisition of premises, equipment, purchase of vehicle, etc.
Eligibility: Professional Chartered Accountants, Engineers, MBA Consultants, Architects, Company Secretary, Cost Accountant, Doctor etc⁷
Quantum of loan
- Up to 100 % for vehicle
 - Up to 90 % for equipment, machinery, computer and premises
- ❖ Vehicle Loan: Purpose:Purchase of new or second-hand vehicle
Eligibility:Salaried / Professional / Businessmen
Quantum of loan
- New Vehicle - up to 90 % of the value
 - Used Vehicle - up to 70 % of the resale value - Max up to 3 years of usage⁷
- ❖ Educational Loan: Purpose : Higher study in India or Abroad (Graduation, Post Graduation and other career - oriented courses)⁷
EligibilityConfirmed admission for the course in India or Abroad
Quantum of loan
- Up to10 Lacs - Higher study in India
 - Up to 20 Lacs - Higher study abroad
- ❖ Consumer Loan: Purpose: Purchase Television, Refrigerator, Washing machine, Computers, Dishwasher, Music systems, 2 wheeler, Furniture / Fixtures, Microwave etc
Eligibility: Salaried / Professional / Businessmen⁷
Quantum of loan
- Rs 2.00 Lacs
- ❖ Personal Loan: Purpose:House repairs, Higher education, Expenses for marriage, thread ceremony, medical and old debts
Eligibility: Salaried / Professional / Businessmen
Quantum of loan
- Up to 2 Lacs
- ❖ StreeUdyogika: Purpose:Acquisition of Office premises / Industrial gala, Office- equipment, Machinery, Furniture & fixtures, Working capital, etc
Eligibility: Manufacturing / Service unit run by women entrepreneurs
Quantum of loan
- 80%
- ❖ StreeSakhi: Purpose:Purchase of Consumer durables
Eligibility:Salaried / Professional / Businessmen
Quantum of loan
- Up to Rs 2.00 Lacs

OBJECTIVES:

- ❖ To schoolwork various credit facilities available at NKGSB Cooperative Bank Ltd.
- ❖ To identify customer's acuity about different credit facility available at NKGSB Bank.
- ❖ To discover major obstacles in obtaining credit under different credit schemes

II RESEARCH METHODOLOGY:

Primary data is composed through the customers (Retail Loan) through structured questionnaire. The population consist of Customer of NKGSB Cooperative Bank Ltd. from the vicinity of Chinchwad. In the paper convenience sampling method was used. The sample size was 50 customer of NKGSB Cooperative Bank Ltd for retail loan. Self-administrated individual survey method was employed to gather the required data. For the same suitable questions are framed

Reports of Banks , articles, reports of RBI, various journals, and different websites are the source of secondary data.

III DATA ANALYSIS:

Customer Survey:

1) Awareness About Credit Facility

Particulars	%
Agreed	80%
Not agreed	20%
Total	100%

From the table we can say that:

80% of the respondents agreed that they are aware of the different loan schemes provided by the bank. While only 20% are not aware of the schemes provided by bank.

2) Reason For Not Availing Credit Facility.

Particulars	%
Complicated	65%
Slow Processing	20%
Other Reason	15%
Total	100%

From the table it is clear that:

65% of the respondents said that the basis for not taking the different credit schemes are complicated formalities. 20% of the respondents said that the basis for not taking different credit schemes are the slow processing of applications. 15% of the respondents gave the other reasons basis for not taking different credit schemes

3) *Are You Satisfied With Bank Credit Facilities ?*

Particulars	%
Satisfied	74%
Unsatisfied	26%
Total	100%

From the table it is clear that:

74% of the respondents said that they are satisfied with bank facilities. 26% of the respondents said that they are unsatisfied.

4) *In which bank you would take credit facilities?*

Bank Name	%
Nkgsb Cooperative Bank Ltd.	40%
State Bank Of India	22%
ICICI Bank	20%
HDFC Bank	18%
Others	16%
Total	100%

It is clear through table:

40% of the respondents tend towards the NKGSB COOPERATIVE BANK LTD.22% of the respondents tend towards the S.B.I.20% of the respondents tend towards the ICICI BANK.18% of the respondents tend towards the HDFC BANK.16% of the respondents tend towards the other bank.ICICI BANK is well performer in private sector.

5) *Major difficulty in obtaining credit under different credit schemes?*

Requirement	%
Security Document	60%
Guarantee	26%
Attitude of Bank Employee	14%
Total	100%

From the table it is clear that:

Security documents necessities is the major difficulty in obtaining credit under different credit schemes

6) *Rate the approach of bank employees in the Bank?*

Requirement	%
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Outstanding	40%
Excellent	30%
Pleasing	20%
Pitiable	10%
Total	100%

From the table it is clear that:

40% opinionated outstanding approach of bank employees. 30% opinionated excellent approach of bank employees. 20% opinionated pleasing attitude of bank officials while making transactions. While 10% opinionated pitiable approach of bank employees.

7) *Since how many years you are customer of Nkgsb Cooperative Bank Ltd. ?*

Requirement	%
1 -2 Years	26%
2-5 Years	34%
More than 5 Years	40%
Total	100%

It is evident from the table that 26% respondents are customers of NKGSB Cooperative Bank Ltd. from 1 -2 Years. 34% respondents are customers of NKGSB Cooperative Bank Ltd. from 2-5 Years year. 40% respondents are customers of NKGSB Cooperative Bank Ltd. for more than 5 years.

IV FINDINGS

- 1) Credit facilities available at NKGSB Cooperative Bank Ltd. are Educational Loan, Housing Finance Scheme, Mahabank Adhar Scheme & Mahabank Vehicle Loan Scheme. From the sample survey NKGSB Cooperative Bank Ltd. has a large number of customer bases with high credit facilities.
- 2) 80% of the respondents agreed that they are aware of the different loan schemes provided by the bank.
- 3) 65% of the respondents said that the reasons for not availing the different loan schemes are complicated formalities.
- 4) 74% of the respondents said that they are satisfied with bank facilities.
- 5) Security documents necessities is the major difficulty in obtaining credit under different credit schemes.
- 6) 40% of the respondents tend towards the NKGSB COOPERATIVE BANK LTD.
- 7) 40% opinionated excellent attitude of bank officials while making transactions.
- 8) 40% respondents have been banking with the NKGSB Cooperative Bank Ltd. for more than 5 years

V SUGGESTIONS

- 1) NKGSB Cooperative Bank Ltd. must attempt to advance their service level to countenance the rigid competition of other banks.

2) Bank officialsought to be more professional in their approach while transacting with customers to maintain and magnetize more and more customers in future.

3) As observed the major problem is the requirements of security documents while taking any credit facilities, the Bank should take this into consideration seriously and find a solution.

VI CONCLUSION

In my study I came to know that many people mainly job person are interested to use credit schemes from NKGsb Cooperative Bank Ltd. .Compare the credit schemes of NKGsb Cooperative Bank Ltd. .I came to know Customers awareness concerning different schemes of NKGsb Cooperative Bank Ltd. .Customers experience extremely excited about the initiation of NKGsb Cooperative Bank Ltd. card and are too positive about its achievement.

Thus it can be concluded that the Composite Performance Score of the banks including that of NKGsb Cooperative Bank Ltd. is competent of screening progress if the banks takes it really seriously to augment their performance in the essential areas like internal management, asset management, technology up gradation and customer service. This will eventually direct towards improvement of the performance in all the aspects and finally to the combined performance of the bank.

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