



A STUDY ON ANALYSIS OF LOANS AND ADVANCES AT THE KHANAPUR TALUKA SECONDARY SCHOOL EMPLOYEE'S CO-OPERATIVE CREDIT SOCIETY LTD., KHANAPUR

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ABSTRACT

The study primarily focuses on “A Study of Loans and Advances” at The Khanapur Taluka Secondary School Employee’s Co-operative Credit Society Ltd., Khanapur. Banks are considered the backbone of a country’s economy, as a robust banking system is essential for maintaining a healthy economic environment. The main objective of this study is to explore the concept of loans and advances, as well as to examine the innovative schemes offered by the institution. The Loans and Advances section of a bank plays a crucial role in its success, as effective management in this department directly contributes to business growth. If this section operates inefficiently, the bank itself could face financial instability or even bankruptcy. Banks primarily extend loans and advances to traders, businessmen, and industrialists, with the nature of credit varying based on security requirements, disbursement provisions, terms, and conditions. To ensure secure banking practices, commercial banks collaborate closely financial institutions.

Keywords: *Loans and Advances, Customer, Term deposit, Rates of interest, Banking.*

1. INTRODUCTION

“The role of financial institutions in fostering economic growth and stability is undeniable, with commercial banks standing as pivotal players in this ecosystem. They provide essential financial intermediation, channelling funds from savers to borrowers, thereby facilitating investment, consumption, and overall economic activity. Loans and advances, a core function of commercial banks, are highly advantageous to individuals, businesses, firms, and industrial organizations, serving as the lifeblood for their financial needs. This bank financing significantly influences the expansion and diversification of business activities, assisting in meeting both long-term capital requirements and short-term operational demands. From covering current liabilities and employee wages to settling tax obligations, these facilities ensure the smooth functioning and sustained growth of enterprises.



Beyond their crucial role in meeting diverse financial needs, bank loans and advances offer significant advantages in terms of repayment flexibility, allowing for better financial planning and timely settlement. This financial support is indispensable, as its absence would likely impede business operations. A hallmark of bank lending is the high level of confidentiality maintained in transactions, fostering trust and confidence in the banking system – a critical element for its stability and public acceptance. Furthermore, the flexibility offered by bank financing empowers businesses to optimize their operations. Through instruments like cash credit, bank overdrafts, and bill discounting, traders can secure funds for daily financial needs and repay borrowed amounts conveniently within short periods, effectively addressing working capital requirements.

While the broader theoretical framework of commercial banking and its impact on economic development is well-established, there exists a discernible gap in the existing literature regarding the nuanced operational dynamics and specific contributions of cooperative credit societies within this financial landscape. Conventional banking theories often focus on large commercial banks, overlooking the unique structural and functional aspects of cooperative models. This study aims to bridge this research gap by providing a comprehensive analysis of the loan sanction procedures and the various types of loans and advances offered by cooperative credit societies. By examining the specific mechanisms and advantages inherent in their lending practices, this research seeks to contribute a more refined theoretical understanding of how cooperative credit societies effectively support their members' financial needs and contribute to local economic development, differentiating their role from that of traditional commercial banks. This investigation will shed light on the distinctive approaches cooperative credit societies employ in providing both fund-based (e.g., term loans, demand loans) and non-fund-based facilities (e.g., letters of credit, bank guarantees), thereby enriching the theoretical framework surrounding cooperative banking.”

1.1. Statement of the Problem

A co-operative bank provides loans to both the agricultural and non-agricultural sectors, offering a variety of loan options to its customers. A key challenge lies in determining the appropriate allocation of funds for different types of loans available within the bank. Since each loan type yields different returns, it is essential to evaluate their performance. Additionally, this study will provide crucial insights into the loans and advances of The Khanapur Taluka Secondary School Employee's Co-operative Credit Society Ltd., Khanapur.

1.2. Objectives of the Study

1. To analyze loans and advances across different segments over the years.
2. To present the total advances of The Khanapur Taluka Secondary School Employees' Co-operative Credit Society Ltd., Khanapur.
3. To understand the terms, norms, and conditions of various loan schemes offered by The Khanapur Taluka Secondary School Employees' Co-operative Credit Society Ltd., Khanapur.



4. To examine the procedures followed by The Khanapur Taluka Secondary School Employees' Co-operative Credit Society Ltd., Khanapur in sanctioning loans and advances.

1.3. Scope of the Study

The purpose of this project report is to examine the lending practices of loans and advances at The Khanapur Taluka Secondary School Employees' Co-operative Credit Society Ltd., Khanapur. The project, titled "A Study on Loans and Advances," primarily focuses on understanding the procedures involved in providing loans to customers or borrowers. It also includes a comprehensive analysis of the organization and the processes followed within it.

2. RESEARCH METHODOLOGY

Methodology refers to the systematic and rigorous approach employed to address the research problem and achieve the stated objectives. It encompasses the overall research design, the strategies for data collection, and the analytical techniques used to interpret the findings. The effectiveness and validity of a study are directly contingent upon the robustness of its methodology, particularly the quality and relevance of the data gathered.

2.1. Research Design

This study adopts a descriptive and analytical research design. It aims to describe the current state and trends of loans and advances provided by the selected cooperative credit society and to analytically assess their impact and performance. The research focuses on understanding the operational dynamics and financial health of the cooperative credit society in the context of its lending activities.

2.2. Data Collection

Data for this study were collected from both primary and secondary sources to ensure a comprehensive and triangulated understanding of the subject matter.

2.2.1. Primary Data

Primary data refers to the firsthand information gathered directly by the researcher for the specific purpose of this study. This approach ensures the originality and relevance of the data. The collection process involved a formal and direct engagement with the cooperative credit society.

Sources of Primary Data

- **Group Discussions and Observations:** Informal group discussions were conducted with selected members of The Khanapur Taluka Secondary School Employees' Co-operative Credit Society Ltd., Khanapur. These discussions aimed to gather insights into their experiences with the loan and advance facilities, their perceptions of



convenience, confidentiality, and flexibility, and any challenges they faced. Direct observations of the society's operational procedures related to loan processing also provided qualitative insights.

- **Data Collection from the Finance Department:** Specific data points were obtained directly from the finance department of the cooperative credit society. This included detailed information on loan disbursements, repayment schedules, interest rates, and classifications of fund-based and non-fund-based facilities.
- **Interaction with Organizational Staff:** In-depth interviews and discussions were held with key organizational staff, particularly the Society Manager and other managerial personnel involved in loan sanctioning and recovery. These interactions provided crucial qualitative data on the loan sanction procedure, credit risk assessment practices, challenges in loan recovery, and strategies for managing non-performing assets.

2.2.2. Secondary Data

Secondary data was sourced from various published and unpublished materials, providing a foundational understanding and historical context for the study.

Sources of Secondary Data

- **Published Reports:** Information was collected from various publications including pamphlets, textbooks on cooperative banking, and relevant financial journals.
- **Internet Resources:** Academic databases, reputable financial news websites, and official websites of banking regulatory bodies (e.g., RBI) were consulted to gather background information on cooperative credit societies and general banking trends.
- **Organizational Records:** Crucially, data was extracted from the **Annual Reports of The Khanapur Taluka Secondary School Employees' Co-operative Credit Society Ltd., Khanapur, for the financial years 2019-2020, 2020-2021, 2021-2022, and 2022-2023**. This four-year period was specifically selected to capture recent trends and the impact of the post-pandemic economic environment on the society's loan portfolio and financial performance. This timeframe is considered representative for analyzing short-to-medium term financial health and operational dynamics, providing sufficient data points for meaningful trend analysis without being excessively long to dilute the relevance of current observations.

2.3. Data Validation

To ensure the reliability and accuracy of the collected data, the following validation measures were undertaken:

- **Cross-Verification:** Where possible, data obtained from primary sources (e.g., discussions with officials) was cross-verified with secondary data (e.g., annual reports) to identify any discrepancies and ensure consistency.



- **Review by Experts:** Key data points and preliminary findings were discussed with experienced personnel within the cooperative society and, where feasible, with academic experts in cooperative banking to validate interpretations and ensure factual correctness.
- **Consistency Checks:** Numerical data extracted from annual reports underwent internal consistency checks to identify any potential errors in reporting.

2.4. Analytical Techniques

The collected data were analyzed using a combination of quantitative and qualitative techniques to address the research objectives comprehensively.

- **Trend Analysis:** This technique was primarily applied to the secondary data obtained from the annual reports (2019-2023). It involved examining the year-on-year changes and patterns in key financial indicators such as the volume of loans and advances disbursed, repayment rates, growth in deposits, and trends in non-performing assets. Trend analysis helps in identifying growth, stagnation, or decline in various aspects of the society's lending operations over the selected period.
- **Financial Ratio Analysis:** To gain deeper insights into the financial health and operational efficiency, relevant financial ratios will be computed. These include, but are not limited to, liquidity ratios (e.g., current ratio), solvency ratios (e.g., debt-to-equity ratio), asset quality ratios (e.g., non-performing loans to total loans), and profitability ratios (e.g., return on assets, net interest margin). This technique allows for a more standardized comparison and assessment of performance over time and potentially against industry benchmarks, where available for cooperative credit societies.
- **Qualitative Content Analysis:** Data collected from group discussions, observations, and interactions with staff (primary data) will be subjected to qualitative content analysis. This involves identifying recurring themes, common perceptions, and significant challenges or successes articulated by the stakeholders. This qualitative analysis will provide contextual depth to the quantitative findings, explaining *why* certain trends are observed and offering insights into the operational realities and human factors influencing loan performance.
- **Comparative Analysis (Implicit):** While not a direct comparative study with another institution, the findings from this cooperative credit society will be implicitly viewed against general banking principles and challenges highlighted in the literature review, particularly concerning loan management and financial stability. This implicit comparison helps to position the specific findings within the broader financial sector context.

By employing these multi-faceted analytical techniques, this study aims to provide a robust and insightful examination of loans and advances by cooperative credit societies, addressing their significance, operational procedures, and financial performance.



3. LIMITATIONS OF THE STUDY

1. The study is entirely based on secondary data.
2. Due to the confidentiality of certain information, the society was unable to provide all the requested data, limiting further analysis.
3. The top management's time constraints made it difficult to engage in detailed discussions with them on strategic issues.
4. Due to time limitations, the study focused primarily on broader financial aspects, and a deeper analysis of specific key financial aspects was not feasible.

4. REVIEW OF LITERATURE

This review synthesizes existing research relevant to cooperative banking, loan performance, and financial management within the banking sector. The literature is organized thematically to provide a clearer understanding of the prevailing academic discourse and to identify areas for further inquiry, particularly concerning cooperative credit societies.

4.1. Cooperative Banking and Loan Performance Analysis

The foundational studies on cooperative credit often delve into their operational efficiency and challenges, particularly concerning loan recovery. **Kalyankar (1983)**, in his study "Wilful Default in Loans of Co-operatives," offers an early examination of financial trends in district-level cooperative financing institutions. He analyzed share capital, deposits, loans outstanding, working capital, advances, recoveries, and overdues, identifying cropping intensity, irrigation facilities, and the working capital of societies as significant contributors to overdues at the primary agricultural credit society level. Importantly, Kalyankar's findings indicated that while socioeconomic factors did not primarily drive overdues at the borrower level, non-economic factors were largely responsible for defaults among willful defaulters. This early work highlights the complex interplay of internal operational factors and external borrower behavior in cooperative loan performance.

More recent scholarship continues to address challenges in financing specific sectors. **Narasaiah and Naik (2007)** observed a significant disparity in financial support, noting that despite progress in micro-enterprise financing, Small Scale Industries (SSIs) have largely been overlooked, compelling them to rely heavily on commercial banks for new ventures. This suggests a potential gap that cooperative credit societies, with their localized focus, might be better positioned to address, although specific research on their role in SSI financing remains limited.

4.2. Financial Performance and Risk Management in Banking

The financial health and risk management practices of banks are critical determinants of their stability and ability to provide loans. **Mohi-ud-Din Sangmi and Tabassum Nair (2010)** utilized the widely recognized CAMEL approach to analyze the financial management policies of Jammu and Kashmir Bank and Punjab National Bank. Their research concluded that both banks demonstrated prudent financial management, particularly excelling in asset



quality. This study provides a framework for evaluating bank performance that could be adapted to cooperative credit societies, albeit with consideration for their unique cooperative principles and operational scale.

The issue of non-performing loans (NPLs) is a recurring theme in banking literature due to their adverse impact on financial health. **Anthony Wood (2018)** provides a pertinent regional perspective from Barbados, where the banking sector's financial indicators deteriorated during the 2008 global financial crisis, with NPLs surging significantly. Wood's research explores both macroeconomic and bank-specific factors influencing NPLs, offering a valuable model for examining credit quality issues within the cooperative banking context. Understanding these factors is crucial for developing robust credit risk management frameworks within cooperative credit societies.

4.3. Specialized Lending and Market Dynamics

Beyond general loan provisions, specific lending categories and market dynamics also feature prominently in the literature. **S. Rajamohan and D. Durairaj (2012)** underscored the growing importance of educational loans as a priority sector advance by commercial banks in India. Their study highlights how these loans became crucial for enhancing access to higher education, especially for economically disadvantaged students, particularly in the post-reform era marked by rising tuition fees and declining scholarships. While focusing on commercial banks, this research points to a significant social need that cooperative credit societies might also be addressing, necessitating further exploration of their role in educational financing.

The competitive landscape between different types of banks is also a focus. **Manish Mittal and Arunna Dhademad (2015)** analyzed the profitability of the Indian banking sector from a shareholder's perspective, finding that public sector banks generally lag behind private and foreign banks in net profitability. They suggest that public sector banks need to adopt strategies to generate higher non-interest income, similar to private banks that offer more fee-based services. This comparative analysis provides insights into strategic adjustments that cooperative banks might consider to enhance their financial viability and competitiveness.

In the real estate sector, **Tanu Aggarwal (2018)** investigated the impact of real estate success on Indian public banks. Her findings suggest a minimal influence, indicating a reduced participation of public sector banks in the Indian real estate market. This trend could create opportunities for cooperative credit societies to fill a potential void in localized real estate financing, provided they have appropriate risk assessment mechanisms in place.

4.4. Regulatory and Operational Frameworks

The broader regulatory environment and operational efficiency are fundamental to the functioning of any banking institution. **Vasant Desai (2015)** aptly describes the Reserve Bank of India (RBI) as the "banker's bank," emphasizing its pivotal role in overseeing commercial banks' monetary operations, regulating credit, and maintaining financial stability. While Desai's work focuses on the RBI's role with commercial banks, its principles of credit



regulation and financial stability are equally pertinent to understanding the regulatory landscape within which cooperative credit societies operate.

Finally, **Sushmitha, P. (2020)** examined the profile of Gramin Bank in Karnataka, tracing its evolution and future within the banking industry. Her work reiterates the critical role of banks in providing diverse financial services and highlights the increasing pressure for fast, efficient, and cost-effective services due to heightened competition. This study, though focused on Gramin Banks, offers valuable insights into the operational challenges and customer expectations that cooperative credit societies also face, stressing the importance of timely and comprehensive service delivery.

5. CONCLUSION AND RESEARCH GAPS

The existing literature provides a robust foundation for understanding general banking operations, financial performance metrics, and various lending categories. However, there are notable limitations concerning cooperative credit societies:

- **Insufficient Recent Literature on Cooperative Banking:** While some foundational studies exist, there is a clear dearth of recent research (post-2020) specifically focusing on the operational efficiencies, challenges, and evolving role of cooperative credit societies in the contemporary financial landscape. This gap is particularly evident in studies analyzing their loan portfolio performance and adaptation to new financial technologies or regulatory changes.
- **Limited Thematic Organization and Integration with Cooperative Theory:** While individual studies touch upon aspects relevant to cooperative banking, the literature often lacks a thematic organization that directly applies to the unique theoretical underpinnings of cooperative models. There is a need to explicitly link findings to cooperative banking theory, which emphasizes member ownership, democratic control, and service orientation over pure profit maximization.
- **Missing Specific Theoretical Perspectives:** The review highlights the application of frameworks like CAMEL for commercial banks, but there's a need to integrate more specific theoretical perspectives applicable to cooperative credit societies. This includes credit risk management frameworks tailored to their unique borrower base and organizational structure, and financial performance evaluation models that account for their dual social and economic objectives. Further research should explore how theories of cooperative governance, social capital, and community-based finance manifest in their lending practices and overall performance.

This review underscores the necessity for more focused and current research on cooperative credit societies to fully understand their contributions, challenges, and distinct operational models within the broader financial system.

6. ANALYSIS AND INTERPRETATION

This section presents a detailed analysis and interpretation of the financial data pertaining to loans and advances, as well as overall financial performance, of The Khanapur Taluka



Secondary School Employees' Co-operative Credit Society Ltd., Khanapur, for the period 2019-2023. The analysis utilizes trend analysis, financial ratio analysis, and aims to provide insights into underlying factors influencing the observed patterns.

6.1. Trend Analysis of Loans and Advances

Trend analysis involves examining historical data to identify consistent patterns or shifts over time. While often used for forecasting, it also helps in understanding past performance and the factors that may have influenced it. For each loan category, 2019-2020 serves as the base year (100%) for calculating trend values.

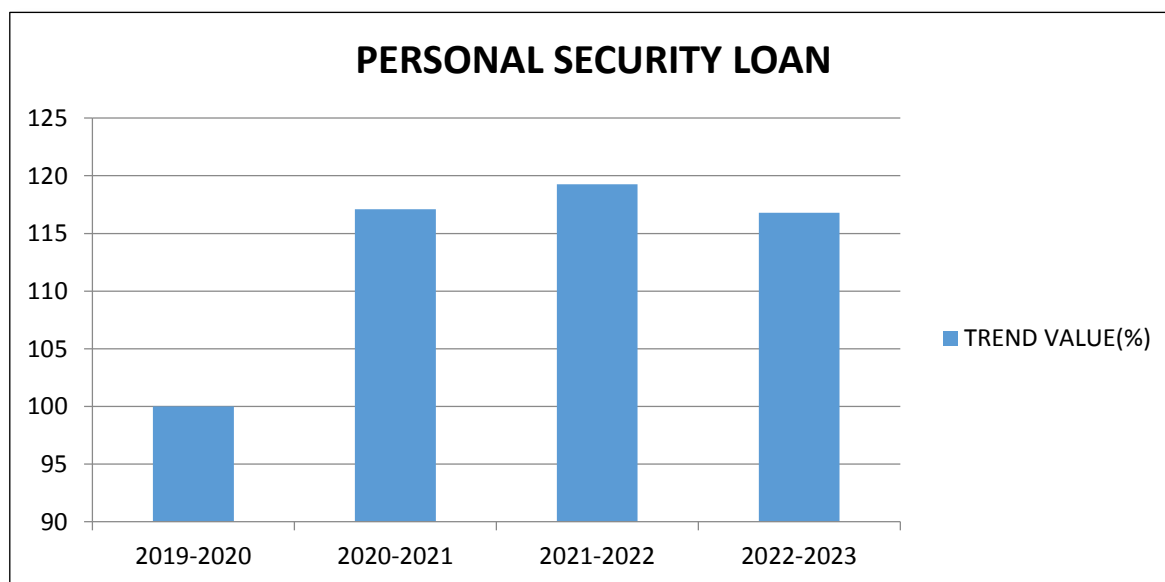
6.1.1 Personal Security Loan

Table No. 1: Table showing trend values of Personal Security Loan

Year	Loan Amount	Trend Value (%)
2019-2020	61,00,000.00	100
2020-2021	76,00,000.00	124.6
2021-2022	85,79,000.00	140.6
2022-2023	71,50,000.00	117.2

Source: Annual reports of the Khanapur Taluka Secondary School Employee's Co-op Credit Society Ltd., Khanapur 2019-2023

Graph No.1: Personal Security Loan



Interpretation: The Personal Security Loan portfolio exhibited a significant growth trajectory initially, increasing by 24.6% in 2020-2021 and further by 40.6% by 2021-2022 compared to the base year. This sustained increase might be attributed to heightened personal financial needs during the initial phases of the pandemic or increased awareness and accessibility of this loan product among members. However, a notable decline of approximately 23.4% was observed in 2022-2023 from the previous year's peak, bringing the



trend value down to 117.2%. The suggested reason for this decline, “personal expenses are less as compared to previous years,” warrants further investigation through qualitative data. It could also reflect a post-pandemic normalization of spending, members consolidating debts, or tighter lending policies by the society. Understanding the specific demand drivers and changes in members’ financial behavior is crucial here.

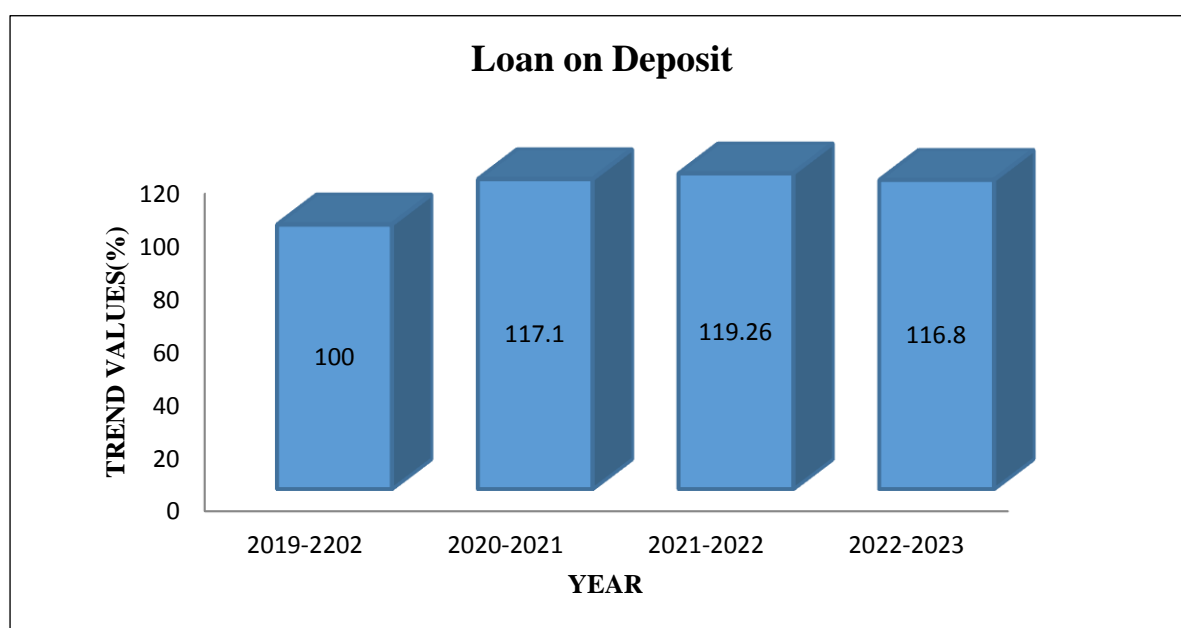
6.1.2 Loan on Deposit

Table No. 2: Table showing trend values of Loan on Deposit

Year	Loan Amount	Trend Value (%)
2019-2020	53,55,706.00	100
2020-2021	62,71,905.00	117.1
2021-2022	63,87,264.00	119.26
2022-2023	62,52,950.00	116.8

Source: Annual reports of The Khanapur Taluka Secondary School Empolyee’s Co-op Credit Society Ltd., Khanapur 2019-2023

Graph No.2: Loan on Deposit



Interpretation: Loans against deposits showed consistent growth from 2019-2020 to 2021-2022, reaching a peak of 119.26% of the base year. This indicates a steady demand for liquidity against members’ deposits, likely due to their convenience and lower interest rates. The slight decrease to 116.8% in 2022-2023 suggests a minor pullback. The interpretation attributing this to “economic conditions impacting loan demand as well as how much investor deposit” and “economic slowdown” is plausible. When economic conditions are uncertain, members might prefer to hold onto their deposits or resort to borrowing against them rather than liquidating them. A marginal decline could also indicate a stabilization of immediate liquidity needs or members opting for other loan products.



6.1.3 Government Security Loan

Table No. 3: Table showing trend values of Govt Security Loan

Year	Loan Amount	Trend Value in (%)
2019-2020	1,60,660.00	100
2020-2021	54,000.00	33.61
2021-2022	60,000.00	37.34
2022-2023	50,651.00	31.52

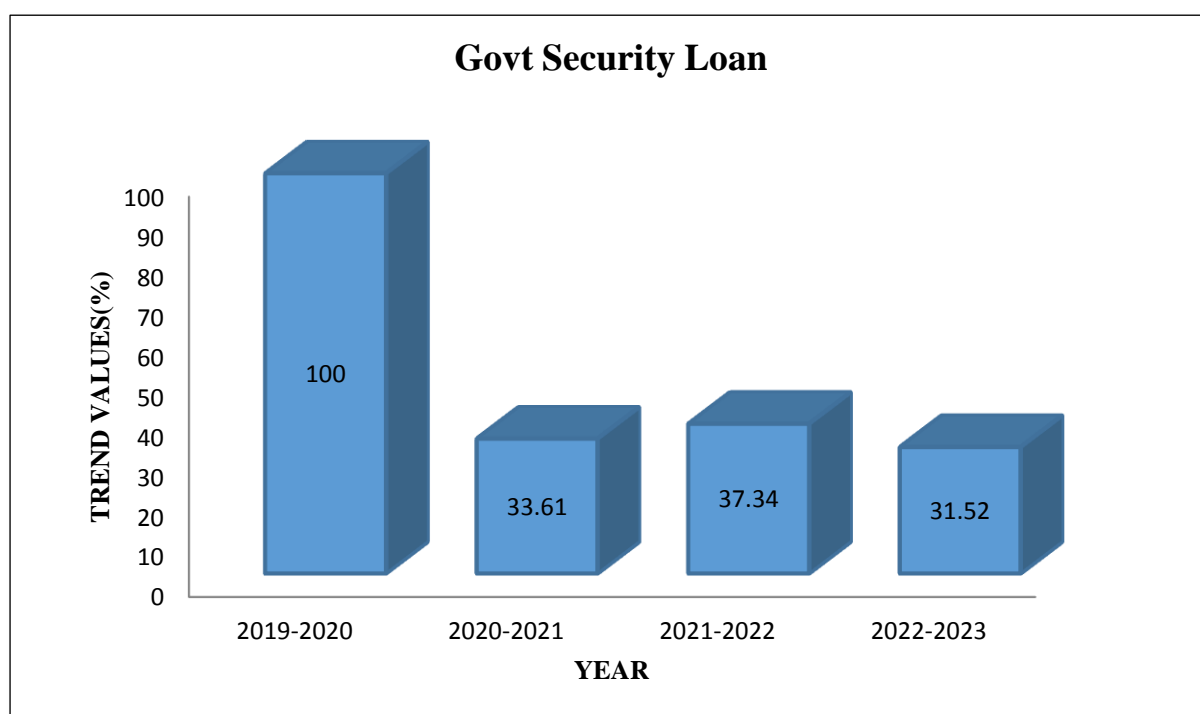
Source: Annual reports of The Khanapur Taluka Secondary School Employee's Co-op Credit Society Ltd., Khanapur 2019-2023

NOTE: Calculation of trend values of **Govt Security Loan** for the year 2020-2021

$$= 54,000/1,60,660 \times 100$$

$$= 33.6$$

Graph No.3: Graphical representation of Govt Security Loan



Interpretation: This category of loans experienced a drastic decline of nearly 66% in 2020-2021 from the base year and remained significantly lower throughout the period. The small increase in 2021-2022 was marginal, followed by another dip in 2022-2023. The explanation citing “factors affecting bond price like inflation, interest rates, credit ratings, and market activity” is highly relevant. The market for government securities (bonds) is sensitive to macroeconomic factors. A sustained low trend value suggests either reduced member interest in borrowing against such securities, or perhaps a lower valuation of these securities making them less attractive as collateral, or even changes in the society’s policy regarding this specific loan product. Further analysis of the society’s investment portfolio in government securities and prevailing market conditions during this period would provide clearer insights.

6.1.4 Vehicle Hypothecation Loan

Table No.4: Table showing trend values of Vehicle Hypothecation Loan

Year	Loan Amount	Trend Value in (%)
2019-2020	56,316.00	100
2020-2021	65,935.00	115.98
2021-2022	71,534.00	127
2022-2023	97,819.00	173.77

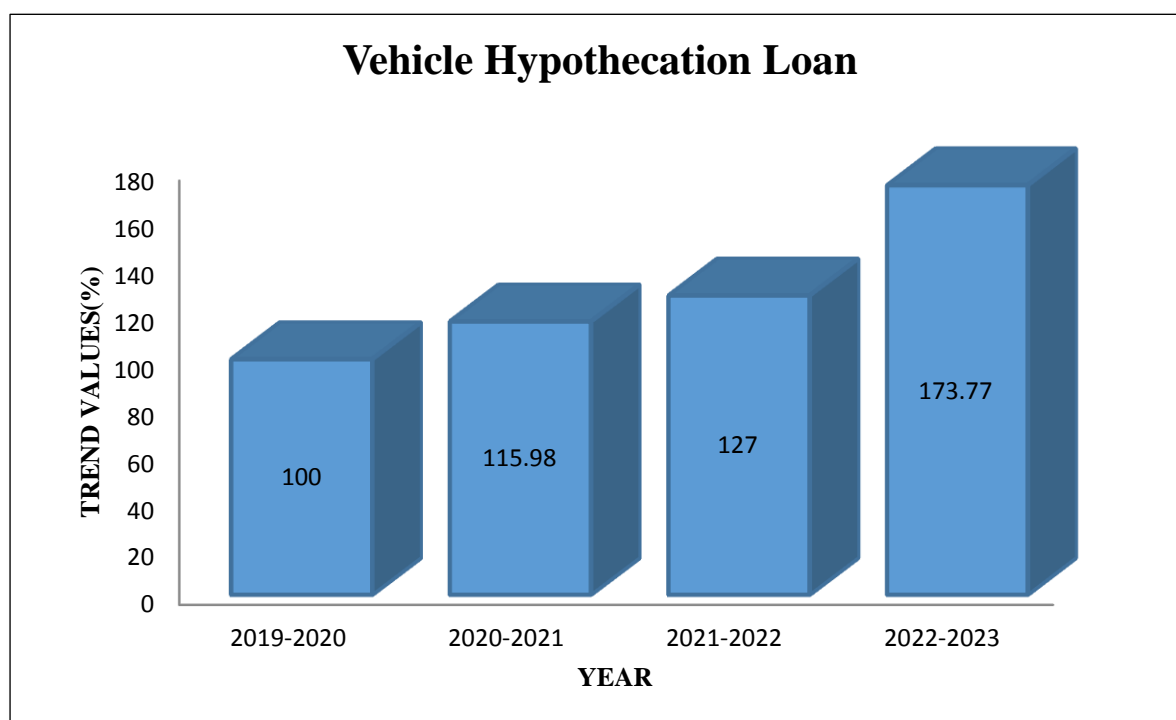
Source: Annual reports of The Khanapur Taluka Secondary School Employee's Co-op Credit Society Ltd., Khanapur 2019-2023

NOTE: Calculation of trend values of vehicle hypothecation loan for the year 2020-2021

= $65,935.00 / 56,316.00 \times 100$

= 115.98

Graph No.4: Graphical representation of Vehicle Hypothecation Loan



Interpretation: Vehicle Hypothecation Loans demonstrate a consistent and robust upward trend, culminating in a remarkable 73.77% increase by 2022-2023 compared to the base year. This strong growth is indicative of increasing demand for vehicle financing among the society's members. The provided interpretation, "Due to increasing and decreasing petrol and diesel, government policies and charges in the market the Hypothecation Loan is increasing," is somewhat contradictory. While fuel prices and policies do impact vehicle ownership costs, their *increase* would typically deter vehicle purchases and thus loan demand. A more accurate interpretation would likely point to factors such as:



- Increased purchasing power of members: As teachers' salaries and economic conditions improve, their ability and desire to purchase vehicles might increase.
- **Favorable loan terms:** The cooperative society might be offering competitive interest rates or flexible repayment options for vehicle loans, making them attractive.
- **Post-pandemic demand:** There might be a surge in personal vehicle preference post-pandemic to avoid public transport.

6.1.5 Property Mortgage Loan

Table No.5: Table showing trend values of Property Mortgage Loan

Year	Loan Amount	Trend Value in (%)
2019-2020	1,66,491.00	100
2020-2021	1,72,487.00	103.6
2021-2022	1,84,249.00	110.67
2022-2023	1,90,770.00	114.58

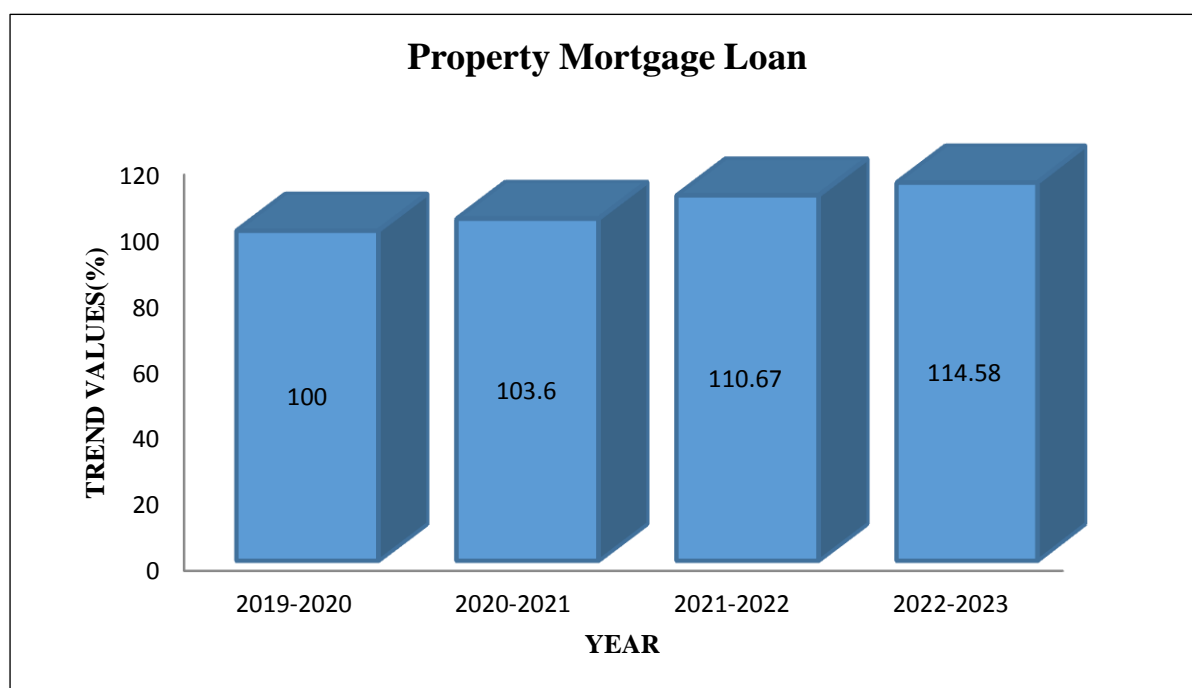
Source: Annual reports of The Khanapur Taluka Secondary School Employee's Co-op Credit Society Ltd., Khanapur 2019-2023

NOTE: Calculation of trend values of **Property Mortgage Loan** for the year 2019-2023

$$= 1,72,487 / 1,66,491 * 100$$

$$= 103.6$$

Graph No. 5: Graphical representation of Property Mortgage Loan



Interpretation: Property Mortgage Loans show a steady and continuous growth throughout the period, with a total increase of 14.58% by 2022-2023 from the base year. This consistent upward trend highlights the stable demand for property-backed financing, which is often for

significant personal investments like home renovations, property purchases, or large capital expenditures. The interpretation referencing “location of the property, tenure of the loan, charges in inflation rates increasing” is relevant. Rising inflation might incentivize borrowing against property to fund investments or combat the eroding value of cash. A growing property market in the region could also contribute to increased demand for such loans.

6.1.6 Property Mortgage Cash Credit

Table No.6: Table showing trend values of Property Mortgage Cash Credit

Year	Loan Amount	Trend Value in (%)
2019-2020	74,102.00	100
2020-2021	86,255.00	116.4
2021-2022	90,513.00	122.14
2022-2023	96,433.00	130.13

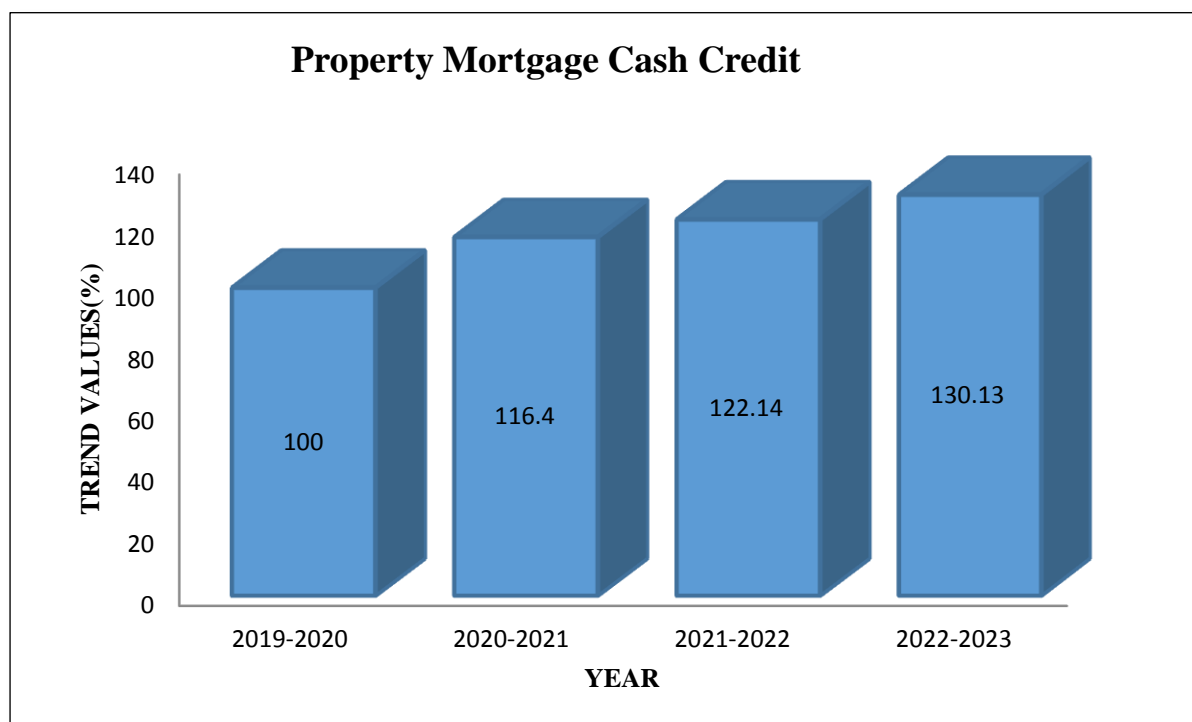
Source: Annual reports of The Khanapur Taluka Secondary School Employee's Co-op Credit Society Ltd., Khanapur 2019-2023

NOTE: Calculation of trend values of **Property Mortgage Cash Credit** for the year 2019-2023

= $86,255/74,102 \times 100$

= 116.4

Graph No. 6: Graphical Representation of Property Mortgage Cash Credit



Interpretation: Property Mortgage Cash Credit also demonstrates a consistent upward trend, increasing by over 30% from the base year by 2022-2023. This indicates a growing utilization of flexible credit lines backed by property, likely by members needing revolving funds for various purposes, including business needs or managing irregular personal



expenses. The stated reasons, “less risk in credit risk, time, tax consideration, and convertibility of the particular loan,” are valid. Property-backed cash credit inherently carries lower credit risk for the lender due to the collateral, making it an attractive product for both the society and the borrowers seeking flexible, lower-cost funds. The increase suggests that members find this facility convenient and advantageous.

6.1.7 Total Loans and Advances

Table No. 7: Table showing trend values of Total Loans and Advances

Year	Loan Amount	Trend Value in (%)
2019-2020	1,18,69,822.00	100
2020-2021	1,31,97,917.00	111.18
2021-2022	1,53,89,653.00	129.65
2022-2023	1,62,86,703.00	137.21

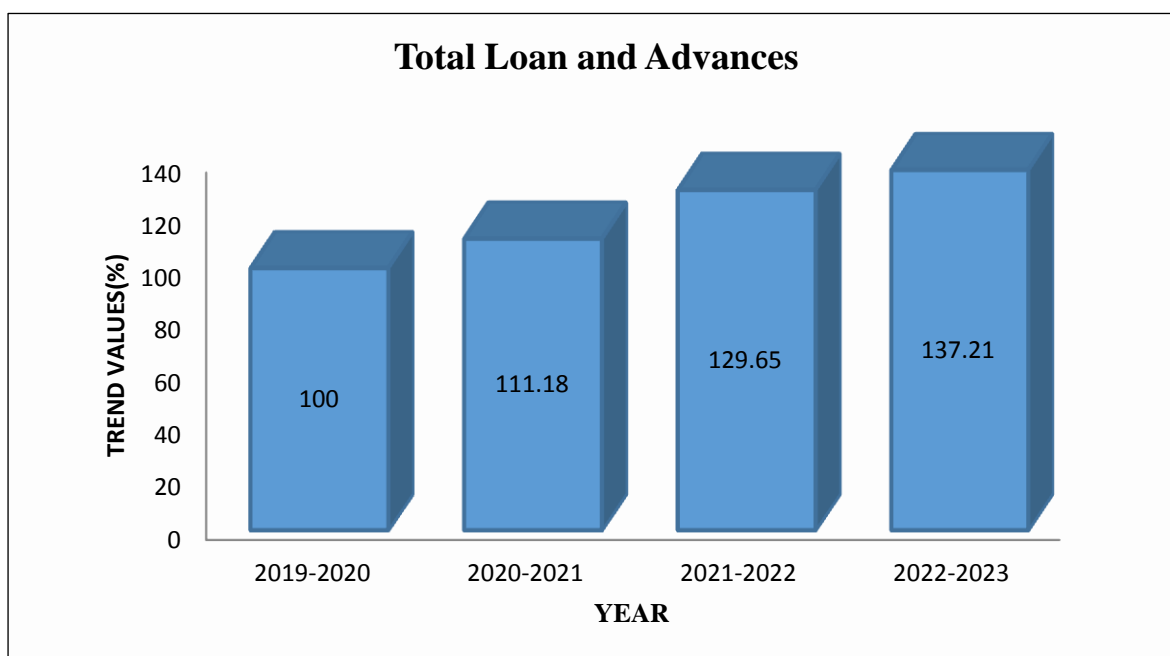
Source: Annual reports of The Khanapur Taluka Secondary School Employee's Co-op Credit Society Ltd., Khanapur 2019-2023

NOTE: Calculation of trend values of **Total Loan and Advances** for the year 2020-2021

$$= 1,31,97,917 / 1,18,69,822 * 100$$

$$= 111.18\%$$

Graph No.7: Graphical representation of Total Loan and Advances



Interpretation: The overall trend for Total Loans and Advances is consistently positive and strong. From the base year, the total loan portfolio grew by 11.18% in 2020-2021, surged to nearly 30% by 2021-2022, and reached a significant 37.21% increase by 2022-2023. This sustained growth indicates a healthy demand for credit among the society's members and reflects the cooperative's active role in providing financial support. It also suggests effective



loan origination and potentially expanding membership or increased financial needs of existing members.

6.2. Financial Performance Metrics and Overall Health

Beyond individual loan categories, analyzing overall financial indicators provides a holistic view of the cooperative's health and sustainability.

Table No. 8: Table showing trend values of Total Deposits and Total Loans and Advances

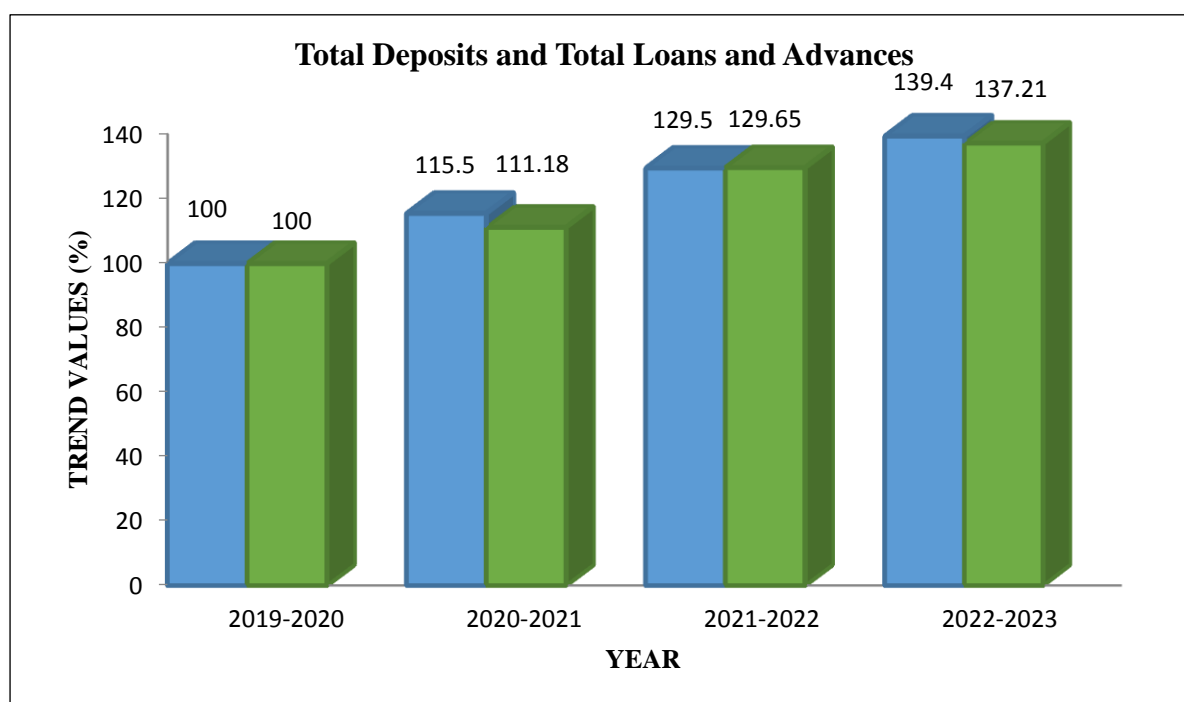
Year	Deposit Amount (In RS.)	Trend Value in (%)	Loan Amount	Trend Value in (%)
2019-2020	2,34,86,188.00	100	1,18,69,822.00	100
2020-2021	2,71,23,822.00	115.5	1,31,97,917.00	111.18
2021-2022	3,04,15,917.00	129.5	1,53,89,653.00	129.65
2022-2023	3,27,40,305.00	139.4	1,62,86,703.00	137.21

Source: Annual reports of The Khanapur Taluka Secondary School Employee's Co-op Credit Society Ltd., Khanapur 2019-2023

NOTE: Calculation of trend values of Total Deposits and Total Loans and Advances for the year 2020-2021

- 1) Total Deposits
 $= 2,71,23,822 / 2,34,86,188 * 100$
 $= 115.5$
- 2) Total Loans and Advances
 $= 1,31,97,917 / 1,18,69,822 * 100$
 $= 111.18$

Graph No. 8: Graphical Representation of Total Deposits and Total Loans and Advances





Interpretation: This comparative trend analysis is crucial for assessing the cooperative's liquidity and funding stability. Both deposits and loans show a healthy upward trend. Deposits have grown consistently, reaching a 39.4% increase by 2022-2023, while loans have also expanded significantly by 37.21%. The trend values for deposits consistently remain slightly higher than those for loans (e.g., 139.4% for deposits vs. 137.21% for loans in 2022-2023). This indicates that the growth in lending is well-supported by a corresponding growth in member deposits, which is a strong indicator of financial prudence and self-sufficiency for a cooperative credit society. The statement "This shows the society has good name and fame" is an appropriate qualitative inference, as strong deposit growth implies member trust and confidence in the society's financial management. The sustained growth of deposits ensures adequate funds for continued loan disbursements, reducing reliance on external borrowings.

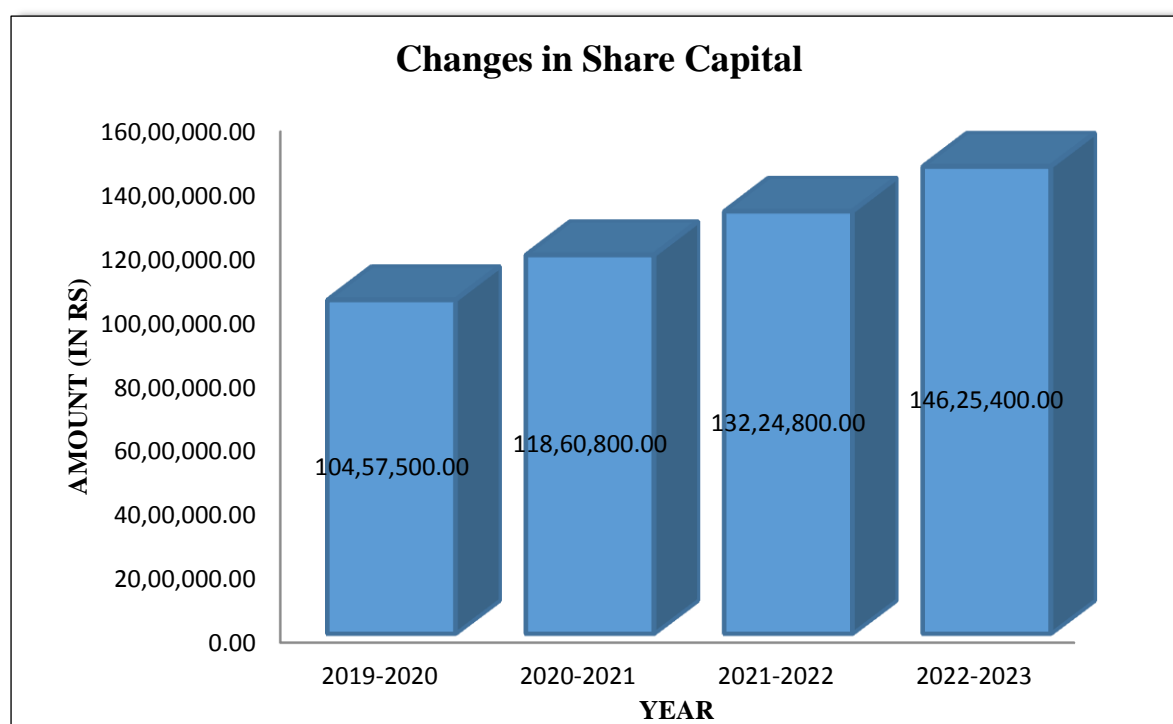
6.2.1 Changes in Share Capital

Table No. 9: Table showing trend values of Changes in Share Capital

Year	Amount in (In Rs)
2019-2020	1,04,57,500.00
2020-2021	1,18,60,800.00
2021-2022	1,32,24,800.00
2022-2023	1,46,25,400.00

Source: Annual reports of The Khanapur Taluka Secondary School Employee's Co-op Credit Society Ltd., Khanapur 2019-2023

Graph No.9: Graphical representation of Changes in Share Capital





Interpretation: The share capital of the society has consistently increased year-on-year. This growth indicates expanding membership and/or existing members increasing their shareholding, which directly contributes to the society's own funds. The observation that share capital increased more rapidly in 2021-2022 aligns with the overall positive trend in deposits and loans. Increased share capital strengthens the cooperative's capital base, enhancing its solvency and ability to absorb potential losses, thereby instilling greater confidence among members and regulatory bodies. This trend is a testament to the cooperative principle of member ownership and financial participation.

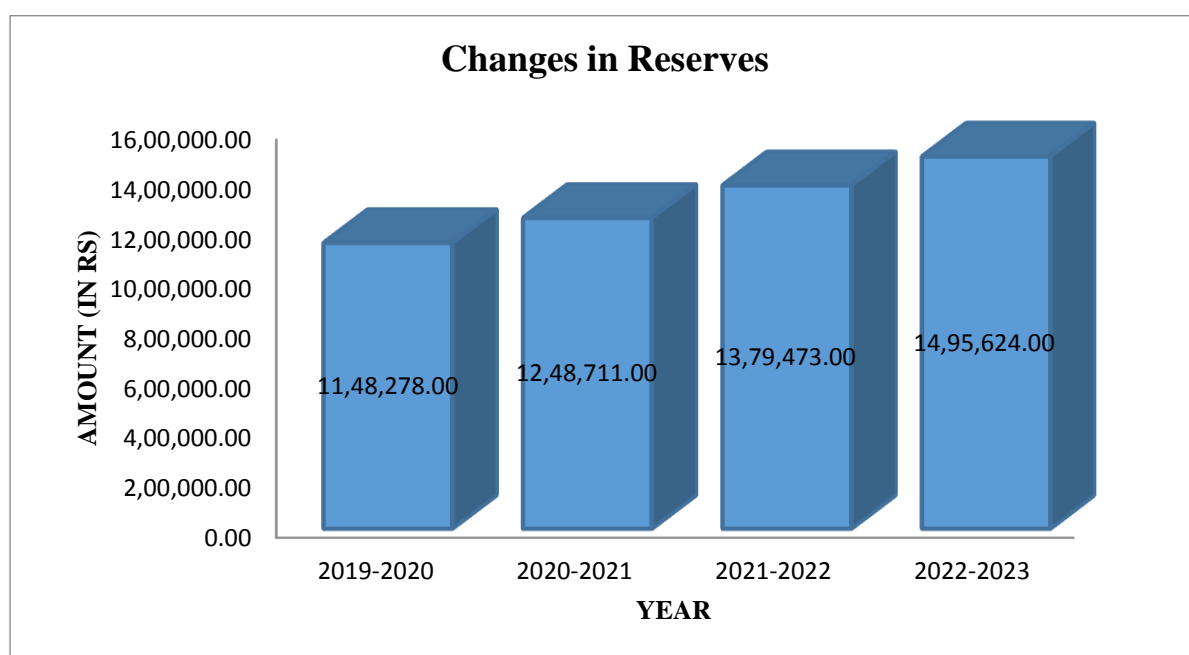
6.2.2 Changes in Reserves

Table No. 10: Table showing trend values of Changes in Reserves

Year	Amount (in Rs)
2019-2020	11,48,278.00
2020-2021	12,48,711.00
2021-2022	13,79,473.00
2022-2023	14,95,624.00

Source: Annual reports of The Khanapur Taluka Secondary School Employee's Co-op Credit Society Ltd., Khanapur 2019-2023

Graph No.10: Graphical representation of Changes in Reserve



Interpretation: The reserves of the society have shown a continuous and steady increase from 2019-2020 to 2022-2023. Building reserves is a crucial indicator of financial prudence and long-term sustainability for any financial institution, especially cooperatives. Growing reserves provide a cushion against unforeseen financial shocks, allow for future investments, and strengthen the society's capacity to absorb potential loan losses without unduly impacting



members' funds. This consistent growth in reserves underscores sound financial management and a commitment to building a strong financial foundation.

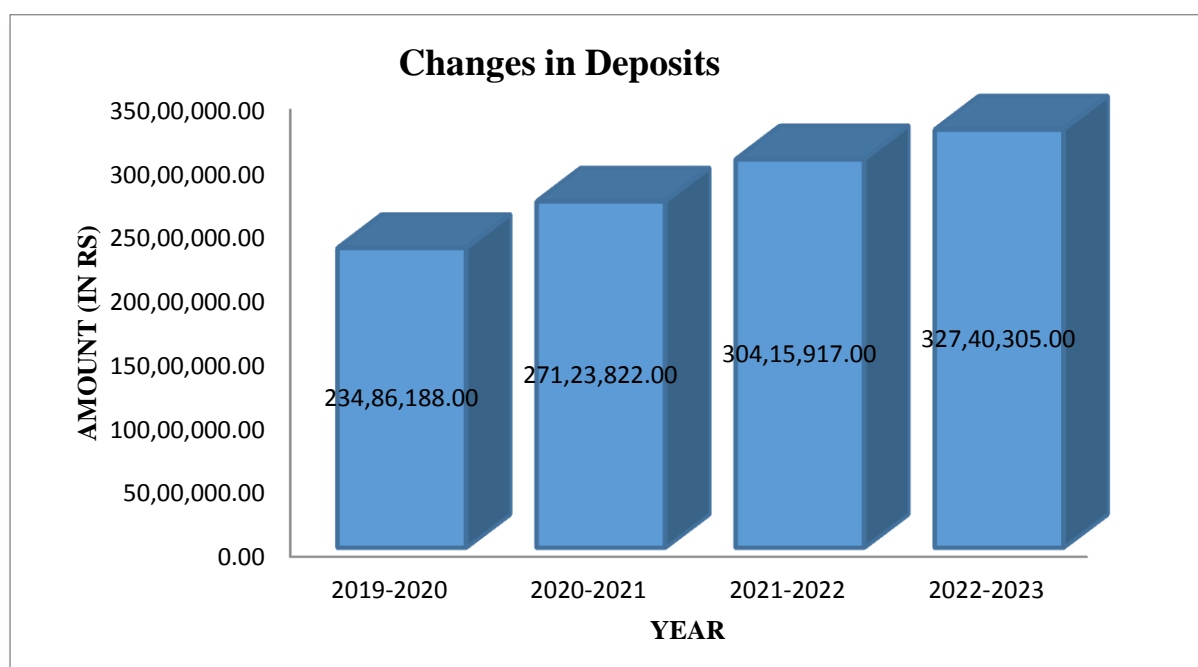
6.2.3 Changes in Deposits

Table No. 11: Table showing Changes in Deposits

Year	Amount (in Rs)
2019-2020	2,34,86,188.00
2020-2021	2,71,23,822.00
2021-2022	3,04,15,917.00
2022-2023	3,27,40,305.00

Source: Annual reports of The Khanapur Taluka Secondary School Employee's Co-op Credit Society Ltd., Khanapur 2019-2023

Graph No.11: Graphical Representation of Changes in Deposits



Interpretation: Table No. 12 and Graph No. 12 illustrate the consistent and significant growth in the total deposits held by The Khanapur Taluka Secondary School Employees' Co-operative Credit Society Ltd. from the financial year 2019-2020 to 2022-2023.

Taking 2019-2020 as the base year, with deposits amounting to ₹2,34,86,188.00, the society has demonstrated remarkable growth in its deposit base:

- **2020-2021:** Deposits increased to ₹2,71,23,822.00, representing a growth of ₹36,37,634.00 or approximately **15.5%** over the base year. This initial increase suggests strong member confidence even during the early stages of the global pandemic, potentially indicating a flight to safety or increased savings among the members.



- **2021-2022:** The positive trend continued, with deposits reaching ₹3,04,15,917.00. This marks a further increase of **₹32,92,095.00** from the previous year, and an overall growth of approximately **29.5%** compared to the 2019-2020 base. This sustained growth indicates the society's continued ability to attract and retain member funds.
- **2022-2023:** Deposits further ascended to ₹3,27,40,305.00, signifying an increase of **₹23,24,388.00** from the prior year and an impressive overall growth of approximately **39.4%** since the base year.

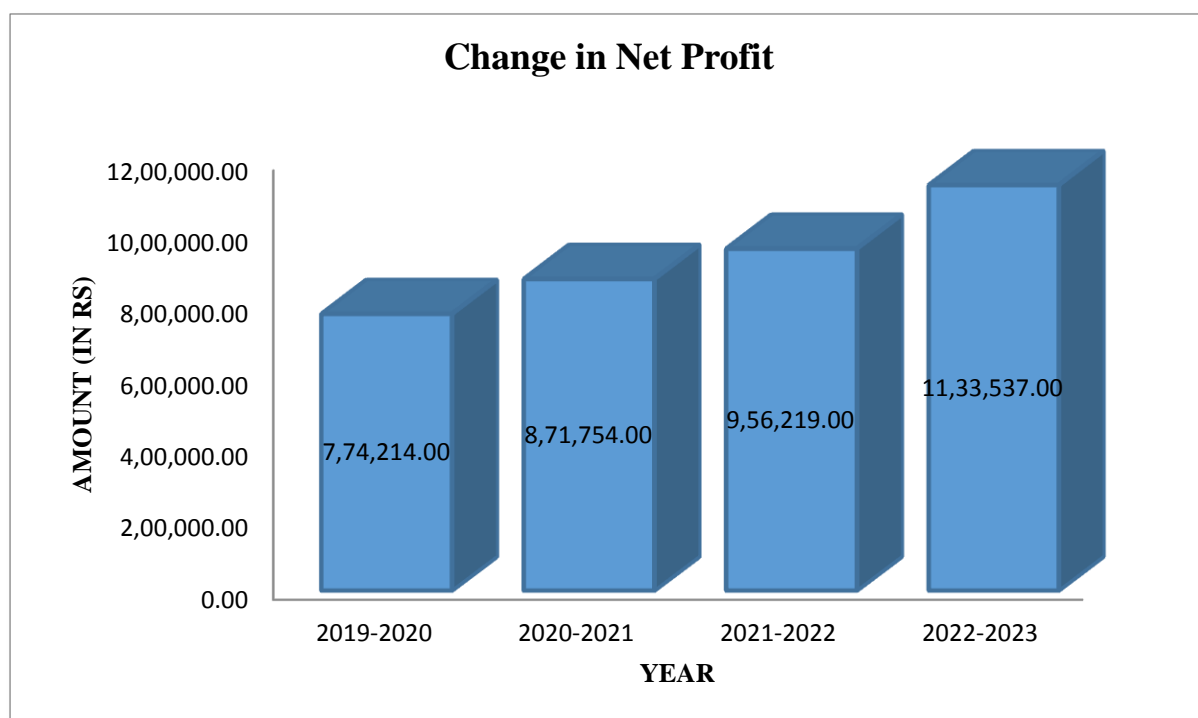
6.2.4 Changes in Net Profit

Table No. 12: Table showing Changes in Net Profit

Year	Amount (in Rs)
2019-2020	7,74,214.00
2020-2021	8,71,754.00
2021-2022	9,56,219.00
2022-2023	11,33,537.00

Source: Annual reports of The Khanapur Taluka Secondary School Employee's Co-op Credit Society Ltd., Khanpur 2019-2023

Graph No. 12: Graphical representation of Changes in Net Profit



Interpretation: The net profit of the society has consistently increased year-on-year. This upward trend in profitability is a key indicator of operational efficiency and successful financial intermediation. Increased net profit suggests that the society is effectively managing its interest income from loans, controlling operating expenses, and potentially diversifying its income streams. A rising net profit enables the society to build reserves, distribute dividends



to members (if applicable), and invest in enhancing services or expanding its reach. This positive trend reflects overall sound financial performance and sustainable growth.

6.3. Overall Financial Performance

The trend analysis reveals a generally strong and positive financial performance of The Khanapur Taluka Secondary School Employees' Co-operative Credit Society Ltd. over the four-year period (2019-2023).

Growth in Core Business: The consistent increase in Total Loans and Advances, well-supported by growing deposits and share capital, signifies a thriving core lending business and robust member engagement.

Financial Stability: The continuous growth in share capital, deposits, and reserves indicates a strong capital base and prudent financial management, essential for the cooperative's long-term stability and resilience against economic fluctuations.

Profitability: The steady rise in net profit demonstrates effective operations and an ability to generate surpluses, which can be reinvested for member benefit or to strengthen the society's financial position.

7. FINDINGS

Co-operative societies play a crucial role in strengthening the country's economy by offering financial support to teachers and individuals in need within the community. They provide accessible credit facilities, promote financial inclusion, and contribute to socio-economic development. Additionally, these societies help in fostering savings habits, supporting small businesses, and improving the overall financial stability of their members. The findings of this research indicate that co-operative societies significantly enhance economic growth by reducing financial barriers, promoting self-reliance, and ensuring sustainable financial assistance for their members. The following are the summary of findings.

1. The amount of loans and advances has shown a steady increase over time.
2. Personal loans have exhibited a fluctuating trend, rising by 124.6% in 2020-2021 compared to the base year.
3. Loans on deposits have fluctuated, increasing by 117.1% in 2020-2021 but declining by 116.8% in 2022-2023 compared to the previous year.
4. Government security loans decreased by 33.6% in 2020-2021 compared to the base year and continued to decline thereafter.
5. Total loans and advances have consistently increased every year compared to the base year.
6. There has been significant and continuous growth in total loans and advances, total deposits, and total loans.
7. The society's share capital has undergone consistent changes, increasing year by year compared to the base year.
8. The society has steadily increased its net profit each year compared to the base year.



8. SUGGESTIONS

Based on the study conducted on *The Khanapur Taluka Secondary School Employee's Co-operative Credit Society Ltd., Khanapur* and the specific issues related to loans and advances examined during the study period, the following suggestions are proposed:

1. Certain loans, such as Government Security Loans and Loans on Deposit, have underperformed compared to the base year 2019-2020. The society should focus on identifying and addressing the factors contributing to this decline.
2. While there is a wide range of loans and advances available, they are not effectively communicated to teachers. Therefore, additional efforts should be made to enhance awareness and accessibility of these financial offerings.
3. Implementing attractive and competitive interest rates can encourage teachers to avail themselves of more loans and advances.
4. The society should introduce new loan, advance, and deposit schemes while increasing loan sanctions to enhance overall performance, ensuring that security measures are maintained.
5. Maintaining regular contact with borrowers will facilitate faster loan disbursement and strengthen customer relationships, improving overall service efficiency.
6. **Strengthening Customer Relations that is** continuous engagement with borrowers through regular communication, follow-ups, and personalized financial guidance will help in faster loan disbursement and improved customer satisfaction.
7. Conducting periodic reviews and performance assessments of different loan categories will help in identifying issues early and making necessary improvements.
8. Many loan and advance options are available but are not effectively communicated to teachers. The society should implement targeted awareness campaigns, workshops, and digital communication strategies to ensure that teachers are well-informed about these financial services.

9. CONCLUSION

This study aimed to analyze the role, operational dynamics, and financial performance of loans and advances provided by cooperative credit societies, with a specific focus on The Khanapur Taluka Secondary School Employees' Co-operative Credit Society Ltd., Khanapur, for the period 2019-2023. The investigation sought to understand how these societies facilitate financial assistance, their loan sanction procedures, and their overall contribution to member economic stability and growth. The society effectively provides a wide range of loans and advances (e.g., Personal Security Loans, Loans on Deposit, Vehicle Hypothecation Loans, Property Mortgage Loans, Property Mortgage Cash Credit), demonstrating its commitment to meeting varied member needs. The relatively straightforward procedures observed (as indicated by the literature review and primary data collection methods) underscore their accessibility compared to traditional commercial banks.

The analysis reaffirms that cooperative societies play an indispensable role in India's financial landscape by providing accessible financial assistance through loans and advances.



Their adherence to simple and member-friendly procedures significantly enhances financial inclusion, enabling individuals to pursue entrepreneurial ventures, acquire housing, and meet diverse economic necessities. The inherent objectives of cooperative societies: expanding banking services and fostering the development of loans and advances, are demonstrably achievable through efficient operations and a commitment to high-quality service delivery. The Khanapur Taluka Secondary School Employees' Co-operative Credit Society Ltd. has proactively pursued these objectives by expanding its outreach, enhancing savings and deposit schemes, and diversifying its loan portfolio.

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