

Recovery of Bank Loan

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ABSTRACT – The importance of timely recovery can hardly be over emphasized in respect of banking operations. Recovery of loan, according to schedule helps re-cycling of funds and in the process it leads to enlarging the coverage of the clientele year wise recovery. The year wise recovery position of bank branch under study is given in Table No.1. This table shows that the overall recovery position of the loans was only 1.6 per cent in 1982 which increase to about 37 per cent by the end of 1985. It is further reveals that the recovery of loans was higher in case of non-schedule caste families than the schedule caste families during the all the four years under reference. However, the recovery position is not satisfactory both in case of schedule caste as well as non-schedule caste families.

KEYWORDS – Recover, Loan, Purpose

INTRODUCTION –

This part of the article contains the different types of recovery as explained below;

PURPOSE-WISE RECOVERY:

TABLE -3 Year wise credit-deposit ratio.

YEAR	DEPOSIT	LOAN ADVANCES	RATIO
1982	81000	103902	128.27
1983	187600	683108	364.13
1984	636000	440302	69.23
1985	732000	184425	25.19

Table 3 shows that the credit deposit ratio has been about 128, 364, 67 and 25 percent

The purpose-wise recovery of loan is presented in table No.2. This table shows that the overall recovery of loan advanced for non-agricultural purposes was higher (over 47 per cent) than the agricultural purposes (about 32 percent). Among all purposes, the recovery of loan was the highest (about 67 per cent) in case of small-scale and rural cottage industries. The recovery in case of crop loan, buffalo, retail trade and pumpset worked out to about 46.33, 32 and 31 per cent respectively. The recovery in case of other purposes was very poor. It was nil in case of biogas plant.

The poor recovery almost for all purposes except small-scale and rural cottage industries is a matter of serious concern to all. There is need to take timely measures to improve the recovery of the loan for the benefit of a large number of potential borrowers spread over in the operational area of the branch in study.

CREDIT - DEPOSIT RATIO:

The credit deposit ratio as judged by the ratio of amount of credit disbursed to the amount of deposits has been given in Table No. 3.

respectively during 1982, 83, 84 and 85. Thus the bank under study has advanced

more than the deposit in 1982 and 83 while 1984 and 85 it has advanced only 70 and 25 percent of the deposits respectively. Thus

there is a need to make more loan available to poor families to enable them to raise their income and employment

TABLE – 1 Recovery performance of loans provided by the bank under study :

YEAR	Scheduled caste & S. Tribe			Non. scheduled caste			All		
	Demand (Rs.)	Recovery (Rs.)	Recovery as percentage to demand	Demand (Rs.)	Recovery (Rs.)	Recovery as percentage to demand	Demand	Recovery	Recovery as percentage to demand
1982	73943	185	0.25	35977	1523	4.20	109920	1708	1.61
1983	145018	35225	24.29	90194	26775	48.00	235212	62000	25.36
1984	230193	39600	17.20	161019	34400	35.20	391212	74000	18.92
1985	435129	133118	30.59	459995	199677	43.41	695124	332795	37.18

CONCLUSION:

After this detailed survey we have concluded in this article by the recovery of the bank loan, the rate of recovery of bank loan has been increased as their category of the consumer. This article illustrated the recovery of bank loan and purpose wise recovery of bank loan. As per the survey we can see that the percentage of recovery of bank loan in only 4 years, since 1982 to 1985 increased in a very large amount. There is a lot of incensement in recovery of bank loan.

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