

CHAPTER – II

Source of Funds :

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Introduction

The most essential function of any patsanstha is the mobilization of deposits.

The Main source of funds are –

- 1) Owned Funds
- 2) Borrowed Funds
- 3) Deposits

Owned funds consists of the share capital provided for by the members. The borrowed funds consists of the loan from the central Co-operative Bank such Society can not raise the loan to meet the credit needs of its members, from the banks commercial as well as nationalized. If a Co-operative Society has to play a significant role in the economic development of the area served by it. It has to realize the importance of deposit vis-à-vis owned funds and borrowings. Therefore in this chapter an attempt is made to analyze and examine the various source of funds of this patsanstha, during the period from 1999-2000 to 2003-2004.

*** Source of Funds**

The deposit represent most important item. The entire working and profitability depend upon the ability of the Society of attract and mobilise the deposits. Larger the size of deposit, larger would be lending operations to meet the credit needs of the members of the Society. Therefore the efficiency and effectiveness of the Society is measured in term of deposits that the Society has at his disposal. The following is list of various deposits Scheme.

- 1) Fixed Deposit
- 2) Saving Deposit
- 3) Recurring Deposits
- 4) Pigmi Deposit

- 5) Demand Deposit
- 6) Call Deposits
- 7) Locker Deposit
- 8) Buchat Mahina
- 9) Double Deposit
- 10) Daily Deposit
- 11) Bonus Deposits

The details as regards nature total deposits, collection and overall performance of some of the deposits scheme are studied.

Fixed Deposit

By considering the credit of total fixed deposits of the patsanstha it is considerable to made attempt on each deposit scheme. This is type of patsanstha deposit for creation of credit fixed deposit are very useful depositors can not withdrawal any amount before maturity patsanstha knows what is the period of such deposit for that certain period. Patsanstha use this deposit for advancing loan to need person or members also. Patsanstha use such amount of deposit for creation of money. Thus patsanstha need of such deposit, because of amount of deposit is more useful than other deposit so every Co-operative credit Society always tries to collect maximum amount of fixed deposit.

Fixed Deposit

In Thousand

Year	Amount	Increase/Decrease	Percentage
1999-2000	78.45	--	--
2000-2001	159.8	81.35	103.69%
2001-2002	213.6	53.8	33.66 %
2002-2003	349.9	136.3	63.81 %
2003-2004	424.9	75	21.43 %

Source – Annual Report.

The above table indicate the position of fixed deposit of the patsanstha. In the year 1999-2000 fixed deposit were Rs. 78.45 and next year increased Rs. 159.8. in the year 2001 – 2002 amount of fixed deposit was Rs. 213.6 and next year increased Rs. 53.8 . it means Rs. 349.9. in the year 2003-2004 amount of fixed deposit was Rs. 424.9.

Percentage of fixed deposit were increased regularly 1999-2000 the amount of fixed deposit was lowest comparatively with rate of growth of fixed deposits. In the year 2003-2004 patsanstha has collected highest amount of fixed deposit. During this year patsanstha was able to collect maximum fixed deposit.

Conclusion

By considering 5 years period of the patsanstha, the amount of fixed deposit has increased in all the years. The rate of increase is however fluctuating.

Saving Deposit

The saving deposit scheme is one of the most significant scheme introduced by the patsanstha. Promotion of thrift is one of the important function. The patsanstha facilities of saving deposit are intended to develop the habit of thrift among rural and urban people members. The minimum amount acceptable in this cases is very low. Maximum limit is also set beyond which interest on the amount of deposit is not credited. Attractive rate of interest is allowed on such deposit.

Saving Deposit

In Thousand

Year	Amount	Increase/Decrease	Percentage
1999-2000	91.68	--	--
2000-2001	61.785	- 29.895	32.60 %
2001-2002	60.877	- 0.908	1.46 %
2002-2003	59.327	- 1.55	2.54 %
2003-2004	48.565	- 10.762	18.14 %

Source – Annual Report.

The above table indicates the position of saving deposit of the patsanstha. In the year 1999-2000 the saving deposit was Rs. 91.68. it was decreased in the next year Rs. 29.895. It means Rs. 61.785. In the year 2001-2002 the amount of saving deposit was Rs. 60.877 and again it was decreased Rs. -1.55 it means Rs. 59.327. In the 2003-2004 amount of deposit was Rs. 48.565.

Percentage of deposit were decreased regularly. 1999-2000 percentage was 32.60%, 1.46 %, 2.54 % 18.14 % respectively. In the year 2003-2004 the amount of saving deposit was lowest comparatively with the rate of growth of deposits. In the year 1999-2000 patsanstha has collected highest amount of saving deposit.

Conclusion

By considering 5 year period of the patsanstha working that the patsanstha become unsuccessful in increasing amount of saving deposit every year. There was not single year in which amount of saving deposit increased. It was decreased every year. However the rate of growth is seen to be decreasing.

Pigmi Deposit

Pigmi deposit scheme is a most attractive and revolutionary scheme introduced by the patsanstha. Patsanstha is for to mobilizing deposits on small scale from urban and rural weaker section of the Society. The patsanstha launched on aggressive programme through its pigmi deposit scheme in order to extend the financial help to removate economic activities of the weaker section of the Society. The scheme was admired by the people on large scale.

Pigmi Deposit

In Thousand

Year	Amount	Increase/Decrease	Percentage
1999-2000	199.935	--	--
2000-2001	160.539	- 39.396	19.70 %
2001-2002	254.696	94.157	58.65 %
2002-2003	362.205	107.509	42.21 %
2003-2004	317.662	- 44.54	12.29 %

Source – Annual Report.

The above table indicate the position of pigmi deposit of the patsanstha. In the year 1999-2000 pigmi deposit was Rs. 199.935 next year it was decreased by Rs. 39.396 it means it was Rs. 160.539. In the year 2001-2002 the amount of Rs. 254.696 next year it was increased Rs. 107.509 it means Rs. 362.205. In the year 2003-2004 amount was Rs. 317.662. Percentage of pigmi deposit were 19.90%, 58.65%, 42.21%, 12.29% respectively.

In the year 2000-2001 the amount of pigmi deposit was lowest Rs. 160.539 and percentage was 19.70%. In the year 2002-2003 the amount of pigmi deposit was highest Rs. 362.205. During this year patsanstha was able to collect maximum pigmi deposit.

Conclusion

These deposits are collected from the people in the lower income group. The scheme has recorded a tremendous progress since its inception. Therefore we can say that the Society has cultivated saving habits among more and more numbers of people in the lower income group.

Double Deposit

Damduppat scheme introduced by patsanstha. In this deposit Scheme the depositor can get his deposit two fold within the prescribed time. Damduppat deposit scheme is also one of the most attractive scheme introduced by the patsanstha . on the other hand the rate of interest is given according to directives of Co-operative department. The individual and institutions both were benefited by scheme.

Double Deposit

Year	Amount	Increase/Decrease	Percentage
1999-2000	233.282	--	--
2000-2001	628.770	395.488	169.53 %
2001-2002	1066.455	437.685	69.60 %
2002-2003	1304.031	237.576	22.27 %
2003-2004	1296.86	-7.171	- 0.54 %

Source – Annual Report.

The above table indicate the double deposit scheme of the patsanstha. Ih the year 1999-2000 amount of double deposit was Rs. 233.282 next year increase Rs. 395.488 it means Rs. 628.770. In the year 2001-2002 amount of Rs. 1066.455 next year increase Rs. 237.576. In the year 2003-2004 amount Rs. 1296.86. Percentage of double deposit were increased regularly but in the year 2003-2004 percentage of depcsit was decreased. In the year 1999-2000 the amount of double deposit was Rs. 233.282 was the lowest. In the year 2002-2003 the amount Rs. 1304.031 was highest.

Conclusion

There was increase in amount of double deposit but percentage of double deposit was not always increasing. The account holder seen to have used these deposits for their business.

Recurring Deposit

It must be noted here that the patsanstha started this new attractive deposit scheme beginning of the patsanstha. The scheme was mainly characterized by monthly basis deposit and cumulative interest facility was given to the depositors during specific term and at the specific rate of interest. This recurring deposit scheme attracted the individual as well as salary earners and made them to deposit their money.

Recurring Deposit

Year	Amount Rs.	Increase/Decrease	Percentage
1999-2000	3.55	--	--
2000-2001	5.5	1.95	54.92 %
2001-2002	5.1	- 0.4	- 7.27 %
2002-2003	18.7	13.6	266.66 %
2003-2004	34.3	1.56	8.34 %

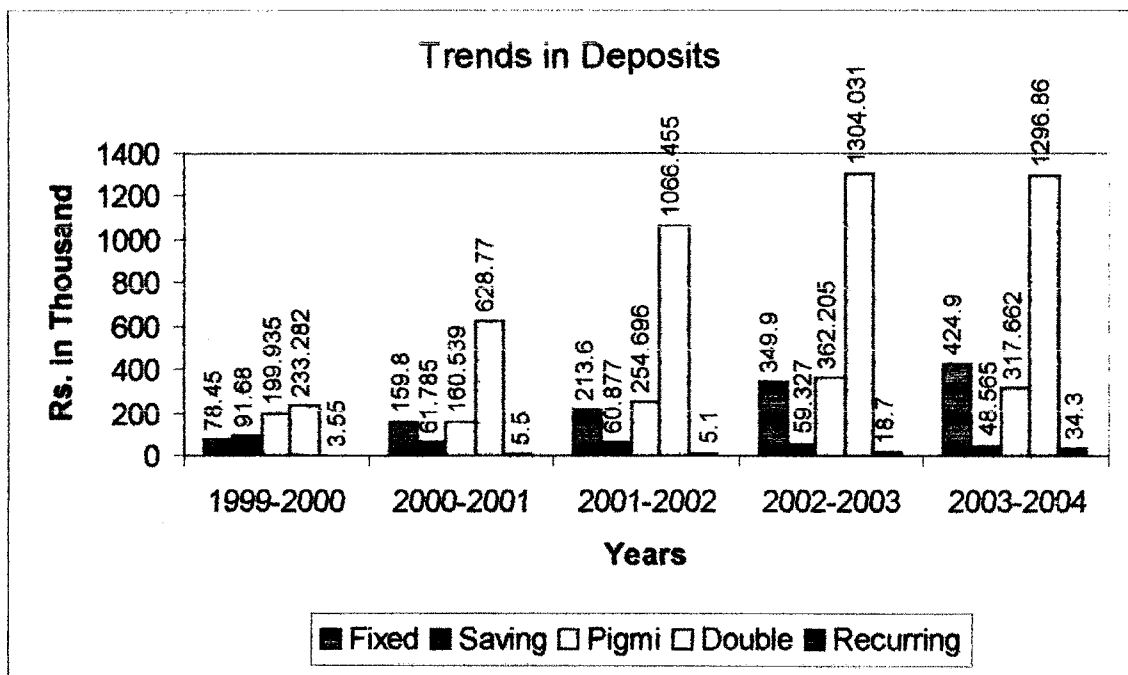
Source – Annual Report.

The above table indicate the position of Recurring deposit of the patsanstha. In the year 1999-2000 the Recurring deposit Rs. 3.55 next year it was decreased Rs. 5.5. In the year 2001-2002 amount Rs. 5.1 next year it was increased Rs. 18.7. In the year 2003-2004 Recurring deposite Rs. 34.3.

Percentage of Recurring deposit were not increased regularly. 1999-2000 percentage was 54.92 % - 7.27 %, 266.66%, 8.34 % respectively. In the year 2001-2002 the amount of Recurring deposit was lowest Rs. 5.1. In the year 2003-2004 the amount of Recurring deposit was highest Rs. 34.3.

Conclusion

Moreover the share of Recurring deposit in total deposit was not remain constant. It was always fluctuating



The above graph shows the fluctuating trend in deposits of the patsanstha. Double deposit of patsanstha was increase fastly upto 2002-2003 but in the year 2003-2004 it was declined from Rs. 1304.031 to Rs. 1296.86.

Fixed deposit was always increasing there was not single year in which amount of fixed deposit was declined saving deposit was decreased every year pigmi deposit was decreased two year, in the year 2000-2001 and in the year 2003-2004. Recurring deposits was fluctuating, in the year 2002-2003 it was start was increase in year 2003-2004 it was increased up to 2003-2004.