

CHAPTER FIVE

AN EVALUATION OF NON-BANKING OPERATIONS OF SHRI PAISA FUND SHETKI

SAHAKARI BANK, LTD. HUPARI.

- I. AGRICULTURAL DEVELOPMENT
- II. SOCIAL, EDUCATIONAL, AND HEALTH SERVICES.



!! CHAPTER - V !!

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INTRODUCTION :

In the preceding chapter the non-banking operations of the Bank are discussed. The present chapter deals with evaluation of these operations. It should be noted at the outset that the Bank has played constructive role in promoting the economic and social welfare of the people in the area of its jurisdiction. The activities undertaken by the Bank had literally enveloped all aspects and all stages of rural life. We will evaluate these activities one by one, and will also see whether other cooperative banks emulate them.

I. AGRICULTURAL DEVELOPMENT :

The study revealed that the work done by the Bank for agricultural development was comprehensive.

1. IRRIGATION :

Three irrigation schemes, namely Hupari Lift Irrigation scheme, Ganesh lift Irrigation scheme, and Gat well Irrigation scheme, have brought significant changes in crop pattern and have assured agricultural yields. These schemes benefited 737 farmers. Without these schemes, irrigation would have been impossible for 432 marginal farmers. An average irrigated area per year by these

scheme was 1074 acres. However, the irrigation supplied by these schemes was inadequate. The area under irrigation had decreased. It was also found in the study that the schemes had limited scope, on account of shortage of water, power cut and private irrigation schemes. The irrigation rates in 1984-85 were Rs. 720 and Rs. 1000 per acre for depositors and non depositors respectively. It was found that the Bank was giving favourable treatment to depositors.

By transfer of Gat Irrigation Scheme in 1980, the Bank had given birth to another cooperative irrigation society. The Gat irrigation scheme can serve as the model for minor irrigation schemes in rural areas, where^{ver}, river irrigation is not possible.

The irrigation was the major service rendered by the Bank. The other cooperative Banks can also undertake irrigation projects which are badly needed for agricultural development.

2. TRACTOR SERVICES :

The Bank tractor had encouraged mechanization of agriculture in Hupari area. The tractor was transferred to another cooperative society to render the similar services.

3. KAISA FUND FERTILIZERS :

Manufacture of Kaisa Fund Fertilisers was adventurous step taken by the Bank. It made the fertilisers available in the

local market when they were available at distant places like Kolhapur. The use of fertilisers was encouraged by giving concessions and credit to the farmers.

The winning of prizes in National Sugarcane competition by 4 farmers speaks of the quality of Paisa Fund Fertilisers. The fertiliser section has bright future provided it strengthens its competitive power. The fertilisers should be produced on a large scale so as to bring down the cost of production. The Bank as far as possible, should stop selling others fertilisers and concentrate on its own production.

4. PROCESSING OF AGRICULTURAL PRODUCE :

The role played by the Bank in processing of sugarcane, groundnut and tobacco was a sincere effort on the part of the Bank to help the farmers in securing higher prices for their products.

Gur centre, sugar centre, Oil Mill and bidi making units started by the Bank, were the needs of the hour. However, the Bank was compelled to close them due to external factors which were as follows :

- a) Lack of steady supply of raw material.
- b) High cost of production.
- c) Market competition.
- d) Price fluctuations.
- e) High taxation etc.

It should be noted that this was the only section in which the Bank did not get expected success.

Some of the processing units were started by the Bank without proper planning e.g. bidi making unit, Other were over ambitious and lacked technical knowledge e.g. sugar centre.

The study reveals that it is difficult for other cooperative Banks to undertake processing activities as specialised units are carrying them on.

5. MARKETING OF AGRICULTURAL AND CONSUMERS GOODS :

The study shows that the Bank had carried on the following function of cooperative marketing.

- a) Sale of agricultural produce.
- b) Supply of agricultural inputs.
- c) Processing, storage, transport etc.

1) SUPPLY OF AGRICULTURAL IMPLEMENTS AND INPUTS :

The agricultural implements supplied by the Bank from 1950 to 1970 were helpful to the poor farmers for they were not within their reach. Though this was a minor activity it was useful in improving the cultivation.

It was observed that the Bank supplied different kinds of oils, fertilizers, seeds etc, when they were scarce. The cooperation between "Shetakari Sahakari Sangh, Ltd, Kolhapur and

Supplying the above commodities was an excellent example of inter Shri Paisa Fund Bank in cooperative cooperation. These services were discontinued when other cooperatives had started providing them. The Bank had undertaken only those activities which were most essential and were not undertaken by any other agency.

11) SUPPLY OF FOODGRAINS, SUGAR AND CLOTHS :

The Bank supplied food grains and sugar from 1950 to 1954 when there was scarcity. This was a remarkable work of Bank in helping people in adverse circumstance.

a) FAIR PRICE FOODGRAIN SHOPS :

The Bank had accepted the responsibility of running two fair price food grain shops when there was no other cooperative society to accept that responsibility. These shops were transferred to another cooperative society so as to lessen the burden of management.

b) CLOTH SHOPS :

From 1956 to 1979, the Bank sold cloth, at reasonable prices through it's two shops. These shops were transferred to local cooperative societies. This shows that the Bank withdraw from the activity, whenever, other cooperatives were formed to shoulder the responsibility. As a matter of fact, the Bank did not concentrate every activity permanently in it's own hands.

111) SALE OF AGRICULTURAL PRODUCE :

The work done by The Bank in marketing of agricultural

produce was beyond par. It should be noted that the Bank was involved in agricultural marketing from 1953, when it was entirely in the hands of private traders. The sugarcane was being sold to cooperative sugar mills by the Bank. Gur and groundnut were sold through Shetakari Sahakari Sangh, Kolhapur. These cooperatives through their joint efforts helped the farmers in marketing of major goods.

a) ADAT SHOP, HUPARI :

The Adat Shop at Hupari rendered useful services in the sale of groundnut. It made local market available to the farmers and saved them from exploitation by the private traders.

b) TOBACCO MARKETING :

The role played by the Bank in tobacco marketing had following advantages. :

1. Storage facilities provided to the farmers increased their waiting capacity for better prices.
2. The bargaining power of the farmers increased.
3. The exploiters were eliminated and fair price was ensured.
4. Credit given to the farmers saved them from immediate sale.
5. The farmers did not remain passive in determination of tobacco prices.

c) WAREHOUSE :

The Warehousing facilities combined with credit provided by

the Bank saved the farmers from forced sale of tobacco.

d) DIRECT TRADING :

The tobacco Adat Shop at Hupari was successful. It received increasing quantity of tobacco year after year. However, the Adat Shop in Kolhapur could not compete with the private traders, it incurred losses and hence it was closed.

The method of tobacco marketing adopted by the Bank in recent years was both convenient and beneficial to the farmers. It had increased their bargaining power. The part played by the Bank, in bringing together buyers and producers was a model one.

e) TOBACCO INCENTIVE SCHEME :

Tobacco incentive scheme was an excellent measure introduced by the Bank to improve the production of tobacco. Price fixation by experts was another important aspect of the scheme. 70% of the profit distributed to the farmers showed that the interest of the farmers was given top priority. The credit provided under this scheme had ensured better returns to the farmers.

iv) WHOLESALE MARKETING :

The wholesale section of the Bank had achieved twin objectives of supplying agricultural inputs and buying agricultural produce at reasonable prices. But this section could not make profit, (Table No. 3.25).

v) GODOWNS :

Though the Bank had made storage facilities available they were used only by the tobacco growers. Due to lack of marketable surplus and storage habits no other commodities were stored in the godowns.

Since agricultural marketing is carried on by the cooperative marketing organisations, the cooperative banks have no scope in it. Moreover, the circumstances in which the Bank had started marketing activities have changed.

vi) TRANSPORT SERVICES :

Transport facilities were provided by the Bank when they were scarce in rural area.

5. DEVELOPMENT PROJECT FOR AFFECTED FARMERS AND FARMERS TRAINING

i) DEVELOPMENT PROJECT FOR AFFECTED FARMERS :

This was a practical measure introduced by the Bank to free the farmers from indebtedness. By 1982-83 the number of farmers who could become debt free was only 31. It seems that the rate of success of this scheme was slow. Moreover, the scheme was applicable only to the farmers having irrigation facilities.

ii) FREE TECHNICAL GUIDANCE :

It was observed that the guidance given to the farmers was very useful.

111) FARMERS RALLIES :

The rallies and meetings were of immense value to the farmers. They had also encouraged fellowship, unity and sharing of experience among farmers.

Today, the farmers' education is even more important than inputs. It is necessary that the rural cooperative banks should plan for intensive training of farmers.

II. SOCIAL, EDUCATIONAL AND HEALTH SERVICES :

A) SOCIAL SERVICES OF THE BANK :

It was observed that the role played by the Bank in social services and relief was also outstanding.

1. GRAIN LOANS :

The grain loan scheme implemented by the Bank from 1960 to 1964. Benefitted 378 backward class families in times of scarcity. In the 5 member committee there were 3 members from the backward class community.

2. PAISA FUND ZUNKA BHAKAR YOJANA :

It was also another relief measure undertaken by the Bank to help the poor ^{during} drought period. Though the scheme had short life of 33 days, it benefitted 3743 persons.

3. RELIEF IN TIMES OF CALAMITIES :

The relief given by the Bank in times of calamities was useful in meeting the emergencies. From 1978 to 1985 the number of beneficiary families was 42. The average help given was Rs. 40.

4. OLDAGE BENEFITS :

The scheme of giving clothes and bedings to helpless old people was found very useful. However, the number of beneficiaries was less.

5. HELP FOR CREMATION :

Help for purchase of firewood for cremation given to strained families showed that the Bank had concern even for the dead. Up to 1985 fire wood was supplied for the cremation of 97 persons.

6. TAILORING SECTION :

The tailoring section started with an objective of stitch in time saves nine was short lived due to it's transfer to another organization.

7. BANKS ROLE FOR BETTERMENT OF WOMEN :

It was observed that the Bank was doing outstanding work for the welfare of women. Training and guidance rendered to women was useful in improving their socio-economic status. Upto 1985 the Bank had spent Rs. 24048 on the tailoring course and had

also given sewing machines of Rs. 5200 to 70 women.

8. EMPLOYMENT PROMOTION SCHEME :

Employment promotion scheme introduced by the Bank was a kind of rural employment exchange centre. It resulted in to failure on account of lack of response from the workers and the employers.

9. THE PUBLIC MARRIAGE SCHEME :

The programme of free solemnity of marriages started by the Bank in 1962 was revolutionary, upto 1985, the marriages solemnised were 1503. The average expenditure of Rs. 33 per marriage is a figure which speaks for itself.

In tradition bound rural society such free marriages were bringing radical changes and were helpful in promoting national integration. The socio-economic benefits of the marriages were many.

B) EDUCATION :

1. ASSISTANCE TO EDUCATIONAL INSTITUTIONS AND STUDENTS :

The assistance given by the Bank to education from Nursery to University had brought education within the reach of weaker section. Most important contributions to the educational field were the construction of Leksevak A.B.Naik Vidya mandir, Hupari.

payment of examination fees of poor students from S.S.C. class the book bank scheme and the interest free loan scholarships given to the college students.

The scholarships were given to the students without any discrimination. It was unfortunate that the students who had taken loans were not regular in repayment of loans even after they had started earning. The help given to school workshops had extended the training facilities. The investment of the Bank in human capital must be appreciated. This will also create loyal membership for the Bank.

2. PUBLICATION AND PRINTING SECTION *

"Shri Paisa Fund Sahakar" a quarterly, was an important medium of cooperative education. The printing section of the Bank made printing services available at Hupari when there were none.

The transfer of these section gave birth to a new cooperative printing and publication society.

3. MONTHLY MEETINGS :

The monthly meetings organized by the Bank from 1970 to 1974 were means of conscientious communication and cooperative education. However, they were discontinued for want of response from the members.

C) MEDICAL AND HEALTH SERVICES :

Supply of nursing equipments, medical aids to carrying mothers and children, eye and dental camps and X-ray facilities constituted the medical and health programme, of the Bank. These services definitely promoted the health of the rural people.

Though the Bank had implemented a comprehensive programme of socio-economic development the different activities were not properly co-ordinated, the periodical evaluation was not made and the progress reports of different activities were not properly maintained.

Inspite of above the contribution made by the Bank to the economic and social welfare was unique. It was serving at all stages and all aspects of rural life. Shri. Paisa Fund Bank had definitely succeeded in achieving the three maxims of co-operation namely "better farming, better business and better living".

III) LESSON FOR OTHER CO-OPERATIVE BANKS :

Shri. Paisa Fund co-operative Bank Ltd. Hupari, is a primary society doing banking business. Its non-banking operations, as already discussed, are unique in many respects. The other co-operative banks, however may not be in a position to carry on such activities because of their organisational structure. But one thing may be specifically noted and it is the concern for the weaker sections in the community that has been the focal point in the non-banking operations of the Bank under study. The Bank initiated many schemes and later on transferred them to separate organisation. It means, the other co-operative banks can take initiative in starting schemes of similar nature ultimately to be looked after by a proper organisation.