

C H A P T E R - IV

:: REPORT ON THE SAMPLE SURVEY ::

4.1 INTRODUCTION :

In this chapter we present briefly the findings on the basis of the sample survey of members of the bank in part A and members of the board of directors in part B. The size of the sample in case of the members of the bank is 204 members which constitutes 5.32% of the total number of members (3834) of the bank in the year 1984-1985. In fact, we had planned to contact 10% of the total members which, however, was not possible because of practical reasons on the part of researcher mainly and secondly because of the reluctance of some of the members to respond. The researcher being a full time regular employee of a college, it was found to pursue the reluctant members very difficult because of limited time available. Moreover, an attempt was made to make the sample representative of all the villages covered by the bank. Naturally it was difficult to contact 10% of the members. Number of villages from where the membership comes is as large as 67. Other reasons for the lack of response from some of the members was their illiteracy; inconvenient timings of the visits of the researcher and in certain cases, the sheer unwillingness to cooperate. The number of villages visited by the researcher is 27 out of 67. From each one of these villages an attempt was made

to contact 10% of the local members of the bank on purely random basis. The selection of the villages, however, was decided by certain convenience factors such as easy access to the village acquaintance of some of the local members of the bank and time availability for the researcher. We give below the major findings of this sample survey in two parts, part A and part B. Part A comprises five sections (4.2 to 4.6) dealing mainly with social background of the members, economic aspects of the members deposit profile of the members, loan profile of the members and general remarks regarding the working of the bank.

PART A :

4.2 Social Profile of the Members :

Data regarding various social and demographic aspects of the sample are given in table No. 4.1 to 4.6. From table No.4.1 it is seen that bulk of the membership is in the age group 31 to 60. The age group 51 to 60 is the single largest group of members of the bank accounting for nearly 29% of the total membership. The age groups 31 to 41 and 41 to 50 account for 25% of the members each. In other words we can say that the majority of the members are in the earning age group. In the group 15 to 20 years no membership was reported. 11.76% of the membership was in the age group 61 to 70 which can be considered as non-working membership of the bank.

Level of Education :

An attempt was made to find out educational background of the members of the bank. Of the 204 members, 11.2% were illiterate 14.21% had education upto 4th Std. 52.45% of the members have secondary education (upto 10th Std.) 5.39% of the members had higher secondary education (upto 12th Std.) 16.75% of the members have collegiate level education. From these facts we can say that a large majority of members of the bank is not only literate but also has higher levels of education. Apriori we can say that a larger percentage of educated members of the bank, will lead to better utilisation of the banking facilities mainly because of a greater awarress of such facilities made possible by such educational background.

Size of Family :

Information regarding the size of family measured by the number of members of the family was collected. This information is given in table No. 4.3. It is seen from this table that 52.94% of the members have a family size of 5 to 7 members, 20.58% of the members have a family size of 8 to 10 members. Only 10.78% of the members have a family size of 2 to 4 members. In other words we can say that 89.2% of the members have a family size above 5. On the basis of this finding we can say that in rural areas the bank membership even today belongs to large families

mainly because of the fact that most of the families are joint families.

Classification by Religion :

Information regarding classification of members by religion is given in table No. 4.4. Two interesting facts are revealed. Of the sample, 139 members belong to Hindu Maratha category. Maratha membership of the bank on the basis of this sample accounts for 68.13% of the sample. The other major group is the Hindu/Lingayat community to which 17.15% of the members belong. Third important group is the Jain community, 6.37% of the members belong to the Jain community. In other words more than 90% of the membership comes from Maratha, Lingait and Jain communities. This is the fairly normal reflection of the religion pattern of the local population. Similarly it is also to be noted that most of the landed property and trading and business activities in this area are in the hands of these three communities only. Naturally their predominance in the membership of the bank is quite understandable.

Membership of Other Cooperative Societies :

Table No. 4.5 gives information regarding the membership of the bank members of other cooperative enterprises in the area. It is evident that :

- 1) There is a great deal of overlapping membership of cooperative enterprises.
- 2) Greater overlapping is in respect of cooperative enterprises belonging to Warananagar, Kodoli, Vadgaon, cooperative enterprises mainly in the field of dairy project, consumer stores, urban banking and primary cooperative multipurpose societies.
- 3) The overlapping shows the many dimensions in which cooperative enterprise has spread in the local area.
- 4) Another important fact is that of the 204 members included in the sample 150 are also members of the Warana cooperative sugar factory. (This information is not shown in the respective table.).

Table No. 4.1

Classification of Members by age group

Age group	Number	Percentage
15 to 20	19	-
21 to 30	19	9.31
31 to 40	52	25.49
41 to 50	51	25.00
51 to 60	59	28.92
61 to 70	24	11.76
Total	204	100.00

Table No. 4.2

Classification of Members by Level of Education

Level of Education	Number	Percentage
1) Illiterate	23	11.2
2) Primarily education (1st to 4th Std.)	29	14.21
3) Secondary education (upto 10th Std.)	107	52.45
4) Higher Secondary (upto 12th Std.)	11	5.39
5) Graduation (Degree level)	21	10.29
6) Post Graduate (master degree)	04	1.96
7) Other qualifications	9	4.41
Total	204	100.00

Table No. 4.3

Classification of Members by the Size of Family

No of the Members in the family	Number	Percentage
1) 2 to 4	22	10.78
2) 5 to 7	108	52.93
3) 8 to 10	42	20.58
4) 11 and above	32	15.68
Total	204	100.00

Table No. 4.4

: Classification of Members by Religion :

Religion	Number	Percentage
1) Hindu/Maratha	139	68.13
2) Muslim	01	0.43
3) Christian	04	1.96
4) Hindu/Jain	13	6.37
5) Hindu/Lingait	35	17.15
6) Bouddh	04	01.96
7) Others	08	3.92
Total	204	100.00

Table No. 4.5

Membership of Other Cooperative Societies

Classification	Number	Percentage
1) Warana Sahakari Milk Processing Production, federation Amruthagar	68	33.73
2) Warana Sahakari Bazar	30	14.70
3) Nagari Sahakari Bank Kodoli	46	22.54
4) Vadgaon Urban bank	19	9.31
5) Ichalkaranji Janata Sahakari bank	03	1.47
6) Hatkanangale Sahakari Spinning Mill	04	1.96
7) All cooperative credit societies	13	6.37
8) Primary cooperative multipurpose Soc.	108	52.94

4.3 Economics Profile of the Members :

In the following paragraphs we give information regarding economic conditions of the members of the bank included in the sample.

Classification of Members by Occupation :

Table No. 4.6 gives classification of members by occupation. It is seen that 75% of the members are farmers, 13.72% of the members are employed in various services locally available. Only 1.47% of the members are craftsmen and 9.80% of the members are traders. In view of the declared objective of the bank to assist the growth of local industry and trade, the low percentage of craftsmen and traders in the membership in the bank seems to be inconsistent. On the other hand, the very high proportion of farmers in the membership of the bank makes it look like a farmer's bank rather than a broad based rural cooperative bank.

Classification of Members by Income :

An attempt was made to classify the sample members by different income ranges. This information is given in table No. 4.7 . On the basis of the data given in this table we can make following observations.

- 1) The single largest group of members falls in the income range of Rs. 2000 to 5000 (25.98%). It is followed by the income range of Rs. 10000 to 15000 to which belong 25% of the members. Third largest group is of the income range of Rs. 5000 to 10000 which accounts for 24% of the members. In other words, we can say that 75% of the members., come from the income range Rs. 2000 to 15000.
- 2) 12 members of the sample belong to the income range of less than Rs. 2000 (5.88%). The members belonging to this group, considering the average size of the family, clearly are below poverty line families. If we add to this group the members in the income range below Rs. 5000 we can say that 31.86% of the members of the bank being to the low income group. This can be considered as an indicator that the bank has achieved a fairly good success in reaching effectively the lower income group people of the area.
- 3) Members belonging to the income range above Rs. 5000 to 20000 account for 57.82% of the sample size. These members infact constitute the core membership of the bank.
- 4) 10.29% of the members belong to the income range of above Rs. 20000 who can be considered as high income group members of the bank.

Classification of Members by Size of Land Holding :

Table No. 4.8 gives classification of members by size of landholding. On the basis of this data we can make following observations:

- 1) 14.70% of the members are landless people. 24.50% the members have landholding below 1 hectare. In other words almost 40% of the members belong to the section of rural population which depends for livelihood mainly on agricultural labour.
- 2) 22.05% of the members have landholding above 1 hectare and upto 2 hectares. Similarly 19.11% of the members own land above 2 hectares and up to 3 hectares. In other words 41.16% of the members can be roughly described as small farmers.
- 3) 19.05% of the members hold land more than 3 hectares. Who can be considered as medium level farmers, economically self-sufficient.

Classification of Members by Irrigated Land Holding :

Information regarding classification of members by irrigated land holding is given in table No. 4.9. It is clearly seen that a significantly large proportion of members (70.57%)

have irrigated land holding. However, 90% of those having irrigated land holding have less than 2 hectares of land holding which can be irrigated. On the basis of these findings we can make a general observation that irrigation potential enables rural people to become members of the bank by virtue of their improved economic conditions.

House Ownership :

Table No. 4.10 gives information regarding house ownership of members along with capital value of house estimated. It is seen that 91.75% of the members own houses while the others live in rented houses. In case of 40.68% of the members the estimated capital value of the house falls in the range of Rs. 10000 to 20000 where as in case of 18.13% of the members the estimated capital value of the houses is in the range of more than Rs. 20000 to 30000. In other words we can say that a large proportion of members live in houses made from local raw material and large proportion of self labour in the construction of the house. They are not well constructed dwelling units.

Share Holding :

Table No. 4.11 gives information regarding the current share holding of the members. Initially every member began with 4 shares Rs. 25 each. In the subsequent period at the time of

borrowing, from every loan amount the bank deducted 3% as share contribution. On the basis of data given in table No. 4.11.

We can make following observations :

- 1) 39.21% of the members have share amount of less than Rs. 175 but not less than 100. This means that members belonging to this group have not borrowed more than Rs. 1500 so far. Another 20.09% of the members have share amount of more than Rs. 200 upto Rs. 275/- indicating subsequent borrowings ranging between Rs. 2000/- to 3500, 13.23% of the members report share amount of more than Rs. 1000 to 2075 indicating repeated borrowings and additions to the share amount. One thing is clear that all the members of the sample have to a greater or less extent, borrowed from the bank so far.

Length of Membership :

Table No. 4.12 gives information regarding the length of membership of the members included in the sample. On the basis of this data we can make following observations . :

- 1) 33.33% of the members report a membership of more than 10 years.
- 2) On the other hand 29.44% of the members report the length of membership below 5 years.
- 3) On the basis of this information we can say that in the later period initially the additions to the membership of

bank were slow which in the subsequent period went on increasing. This proves the increasing utility of bank for the local areas as also the increasing confidence of the local people in the working of the bank. Similarly the increasing membership can be considered also as an indicator of the increasing saving potential and bank mindedness of the local people.

Why the Membership ? :

In the survey an attempt was made to find out the reasons why the local people wanted to become the members of the bank; the information regarding this aspect is given in table No. 4.13. The reasons are classified into three broad groups. In the first group local reasons like the local leadership, affinity for local bank and desire to participate in local cooperative movement are included. In the second group economic reasons like cheaper service, quicker service, and banks awareness of local credit needs and freedom from local money lenders are included. In the third group of other reasons are included the factors like satisfaction of participation in local economic and political activities need for credit and surplus funds, higher rate of interest and feeling of security are included. It is clear from the data that economic reasons are the more dominant reasons why the people wanted to become the members of the bank. Similarly considerations of the local factor like local

leadership and local affinity are also equally dominant reasons of the membership. The significance of the other reasons is relatively smaller. In this table the total number of responses exceeds largely the size of the sample because of the multiple responses given by the members.

Table No. 4.6

Classification of Members by Main Occupation

Occupation	Number	Percentage
1) Farmers	153	75.00
2) Traders	20	9.80
3) Craftsmen	03	1.47
4) Services	28	13.72
Total	204	100.00

Table No. 4.7

: Classification of Members by Income :

Income Range (Rs.)	Number	Percentage
upto 1000	02	0.98
1001 to 2000	10	4.90
2001 to 5000	53	25.98
5001 to 10000	49	24.00
10001 to 15000	51	25.00
15001 to 20000	18	8.82
20001 to 25000	13	6.37
25001 to 30000	05	2.45
30001 to 40000	02	0.98
40001 to 50000	-	-
50001 to 60000	01	0.49
Total	204	100.00

Table No. 4.8

- - - Classification of Members by size of land holding

Size of land Holding	Number	Percentage
1) Upto 1 hectares	50	24.50
2) More than 1 and upto 2 hectars	45	22.05
3) More than 2 hectares and upto 3 hectares	39	19.11
4) More than 3 hectares and upto 4 hectares.	24	11.76
5) More than 4 hectares	16	7.84
6) Landless	30	14.70
Total	204	100.00

Table No. 4.9

Classification of Members by Irrigated land holdings.

Range	Number	Percentage
Upto 11 hectare	78	38.23
More than 1 and upto 2 hectares	38	18.62
More than 2 and upto 3 hectates	19	9.31
More than 3 hectares upto 4 hectates	05	2.45
More than 4 hectates	04	1.96
Total	144	70.57

Table No. 4.10

Value of Owned house.

Value (range) (Rs.)	Number	Percentage
10000 to 20000	83	40.68
upto 20001 to 30000	37	18.13
upto 30001 to 40000	15	7.35
upto 40001 to 50000	21	10.29
upto 50001 to 60000	11	5.39
upto 60001 to 70000	06	2.94
upto 70001 to 100000	13	6.37
Total	186	91.15

Table No. 4.11

Classification of Members by amount of share holding

Amount in Rs.	Number	Percentage
100 to 175	80	39.21
200 to 275	41	20.09
300 to 375	06	2.94
400 to 475	12	5.88
500 to 575	11	5.39
600 to 675	06	2.94
700 to 775	07	3.43
800 to 875	06	2.94
900 to 975	03	1.47
1000 to 1075	08	3.92
1100 to 1575	15	7.35
1600 to 2075	04	1.96
2100 to 2575	02	0.98
2600 to onwards	03	1.47
Total	204	100.00

Table No. 4.12

Classification of Members by length of Membership

Length of Membership Years	Number	Percentage
16-20	68	33.33
11-15	24	11.76
6 - 10	52	25.49
1 - 5	60	29.41
Total	204	100.00

Table No. 4.13

Classification of Members by reasons of Membership

Reasons	Number	Percentage
A) <u>Local Reasons</u>		
1) Local Leadership	164	80.39
2) Local Bank affinity	183	89.70
3) Participation in cooperative movement	96	47.05
B) <u>Economics' Reasons</u>		
1) Cheaper Service	171	83.82
2) Quick service	187	91.66
3) Bank's awareness of local credit needs	185	90.68
4) Freedom from local money lenders	158	77.44
C) <u>Other Reasons</u>		
1) Stisfaction of Participation in local economic political activities	143	70.09
2) Surplus funds, securities and higher rate of Interest	157	76.96
Total	1585	776.90

Deposit habits of the Members :

In our questionnaire we had included a number of questions regarding the deposits habits of the members of the bank. The collected data is given in Table No. 4.14 to 4.25. On the basis of this data we make following observations. We tried to findout the preference of the members for various types of deposits. From Table No, 4.14 it is clearly revealed that 71.56% of the members prefer fixed deposits. This does not mean that the actual deposit pattern reflects this preference. As to the reasons for preference for a particular type of deposit the responses of the members are tabulated in Table No.4.15 Here, again the greatest frequency of responses is in respect of fixed deposit. 33.82% of the members prefer fixed deposits for higher rate of interest and the motivation for security of the family, 26.7% of the members prefere fixed deposits mainly because of 100% increase in the principle amount after the given period. 14.21% of the members feel that fixed deposits cultivated the habit of savings and become useful in the fulfilment of long term objectives and also that the fixed deposits give maximum benefits at the time of maturity. The preference for saving deposits is justified by a small frequency of responses. On the basis of :

- 1) Easy withdrawal.
- 2) Monthly interest benefit.
- 3) Access to the bank in times of difficulties.

Preference for current deposits seems to be guided by business motivation and cash withdrawal benefit. Here again the frequency of response is very low. Preference for other deposits is guided by precautionary motive, higher rate of interest and regular savings habit. The total number of responses here exceeds the sample size because of multiplicity of responses in favour of more than one alternative.

Attempt was made to classify the members by the present ranges of deposits in various categories. Clear and greater responses were received in case of savings deposits. The respective data are given in Table No. 4.16 and 4.17. It is found that 36 members (17.64%) have at present savings deposits in the range of Rs. 101 to 500. 13.72% of members have savings deposits up to Rs. 100 only in the higher ranges, it is seen that greater frequency (8.82%) is found in case of savings deposits in the range of Rs. 2001 to 5000. The fourth important range of saving deposits is that of Rs. 1501 to 2000 which accounts for 5.39% of members. It is thus clear that at present, almost 50% of savings deposits are in the lower range of Rs. 2000 and less. In case of fixed deposits the present maximum range is Rs. 5001 to 10000. Which accounts for 0.98% of the sample members. Higher frequency is reported in the range of Rs. 2001 to 5000 (1.96%)

In the table No. 4.18 we classify members by ranges of interest received in the year preceding the survey. Only 80 members out of 204 gave responses in this respect (39%) Ranges of interest amount of Rs. 26 to 50 and Rs. 101 to 200 account for greater frequency of responses. Together they account for 15.19% of the sample which is almost 45% of the actual responses. Those who received interest income of more than Rs. 500 account only for 5.39% of the sample.

Table No. 4.19 to 4.21 give information regarding classification of members by maximum amount of deposits at any time in various categories of deposits. 34 respondents (16.66%) gave information in this information for current deposits. The largest frequency is obtained for the range of Rs. 100 to 1000. 10.29% of the respondents had maximum amount of less than Rs. 5000 in current deposits. On the other hand 6.37% of respondents reported Rs. 5000 and above upto Rs. 25000 as maximum current deposits. In fact the third largest frequency of responses is for the range of Rs. 2000 to Rs. 25000.

In case of savings deposits, 139 responses (out of 204) were obtained; consisting 62.12% of the sample. Of these more than 50% of the respondents i.e. 38.23% of the sample reported maximum amount of savings deposits in the range of Rs. 1000 to 5000. The second largest group of responses (8.33%) belongs to the range of Rs. 7001 to 10000. The third largest group of responses (5.39%) belongs to the deposits range of Rs. 25000 and above.

In case of fixed deposits, the ranges of Rs. 500 to 1000 and Rs. 1001 to 2000 obtained equal responses (3.92%) each. There are 2.94% of members whose maximum amount in fixed deposits varied between Rs. 9001 to 10000. Out of 204 members of the sample only 42 members (20.58%) gave information in this regard.

An attempt was made to find out whether members of Shri Warana Sahakari Bank Ltd. kept deposits with other banking agencies and if so, the causes thereof. It is found that (see table No. 4.22 and 4.23) 29.89% of the sample members had deposit business with other banking agencies. Kolhapur District Central Cooperative Bank accounts for the largest frequency (5.88%) of deposits from the members of the bank under study. The next in line is the group of nationalised commercial banks. The third agency is the Nagari Cooperative Bank (a local bank) which also attracts deposits from the members under this study. As to why members of Shri Warana Sahakari Bank divert a part of their deposits to other banks, it seems that convenience is the major consideration. Out of 30.77% of total responses, 23.03 give convenience as the reason for partial diversion of their deposits. Security, higher rate of interest better service and minimization of fluctuations in income are the other reasons (accounting for 1.5 to 3% of total sample each) for diversion of deposits.

It was found that in most of the cases the deposits were irregular. 56.85% of the sample members said that their deposit habits were irregular (see table No. 4.24) seasonal nature of their income was the major cause of irregular deposits, 25% of the respondents gave seasonal nature of their income as the cause of their irregular deposits. 18.78% of the members gave households economic problems as the cause for irregular deposit habits. In case of 4.90% the respondents, relations with other banks caused irregularity in their deposit relations with the bank under study.

We asked the members a question regarding their suggestions for better deposit business of the bank. The relevant responses are tabulated in Table No. 4.25. The responses are more than the number of respondents, because of multiple choice by some of the respondents. (see Table No. 4.25).

It is seen that 56.37% of the members feel ~~that~~ the bank can attract greater deposits if more convenient, scheme of deposits with higher rates of interest are designed. 19.60% of the respondents feel that deposit business of the bank can expand if there is linking between deposits and loans sanctioned 20.09% of the respondents feel that deposit performance of the bank can improve vastly if deposits are linked to bonus along with branch expansion activity. Other minor

but significant suggestions for improving deposit business of the bank are :

- 1) Deposit education for rural masses.
- 2) Varieties of deposit schemes suitable for rural people with low and seasonal income.
- 3) Equal rate for loans and deposits.

Table No. 4.14

Preference for Types of Deposits

Classification of Deposits	Number	Percentage
1) Current deposits	03	1.47
2) Fixed Deposit	146	71.56
3) Saving Deposit	7	3.43
4) Other Deposit	37	18.13
Total	193	94.59

Table No. 4.15

Reasons for Preference for Particular Types of deposit			
Types of Deposit	Reasons	Number	Percentage
1) Saving Deposits	1) At any time cash withdrawal benefit	05	2.45
	2) Monthly interest benefit and loan benefits	05	2.45
	3) At the time of difficulty the use of bank	04	1.96
2) Fixed Deposit	1) High interest rate and security of family	69	33.82
	2) Double amount benefit	54	26.47
	3) Use of money proper causes	39	19.11
	4) Forming savings habit fulfilment of long term objectives	29	14.21
	5) Maximum benefit at time of maturity	29	14.21
3) Current deposit	1) Business motivation and cash withdrawal benefits	04	1.96
4) Other deposits Recurring, Laxmi	1) Higher interest rate & use money at the time of emergency period	23	11.27
	2) Regular savings habit.	19	9.31
Total		280	137.22

Table No. 4.16

Classification of Deposits by Present amount of Deposit Savings.

Saving Deposit range	Number	Percentage
upto Rs. 100	28	13.72
upto 101 to 500	36	27.64
upto 501 to 1000	19	9.31
upto 1001 to 1500	2	0.98
upto 1501 to 2000	11	5.39
upto 2001 to 5000	18	8.82
upto 5001 to 10000	8	3.92
upto 10001 to 20000	6	2.94
Total	128	62.72

Table No. 4.17

Classification of Deposits by the present amount of fixed Deposit.

Fixed Deposit range	Number	Percentage
Upto Rs. 1000	1	0.49
" 101 to 500	2	0.98
" 501 to 1000	3	1.47
" 1001 to 1500	3	1.47
" 1501 to 2000	2	0.98
" 2001 to 5000	4	1.96
" 5001 to 10000	2	0.98
" 10001 to 20000	-	-
Total	17	8.33

Table No. 4.18

Classification of Members by amount of interest
received

Range of Interest	Number	Percentage
upto Rs. 25	14	6.86
26 to 50	15	7.35
51 to 100	14	6.86
101 to 200	16	7.84
201 to 300	06	2.94
301 to 400	04	1.96
401 to 500	02	0.98
501 to 600	02	0.98
601 to 700	01	0.49
701 to 800	-	-
801 to 900	02	0.98
901 to 1000	01	0.49
1001 to 1500	03	1.47
Total	80	39.20

Table No. 4.19

Classification of Deposits by Maximum amount of
Deposits-current

Maximum amount range	Number	Percentage
100 to 1000	09	4.41
1001 to 2000	02	0.98
2001 to 3000	05	2.45
3001 to 4000	02	0.98
4001 to 5000	03	1.47
5001 to 6000	01	0.49
6001 to 7000	01	0.49
7001 to 8000	01	0.49
8001 to 9000	01	1.47
9001 to 10000	03	1.47
10001 to 15000	-	-
15001 to 20000	04	1.96
20001 to 25000 onwards		
Total	34	16.66

Table No. 4.20

Classification of Deposits by Maximum amount of Deposit
Saving

Maximum amount range	Number	Percentage
1000 to 5000	78	38.23
5100 to 7000	08	3.92
7001 to 10000	17	8.33
10001 to 12000	05	2.45
12001 to 15000	10	4.90
15001 to 18000	04	1.96
18001 to 20000	06	2.94
20001 to 100000	11	5.39
Total	139	68.12

Table No. 4.21

Classification of Deposits by Maximum amount of Deposit
Fixed

Maximum amount range	Number	Percentage
100 to 500	02	0.98
501 to 1000	08	3.92
1001 to 2000	08	3.92
2001 to 3000	04	1.96
3001 to 4000	03	1.47
4001 to 5000	05	2.45
5001 to 6000	02	0.98
6001 to 7000	02	0.98
7001 to 8000	01	0.49
8001 to 9000	01	0.49
9001 to 10000	06	2.94
Total	42	20.58

Table No. 4.22

Reasons for Deposits with Other Banks

Reasons	Number	Percentage
Convenience	47	23.03
Security	03	1.47
High rate of interest	03	1.47
Better services	04	1.96
Fluctuating	06	2.94
Total	63	30.87

Table No. 4.23

Names of other financial Institutions where Deposits are kept

Financial Institution	Number	Percentage
1) K.D.C.C. Bank	16	7.84
2) Urban Bank	08	3.92
3) Commercial Bank (Nationalised)	12	5.88
4) Land development bank	04	1.96
5) Wirshaiva Co-op. Bank	01	0.49
6) Post office Saving	07	3.43
7) Mahavir Co-op. Bank	02	0.98
8) Nagari Co.-Op. Bank	10	4.90
9) Primary Teachers Co.Op. Bank	01	0.49
Total	61	29.89

Table No. 4.24

The Reasons for Irregular Deposits

Reasons	Number	Percentage
1) Seasonal Income	51	25.00
2) House holds Economic problems	37	18.13
3) Low tran	18	8.82
4) Other bank relation	10	4.90
Total	116	56.85

Table No. 4.25

Suggestions for Improving Deposits Business.

Suggestions	No of Responses	Percentage
1) Better schemes with higher rate of Interest	115	56.37
2) Loan linked deposit with quicker service	40	19.60
3) Branch expansion and bonus for deposits	41	20.09
4) Deposit education for rural masses	32	15.68
5) Suitable varieties of deposit scheme	30	14.70
6) Same rate of interest for loans and deposits of members	22	10.78
Total	280	137.22

4.6 Loan Business of the Bank :

In this section we briefly give the loan profile of the bank vis-a-vis the members of the sample survey. The relevant classified data is given in table No.s 4.26 to 4.31.

From table No. 4.26 it is clearly seen that most of the members (74.48%) have borrowed in the range of Rs. 1000 to 5000. However,, 22.05% of the members have borrowed Rs. 5000 from the bank. The second largest group of borrowers is in the range of Rs. 1000. Almost the same frequency of borrowers is found in the range of Rs. 2000. In other words we can conclude that borrowing upto Rs. 2000 seems to be the normal borrowing of the members. Borrowing in the higher loan ranges constitute a very low percentage of the members.

In our questionnaire a question was asked as to the period for which loans were mostly required. The data regarding this aspect is given in table No. 4.27. From this it is clearly seen that 70.58% of the members borrowed for a period of one year. Most of the loans they want are in the form of crop loans. The frequency of medium term and long term loans is very low which off course is consistant with the normal capital requirements of agriculture.

We tried to classify borrowings of the members by reasons. The relevant data is given in table No. 4.28. In this table it is clearly seen that borrowing is most frequently made for household requirements (25%) and cultivation purposes

(32.35%). The next important reason for borrowing is working capital for retail trade (7.35%). 1.47% of the members give marriage as the reason for borrowing. Reasons Nos. 5 to 11 can be considered as borrowing for capital purpose of which home repairs constitutes the single largest item(5.88%). The other borrowings for capital reasons are purchase of vehicles, education of children and farm machinery.

We also collected information regarding repayment of loans made by the members of the sample. In this connection 159 members (77.46%) gave positive information. 71.07% members had made full repayment of their earlier loans. 2.45% the members had repaid 50% of the earlier loans. 3.45% of the members had repaid 25% of the earlier loans. There was only one case of over due.

We tried to classify the members by amount of interest paid. This data is given in table No. 4.30. It is seen that 23.03% of the members have paid an interest amount between the range Rs. 201 to 400. Similarly the frequency of those members who paid interest amount in the range of Rs. 100 to 200 and Rs. 401 to 600 is equal (18.13%) each. Those who paid interest amount in the range of Rs. 601 to 800 constitute a frequency of 15.68%. The members who paid higher amounts of interest constitute very small percentage of the total sample.

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Table No. 4.26

Classification of Borrowing by amounts borrowed.

Amount (Rs.)	Number	Percentage.
1000	35	17.15
2000	34	16.66
3000	25	12.25
4000	13	6.37
5000	45	22.05
10000	03	1.47
15000	01	0.49
20000	-	-
30000	-	-
40000	02	0.98
50000	01	0.49
Total	159	77.91

Table No. 4.27

Classification of Loans by periods.

Year	Number	Percentage
1	144	70.58
2	003	1.47
3	009	4.41
4	001	0.49
5	002	0.98
Total	159	77.93

Table No. 4.28

Classification of Members by Reasons for Borrowing

Reasons	Number	Percentage
1) House hold requirement	51	25.00
2) Cultivation purposes	66	32.35
3) Retail Trade	15	7.35
4) Marriage Purpose	03	1.47
5) Vehical, Two wheels purchase	02	0.98
6) Children Education	03	1.47
7) Harvesting & Threshing Machines	01	0.49
8) Home repairs	12	5.88
9) Pipeline & electric motor purchasing	04	1.96
10) Tubewell	02	0.98
11) Tractor purchasing	05	2.45
Total	166	80.40

Table No. 4.29

Classification of members by amount of Repayment

Amount of Repayment	Number	Percentage
1) Full repayment	145	71.07
2) 75% repayment	-	-
3) 50% repayment	05	2.45
4) 25% repayment	08	3.45
5) Over due	01	0.49
Total	159	77.46

Table No. 4.30

Classification of members by the amount of interest paid.

Interest paid	Number	Percentage
upto Rs. 100 to 200	37	18.13
" 201 to 400	47	23.03
" 401 to 600	37	18.13
" 601 to 800	32	15.68
" 801 to 1000	05	2.45
" 1001 to 1200	02	0.98
" 1201 to 1500	01	0.49
" 1501 to 2000	02	0.98
" 2001 to ... onwards	06	2.94
Total	169	82.81

4.7 General Observations :

We asked the sample members about their opinion regarding in what way the bank has contributed to the process of rural development. The responses are classified in table No. 4.31. It is seen that almost 57% of the members considered the banks' loans for agricultural activities as a contribution to rural development. 34.80% of the members felt that the bank has contributed to rural development by making advances to small scale and cottage industries as well retail trade. 44.60% of the members felt that the policy of credit supply to small farmers, marginal farmers and landless labour was the way in which the bank has contributed to rural development. 32.35% of the members feel that the banks' loans for poultry farming dairy farming, Gobar gas plant and housing have contributed to the rural development. Only 2.95% of the members feel that the bank has contributed to rural development by making advances for agricultural machinery and lift irrigation schemes. It is important to note that 17.15% of the members feel that the bank has contributed to rural development by making educational advances.

In table No. 4.32 we give the opinion of the members regarding social welfare activities of the bank. 74.50% of the members gave positive responses in this regard. According to 54.90% of the members the assistance given by the bank for

educational purpose is the most important welfare activity.

15.19% of the members considered finance by the bank for local health facilities as an important welfare activity.

In table No. 4.33 we give information regarding nonbanking services given by the bank. It is clearly seen from the table that the large number of members agree to fact that the bank gives them nonbanking services like technical advice, managerial advice, sales guidance, insurance guidance, guidance regarding subsidy schemes of the government etc.

As to satisfaction regarding general working of the bank 95% of the members gave affirmative responses. However, a few respondents expressed dissatisfaction regarding the working of the bank, in respect of :

- 1) small number of instalments of repayment.(3.43%)
- 2) Partiality in sanction of loans (3.43%).
- 3) Insufficient information to borrowers because of inefficiency of employees resulting from low salaries.(4.90%).
- 4) Quicker service to the relatives of management and political leaders(3.43%).

Table No. 4.31

Opinion Regarding contribution of the Bank to Rural Development

Classification	Number	Percentage
1) Agricultural development loan facilities to members in Rural area	106	56.86
2) Small scale & cottage Industries loan & Retail Trade loans	711	34.80
3) Poultry farming, Dairy farming, Gobar gas, Housing loan.	66	32.35
4) Small Loans to farmers Marginal farmers landless labour	91	44.60
5) Loan for agricultural implment, tractor, motor pump Lift Irrigation	06	2.94
6) Education loan	35	17.15
Total	385	118.87

Table No. 4.32

Social Welfare activities of the bank as seen by the members

Classification	Number	Percentage
1) Education	112	54.90
2) Health	31	15.19
3) Cultural activities	09	4.41
Total	152	74.50

Table No. 4.33

Non banking services by the banks.

Types of Services	Number	Percentage
1) Technical advice	78	38.23
2) Managerial advice	89	43.62
3) Sales guidances	92	45.09
4) Insurance Guidance	96	48.03
5) Guidance regarding subsidy Schemes	102	50.00
6) Other aids	37	18.13
Total	494	243.10

P A R T -B

4.8 INTRODUCTION :

Alongwith the sample survey of the members of the bank another survey was conducted to collect information in the form of opinion regarding various aspects of the bank's working. The people contacted in this connection are members of present board of directors and some of them were the members of the past board of directors. Therefore, this can be considered as a census survey of the members of the board of directors who could be contacted. The total number of respondents is 16. The number of the respondents being very small, we have not classified the responses in a tabular form. We have tried to arrive at a consensus of the opinions of the respondents regarding various aspects of the bank. The consensus opinion is determined on the basis of significantly large frequency of similar responses. We present below the major findings.

- 1) Regarding the establishment of the bank all the respondents agreed that the bank was established mainly because of the dynamic and inspiring leadership of Shri Tatyasaheb Kore the fountain-head of the co-operative movement in local area.
- 2) The bank was established mainly on the force of cooperative philosophy with a view to :
 - a) Inculcating the habit of thrift and saving.

in the rural people.

b) Providing finance for productive investment in agriculture, small industry, trade and other agro-industrial activities to be started by the local people.

3) Generally in the formative stages of a cooperative enterprise it is very difficult to induce people to accept the membership of the new cooperative societies. We asked these members regarding their experience in this respect. The majority opinion in this connection is that the board of promoters under the leadership of Shri Tatyasaheb Kore did not experience any difficulty in inducing people to become members of the bank. The wholehearted participation of the people in the formation of the bank was mainly because of their confidence in the selfless and successful leadership of Shri Kore proved by the earlier cooperative organisations led by him. Similarly the people were aware of the need for a local cooperative bank mainly interested in the overall development of the rural area.

4) All the respondents told us, that the bank has no problems regarding share capital at present also. Infact local people are very much eager to become share holders of the bank and as such they maintain that they are in a position to obtain substantially larger amount of capital as and when required.

- 5) Regarding the problem of overdues. The respondents pointed out that of the outstanding loans about 10 to 11 percent were in the nature of overdues. In their opinion most of the members being farmers, any kind of natural calamity like, excess rain or famine leads to a significant fall in agricultural production as a result of which the borrowers find it very difficult to repay the loans according to schedule and so the problem of overdue. They pointed out that to reduce the incidence of overdues, two methods were frequently used. Firstly, the bank officers were directed to contact the defaulters and understand the real nature of their problems and find out convenient methods of repayments in such a way as to minimise the financial stridency of the borrower as also to see that bad debts are minimised. In case of wilful defaulters the bank appointed the special recovery officer and the overdues were collected if necessary by legal methods.
- 6) Regarding the actual management of the bank the respondents expressed full satisfaction and elaborated that the bank has appointed well trained employees for the bank and has given them satisfactory remuneration alongwith social security benefits like providend fund, gratuity and also bonus. They also pointed out that they believe in trained managerial staff particularly at the level of branch manager, general manager & accountants.

- 7) Regarding the deposit business of the bank, the respondents expressed full satisfaction. However, they expressed some feeling of dissatisfaction regarding various official restrictions on their loans and advances policy. Similarly most of them felt that even when the bank is willing to and capable of giving loans for various purpose^s, it is very difficult to get proper securities for the loans the demand for which is very risks?
- 8) All the directors were proud of liberal loan facilities provided by the bank for purpose of higher education in general and technical education in particular.
- 9) Most of the respondents agreed that growth of the bank has been possible because of the fact that most of the members happen to be the members of Warana Co-operative sugar factory and also members of other important cooperative enterprises in the local area. In their opinion the overlapping of membership among different local cooperative enterprises works as an inherent ~~force~~ for ~~the~~ overall development of the ~~the~~ rural area.
- 10) So far as future plans of the development of this bank are concerned the respondents said that the emphasis will be on (a) Opening of more branches in the villages of the area of the bank. (b) Evolving liberal schemes of finance for small & marginal farmers, local crafts~~men~~, local traders and educational finance for rural students mainly for

technical education.

c) Developing a consultancy cell for technical, managerial and financial guidance for local **enterepreneurs.**