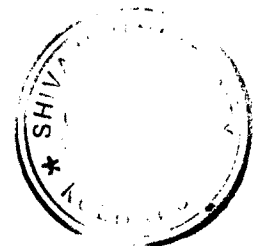


CASE STUDIES



23. CASE STUDY.NO.1

Financing the small-traders and shopkeepers, is the main object of the Urban Co-operative Banks. Taking into the consideration, this function Gadginglaj Urban Co-Operative Bank supports to the persons who have got a skill of business and have not a financial assistance. This case should be treated as a representative case of many other same cases. Researcher select the case of Shri Shankar Shivappa Kori, the owner of 'Shankar Cycle Mart', Gadginglaj.

Family History .

Shri.Shankar Shivappa Kori, whose birth is of 1958, and from Bhadgaon village which is just three kilometres from Gadginglaj town .In this family there are totally seven members. The financial condition is too poor. The family possess only one and half acre land which was dry and middle categorised. His mother, father and younger brothers are doing the farming and also working as a labour in the village. The population of the village is four thousands only. The entire family is depending upon the wages earned by the family members which is not more than Rs.40 per week. i.e. Rs.160 per month, to fulfill the minimum requirements of seven members within this income is very difficult.

Business Inspiration;

Mr. Shankar joined the school in the 1964

and left the school in the year 1970 i.e. at the age of only 12 years, after passing the 6th standard and turned to the business line. In his village, there was one small bicycle mart, which was located just near his home. At childhood, he used to do the minor repair works, under the guidance of the owner, who gave him some regular work and also paid some cash as his wages. Due to the need of cash, his father, cut down his education and ordered to join the bicycle shops. Within two years, he got a good knowledge of the particular business. At the age of the fifteen he joined the Gadhinglaj city as a labour in 'Rajan Cycle' Mart. There he worked for 3 years. He was getting only Rs50 per month as a salary.

Bank Help: After getting the full experience and well as courage, he wished to open a small service centre in Gadhinglaj city. But he was not able to open that type of centre due to lack of capital. In the year 1975, Gadhinglaj Urban Bank declared some schemes for weaker sections, for taking its advantage he demanded a loan of Rs.5000 on the security of the land but bank sanctioned only Rs.2000. Then he withdrew the amount and started a small service centre on the main road of Gadhinglaj. For repayment of loan, he opened a pigmy account with the bank. Due to the place he was getting

daily nearabout Rs.20 .,out of which he deposited Rs.5 per daywithout fail. Within 6 months, he increased his share upto Rs.10 per day. Within prescribed period , he repaid all the loan ..Looking this fact next year bank sanctioned Rs.5000 and Rs.10,000 in the year 1977. Bank is very proud of him that is very particular with his business and also in repayment of loan.

With the help of Gadhinglaj Urban Co-operative Bank, he improved by all means. Now, in day, he gets a financial stability having 28 bicycles and a mass of loostools of Rs1000. Bank is regularly financing towards his business without any hesitations. During the period, of four years, he got a full business knowledge and skill. In his own words " Gadhinglaj Urban Co-operative Bank gave me the good and new life,otherwise I had been a worker earring Rs.3 or 3.50 somewhere per day. While taking with him , he told that he is eager to start a small production unit of bicycle spare parts.

With this case, it is clear that if the good financial assistances are received, to the proper man, he can break-up the vicious circle of poverty. One may look in future the same person as a industrialist. In the year 1980, he started a sales - division. He has now two assistant to lookover the

business . That means he himself now is a self-employed and side by side he solved the problem of unemployment of two persons. The earning from the bicycle shop , he used to invest in his land property. In the year 1980 , he converts the dry land into irrigated land so that his family income is increased by 60% than it was in the year 1975.

One more notable thing is that his residence is in the village , so that his consumption i.e. domestic expenditure is less so that he saved an attractive money. He pay a proper attention towards his younger brother's education.

So with the help of the above case , one can understand the role of Urban Banks.

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CASE STUDY NO.2.

To develop the span of rural industry, is the only way to remove the poverty,. It is useful to solve the unemployment problem, helps to decentralisation and minimise the production cost. In the last ten years , in Gadhinglaj , Ajara, and Chandgad, and Bhudargad talukas, the number of powerlooms are increased rapidly due to the rural industries movements taken by Prof. Kakasaheb Khurade. One thing researcher wish to mention is that this movement is sponsored by primary teachers. And now many primary teachers having with them a powerloom pairs. The Urban Banks are also helping to this unique revolution and by financing towards the initial capital and also for working capital . One test case is given here.

Family History:

Shri Govind Tukaram Patil (Birth 1948) who is from Vadarge village , which is just two miles from Gadhinglaj., working as a primary teacher, at Kadgaon. The family posses the two acraa of unirrigated land. There were totally 10 members in his family and only major source is his payment which is equal to Rs.600 after deductions. It is very difficult task to maintain a family of ten members. Meanwhile, he was thinking over the income sources and also he was in find of service for his two younger brother.

* Business Inspiration:

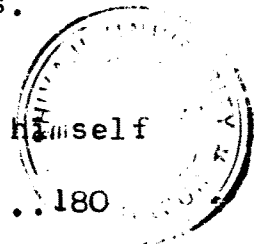
From the year 1973, the rural industrialisation movement was taken pfof. Mr. Khurade who is the pioneer of this movement established the primary teacher's co-operative credit society and 'Gaman Yantramag Sangh'. The credit society for providing the finance by 'Yantramag Sangh' to provide the beams and powerlooms and other technical services. With this situation Mr. Govind Tukaram took the initiabile part. He required the finance for establishing the pair of powerloom.

Banking Finance:

In the year 1977, the 'L loan' and also licence for one pair of powerloom, Now the financial problem arise, which he solved with the Shri. Shivaji Sahakari Bank Ltd., Gadhingla. They submitted the complete project report and got a loan of Rs. 10,000. The total project cost was Rs. 15,000. He contributed Rs. 5000 and powerlooms are started, at his home. Some alteration is done so that there was no one problem of accommodations. Also beware of starting the powerlooms. He arranged the training to his younger brothers on the powerloom of other colleague. So in the year 1978, he started one pair of powerloom. With the hard work, the daily production is increased from 150 mts. to 240 mts.

Repayment of Loan:

The initial capital is contributed by himself



but he withdrew a loan of Rs.10,000 from the bank. Prof. Khurade already made an arrangement of linking in between 'Yantraag Sangh' and banks. So that the loan installments are directly deducted from the bills of product. So there is no one problem of overdues. The powerlooms are located in the village level and worker are from the same family, so he succeeded in keeping the expenses at minimum level. The two younger brothers were working on the same unit. After complete repayment, of loan again, he proposed for one more pair. Taking into consideration the past experience, Bank sanctioned Rs.15,000 for the second pair. Now his two brothers are working on the separate unit. Monthly income is increased, due to these two pairs of powerlooms. Total income as well as per capita is increased so that ultimately, it affected in rising the living standard of the family. Also bank helps to remove the unemployment position of the two young boys. Now Mr. Patil proposed for five pairs of powerloom. Bank is also eager to provide loan to him. In future Mr. Patil, will become a well-known small industrialist. It is very interesting to know how the income of Patil's

family is increased during the period 1977 to 1980.

	1977	1978	1979	1980
Income from Salary	8,400	8,800	9,200	9,600
Income from Agri.	2,000	2,000	2,000	2,000
Income from Powerlooms	---	12,000	15,000	29,000
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	10,400	22,800	26,200	40,600

So that bank done a very good job in these talukas. Shri. Shivaji Sahakari Bank took a lead in developing the powerloom sector.

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CASE STUDY NO.3.

Financing to the weaker section is the main motto of the Urban Co-operative Bank. Keeping this in view, Veershaiv Co-operative Bank is always adopting its loan and advance policy., particularly after 1975. Bank financed those persons who have not any property to give a security but have a courage and some definite plan. While providing the loan to poor people, bank paid more attention on case than security. Researcher selects a family which is controlled by one widow.

Family History:

Miss. Tarabai Farkate, married with Vijaykumar Powar in the year 1966 and became Misses Sushila Vijaykumar Powar. The native of Mr.Powar is Hasursasgiri just 10 KM. from Gadhinglaj having some land property of 4 acres. Mr.Vijaykumar Powar was working as Jr.Clerk in the revenue department, but on 28th March 1972 he died in a bus accident . The great problem arise to Shrimati Sushila having two sons, first six months, after the death of her husband, she was supported by other family members . But the aids and support given by the family member is not sufficient and she found a great trouble by money , other

causes , sox she joined tailoring class at Gadhinglaj. Within ix months, she completed the course. But what about the finance to purchase the sewing machine?

Bank Finance:

Urban Co-operative Banks are always taking a lead for solving the problems of such type of cases. Shrimati ~~Sh~~ Shihila Powar approached to the Branch of the Veershaiv Co-operative Bank at Gadninglaj. Bank authority allowed to withdraw a loan of Rs.1000, without any security. With this financial assistance, she purchased a Singer sewing machine and started the tailoring firm. But due to the lack of propaganda, and proper skill, she could not get sufficient work, so she started , at the same time tailoring class . In this tailoring class, she got a fine success. Bank financed more and more per year after observing her promptness of repayment and thriftness. The machine was financed in the 1975. Another machine was financed in the year 1977. In the year 1980, three sewing machines are financed, Now she has gct several machines. The economic improvement can be shown as belo.

(Income per month)

Income Source	1972	1975	1977	1980	1983
Pension	150	165	190	220	280
Tailoring Fees	—	30	150	700	1400
Job Works	—	30	200	600	1000
Total	150	225	540	1520	2680

With the above table one can know how the financial stability received to Sushila Powar with the help of Bank. Now she provides good educational facilities for her sons. Both are learning in English medium school. Now she is constructing a house having a big hall for her tailoring class. Bank provides sufficient amount for her future plans. With the help of Bank, she became self-reliant and gave a good example for the women who are suffering from abnormal difficulties. The credit of all these activities go to the Veershaiv Co-operative Bank. She told that time of interview of her case.

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CASE STUDY NO. 4.

To provide the financial assistance to the small artisans and to the rural industrialists, is one of the major objects of the Urban Bank. Rural industries are destroyed with the impact of industrialisation, which is well known to all. But, after independence, it is approved that this field must improve her development of rural area. Now in a days, Urban Banks are doing this job. A researcher selects one unique case which can be summarised as follow.

The Ajara Taluka has got a thick forest area, so that we can find the wood purchase selling business. Mr. Anant Balkrishna Sutar is working as a carpenter in the Ajara town, working on daily wages of Rs.5 or Rs 6 in the year 1970, Totally there are eleven members in the family of Sutar. Sutar family has got no one land property or any other type of property. So, it is very difficult to maintain the family. The production skill is already with Mr. Anant Sutar and with his father Balkrishna Sutar. But, due to the lack of the capital, they can't do anything towards the business.

But in the year 1972, he was introduced with the Ajara Bank authorities. At that time, he was working on daily wages in the Bank's building

construction process. Observing his skill, and politeness, bank authorities gave an attractive order of furniture. But in absence of initial capital and tool, he can't complete that order. So that he demands for financial assistance. Bank authorities considered his case without hesitation. On the guarantee of two persons, bank allowed to withdraw Rs.2000 as a loan in the year 1972.

Bank Finance:

As told before, bank sanctioned Rs.2000 in the year 1972, With the help of these Rs.2000 he completed the order, received by the bank authority. Looking this promptness and skilled working, bank allowed him loans as below.

1972	Rs.2000
1974	Rs.5000
1978	Rs.20000
1980	Rs.20000
1984	Rs.50000

Within ten years, he converted his business, from traditional method to modern-level. He is now accepting furniture tenders of various Banks, Municipalities, interior decorations, insurance offices, Window dressings etc., Also he started

small workshop at Ajara where he invested Rs. One lakh in machinery . This year , turnover is increased as follow.

1972	4,000
1974	9,000
1978	16,000
1980	50,000
1983	2,00,000

So one can understand a man who was working as a worker , now is wellknown as a contractor. Now he provides employment for 4 to 5 members regularly. He wish to start the distributing centres at Kolhapur, ~~and~~ Belgaum . He developed his credit limit upto Rs. one lakh . His family members are joined to his workshop . He is very prompt in repaying the loan which was taken by the Bank. He regularly pays monthly installment towards the loan . He is now very happy in his life. All credit of the success of mine goes to the Ajara Urban Bank Ltd, he told with proudness. Bank assisted to many persons who were facing poverty problems. This poverty circle is broken with the help of these Urban Co-operative Banks.

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CASE STUDY NO. 5

Urban banking are also financing the economic condition of the poor farmer. It is well known principle that 'Indian economy' can improve only after development, of agriculture and small industries. It is not a basic role of Urban banks to provide financial assistance to agriculture sector. But keeping the view of social responsibility. Urban Banks from the rural area are granting agricultural loan on the proper security of land. But one thing, researcher want to mention here that there is no provision to supervise on the utilisation of the loan, either it is utilised for proper purpose or for another cause- Here one case is referred which is treated as a positive case.

Family History :

Mr. Krishna Bhivaji Londhe, who is from Bhadwan (TalAjara) just 5 KM. from Ajara. Farming is his main occupation having 12 acres of land out of which 4 acres is good and on the bank of Hiranyakeshi river, 3 acres medium and 5 acres rough land. Before 1975, income 12 acres was hardly round about six thousands Rs. in which it was very difficult to maintain the family of eight members.

In the year 1975, Mr. Krishna Londhe became a member of Anata Sahakari Bank Ltd., Ajara and at the end of 1975, he applied to the bank for a loan of Rs.10,000. Bank sanctioned against land security. These ten thousands invested as follow.

1. Rs. 5,000 For electric motor, 5H.P.
2. Rs. 2,000 For other material like delivery pipe, bunding etc.,
3. Rs. 3,000 For cultivation,

With the help of this finance, he took a sugarcane in 3 acres and paddy and groundnuts, which gave income as follow

Total Sugarcane	100 tonnes.
Income from Sugarcane	21,000
Income from Paddy	2,000
Income from Groundnut	3,000
Total Income	<u>26,000</u>

With the help of the above figures, one can know that how bank helps the farmers and the loan taken from banks is utilised with proper way how that can be repaid within one year only along with interest.

From the year 1975, Mr. Krishna Londhe is trying to improve the economic level. He paid the loan taken in the year 1975 in 1976. Again in the year, he demanded the loan from Janata Bank for dairy purpose and but meanwhile, the nationalised banks are allowing the cattle loan, under subsidies, rate of interest, so he took the loan from the nationalised banks. But though he is now financed by nationalised bank, for dairy and poultry, the main inspiration which he received from Janata Sahakari Bank is very important.

In the year 1979, he got the loan from Janata Bank, for purchasing the chaise. The Ajara and Chandgad talukas have got a huge storage of bauxite and other minerals. The bauxite transportation from the mines to the Belgaum 'Indal' factory is done by the private truck transport. So in this area truck business have got more importance. Repayment of the loan is attached with the 'Indal' factory. Within two years, the loan was repaid and Mr. Krishna Londhe became a truck owner. All credit goes to Janata Sahakari Bank, otherwise he had been working as a farmer without any positive thinking.

While intervening , he did not tell the income earned by way of truck business, but now he is expecting a new chase without any help from the bank that means now he has got a good financial stability.

While doing the farming and truck business, he provides an employment for more than four members regularly. So it is an unique example that one poor farmer is converted into the truckowner.

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FINDINGS & SUGGESTIONS.

Findings of case studies:-

After discussion with the person i.e. loan holder, researcher finds that---

1. The loan applications of needy persons are considered with sympathy by Board of Directors.
2. Amount of grant to the loan-holder is sanctioned by judging his repayment capacity.
3. Personal guarantee is preferred in many of the cases.
4. The communication held between the bank employees and the customer is in the same regional language so that the customer can freely discuss with official members.
5. The repayment of the loan done regularly by those customers who utilised the loan with proper plan.
6. In many cases, repayment is done by the linking system.
7. One important suggestion is that, there must be a check on the utilisation of the loan.

The amount withdrawn for one cause and used for another cause.,,

8. Piggy collection is a good system for small merchants, artisans and traders .

9. Urban banks officers have arranged the guidance, -programmes for the needy persons.
10. Like the hypothication, bank must arrange for customers, contribution towards the finance.
11. The rate of interest looks high so, that it must minimise for the persons who come from economically weaker section.

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