
CHAPTER II

METHODOLOGY

- * Objectives
- * The Scope of the study
- * Data Collection
- * Limitations
- * Chapter Scheme

CHAPTER II :

METHODOLOGY

The present study is titled as "A study of Overdues of Farm Loans With Special Reference to Loans By Co-operatives in Bhedasgaon Village (Dist. Kolhapur)". A detailed study of mounting overdues of the farming community in village is presented in this Dissertation.

Farm finance is now-a-days provided by agencies like Primary Agricultural Co-operative Societies, Co-operative Land Development Bank, Regional Rural Banks and commercial banks (including the Nationalized ones). With multi_agency approach adopted in financing agriculture, the overdues of these loans have been posing a major threat to all these agencies.

A study of overdues of farm loans at a village level is thought as it would provide an insight into the major problem before the lending agencies. It is intended to study the overdues of the farming community in a particular village so that it would provide an insight into the problem. Bhedasgaon village is selected for the purpose of study as it confirms to the general trend of rising overdues of the farming community in the country.

Objectives :-

1. To study the trend of overdues of farm loans over a period of five years.
2. To study the reasons of overdues of farming community.
3. To suggest measures for recovery of overdues & keeping them at minimum possible level.

The Scope of the study

Scope of this study extends to the overdues of the entire farming community in Bhedasgaon village (Tal. Shahuwadi; Dist. Kolhapur). In Bhedasgaon, as will be discussed later the possible sources of farm loans are mainly three. They are :

- i) Primary Agricultural Co-operative Society; the society gets the loans required by its members from the kolhapur District Central Co-operative Bank which has its branch in Bhedasgaon. Short & medium-term loans may be made available through this agency.

ii) Bank of Maharashtra, Branch Bhedasgaon. It gives short-term medium-term as well as long-term loans.

iii) Maharashtra State Co-operative Bank Ltd. Sub-branch Malakapur. This Bank advances only long-term loans directly to the agriculturists.

Scope of the study extends to defaulters of loans taken from all these organisations in Bhedasgaon village (Taluka: Shahuwadi; Dist. Kolhapur) & to the five years from 1981 - 82 to 1985 - 86. These five years have been selected for the purpose of this study.

Data Collection

Data collection is done in the following manner:

i) Data regarding names of defaulters, their share capital & deposit contribution, purpose-wise loan taken & the defaulted amount as on 30th June, 1986, were collected from the Primary Agricultural Credit Society (PACS) at Bhedasgaon.

ii) Loans issued, Loans recovered, Loans outstanding including defaulted amounts were collected for the five years under study from the PACS, Bhedasgaon.

iii) Data regarding loans granted, Loans recovered, Loans outstanding & the defaulted amounts for the five years under study were collected from the Kolhapur District Central Co-operative Bank Ltd., Branch Bhedasgaon; Bank of Maharashtra, Branch Bhedasgaon & Malakapur sub-branch of the Maharashtra State Co-operative Land Development Bank.

iv) Other relevant data were collected with the help of published Annual Reports of the PACS for the five years under study & also from the office records of the Society.

- v) The list of defaulters of the PACS was scanned & it was found that as on 30th June, 1986, there were 17 members whose defaulters were for more than five years. Researcher tried to contact personally all of them for an interview and could actually interviewed 10 of the them. The remaining 7 persons could not be interviewed either because they had left the village or expired.
- vi) Chairman, Vice-Chairman & Sceretary of the PACS at Bhedasgaon were also interviewed.
- vii) Discussions were held with the Branch Managers of the Kolhapur District Central Co-operative Bank & the Bank of Maharashtra at Bhedasgaon.
- viii) Gram-panchayat, Bhedasgaon and Talathi of Bhedasgaon were also contacted for collection of data regarding the village.
- ix) Secondary data were collected from the various books, publications of the Reserve Bank of India & those of the Government of Maharashtra.

Limitation of the study

Following are the major limitation of the study -

- 1) Malakapur Branch of the Maharashtra state Co-operative Land Development Bank has not given any loans to the agriculturists in Bhedasgaon village. Naturally, it had to be excluded for the purpose of this study.
- 2) Bank of Maharashtra, Branch Bhedasgaon, could not provide all the details of the defaulters needed for this study for certain reasons. This Bank was also excluded.
- 3) Ultimately, it became a study of the defaulters of the PACS, Bhedasgaon, as the Bhedasgaon Branch of Kolhapur District Central Co-operative Bank does not give a direct finance to the agriculturists in Bhedasgaon Village.

CHAPTER SCHEME

The dissertation is divided into the following Five Chapters.

1. Chapter I gives the background analysis of the subject.
2. Chapter II discusses Methodology adopted for the purpose of this study.
3. Chapter III gives a profile of Bhedasgaon village & the details of institutions providing farm credit in the village.
4. Chapter IV presents data pertaining to the overdues of farm loans in Bhedasgaon village for a period of five years.
5. Chapter V is devoted to summary & conclusions of the study.