
CHAPTER III

A PROFILE OF BHEDASGAON VILLAGE AND THE INSTITUTION PROVIDING FARM CREDIT IN THE VILLAGE

- * A Profile of Bhedasgaon Village**
- * The institutions providing farm
credit in the village**

CHAPTER III

(A) A Profile of Bhedasgaon Village and the Institution Providing farm credit in the village.

This chapter is going to provide with

- (A) a profile of Bhedasgaon village &
- (B) the institutions providing farm credit in the village.

A Profile of Bhedasgaon Village.

Bhedasgaon village is selected for the purpose of this study as it conforms to the general trend of rising overdues of the farming community in the country.

Physical Features

Bhedasgaon village is located in Shahuwadi Taluka of Kolhapur District. The village is near to Bambavade & Malakapur to its south & Kokrud (Shirala Taluka, Sangli District) to its north. To the east of the village flows Warana River beyond which is spread Shirala Taluka (Sangli District). To the west of the village is border of Ratnagiri District. It is 20 kms. away from Shahuwadi & 45 kms. from Kolhapur.

Bhedasgaon is surrounded by five Wadies, Vizi, Harugadewadi, Gulvanewadi, Lagarewadi, Talewadi & Nizamwadi. These wadies are part of the village & come under the village administration.

The entire Shahuwadi Taluka falls under good & satisfactory monsoon zone & receives above 65 cm. of rainfall in a normal year. Bhedasgaon is not an exception. It also gets good & sufficient rains in monsoon.

Transport facilities

Bhedasgaon village had good transport facilities through out the year. Transportation of agricultural produce takes place from Bhedasgaon direct to Kolhapur, Sangli, Karad & Malakapur & that of agricultural equipment, seeds, fertilizers etc. to Bhedasgaon.

Population

As per the village records, population of the village in 1986 was around 5000. Out of this, 2744 (55% approx) constitute the working population. Remaining 45% are either old people or children who form part of the non-working population of the village. The 2744 working people are from 1044 families.

Occupation

The following Table shows occupational distribution of the working families of Bhedasgaon village, as obtained in 1986.

**Table No. 3.1: Statement Showing
Occupational Distribution of Working Families
of Bhedasgaon village in 1986**

Sr. No.	Occupation	No. of families	Percentage to the total
1	Cultivatore	900	86.2
2	Agricultural Workers	75	7.2
3	Other occupations	69	6.6

Source : Records of the Grampanchayat, Bhedasgaon.

Agriculture

Following Table shows the position of agriculture as obtained in Bhedasgaon village in 1986.

**Table No. 3.2 : Statement showing the Total Area,
Cultivable Area, Cropping pattern & Irrigated
Area in Bhedasgaon village in 1986.**

	Acres	Percentage to the total reporting area
A) Area		
1. Total Reporting Area	1543	100.00
2. Net Cultivable Area	1139	73.9
3. Area under forest	368	23.8
4. Current fallow	36	2.3
B) Cropping Pattern		
5. Gross Cropped Area	1120	72.6
6. Area Under major Crops:		
i) Rice	491	31.80
ii) Sugar cane	186	12.00
iii) Oilseeds	26	1.67
iv) Wheat, Jawar-Hybrid & Jirayat (Unirrigated)	411	26.13
C) Irrigated Area		
7. Wells (33) & River water	702	45.5

Source : Compiled from the Records of Grampanchayat & Talathi,
Bhedasgaon.

Thus, the major crops are rice, sugarcane & hybrid & jirayat (Unirrigated) wheat & Jawar.

Institutions

There is one primary school & one high school in Bhedasgaon village.

There is a primary health centre of Zilla Parishad & also a veterinary dispensary in the village.

Following institutions are engaged in dispensing agricultural credit:

- 1) **Shri. Nilkantheshwar Vikas Service Co-operative Society Ltd., Bhedasgaon.**
- 2) **Kolhapur District Central Co-operative Bank Ltd., Branch Bhedasgaon.**
- 3) **Bank of Maharashtra, Branch Bhedasgaon.**
- 4) **Maharashtra State Co-operative Land Development Bank Ltd., sub-branch Malakapur.**

CHAPTER III :

(B) INSTITUTIONS PROVIDING FARM CREDIT IN BHEDASGAON VILLAGE

The following four institutions have been providing farm loans to the agriculturists in Bhedasgaon Village :-

- 1) Shri. Nilkantheshwar V.K.S. (vikas) Service Co-operative Society Ltd., Bhedasgaon (henceforth called "The Bhedasgaon Society".)
- 2) Kolhapur District Central Co-operative Bank Ltd., Branch Bhedasgaon (henceforth called "The Bhedasgaon KDCC Bank.")
- 3) Bank of Maharashtra, Branch Bhedasgaon and
- 4) Maharashtra State Co-operative Land Development Bank Ltd., Sub-branch Malakapur. (henceforth called "The Malakapur LDB").

As the orientation of this study is towards overdues of farm loans given by the co-operatives in Bhedasgaon, the author has concentrated on the institutions at Nos. 1,2 & 4. Again, as will be explained later, the Malakapur LDB has not given any loan for land development schemes to any of the farmers in Bhedasgaon Village during the period of this study, the emphasis has automatically shifted to the farm loans given by the institutions at Sr. Nos. 1 & 2 only.

1) The Bhedasgaon Society.

The Bhedasgaon Society was established in the year 1948. It is a Co-operative Society registered under the Maharashtra Co-operative societies Act.

This Society serves the credit and other allied needs of the agriculturists of Bhedasgaon village and five Wadies (Viz., Talewadi, Harugadewadi, Gulawanewadi, Lagarewadi and Nizamwadi) coming under the Bhedasgaon village administration.

The position of members of the Bhedasgaon society, as obtained on 30th June, for the five years under study is shown in the following Table.

Table No. 3.3 : Statement Showing Information of Members

	1981 - 82	1982 - 83	1983 - 84	1984 -85	1985 -86
Total Members (No.)	750	754	766	797	803
Number Of Members taking loans (out of the above)	412	536	596	517	402
Percentage Of Borrowing Members to the total	54.9	71.0	77.8	64.8	50.0
Number of defaulter Members	183	171	140	238	201
Percentage of defaulting members to the Borrowing Members.	44.4	31.9	23.5	46.0	50.0

Source : Office Records of the Bhedasgaon Society.

As of 30/6/86, there were 803 members of the Bhedasgaon society. The Bhedasgaon society is managed by 9 directors elected from amongst these members. One member each specially represents (i) (ii) Backward class members and (iii) Non - borrowing members. The remaining 6 directors are elected from amongst the borrowing members. (other than (i) and (ii) above). There is a chief secretary and an assistant secretary to look after the day - to - day working of the Bhedasgaon society.

Progress made by the Bhedasgaon society during the period 1981-82 to 1985-86, may be shown with the help of the key figures shown in Table No. 3.2.

Table No. 3.2: Statement showing key figures of the Bhedasgaon society.

	1981 - 82	1982 - 83	1983 - 84	1984 - 85	1985- 86
	(figures as of 30th June every year)				
No. of Members	750	754	766	797	803
Share Capital (Rs. '000)	154.3	188.6	210.9	243.0	276.7
Reserve fund and other funds (Rs. '000)	73.6	80.9	90.5	91.7	96.7
Loans Outstanding (Rs. '000)	413.4	598.4	554.9	641.0	685.1
Profit Made (Rs. '000)	1.86	20.0	5.6	20.9	3.4
Loans outstanding taken from the Bhedasgaon KDCC Bank (Rs. '000)	319.5	578.8	431.9	413.0	657.4
Member Loans which are Overdue (Rs. '000)	123.45	92.44	71.04	156.62	180.22
Percentage of Overdue member loan to Loans outstanding	29	14	12	25	26
Audit Class	B	B	B	B	B

Source : Compiled from the Annual Reports and othes Records of the Bhedasgaon society.

Details of farm loans advanced by the Bhedasgaon society are given in the following Table.

Table No. 3.5 : Statement showing Loans Advanced by the Bhedasgaon Society.
(Rs. '000)

Year	Food Crops	sngarcane	Total
1981 - 82	56.0	289.5	345.5
1982 - 83	82.6	434.8	517.5
1983 - 84	83.9	377.8	461.8
1984 - 85	90.0	341.3	431.3
1985 - 86	74.6	346.1	420.7

Source : Office Records of the Bhedasgaon society.

The summary Profit & Loss accounts and Balance - sheets for all the five years under study are given below :

3-6 Summary Profit & Loss Accounts for the year ending 30th June.

(Rs. '000)

	1981 - 82	1982 - 83	1983 - 84	1984 - 85	1985 - 86
REVENUE					
1. Profit on Trading	3.60	6.08	5.20	3.64	2.87
	(6.64)	(7.44)	(6.73)	(4.63)	(3.37)
2. Interest on Loans	45.01	65.33	63.73	62.71	71.52
	(83.07)	(79.9)	(82.5)	(79.8)	(84.0)
3. Int. on Bank deposits	4.04	4.51	4.80	8.51	6.72
	(7.5)	(5.5)	(6.2)	(10.8)	(7.9)
4. Dividend on Bank shares	1.41	2.60	3.32	3.63	3.86
	(2.6)	(3.2)	(4.3)	(4.6)	(4.5)
5. Others	0.13	3.24	0.17	0.13	0.13
	(0.23)	(3.96)	(0.2)	(0.16)	(0.15)
Total	54.19	81.76	77.22	78.62	85.10
	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)

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EXPENSES

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1. Interest on Bank loans, Bank Commission etc.	23.6 (43.5)	32.5 (39.8)	35.4 (45.9)	27.5 (35.0)	46.6 (54.8)
2. Interest on member deposits	2.8 (5.1)	2.4 (2.9)	2.3 (3.0)	2.2 (3.0)	2.2 (2.5)
3. Cadere Subscription	14.8 (28.3)	12.4 (15.1)	19.00 (24.6)	12.4 (15.7)	13.0 (15.3)
4. Audit Fees	1.75 (3.2)	1.74 (2.2)	2.35 (3.0)	2.30 (3.0)	2.42 (3.0)
5. Supervision Fee	1.48 (2.7)	1.53 (1.9)	2.11 (2.7)	2.11 (2.7)	2.36 (2.8)
6. Salaries	1.80 (3.3)	2.18 (2.7)	2.80 (3.6)	3.55 (4.5)	2.92 (3.4)
7. Postage & Stationery	1.35 (3.5)	1.97 (2.4)	2.45 (3.2)	2.07 (2.6)	2.51 (3.0)
8. Generalmeeting Exps. & Report Printing	1.74 (3.2)	1.75 (2.1)	2.12 (2.8)	2.36 (3.00)	3.19 (3.8)
9. Education Fund	0.02 (0.03)	- -	0.01 (0.01)	0.01 (0.01)	0.5 (0.6)
10. Godown Rent	- -	2.78 (3.4)	0.48 (0.6)	0.30 (0.4)	- -
11. Legal Fees & Exps.	1.00 (0.01)	- -	- -	- -	- -
12. Travelling Exps.	0.85 (1.6)	1.03 (1.3)	0.76 (1.0)	0.36 (0.5)	0.63 (0.7)
13. Miscellneous Expenses	1.14 (2.1)	1.51 (1.8)	1.85 (2.4)	2.59 (3.3)	5.29 (6.2)
Profit	1.86 (3.4)	20.03 (24.5)	5.56 (7.2)	20.89 (26.6)	3.43 (4.0)
Total	54.19 (100.00)	81.76 (100.00)	77.22 (100.00)	78.22 (100.00)	85.10 (100.00)

NOTE : Figures in Bracket Indicate percentage to respective Total.

3-7 Summary Balance sheet as on 30th June

(Rs. '000)

	1981 - 82	1982 - 83	1983 - 84	1984 - 85	1985 -86 -
ASSETS					
1. Cash & Bank Bal.	18.28 (2.98)	84.04 (9.78)	104.40 (12.8)	68.68 (7.1)	9.69 (0.8)
2. Investments	84.34 (13.8)	94.59 (11.0)	100.35 (12.3)	106.44 (11.0)	125.82 (10.7)
3. Library & Dead stock	2.75 (0.5)	2.53 (0.3)	2.53 (3.1)	2.61 (0.3)	2.61 (0.2)
4. Stock	- -	3.6 (0.4)	2.4 (0.3)	- -	- -
5. Loans to members	413.5 (67.5)	598.4 (69.6)	554.9 (68.0)	641.1 (66.4)	685.1 (58.4)
6. Other receivables	77.5 (12.7)	59.7 (6.9)	50.9 (6.3)	147.3 (15.2)	349.5 (29.8)
7. Accumulated loss	16.5 (2.7)	16.5 (1.9)	- -	- -	- -
Total	612.6 (100.00)	859.3 (100.00)	815.6 (100.00)	966.1 (100.00)	1172.7 (100.00)

LIABILITIES

1. Share Capital	158.3	188.6	210.9	243.0	329.8
	(25.8)	(22.0)	(26.0)	(25.1)	(28.1)
2. Reserve Fund	40.7	43.6	45.1	46.2	56.1
	(6.6)	(5.0)	(5.5)	(4.8)	(4.8)
3. Other Funds	38.1	44.3	45.4	45.5	54.7
	(6.2)	(5.2)	(5.6)	(4.7)	(4.7)
Owned	237.2	266.6	301.4	334.7	440.6
Funds	(38.7)	(32.3)	(35.9)	(34.7)	(37.6)
4. Deposits	67.5	65.6	62.7	62.1	59.3
	(11.0)	(7.6)	(7.7)	(6.4)	(5.0)
5. Loan from Bank	279.1	462.6	387.7	501.9	581.6
	(45.6)	(53.8)	(47.5)	(51.9)	(50.0)
6. Other payables	26.9	32.6	52.7	35.6	87.5
	(4.4)	(3.7)	(6.5)	(3.7)	(7.5)
Borrowed funds	373.4	610.7	503.1	599.6	728.4
& other Liabilities	(60.9)	(65.2)	(60.7)	(62.0)	(62.1)
7. Accumulated profit (surplus)	2.00	22.0	11.0	31.8	3.8
	(0.3)	(2.6)	(1.4)	(3.3)	(0.3)
	612.6	859.3	815.6	966.1	1172.7
Total	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)

NOTE : Figures in Bracket indicate percentage to total.

The summary statements given above provide us with the following information :-

- 1) Profit & Loss Account : (a) Major source of income is the interest on loans.
 (b) The next important sources of income are interest on bank deposits and trading profits.
 (c) The Bhedasgaon society has earned profits in each of the five years of the study.

2) Balance - sheet:

- (a) The major assets of the society are loans to members, investments and other receivables.
- (b) Owned funds constitute about 35 percent and borrowed funds constitute about 65 percent of the total funds. Range for owned funds is from 21.95 percent to 28.13 and that for borrowed funds is 60.66 percent to 65.21. surplus constitutes a small percentage throughout the period of five years of study.

2) The Bhedasgaon KDCC Bank.

The Bhedasgaon KDCC Bank advances loans to the Bhedasgaon Society. Farm loans advanced by the Bhedasgaon KDCC bank to the Bhedasgaon society during the five year period of the study are as under :

Year	Loans advanced (Rs. '000)
1981 - 82	319.5
1982 - 83	578.8
1983 - 84	431.9
1984 - 85	413.0
1985 - 86	657.4

3) Bank of Maharashtra, Branch Bhedasgaon.

Bank of Maharashtra has given farm loans to 396 agriculturists in Bhedasgaon village upto 30th June 1986. The loans given have mainly been development loans, i.e; loans for digging of wells, repairs to old wells, installation of oil-engine & electric pumps for lifting water for irrigation purpose, laying down of pipe-lines useful for irrigation, purchase of tractors, purchase of bullockcarts, dairy, poultry bio-gas, crop loans etc.

207 of these 396 agriculturists were reported to be defaulters of Bank of Maharashtra as of 30th June, 1986 and the percentage of overdues to loan outstanding as of the same date was reported to be 28.47.

4) The Malakapur LDB

The Malakapur LDB, as mentioned earlier, has advanced no loan in Bhedasgaon village during the five year period of the study except a loan to the Bhedasgaon society for the construction of godown.