

**CHAPTER - IV**

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**DATA PRESENTATION**

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In this Chapter, data are presented in various statements in Part-I as stated below.

For each of the four selected Banks, one statement relates to the total loans and advances and those given to small scale and cottage industries. The second statement is the comparative statement compiled from the first statement showing figures in percentages with 1985 as the base. The third statement gives details of priority sector advances and the advances made to the small business enterprises. The fourth statement is the comparative statement compiled from the third statement showing figures in percentages with 1985 as the base year. Thus, there are 16 statements (covering four years ending 30th June, 1985, to 30th June, 1988) presented as listed below:

<u>Statement No.</u>	<u>Description</u>
4.1	Statement showing loans and advances of Veershaiv Bank.
4.2	Comparative percentage statement (with 1985 as the base) of loans and advances of Veershaiv Bank.
4.3	Statement showing loans and advances of Maratha Bank.
4.4	Comparative percentage statement (with 1985 as the base) of loans and advances of Maratha Bank.
4.5	Statement showing loans and advances of Kolhapur Urban Bank.
4.6	Comparative percentage statement (with 1985 as the base) of loans and advances of Kolhapur Urban Bank.
4.7	Statement showing loans and advances of Janata Bank.

<u>Statement No.</u>	<u>Description</u>
4.8	Comparative percentage statement (with 1985 as the base) of loans and advances of Janata Bank.
4.9	Statement showing loans and advances to priority sector made by Veershaiv Bank.
4.10	Comparative percentage statement (with 1985 as the base) of loans and advances to priority sector made by Veershaiv Bank.
4.11	Statement showing loans and advances to priority sector made by Maratha Bank.
4.12	Comparative percentage statement (with 1985 as the base) of loans and advances to priority sector made by Maratha Bank.
4.13	Statement showing loans and advances to priority sector made by Kolhapur Urban Bank.
4.14	Comparative percentage statement (with 1985 as the base) of loans and advances to priority sector made by Kolhapur Urban Bank.
4.15	Statement showing loans and advances to priority sector made by Janata Bank.
4.16	Comparative percentage statement (with 1985 as the base) of loans and advances to priority sector made by Janata Bank.

## PART I : STATEMENTS.

## 1. VEERSHAIV BANK

TABLE 4.1 Statement showing Loans and Advances of Veershaiv Bank.

Year ending 30th June	Loans and Advances of the Bank			Loans and Advances to SSI & Cottage Industries out of the total Loans and Advances			(Rs. in Lakhs)	
	Number of a/cs.	Amount advanced	Amount outstanding	Amount overdue	Number of a/cs.	Amount advanced	Amount outstanding	Amount overdue
1985	16,427	496.70	674.35	58.23	411	83.99	84.34	4.55
1986	17,647	822.25 (165.54)	861.18 (27.71)	56.07 (3.70)	493	125.44 (49.35)	114.10 (35.28)	4.41 (0.89)
1987	21,465	827.97 (0.70)	1,656.18 (92.32)	58.00 (3.44)	756	222.20 (75.54)	186.90 (63.80)	4.69 (6.34)
1988	20,749	1,350.40 (63.10)	1,327. (19.87)	61.66 (6.31)	582	182.45 (17.14)	160.07 (14.35)	4.29 (8.52)

Source: Compiled from office records of the Bank.

- Notes: 1. Figures in brackets show per cent increase over the previous year.  
2. Underlined figures in brackets show per cent decrease over the previous year.

TABLE 4.2 Comparative Percentage Statement (with 1985 as the base) of Loans and Advances of Veershaiv Bank

Year ending 30th June	Loans and Advances of the Bank			Loans and Advances to SSI & Cottage Industries out of the total Loans and Advances			
	Number of a/cs.	Amount advanced	Amount outstanding	Number of a/cs.	Amount advanced	Amount outstanding	Amount overdue
1985	100	100	100	2.50	16.91	12.51	7.81
1986	107.43	165.54	127.71	2.79	15.26	13.24	7.87
1987	130.67	166.69	245.60	3.52	26.84	11.29	8.09
1988	126.31	271.87	196.80	2.80	13.51	12.06	6.96

Source: Compiled from Table 4.1

## 2. MARATHA BANK

TABLE 4.3

Statement showing Loans and Advances of Maratha Bank.

Year ending 30th June	Loans and Advances of the Bank			Loans and Advances to SSI & Cottage Industries out of the total Loans and Advances			(Rs.in Lakhs)	
	Number of a/cs.	Amount advanced	Amount outstanding	Amount overdue	Number of a/cs.	Amount advanced	Amount outstanding	Amount overdue
1985	11,040	507.90	342.26	86.55	389	56.09	56.09	7.27
1986	12,641	682.74 (34.42)	581.42 (69.88)	87.10 (0.64)	673	74.61 (33.02)	62.11 (10.73)	3.67 (49.52)
1987	14,936	956.44 (40.09)	722.76 (24.31)	118.50 (36.05)	1,265	134.66 (80.49)	162.87 (161.91)	12.82 (249.32)
1988	16,553	1,211.30 (26.55)	893.59 (23.64)	177.12 (49.47)	866	117.02 (13.10)	113.48 (30.24)	18.28 (42.59)

Source: Compiled from office records of the Bank.

- Notes: 1. Figures in brackets show per cent increase over the previous year.  
2. Underlined figures in brackets show per cent decrease over the previous year.

TABLE 4.4 Comparative Percentage Statement (with 1985 as the base) of  
Loans and Advances of Maratha Bank.

Year ending 30th June	Loans and Advances of the Bank			Loans and Advances to SSI & Cottage Industries out of the total Loans and Advances		
	Number of a/cs.	Amount advanced	Amount outstanding	Number of a/cs.	Amount advanced	Amount outstanding overdue
1985	100	100	100	3.53	11.04	16.39
1986	114.50	134.42	169.88	5.32	10.93	10.68
1987	135.29	188.31	211.17	8.47	14.08	22.51
1988	149.94	238.49	261.09	5.23	9.66	12.70
			204.64			10.32

Source: Compiled from Table 4.3.

## 3. KOLHAPUR URBAN BANK.

TABLE 4.5 Statement showing Loans and Advances of Kolhapur Urban Bank.

Year ending 30th June	Loans and Advances of the Bank			Loans and Advances to SSI & Cottage Industries out of the total Loans and Advances			(Rs. in Lakhs)	
	Number of a/cs.	Amount advanced	Amount outstanding	Amount overdue	Number of a/cs.	Amount advanced	Amount outstanding	Amount overdue
1985	9,622	399.11	392.98	21.96	322	39.64	30.04	0.31
1986	10,066	428.93 (7.47)	493.61 (25.61)	25.72 (17.12)	394	55.26 (39.40)	40.31 (34.19)	6.28 (0.48)
1987	10,924	550.44 (28.33)	656.81 (33.06)	27.18 (5.68)	421	93.00 (68.30)	69.33 (71.99)	8.00 (27.39)
1988	10,671	550.72 (0.051)	744.44 (13.34)	31.61 (16.30)	417	103.33 (11.11)	75.15 (8.39)	8.39 (4.88)

Source: Compiled from office records of the Bank.

- Notes: 1. Figures in brackets show per cent increase over the previous year.  
2. Underlined figures in brackets show per cent decrease over the previous year.



TABLE 4.6 Comparative Percentage Statement (with 1985 as the base) of Loans and Advances  
by Kolhapur Urban Bank

Year ending 30th June	Loans and Advances of the Bank			Loans and Advances to SSI & Cottage Industries out of the total Loans and Advances		
	Number of a/cs.	Amount advanced	Amount outstanding	Number of a/cs.	Amount advanced	Amount outstanding overdue
1985	100	100	100	3.35	9.93	7.64
1986	104.61	107.47	125.61	3.91	12.88	8.17
1987	113.53	137.92	167.14	3.85	16.90	10.56
1988	110.90	137.99	189.44	3.91	18.76	10.09
			143.94			26.54
						28.73
						24.42
						29.43

Source: Compiled from Table 4.6 .

## 4. JANATA BANK

TABLE 4.7 Statement showing Loans and Advances of Janata Bank

Year ending 30th June	Loans and Advances of the Bank			Loans and Advances to SSI & Cottage Industries out of the total Loans and Advances			(Rs. in Lakhs)
	Number of a/cs.	Amount advanced	Amount outstanding overdue	Number of a/cs.	Amount advanced	Amount outstanding overdue	
1985	5,301	258.46	454.51	186	37.97	34.21	9.42
1986	5,205	236.96 (8.32)	492.12 (8.27)	138	34.12 (10.14)	31.82 (6.99)	3.00 (68.15)
1987	5,429	309.99 (30.82)	562.61 (14.32)	249	79.21 (132.15)	59.23 (86.14)	16.15 (438.33)
1988	5,874	505.08 (62.93)	761.63 (35.37)	234	98.99 (24.97)	92.18 (55.63)	11.72 (27.43)

Source: Compiled from office records of the Bank.

- Notes: 1. Figures in brackets show per cent increase over the previous year.  
2. Underlined figures in brackets show per cent decrease over the previous year.

TABLE 4.8 Comparative Percentage Statement (with 1985 as the base) of Loans and Advances of Janata Bank

Year ending 30th June	Loans and Advances of the Bank			Loans and Advances to SSI & Cottage Industries out of the total Loans and Advances		
	Number of a/cs.	Amount advanced	Amount outstanding	Number of a/cs.	Amount advanced	Amount outstanding
1985	100	100	100	3.50	14.69	7.53
1986	98.19	91.68	108.28	2.65	14.40	6.47
1987	102.41	119.94	123.78	4.59	25.55	10.53
1988	110.81	195.42	167.57	3.98	19.60	12.10
			158.69			16.08
						20.51
						20.54
						5.10

Source: Compiled from Table 4.7.

TABLE 4.9 Statement showing Loans and Advances to Priority Sector by Veershaiv Bank.

Year ending 30th June	Loans and Advances to Priority Sector			Finance to Small Business Enterprises out of the Loans and Advances to Priority Sector			(Rs. in Lakhs)	
	Number of a/cs.	Amount advanced	Amount outstanding	Amount overdue	Number of a/cs.	Amount advanced	Amount outstanding	Amount overdue
1985	3,011	273.03	289.80	37.36	408	50.14	42.08	0.56
1986	4,214	458.69 (68.00)	379.50 (30.95)	19.17 (48.69)	137	50.41 (0.54)	44.97 (6.87)	0.59 (5.36)
1987	8,148	773.93 (68.73)	649.76 (71.21)	17.77 (7.30)	285	120.41 (138.86)	112.25 (149.61)	0.49 (16.95)
1988	8,062	762.99 (1.41)	663.39 (2.10)	32.87 (84.97)	402	115.30 (4.24)	109.45 (2.49)	2.73 (457.14)

Source: Compiled from office records of the Bank.

- Notes: 1. Figures in brackets show per cent increase over the previous year.  
2. Underlined figures in brackets show per cent decrease over the previous year.

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TABLE 4.10 Comparative Percentage Statement (with 1985 as the base) of Loans and Advances to Priority Sector made by Veershaiv Bank

Year ending 30th June	Loans and Advances to Priority Sector			Finance to Small Business Enterprises out of the Loans and Advances to Priority Sector			
	Number of a/cs.	Amount advanced	Amount outstanding	Number of a/cs.	Amount advanced	Amount outstanding	Amount overdue
1985	100	100	100	13.55	18.36	14.52	1.50
1986	139.95	168.00	130.95	3.25	10.99	11.85	3.08
1987	279.57	283.46	224.21	3.39	15.56	17.28	2.76
1988	267.75	279.45	228.91	4.99	15.11	16.50	8.31

Source: Compiled from Table 4.9 .

TABLE 4.11 Statement showing Loans and Advances to Priority Sector by Maratha Bank.

Year ending 30th June	Loans and Advances to Priority Sector				Finance to Small Business Enterprises out of the Loans and Advances to Priority Sector				(Rs. in Lakhs)
	Number of a/cs.	Amount advanced	Amount outstanding	Amount overdue	Number of a/cs.	Amount advanced	Amount outstanding	Amount overdue	
1985	2,668	264.28	205.39	29.11	90	5.57	4.84	0.56	
1986	4,020	404.13 (52.92)	330.63 (60.98)	39.41 (35.38)	101	21.00 (277.02)	17.07 (252.69)	2.87 (412.50)	
1987	8,175	788.45 (95.10)	652.87 (97.46)	112.39 (185.18)	230	37.36 (77.90)	32.81 (92.21)	3.39 (18.12)	
1988	8,039	923.28 (17.10)	732.59 (12.21)	97.55 (13.20)	353	70.59 (88.95)	63.50 (93.53)	8.17 (141.00)	

Source: Compiled from office records of the Bank.

- Notes: 1. Figures in brackets show per cent increase over the previous year.  
2. Underlined figures in brackets show per cent decrease over the previous year.



TABLE 4.12 Comparative Percentage Statement (with 1985 as the base) of Loans and Advances to Priority Sector made by Maratha Bank

Year ending 30th June	Loans and Advances to Priority Sector				Finance to Small Business Enterprises out of the Loans and Advances to Priority Sector			
	Number of a/cs.	Amount advanced	Amount outstanding	Amount overdue	Number of a/cs.	Amount advanced	Amount outstanding	Amount overdue
1985	100	100	100	100	3.37	2.11	2.36	1.92
1986	150.67	152.92	160.98	135.38	2.51	5.20	5.16	7.28
1987	306.41	298.33	317.87	386.09	2.81	4.74	5.03	3.02
1988	311.43	349.36	356.68	355.11	4.25	7.65	8.67	8.38

Source: Compiled from Table 4.11.

TABLE 4.13 Statement showing Loans and Advances to Priority Sector  
by Kolhapur Urban Bank.

Year ending 30th June	Loans and Advances to Priority Sector			Finance to Small Business Enterprises out of the Loans and Advances to Priority Sector			(Rs. in Lakhs)	
	Number of a/cs.	Amount advanced	Amount outstanding	Amount overdue	Number of a/cs.	Amount advanced	Amount outstanding	Amount overdue
1985	5,340	334.57	223.70	14.24	1,113	52.47	36.06	2.84
1986	5,632	391.65 (17.06)	284.77 (27.30)	16.52 (16.01)	89	23.36 (55.48)	17.85 (50.50)	0.29 (89.79)
1987	6,043	547.61 (39.82)	403.92 (41.84)	18.81 (13.86)	179	55.48 (137.50)	43.41 (143.19)	0.12 (58.62)
1988	6,818	680.13 (24.20)	511.49 (26.63)	22.32 (18.66)	199	70.47 (27.01)	55.61 (28.10)	0.39 (225.00)

Source: Compiled from office records of the Bank.

- Notes: 1. Figures in brackets show per cent increase over the previous year.  
2. Underlined figures in brackets show per cent decrease over the previous year.



TABLE 4.14 Comparative Percentage State (with 1985 as the base) of Loans and Advances to Priority Sector by Kolhapur Urban Bank.

Year ending 30th June	Loans and Advances to Priority Sector			Finance to Small Business Enterprises out of the Loans and Advances to Priority Sector		
	Number of a/cs.	Amount advanced	Amount outstanding	Number of a/cs.	Amount advanced	Amount outstanding overdue
1985	100	100	100	21.22	15.68	19.94
1986	105.47	117.06	127.30	1.58	5.96	1.76
1987	113.16	163.68	180.56	2.96	10.13	0.64
1988	127.68	203.28	228.65	2.92	10.36	1.75

Source: Compiled from Table 4.13.

TABLE 4.15 Statement showing Loans and Advances to Priority Sector by Janata Bank

Year ending 30th June	Loans and Advances to Priority Sector				Finance to Small Business Enterprises out of the Loans and Advances to Priority Sector			
	Number of a/cs.	Amount advanced	Amount outstanding	Amount overdue	Number of a/cs.	Amount advanced	Amount outstanding	Amount overdue
1985	1,777	182.32	153.89	49.42	223	16.74	14.18	6.39
1986	2,317	281.71 (54.51)	238.46 (54.95)	33.65 (31.91)	291	46.30 (176.58)	98.00 (591.11)	5.84 (8.61)
1987	3,058	438.38 (55.61)	357.13 (49.77)	72.52 (115.51)	298	108.39 134.10	90.03 (8.13)	13.43 (129.97)
1988	3,255	568.19 (29.61)	503.14 (40.88)	62.02 (14.47)	447	155.80 (43.74)	137.60 (52.84)	15.78 (17.50)

Source: Compiled from office records of the Bank.

- Notes: 1. Figures in brackets show per cent increase over the previous year.  
2. Underlined figures in brackets show per cent decrease over the previous year.

TABLE 4.16 Comparative Percentage Statement (with 1985 as the base) of Loans and Advances by Janata Bank.

Year ending 30th June	Loans and Advances to Priority Sector				Finance to Small Business Enterprises out of the Loans and Advances to Priority Sector			
	Number of a/cs.	Amount advanced	Amount outstanding	Amount overdue	Number of a/cs.	Amount advanced	Amount outstanding	Amount overdue
1985	100	100	100	100	12.55	9.18	9.21	12.93
1986	130.39	154	154.95	68.09	12.56	16.44	41.09	17.36
1987	172.09	240.45	232.07	146.74	9.74	24.73	25.21	18.52
1988	183.17	311.64	326.95	125.49	13.73	27.42	27.35	25.44

Source: Compiled from Table No. 4.15.

Part II of this Chapter discusses the legal, operational and other difficulties encountered by the selected Banks.

**PART II : Legal, Operational and other Difficulties  
encountered by the Selected Banks:**

The difficulties encountered by the selected urban co-operative Banks may be stated as below:-

**1) Legal Difficulties.**

Under Section 17(2)(bb) of the Reserve Bank of India Act, concessional refinance for working capital at 2.5% below the Bank rate is available only to the scheduled Banks. Most of the urban co-operative Banks are not scheduled Banks. None of the selected four Banks is a scheduled Bank. If such non-scheduled urban co-operative Banks intend to obtain refinance made available from the Reserve Bank of India, they must approach the Reserve Bank of India only through the Maharashtra State Co-operative Bank Limited (MSC Bank), Bombay. This pushes up the interest rate for the urban co-operative Banks by 2%, i.e. equivalent to the MSC Bank's margin.

Refinance from the Industrial Development Bank of India (IDBI) can be available for financing machinery. This is a term-loan. In the case of this refinance also, the above mentioned problem of approaching the IDBI through the MSC Bank.

**2) Operational Difficulties.**

Normally the industrial units - of whatever size are found to approach the State Bank of India and other nationalised as well as non-nationalised commercial Banks. This is so because of the

factors like tradition, the expertise developed by the State Bank of India and other commercial Banks, and the urban co-operative Banks' orientation towards "saving the poor from the clutches of moneylenders". Traditionally, it is found that the State Bank of India and other nationalised as well as non-nationalised commercial Banks have been catering to the needs of the industrial sector. These Banks have developed an expertise in the field of industrial finance. They have appointed professionals in charge of industrial finance. Over the years, these Banks have started their own Merchant Banking Divisions which are specialised in advising industrial units in the matters of raising of funds. This has increased the strength of these Banks in the field of industrial finance. The urban co-operative Banks are too weak to compete with the State Bank of India and other commercial Banks as far as industrial finance is concerned. Firstly, the urban co-operative Banks' capital base is not strong. Secondly, these Banks do not have separate section of industrial finance. Thirdly, they do not have professional and competent staff. Fourthly, in the case of commercial Bank, the loan sanctioning power usually vests with <sup>the</sup> manager of the concerned branch. In the case of an urban co-operative Banks, the loan proposals have to be put up before the Board for sanction.

Consequently, the urban co-operative Banks (particularly, in cities like Kolhapur), cannot finance the industrial sector substantially. Some small and tiny units may approach the urban co-operative Banks for financial assistance and the Banks oblige them by granting credit facility.

3) Other Difficulties.

Most of the industrial units in Kolhapur area are small and tiny units. They are, moreover, job-oriented. Their problems in the field of production, marketing and finance are different from the normal problems. These units depend on the large industrial units in Pune, Bombay, etc. for the jobs to be completed. If the urban co-operative Banks want to finance them, the Banks must study the special problems of these industrial units first.

The above mentioned difficulties put the urban co-operative Banks in a vulnerable position in the field of industrial finance.