

CHAPTER - IV

**ANALYSIS AND INTERPRETATION
OF DATA PRESENTED**

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This Chapter contains analysis and interpretation of the data presented in Chapter III. As the data presentation is done in four parts, the analysis and interpretation would also be done in equal number of parts.

4.1 Progress of Laxmi Bank:

Table 3.1 gives the key figures for Laxmi Bank for the nineteen years' period of its existence upto 30th June 1990. Growth in respect of the important areas can be presented thus:

<u>Item</u>	<u>1972 Figure</u>	<u>1990 Figure</u>	<u>Growth</u>		
			<u>Absolute Figures</u>	<u>Percentage</u>	<u>Avg. Annual Percentage</u>
1. Number of members	1600	6,500	4900	306.25	17.01
2. Share capital (Rs.in lakhs)	1.16	9.64	7.98	731.03	40.61
3. Reserves & Surplus (Rs.in lakhs)	0.02	21.42	21.40	107000.00	5944.44
4. Deposits (Rs.in lakhs)	0.22	276.00	275.78	125354.00	6964.11
5. Loans and advances (Rs.in lakhs)	0.26	192.10	191.84	73784.62	4099.15

Laxmi Bank has, thus, made a good progress, particularly in respect of mobilizing deposits and giving loans and advances. Laxmi Bank has also built up its reserves

and surpluses on a substantial scale. This must have been possible because of the improved profitability after the initial set-back for the first three years. Progress in respect of number of members, however, does not look to be satisfactory. One more thing must be noted at this stage and that is Laxmi Bank has its offices at Sangli (head office), Shantiniketan Extension Counter, Miraj (branch office) and Islampur (branch office). Laxmi Bank's area of operation is entire Sangli District.

4.2 Position of Outstanding Loans:

Urban cooperative banks in India have to follow the RBI guidelines in respect of the lendings to priority sector. These guidelines were initially issued in September 1983 and modified in June 1987. Accordingly, an urban cooperative bank must issue 60 percent of its total loans and advances to the priority sector; 25 percent of which (or 15 percent of the total loans and advances) must be advanced to the weaker section.

Outstanding loans and advances of Laxmi Bank, as of 30th September 1989, have been mainly classified into (i) Priority Sector Advances, and (ii) Other Advances. Priority Sector Advances accounted for about 72 percent of the total loans and advances outstanding as on 30.9.1989. The remaining 28 percent advances were non-priority sector advances. Thus,

Laxmi Bank has followed the RBI guidelines in respect of the Priority Sector Advances.

The researcher has further classified the Priority Sector Advances into (i) productive-purpose advances, and (ii) non-productive purpose advances. The loan purposes classified are:

i. Productive Purpose Advances:

1. Agriculture and allied activities
2. Small-scale industries
3. Trading activities
4. Cottage industries
5. Self-employment.

ii. Non-productive Purpose Advances:

1. Vehicle purchase
2. Education
3. House construction
4. Domestic.

Vehicle purchase might be grouped with other productive-purpose advances. However, this is grouped with non-productive purpose advances after taking into account the fact that almost all the persons who had taken loans for vehicle purchase had been using the vehicle purchased out of loans taken for their personal use only.

The analysis of Productive Purpose and Non-Productive Purpose Advances is as follows:

<u>Purpose</u>	<u>Number of Accounts</u>	<u>Percentage to total</u>	<u>Amount outstanding Rs.in lakhs</u>	<u>Percentage to total</u>
- Productive- Purposes	871	58.73	80.83	64.18
- Non-Productive Purposes	<u>612</u>	<u>41.27</u>	<u>45.10</u>	<u>35.82</u>
Total	1483	100.00	125.94	100.00

4.3 Analysis of the Sample Data:

As explained earlier, the sample consists of 100 borrowing-members. Interviews were conducted and the schedules got filled in in case of the sample. The data so collected from the sample was expected to throw light on the Bank's efforts in the direction of economic and social welfare of the woman-members in particular and the women at large, in general.

It is found that Laxmi Bank has tried to help its woman-members improve their economic status. Out of 100 members, 57 members had been given loans for productive purposes and 43 members had been given loans for non-productive purposes. A further break-up of these two broad categories is as shown on the following page.

It is evident from the break-up that out of 32 members who took loans for 'agricultural and allied activities', 23 members had taken loan for the purchase of cow/buffaloes,

<u>Productive Purposes</u>		<u>Non-productive Purposes</u>	
Purpose	Number of Members (out of sample)	Purpose	Number of Members (out of sample)
- Agriculture and allied activities	32	- Vehicle purchase	3
- Trading	5	- Education	2
- Small scale industry	2	- House construction	35
- Cottage industries	4	- Domestic	3
- Self-employment	14		
Total	57	Total	43

4 members had taken loan for purchase and sale of fish and like items, 4 for poultry and 1 for dairy.

Fourteen members who had taken loan under the Bank's "Self-employment Loan Scheme" include those who had taken loan for the purchase and sale of vegetables, laundry, bangle-shop, running a boarding, etc.

Findings relating to economic and social welfare of women:

(1) Religion/Caste:

The break-up of the sample on the basis of religion/caste is as follows:

<u>Religion/Caste</u>	<u>Number of Respondents</u>
Maratha	56
Brahmin	5
Lingayat	7
Jain	2
B.C.	8
O.B.C.	7
SC/NT/ST	5
Muslim	9
Christian	<u>1</u>
<u>Total</u>	100

Respondents from B.C. plus O.B.C. plus SC/NT/ST numbered 20, which means 20 percent of the sample really belonged to the weaker section in the community on the religion/ caste basis. Except the respondents who were either Brahmin or Jain (who can be treated as 'higher-up' people on the basis of religion/caste), the remaining respondents (93) could also be treated as the persons who needed help from a Bank for their economic and social welfare.

2. Monthly Income:

Classification of the sample on the basis of monthly income is as follows:

<u>Income-group</u>	<u>Number of Respondent</u>	<u>Cumulative Total</u>
Upto Rs.750	21	21
Rs.751 to 1500	29	50
Rs.1501 to 2250	21	71
Rs.2251 to 3000	13	84
Rs.3001 and above	16	-
Total	100	100

Twentyone respondents fall in the income-group 'upto Rs.750 per month' could be taken to be 'very poor', while the next 29 respondents in the income group 'between Rs.751 to 1500 per month' could be taken to be 'poor'. Laxmi Bank was trying to help 'poor' and 'very poor' women and the combined percentage of these two categories in the sample was 50.

Out of the 16 respondents in the category of 'above Rs.3001 per month', 11 members had taken loan for 'non-productive purposes'.

3. Education:

Following position was obtained in respect of the sample with regard to the educational background:

<u>Educational background</u>	<u>Number of Respondents</u>
Illiterate	33 } 74
Primary	41 }
Matriculation	20
Graduation	4
Post-graduation	2
Total	100

It is noteworthy that Laxmi Bank had helped 33 percent of its members who were illiterate. Another 41 percent of the sample had only primary education to their credit. That means, 74 percent of the respondents had, at the most, primary education to their credit.

4. Economic and social development:

Nintysix respondents gave answer in the affirmative to a question whether Laxmi Bank could help them in their economic and social development. Only 4 woman-members gave negative answer. This was probably because these four members had failed in pursuit of their development activity. For example, a woman tried to do vegetable trading and failed. Two members stated that the cows purchased out of loan died soon after they were purchased.

5. Marital status and dependence on others:

The sample data on the marital status was as follows:

<u>Marital Status</u>	<u>Number of Respondents</u>
Married	89
Widow	10
Divorcee	1
Total	100

The respondents' reply to the question whether they were dependent on others (male members) for their livelihood is summarized below:

<u>Response</u>	<u>Number of Respondents</u>
Yes	73
No	27
Total	100

6. Participation/Involvement in any Organization:

Participation/involvement in any economic/social organization was found to be poor. This was not unnatural against the background of the respondents' educational background or their income-groups or their dependence on the male-members in the family. Only 19 out of the sample of 100 said that they participated in the activities of one or another organization. The researcher did not pursue the matter by probing further into the aspects like the type of participation, amount of time spent, etc.

OVERALL ASSESSMENT

Laxmi Bank is an urban cooperative bank run mainly for the woman-members. Its bye-laws are not different from the bye-laws of any other urban cooperative bank. Economic welfare is possible with the help from a bank like Laxmi Bank. Social welfare is, really speaking, outside the scope of an urban cooperative bank (including Laxmi Bank). But social welfare of a person/group of persons is normally taken care of after his/her economic welfare is

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achieved to a certain extent. Secondly, social welfare may be thought of as an objective for an urban cooperative bank run only for women.

Laxmi Bank has tried to elevate the economic status of its woman-members by inculcating in them habit of thrift and giving them loans. Given a particular social background, the achievements of Laxmi Bank in this behalf can be said to be noteworthy.

Laxmi Bank could have done better work in this behalf had it encouraged formation of groups/societies/associations engaged in some gainful activity. For example, Lijjat Papad gives gainful employment to a number of needy women. An individual woman may be very weak, but in a group, she may become a powerful member. This type of work would have to be innovative in the field of urban cooperative banking.

4.4 Other activities, actions and programmes undertaken by Laxmi Bank:

Laxmi Bank has totally failed in paying attention to any activity, action or programme that would raise the economic and social status of women in general and its woman-members, in particular.
