

## CHAPTER - IV

### ANALYSIS AND INTERPRETATION OF SAMPLE SURVEY

- 4:1 Introduction
- 4:2 Sample size
- 4:3 Analysis and Interpretation of data
- 4:4 Difficulties of Borrowers

#### 4.1 INTRODUCTION

In the following paragraph it is described that the financing policy of the Kolhapur Maratha Bank Ltd., to small scale industrial units and its impact on the borrowers. For that purpose sample size of borrowers are taken into consideration. And this data analysed and interpreted and found out the difficulties of the borrowers. This data collected from sample size of borrowers by interview schedule (This interview schedule is attached at the end of chapter). The analysis and interpretation of the data as follows.

#### 4.2 SAMPLE SIZE

For the purposes of sample survey, totally 231 borrowers financed during the last 5 years i.e. from 1980-81 to 1984-85, out of which 10 percent of them i.e. 25 borrowers were selected for the purpose of interview.

The table No. 4:1 shows the industrywise classification of the sample units.

Table No.4,1

Sr. No.	Industry-wise classification	Sample units.	Percentage
1.	Printing Press	4	16
2.	Book-binding	1	4
3.	Chemical Industry	1	4
4.	Oil Crushing Mills	2	8
5.	Bekaries	2	8
6.	Leather Goods & Leather Production	2	8
7.	Engineering Industries	13	52
Total		25	100

The Kolhapur Maratha Co-operative Bank has made diversified financing can be observed by the Table No.4.1. The table shows the financing to 25 sample units. The Bank has financed to 7 types of industries and out of which 4 printing press, book-binding and chemical industry every one each, oil crushing mills, leather goods and leather productions, bekarries, every two each and the Bank seems to be in much favour of engineering industries as it has financed 13 units; out of total 25 sample units.

The analysis and interpretation is reviewed as under :

1. Table showing the classification of Respondents according to their age group

Table No.4.2

Age Group (in years)	No. of Respondents	Percentage
20-25	2	8
25-30	5	20
30-35	14	56
35-40	4	16
Total	25	100

Table shows that -

- 1) 8% of the respondents belonging to 20-25 years age group.
- 2) 20% of the respondents belonging to 25-30 years age group.
- 3) 56% of the respondents belonging to 30-35 years age group.
- 4) 16% of the respondents belonging to 35-40 years age group.

Conclusion : Most of the respondents (i.e. 56%) belonging to age group of 30-35 years.

#### 4.3 ANALYSIS AND INTERPRETATION OF DATA.

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Conclusion : Most of the respondents (i.e. 56%) belonging to age group of 30-35 years.

iii. Table showing the classification of respondents according to educational level.

Table No.4.4

Education	No. of Respondents	Percentage
Primary	2	8
Secondary	12	48
Higher	2	8
Graduation	7	28
Technical	2	8
Total	25	100

The table indicates that -

- 1) 8% of the respondents had primary education.
- 2) 48% of the respondents had secondary education.
- 3) 28% of the respondents had Graduate education.
- 4) 8% of the respondents had technical education.

From the above interpretation we can conclude that most of the respondents (i.e. 48%) are secondary educated.

iv. Table showing the classification of respondents according to caste

Table No.4.5

Caste	No. of Respondents	Percentage
Maratha	18	72
Jain	2	8
Teli	1	4
Mali	-	-
Srishan	-	-
Backward Caste	4	16
Scheduled Caste	-	-
Total	25	100

The table indicates that -

- 1) 72% of the respondents are Marathas
- 2) 8% of the respondents are Jain
- 3) 4% of the respondents are Teli
- 4) 16% of the respondents are from backward caste.

From these findings we can conclude that the Bank had sanctioned most of its loans to General Castes and few to backward castes. But it could not give preference to scheduled castes.

## v. Table showing the Employment opportunities.

Table No.4.6

Industrywise classification	Units	Skill- ed	Unski- illed	Total incre- ased	Percen- tage
1. Printing Press	4	6	12	18	9.42 %
2. Book-binding	1	1	1	2	<del>37.17</del> 1.04 %
3. Chemical Industry	1	22	49	71	37.18 %
4. Oil crushing Mills	2	2	6	8	4.63 %
5. Bakeries	2	-	5	5	2.63 %
6. Leather goods & Leather products	2	1	4	5	2.63 %
7. Engineering industries	13	34	48	82	42.93
Total	25	66	125	191	100

The table No.4.6 shows that the total increase of 191 employment opportunities in the sample units.

The highest opportunities are generated by chemical industry, followed by engineering industries claiming shares of 71 and 82 opportunities respectively.

It is found that the 125 unskilled employment opportunities in the sample units and 66 skilled were created during the period under study.



vi. Table showing the factory premises.

Table 4.7

Type of Factory Premises	No. of Respondents	Percentage
Shed	16	64
Buildings	9	36
Total	25	100

This table shows that -

- 1) 64% of the respondents have used shed for their industrial units.
- 2) 36% of the respondents have used building for their industrial units.

16 respondents are used shed for industrial units.

From the above table we can conclude that the majority of the respondents (i.e. 64%) have used sheds for their industrial units, because huge amount is blocked to construction of the building.

vii. Table showing the factory premises according to ownership rights

*Table No. 4'8*

Type of Premises	No. of Respondents	Percentage
Own	9	36
Lease	1	4
Rented	15	60
Total	25	100

The table indicates that -

- 1) 36% of the respondents having their own premises.
- 2) 4% of the respondents were having leased premises.
- 3) 60% of the respondents were having the rented premises

We can conclude from the above table that majority (i.e. 60%) of the respondents had their premises on rented basis. It is found that according to interview schedule many of the industrial unit holders prepared to have rented than own or leased, to prevent excess investment in fixed capital.

viii. Table showing the rate of interest on borrowings.

Table No.4.9

Rate of Interest	No. of Respondents	Percentage
Reasonable	3	12
Not-reasonable	22	88
Total	25	100

The table indicates that -

- 1) 12% of the respondents thought that the rate of interest is reasonable.
- 2) 88% of the respondents thought that the rate of interest is not reasonable.

Most of the respondents thought that the rate of interest is more, as an average, the Bank has charged 15% of interest per annum on the loans advanced by it. The borrowers want it to reduce upto 10%. Monthly instalments fixed by the Bank is difficult to pay by borrowers, because they have not sufficient amount to pay in time regularly instalments and interest.

## ix. Table showing the securitywise loans

Table No.4.10

Security	No. of Respondents	Percentage
Personal	5	20
Assets	20	80
Total	25	100

The table shows that -

- 1) 20% of the respondents given security of personal guarantee.
- 2) 80% of the respondents have given security of Assets.

The above table clearly shows that the 20 respondents have given security of assets for loans. Out of the total units i.e. 25.

We can conclude from the above table that most of the respondents are given assets as security to borrow the loans from the bank and very few respondents have given personal security.

- x. Table showing the classification of views of the respondents regarding the loan application form.

Table No. 4.11

Views of Respondents	No. of Respondents	Percentage
Easy	5	20
Complicated	17	68
Irrelevant	3	12
Total	25	100

The table indicates that -

- 1) 20% of the respondents feel that the loan application form is Easy.
- 2) 68% of the respondents feels that the loan application is complicated.
- 3) 12% of the respondents feel that the loan application form is irrelevant.

68% of the borrowers feel that the loan application form is complicated and they fill-up it with the help of other persons. So we can conclude that the present form of application for loans is complicated and it is to be made easy.

- xi. Table showing the period-wise classification of sample units financed by the Kolhapur Maratha Bank.

Table No. XX 4.12

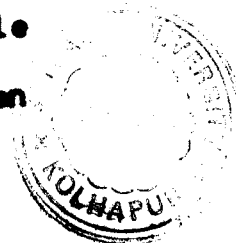
Period	No. of Respondents	Percentage
1 - 3 years	-	-
3 - 5 years	16	64
5 - 7 years	3	12
7 - 10 years	6	24
Above 10 years	-	-
Total	25	100

From this table we can interpret that -

- 1) 64% of the respondents belonging to 3-5 years period.
- 2) 12% of the respondents belonging to 5-7 years period.
- 3) 24% of the respondents belonging to 7-10 years period.

It is clear that the Bank has been financing for the medium and long term requirements of small entrepreneurs. The Table 4.12 shows that the 16 units out of a total of 25 sample units are financed for a period ranging between 3 and 5 years. Out of the total units only 3 units have been advanced loans for a period between 5 and 7 years. And 6 units have been advanced loans for a period between 7 and 10 years.

The Bank has not advanced to even a single unit for the period less than 3 years, and more than



10 years. Table No.4.12 clearly shows that the highest loans financed by the Bank for the period between 3 and 5 years and number of entrepreneurs is 16-

By observing the above table, the bank had advanced more loans for medium term only.

xii. Table shows the types of establishments surveyed.

Table No.4.13

Type of Establishment	No. of Respondents	Percentage
Sole Proprietorship	23	92
Partnership	2	8
Total	25	100

In sole proprietorship only one persons is involved in the ownership and control of a business. Under partnership two or more people are involved in the ownership and control of a business. The most common type of establishment in the engineering industries is that of sole proprietorship, out of 25 units surveyed, 23 units belonged to sole-proprietorship form of business organisation accounting to 92% of the total.

Two units belonged to partnership type of business organisation accounting for 8% of the total

units surveyed.

The sole proprietorship form of establishment is the most common one leads to conclude that the arrangement of self-employment in favour of engineering and printing press, bakeries, leather goods and oil mills holds true here. It is also disheartening to know that the partnerships are not the popular form of establishment for advancing the loans.

#### 4.4 DIFFICULTIES OF BORROWERS

While sample survey was conducted the respondents realised the difficulties of the borrowers which are given below :

##### 1. Difficulties in Obtaining Documents

The Bank requires a sufficient number of different documents and certificates from various offices. The borrowers are required to obtain documents from particular authority offices, and enclose them with loan application form. But it is difficult to obtain number of documents from the concerned office within the stipulated time, it is first difficulty of the borrowers, about the obtaining documents.

##### 2. Loan Sanction

The Bank sanctions the loan about 50% of the borrowers demand. Hence it is difficult to the borrowers,



because they cannot get adequate amount for the business expansion and also do not get advances for working capital requirements of the borrowers. But borrowers get advances from the other financial institutions (commercial banks etc.) after the establishment of the industrial units.

### 3. Period of Repayment

The repayment schedule shall be fixed depending upon the repaying capacity of the unit, some of the borrowers are not in a position to repay the instalments. So the bank has to determine the loan repayment schedule in consultation with the borrowers. Some of the borrowers are unable to make repayments as per schedule for one or the other reason. Few borrowers not exactly earned as capacity anticipated under the circumstances.

### 4. Rate of Interest

22 respondents thought that the rate of interest is more, under the scheme of loans and advances, the rate of interest is 15% per annum, the respondents want it to be reduced upto 10% per annum. It is necessary for the respondent to pay the instalments for every month. But the bank charges the interest on instalments once in six months. It is difficult to the respondents to pay the instalments and interest.