

- C H A P T E R - I V -

DEPOSIT MOBILISATION OF THE AJARA BANK (HEAD OFFICE) AND
JANATA BANK (H/O)

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CHAPTER - IVDEPOSIT MOBILISATION OF THE AJARA BANK AND JANATA BANK
(HEAD OFFICE ONLY) :4.1 INTRODUCTION :

'Deposit' according to the Oxford Dictionary means, Lay down in a place, store or entrust for keeping. This in general terms means, that the monies deposited in a bank are known as bank deposits.¹ Deposit mobilisation is one of the main functions of the UCBS. All other activities of the UCBS are chiefly depend upon deposits. The two UCBS under study are located in rural area. They mobilise the small saving of the people, which otherwise would have remained, idle. During the period 1982 to 1986, nearly three fourth working capital of the two banks under study is made up of deposits. They gather deposits from rural pockets

and cater to the needs of working capital requirements of business or industrial units. They also provide productive as well as consumption loans, to their members. Being the 'deposits' is the main source of the working capital of the UCBS, they encourage the people to save more with them. The banks accept deposits from their members and also from non-members.

4.2 TYPES OF DEPOSITS :

There are two types of deposits namely Demand Deposits and Time Deposits. Demand deposits generally consist of current deposits and saving deposits. Demand deposits are those deposits which may be withdrawn by the depositor at

any time without previous notice to the bank. Thus bank cannot easily use such deposits for long-term lending purpose. It depends upon frequency of withdrawal of demand deposits. The banks allow low rate of interest on demand deposits. Demand deposits are shown under demand liabilities of the bank. Demand liabilities include current deposits and portion of saving deposits. Time deposits are deposited with the bank for a certain period of time. Banks can invest profitably such deposits for long term lending purpose as these deposits are repayable on certain period. Therefore the banks allow more rate of interest keeping in view RBI guidelines on the fixed deposits. Fixed deposits include Employment provident fund deposits, staff security Deposits, Recurring deposits, cash certificates, call deposits require notice of more than 14 days provident deposits, other miscellaneous deposits like earnest money deposits of contractors etc.

Fixed deposits are shown under Time liabilities of the bank. The following table 4.1 shows various types of deposits of the bank and interest rate thereon applicable from 4.4.4.4.1988.

TABLE NO. 4.1

Sr.No.	Types of deposits	Rate of Interest from 4.4.88
<u>A.(A) Demand Deposits</u>		
1.	Current deposits	0.5%
2.	Savings deposits	6%
<u>B. Time Deposits</u>		
1.	15 days to 45 days	4%

Sr.No.	Type of Deposits	Rate of Interest from 4.4.'88
2.	46 days to 90 days	5%
3.	91 days to 1 year	9%
4.	1 year to 2 years	10%
5.	Above 2 years	11%
6.	Dam Didpat, Duppat, Aditchpat, Tippat.	11%
7.	Pigmi deposits or Dhanalaxmi deposits for one year for 2 years for 3 years & 4 years for 5 years.	5% 6% 7% 8%
8.	Recurring deposits or Dhanvardhini deposits.	11%
9.	Shramsidhi deposit scheme, Bhagyodaya cash certificates, Amrut Kumbha deposits.	11%
10.	Non-Residential Deposits above 5 years	13%

(Source - Pamphlets of the Ajara Urban Co-op. Bank and Janata Sahakari Bank Ltd., Ajara)

Table No. 4.1 shows the types of deposits and rate of interest thereon. It shows that the UCBS allow 0.5% interest ^{on} current deposit accounts. Interest is allowed on saving deposits at 6% on the minimum balance held during a month. Interest allowed on fixed deposits is higher than that allowed on other deposits. All changes in interest rates of deposits applicable to commercial banks and RRBS, are applicable to Co-op. banks. The primary Urban Co-op Banks may

however at their descretion, allow additional interest on all term and saving deposits (other than FCNR and NRE Accounts) up to 1% over and above the prescribed rates.² Therefore at present the UCBS allow maximum rate of interest i.e. 11% on the fixed deposits;

4.2.1 CURRENT DEPOSITS :

A current account is a running account which is continuously in operation.³ A depositor is allowed to deposit or withdraw an amount from his current account at any number of times during the banking hours. Traders, businessmen, partnership firms, Private Ltd. Co, professionals etc. who need liquid funds, use to keep deposits under current account. Banks allow overdraft facility on current account. As the current deposits are repayable on demand the banks cannot use them for advancing loans, thus banks allow only 0.5% interest on current deposits.

Table No. 4.2 shows the position of outstanding current deposits of the two banks (410 only) from 1982 to 1986.

Current deposits of the Ajara bank (H/O) are increased from Rs. 7,000 in 1981-82 to Rs. 57,000 in 1985-86, showing an annual average increase of Rs. 12,500 from 1983 to 1986. The researcher observed that the trend of increase in current deposits is nearly constant in the year 1982 to 1985 but it shows sharp increase in 1986. The current account raised from 9 in 1982 to 59 in 1986. It means the current accounts are raised by 6.55 times during the period under study. The table further reveals that the percentage of current deposits in total deposits of H/O of the Ajara bank stood 0.32% as on

T A B L E 4.2

SHOWING CURRENT DEPOSITS OF THE TWO BANKS (H/O) ONLY FROM 30/6/1982 to 30/6/1986.

Amount in Thousands.

Sr. No.	Y E A R	T H E A J A R A B A N K (H/O)					J A N A T A B A N K (H/O)							
		Current Deposits	Rs.	Increase	Total Deposits	% with total Deposits	Working Capital	% with Working Capital	Current Deposits	Increase	Total Deposits	% with Total Deposits	Working Capital	% with working Capital
		A/C	Rs.	Rs.	Rs.	%	Rs.	%	A/C	Rs.	Rs.	%	Rs.	%
1.	1982	9	07	-	11,835	0.05	22,588	0.03	36	14	-	0.29	8,900	0.15
2.	1983	13	07	-	12,550	0.05	28,292	0.02	34	23	09	0.38	10,982	0.20
3.	1984	18	09	02	14,162	0.06	35,455	0.02	40	13	10	0.17	13,658	0.09
4.	1985	57	09	-	15,928	0.05	45,282	0.01	45	55	42	0.61	16,140	0.34
5.	1986	59	57	48	17,807	0.32	59,290	0.09	48	58	12	0.33	18,646	0.20
6.	Average													
	Increase	-	-	12.5	-	-	-	-	-	-	6.00	-	-	-
7.	Average %	-	-	-	-	0.10	-	0.03	-	-	-	0.35	-	0.19

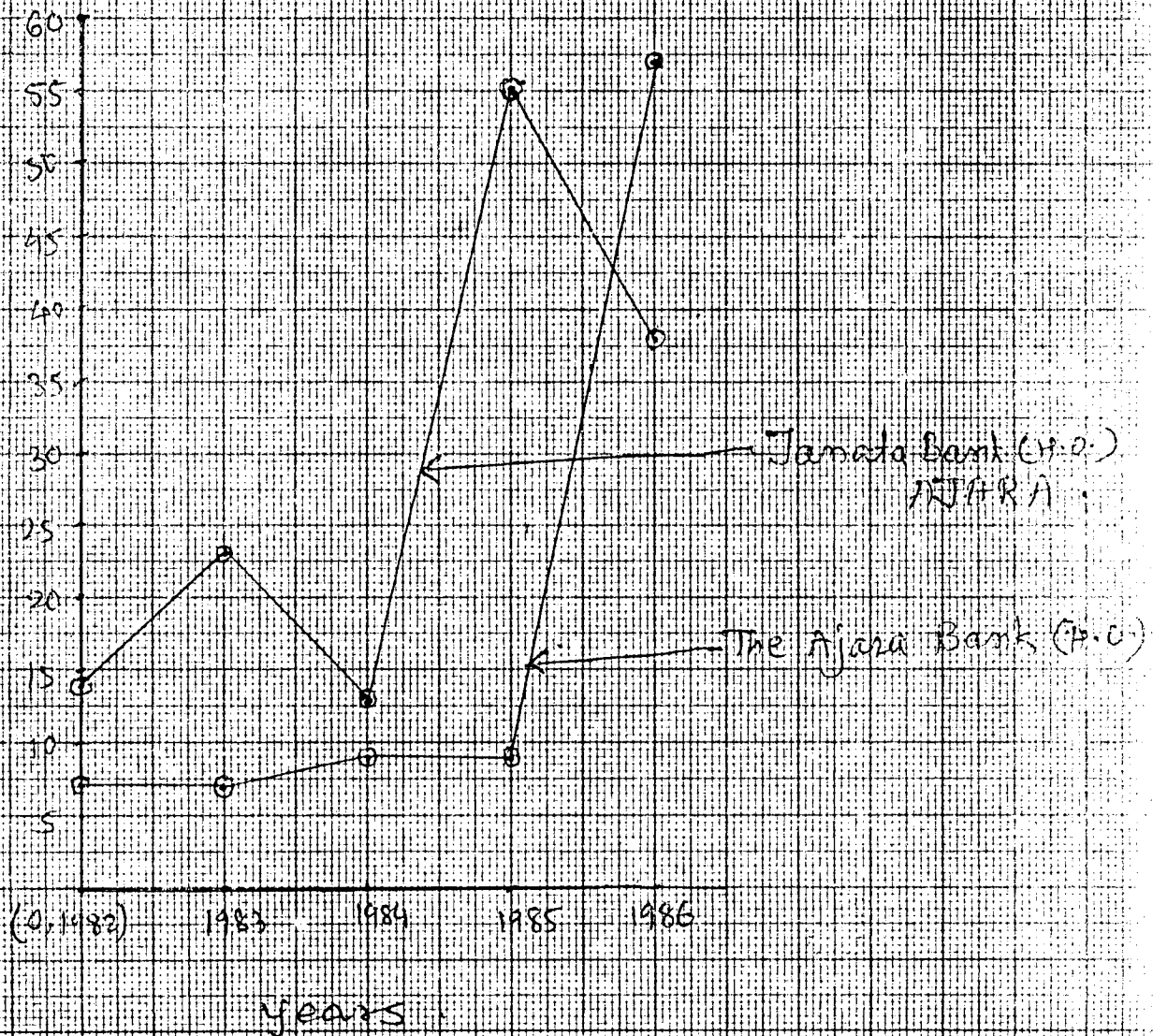
(Source- Annual Reports of the two banks).

Graph showing Current deposits of the Ajara bank and Janata bank (Ajara) from 1982 to 1986. Scale:

On x-axis - years

On y-axis - 1 cm = 5 thousand Rs.

current deposits (in thousands, rupees)



30.6.1986 as against 0.05% as on 30.6.1982. As well as the percentage of current deposits in the working capital of the bank also increased from 0.03% in 1981-82 to 0.09% in 1985-86.

The current deposits outstanding of the Janata bank (H/O) are increased from Rs. 14,000 in 1982 to Rs. 23,000 in 1983, they decreased to Rs. 13,000 in 1984 but again increased to Rs. 55,000 in 1985 and decreased to Rs. 38,000 in 1986. It shows ups and downs in the current deposits of the Janata bank (H/O). The current accounts raised continuously from 36 in 1982 to 48 in 1986. The table further reveals that an average annual growth rate of the ~~current~~ deposits from 1983 to 1986 was Rs. 6,000. The average annual percentage of current deposits with total deposits was 0.35% and the average annual percentage of current deposits with working capital of the bank was 0.19%.

While comparing the current deposits outstanding of the two banks (H/o) during the period under study the researcher observed that the growth of current deposits of the Ajara bank (H/o) is more than that of the Janata bank (H/o), In discussion with the bank authorities, the resercher has found the reason behind this, that most of the customers of the Ajara bank head office are belong to trade, commerce industry and residentials of the Ajara town. Further it reveals that the customers of the both banks are belong to village area. There are no adequate market facilities and being a village area, Ajara town is less-developed in respect

of trade, commerce and industry. There are only two weekly bazars held in all taluka. Therefore there are some limitations to increase current accounts of both the banks.

4.2.2 SAVINGS DEPOSIT :

Savings bank deposits are maintained by the banks to promote thrift among the members and non-members. The savings bank deposit account holders can deposit their money, cheques, drafts, postal orders etc. at many times during the banking hours but there are some limitations on withdrawals of the amount. Banks allow the depositors to withdraw weekly once or twice. Account holders of savings deposits can enjoy the cheque facilities, provided that a minimum balance of Rs. 100 is required to be maintained. But the overdraft facility is not available on the savings account. Generally the account-holders withdraw the amount from saving account by using withdrawal slip and required to maintain a balance only of Rs. 5/-.

Savings deposit is a form of demand deposits. However it is a midway between current account repayable on demand and fixed accounts repayable after a designated period and could very well be called temporary deposit accounts. While breaking up them the RBI actually treats 50% as demand liabilities and 50% as time liabilities.⁴ In practice, demand liabilities portion of saving deposits and portion of savings deposits to be included in time liabilities is found out by the equation prescribed by RBI. As the banks can use the portion of saving account for lending purpose, the banks allow 6% interest on them.

T A B L E 4.3

SHOWING SAVINGS DEPOSITS OF THE TWO BANKS (H/O ONLY) FROM 30/6/1982 to 30/6/1986.

Amounts in lakhs.

Sr. No.	Y E A R	T H E A J A R A B A N K (H/O)					J A N A T A B A N K (H/O)					% to work Capital			
		Savings Deposits	Increase	Total Deposits	%with total Deposits	Working Capital	A/C	Savings Deposits	Increase	Total Deposits	% to total Deposits		Working Capital		
		Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.			
1.	30/6/82	4,285	21.96	-	118.35	18.55	225.88	9.72	3,283	11.21	-	47.84	23.43	89.00	12.59
2.	30/6/83	4,560	19.52	-2.44	125.50	15.55	282.92	6.89	3,635	14.04	2.83	59.96	23.41	109.82	12.78
3.	30/6/84	4,865	24.14	4.62	141.62	17.04	354.55	6.80	5,080	18.35	4.31	74.48	24.63	138.58	13.43
4.	30/6/85	5,133	25.04	0.90	159.28	15.72	452.82	5.52	5,510	19.71	1.36	88.84	22.18	161.40	12.21
5.	30/6/86	5,823	31.95	6.91	178.07	17.94	592.90	5.38	6,375	24.36	4.65	112.21	21.70	186.46	13.06
6.	Average Increase	-	-	2.49	-	-	-	-	-	-	3.28	-	-	-	-
7.	Average	-	-	-	-	16.96%	-	6.86 %	-	-	-	-	23.07 %	-	12.81 %

(Source- Annual Reports of the two banks).

Graph No. 4.2
 Graph showing Savings deposits of the Ajara bank (H/o) and Janata bank (H/o) Ajara, from 1982 to 1986.

On x-axis: years

On y-axis: 1 cm =

= 2.5 lakhs Rs.

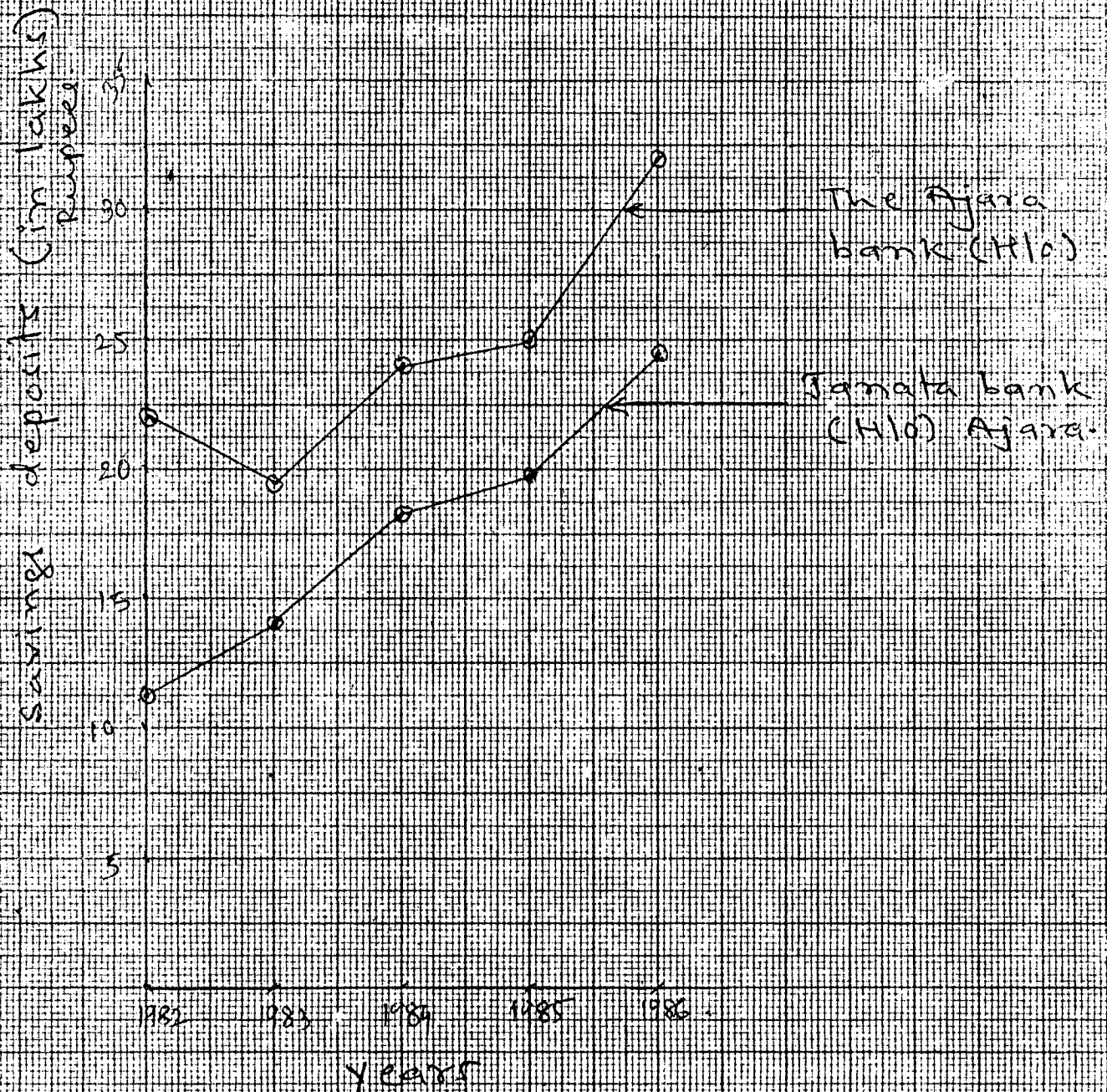


Table No. 4.3 indicates the outstanding savings deposits of the two banks (H/o) from 1981-82 to 1985-86.

The savings deposits of the Ajara bank (H/o) increased from Rs. 21.96 lakhs in 1982 to Rs. 31.95 lakhs in 1986, showing an annual average increase from 1983 to 1986 at Rs. 2.49 lakhs. There was a decrease in saving deposits in 1982-83 by Rs. 2.44 lakhs; but after that these deposits are continuously increased. Savings accounts are raised from 4285 in 1981-82 to 5823 in 1985-86, showing an increase by 1.35 times. The percentage of savings deposits with the total deposits which was 18.55% in 1981-82, decreased to 19.94% in 1985-86. As well as the percentage of savings deposits to working capital was also reduced from 9.72% in 1982 to 5.38% in 1986.

The savings bank deposits of the Janata bank (H/o) which were Rs. 11.21 lakhs in 1981-82, increased to Rs. 24.36 lakhs in 1985-86, showing an annual average growth rate from 1983 to 1986 at Rs. 3.28 lakhs. The saving accounts also rose from 3283 as on 30.6.1982 to 6375 as on 30.6.1986, showing an increase by 1.94 times. The trend in increase of saving deposits of the Janata bank (H/o) was constant. The average percentage of savings deposits to total deposits during the five years period under study was 23.07% and the average percentage of savings deposits with the working capital of the bank was 12.81%.

While comparing the savings deposits of the two banks (H/o), it is clear that, though the amount of saving deposits of the Ajara bank (H/o) is more than that of the Janata bank

(H/o) the rate of growth in savings deposits of the Janata bank is more. During the period under study the saving bank deposits of the Janata bank are raised by 2.17 times, as against 1.45 times, that of the Ajara bank. The share of savings deposits of the Janata bank in total deposits in working capital is also comparatively more. The researcher has found the reason behind this that the most of the customers of the Janata bank (H/o) are from nearest villages of Ajara town and confined to low-income group.

4.2.3 TIME DEPOSITS :

Time deposits or term deposits are deposited with the bank for a certain period of time. Deposits kept for the period from 15 days to 180 days are called short term time deposits and deposits for the period from one year and above are called long-term time deposits. These deposits are more suitable to develop the saving habits of the people. As per the contract between the banker and the customer the customer is not permitted to withdraw the amount from fixed time deposits before the date of maturity. The banker can invest freely the amount in long term lending or other activities and earn income. Therefore the bank allows more rate of interest on time deposits. Time deposits can be divided into fixed deposits and other types of term deposits. Term deposits consist of Recurring deposits, Dam didpat, Damduppat, Dam aditchpat, Dam Tippat, Shramsidhi Deposit scheme, Amrut Kumbha Deposit scheme, pigmi deposits etc.

4.2.3. FIXED DEPOSITS :

Under the fixed deposit accounts, the depositors keep

the amount for fixed period. Banks issue a fixed deposit receipt or a deposit book to the depositor instead of a pass book. On the date of maturity the entire amount plus interest will be paid to the depositor only on production of the fixed deposit receipt or a deposit book. The rate of interest is variable on the basis of period of the deposit. The deposits kept for less than 2 years are given rate of interest up to 10% depending upon period of time. The deposits kept for more than 2 years are paid 11% rate of interest. If the depositor is in need of money to meet emergency, he can get a loan on his fixed deposits. But if a depositor wants to withdraw the amount before maturity date, he loses some interest.

Table No.4.4. shows the fixed deposits of the two banks (H/o) under study from 1981-82 to 1985-86.

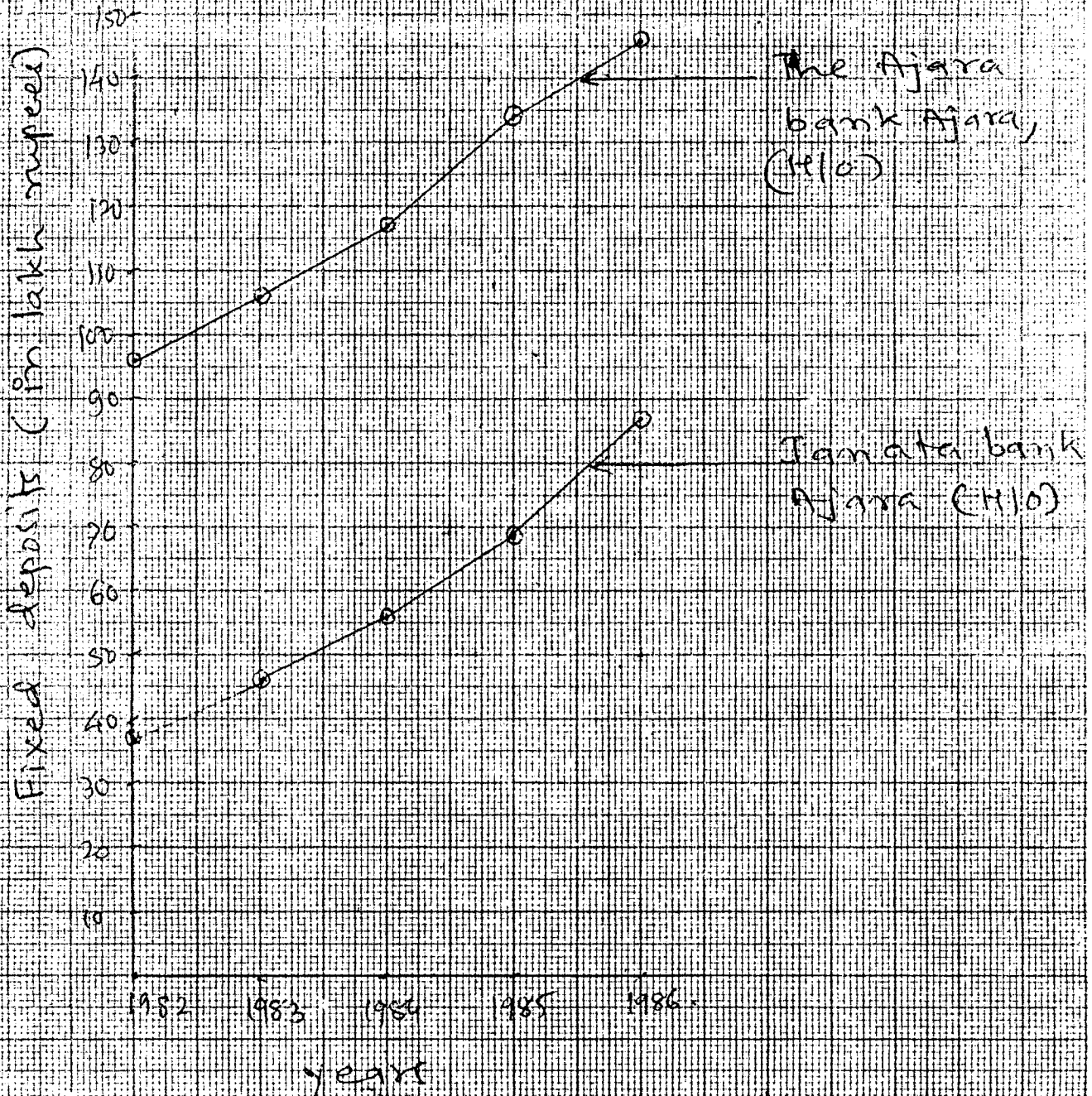
The fixed deposits outstanding of the Ajara bank (H/o) which were Rs. 96 lakhs ^{as} on 30.6.1982, increased to Rs. 146 lakhs by 30.6.1986, showing an increase by 1.52 times. The average annual growth rate percentage during the period (from 1983 to 1986) under study was 11.06%. The fixed deposit accounts of the bank which stood at 2452 on 30.6.1982 increased to about 3900 by 30.6.1986, showing on 1.59 times increase. The share of fixed deposits in to the total deposit of the bank stood at an average 82.83% and the share in working capital stood at an average 33.41%. A good progress in the fixed deposits indicated that the bank has captured the faith of the public. More percentage of fixed deposits in total deposits is a good sign of stability.

Graph showing Fixed deposits of the Ajara bank (H/o) and Janata Bank (H/o), Ajara, from 1982 to 1986.

Scale:

On x-axis: 2cm = 1 year.

On y-axis: 1cm = 10 lakhs Rs.



The fixed deposits of the Janata bank increased from Rs. 37 lacs as on 30.6.1982 to Rs. 87 lacs as on 30.6.1986, showing an increase by 2.35 times. The average annual growth rate from 1983 to 1986 was 23.83%. The fixed deposit accounts which stood at 1267 as on 30.6.82, increase to 3750 at 1267 as on 30.6.82, increased to 3750 by 30.6.86 showing an increase by 2.95 times. The percentage of fixed deposits to total deposits of the bank slightly increased from 77.08% in 1982 to 77.67% in 1986. The share of fixed deposits in working capital of the bank shows an increase from 41.57% in 1982 to 46.77% in 1986. After scrutiny of the fixed deposits the researcher found that the fixed deposits are increased continuously during the period under study and bank has captured the public confidence.

While comparing the outstanding fixed deposit of the two bank the researcher has found that though the fixed deposits of the Ajara bank (H/o) are more in quantity than that of the Janata bank (H/o), the growth rate of fixed deposits of the Janata bank is sightly more. Both the banks have succeeded to attract more fixed deposits from the public and gained a good faith.

4.2.4 RECURRING DEPOSITS :

To attract the deposits from the persons who have some regular income like salaried persons, small traders, and housewives etc. recurring or cumulative time deposits are started by the banks. Here the customer is required to save regularly. The depositors keep monthly Rs. 5 or 10 and in its multiple or an agreed amount for an agreed period upto 5 years.

On the due date the depositor will get an amount of maturity e.g. If a depositor save Rs. 10/- for every month at the end of one year he will get Rs. 126.70. The depositor is given a recurring pass book by the bank, which he is required to bring each time at the time of paying each instalment. In the case of urgent need of money, the depositor can get a loan on the security of his recurring deposits to the extent of 80 to 85% of the balance in his recurring account. If a depositor wants to withdraw the recurring deposit before a stipulated date/period, the bank will penalise him by allowing low rate of interest equal to savings deposit i.e. 6%. Recurring deposits become a part of time liabilities of the bank.

Table No.4.5 indicates the outstanding recurring deposits of the two banks (H/o) only, from 30.6.1982 to 30.6.1986.

The outstanding recurring deposits of the Ajara bank (H/o), increased from Rs. 0.98 lakhs in 1981-82, to Rs. 1.53 lakhs in 1985-86, showing an increase by 1.56 times. These deposits are raised continuously. The average annual growth rate from 1983 to 1986 of the recurring deposits of the Ajara bank was 12.01% . The recurring deposit accounts which stood at 125 as on 30.6.1982, continuously increased to 156 by 30.6.1985 and decreased to 143 by 30.6.1986. The researcher found that recurring deposits of the Ajara bank increased during 1982 to 1986. The average percentage of recurring deposits to total deposits and working capital during the period under study was 0.81% and 0.33% respectively.

T A B L E 4.5

SHOWING RECURRING DEPOSITS OF THE TWO BANKS (H/O ONLY) FROM 30/6/1982 to 30/6/1986.

Sr. No.	Y E A R	T H E A J A R A B A N K (H/O)										J A N A T A B A N K (H/O)										Amount in lakhs.	
		Recurring Deposits	Increase	Total Deposits	% to total Deposits	Working Capital	% to Working Capital	% to Working Capital	A/C	Rs.	%	Recurring Deposits	Increase	Total Deposits	% to t-total Deposits	Working Capital	% to Working Capital	Rs.	%	Rs.	%		
		A/C	Rs.																				
1.	1981-82	125	0.98	-	118.35	0.82	225.88	0.43	185	0.67	-	47.84	-	1.40	89	0.75							
2.	1982-83	140	1.02	4.08	125.50	0.81	282.92	0.36	200	0.96	43.28	59.96	1.60	109.82	0.87								
3.	1983-84	169	1.09	6.86	141.62	0.77	354.55	0.31	240	1.26	31.25	74.48	1.69	136.58	0.92								
4.	1984-85	156	1.34	22.93	159.28	0.84	452.82	0.30	285	1.65	30.95	88.84	1.85	161.40	1.02								
5.	1985-86	143	1.53	14.17	178.07	0.85	592.90	0.25	315	1.92	16.36	112.21	1.71	186.46	1.02								
6.	Average Annual Growth rate	-	-	12.01 %	-	-	-	-	-	-	30.46 %	-	-	-	-	-	-	-	-	-	-	-	-
7.	Average %	-	-	-	-	0.81 %	-	0.33	-	-	-	-	-	3.30 %	-	-	-	-	-	-	-	0.91 %	-

(Source - Annual Reports of the two banks .)

GRAPH No. 4.4.

Graph showing Recurring deposits of the Ajara bank (H/O) and Tanata bank (H/O) Ajara, from 1982 to 1986.

Scale:

On x-axis: 2cm = 1 year

On y-axis: 1cm = 20 thousand Rs.

Recurring deposits (in thousand Rs.)

200
180
160
140
120
100
80
60
40
20

1982

1983

1984

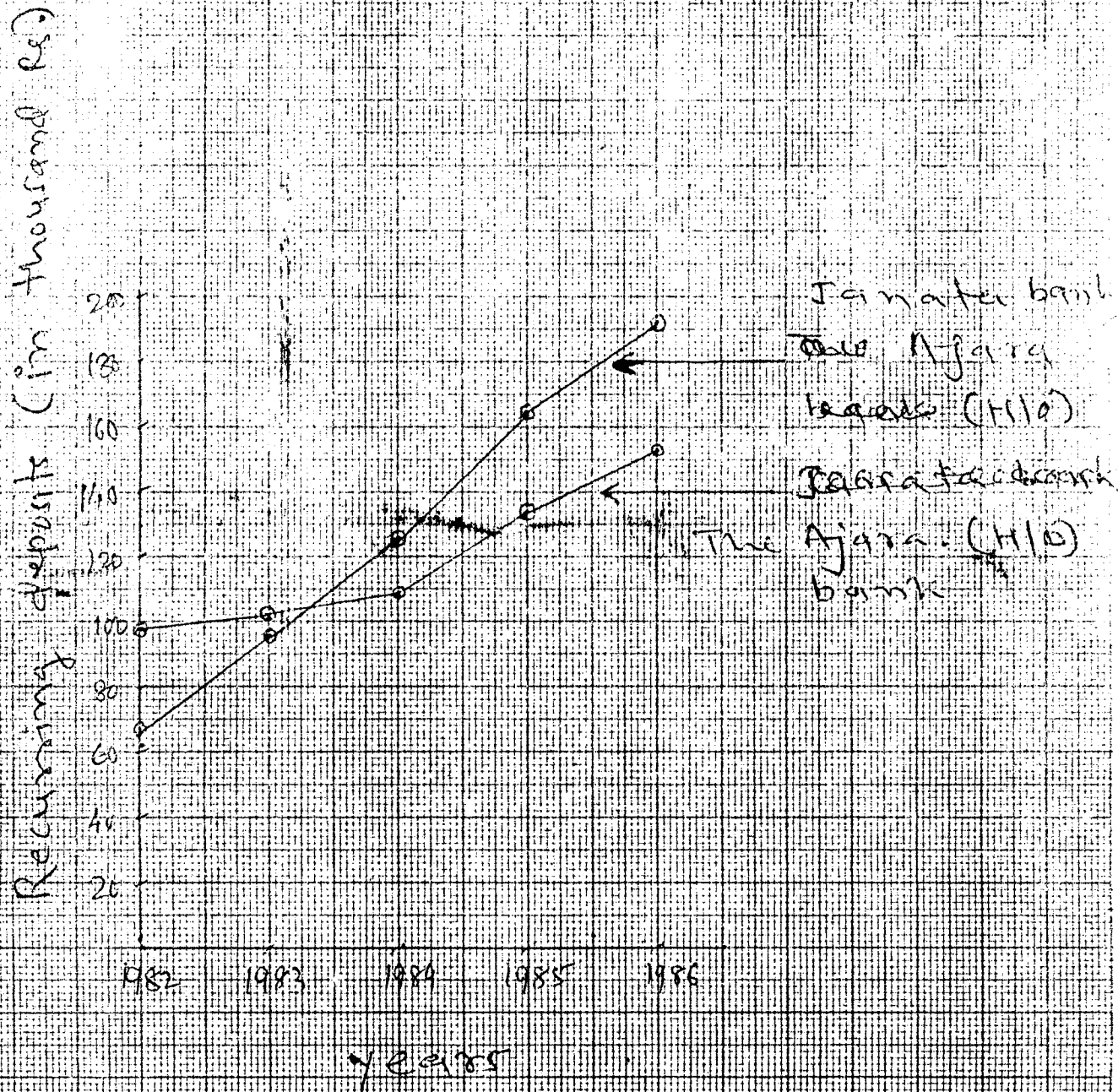
1985

1986

years

Tanata bank
The Ajara
bank (H/O)

The Ajara
bank (H/O)



The recurring deposits outstanding of the Janata bank (H/o) are sharply raised during the period under study. They are raised from Rs. 0.67 lacs in 1981-82 to Rs. 1.92 lacks in 1985-86, showing an increase by 2.86 times. The average annual growth rate from 1983 to 1986 of recurring deposits of the Janata bank (H/o) was at 30.46%. The recurring deposit accounts which stood at 185 in 1982, increased to 315 in 1986, showing an increase by 1.70 times. The average percentage of recurring deposits to total deposit and working capital, during the period under study was 3.30% and 0.91% respectively.

From the above analysis it reveals that the growth rate of recurring deposits of the Janata bank (H/o) is more than that of the Ajara Urban bank (H/o). The researcher found in discussion with the bank authorities that the officials of the Janata bank (H/o) visited the various offices in Ajara town e.g. Tahsildar office B.D.O. office, Shetkari Sahakari Kharedi vikri Sangh Ltd., various schools and requested the salary earners to open the recurring deposit accounts with the bank. Therefore the Janata bank is succeeded in attracting such types of deposits from the public.

4.2.5 DAM DUPPAT ETC DEPOSITS :

This deposit is useful and suitable to the farmers, illiterates etc. Here the customer is to maintain an amount of deposit with the bank for a certain period of time and after that the bank will pay the double amount of the initial deposit. e.g. The initial amount is .. say Rs. 100, maintained with the bank, after 45 months ($3\frac{3}{4}$ year) the bank will pay Rs. 150.

While after 76 months ($6\frac{1}{3}$ year) it will pay the double amount i.e. Rs. 200 and after 102 months ($8\frac{1}{2}$ years) the depositor will get Rs. 250. These types of deposits are named as dam didpat, dam duppat, dam Aditchpat respectively. These are shown under time liabilities of the bank.

The table No. 4.6 shows dam duppat deposits including dam didpat, dam aditchpat, dam tippat deposits of the two banks (H/o) under study from 30.6.1982 to 30.6.1986.

The dam duppat etc. deposits of the Ajara bank (H/o) increased from Rs. 34.74 lacs in 1981-82 to Rs. 70.38 lacs in 1985-86, showing an increase by two times. The average annual growth rate from 1983 to 1986 of dam duppat etc. deposits of this bank was 19.39%. The average percentage of the dam duppat etc. deposits to total deposits and working capital during five years under study was 35.45% and 14.11% respectively. The dam duppat deposit accounts of this bank rose from 1267 in 1981-82 to 1986 in 1985-86, showing an increase by 1.56 times. The researcher found that the dam duppat etc. deposits of the Ajara bank (H/o) are increased continuously during the period under study.

The dam duppat etc. deposits of the Janata bank (H/o) which stood at Rs. 9.85 lacs in 1981-82, increased sharply to Rs. 41.32 lakhs in 1985-86, showing an increase by 4.19 times. An average annual growth rate of dam duppat deposits of the Janata bank (H/o) during the year from 1983 to 1986 was 43.40%. The dam duppat etc. deposit accounts of this bank rose from 344 in 1981-82 to 782 in 1985-86, showing an increase by 2.27

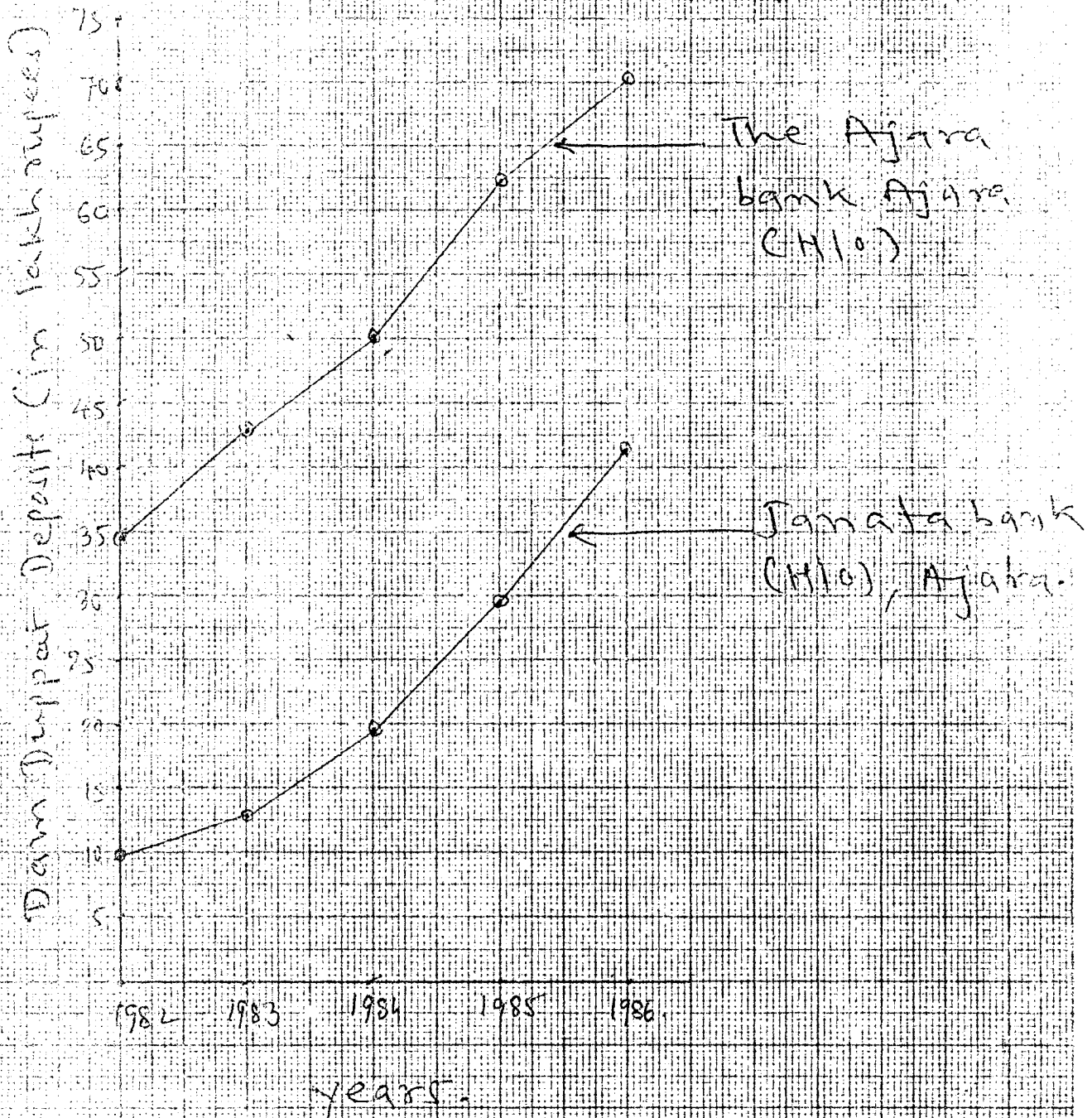
T A B L E 4.6

SHOWING DAM DUPPAT ETC. DEPOSITS OF THE TWO BANKS (H/O) FROM 30/6/1982 to 30/6/1986.

Sr. No.	Y E A R	A J A R A B A N K					J A N A T A B A N K					Amount in lakhs.			
		Dam Duppat Deposits A/cs. Rs.	In-crease %	Total deposit Rs.	% - deposit	work- ing capi- tal Rs.	% to working capital	Dam Duppat Deposits A/cs. Rs.	In-crease	Total deposits Rs.	% to total deposits	Work- ing capi- tal Rs.	% to working capital		
1)	1981-82	1267	34.74	-	118.35	29.35	225.88	15.36	344	9.85	-	47.84	20.58	89	11.06
2)	1982-83	1401	42.86	23.37	125.50	34.15	282.92	15.15	408	12.83	30.25	59.96	21.39	109.82	11.68
3)	1983-84	1467	50.15	17.00	141.62	35.41	354.55	14.14	702	19.78	54.16	74.48	26.55	136.58	14.48
4)	1984-85	1767	62.34	24.30	159.28	39.13	452.82	13.77	750	29.51	49.19	88.84	33.21	161.40	18.28
5)	1985-86	1986	70.38	12.89	178.07	39.52	592.90	11.87	782	41.32	40.02	112.21	36.82	186.46	22.11
6)	Average Annual Growth Rate	-	-	19.39%	-	-	-	-	-	-	43.40	-	-	-	-
7)	Average %	-	-	-	-	35.45	-	14.11	-	-	-	-	27.71	-	15.57

(Source - Annual Reports and Records of the banks)

Graph showing Dam Duppat etc. scale:
 deposits of the Ajara bank (H10) and Jamata bank (H10) from 1982 to 1986.
 On x-axis: 2 cm = 1 year.
 On y-axis: 1 cm = 5 lakhs Rs.



times . The average percentage of dam duppat etc. deposits to total deposits and working capital during the five years period under study was 27.71% and 15.57% respectively. The researcher found that the dam duppat etc. deposits of the Janata bank (H/o) increased sharply and constantly during the period under study.

It will be seen from the above analysis that though the dam duppat deposits of the Ajara bank (H/o) are more than that of the Janata bank (H/o) in respect of quantity, the Janata bank has made qualitative growth. The Janata bank has raised its dam duppat deposits during the period under study by four times, as against two times increase that of the Ajara bank. The researcher found the reason behind increase in dam duppat deposits of the Janata bank (H/o) that the officials of the Janata bank identify the retiring persons from service at Bomaby whose native place is in Ajara tahsil, other probable depositors and request them to save with the bank. The personal relations of the officials and personal efforts of them also benefited the bank to improve the deposit mobilisation. The bank officials visit frequently to the villagers and persuade them to keep deposits in to the bank by explaining various schemes of deposits and their benefits.

4.2.6 PIGMI DEPOSITS :

Facility of pigmi deposits is intended to promote the habit of thrift among women, students, retailers and others. Under this scheme instead of going the depositors to the bank, the servant of the bank used to come door to door of the depositors to collect money. Initially, the Ajara bank

(H/o) had provided sealed homesafe or boxes having a slit on top to enable the depositors to put inside their small saving through that. At the end of the month the boxes were collected and opened. The amount saved into the boxes ^{was} credited to the respective deposit holder's account. This type of deposits are usually called homesafe deposits. This practice is discontinued by this bank and at present both the banks under study have same type of pigmy deposit scheme. In Ajara bank pigmy deposits are called Dhanalaxmi Deposit scheme.

In the present pigmy deposits scheme, the servant of the bank daily collect pigmy savings of the petty shop keepers, pan shops, women, students, retailers etc. The pigmy depositors are provided with a pass book and daily entry of deposited amount is passed. Pigmy deposit account can be opened by depositing from only one rupee. to Rs. 100/-. For the period of 1,2,3,4,5 years the bank allows interest on the deposited amount at the rate of 5%, 6%, 7%, 7%, 8% respectively. Generally one or two withdrawals in a week are allowed. In the case of emergency the depositor can take a loan against his pigmy deposits to the extent of 80 to 85% of the balance in his account. This scheme of deposit is very popular in the co-operative banking sector.

Table No.4.7 shows pigmy deposits outstanding of the two banks (H/o) under study from 30.6.1982 to 30.6.1986.

The pigmy deposits of the Ajara bank which were Rs. 2.89 lakhs in 1981-82, increased to Rs. 4.23 lakhs in 1982-83 again increased to Rs. 4.63 lakhs in 1983-84 but decreased to

T A B L E 4.7

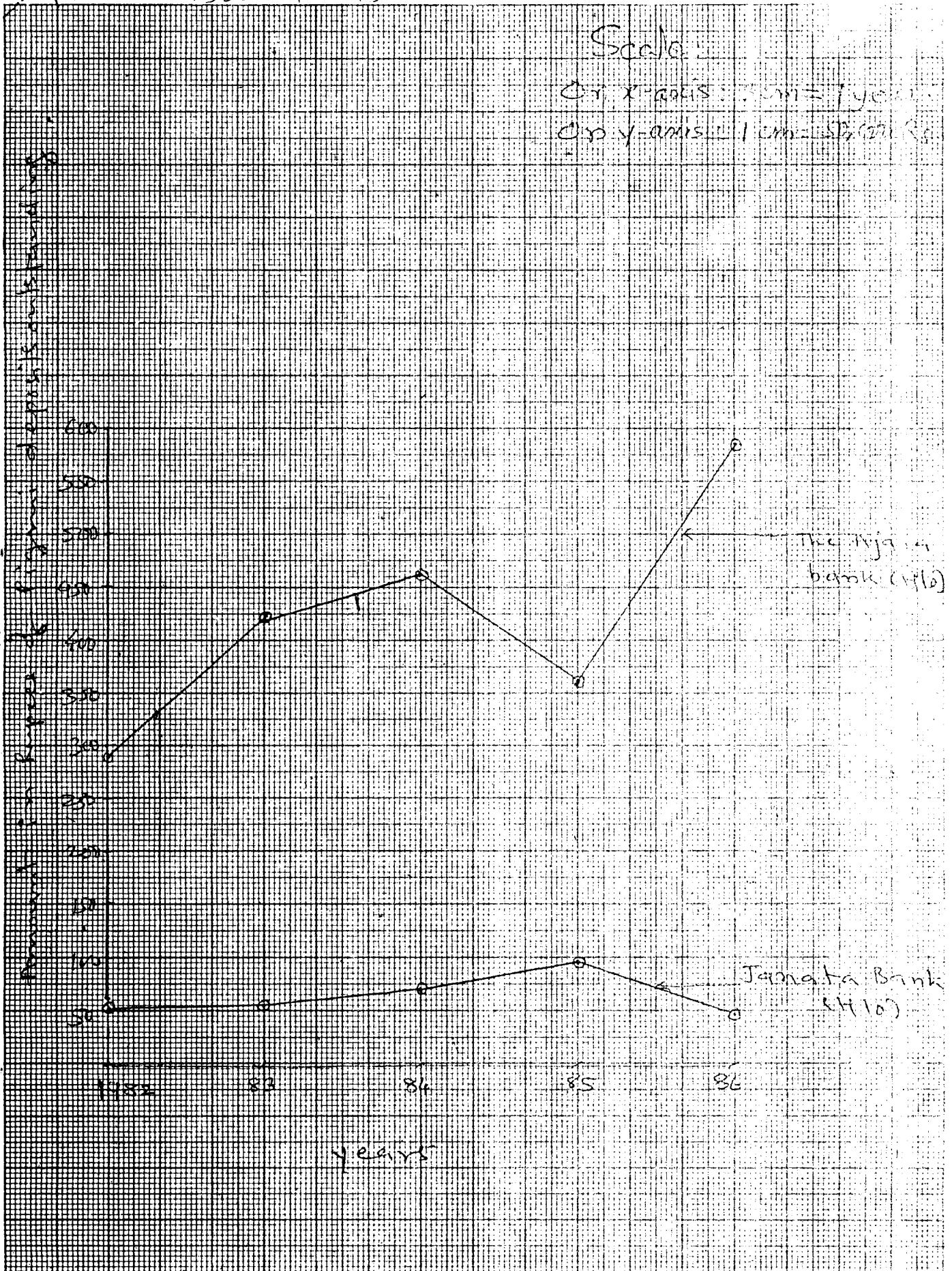
SHOWING PIGMI DEPOSITS OF THE TWO BANKS (H/O ONLY) FROM 30/6/1982 to 30/6/1986.

RS. in Lakhs

Sr. No.	Y E R S	T h e A l a r a B a n k (H/O)						F A N A T A B A N K (H/O)						R S. in Lakhs	
		Pigmi Deposits	Increase	Total Deposits	% to total Deposits	Working Capital	% to Working Capital	Pigmi Deposits	Increase	Total Deposits	% to total Deposits	Working Capital	% to Working Capital		
		A/C	Rs.	Rs.	%	Rs.	%	A/C	Rs.	Rs.	%	Rs.	%		
1.	1981-82	322	2.89	-	118.35	2.44	225.88	1.28	272	0.51	-	47.84	1.06	89	0.57
2.	1982-83	344	4.23	1.34	125.50	3.37	282.92	1.50	353	0.55	0.04	59.96	0.92	109.82	0.50
3.	1983-84	379	4.63	0.40	141.62	3.26	354.55	1.30	545	0.71	0.16	74.48	0.95	136.58	0.51
4.	1984-85	378	3.63	- 1.00	159.28	2.27	452.82	0.80	625	0.95	0.24	88.84	1.06	161.40	0.58
5.	1985-86	421	5.88	2.25	178.07	3.30	592.90	0.99	458	0.49	- 0.46	112.21	0.43	186.46	0.26
6.	Average Annual Growth Rate	-	-	0.74	-	-	-	-	-	-	- 0.20	-	-	-	-
7.	Average %	-	-	-	-	2.92	-	-	-	-	-	-	0.08	-	0.48

(Source - Official Records of the two banks)

Graph showing Pigma deposits of H/10 134
 Ajara bank (H/10) and Janata bank (H/10)
 from 1982 to 1986. GRAPH No. 4.6.



Rs. 3.63 lakhs in 1984-85 and increased to Rs. 5.88 lakhs in 1985-86. It shows that the pigmi deposits are doubled during the period under study. The average annual growth during the period from 1983 to 1986 was of Rs. 0.74 lakhs only. The average percentage of pigmi deposits to total deposits and working capital during the research period was 2.92% and 1.95% respectively.

The pigmi deposits of the Janata Bank (H/O) increased from Rs. 0.51 lakhs in 1981-82 to Rs. 0.95 lakhs in 1984-85 but sharply declined to Rs. 0.49 lakhs in 1985-86. The researcher found the reason behind reduction of pigmi deposits of the Janata bank is that, most of the customers of the Janata Bank are out of the Ajara town. The bank has failed to collect pigmi deposits as compared to other types of deposits due to the competition of Kolhapur district central co-op. Bank, branches of nationalised banks and newly established Urban Co-op. Societies in Ajara Town.

While comparing the pigmi deposits outstanding of the two banks (H/O), the researcher found that the progress made by Ajara Bank (H/O) in respect of pigmi deposits is good. - The Janata Bank is failed to mobilise pigmi deposits. The main cause behind the success of Ajara Bank (H/O) in improving pigmi deposits is this, that the Ajara Bank is supported by traders, retailers and businessmen in the Ajara Town. The helping hand of board of directors, employees also benefited the bank to improve these types of deposits.

4.2.7 OTHER TERM DEPOSITS :

Being a large proportion of working capital is raised by the way of deposits, the banks introduce new schemes of deposits to attract the depositors. The two banks (H/o) under study have tailored such types of deposit schemes, which will suit to the depositors of various types. e.g. the Ajara urban bank has introduced Bhagyodaya cash certificate scheme kuber deposits Amrut Kumbha deposits etc. while the Janata bank has started shram-siddhi Deposit scheme Laxadhish Deposit scheme etc.

Kuber deposits or Laxadhish deposit scheme of the Ajara bank (H/o) are increased from 4.01 lakhs in 1981-82 to Rs.7.08 lakhs in 1985-86. The kuber deposit accounts rose from 40 in 1982 to 476 in 1986. Under this scheme if a depositor keeps Rs. 100 with a bank, after 60 years the bank will pay one lakh rupees.

Laxadhish deposits of the Janata bank (H/o) increased from Rs- 880 in 1982 to Rs. 60,470 in 1986. The laxadhish deposit accounts rose from 5 in 1982 to 20 in 1986.

Comparing the kuber deposits of both the banks it will be seen that the Ajara bank (H/o) has attracted more deposits of this type than that of Janata bank (H/o). At present due to RBI policy the UCBS shall ordinarily accept time deposits for a period not exceeding 10 years.⁵ Therefore, term deposits will be accepted by the UCBS only for the period of 10 years.

The researcher observed that kuber deposits, shram-siddhi deposits are not mobilised satisfactory by the two

banks under study due to lack of effective publicity.

4.3 PROGRESS OF DEPOSITS OF THE TWO BANKS (H/O) :

Table No. 4.8 shows the position of total deposits of the two banks (H/o) under study from 1982 to 1986.

Total deposits of the Ajara bank (H/o) increased from Rs. 118.35 lakhs in 1982 to Rs. 159.30 lakhs in 1986, showing an increase by 1.34 times. The table further reveals that the savings and fixed deposits dominate

the deposit resources of the bank.

The share of savings deposits and fixed deposits in to the total deposits is at an average 16.40% and 82.40% respectively. Next come the current deposits. The average percentage of the total deposits to working capital is 40.37%. The percentage of total deposits to working capital shows downward trend, but the deposits of the bank are going up.

Total deposits of the Janata bank (H/o) increased from Rs. 47.84 lakhs in 1981-82 to Rs. 112.21 lakhs in 1985-86 showing an increase by 2.34 times. It will be seen that the savings deposits and fixed deposits are dominant in the total deposits of the bank. The share of saving deposits and fixed deposits in total deposits of the bank during the period under study is at an average 23.24% and 76% respectively but the current deposits are low. The percentage of total deposit to working capital of the bank during the period under research was at an average 55.61%. The percentage of total deposits to working capital of the bank is continuously increasing.

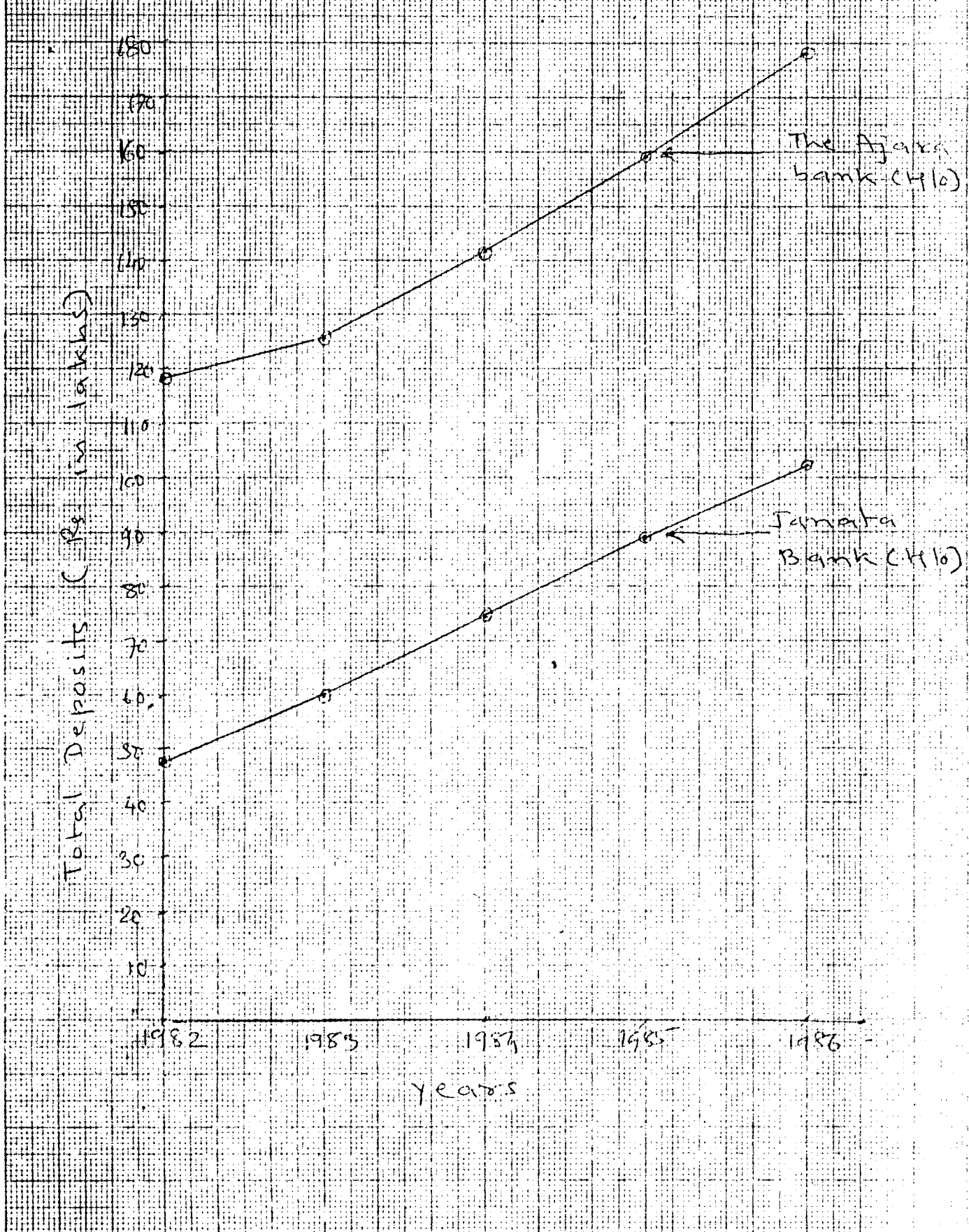
TABLE 4.8

SHOWING TOTAL DEPOSITS OF THE TWO BANKS (H/O) FROM 1981/82 to 1985/86.

Sr. No.	P A R T I C U L A R S	T H E A J A R A B A N K (H/O)						J A N A T A B A N K (H/O)				Rs. in lakhs.
		1982	1983	1984	1985	1986		1982	1983	1984	1985	1986
1.	Current Deposits	0.07 (0.05)	0.07 (0.05)	0.09 (0.06)	0.09 (0.05)	0.57 (0.32)		0.14 (0.29)	0.23 (0.38)	0.13 (0.17)	0.55 (0.61)	0.38 (0.33)
2.	Savings Deposits	21.96 (18.55)	19.52 (15.50)	24.14 (17.04)	25.04 (15.71)	31.95 (17.94)		11.20 (13.71)	14.03 (23.62)	18.34 (24.83)	19.71 (22.39)	24.36 (21.67)
3.	Fixed Deposits	96.32 (81.40)	105.90 (84.45)	117.39 (82.90)	134.17 (84.34)	145.56 (81.74)		36.50 (76)	45.70 (76)	56.01 (75)	68.58 (77)	87.47 (78)
TOTAL DEPOSITS :		118.35	125.49	141.62	159.30	178.08		47.84	59.96	74.48	88.84	112.21
4.	Working Capital	225.88	282.92	354.55	452.82	592.90		89.00	109.82	136.58	161.40	186.46
5.	% of Total Deposits to working Capital	(52.39)	44.35	39.94	35.17	30.03		53.75	54.59	54.53	55.04	60.17
6.	Average % of total Deposits to working Capital				40.37 %						55.61 %	

(Complied from Annual Report of the banks and banks record.)

Graph showing Total Deposits available of the two banks (H/o)
 from 1982 to 1986 Scale: 1) On x-axis: 3cm = 1 year
 2) On y-axis: 1cm = 10 Lakhs



While comparing the total deposits of the two banks (H/o) during the period under study the researcher found that the total deposits of both the banks are increased. Both banks are enabled to tap resources in the form of deposits. The Ajara bank and Janata bank both try to mobilise deposits by various ways. Main strategy of these banks is a publicity of various deposit scheme through pamphlets wall-boards in town, advertisement at theaters, hand bills and personal talk. The Ajara bank head office holds bank staff competition to collect the deposits. Each year this competition holds during the fortnight from 14th Nov. to 30th Nov. The staff member who collects more fresh deposits from new customers during this fortnight, will be announced as a winner. According to the discussion with manager of the bank at present this scheme fetches above Rs. 20 lakhs as an deposits of various types. Another thing is this that the local leadership, directors and managers with their staff also help personally to attract the deposits. The banks fix targets of deposit mobilisation each year and steps are taken to fulfil it. Moreover the competition from nationalised banks, urban co-op. societies etc. is also not the factor of less- important.

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