

**A STUDY OF COMPARATIVE ANALYSIS OF
AGRICULTURAL LOAN & FARMERS FEEDBACK WITH
REFERENCE TO SHREE BHAUSAHEB THORAT
AMRUTVAHINI CO-OPERATIVE BANK GHULEWADI,
SANGAMNER**

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ABSTRACT

Rural indebtedness is an age-old problem in India. In the nineteenth century, commercial banking was non-existent in rural areas, and farmers were completely in the hands of usurious moneylenders. Starting from the days of British rule, the central government has been striving to expand institutional lending to the rural agricultural sector. In recent decades, efforts in this direction have intensified and today, there is a vast network of institutions providing credit for agriculture. One of the first steps taken by the Government of India towards addressing the problem was the establishment of co-operative credit societies. The Co-operative Credit Societies Act (1904) was passed to provide cheap and cost-effective financial services to farmers and attempts were made thereafter to widen the co-operative movement. The MacLagan Committee (1915) and the Royal Commission of Agriculture in India (1928) focused on the expansion of co-operatives in the country. The RBI Act, 1934, made provisions to establish an Agriculture Credit Department in the bank and extend refinancing facilities to the co-operative credit system. However, there was a slowdown in the co-operative movement in subsequent years, as a large number of co-operative institutions were found to be saddled with the problem of frozen assets, because of heavy over dues in repayment.

Keywords: Rural indebtedness, Commercial Banking, Co-operative Credit Societies, Agriculture Credit Department

INTRODUCTION:

The RBI commissioned the All India Rural Credit Survey in 1951 to understand the situation at the grassroots level and address concerns regarding the financing of the rural sector. The committee recommended the creation of an efficient system of agricultural finance and the development of a sound co-operative credit structure. They suggested increasing the share of co-operatives and advised that at least one member of each household should be a member of a co-operative institution. When the State Bank of India was created in July 1955, extending banking services to rural and semi-urban areas was made one of its objectives. Until 1966, co-operatives were viewed as the main instrument for extending agricultural credit. The All-India Rural Credit Review Committee (1969) recommended the adoption of a "multi-agency approach" towards agriculture and rural credit and commercial banks were expected to complement the efforts of co-operatives to enhance the quantum of credit in the rural economy. The nationalization of commercial banks in 1969 made it possible for government to become more proactive on expanding credit to agriculture. In the same year, the concept of a 'lead bank' was introduced by the Reserve Bank of India; each bank was expected to concentrate on a specific geographical area to increase the;

1 Anwarul Hoda is Chair Professor of ICRIER's Trade Policy and WTO Research Programmed

2 Perna Terway is Research Assistant at ICRIER2flow of credit to agriculture and to promote overall development in rural areas within its area of operation.

OBJECTIVES:

- 1) To study various aspects of agricultural loan, to carry out comparative analysis of agricultural loan.
- 2) To study farmers feedback with reference to Shree Bhausaheb Thorat Amrutvahini Co-operative Bank, Ghulewadi, Sangamner.

SCOPE:

Farm finance has become an important input due to the advent of capital intensive agricultural technologies. Farmers require capital in order to enhance the productivities of various farm resources. Indian agriculture, in general, is characterized by low and uncertain returns. In order to break the vicious cycle of low returns → low savings → low investment → low returns, provision of external finance to farmers becomes inevitable.

LIMITATIONS:

The area chosen to do the research study is, "Amrutvahini Co-op Bank Ghulewadi, Sangamner" with the help of secondary data & farmers feedback these comparative analysis was done. This study aims to address the issue of Agricultural loan from Shree Bhausaheb Thorat Amrutvahini Co-operative Bank Ghulewadi, Sangamner with the help of systematic research.

REVIEW OF LITERATURE:

According to **Haris Manzoor** (2014). Comparative Study of Agricultural Lending of Commercial and Cooperative Banks in Jammu and Kashmir According to Anwarul Hoda & Perna Terway, (2015) rural indebtedness and dependence on private moneylenders is an age-old problem in India. For more than 100 years now, the Central Government and the Reserve Bank of India have been making efforts to enhance institutional credit in rural areas particularly to assist in agricultural operations. It began with the enactment of the Co-operative Credit Societies Act (1904) but efforts were redoubled after the nationalization of Scheduled Commercial Banks in 1969. The aim of this paper is to evaluate the measures taken over the years and assess the extent to which they have been successful. It attempts to answer the question, "Is the agenda of expansion of institutional finance to agriculture unfinished?"

Company profile:

**SHREE BHAUSAHEB THORAT AMRUTVAHINI
CO-OPERATIVE BANK PROFILE:**

Shree Bhausaheb Thorat Amrutvahini Co-operative Bank Ltd. is the top most credit cooperative Bank in Sangamner. This bank is established on 7th June 1983. This bank is registered under Maharashtra State Cooperative act 1960. Its registration number is Anr/Smr/Bank/1207-83 permitted by RBI. Its banking license number is DBOD/UBD/MH 348/P. Dated on 28th July 1983.

This bank has one head office and two branches as on March 2010. The Number of members is 6456 and Share capital as on 31st march 2012 is 192.25 lacks. Its reserves are 90.69 lacks. Total deposits are 7321.50 lacks and total loans disbursed by the 4408.60 lacks. Its investments are 3833.94 lacks and working capital is 9194.19 lacks.

The working staff of the bank is well qualified and efficient. This bank arranges training programs for staff and directors under the guidance of Mr. L. S. Wagh (General Manager). This bank also arranges the programs under the guidance of Vainkuth Mehta Rastriya Prabandhan Sanstha, Pune and Yashada, Pune. It also assistance Vikhe Patil Training Institution, Pune. District cooperative Bank Association Training Centre. The bank development is only depending on the services provided. This bank provides the following services to their customers.

- Safety Locker system.
- Immediate cheque clearance (All over India).
- Insurance facility.
- Other facilities

This banks charges very low charges for the above services. For senior citizens the bank gives 0.5 % extra interest on their deposits. Accounting process of the bank is computerized. The Board of directors always thinks the welfare of the members and account hold bank. Pigmy agents for collection of day to day saving are also appointed and the facility of various types of saving account i.e. Saving account, Current account, Fixed Deposit account, and Recurring account and other various types of accounts are provided.

LOCATION:

Amrutvahini Co-operative Bank Ltd. At: Ghulewadi Tal: Sangamner Dist: Ahamednagar.

Date of Registration and No: Anr/smr/bnk/1207-83

Date & No. of R.B.I.

License: -DBOD/UBD/MH348/P dated on 28 July 1983

RESEARCH METHODOLOGY:

Research is the systematic design, collection and analysis of the data and reporting of information and findings relevant to a specific marketing situation facing the company.

TYPES OF RESEARCH DESIGN:

- Exploratory Research
- Descriptive Research
- Experimental research

➤ **Descriptive Research:**

Researcher has adopted descriptive research design because, a descriptive research is undertaken when researcher wants to know the characteristics of certain group such as income, occupation etc.

➤ **Qualitative Research:**

Qualitative research is a non- quantitative type of analysis which is aimed at finding out the quality of a particular phenomenon. Research has to deal with subjective of the respondents here.

Nature of Study – Qualitative:

METHOD OF DATA COLLECTION:

Summary:

Sr. No.	Research Methodology content	Description
1	Types of Research Design	Descriptive Research Design
2	Nature of Study	Qualitative
3	Types of Questionnaire	Structured
5	Types of questions	Open ended & Close ended (multiple Choice scale)
6	Population	Farmers, Shree Bhausaheb Thorat Amrutvahini Co-Opearative Bank Ghulewadi, Sangamner”
7	Sample Size	50
8	Sample element	Farmers who taken agricultural loan.
9	Types of data used	Primary data, secondary data
10	Sampling method	Non Probability.
11	Sampling Area	Shree Bhausaheb Thorat Amrutvahini Co-Opearative Bank Ghulewadi, Sangamner”

Sampling size – 50 farmers

➤ 50 farmers from Amrutvahini Co-Op Bank Ghulewadi.

SAMPLING METHODS:

Non-probability sampling method:

Any sampling method where some elements of population have no chance of selection (these are sometimes referred to as 'out of coverage'/'undiscovered'), or where the probability of selection can't be accurately determined. It involves the selection of elements based on assumptions regarding the population of interest, which forms the criteria for selection. Hence, because the selection of elements is nonrandom, no probability sampling not allows the estimation of sampling errors.

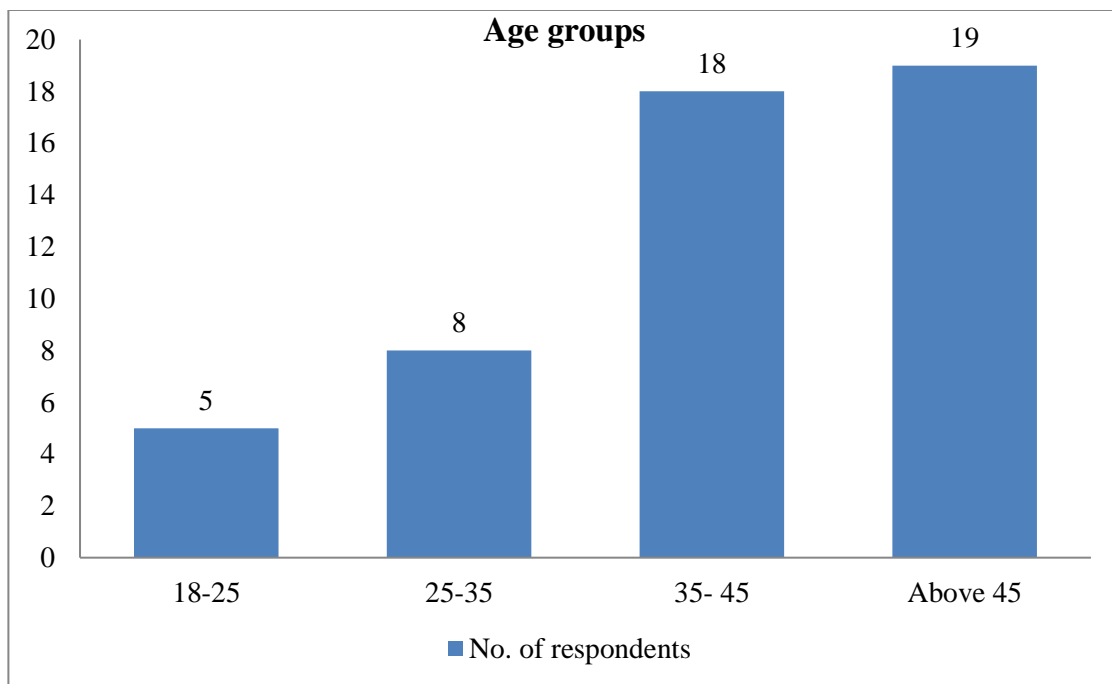
DATA ANALYSIS AND INTERPRITATION:

Q.1.In which age groups do you belong?

Table No: 1

Age Group	No. of respondents	% of respondents
18-25	05	10
25-35	08	16
35- 45	18	36
Above 45	19	38
Total	50	100%

Graph No:1



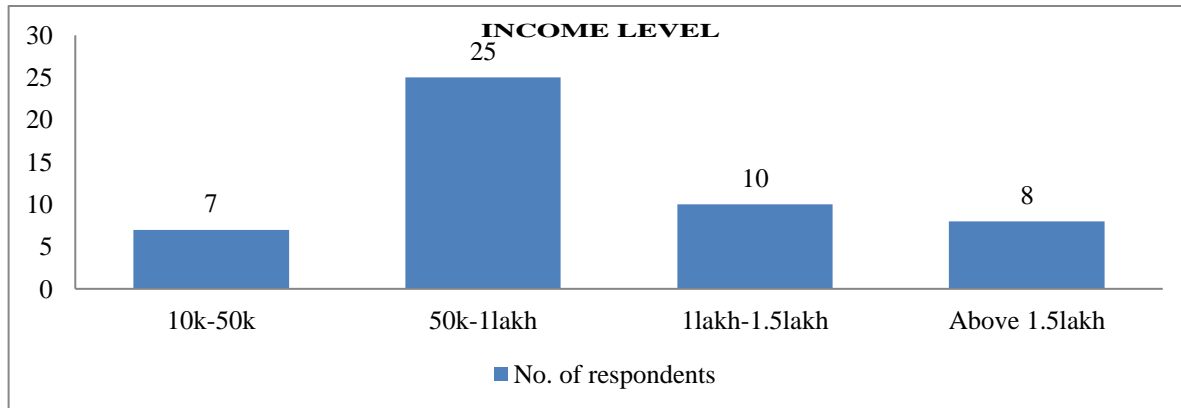
- From the above table and chart, it can be interpreted that 18-25-year age group 10% Amrutvahni co-op bank farmers giving agricultural loan.
- From Amrutvahni co-op bank Maximum 36% farmers had taken loan in the age group of 35-45 and above 45 years. Maximum 38% farmers had taken loan in the age group of above 45.

Q.2.What is your income level (Yearly)?

Table No: 2

Income Level	No. of Respondents	% of respondents
10k-50k	07	14%
50k-1lakh	25	50%
1lakh-1.5lakh	10	20%
Above 1.5lakh	08	16%
Total	50	100%

Graph No: 2



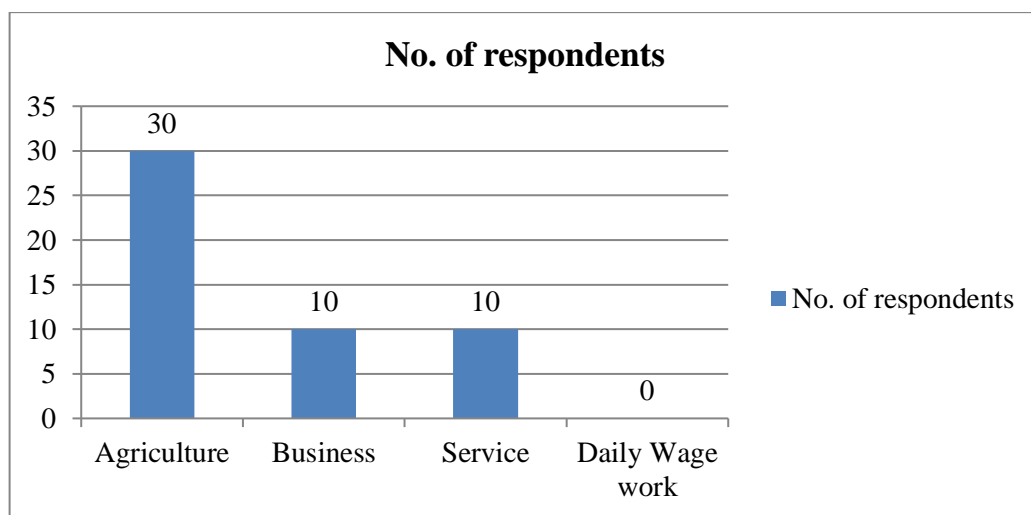
- From the above table and graph it can be interpreted that in the Maximum income level of the farmers 50% from Amrutvahni co-op bank.

Q.3. what is the main source of income of your family?

Table No: 03

Source	No. of respondents	% of respondents
Agriculture	30	60%
Business	10	20%
Service	10	20%
Daily Wage work	00	00%
Total	50	100%

Graph No: 3



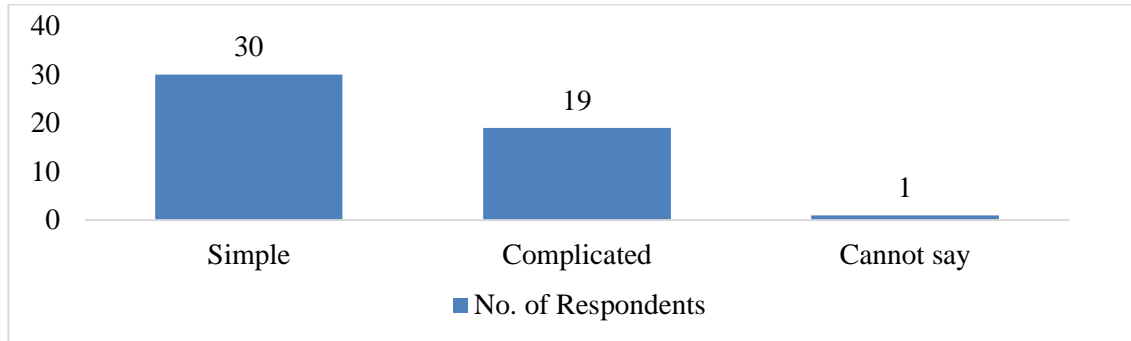
- From the above table and chart, it can be interpreted that Farmers main income source is Agriculture because Amrutvahini Co-op Bank 60% belong from agricultural aground.
- No daily wage worker had taken loan from banks.

Q 4:- How is Documentation process?

Table No: 4

Documentation process	No. of Respondent	% of Respondent
Simple	30	60%
Complicated	19	38%
Cannot say	1	2%
Total	50	100%

Graph No: 4



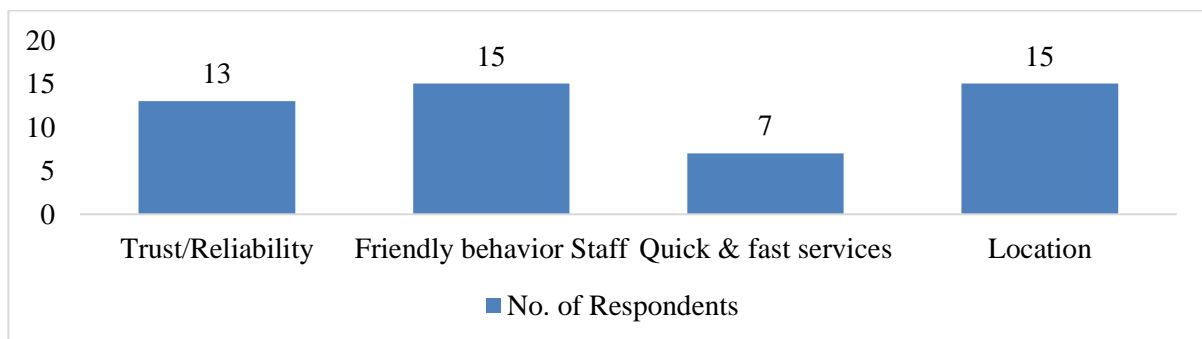
- From the above Amrutvahini co-op bank table and chart it can be interpreted that 60% of the Farmers say Documentation process is simple, whereas 38% of them say complicated and 2% say cannot say.

Q 5:- Reason for your selecting particular bank?

Table No: 5

Reason	No. of Respondents	% of Respondents
Trust/Reliability	13	26%
Friendly behavior Staff	15	30%
Quick & fast services	7	14%
Location	15	30%
Total	50	100%

Graph No: 05



- From the above table and chart it can be interpreted that maximum 60% farmers taking loan because of Friendly behavior Staff and location from Amrutvahini co-op bank.

FINDINGS:

- 1) Mainly 74% farmers belong from 35-45 & Above 45 age group in Amrutvahini co-op bank.
- 2) In Amrutvahini co-op bank 64% farmer's income level is 50k-1lakh.
- 3) Most of the farmers choose a monthly EMI term in banks.
- 4) Documentation process of the Amrutvahini co-op Bank is more suitable than bank. Because 60% farmers say documentation process of Amrutvahini co-op bank is simple,
- 5) 60% farmers are choosing Amrutvahini Co-op bank because of the Friendly behavior Staff and location of bank.
- 6) At the time of decision making regarding taking agricultural loan used to take help from their bank agents & friend etc.
- 7) Location wise co-op banks are useful because Branches are also available in nearby.

CONCLUSION:

From the findings it can be concluded that,

- Farmers are not aware of credit policy & procedure.
- Most of the Farmers income source is Agriculture.

SUGGESTION:

- 1) Bank has to give proper guidance to the farmers about Agricultural loan.
- 2) Bank should improve post loan disbursement services to maintain healthy relationship.

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