CHAPTER NO. 1

INTRODUCTION AND METHODOLOGY

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INTRODUCTION AND METHODOLOGY

1.1 INTRODUCTION :-

Generally speaking co-operation means living, thinking and working together. The Principle of Co-operative is as old as human society. It is truly the basis of the domestic and social life. According to biologist, co-operation has acted more powerfully towards the development of men than the bitter competitive struggle for existence. Co-operation is thus, older than the co-operative movement. In India agriculture is an important industry and like other industries it also requires capital. Due to peculiarities of agriculture, specially its uncertainties, its small unit production, scattered operation, low returns, high rates of rent and limited scope for employment, a larger proportion of cultivators can not manage from one harvest to another without recourse to borrowings. So without finance, development of agriculture is difficult to attain.

In India major share of total credit for agriculture is provided by primary agriculture credit societies. The researcher, therefore selected the topic "A Critical Assessment of working of Krishak Seva Sahakari Sansthas in Maharashtra (1980-81 to 1998-99)", for his research study.

1.2 CHOICE OF TOPIC :-

Generally in India District Central Co-operative Banks provide finance to Primary Agriculture Credit Societies. From 1970 Government of India introduced the Scheme of financing the Primary Agriculture Credit Societies by Commercial Banks, to supplement the financing by weak District Central Co-operative Banks.

In Maharashtra from 1975 the Krishak Seva Sahakari Sansthas are financed by commercial banks, District central Co-operative banks and
Regional Rural Banks. 27 Krishak Seva Sahakari Sansthas were established and are working in Maharashtra from 1975. The researcher thought it desirable to choose this topic for his study, as this topic remained neglected by other researchers so far.

1.3 SCOPE OF THE STUDY:

The present study "A Critical Assessment of working of Krishak Seva Sahasakari Sansthas in Maharashtra (1980-81 to 1998-99)" is the first of its kind. The scheme of financing the operations of primary Credit Society by Comercial Banks was introduced in India in 1970 where the District Central Co-operative Banks were rather weak. The Scheme was purely temporary in nature in the sense that the societies ceded to the commercial banks would revert to respective central co-operative banks as soon as they are strengthened through the rehabilitation programme.

It is necessary to understand the impact of this scheme on the primary agriculture credit societies and also to understand whether the district central co-operative banks are strengthened or not. The study covers working of Krishak Seva Sahakari Sansthas throughout the state of Maharashtra over the period 1980-81 to 1998-99.

1.4 METODOLOGY:

The study is based on both primary and secondary data.

1.4.1 Primary Data

To collect the required primary data, the following techniques of data collection were used.

a. Selection of sample.
b. Questionnaires.
c. Field visits.
d. Interviews.

a) Selection of Sample.

There were 27 Krishak Seva Sahakari Sansthas in Maharashtra
working in various Revenue divisions and Districts from 1975. Out of them only 16 KSSSs are now in operating position and 11 KSSSs are in non operating positions. Eight out of Sixteen or 50% of the total operating Krishak Seva Sahakari Sansthas have been randomly selected from 7 different Distrcit and 5 Revenue Divisions of Maharashtra for detailed inquiry, which will represent a fair sample for the state as a whole.

b) Questionnaires :

Two sets of questionnaires were prepared to collect detailed information for research work.

I) Questionnaires :

First set was prepared for Krishak Seva Sahakari Sanstha to collect the data regarding the working of Krishak Seva Sahakari Sanstha. These questionnaires were personally handed over to M.D./Manager of the Krishak Seva Sahakari Sanstha.

Questionnaires contained information regarding, Name and date of registration of society, Total No. of members, Capital and reserve funds, dividend, deposits of the society, Loans and advances of the society, Loan recovery, overdues, bad debts, Employees of the society, their service conditions and Management of the society etc.

II) Questionnaires :

Second set of questionnaire was prepared only for the members of society for finding out the finance provided by society. These questionnaires were personally handed over to the selected members of societies. This questionnaire contained information regarding, Name, address, Date of membership, annual income, Loan limit, interest rate, loan provided by becoming a member of society, Benefits received by becoming a member of society, Services provided by the society to its members and Working and problems of society.
Total household members of all 8 sample KSSSs as on 31.3.99 were 26738 and 1% of it is 267. The second set of Questionnaires was supplied to 267 members as and when they were available irrespective of their category of the sample KSSSs.

C) Field Visits :-

In addition to the above techniques of data collection, field visits were also arranged to know the actual functions and services provided by the Sample Krishak Seva Sahakari Sansthas.

D) Interviews :

To collect information from the M.D./Manager of the society the researcher is using the systematic interview techniques.

1.4.2. Collection of secondary data :-

The Secondary data for studies are collected by using documentary sources. An indepth information of the societies, their annual reports and office records are used. Published materials such as Government periodicals, R.B.I. Bulletin, Professional Journals, Magazines, Official and Statistics published by the Bureau of Statistics and news papers wherever relevant have been used for the study.

To collect secondary data the researcher is using the following Library facilities available at Jaikar library University of Pune, Vaikunth Mehta National Institute of co-operative Management of Pune, Gokhale Institute of Economics (Pune) and Shri Shiv Chhatraptati college, Junnar.

1.5 HYPOTHESIS :-

The researcher desires to test following statements of Hypothesis through this study.

1. The Krishak Seva Societies are working on strictly Co-operative Principles and the members are benefited by societies.

2. Members are satisfied with working and management of the Krishak Seva Society.
3. To study the scheme of financing by commercial bank to Krishak Seva Sahakari Sansthas.
4. To find out the extent of credit gaps filled by the sponsoring banks with respect to requirements of farmers.

1.6 OBJECTIVES OF THE STUDY:

Objectives of present study are summarised as follows.
1. To study the credit gap fillup by commercial Banks.
2. To analyse and examine financial position of the KSSSs.
3. To study the loan disbursement pattern, loan recovery and overdues.
4. To study the growth and future prospects of the KSSSs.
5. To study and understand the working organisation and management pattern of KSSSs.
6. To study the finance provided by sponsoring banks, viz. Nationalised, Co-operative and Regional Rural Banks.
7. To study the multi purpose services provided by KSSSs in rural area.

1.7 LIKELY CONTRIBUTION TO THE EXISTING FUND OF THE KNOWLEDGE:

The scheme of financing the operation of the primary credit societies by commercial banks though introduced in 1970 in India and was adopted by Government of Maharashtra from 1975, detailed investigation of KSSSs, their working, failures and achievements have not been analysed by any researcher so far. To the best of knowledge of the researcher, this is totally a new area of research.

This study will surely add a useful analysis which will help the policy makers, managers and decision makers of KSSSs and future researchers in their respective tasks associated with KSSSs.
1.8 ANALYSIS AND INTERPRITATION OF DATA.

After the collection of the research data, an analysis of data and interpretation of the results are necessary. Analysis of the data is to be made with reference to the purpose of the study and its possible bearing on scientific discovery. An analysis is made with reference to the research problem at hand and with reference to the hypothesis to be tested.

For analysis and interpretation of data the researcher has used the following statistical methods.
1. Tabulation.
2. Classification.
3. Simple Average

For analysis and interpretation of data, researcher has also used the following management account techniques wherever necessary.
2. Ratio analysis.

1.9 LIMITATIONS OF THE STUDY.

The study has following limitations.
1. The period of study is only from 1980 to 1999 for generalisation of the findings.
2. The sample societies are selected from only 7 Districts of Maharashtra and they are representing whole of Maharashtra.
3. The focus of study is limited only to the economic aspects of KSSSs.
4. The findings are based on the ability of respondents to the inquiries of the researcher. A small number of respondents may not be able to understand the objective of the study and may not respond honestly. This may lead to a marginal statistical error. However due care is taken to keep the degree of error within limits.
1.10 Chapter Scheme of the study.

The Present study "A Critical Assessment of working of KSSSs in Maharashtra ", is divided in seven Chapters. The contents in each chapter, in brief, are as below.

1) Chapter one introduces the subject matter, Methodology, Scope of the study, objectives of the study, Hypothesis and limitations of the study.

2) Chapter two deals with origin, growth and development of co-operative movement in Abroad, India and Maharashtra, co-operative legislation in India, progress of co-operative movement in Maharashtra and co-operative thinkers are included in this chapter.

3) Chapter three focuses on the meaning and definition of co-operation, PACCs, MPSs, and FSSs, Need for agricultural credit, Commercial Bank and Co-operative credit, Krishak Seva Sahakari Sansthas, Profile of Sample KSSSs, were included.

4) Chapter four is devoted to presentation of the financial analysis of Sample KSSSs. Establishment of Sample KSSSs, Management, sources of funds, application of funds, overdues and operating efficiency are considered for financial analysis.

5) Chapter five presents the critical review of working of sample KSSSs, with the help of working capital and ratio analysis techniques.

6) Chapter six deals with questionnaires' analysis for understanding the condition of the sample member households.
7) Chapter seven represents the summary of findings of the study and suggestions to the related constituents on certain aspects of KSSSs.

References:

2. Dr. Mathur B.S., *Co-operation In India, Third Edition 1985* P.N.1