ROLES OF NATIONALISED BANKS IN PROVIDING
AGRICULTURE CREDIT

(A CASE STUDY OF JALGAON DISTRICT)

CHAPTER NO. 2

METHODOLOGY, MATERIAL AND TECHNIQUES

Introduction - Factors for Selection for district -
Methodology - Selection of Talukas - Selection of the
Banks - Sample Design and Conduct of Survey -
Selection of each type of Bank - Method of Collection
of Data - Actual Collection of Data - Statistical
Techniques.
STRATEGY FOR STUDY OF SAMPLE BANKS & INTERMEDIARY OF NATIONALISED BANKS IN SELECTED TALUKAS OF JALGAON DISTRICT

1. Collection of Data
   - By Questionnaire
   - By Personal Interview
   - By Secondary Data

Classification & Tabulation

Analysis by Discussion & Interpretation
CHAPTER - 3

METHODOLOGY, MATERIAL AND TECHNIQUE.

INTRODUCTION:

The main object of this study is to make overall evaluation of the nationalised banks in the Jalgaon district of Maharashtra State; especially the role in providing agriculture credit for upliftment of weaker community in rural areas in particular, and other in general, because rural economy development is a spring board for all round economy development of the nation. This district lies between 20° and 21° North latitude and 74° - 55° and 76° - 28° East latitude covering a total area of 11375 Sq. km. Jalgaon district has the distinction of having about 105 branches of nationalised banks as on 31st December, 1987.

Jalgaon District was taken up for this study after considering the presence of following factors on large scale.
FACTORS:

(1) Presence of larger number of various types of Banks covered the rural areas.

(2) It is an agriculturally advanced district.

(3) It is centrally located district of the state.

(4) Geo-physical features.

(5) Rural and urban population covered by banking sectors.

(6) It is a proposed and fast developing industrial area.

(7) Existence of educational institution, cooperative board and other infrastructure facilities available too.

(8) Banking sector can play effective role in achieving and removing poverty, give better opportunity to younger generation and other expansion programme undertaken to a large extent in coming days.

(9) The social worker, peasants cultivators, Agricultural labourers, knowledgeable persons co-op. leaders have adopted the new technique to achieve the specific goal through national integrity among themselves.

(10) To find out the repayment performance of farmers borrower engaged in agriculture and allied activities.
(11) To find out the factors, affecting the repayment of the borrowers.
(12) To study the overdue pattern in the study area.
(13) To isolate the reasons for irregular and/or non-repayment of loans.

METHODOLOGY:

A multistage stratified sampling design was used for the selection of talukas and various types of nationalised banks.

SELECTION OF TALUKAS:

Jalgaon district is divided into thirteen talukas and three sub-divisions. Since the object was to take up overall study of the role of nationalised bank in providing agriculture credit in this area, six talukas were taken up for the study, which are representing the state of Jalgaon district in characters and advancement in the agriculture sector and covered rural and urban population by the nationalised banks in the talukas, viz. Jalgaon, Bhusawal, Yawal, Raver, Pachora and Chalisgaon.

The talukas were selected after considering the presence of following factors:-
Factors:

1. Covering rural and urban population by the banks in this talukas.

2. Representing the Geo-physical features of the Jalgaon District.

3. Co-operative leaders, cultivators, depositors, Agri-labourers, social workers are aware of the advanced techniques of production.

4. Presenting more number of cooperative societies, land development bank and also central financing Agency, along with lead bank scheme adopted in this district.

5. Considering the need of (Agriculture Cultivators) development them into the light of present circumstances.

6. These talukas throw torch light on the requirement of all class of people in general and betterment of the common man in particular.

7. Finally these talukas confined to the representative sample of the different types of nationalised banks which can be said to be representative of the district and also of the average character of this district.
SAMPLE DESIGN AND CONDUCT OF SURVEY:

The survey was confined to the Jalgaon district of Maharashtra State. First of all, a list of various banks in the district were obtained. All these banks were then recorded in an ascending order of magnitude. Total number of banks offices as on December 1988 was 470. Out of this 278 belong to co-operative Banks (District Central Cooperative Banks), 35 State Bank of India, 15 Scheduled banks, 15 land development banks, 13 Nationalised Banks and people and Gramin Banksw 14 in the district. For the purpose of the study in respect of the role of nationalise banks in providing agriculture credit, (A case study of Jalgaon District) it was decided to take up at least 50 percent of the banks offices for this study, giving due representation to each type of the banks. Thus 53.09 percent of the total number of nationalised banks in the district i.e. 60 banks were selected.

Apart from this, among bank executives in which included only those officers who have been leading at least four persons. The method of stratified random design sampling was used mainly to ensure representation of executive with different traits. The same criteria near about adopted for the selection of farmers.
Attempts were made to contact Branch managers.
In case branch was a big one and there was decentralisation
of powers, the heads of different centres had also been
contacted. The survey had been conducted through
questionnaire, personal visits and interviews from time
to time, at the time of each visit to the banks. The
enumeration was carried out mostly in the afternoon
between 3 p.m. to 5 p.m. when most of the respondents were
available at the bank. Sometimes questionnaires were left
with them to think and fill and collected later on. In
all 60 Banks Executives were interviewed.

For the purpose of analysis the respondents were
classified on the basis of their education, experience as
an officer and total number of subordinates to be super-
vised by an officer.

As regards the farmers, in all 97 farmers were
selected in the six talukas of Jalgaon district in
order to know their difficulties in obtaining or sanction
of loan for Agriculture and allied to agriculture
activities from these banks. Among them they were
classified into small farmers 23, marginal farmers 52,
larger farmers / Agriculture labourers 22, respectively
to judge economic feasibility of the beneficiaries.
First of all a list of various banks in the district were obtained. All these banks were then recorded in an ascending order of the number of banks. Total number of banks as on 31st December, 1987 was 441. Out of this 262 are cooperative banks, 14 Land Development banks, 130 Commercial banks and 35 State Bank of India branches all over the district. For the purpose of the study in respect of nationalised banks, it was decided to take up at least 50 percent of the banks for this study, giving due representation to each type of branch.

**Selection of each type of bank:**

From the list of banks in six selected talukas, it was decided at least to taken up 50 percent branches of nationalised banks covering various types of name of Banks. Hence from each talukas 8 to 12 banks representing each type on large scale were selected. In this way wherever there were small number of banks in a particular type, due care was taken up for the study and, therefore, purposive selection was made. However, from the type that existed on large scale a random selection taken up ensuring due representation in each category. In this way following 60 banks were selected for the survey.
### TABLE No.3:1

**NAME OF THE NATIONALISED BANKS SELECTED FOR THE SURVEYS.**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the bank</th>
<th>Percentage taken to district</th>
<th>Total no. of samples</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Central Bank of India</td>
<td>17.69</td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>Union Bank of India</td>
<td>7.96</td>
<td>9</td>
</tr>
<tr>
<td>3</td>
<td>Bank of Baroda</td>
<td>5.30</td>
<td>6</td>
</tr>
<tr>
<td>4</td>
<td>Bank of Maharashtra</td>
<td>7.96</td>
<td>9</td>
</tr>
<tr>
<td>5</td>
<td>Dena Bank</td>
<td>5.30</td>
<td>5</td>
</tr>
<tr>
<td>6</td>
<td>United Commercial Bank and other Banks</td>
<td>9.73</td>
<td>11</td>
</tr>
</tbody>
</table>

**TOTAL : 60**

(Other Banks includes Punjab National Bank, Bank of India, Vijaya Bank, Sangali Bank, Corporation Bank, Allahabad Bank etc.)

The list of these samples banks taken from each taluka is as under:

### TABLE No.3:2

**LIST OF SAMPLE BANKS TAKEN FROM BLOCKS**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of Taluka or Block</th>
<th>Sample taken</th>
<th>Percentage to sample of Block</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jalgaon</td>
<td>9</td>
<td>34.61</td>
</tr>
<tr>
<td>2</td>
<td>Bhunawal</td>
<td>12</td>
<td>63.15</td>
</tr>
<tr>
<td>3</td>
<td>Revar</td>
<td>9</td>
<td>69.23</td>
</tr>
<tr>
<td>4</td>
<td>Yawal</td>
<td>10</td>
<td>66.66</td>
</tr>
<tr>
<td>5</td>
<td>Pachora</td>
<td>8</td>
<td>83.80</td>
</tr>
<tr>
<td>6</td>
<td>Chaliagaon</td>
<td>12</td>
<td>85.71</td>
</tr>
</tbody>
</table>

**Total : 60**
METHOD OF COLLECTION OF DATA:

Random sample method was used for the collection of information from the various banks under consideration because of the limitation of resources and time for the conduct of study.

ACTUAL COLLECTION OF DATA:

For the collection of information and other necessary documents pertaining to the study under taken both direct and indirect methods were used.

A detailed list of each type of the sample banks was prepared. Considering the various types of nationalised banks and their nature of working a questionnaire was prepared covering the following matters.

1) Primary Information consist of name, place, Taluka, District, Date of opening Bank, Object and area of operation.

2) Reserve, surplus and capital.

3) Investments.

4) Loans and Advances Policies.

5) Services rendered by Bank at Counter and elsewhere.
6) Loans given to various category specially agriculture credit.

7) Recovery criteria.

8) Management and working practices.

9) Records of Books of Account and Audit System.

10) Staffing pattern and its activities.

11) Problems of day-to-day administration.

12) Welfare activities.

13) Expectation and Suggestions.

The information was collected by visiting the banks personally along with questionnaire sent to them by post. Six visits were made during the period of 3 years in order to interview, resources persons, employees, borrowers, etc. of the respective samples. In each year, visits were planned in the following manner.

First visit in the month of May to July when it is the half year, accounting year and time of the future events for further course of action.

Second visit was paid on the month of October to December with a view to review the experience and information collected.
Each time, various class of employees and managers, borrowers etc., were interviewed personally. Records and reports of these banks were also obtained and scrutinised.

Frequent visits were also paid to the office of the regional manager of the lead Bank (C.B.I.) Jalgaon district and other executives for the discussion of various connected matters affecting the working of these banks. On being advised by Regional Manager, Agriculture officer, Recovery officer and Auditors were also interviewed, and their views regarding agriculture credit etc. were obtained and recorded.

The data thus obtained was further processed, analysed and tabulated to determine:

1. Efficiency of work relevant to objects.
2. Working practices.
3. Bottlenecks in the banking sectors.
5. Views of the employees managers field officer, Statutory Auditor, Social Workers and knowledgeable persons in trade, banking and finance, agriculture labourer, cultivator etc. department pertaining to the emerging problems of the banking sector in this district under study.
STATISTICAL TECHNIQUE:

Considering the nature of the collected information and inferences to be drawn, simple statistical technique such as charts, percentage and diagrams have been used for the study.

In this way every efforts have been made to make this study more representative and of practical utility to the government and policy makes planner and other department in formulating policies and enacting necessary laws for their successful operation and development of banking services and allied activities too. Simple statistical method used would help a common man to understand the subject in general and conclusion drawn in particular.