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BANKING IN RURAL AREAS OF GUJARAT

BY

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A PROJECT REPORT

Submitted by

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**UNDER THE GUIDANCE
OF**

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CERTIFICATE

This is to certify that the project entitled “**Banking in Rural Areas of Gujarat**” of M.B.A (International Agribusiness) embodies bonafide research work carried out by **Rahul Dubey** under my guidance and supervision and that no part of this project work has been submitted for any other degree. The assistance, guidance and help received during the course of investigation have been fully acknowledged.

Place: IABMI, Anand

Date: 29/07/2010

(Dr. Sanjiv Kumar)

Major Advisor

July 16, 2010


TO WHOMSOEVER IT MAY CONCERN

This is to certify that **Mr. Rahul Dubey** has completed his Project Training with us in **Retail at Ankleshwar** from March 10, 2010 to June 10, 2010.

He has completed a project on **'Banking in Rural Areas of Gujarat.'**

We wish him the best for the future.

Yours truly,
For **HDFC BANK LIMITED.**


Naina Panse
Vice President – Human Resources

DECLARATION

I hereby declare that the project entitled “**Banking in Rural Areas of Gujarat**” submitted for the M.B.A (International Agribusiness) degree is my original work and this has not formed the basis for the award of any degree, associate ship or other similar titles.

Place : IABMI, Anand

(Rahul Dubey)

Date : 29 /07/ 2010

Reg. No. 04-0879-2008

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ABSTRACT

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ABSTRACT

The rural sector continues to play an important role in terms of contribution to GDP and employment generation in India. Credit is believed to be one of the important inputs to initiate any kind of venture especially in Indian Rural system where most of the people live below poverty line. At present the flow of credit system in rural area is mainly maintained by local Agricultural credit societies, various co-operative banks and regional rural banks. Moreover, to some extent some of the villages have some age old credit system i.e. through non-institutional sources like local moneylenders, shopkeepers etc so by keeping all such facts in the consideration, it seems that there is a strong need of some sophisticated commercial banking system in Indian villages.

HDFC Bank has its immense financial contribution to Indian urban areas, but yet they haven't recognized the rural potential. Hereby, they want to initiate their banking ventures in rural areas of Gujarat. By securing 2nd position in private banking sector HDFC has proved their banking success but yet they have to fetch more business avenues from rural area.

Before starting any initiative, it's mandatory for any firm to measure itself in terms of feasibility in the respective area. For this, rural area of Panoli (E) was selected to study the demographic evaluation of that area, various industrial identification and the existing and expected competitor analysis in the respective area. When the term *Rural* is used, it's necessary to identify

the respective agricultural profile of that area as most of the Indian rural population is directly connected to this traditional business.

Based on the study it has been found that the major occupation of Panoli (E) and its surrounding villages is Agriculture, approximately one third populations is engaged in agricultural activities. Panoli and its surrounding villages are endowed with prosperous cropping profile along with adequate irrigation system. The average land holding capacity is about 16 acre. The main crop of Panoli and its surrounding villages are Sugarcane, Sorghum, Red gram and Rice. The average family size of Panoli and its surrounding villages is 6 and average 1 - 2 working people observed in each family. Panoli and its nearby villages have shown their income per family within the range of 2 - 4.5 lacs per year.

Panoli and their surrounding villages are enriched in terms of their NRI population. Panoli and nearby villages are dominated by Muslim community. Most of the NRIs belong to Muslim community. Generally the people from these villages prefer to migrate in countries like Canada, USA, Gulf countries and European countries. Panoli has one of another prosperous feature i.e. huge number of industries around the village. Panoli GIDC is one of the biggest Chemical manufacturer industrial hubs in India. About 222 numbers of various firms exist at present nearby Panoli. Strong network of Co-operative Bank have been found in Panoli and its nearby villages. Most of the people connected with Co-operative banks, Public Sector Banks has also shown their interest in these areas, they are also linked with various SHGs and MICROFINANCE schemes. Private Sector Banks show a poor network and connectivity in these areas.

On the basis of observations in the rural area of Panoli (E), it seems that the contribution of HDFC Bank is negligible. The area has good potential in terms of huge number of NRIs, Industries as well as prosperous agricultural profile.

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LIST OF ABBREVIATIONS

| Abbreviation | Meaning |
|---------------------|---|
| A/C | Account |
| AKV | Ankleshwar |
| ATM | Automatic Teller Machine |
| Avg. | Average |
| BDCo | Bharuch Dist. Co-operative Bank |
| BoB | Bank of Baroda |
| BOI | Bank of India |
| BOMh | Bank of Maharashtra |
| CASA | Current A/C, Saving A/C |
| CBI | Central Bank of India |
| CO-OP. | Co-operative |
| DCB | Development Credit Bank |
| Dist. | District |
| E.G. | Example |
| DRDA | District Rural Development Agency |
| GDP | Gross Domestic Product |
| GS | General Saving |
| HDFC | Housing Development Financial Corporation |
| IAB | International Agri-Business |
| ICICI | Industrial Credit & Investment Corporation of India |
| IDBI | Industrial Development Bank of India |
| IOB | Indian Overseas Bank |
| KCC | Kisan Credit Card |
| Ltd. | Limited |
| M&A | Merger & Acquisition |
| MoU | Memorandum of Understanding |
| NABARD | National Bank for Agriculture and Rural Development |
| NGO | Non-Government Organization |
| NPA | Non Performing Assets |
| NRI | Non-Residential Indians |
| OBC | Oriental Bank of Commerce |
| PIA | Panoli Industrial Association |
| PNB | Punjab National Bank |
| PSB | Public Sector Bank |
| Pvt. | Private |
| RBI | Reserve Bank of India |
| RIDF | Rural Infrastructure Development Forum |
| RRB | Regional Rural Banks |

| | |
|-----|----------------------------|
| SBI | State Bank of India |
| SCB | Scheduled Commercial Banks |
| SHG | Self Help Group |
| SSI | Small Scale Industries |
| UBI | Union Bank of India |
| @ | At the rate of |

CHAPTER-I

INTRODUCTION

I. INTRODUCTION

1.1 Company Profile: HDFC Bank

The Housing Development Finance Corporation Limited (HDFC) was amongst the first to receive an '**in principle**' approval from the Reserve Bank of India (RBI) to set up a bank in the private sector, as part of the RBI's liberalization of the Indian Banking Industry in 1994. The bank was incorporated in August 1994 in the name of 'HDFC Bank Limited', with its registered office in Mumbai, India. HDFC Bank commenced operations as a Scheduled Commercial Bank in January 1995.

HDFC is India's premier housing finance company and enjoys an impeccable track record in India as well as in international markets. Since its inception in 1977, the Corporation has maintained a consistent and healthy growth in its operations to remain the market leader in mortgages. Its outstanding loan portfolio covers well over a million dwelling units.

HDFC has developed significant expertise in retail mortgage loans to different market segments and also has a large corporate client base for its housing related credit facilities. With its experience in the financial markets, a strong market reputation, large shareholder base and unique consumer franchise, HDFC was ideally positioned to promote a bank in the Indian environment.

1.1.1 Business Strategy

HDFC BANK mission is to be "**A World Class Indian Bank**", benchmarking themselves against international standards and best practices in terms of product offerings, technology, service levels, risk management and audit & compliance. The objective is to build sound customer franchises across distinct businesses so as to be a preferred provider of banking services for target retail and wholesale customer segments, and to achieve a

healthy growth in profitability, consistent with the Bank's risk appetite. Bank is committed to do this while ensuring the highest levels of ethical standards, professional integrity, corporate governance and regulatory compliance. Continue to develop new product and technology is the main business strategy of the bank. Maintain good relation with the customers is the main and prime objective of the bank.

Table 1.1: - Infrastructure and Operations of HDFC Bank

| | March 2006 | March 2007 | March 2008 | March 2009 | March 2010 |
|-----------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Cities | 228 | 316 | 327 | 528 | 779 |
| Branches | 535 | 684 | 761 | 1412 | 1725 |
| ATMs | 1323 | 1605 | 1977 | 3295 | 4232 |

Source: - HDFC Bank

As of March 2010, the Bank's distribution network was at 1725 Branches and 4232 ATMs in 779 cities as against 1412 branches and 3295 ATMs in 528 cities as of March 2009.

1.1.2 Contribution of HDFC bank in rural areas

HDFC Bank is one of the first new generation private sector banks to enter the microfinance sector.

1. The bank has appointed 151 top performing NGOs across the country as BCs providing SHG Bank linkage.
2. Rolled out SHG Lending Programme in September 2006 and MOU signed with the 151 BCs in 14 States. The bank has provided access to financial services to about 2.59 lakh families under 17,748 SHGs with disbursements of Rs.220 crore till date. The quality of portfolio is evidenced by the 100% on-time repayment track record.

3. All the members of SHGs hail from remote villages /unbanked areas. All the clients are women belonging to weaker sections.
4. More than 80 percent of credit facility availed by these SHGs are for agriculture and allied activities.
5. The bank has designed an exclusive savings product for SHGs and provided “ZERO BALANCE NO FRILL Accounts” for them. Till date 17,748 SHGs have been provided with such facility.
6. Out of the total micro finance clients of 2.59 lakh under SHG-Bank linkage programme, 28,892 belong to SC/ST. Of this 10476 members have been trained on banking aspects, account operation, repayment guidelines, etc. 13,115 beneficiaries falling under the minority community-categories have been provided with credit for taking up various economic activities to the tune of Rs. 14.07 crore in 7 states.
7. 40 qualified, experienced, and specially trained relationship managers from reputed institutions with high levels of commitment and social orientation are on board in the business division to run this programme.
8. 15,000 women members belonging to 95 SHGs residing in coastal area affected by tsunami have been provided with credit for livelihood activities.
9. The bank has opened SHG dedicated branches at Thudiyalur, Therku Venganallur (near Rajapalayam), Allinagaram (near Theni), Pettavaithalai, all in Tamil Nadu and propose to open more such branches in other parts of the country.

1.1.3 Social Impact of HDFC Bank's Initiative

I. Special Groups Financed:- About 300 people of the backward community and people belonging to minority groups in Muzzafarpur, Bihar, about 2250 tribals of Kalahandi, Sambalpur, Phulbani, Boudh, Jeypore, Bawanpatna and Ganjam districts of Orissa, about 250 tribals of Dumka, Hazaribagh and Deoghar districts of Jharkhand, about 900 tribals of Jhabua and Dhar districts of MP, 50 backward caste people in Mirzapur, UP, about 3750 tribals of Buldana, Ballarshah Pusad areas of Maharashtra are supported for their agricultural activities and financial needs.

II. Targeting “financial inclusion” in BIMARU (Bihar, Madhya Pradesh, Uttar Pradesh and West Bengal): - 11000 families belonging to the BIMARU states were brought under financial inclusion by providing them No Frill saving accounts besides credit linkage.

III. Credit Plus – Capacity Building & Training: - With the help of Representatives from 5500 SHGs and around 220 supervisors More than 172 training programmes have been conducted.

1.1.4 HDFC Bank Product and Customer Segment

Table 1.2: - Wholesale Banking

| Corporate | Small and Medium Enterprises | Financial Institutions and Trusts |
|----------------------|------------------------------|-----------------------------------|
| Funded Services | Funded Services | BANKS |
| Non Funded Services | Non Funded Services | Clearing Sub-Membership |
| Value Added Services | Specialized Services | RTGS – sub membership |
| Internet Banking | Value added services | Fund Transfer |
| | Internet Banking | ATM Tie-ups |
| | | Corporate Salary a/c |
| | | Tax Collection |
| | | Financial Institutions |
| | | Mutual Funds |
| | | Stock Brokers |
| | | Insurance Companies |
| | | Commodities Business |
| | | Trusts |

Table 1.3: - Personal Banking products of HDFC Bank

| Loan Product | Deposit Product | Investment & Insurance |
|--------------------------------|------------------------------|-----------------------------------|
| Auto Loan | Saving a/c | Mutual Fund |
| Loan Against Security | Current a/c | Bonds |
| Loan Against Property | Fixed deposit | Knowledge Centre |
| Personal loan | Demat a/c | Insurance |
| Credit card | Safe Deposit Lockers | General and Health Insurance |
| 2-wheeler loan | | Equity and Derivatives |
| Commercial vehicles finance | | Mudra Gold Bar |
| Home loans | | Silver Bar |
| Retail business banking | | |
| Tractor loan | | |
| Working Capital Finance | | |
| Construction Equipment Finance | | |
| Health Care Finance | | |
| Education Loan | | |
| Gold Loan | | |
| Cards | Payment Services | Access To Bank |
| Credit Card | Net Safe | Net Banking |
| Debit Card | Merchant | One View |
| Prepaid Card | Prepaid Refill | Instant Alert |
| | Bill pay | Mobile Banking |
| | Visa Bill pay | ATM |
| | Instant Pay | Phone Banking |
| Forex Services | Direct Pay | Email Statements |
| Product & Services | Visa Money Transfer | Branch Network |
| Trade Services | e-Monies | |
| Forex service Branch Locator | Electronic Funds Transfer | |
| RBI Guidelines | Online Payment of Direct Tax | |

Table 1.4: - NRI Services of HDFC Bank

| Accounts & Deposits | Remittances |
|------------------------------------|-----------------------------------|
| Rupee Saving a/c | North America |
| Rupee Current a/c | UK |
| Rupee Fixed Deposits | Europe |
| Foreign Currency Deposits | South East Asia |
| Accounts for Returning Indians | Middle East |
| | Africa |
| | Others |
| | Quick remit |
| | India Link |
| | Cheque Lock Box |
| | Telegraphic/ Wire Transfer |
| | Funds Transfer |
| | Cheque/DDs/TCs |
| Investment & Insurances | Loans |
| Mutual Funds | Home Loans |
| Insurance | Loans Against Securities |
| Private Banking | Loans Against Deposits |
| Portfolio Investment Scheme | Gold Credit Card |
| Payment Services | Access To Bank |
| Net Safe | Net Banking |
| Bill Pay | One View |
| Instant Pay | Instant Alert |
| Direct Pay | ATM |
| Visa Money | Phone Banking |
| Online Donation | Email Statements |
| | Branch Network |

1.1.5 Milestones of HDFC Bank in year 2010

- **Avaya Global Connect 2010** - Customer Responsiveness Award - Banking & Financial Services category.
- **Financial Express** - Ernst Young Survey 2009-10 - Best New Private Sector Bank.

- **Asian Banker Excellence Awards 2009** - Best Retail Bank in India, Excellence in Automobile Lending, Bank M&A Integration and Technology Implementation.
- **The Asset Triple A Awards** - Best Cash Management Bank in India.
- **Euro money Private Banking and Wealth Management Poll 2010** - Best Local Bank in India (second year in a row) and Best Private Banking Services overall (moved up from Number 2 last year).
- **Financial Insights Innovation Awards 2010** - Innovation in Branch Operations - Server Consolidation Project.
- **Global Finance Award** - Best Trade Finance Provider in India for 2010.
- **Two Banking Technology Awards 2009** - Best Risk Management Initiative and Best Use of Business Intelligence.
- **SPJIMR Marketing Impact Awards (SMIA) 2010** - 2nd Prize.
- **Business Today Best Employer Survey** - Listed in top 10 Best Employers in the country.

1.2 Background of the study

1.2.1 Banking in India

Banking in India originated in the last decades of the 18th century. The oldest bank in existence in India is the State Bank of India, a government-owned bank that traces its origins back to June 1806 and that is the largest commercial bank in the country. Central banking is the responsibility of the Reserve Bank of India, which in 1935 formally took over these responsibilities from the then Imperial Bank of India, relegating it to commercial banking functions. After India's independence in 1947, the Reserve Bank was nationalized and given broader powers. In 1969 the government nationalized the 14 largest commercial banks; the government nationalized the six next largest in 1980.

Currently, India has 96 scheduled commercial banks (SCBs) - 27 public sector banks (that is with the Government of India holding a stake), 31 private banks (these do not have government stake; they may be publicly listed and traded on stock exchanges) and 38 foreign banks. They have a combined network of over 82,408 branches. Public Sector banks hold over 75 percent of total assets of the banking industry, with the private and foreign banks holding 18.2% and 6.5% respectively.

1.2.2 Early History

The first bank in India, though conservative, was established in 1786. From 1786 till today, the journey of Indian Banking System can be segregated into three distinct phases. They are as mentioned below

- Early phase from 1786 to 1969 of Indian Banks.
- Nationalization of Indian Banks and up to 1991 prior to Indian banking sector Reforms.
- New phase of Indian Banking System with the advent of Indian Financial & Banking Sector Reforms after 1991.

The **Three different Phases** of Indian banking Industry: -

a. Phase I

The General Bank of India was set up in the year 1786. Next came Bank of Hindustan and Bengal Bank. The East India Company established Bank of Bengal (1809), Bank of Bombay (1840) and Bank of Madras (1843) as independent units and called it Presidency Banks. These three banks were amalgamated in 1920 and Imperial Bank of India was established which started as private shareholders banks, mostly Europeans shareholders.

In 1865, Allahabad Bank was established and first time exclusively by Indians, Punjab National Bank Ltd. was set up in 1894 with headquarters at Lahore. Between 1906 and 1913, Bank of India, Central Bank of India, Bank of Baroda, Canara Bank, Indian Bank and Bank of Mysore were set up. Reserve Bank of India came in 1935.

During the first phase the growth was very slow and banks also experienced periodic failures between 1913 and 1948. There were approximately 1100 banks, mostly small. To streamline the functioning and activities of commercial banks, the Government of India came up with The Banking Companies Act, 1949 which was later changed to Banking Regulation Act 1949 as per amending Act of 1965 (Act Number 23 of 1965). Reserve Bank of India was vested with extensive powers for the supervision of banking in India as the Central Banking Authority.

During those day's public has lesser confidence in the banks. As an aftermath deposit mobilization was slow. Abreast of it the savings bank facility provided by the Postal department was comparatively safer. Moreover, funds were largely given to traders.

b. Phase II

Government took major steps in this Indian Banking Sector Reform after independence. In 1955, it nationalized Imperial Bank of India with extensive banking facilities on a large scale especially in rural and semi-urban areas. It formed State Bank of India to act as the principal agent of RBI and to handle banking transactions of the Union and State Governments all over the country.

Seven banks forming subsidiary of State Bank of India was nationalized in 1960 on 19th July. 1969, major process of nationalization was carried out. It was the effort of the then Prime Minister of India Mrs. Indira Gandhi. 14 major commercial banks in the country were nationalized.

Second phase of nationalization Indian Banking Sector Reform was carried out in 1980 with seven more banks. This step brought 80% of the banking segment in India under Government ownership.

The following are the steps taken by the Government of India to Regulate Banking Institutions in the Country:

- 1949: Enactment of Banking Regulation Act.
- 1955: Nationalization of State Bank of India.
- 1959 : Nationalisation of SBI subsidiaries.
- 1961: Insurance cover extended to deposits.
- 1969 : Nationalisation of 14 major banks.
- 1971: Creation of credit guarantee corporation.
- 1975: Creation of regional rural banks.
- 1980: Nationalization of seven banks with deposits over 200 crore.

After the nationalization of banks, the branches of the public sector bank India rose to approximately 800% in deposits and advances took a huge jump by 11,000%, Banking in the sunshine of Government ownership gave

the public implicit faith and immense confidence about the sustainability of these institutions.

Consequences of Nationalization:

- The quality of credit assets fell because of liberal credit extension policy.
- Political interference has been as additional malady.
- Poor appraisal involved during the loan meals conducted for credit disbursals.
- The credit facilities extended to the priority sector at concessional rates.
- The high level of low yielding SLR investments adversely affected the profitability of the banks.
- The rapid branch expansion has been the squeeze on profitability of banks emanating primarily due to the increase in the fixed costs.
- There was downward trend in the quality of services and efficiency of the banks.

c. Phase III

This phase has introduced many more products and facilities in the banking sector in its reforms measure. In 1991, under the chairmanship of M Narasimham, a committee was set up by his name which worked for the liberalization of banking practices. The country is flooded with foreign banks and their ATM stations. Efforts are being put to give a satisfactory service to customers. Phone banking and net banking is introduced. The entire system became more convenient and swift. Time is given more importance than money.

The financial system of India has shown a great deal of resilience. It is sheltered from any crisis triggered by any external macroeconomics shock as other East Asian Countries suffered. This is all due to a flexible exchange rate regime, the foreign reserves are high, the capital account is not yet fully

convertible, and banks and their customers have limited foreign exchange exposure.

1.2.3 The Banking Sector

The banking system in India is significantly different from that of other Asian nations because of the country's unique geographic, social, and economic characteristics. India has a large population and land size, a diverse culture, and extreme disparities in income, which are marked among its regions. There are high levels of illiteracy among a large percentage of its population but, at the same time, the country has a large reservoir of managerial and technologically advanced talents. Between about 30 and 35 percent of the population resides in metro and urban cities and the rest is spread in several semi-urban and rural centers.

The country's economic policy framework combines socialistic and capitalistic features with a heavy bias towards public sector investment. India has followed the path of growth-led exports rather than the "export led growth" of other Asian economies, with emphasis on self-reliance through import substitution.

These features are reflected in the structure, size, and diversity of the country's banking and financial sector. The banking system has had to serve the goals of economic policies enunciated in successive five year development plans, particularly concerning equitable income distribution, balanced regional economic growth, and the reduction and elimination of private sector monopolies in trade and industry.

In order for the banking industry to serve as an instrument of state policy, it was subjected to various nationalization schemes in different phases (1955, 1969, and 1980). As a result, banking remained internationally isolated (few Indian banks had presence abroad in international financial centers) because

of preoccupations with domestic priorities, especially massive branch expansion and attracting more people to the system. Moreover, the sector has been assigned the role of providing support to other economic sectors such as agriculture, small-scale industries exports, and banking activities in the developed commercial centers (i.e. metro, urban, and a limited number of semi-urban centers).

The banking system's international isolation was also due to strict branch licensing controls on foreign banks already operating in the country as well as entry restrictions facing new foreign banks. A criterion of reciprocity is required for any Indian bank to open an office abroad.

These features have left the Indian banking sector with weaknesses and strengths. A big challenge facing Indian banks is how, under the current ownership structure, to attain operational efficiency suitable for modern financial intermediation. On the other hand, it has been relatively easy for the public sector banks to recapitalize, given the increases in nonperforming assets (NPAs), as their Government dominated ownership structure has reduced the conflicts of interest that private banks would face.

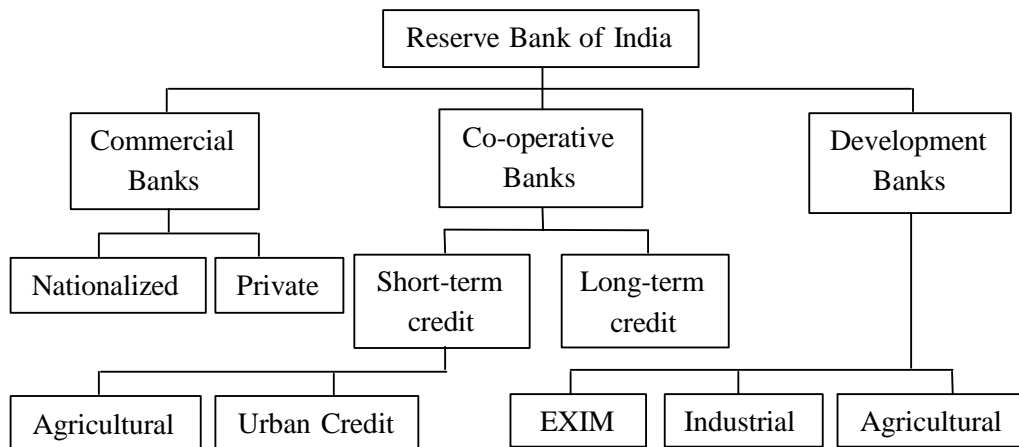
1.2.4 Indian Banking scenario

I. Overview of Banking

Banking Regulation Act of India, 1949 defines Banking as "Accepting, for the purpose of lending or of investment of deposits of money from the public, repayable on demand or otherwise or withdraw able by cheque, draft order or otherwise." The Reserve Bank of India Act 1934 and the Banking Regulation Act 1949, govern the banking operations in India.

II. Organizational Structure of Banks in India

In India banks are classified in various categories according to different criteria. The following charts indicate the banking structure:



Source: - RBI.

Fig. 1.1: - Banking structure in India

1.2.5 Broad Classification of Banks in India

1) **The RBI:** The RBI is the supreme monetary and banking authority in the country and has the responsibility to control the banking system in the country. It keeps the reserves of all scheduled banks and hence is known as the “Reserve Bank”.

2) **Public Sector Banks:**

- State Bank of India and its Associates (8).
- Nationalized Banks (19).
- Regional Rural Banks Sponsored by Public Sector Banks (196).

3) **Private Sector Banks:**

- Old Generation Private Banks (25).
- Foreign New Generation Private Banks (9).
- Banks in India (40).

4) **Co-operative Sector Banks:**

- State Co-operative Banks.
- Central Co-operative Banks.
- Primary Agricultural Credit Societies.
- Land Development Banks.
- State Land Development Banks.

5) Development Banks: Development Banks mostly provide long term finance for setting up industries. They also provide short-term finance (for export and import activities).

- Industrial Finance Co-operation of India (IFCI).
- Industrial Development of India (IDBI).
- Industrial Investment Bank of India (IIBI).
- Small Industries Development Bank of India (SIDBI).
- National Bank for Agriculture and Rural Development (NABARD).
- Export-Import Bank of India.

1.2.6 The Role of Reserve Bank of India (RBI) – Banker’s Bank:

The **Reserve Bank of India** (RBI) is the central bank of India, and was established on April 1, 1935 in accordance with the provisions of the Reserve Bank of India Act, 1934. Since its inception, it has been headquartered in Mumbai. Though originally privately owned, RBI has been fully owned by the Government of India since nationalization in 1949.

RBI is governed by a central board (headed by a Governor) appointed by the Central Government. RBI has 22 regional offices across India. The Reserve Bank of India was set up on the recommendations of the Hilton Young Commission. The commission submitted its report in the year 1926, though the bank was not set up for nine years.

1.2.7 Role of Banks

Banks play a positive role in economic development of a country as repositories of community’s savings and as purveyors of credit. Indian Banking has aided the economic development during the last fifty years in an effective way. The banking sector has shown a remarkable responsiveness to the needs of planned economy. It has brought about a considerable progress in its efforts at deposit mobilization and has taken a number of measures in the recent past for accelerating the rate of growth of

deposits. As recourse to this, the commercial banks opened branches in urban, semi-urban and rural areas and have introduced a number of attractive schemes to foster economic development.

The activities of commercial banking have growth in multi-directional ways as well as multi-dimensional manner. Banks have been playing a catalytic role in area development, backward area development, extended assistance to rural development all along helping agriculture, industry, international trade in a significant manner. In a way, commercial banks have emerged as key financial agencies for rapid economic development.

By pooling the savings together, banks can make available funds to specialized institutions which finance different sectors of the economy, needing capital for various purposes, risks and durations. By contributing to government securities, bonds and debentures of term-lending institutions in the fields of agriculture, industries and now housing, banks are also providing these institutions with an access to the common pool of savings mobilized by them, to that extent relieving them of the responsibility of directly approaching the saver.

This intermediation role of banks is particularly important in the early stages of economic development and financial specification. A country like India, with different regions at different stages of development, presents an interesting spectrum of the evolving role of banks, in the matter of intermediation and beyond.

Mobilization of resources forms an integral part of the development process in India. In this process of mobilization, banks are at a great advantage, chiefly because of their network of branches in the country. And banks have to place considerable reliance on the mobilization of deposits from the public to finance development programmes. Further, deposit mobilization

by banks in India acquired greater significance in their new role in economic development.

Commercial banks provide short-term and medium-term financial assistance. The short-term credit facilities are granted for working capital requirements. The medium-term loans are for the acquisition of land, construction of factory premises and purchase of machinery and equipment. These loans are generally granted for periods ranging from five to seven years. They also establish letters of credit on behalf of their clients favoring suppliers of raw materials/machinery (both Indian and foreign) which extend the banker's assurance for payment and thus help their delivery.

Certain transaction, particularly those in contracts of sale of Government Departments, may require guarantees being issued in lieu of security earnest money deposits for release of advance money, supply of raw materials for processing, full payment of bills on the assurance of the performance etc. Commercial banks issue such guarantees also.

1.2.8 Private Sector Banks

Initially all the banks in India were private banks, which were founded in the pre-independence era to cater to the banking needs of the people. In 1921, three major banks i.e. Banks of Bengal, Bank of Bombay, and Bank of Madras, merged to form Imperial Bank of India. In 1935, the Reserve Bank of India (RBI) was established and it took over the central banking responsibilities from the Imperial Bank of India, transferring commercial banking functions completely to IBI. In 1955, after the declaration of first-five year plan, Imperial Bank of India was subsequently transformed into State Bank of India (SBI).

Following this, occurred the nationalization of major banks in India on 19 July 1969. The Government of India issued an ordinance and nationalized

the 14 largest commercial banks of India, including Punjab National Bank (PNB), Allahabad Bank, Canara Bank, Central Bank of India, etc. Thus, public sector banks revived to take up leading role in the banking structure. In 1980, the GOI nationalized 6 more commercial banks, with control over 91% of banking business of India.

In 1994, the Reserve Bank of India issued a policy of liberalization to license limited number of private banks, which came to be known as New Generation tech-savvy banks. Global Trust Bank was, thus, the first private bank after liberalization; it was later amalgamated with Oriental Bank of Commerce (OBC). Then Housing Development Finance Corporation Limited (HDFC) became the first (still existing) to receive an '**in principle**' approval from the Reserve Bank of India (RBI) to set up a bank in the private sector.

At present, Private Banks in India includes leading banks like HDFC Bank, ICICI Bank, ING Vysya Bank, Kotak Mahindra Bank, AXIS Bank etc. Undoubtedly, being tech-savvy and full of expertise, private banks have played a major role in the development of Indian banking industry. They have made banking more efficient and customer friendly. In the process they have jolted public sector banks out of complacency and forced them to become more competitive.

1.2.8.1Entry of Private Sector Banks

There has been a paradigm shift in mindsets both at the Government level in the banking industry over the years since Nationalization of Banks in 1969, particularly during the last decade (1990-2000). Having achieved the objectives of Nationalization, the most important issue before the industry at present is survival and growth in the environment generated by the economic liberalization greater competition with a view to achieving higher productivity and efficiency in January 1993 for the entry of Private Sector

banks based on the Nationalization Committee report of 1991, which envisaged a larger role for Private Sector Banks.

The RBI prescribed a minimum paid up capital of Rs. 100 crores for the new bank and the shares are to be listed at stock exchange. Also the new bank after being granted license under the Banking Regulation Act shall be registered as a public limited company under the companies Act, 1956.



Source: - RBI.

Fig. 1.2: - Types of private sector bank.

Subsequently 9 new commercial banks have been granted license to start banking operations. The new private sector banks have been very aggressive in business expansion and is also reporting higher profile levels taking the advantage of technology and skilled manpower. In certain areas, these banks have even our crossed the other group of banks including foreign banks.

Table 1.5: - Types of Banks based on population census in India

(Implemented from 2001)

| Population | Population Groups |
|----------------------|--------------------------|
| 0 - 10,000 | Rural |
| 10,000 - 1,00,000 | Semi-Urban |
| 1,00,000 – 10,00,000 | Urban |
| 10,00,000 & above | Metropolitan |

Source: - RBI

1.2.9 Rural Banking in India

Rural population continues to play an important role in terms of contribution to GDP and employment generation in India, as about 70 percent of India's population still lives in rural areas. Even though there is conspicuous improvement in living standards of the urban population, living standards of rural population has not improved significantly in the post-liberalization since 1990s. The slow reduction of poverty levels in rural areas against urban areas is an evidence of the sluggish development in rural areas, in spite of new opportunities coming up in rural areas in the post-liberalization due to better rural urban linkages and backward and forward linkages of agricultural sector with nonagricultural sector.

Agriculture and allied activities are main livelihood activities of rural areas. If the rural population takes advantage of these new employment and income opportunities there is a greater scope for reduction in poverty and increase in living standards. However, to fully exploit these opportunities, there is a need to empower rural population with necessary new knowledge, capital and entrepreneurial skills.

1.2.9.1 Liberalization- Importance of credit in rural India

With abundant knowledge/information flow even in rural areas, the major limiting factor for development of rural poor is the access to capital for both investment and consumption to upgrade living standards. As easy and timely availability of capital will act as incentive to wider adoption of productivity enhancing skills, knowledge and technologies by entrepreneurs, farmers and laborers. To vast majority of rural people, access to capital depends on development of efficient financial service providers (which include credit provision along with other services), as many rural people are poor and having shortage of capital.

Provision of services along with credit will not only facilitate borrowers in better utilization of credit but also enhance the credit worthiness of borrowers, which helps in recovery of loans and reduction in nonperforming assets of banks. With this background, they try to explore the alternatives, which will enhance the economic and social viability of institutional credit system in rural areas.

1.2.9.2. Rural financial intermediation

Currently institutional rural credit system comprising of about one lakh primary agricultural credit societies (PACS), 196 regional rural banks (RRBs) with more than 30,000 branches spread throughout rural India, about 20,000 branches of commercial banks which provide about 60 percent of rural credit needs. The remaining 40 percent of rural credit needs taken care by non-institutional sources of credit like traditional moneylenders, shopkeepers and relatives.

The general distinction between institutional and non-institutional credit sources is former offer credit at low interest rates but with little more paper works as against to the latter, which offer credit at exorbitant interest rates, but credit will be provided whenever, wherever required. Historically, traditionally money-lending business is highly profitable in rural India as many of the moneylenders became rich in the business of money lending.

To some extent, their profitability is due to low cost of operation in terms of identifying individuals who are credit worthy, procedures and formalities followed, accessibility, located in densely populated area, individual assessment/pricing based on risk/behavioral assessment. But, due to the high exploitation by moneylenders by levying higher interest rates government discouraged traditional money lending. Since independence, Indian government encouraged many institutions beginning with cooperative credit societies in 1950s followed by social control in 1968, then nationalization of banks in two steps once in 1969 and another in 1980.

The establishment of Regional Rural Banks in 1972 is also a step in that direction. Government simultaneously initiated many rural poverty alleviation/ developmental schemes such as community development programmes, service area approach, lead bank scheme, Integrated Rural Development Programme (IRDP) and more recently Swarnajayanti Gram Swarozgar Yojana (SGSY) with a major component of credit with active participation of banks. With all these efforts, the network of branches increased drastically throughout rural India, as now for every six villages one-bank branch is there.

In the process average population (in '000s) per bank branch came down significantly from 64 in 1969 to 15.2 in 2001. With the main focus on branch expansion and credit expansion without giving adequate attention to the profitability and efficiency Indian banking system suffered from many typical banking problems such as high NPAs, low profitability, high subsidies and low service quality.

1.2.9.3 Rural Banking Policy, India

With the nationalization of banks in 1969 & 1980, establishment of Regional Rural Banks in 1975 and National Bank for Agriculture and Rural Development in 1982 by the Government of India, the policies evolved by the RBI laid a strong foundation for establishing "*Rural Banking System*" to act as a catalyst and lubricate the process for accelerating the agricultural growth and rural development, generation of self-employment opportunities, poverty alleviation, and minimizing regional & sartorial imbalances in particular.

These policies sharply focused on branch expansion in rural areas, Lead Bank Scheme, credit planning exercise at district/block level through formulation of District Credit Plans and subsequently Service Area Credit Plans at village level, Service Area Management Information System,

defining and broadening the concept of priority sector lending and allocation of credit under its three segments to meet changing socio-economic needs, increasing the flow of loanable funds through liberalizing reserve requirements & refinance facilities from NABARD, differential interest rate scheme, mainstreaming scheduled castes/scheduled tribes/minority communities, innovations like Micro-finance, Rural Infrastructure Development Fund, Kisan Credit Card, General Credit Card, no-frill accounts, financing small/marginal farmers and share croppers/tenant farmers for purchase of land for agricultural purpose, redemption of debt from moneylenders, simplifying lending procedure, prudential norms & deregulating interest rate structure to ensure operational viability & financial sustainability of banks etc.

Timely commitment to implement these policies by commercial banks enabled them to disburse agricultural credit amounting to Rs.2, 85,146 crore during 9th Five Year Plan, which substantially increased to Rs.6, 85,146 crore [240%] during 10th Five Year Plan. The estimated disbursement is of Rs.19,59,524 crore during 11th Five Year Plan to support implementation of a excess of schemes, plans and programs being introduced by the Government of India and State Governments to achieve 4% annual growth rate in agriculture.

While cooperative credit structure is in the process of being recapitalized and regional rural banks are being amalgamated, the commercial banks have significantly improved their performance during the 10th Five Year Plan in all respects, such as disbursements of crop loans and investment credit, loans outstanding, recovery of dues, share in adjusted net bank credit, deposits, credit and credit-deposit ratio in rural areas, opening of “no-frills accounts, SHG-Bank-Linkage program” etc, which had suffered during the post-financial sector reform period. This has invigorated the agricultural growth process in particular as well as contributed to create rural

infrastructure under RIDF for a sustainable agriculture and rural development, which could not be attended to by State Governments for years together, though it falls within their domain.

With a view to enabling banks to increasingly involve in the area of rural banking during 11th Five Year Plan the Government of India and RBI have further committed to new innovations, such as establishing financial literacy/credit counseling centers technology adoptions establishing Financial Inclusion Fund [FIF], Financial Inclusion Technology Fund [FITF] & Micro-finance Development and Equity Fund [MFDEF]. It is in this context, an attempt is made here to appreciate the [i] impressive role played by commercial banks during 10th Five Year Plan and [ii] need for timely and effectively use of Technology, FIF, FITF & MFDEF established by the Government & RBI to correct some specific deficiencies noticed and meet new challenges of financial inclusion in the area of rural banking by 2015.

1.3 Objectives

1. To identify the business potential for HDFC Bank in rural areas of Panoli.
2. To identify and analyze various demographic factors in identified area.
3. To find out the ratio of population dependent on Agriculture, Industries, Self employed and overseas remittance.
4. To identify the average land holding capacity and cropping pattern in identified area.
5. To identify the number and types of various existing industries in identified area.
6. To find out various existing competitors and their business strategy in market.

CHAPTER-II

REVIEW OF LITERATURE

REVIEW OF LITERATURE

India is significantly different from that of other Asian nations because of the country's unique geographic, social, and economic characteristics. India has a large population and land size, a diverse culture, and extreme disparities in income, which are marked among its regions. There are high levels of illiteracy among a large percentage of its population but, at the same time, the country has a large reservoir of managerial and technologically advanced talents. Between about 30 and 35 percent of the population resides in metro and urban cities.

It is well known that the burden of indebtedness in rural India is very great, and that despite major structural changes in credit institutions and forms of rural credit in the post-Independence period, the exploitation of the rural masses in the credit market is one of the most pervasive and persistent features of rural life in India. Rural households need credit for a variety of reasons. They need credit to meet short-term requirements of working capital and for long-term investment in agriculture and other income-bearing activities.

Agricultural and non-agricultural activities in rural areas typically are seasonal, and households need credit to smoothen out seasonal fluctuations in earnings and expenditure. Rural households, particularly those vulnerable to what appear to others to be minor shocks with respect to income and expenditure, need credit as an insurance against risk. In a society that has no law of free, compulsory and universal school education, no arrangements for free and universal preventive and curative health care, a weak system for the public distribution of food and very few general social security programmes, rural households need credit for different types of consumption. These include expenditure on food, housing, health and education. In the Indian context, another important purpose of borrowing is to meet expenses on a

variety of social obligations and rituals, V. K. Ramachandran and Madhura Swaminathan (2004).

The country's economic policy framework combines socialistic and capitalistic features with a heavy bias towards public sector investment. India has followed the path of growth-led exports rather than the "export led growth" of other Asian economies, with emphasis on self-reliance through import substitution.

Chandrasekhar and Ghosh (2002) classify the policies of financial liberalization in India into three types: first, policies to curtail government intervention in the allocation of credit, secondly, policies to dismantle the public sector and foster private banking, and thirdly, policies to lower capital controls on the Indian banking system.

These features are reflected in the structure, size, and diversity of the country's banking and financial sector. The banking system has had to serve the goals of economic policies enunciated in successive five year development plans, particularly concerning equitable income distribution, balanced regional economic growth, and the reduction and elimination of private sector monopolies in trade and industry. In order for the banking industry to serve as an instrument of state policy, it was subjected to various nationalization schemes in different phases (1955, 1969, and 1980). As a result, banking remained internationally isolated (few Indian banks had presence abroad in international financial centers) because of preoccupations with domestic priorities, especially massive branch expansion and attracting more people to the system. Moreover, the sector has been assigned the role of providing support to other economic sectors such as agriculture, small-scale industries exports, and banking activities in the developed commercial centers (i.e. metro, urban, and a limited number of semi-urban centers).

The banking system's international isolation was also due to strict branch licensing controls on foreign banks already operating in the country as well as entry restrictions facing new foreign banks. A criterion of reciprocity is required for any Indian bank to open an office abroad.

These features have left the Indian banking sector with weaknesses and strengths. A big challenge facing Indian banks is how, under the current ownership structure, to attain operational efficiency suitable for modern financial intermediation. On the other hand, it has been relatively easy for the public sector banks to recapitalize, given the increases in nonperforming assets (NPAs), as their Government dominated ownership structure has reduced the conflicts of interest that private banks would face.

In 1975, the Government established by ordinance and then legislation a new network of rural financial institutions called the Regional Rural Banks (RRBs), which were promoted by the Government of India, State governments and commercial banks. These were created on the basis of recommendations by a working group on commercial credit, also called the Narasimham Committee, and were intended to "combine the cooperatives' local feel and familiarity with the business acumen of commercial banks" (Jagan Mohan, 2004).

CHAPTER-III

METHODOLOGY

I. METHODOLOGY

The study titled “*Banking in Rural areas of Gujarat*” was started from 10th March 2010 under the assistance of HDFC bank. The identified area for the project undertaken was nearby Ankleshwar in Bharuch district of Gujarat. The main targeted area was **Panoli (East)** and its surrounding villages within 10km of radius.

The main objective of the organization was to get various ideas and current status about banking activities in rural area of Gujarat. Before the commencement of this project HDFC bank had negligible contribution to rural society in Gujarat.

3.1 Source of Data

Primary as well as secondary data has been collected to meet the objective of the study.

3.1.1 Primary Data: Primary data has been collected from the Belonging villagers, NRIs & Industrialist through semi-structured questionnaire.

3.1.2 Secondary Data: It has been collected from various Govt. Organization and Gazette census like local village level *Gram Panchayat*, *Taluka Panchayat*, DRDA, local agriculture offices and various banks.

3.2 Sample Unit: Belonging villagers, NRIs & Industrialist.

3.3 Sampling Method: The Random Sampling Method has been used.

3.4 Sample Size: 10 villages of Panoli (East) and 101 Respondents.

3.5 Area: The main area was Panoli (East) and its Eastern villages within 10 km radius.

The villages are Kosamdi, Mangrol, Jitali, kharod, Kapodra, Bhadi, Bakrol, karmali.

The two additional areas are Por and Rajpipala.

3.6 Analytical Tools: Mainly tabular analysis and graphical presentations has been used to achieve the objectives of the study.

CHAPTER-IV

RESULTS & DISCUSSION

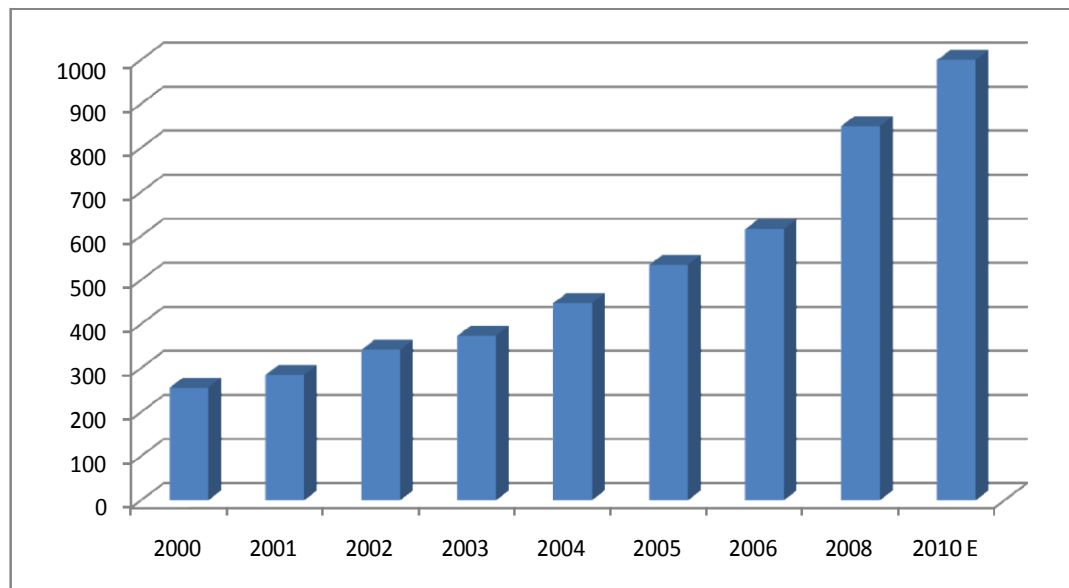
I. RESULTS AND DISCUSSION

4.1. Status of Banking in India, Gujarat & Bharuch District

4.1.1 Indian Banking Industry

The Indian banking market is growing at an astonishing rate, with Assets expected to reach US\$1 trillion by 2010. An expanding economy, middle class, and technological innovations are all contributing to this growth.

The country's middle class accounts for over 320 million people. In correlation with the growth of the economy, rising income levels, increased standard of living, and affordability of banking products are promising factors for continued expansion.



Source - Hand Book of Statistics on the Indian Economy, RBI.

Fig. 4.1: - Growth in Indian Banking Assets (US \$ Billions)

The Indian banking Industry is in the middle of an IT revolution, focusing on the expansion of retail and rural banking. Players are becoming increasingly customer - centric in their approach, which has resulted in innovative methods of offering new banking products and services. Banks are now realizing the importance of being a big player and are beginning to focus their attention on mergers and acquisitions to take advantage of economies of scale and/or comply with Basel II regulation.

“Indian banking industry assets are expected to reach US\$1 trillion by 2010 and are poised to receive a greater infusion of foreign capital,” says Prathima Rajan, analyst in Celent's banking group. “The banking industry should focus on having a small number of large players that can compete globally rather than having a large number of fragmented players.”

4.1.2. Contribution in Agriculture and Rural areas

Table 4.1: - Targets and Disbursements to Agriculture by Banks [Rs. crore]

| Agency | 2004-05 T/D | 2005-06 T/D | 2006-07 T/D | 2007-08 T/D | Total T/D |
|--------------------|-----------------------|------------------------|------------------------|------------------------|----------------------------------|
| Comm. Bank | 57,000 (81481) | 87,200 (1,25,477) | 1,19,000 (164,488) | 1,50,000 (1,56,850) | 4,13,200 (5,28,296) (128%) |
| Coop. Banks | 39,000 (31,231) | 38,600 (39,786) | 41,000 (42,480) | 52,000 (43,684) | 1,70,600 (1,57,181) (92%) |
| RRBs | 8,500 (12,404) | 15,200 (15,223) | 15,000 (20,435) | 23,000 (24,814) | 61,700 (72,876) (118%) |
| Total | 1,04,500 (125,116) | 1,41,000 (1,80,486) | 1,75,000 (2,27,403) | 2,25,000 (2,25,348) | 6,45,500 (7,58,353) (117%) |

Source – Hand Book of Statistics on the Indian Economy, RBI.

(T- Target, D- Disbursement)

Disbursements: - Data presented in Table No: - 4.1 revealed that Banking system disbursed loans of Rs.7, 58,353 crore to agricultural sector as against targets of Rs.6, 45,500 crore during 2004-05 to 2007-08 showing 117% achievements. Commercial banks’ achievements were the highest at 128% [Rs.5,28,296 crore] as against targets of Rs.4,13,200 crore, followed by 92% [Rs.1,57,181 crore] achievements by cooperative banks against targets of Rs.1,70,600 crore, and 118% achievements [Rs.72,876 crore] by RRBs as compared to targets of Rs. 61,700 crore.

Table 4.2: - Targets & Disbursements under Special Agricultural Credit Plans
[Rs. crore]

| Year | Public Sector Banks` Target | Public Sector Disbursements | Private Sector Banks` Target | Private Sector Disbursements |
|--------------|-----------------------------|-----------------------------|------------------------------|------------------------------|
| 2004-05 | 55616 | 65218 [117.3] ** | | |
| 2005-06 | 85024 [52.9]* | 94278[110.9]** | 24222 | 31199[128.8]** |
| 2006-07 | 118160 [39.0]* | 122443[103.6]** | 40656[67.8]* | 44093[108.5]** |
| 2007-08# | 152133 [28.7]* | 11543[73.6]** | 41427[1.9]* | 45906[110.8]** |
| Total | 410933 | 393482[95.7]** | 106305 | 121198 [114]** |

Source – Hand Book of Statistics on the Indian Economy, RBI.

Data provisional, * Indicates % increase over previous year, ** Indicates % achievements, (T- Target, D- Disbursement)

Special Agricultural Credit Plans: Disbursements under special agricultural credit plans by public sector banks were Rs.3,93,482 crore against the targets of Rs.4,10,933 crore during 2004-05 to 2006-07, showing 109% achievements [and 95.7% achievements including provisional data for the year 2007-08], whereas that of private sector banks were Rs.1,21,198 crore as compared to targets of Rs.1,06,305 crore during 2005-06 to 2007-08.exhibiting 114% achievements.

Table 4.3: - Statistics Relating To Commercial Banks at a Glance

| Indicator | March 2001 | March 2002 | March 2003 | March 2004 | March 2005 | March 2006 | March 2007 | March 2008 | March 2009 |
|--------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| Number of Bank Offices in India | 67937 | 68195 | 68500 | 69170 | 70373 | 71685 | 74346 | 78666 | 82408 |
| (a) Rural | 32585 | 32503 | 32283 | 32227 | 30790 | 30436 | 30575 | 31105 | 31699 |
| (b) Semi urban | 14843 | 14962 | 15135 | 15288 | 15325 | 15811 | 16620 | 17897 | 19082 |
| (c) Urban | 11193 | 11328 | 11566 | 11806 | 12419 | 13034 | 14049 | 15530 | 16614 |
| (d) Metropolitan | 9316 | 9402 | 9516 | 9750 | 11839 | 14204 | 13102 | 14134 | 15013 |
| Population per Office (in thousands) | 15 | 15 | 16 | 16 | 16 | 16 | 15 | 15 | 14 |

Source – Hand Book of Statistics on the Indian Economy, RBI.

- From the above given table, it can be clearly revealed that the number of offices are growing in India at 4% per every year.

- Up to March 2009, all commercial banks have shown their specific interest in metropolitan areas in a country with the average growth rate of 6% every year.
- Whereas banking development in rural India has been reported in poor stage i.e. 1.7% growth rate every year.

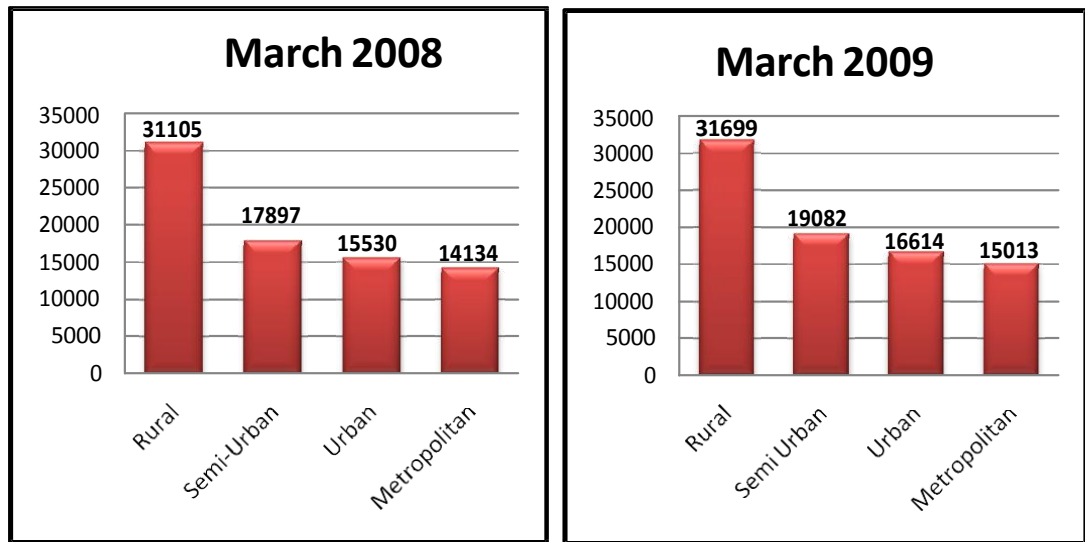
Table 4.4: - Offices of Commercial Banks in India - 2005 to 2009

(Number of offices includes administrative offices)

| Bank Group | As on March 31 | | | | |
|--|----------------|--------------|--------------|--------------|--------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 |
| State Bank of India and its Associates | 14006 | 14294 | 14651 | 15814 | 16731 |
| Nationalised Banks | 35096 | 35848 | 37413 | 39204 | 40766 |
| Foreign Banks | 242 | 259 | 272 | 279 | 295 |
| Regional Rural Banks | 14763 | 14776 | 14812 | 15029 | 15384 |
| Other Scheduled Commercial Banks | 6462 | 6828 | 7415 | 8294 | 9186 |
| Non-Scheduled Commercial Banks | 37 | 41 | 46 | 46 | 46 |
| Total | 70606 | 72046 | 74609 | 78666 | 82408 |

Source - Hand Book of Statistics on the Indian Economy, RBI.

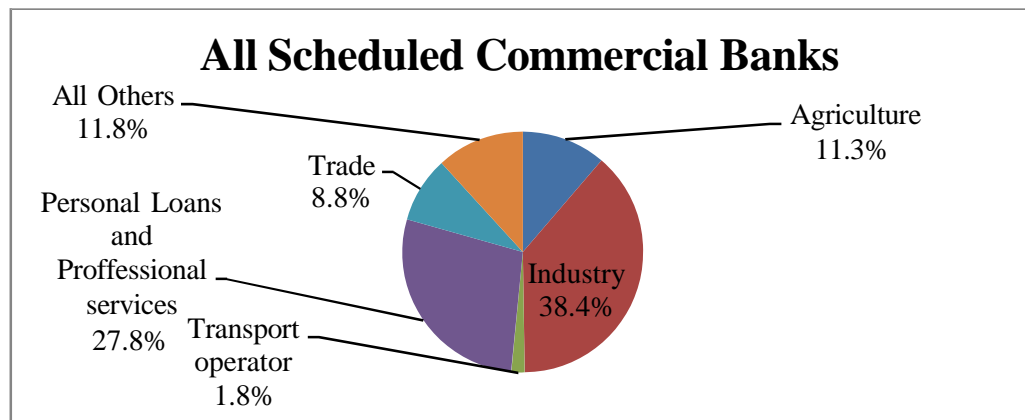
- Total 11802 offices have been increased in last in last four years. Out of this the Nationalised Banks Show the Maximum numbers of new offices and added 5670 new offices in last four years.
- Foreign Banks show the poor growth rate and added only 53 new offices in a same period of time. The SBI and other Scheduled commercial Banks show the good number of new offices and added 2725 and 2724 respectively. The average growth rate of new offices is approx 17%.
- Regional Rural banks have shown their poor growth rate i.e. 2.5% per year. The aggressive expansion of other nationalized as well as private banks in to the rural area may be the reason of less growth rate of these banks.



Source – Hand Book of Statistics on the Indian Economy, RBI.

Fig. 4.2: - Population Group-Wise Distribution of Number of Offices of Commercial Banks 2008-2009.

The above figure shows that the number of offices has been increased in different areas. With the help of 1185 new offices semi-urban area shows the highest number of new offices in last year, whereas rural offices shows the poor figure only 594 new offices has been opened in last one year. Urban area has also shown the excellent growth and added 1084 new offices in last year, 879 new offices helping to touch the 15,000 figure in Metropolitan area.



Source – Hand Book of Statistics on the Indian Economy, RBI.

Fig. 4.3: - Occupation - Wise Distribution of Credit by Scheduled Commercial Banks

The above figure shows that the Distribution of Credit by Scheduled Commercial Banks. With 38.4% Industry sector comes in first rank, Personal loans and professional services covered 27.8% of the total distribution, whereas Agriculture sector shows the 11.3% and comes in third major distribution segment. Trade and a Transport show 8.8% and 1.8% respectively.

4.2 Status of Banking in Gujarat

Table 4.5: - Population based banking in Gujarat

| | Rural | Semi-Urban | Urban | Metropolitan | Total |
|--------------------|-------|------------|-------|--------------|--------------|
| Number of Centre's | 1316 | 282 | 23 | 4 | 1625 |
| Number of Offices | 1486 | 989 | 649 | 1357 | 4481 |

Source – Hand Book of Statistics on the Indian Economy, RBI.

Table 4.6: District wise banking status in Gujarat

| District/Bank Group-wise Distribution of Number of Reporting Offices, Aggregate Deposits and Gross Bank Credit (Quarterly) of All Scheduled Commercial Banks in Gujarat - Part II (June, 2009) | | | | | | | | | |
|--|----------------------|-------------|-------------|----------------------------------|--------------|--------------|--------------------------------|---------------|---------------|
| (Amount in Rs. Crore) | | | | | | | | | |
| District | Regional Rural Banks | | | Other Scheduled Commercial Banks | | | All Scheduled Commercial Banks | | |
| | Offices | Deposits | Credit | Offices | Deposits | Credit | Offices | Deposits | Credit |
| Ahmedabad | 3 | 8 | 1 | 92 | 9091 | 8587 | 728 | 52204 | 50124 |
| Amreli | 11 | 55 | 29 | 4 | 66 | 21 | 98 | 1825 | 865 |
| Anand | 1 | 2 | 1 | 11 | 574 | 190 | 185 | 9622 | 1745 |
| Banas Kantha | 23 | 196 | 167 | 8 | 231 | 275 | 103 | 1926 | 1596 |
| Bharuch | 23 | 211 | 75 | 12 | 626 | 148 | 138 | 4171 | 1367 |
| Bhavnagar | 19 | 122 | 71 | 11 | 373 | 83 | 170 | 5299 | 1956 |
| Dahod | 24 | 139 | 84 | 4 | 61 | 1 | 69 | 1239 | 404 |
| Dangs | 3 | 53 | 19 | - | - | - | 8 | 171 | 54 |
| Gandhinagar | 10 | 124 | 26 | 8 | 320 | 18 | 119 | 6789 | 3480 |
| Jamnagar | 49 | 429 | 286 | 11 | 666 | 94 | 168 | 6587 | 1682 |
| Junagadh | 20 | 143 | 69 | 7 | 201 | 39 | 164 | 4335 | 1526 |
| Kachchh | 36 | 434 | 106 | 17 | 832 | 412 | 210 | 11772 | 2463 |
| Kheda | 2 | 4 | 1 | 5 | 200 | 15 | 149 | 4568 | 1054 |
| Mahesana | 28 | 237 | 92 | 20 | 421 | 452 | 151 | 3557 | 1912 |
| Narmada | 5 | 33 | 24 | 2 | 18 | 3 | 28 | 408 | 187 |
| Navsari | 22 | 181 | 57 | 6 | 218 | 30 | 156 | 6568 | 1037 |
| Panch Mahals | 30 | 231 | 105 | 5 | 76 | 8 | 97 | 2018 | 653 |
| Patan | 16 | 132 | 69 | 4 | 95 | 56 | 69 | 1343 | 672 |
| Porbandar | 5 | 32 | 16 | 3 | 118 | 5 | 54 | 2697 | 513 |
| Rajkot | 11 | 61 | 45 | 32 | 1512 | 1623 | 290 | 11127 | 7399 |
| Sabar Kantha | 27 | 243 | 151 | 5 | 93 | 49 | 137 | 2071 | 1414 |
| Surat | 3 | 15 | 10 | 52 | 2165 | 2414 | 370 | 16372 | 12101 |
| Surendranagar | 27 | 248 | 154 | 5 | 114 | 15 | 108 | 2061 | 939 |
| Tapi | 3 | 27 | 5 | 1 | 1 | - | 28 | 566 | 220 |
| Vadodara | 4 | 26 | 11 | 36 | 3118 | 2178 | 414 | 24403 | 19073 |
| Valsad | 13 | 127 | 54 | 20 | 872 | 302 | 127 | 4274 | 2009 |
| Gujarat | 418 | 3512 | 1725 | 381 | 22063 | 17019 | 4338 | 187973 | 116447 |

Source: RBI

4.3 Status of Banking in Ankleshwar

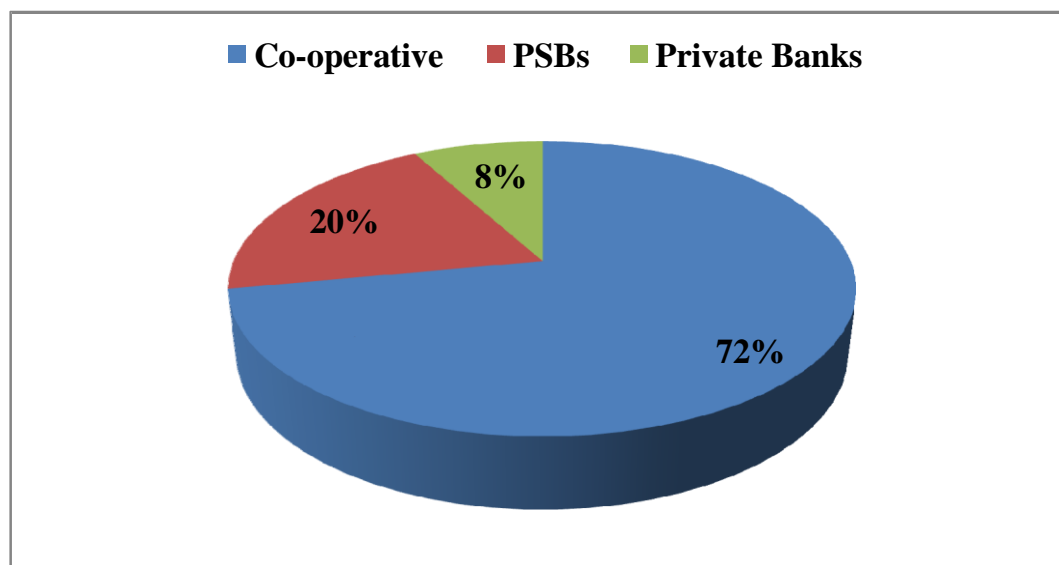


Fig. 4.4: - Extent of Penetration of Banks in rural area of Ankleshwar (East)

The above figure clearly depicts that co-operative Banks have the highest penetration in the rural area, 72% people are connected with co-operative banks, 20% and 8% people are connected with PSBs and Private Banks respectively.

The reason behind the success of Co-operative banks is very strong channel of banks. The one of the strongest reason for highest penetration is to have large number of accounts of contract farming owned farmers in the area as the co-operative firms have their banking relation with co-operative banks only.

Table 4.7:- Statement of Banking Figures as On Dec-09, Bharuch District

| SN | Name of Bank Institute | Number of Branch | Deposit | | Advances | | CD Ratio | Priority Sector Advances | | | | | | % of P/S |
|----|---------------------------|---------------------|----------------|---------------|---------------|---------------|--------------|--------------------------|----------------------------|--------------|--------------|--------------|---------------|-------------|
| | | | A/C | Amt. | A/C | Amt. | | Agril. Amt. | Agril. % to Tatal Adv.. | SSI Amt. | OPS Amt. | TOTAL | | |
| | | | | | | | | | | | | A/C | Amt. | |
| 1 | BOB | 33 | 338780 | 126530 | 17079 | 65562 | 51.82 | 16778 | 25.6 | 14276 | 7665 | 12870 | 38719 | 59.1 |
| 2 | SBI | 30 | 348318 | 98675 | 18609 | 38797 | 39.32 | 9187 | 23.7 | 5456 | 17518 | 17867 | 32161 | 82.9 |
| 3 | Dena Bank | 9 | 60112 | 30775 | 2553 | 4300 | 13.97 | 1222 | 28.4 | 1009 | 887 | 17867 | 3118 | 72.5 |
| 4 | CBI | 7 | 50281 | 17752 | 2128 | 3234 | 18.21 | 1235 | 38.2 | 372 | 1030 | 1736 | 2637 | 81.5 |
| 5 | BOI | 5 | 31467 | 20429 | 2543 | 11191 | 54.78 | 899 | 8 | 1069 | 1781 | 1691 | 3749 | 33.5 |
| 6 | UBI | 3 | 25779 | 10278 | 975 | 3138 | 30.53 | 1396 | 44.5 | 470 | 852 | 622 | 2718 | 86.6 |
| 7 | UCO Bank | 3 | 14603 | 7006 | 687 | 867 | 12.37 | 193 | 22.3 | 13 | 563 | 628 | 769 | 88.7 |
| 8 | Indian Bank | 2 | 19130 | 7705 | 863 | 1814 | 23.54 | 483 | 26.7 | 222 | 805 | 251 | 1510 | 83.3 |
| 9 | PNB | 2 | 18927 | 7131 | 585 | 1734 | 24.31 | 325 | 18.7 | 653 | 296 | 231 | 1274 | 73.4 |
| 10 | Canara Bank | 2 | 11724 | 4731 | 896 | 801 | 16.93 | 21.85 | 2.7 | 0 | 282 | 126 | 304 | 37.9 |
| 11 | Syndicate Bank | 1 | 11780 | 4533 | 480 | 1173 | 25.87 | 57.03 | 4.9 | 190 | 682 | 220 | 929 | 79.2 |
| 12 | IOB | 2 | 4450 | 3439 | 290 | 1840 | 53.5 | 21.16 | 1.2 | 915 | 236 | 153 | 1172 | 63.7 |
| 13 | Allahabad Bank | 2 | 3944 | 722 | 301 | 427 | 59.2 | 106.26 | 24.9 | 73 | 223 | 260 | 402 | 94.1 |
| 14 | BOMh | 1 | 6902 | 2479 | 452 | 2574 | 103.85 | 180 | 7 | 1284 | 349 | 237 | 1813 | 70.4 |
| 15 | OBC | 2 | 9972 | 6479 | 661 | 4118 | 63.56 | 455 | 11.1 | 2019 | 635 | 283 | 3109 | 75.5 |
| 16 | Vijaya Bank | 1 | 6346 | 3294 | 372 | 2101 | 63.79 | 19 | 0.9 | 1179 | 504 | 247 | 1702 | 81 |
| 17 | Andhra Bank | 1 | 0 | 150 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | |
| | Sub Total | 106 | 962515 | 352108 | 49474 | 143670 | 40.8 | 32578.3 | 22.7 | 29200 | 34308 | 55289 | 96086 | 66.9 |
| 18 | B.G.G.B. | 22 | 130456 | 21606 | 8282 | 5786 | 26.78 | 3796 | 65.6 | 50 | 1166 | 5936 | 5012 | 86.6 |
| 19 | B.D.C.C. | 49 | 222521 | 40951 | 32779 | 28607 | 69.86 | 17821 | 62.3 | 5 | 73 | 27314 | 17899 | 62.6 |
| 20 | GSARDB (LDB) | 8 | 505 | 298 | 2459 | 1793 | 601.53 | 1793 | 100 | 0 | 0 | 2459 | 1793 | 100 |
| | Sub Total | 79 | 353482 | 62855 | 43520 | 36185 | 57.57 | 23410 | 64.7 | 55 | 1239 | 35709 | 24704 | 68.3 |
| 21 | ICICI Bk | 3 | 0 | 12165 | 14710 | 12799 | 105.22 | 844 | 6.6 | 1050 | 5089 | 2650 | 6983 | 54.6 |
| 22 | HDFC | 4 | 0 | 30920 | 12347 | 12819 | 41.46 | 255 | 2 | 685 | 1849 | 2650 | 2789 | 21.8 |
| 23 | Fedral Bk | 1 | 3388 | 1164 | 386 | 1007 | 86.55 | 40 | 4 | 117 | 476 | 130 | 633 | 62.8 |
| 24 | Axis Bk | 3 | 21000 | 16841 | 587 | 3047 | 18.09 | 278 | 9.1 | 35 | 386 | 279 | 699 | 22.9 |
| 25 | DCB | 1 | 0 | 1213 | 0 | 4873 | 401.73 | 0 | 0 | 0 | 2473 | 0 | 2473 | 50.7 |
| 26 | Kotak Mahindra | 2 | 0 | 4940 | 680 | 1840 | 37.24 | 423 | 23 | 254 | 622 | 483 | 1299 | 70.6 |
| 27 | IDBI | 2 | 3732 | 948 | 14 | 49 | 5.21 | 0 | 0 | 14 | 28 | 6 | 42 | 85.1 |
| | Sub Total | 16 | 28120 | 68191 | 28724 | 36435 | 53.43 | 1841 | 5.1 | 2155 | 10923 | 6198 | 14919 | 40.9 |
| | Grand Total | 201 | 1344117 | 483154 | 121718 | 216291 | 44.77 | 57829 | 26.7 | 31410 | 46470 | 97196 | 135709 | 62.7 |

Source – Bank of Baroda, Bharuch

Table 4.8: - Role of banks in SHGs of Bharuch District

| Microfinance in Bharuch Dist. through various SHG by banks at the end March, 2010 | | | | | | | | | | | |
|---|------------|--|----------------------------|-----------------------|-------------------------|-------------------|-------------------------|--------------------|-------------------------|--------------------|--|
| S N | Taluka | SHG formed &opened a/cs in Banks | Members in these SHG | SHG in Rs. '000 | Internal lending by | | Revolving Fund Given | | Bank Linkage | | SHG start ed Eco. Acti vity |
| | | | | | Num ber of SHG | Amt. of SHG | Num ber of SHG | Amt. of lending | Num ber of SHG | Amt. of lending | |
| | | | | | | in lacs | | in lacs | | in lacs | |
| 1 | Jambusar | 775 | 9339 | 5735 | 670 | 674 | 618 | 3090 | 602 | 8707 | 31 |
| 2 | Amod | 487 | 6101 | 3421 | 266 | 247 | 311 | 1555 | 311 | 4408 | 27 |
| 3 | vagra | 452 | 4916 | 2504 | 221 | 626 | 245 | 1225 | 214 | 3649 | 21 |
| 4 | Bharuch | 710 | 7314 | 6496 | 359 | 396 | 406 | 2030 | 297 | 5072 | 11 |
| 5 | Ankleshwar | 617 | 7024 | 4282 | 428 | 934 | 470 | 2350 | 444 | 9347 | 50 |
| 6 | Hansot | 340 | 3732 | 1160 | 184 | 560 | 192 | 960 | 188 | 2654 | 56 |
| 7 | Valia | 706 | 7742 | 4224 | 618 | 1942 | 436 | 2180 | 405 | 7276 | 24 |
| 8 | Jhagadia | 791 | 9487 | 6110 | 560 | 563 | 642 | 3210 | 533 | 4884 | 18 |
| | | 4878 | 55655 | 33932 | 3306 | 5942 | 3320 | 16600 | 2994 | 45997 | |

Source – DRDA, Bharuch

- The rural area of Bharuch dist. has shown one of the significant features of its development through Microfinance and SHGs.
- As per the secondary data resources, about 4878 numbers of SHGs have been spreaded across the district. along with 55655 number of members and worth Rs 33932K lending amount in last fiscal, Among those about 2994 no of SHGs have their direct linkage with banks. Such kinds of SHGs have their immense contribution to the development of rural economy as they are believed as grass root revolute in rural Asia.
- Such kinds of SHGs are running by two main types of their lending operations i.e. either by internal lending or by revolving fund. Bank mostly plays role of refinancing agent for socio-economic development of economically backward people.
- With concern to HDFC Bank such kind of SHGs can be a big source of potential rural developmental business.

4.4 SWOT analysis of HDFC Bank

4.4.1. Strengths

- HDFC is the strongest and most venerable Private Player on Indian mortgages over the long term. The management of the bank is termed to be one of the best in the country.
- HDFC has differentiated itself from its peers with its diversified network and revamped distribution strategy.
- HDFC has been highly proactive in passing on the cost and benefit to customers.
- High degree of customer satisfaction due to wide range of customized product at single door.
- Lower response time with efficient and world class effective service.
- Dedicated workforce aiming at making a long-term career in the field.
- Better quality of assets worth Rs. 1.8 trillion, lowest NPA < 1 per cent.
- Profitability is observed in higher stage.

4.4.2. Weaknesses

- Channelization and networking of bank is observed in poor stage in rural and interior areas.
- Service cost is much higher than other PSBs & Co-operative bank.
- Significant sectors like micro-finance and rural-agri. credit facility are still untouched.

4.4.3. Opportunities

- Fast growing insurance business in the country but agriculture insurance facility is still uncovered.
- Untapped rural and agricultural market.
- Could extend to overseas broadly
- Fast-track career development opportunities on an industry-wide basis.

- An applied research centre to create opportunities for developing techniques to provide added-value services.
- HDFC Bank anticipates major cost savings whilst maintaining high levels of customer service.
- NRI banking services in rural area is not conducted effectively and aggressively by PSBs & Co-operative banks so the significant and potential business ground is totally opened to generate forex business.

4.4.4. Threats

- Risk of fraud and NPA accretion due increasing in interest rates and fall in property prices is inherent to the mortgage business
- Lack of infrastructure in rural areas could constrain investment.
- Very high and stiff competition prevailing in the industry.
- Extension in overseas holds a lot of risk!
- Threat from credit collections department, if recovery process noticed in poor stage, it may directly harm to controlled NPA.
- Other competitors are entering in market with versatile and customized products which may harm to market share of bank.

4.5 Demographical analysis of studied area under Panoli (East)

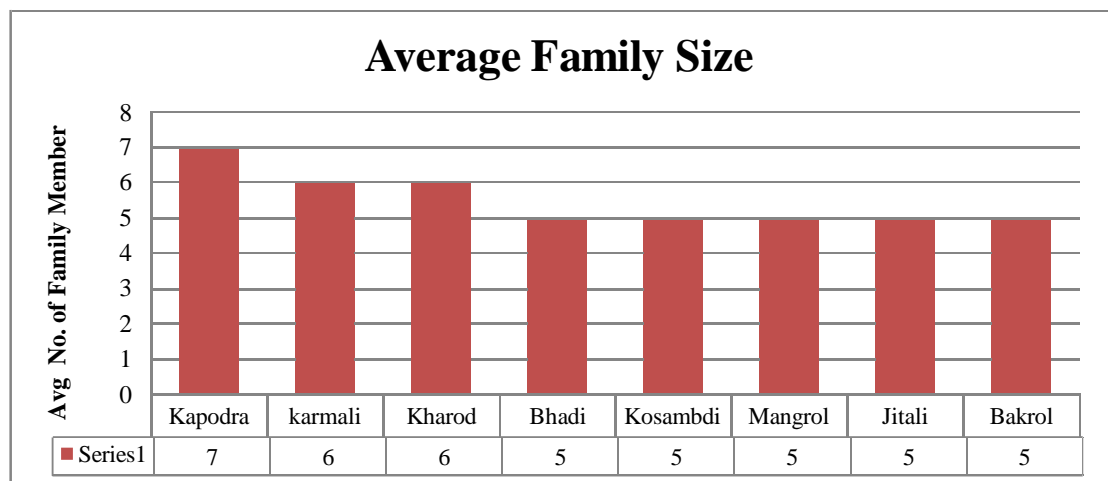


Fig. 4.5: - Average family size in observed villages

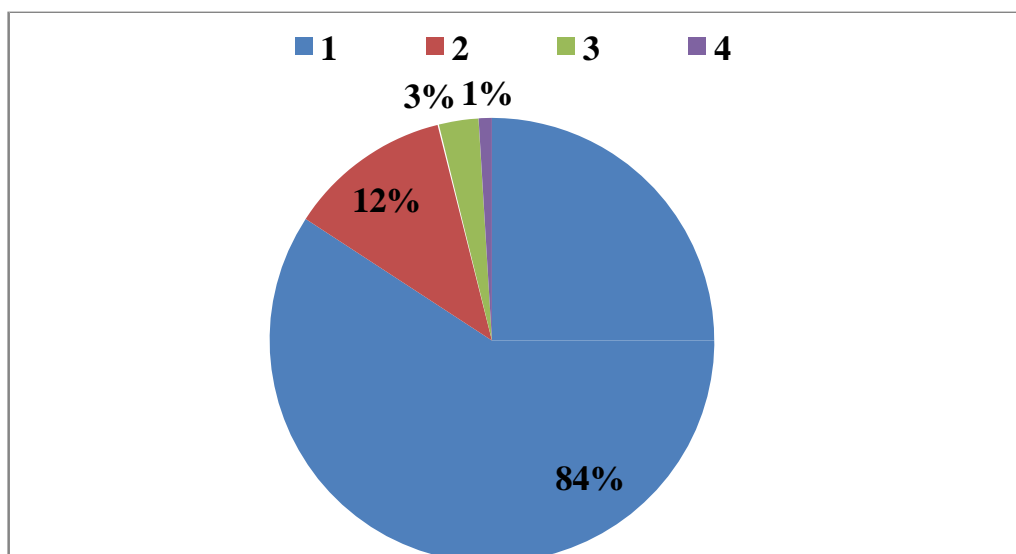


Fig. 4.6: - Average Number of Working People in a family

- The majority of the population in Panoli (E) has been observed as mainly Muslim dominancy. Here the family size has been observed as 6 members per family.
- Young population has been observed less in number with comparison to children and old age population. One of the main reasons behind this is that most of the youth of these villages are migrated to foreign countries or other big cities for their employment, (as per respondents, Talati Mantri and Sarpanch).
- Average 1-2 working people have been observed among all these families. 84% Family has only one working people in each family. 12%, 3% and 1% Family has been observed with two, three and four working people respectively.
- Hence the attention is needed in such a way that the introductory products and services should be introduced by keeping all such facts in the mind for any upcoming banker.

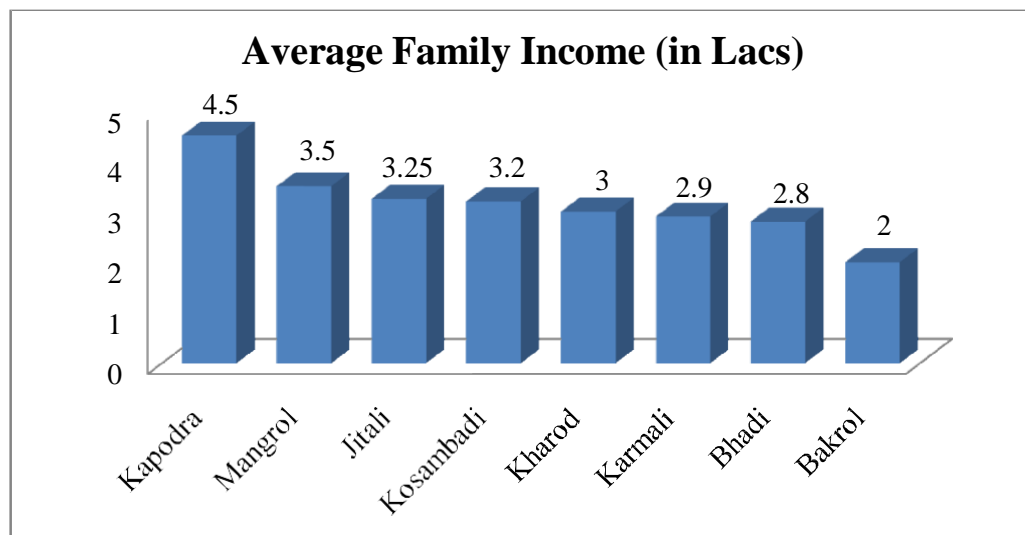


Fig. 4.7: - Average Family income in observed villages

- Panoli and its nearby villages have shown their income per family within the range of 2 - 4.5 lacs/year which is a sign of average earning mass (Average income is 3.14 lacs/year).
- Yet, most of the people are unaware of sophisticated banking system in the village; it anticipates the vast scope for commercial banks to get penetrate in to the rural market.
- NRI remittance is another emerging option for commercial banks to get introduced themselves in the rural areas near by Panoli.
- People around this area are mainly habituated with general saving profile so it's a prime duty for any bank to introduce some value added and customized product to village.

Table 4.9: - Scale wise sources of income in sampled Villages

| Sr. Number | Name of Villages | Agriculture (%) | Service (%) | Self employment (%) |
|------------|------------------|-----------------|-------------|---------------------|
| 1 | Kharod | 90 | 9 | 1 |
| 2 | Kapodra | 80 | 18 | 2 |
| 3 | Bhadi | 80 | 18 | 2 |
| 4 | Jitali | 70 | 25 | 5 |
| 5 | Karmali | 95 | 4 | 1 |
| 6 | Kosamdi | 50 | 30 | 20 |
| 7 | Mangrol | 60 | 30 | 10 |
| 8 | Bakrol | 90 | 8 | 2 |

Source: - Gram Panchayat.

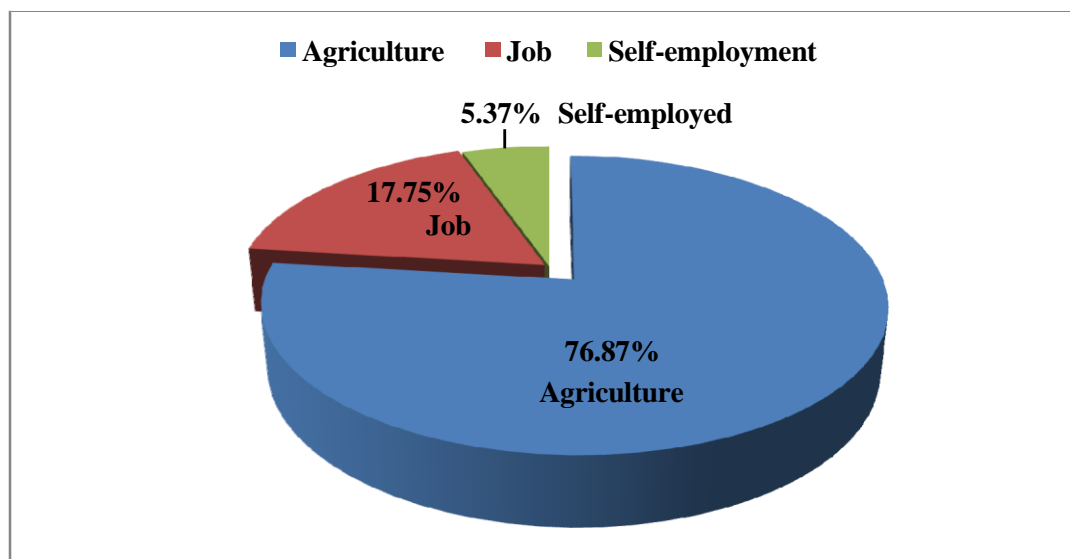
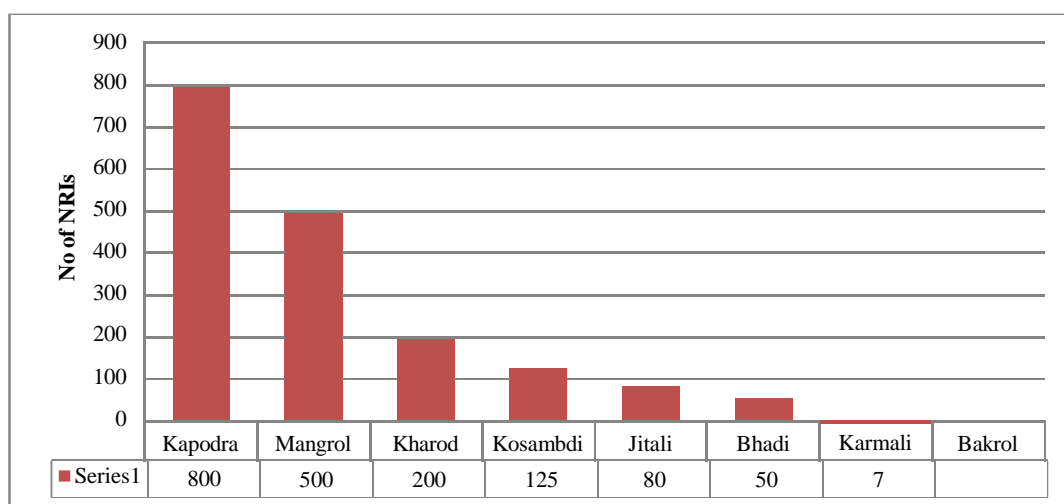


Fig. 4.8: - Percentage wise occupational status

- From the above table, it can be easily revealed that 50-90% of the surveyed village population has Agriculture as their main source of income (Average-77%). As the area has prosperous agriculture profile, the huge number of population is dependent on this occupation.
- 4-30% of the population has been engaged with various services in and around their respective villages (Average-18%).
- Only 1-5% of the total population is having their self owned employment (Average-5%).



Source:

Gram Panchayat Fig. 4.9: - Graphical analysis of NRI

Population in respective villages

- Panoli (E) and their surrounding villages are enriched in terms of their NRI population.
- Generally the people from these villages prefer to migrate in countries like Canada, USA, Gulf countries and European countries (as per respondents, Talati Mantri and Sarpanch).
- This additional feature can add benefits for upcoming private bank in terms of abundant business opportunity in NRI remittance facilities and FOREX services as well.

Table 4.10: - Village wise major cultivated crops

| Sr. No. | Name of the Village | Main Crop | Secondary Crop |
|---------|---------------------|-----------|-------------------|
| 1 | Kapodra | Sugarcane | Rice |
| 2 | Karmali | Sugarcane | - |
| 3 | Kharod | Sorghum | Sugarcane |
| 4 | Bhadi | Sorghum | Red Gram |
| 5 | Kosamdi | Sugarcane | Red Gram, Sorghum |
| 6 | Bakrol | Sorghum | Red Gram, Wheat |
| 7 | Jitali | Sugarcane | Rice |
| 8 | Mangrol | Sugarcane | Rice |

- Since the area is enriched with well established irrigated system, most of the farmers have tended themselves for sugarcane production as their main crop.
- Other reason of the sugarcane as a primary crop is that there are several numbers of well established sugarcane co-operatives in and around these villages.
- Some of the villages, where irrigation facility has reported in poor stage, have tended themselves to non-irrigated crops like Sorghum, Red gram & Rice.
- The area has also revealed significant numbers of consumer co-operatives around these villages which provide all essential Agri. based inputs to all farmers.
- At last on an average it can be said that this area has above average agriculture profile which may be one of the reason for prosperity of farmers in this area.

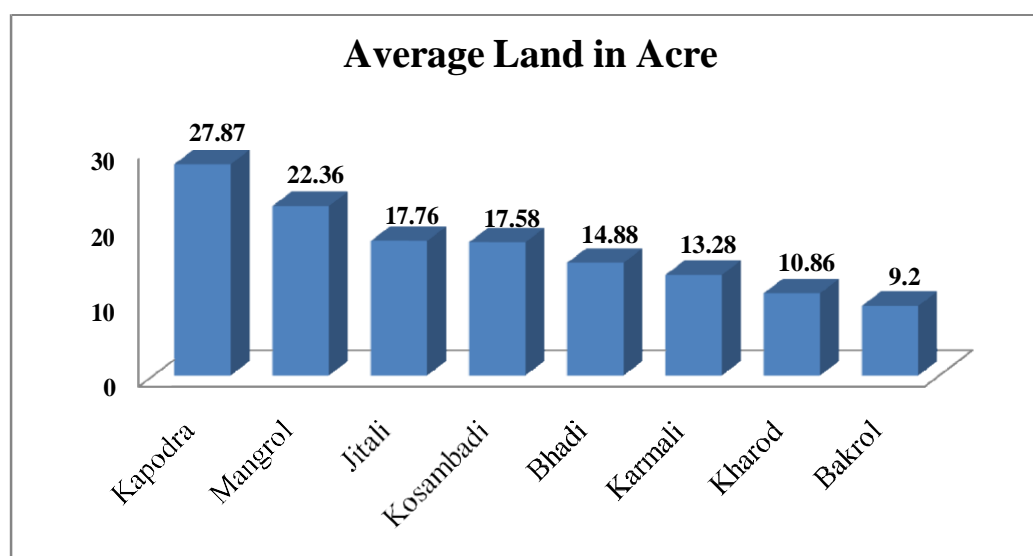


Fig. 4.10: - Average land holding by farmers in observed villages

- The average land holding capacity of the observed villages have been mentioned in above given figure which shows the value in terms of land holding capacity with farmers. The average land holding capacity is 16.72 acre.
- The 80-90% of the total population has been engaged with Agriculture profession hence it's mandatory to consider all agricultural specifications for the respective area for any bankers before initiating any banking venture in to the rural areas.
- Targeting the farmers and agricultural related professionals will add the additional benefit for any bank which needs a faster penetration in to the rural areas.

Table 4.14: - Primary Survey of surrounding village of Panoli.

| Name of Village | Population | Number of Family | Occupation | | Income /family | NRIs (App.) | Arable Land (Ha) | Number of Banks |
|-----------------|------------|------------------|------------|--------------------------------------|----------------|-------------|------------------|-----------------|
| | | | Agri. (%) | Self-Employment / Industrial Job (%) | | | | |
| Kosamdi | 10000 | 3000 | 50 | 50 | 4000 | 125 | 1197 | 2 |
| Kharod | 4500 | 800 | 90 | 10 | 15000 | 200 | 1032 | 1 |
| Karmali | 1200 | 80 | 80 | 20 | NA | 7 | NA | - |
| Bakrol | 2500 | 150 | 80 | 20 | NA | - | NA | 1 |
| Kapodra | 3500 | 532 | 80 | 20 | NA | 800 | NA | 1 |
| Bhadi | 3000 | 350 | 80 | 20 | NA | 50 | NA | - |
| Mangrol | 10000 | 2000 | 70 | 30 | NA | 500 | NA | 3 |
| Jitali | 5000 | 800 | 70 | 30 | NA | 80 | NA | - |

Source: - Gram Panchayat

4.6 Description of Socio-economic and demographic features of studied villages

4.6.1 Village – Karmali

Table 4.12: - Demographic Status of Karmali Village

| Parameters | Particular |
|---|------------|
| Population | 1200 |
| Families | 80 |
| Family Size | 6 |
| Numbers of NRIs | 7 |
| Average annual income per Family (Rs in lacs) | 2.9 |
| Bank Account holders (%) | 100 |
| Member of consumer co-operatives (%) | 15 |
| Average land holding capacity (in acre) | 13.28 |
| Main crops of the village | Sugarcane |
| Loan occupied (%) | 15 |

Source: Primary survey & Gram Panchayat

- Karmali is situated 11 km away from Ankleshwar and 2 km far from Panoli connected through 5 km approach road with National highway-8 and 2 km far from Panoli railway station.
- The total population of the village has been reported 1200 along with 80 numbers of family in a village. The observed sex-ratio of the village is 10:9, along with Muslim dominancy in the village.
- The average family size in the village has been observed 6 in number along with average 1 working family member.

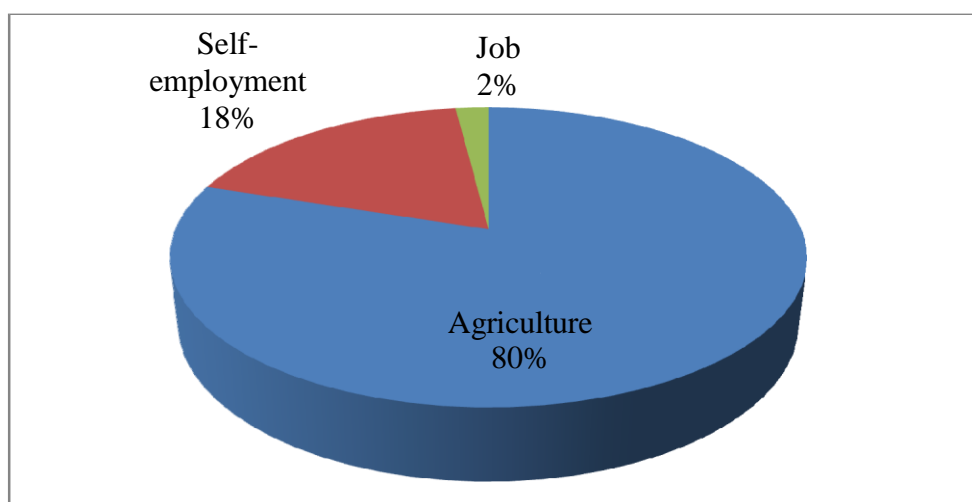


Fig. 4.11: - Ratio of Various occupations in Karmali

- The 80% of the population is occupied with agriculture profession whereas 18% people are self-employed and rest of them engaged with job.
- The average income in a village has been reported Rs. 2.9 lacs/family/year. Village has shown poor figure in NRI population; reported only 7-10 in numbers.
- Majority of village people have their banking relation with BDCo. at Panoli and other nationalized bank at Panoli and Ankleshwar.
- Most of the respondents have denied when the question was arose regarding loan aspect.
- Majority of the people have just general saving account as a part of their saving purpose.

4.6.2 Village – Kharod

Table 4.13: - Demographic Status of Kharod Village

| Parameters | Particular |
|---|--------------------|
| Population | 4500 |
| Families | 800 |
| Family Size | 6 |
| Numbers of NRIs | 200 |
| Average annual income per Family (Rs in lacs) | 3 |
| Bank Account holders (%) | 100 |
| Member of consumer co-operatives (%) | 54 |
| Average land holding capacity (in acre) | 10.86 |
| Main crops of the village | Sorghum, sugarcane |
| Loan occupied (%) | 27 |

Source: Primary survey & Gram Panchayat

- Kharod is one of the other potential villages in terms of banking, which is 7 km away from Ankleshwar and 4 km far from Panoli situated on national highway-8.
- The observed population of the village is 4500 number of people with 800 number of family. The observed sex-ratio of this village is 10:9.
- The observed average no. of family members in a family is 6 with average 1-2 working people. The average income of the family has been observed as 3.0 lacs/family/year.

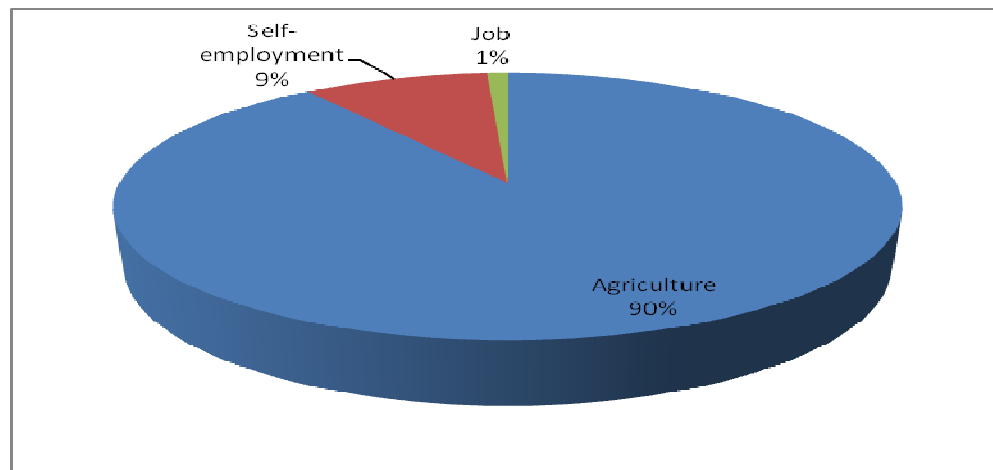


Fig.4.12: - Ratio of Various occupations in Kharod

- About 90% of the total population is engaged in traditional profession of Agriculture, whereas 9% & 1% population is engaged in job and self-employed profession respectively. The total arable land of the village is 1032 Ha. as per Panchayat census.
- The village has also an immense potential from the banking point of view not only because of prosperous agriculture but also due to huge number of NRI population which has been observed 200 numbers.
- The village has one existing bank at present named Bharuch Dist. Co-operative bank. 99% of observed samples have their banking relation with BDCo as it is located nearby and it is connected with other consumer co-operatives where as 1% observed sample has shown interest in other PSBs. Most the samples have general saving account in their respective banks as their saving habits.

4.6.3 Village – Bhadi

Table 4.14: - Demographic Status of Bhadi Village

| Parameters | Particular |
|---|-------------------|
| Population | 3000 |
| Families | 350 |
| Family Size | 5 |
| Numbers of NRIs | 50 |
| Average annual income per Family (Rs in lacs) | 2.8 |
| Bank Account holders (%) | 100 |
| Member of consumer co-operatives (%) | 72 |
| Average land holding capacity (in acre) | 14.88 |
| Main crops of the village | Sorghum, Red gram |
| Loan occupied (%) | 23 |

Source: Primary survey & Gram Panchayat

- Bhadi is situated 9 km far from Ankleshwar and 6 km away from Panoli. Which is connected with national highway-8 by 3 km approach road.
- The total population of the village has been observed as 3000 in number with 350 no of family in the village with the observed sex ratio of 10:8.5, with 95% dominancy of Muslim family.
- The village has also reported its wealthiness by having a good no. of NRI census which has been reported as 50 in numbers.

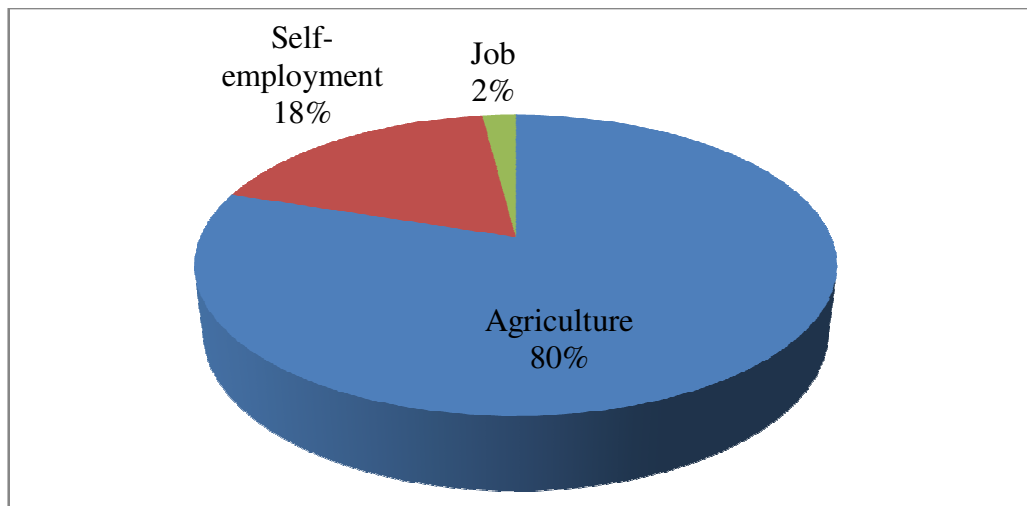


Fig.4.13: - Ratio of Various occupations in Bhadi

- About 80% of total population has reported Agriculture as their main occupation whereas 18% are engaged in Job and 2% with Self employment in the village.
- The average number of members in family is observed 5, with 1-2 number average working people in a family. The average income in the village as per sample survey is reported 2.8lac/family/year.
- No bank existence in the observed village.
- 94% of the observed populations have their banking relation with local co-operative bank due to their connectivity with consumer co-operative.
- 22% of observed samples have taken a loan from various banks for their relevant purposes.
- Most of the samples have their general saving account in banks as a part of their saving habit.

4.6.4 Village – Kosamdi

Table 4.15: - Demographic Status of Kosamdi Village

| Parameters | Particular |
|---|--------------------|
| Population | 10,000 |
| Families | 3,000 |
| Family Size | 5 |
| Numbers of NRIs | 125 |
| Average annual income per Family (Rs in lacs) | 3.2 |
| Bank Account holders (%) | 95 |
| Member of consumer co-operatives (%) | 50 |
| Average land holding capacity (in acre) | 17.58 |
| Main crops of the village | Sugarcane, Sorghum |
| Loan occupied (%) | 23 |

Source: Primary survey & Gram Panchayat

- Kosamdi is located 5 km far from Ankleshwar and 12 km away from Panoli on the AKV-Valia state highway.
- Total population of the village is noted 10000 no with 3000 number of family with 90% Muslim dominancy, having sex ratio of 10:9.
- Average income in the village has been observed 3.2 lacs/family/year.
- The village has total 125 number of NRI population from various families.
- Dena bank is dominating along with BDCo in the village.

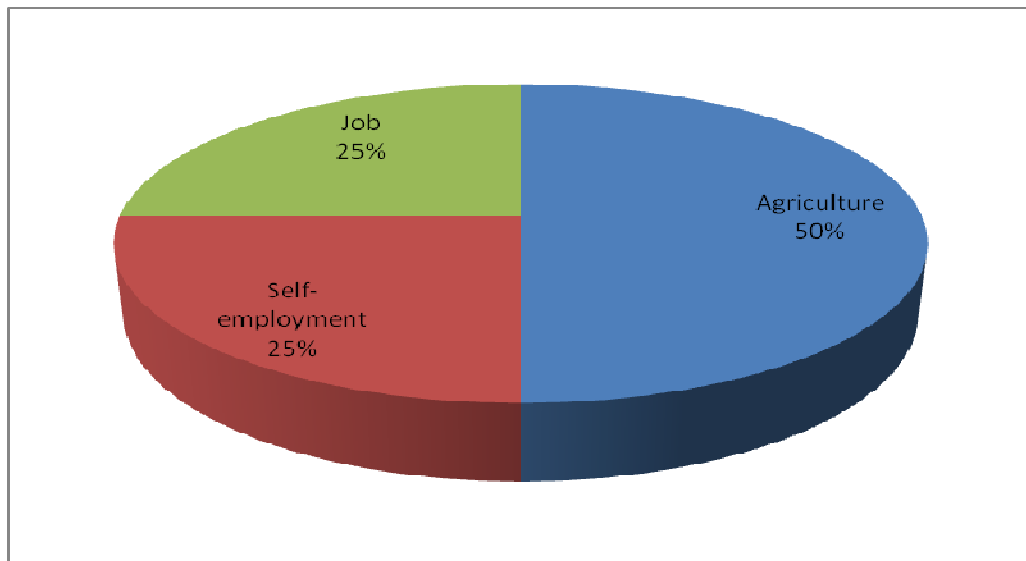


Fig. 4.14: - Ratio of Various occupations in Kosamdi

- 50% of total population is engaged with Agriculture whereas rest of the population is dependent on Job and self employment.
- Average number of members in a family has been observed as 5 numbers with average 1 working people from each family in the observed village.
- About 77% of observed samples have never taken any kind of loan from any bank whereas 23% of the observed respondents have taken loan from various banks for their respective purposes.
- 75% of the population has been captured by DENA bank in terms of banking relationship whereas 25% has been engaged with other banks like BDCo, HDFC etc.
- Most of the observed samples have general saving account as their saving habit.

4.6.5 Village – Mangrol

Table 4.16: - Demographic Status of Mangrol Village

| Parameters | Particular |
|---|-------------------|
| Population | 10,000 |
| Families | 2,000 |
| Family Size | 5 |
| Numbers of NRIs | 500 |
| Average annual income per Family (Rs in lacs) | 3.5 |
| Bank Account holders (%) | 100 |
| Member of consumer co-operatives (%) | 100 |
| Average land holding capacity (in acre) | 22.36 |
| Main crops of the village | Sugarcane & Rice |
| Loan occupied (%) | 13 |

Source - Primary survey & Gram Panchayat

- Mangrol is situated 25 km away from Ankleshwar and about 30 km away from Panoli. It is situated nearby Valia.
- The village has its reported population of about 10,000 in numbers. The population has been mainly dominated by Muslim community with 70%, whereas 30% Hindu population has been observed.
- As per observation, the average family size in a village is 5 numbers/family along with one average working person from the family. The average income of observed family has been reported as Rs 3.5 lacs/family/year.

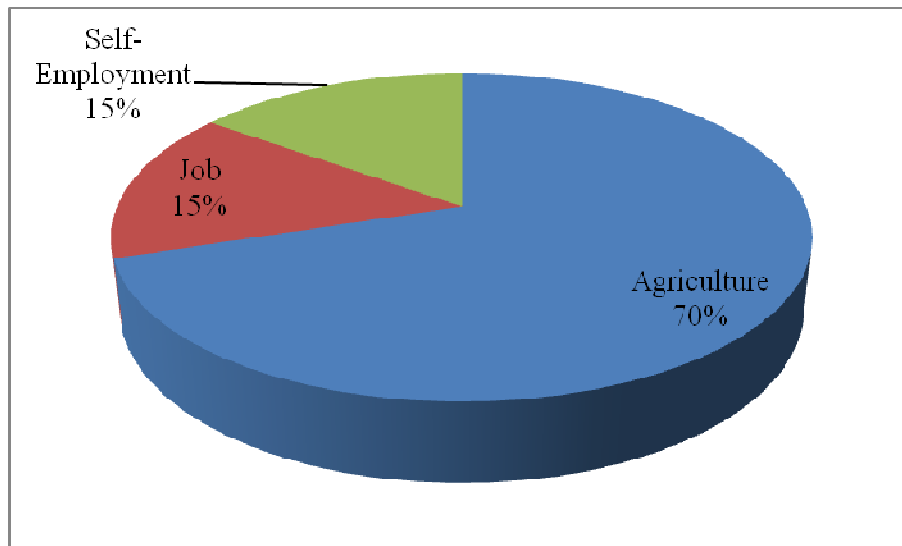


Fig. 4.15: - Ratio of Various occupations in Mangrol

- About 70% of the total population is engaged with Agriculture profession whereas rest of the population devoted themselves in job and self owned business. The village is also prosperous in terms of more number of NRI populations which has been reported about 500 in numbers.
- The village has well established banking infrastructure in terms of 2 PSBs and one District Co-operative banks.
- The majority of the population has their banking relation with local Co-operative banks whereas other people have also connected with other banks like SBI, BoB and HDFC etc.
- About 13% of the observed population has taken loan for their respective purposes from various banks and rest of them haven't taken any kind of loans from any bank.

4.6.6 Village – Jitali

Table 4.17: - Demographic Status of Jitali Village

| Parameters | Particular |
|---|-------------------|
| Population | 5,000 |
| Families | 8,00 |
| Family Size | 5 |
| Numbers of NRIs | 80 |
| Average annual income per Family (Rs in lacs) | 3.25 |
| Bank Account holders (%) | 100 |
| Member of consumer co-operatives (%) | 100 |
| Average land holding capacity (in acre) | 17.76 |
| Main crops of the village | Sugarcane, Rice |
| Loan occupied (%) | 30 |

Source: Primary survey & Gram Panchayat

- Jitali is situated at 3 km away from Ankleshwar and 12 km far from Panoli connected through Anleshwar-Rajpipla state highway.
- The total population of this village is about 5000 in numbers with about 800 families in the village with sex-ratio of 10:9, with 85% Muslim dominancy.
- Village people have their banking relation with Co-operative bank at nearby village Dadhal. Among all observed samples, most of the samples have their banking account in BDCo at Dadhal.

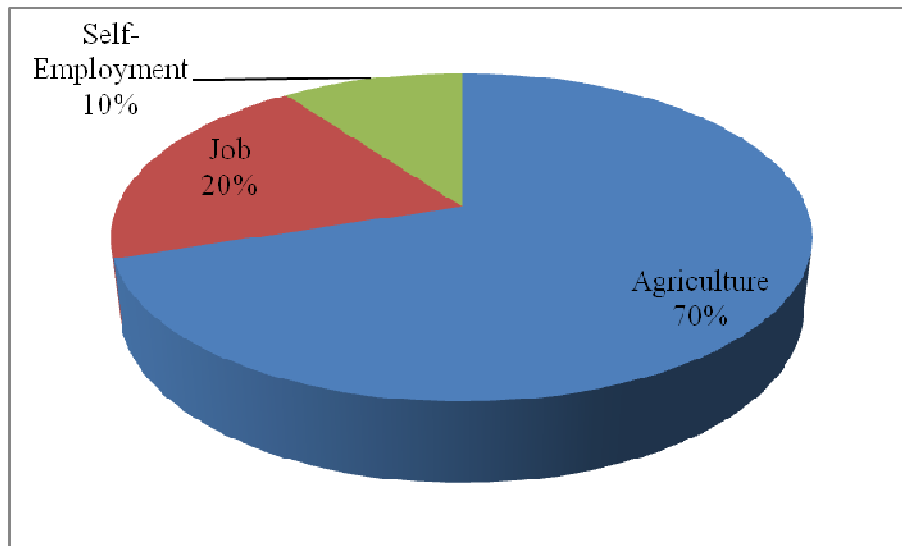


Fig. 4.16: - Ratio of Various occupations in Jitali

- About 70% of total population is directly dependent on Agriculture and rest of the population is occupied with Job and self own business.
- Good number of NRI census has also been observed in the village, which are about 80 in numbers.
- As per the observation the average family size in a village is 5 numbers /family, with average 1-2 working people in a family.
- The average income per family has been observed is Rs 3.25 lacs/family/year.
- Among total samples 30% of the people have taken loan from bank for their respective purposes whereas 70% of the respondents have never taken any kind of loan.

4.6.7 Village – Bakrol

Table 4.18: - Demographic Status of Bakrol Village

| Parameters | Particular |
|---|-------------------|
| Population | 2,500 |
| Families | 150 |
| Family Size | 5 |
| Numbers of NRIs | - |
| Average annual income per Family (Rs in lacs) | 2 |
| Bank Account holders (%) | 100 |
| Member of consumer co-operatives (%) | 84 |
| Average land holding capacity (in acre) | 9.2 |
| Main crops of the village | Sorghum, Red gram |
| Loan occupied (%) | 0 |

Source - Primary survey & Gram Panchayat

- Bakrol is located 7 km far from Ankleshwar and 5 km from Panoli. It is 2 km interiorly located from national highway-8.
- There is no NRI found in this village.
- For banking relation people of the village have to move towards Ankleshwar or Panoli. At present no bank existence is observed.
- Again local co-operative bank has shown its dominance by fetching maximum account from village.

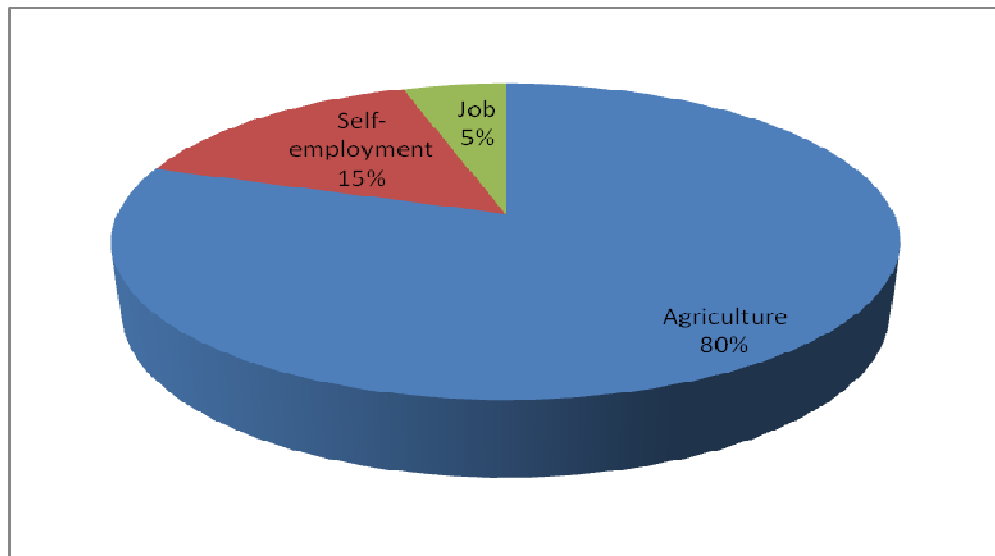


Fig. 4.17: - Ratio of Various occupations in Bakrol

- The total population among 80% of the total population is dependent on Agriculture while 5% are having their respective jobs and 15% are managed themselves by having their own business.
- As per the observation, the average no. of family members in a village is 5.
- The average income per family has been observed as a bit low in figure i.e. Rs 2 lacs/family/year.
- Most the respondents have not shown their interest for taking loans from any banks.
- Most of the respondents have their general saving account in various banks as their saving habit.

4.6.8 Village – Kapodra

Table 4.19: - Demographic Status of Kapodra Village

| Parameters | Particular |
|---|-------------------|
| Population | 3,500 |
| Families | 532 |
| Family Size | 7 |
| Numbers of NRIs | 800 |
| Average annual income per Family (Rs in lacs) | 4.5 |
| Bank Account holders (%) | 100 |
| Member of consumer co-operatives (%) | 0 |
| Average land holding capacity (in acre) | 27.87 |
| Main crops of the village | Sugarcane, Rice |
| Loan occupied (%) | 13 |

Source - Primary survey & Gram Panchayat

- Kapodra is situated 4 km away from Ankleshwar and 6 km away from Panoli with national highway connectivity.
- The total population of the village reported 3500 numbers along with 532 family numbers in a village along with sex ratio of 10:9.5, male-female respectively. Village has been dominated with Muslim community.
- The village has the richest profile among all villages in terms of number of NRI population. It has reported 800 number of NRI from the single village in various countries.

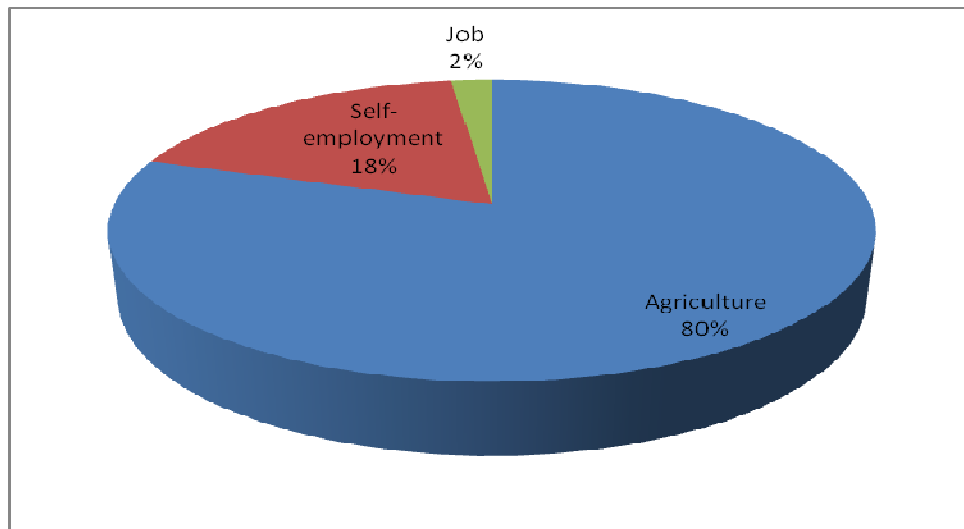


Fig. 4.18: - Ratio of Various occupations in Kapodra

- About 80% of the total population is dependent on Agriculture while 18% are self employed and rest is engaged with job.
- The village has average family size of 7 members/family along with 1-2 working person from each family.
- The village has reported highest per family income among all village i.e. Rs. 4.5 lacs/family/year.
- The village persons have their banking relation with private and nationalized banks at Ankleshwar.
- Most the respondents have not shown their interest for taking loans from any banks.
- The majority of people have either NRI or general saving account for their saving habit.

4.6.9 Village – Por & Rajpipala

As suggested by the organization two additional places Por & Rajpipala were also studied to understand the situation difference from the main sampled villages.

Table 4.20: - Secondary data resources about Por

| Name of the village | Por |
|---|-------------|
| Taluka & District | Vadodara |
| Population | 6000 number |
| Number of family | 1200 number |
| Percentage of Agriculture occupied people | 60% |
| Percentage of job occupied people | 40% |
| Number of NRI population | 2-3 number |
| Number of existing banks in a village | 3 no |
| Number of various industries | 300 |

Source - Gram Panchayat

- Por is situated 15 km away from Vadodara and 12 km far from Karjan. It is located on one of the busiest highway in the country i.e. national highway-8.
- The total population of Por is registered 6000 in numbers along with 1200 number of total family in the village. The observed sex ratio of the village has been reported 10:8.8. 90% of the total population is mainly dominated by Hindus.
- The village has significant importance in terms of agriculture profile. About 60% of the total population is dependent on Agriculture profession.

- Village also has well established GIDC estate which provides employment to about 30% population of the village.
- 10% of total population has their own small or marginal business.
- The village has shown poor figure in terms of NRI population. Only 2-3 persons from the village have settled themselves abroad.
- Por has 4 numbers of existing banks named SBI, BoB, HDFC bank and one local co-operative bank.
- Por has 300 numbers of registered small scale industries (SSI) in and around the village which can be considered an emerging business potential factor for HDFC bank.
- Nearby taluka level place KARJAN is also another commercial town from business point of view for HDFC bank as this town has shown the significant numbers of NRI population.
- Por branch can also fetch out some business from nearby villages as these villages are enriched in agriculture profile as well as NRI population.

4.6.10 Village - Rajpipala

Table-4.21: - Secondary data resources about Rajpipala

| Name of the city | Rajpipala |
|---|------------------|
| Taluka & District | Rajpipala |
| Population | 1 lac |
| Number of family | 30, 000 |
| Percentage of Agriculture occupied people | App. 50% |
| Percentage of job occupied people | App. 25% |
| Percentage of self-employed people | App. 25% |
| Number of NRI population | NA |
| Number of existing banks in a city | 12 number |
| Number of various industries | NA |

Source: - Taluka & District Panchayat

- Rajpipala is a district place located 60 km away from Ankleshwar and connected with state highway along with Ankleshwar & Bharuch. This district includes 4 different talukas and more than 300 villages.
- The registered population of this town is approx 1 lac in numbers along with approx 30,000 number of family.
- Approx 50% of the total population have been involved in Agriculture profession where as 25% of the population have been occupied with various jobs and rest of the census are busy with their own business.
- The area is endowed with good geographic location and good irrigation and water facility which cause an enriched agriculture profile of this area.

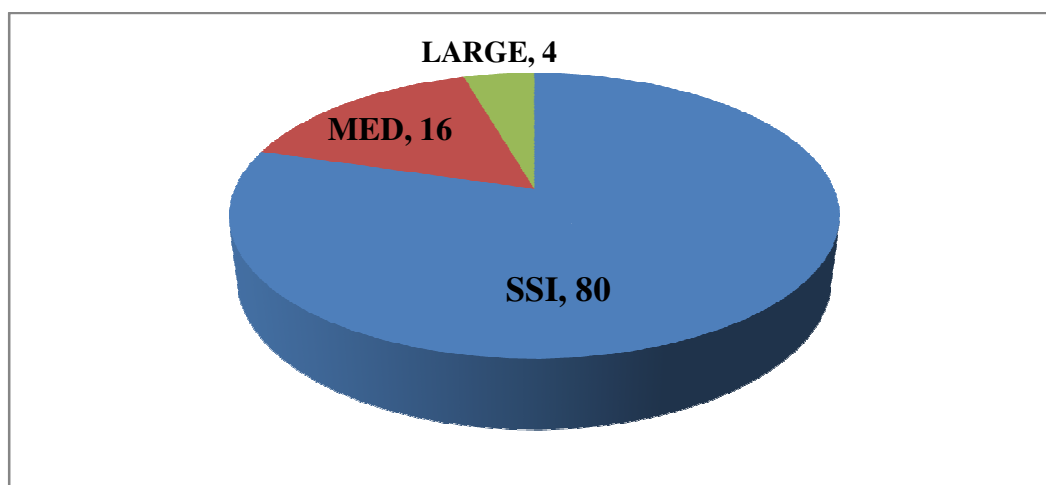
- The surrounding area has shown a bit poor record in terms of industrial establishment as the most of the geographical area is hilly and forest surrounded area.
- The surrounded area has also revealed poor census in terms of NRI population as the tribal people are dominating in this area.
- There are total 12 numbers of PSBs, Private and Co-operative banks in this city.
- Bank can expand its business through extending some by focusing on rural population and some of the small entrepreneurs in the nearby areas.

4.7 Industrial status around Panoli:

Table 4.22: - Scale wise number of firms in Panoli GIDC.

| Size of Companies | Number of Companies. |
|-------------------|----------------------|
| SSI | 177 |
| Medium Scale | 35 |
| Large scale | 10 |

Source: - Panoli Industrial Association (PIA)



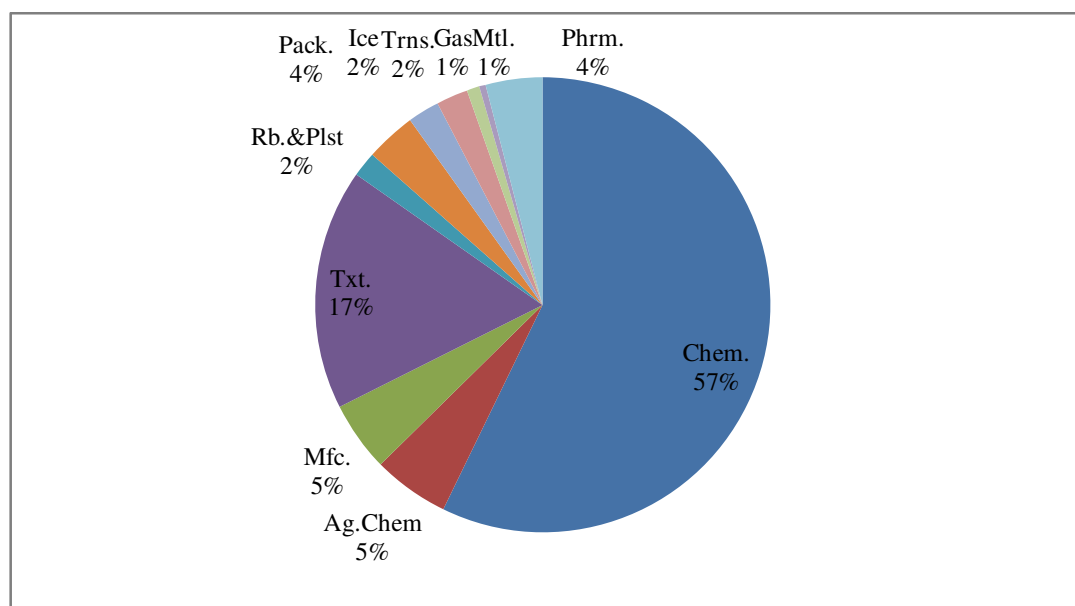
Source: - Panoli Industrial Association (PIA)

Fig.4.19: - Distribution of scale wise industrial distribution (In percentage)

Table 4.23: - Types & number of various industries.

| Types of Industries | Number of Industries |
|---------------------|----------------------|
| Chemical | 127 |
| Agro. Chemical | 12 |
| Manufacturing | 11 |
| Textiles | 38 |
| Rubber & Plastic | 4 |
| Packaging | 8 |
| Ice factory | 5 |
| Transportation | 5 |
| Gas | 2 |
| Metal | 1 |
| Pharmaceutical | 9 |

Source: Panoli Industrial Association (PIA)



Source: - Panoli Industrial Association (PIA)

Fig.4.20: - Category wise industrial information in Panoli

- The Panoli has one of another prosperous feature i.e. huge number of industries around the village.

- About 222 numbers of various firms exist at present nearby Panoli. The estate is connected with national highway-8 connectivity, along with Ahmadabad-Mumbai Railway line. It has nearby connectivity with one the biggest industrial hub in India, Ankleshwar.
- At present, Panoli GIDC has all size of industries i.e. Small, Medium and large scale industries. As per the secondary data analysis the contribution to all such firms in percentage with the ratio is 80%, 16% and 4% respectively.
- In this estate Chemical manufacturing industries lead with 57% contribution whereas textile and agro chemical Industries are following them with 17% and 5% contribution respectively.

4.8 Contract Farming nearby Panoli

Panoli and its surrounding places are endowed with prosperous cropping profile along with adequate irrigation system. The area has significant potential in Sugarcane production. Farmers nearby Panoli have shown their immense interest in contract farming prevailing around this area.

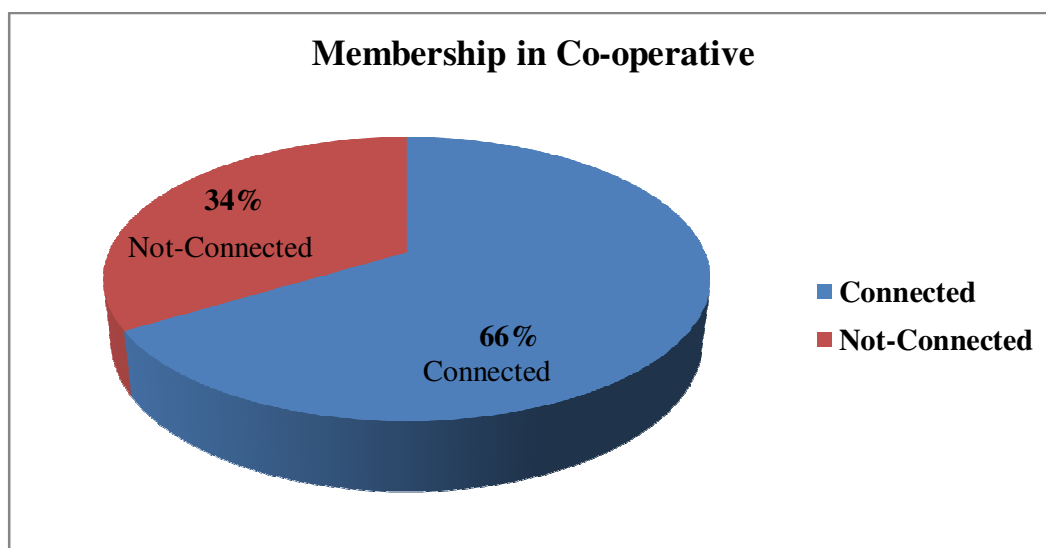


Fig. 4.21: - People Connected with Co-operatives

The above graph clearly depicts that 66% of people have been connected with Co-operative, membership in Co-operative and 34% of peoples are not connected with any Co-operatives.

There are mainly 3 dominant Sugarcane co-operative societies are existing around Panoli through which the farmers are connected. Their names have been mentioned below.

- 1) Pandwai sugarcane co-operative Society.
- 2) Vatariya sugarcane co-operative Society.
- 3) Narmada sugarcane co-operative Society.

These societies are not only the permanent customer for these farmers but also they provide financial as well as input help to the member farmers. For membership of these co-operatives, it's mandatory for a farmer to have at least one share of respective co-operatives. In other words only shareholder farmers are the supplier for these co-operatives.

These co-operatives provide financial help @ 11% to their shareholding farmers. They also provide help of fertilizer as an input @ 11% rate to the share holding farmers. The revenue to the farmers is decided by the respective co-operatives authority at end of the year on the basis of the selling price of the sugar in to the market. Hence we can say that the rate of sugarcane for farmers will be uncertain and will be fluctuative in nature.

There are certain benefits for both farmers and such societies due to this practice; the favoring points are given below.

- Farmers are fearless in terms of the selling of their readymade crop. In other words they have their permanent customer at their doorstep.

- Poor farmers get financial assistance from these societies which is the inspirational step being taken by these societies to enhance and initiate sugarcane farming in this area.
- Revenue to the farmers is very secured and scheduled by these co-operatives.
- Co-operatives are very much secured in terms for supply of the sugarcane year by year. Due to this they can easily forecast their demand and supply as well as future expansion initiatives.
- Qualitative raw material is secured for these co-operatives as they have scheduled cropping pattern.
- Hence the win-win situation is generated for both farmers' as well co-operative societies due to such kind of practice.
- Co-operative structure gets stronger in and around the state and in country as well.

CHAPTER-V

SUMMARY & CONCLUSION

V. SUMMARY & CONCLUSION

5.1 Summary

The RURAL sector continues to play an important role in terms of contribution to GDP and employment generation in India. Development, however, has been sluggish in these areas, in spite of new opportunities coming up in the post-liberalization era. There is an urgent need to empower rural population and equip it with necessary knowledge of proper credit and capital management to enhance their socio-economic level.

Based on three months study, it has been found that rural sector in India is not at all negligible as it has continuous growing contribution to Indian economy. Panoli (E) rural area has huge scopes in terms of banking initiative as it has prosperous Agriculture profile, well established Industrial estate and huge number of NRIs.

Area has average 74% of Agriculture occupied connected population with good numbers of NRI Population from each village which shows the huge potential for business for any banks. Strong network of Co-operative banks have been observed in these village which disable to provide various value added services to upgraded rural population so the value addition in rural banking services and strong network will be the beneficiary initiatives for any banks.

5.1.1 Major Findings

- Panoli and their surrounding villages are enriched in terms of their NRI census. Generally the people from these villages prefer to migrate in countries like Canada, USA, Gulf countries and European countries, (as per respondents & Talati Mantri).

- Strong network of Co-operative banks have been found in identified area (Panoli- East). The penetration level of Co-operative bank is between 70% - 90%.
- The majority of the population surrounded by Panoli (E) has been observed as mainly Muslim dominancy. The average family size is 6.
- Panoli (E) and its nearby villages have unveiled their income per family within the range of 2 - 4.5 lacs/year which is a sign of developing economical status than other rural areas.
- The major occupation of Panoli (E) and its surrounding villages is Agriculture, approx 75% population in busy with agriculture, some are self employed and rest population are engaged in job.
- The area is enriched in the well established irrigated system; most of the farmers have tended themselves for sugarcane production as their main crop. Sorghum, Red gram and Rice are another crop found in this area.
- The Panoli has one of another prosperous feature i.e. huge numbers of industries around the village, about 222 numbers of various firms exist at present nearby Panoli.
- Panoli GIDC has all size of industries i.e. Small, Medium and large scale industries, the contribution to all such firms in percentage with the ratio is 80%, 16% and 4% respectively.

5.2 Conclusion

- Income level of the people is relatively better than many other areas and they need good banking services. However these services are not provided by the existing banking systems particularly by co-operative banks which have their strong hold in the area. Further, the co-operative

banks are quite devoid of innovative products like ATM, NRI services, FOREX etc. This is inspite of the fact that the area has a vast population of NRIs who are readily available to pay for the quality services at their door step. In view of this all there seems to be the vast scope for HDFC Bank to expand its business in the rural area surveyed.

- The area being well endowed with well established irrigation facilities provides the strong grounds for growing high value added crops including the major existing crops of sugarcane and rice. However, due to lack of quality services of existing banking system which is mainly the results of poor competition between the prevailing banking institutions, farmers hardly think of diversifying their existing cropping pattern. Further, for diversification in favor of high value added crops, *inter alia*, timely and hasel free credit is *sin qua none*. Expansion of banking services to meet the timely needs of the farmers in the area can go a long way in creating the win-win situation for the farmers and the credit institutions, particularly HDFC Bank.
- The area is pre-dominated by small scale industries which account for as high as 80%. Interestingly most of the people employed in these industries belong to the rural areas. Expansion of the banking network, particularly by HDFC Bank at appropriate location, with particular attention on the banking products and services pertaining to the rural masses and this segment of industry can help the HDFC Bank to make the rural people associated with it in long run. To reap the benefit of growing rural market in all areas including banking it could be a step forward in the right direction.

5.3 Suggestions

- Some of the agricultural based credit system by bank should be implemented as per the local cropping pattern of that area and average land holding of the farmers in this area. The major Crops are sugarcane, Sorghum, Red gram and rice etc.
- Proper channelization and network should be well established in rural system for faster and easy execution of any initiatives by banks. In other words branch network should be at nearby distance as rural people are very much price conscious.
- Local marketing path should be selected to fascinate the rural population. In other words, some local marketing tactics should be adopted rather than any advanced promotional activity to attract the rural people. The liasioning person for rural area for HDFC bank should be from local rural environment, if possible. It will make easier for bank to generate trust in rigid rural mind which will finally result in better market penetration in rural society.
- Based on the observation, HDFC bank should introduce products by keeping in view all the demographic and occupational factors of rural environment i.e. customization of products for rural area. In other words the urban products may face big failure in rigid rural system. Hereby the customization of products as per rural condition is a primary suggestion for HDFC bank. E.g. HDFC bank has Rs. 5000 initial amount to open a saving account in semi-urban area which will not attract the rural customer as they are more price sensitive people.
- Huge population of NRI from most of the Muslim families nearby Panoli has been observed so some of value added products by concerning such kind of people must be introduced by bank in rural area.

5.4 Limitations

- Sample size, itself, is limitation for conducting any study. This study is not an exception for that.
- The study area is dominated by Muslim community who don't believe in any interest bearing financial activities. Thus, the findings may not be generalized for the area not dominated by the Muslims.
- HDFC Bank officials had limited knowledge about conducting such rural area based studies.

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APPENDICES

- 7) At present any of the family members is in foreign country?
- In which Country? _____
 - Their occupation? _____
- 8) Whether any of the family members is connected with any Trust or local *Mandis*? (Y/N)
- Specify it: _____
- 9) At present with which bank or financial institute have they connected?

| | |
|---------------------|----------------------|
| State Bank of India | Bank of Baroda |
| Dena bank | Corporation Bank |
| Union Bank of India | Bank of India |
| Indian Bank | Punjab National Bank |
| Allahabad Bank | Canara Bank |
| IDBI | HDFC Bank |
| ICICI Bank | Axis Bank |

Co-operative bank: _____

- 10) Have they ever needed any kind of loan facility? (Y/N)
- 11) From which bank? _____
- 12) Have they any kind of investment habits? (Y/N)
- a) General Saving. b) Mutual Fund. c) Fixed Deposit.
d) Insurance. e) Others. Specify It: _____
(<50,000, 50,000-2,00,000, 2,00,000-5,00,000, >5,00,000)
- 13) Do you satisfy with your bank? (Y/N)
- 14) What is the advance and further requirement you have from your bank?
- _____

➤ Comments/ Remarks/ Observations:

(Data will be purely used for academic purpose only)

Appendix-2

Details of the respondents

| Village - Kosambdi | | | | | | | | | | | | | |
|--------------------|----------------------|----------------|-----------------------|-----------------------|------------|-----|---------------|-------------------------|----------------------|----------------------------|-----------------|---------------|--------------|
| SN | Name of respondent | Contact No. | No. of family members | No. of Working people | Occupation | | | Annual Income (in lakh) | No. of NRI in family | Membership in Co-operative | A/C in bank | Loan occupied | Saving habit |
| | | | | | Agri. | Job | Self Employed | | | | | | |
| 1 | Ayubbhai Badat | 94274 68964 | 6 | 1 | Y | | | 3 | 1 | N | Dena | N | GS |
| 2 | Zahin Zinwala | 94271 58914 | 7 | 1 | Y | | | 4 | 1 | N | Dena, BDC, HDFC | N | GS |
| 3 | Mohd.bhai Zinwala | 26462 56456 | 3 | 1 | Y | | | 5 | 3 | Y | Dena, BDC | N | GS |
| 4 | Gallabhai Vasava | 90996 83830 | 4 | 1 | Y | | | 1 | - | N | - | N | - |
| 5 | Parmar bhai | 99253 35428 | 6 | 3 | Y | Y | Y | 4 | - | Y | Dena | Y | GS |
| 6 | Ayubbhai Patel | - | 5 | 1 | Y | | | 6 | 1 | | Dena | N | GS |
| 7 | Kasambhai Ghantiwala | 26466 41953 | 5 | 1 | Y | | | 3.5 | 1 | N | Dena | N | GS |
| 8 | Yusuf Patel | 81286 51441 | 6 | 1 | Y | | | 3 | 1 | N | Dena | N | GS |
| 9 | Sirajbhai | - | 6 | 1 | Y | | | 3 | - | N | Dena | N | GS |
| 10 | Prakash Vasava | 99247 53987 | 5 | 1 | Y | Y | | 4 | - | Y | Dena | N | GS |
| 11 | Yakub Badat | - | 7 | 1 | Y | | | 2.5 | 1 | Y | Dena | N | GS |
| 12 | Babar Vasava | - | 5 | 1 | Y | | | 2.5 | - | Y | Dena | Y | GS |
| 13 | Balubhai | 99092 56851 | 4 | 1 | Y | | | 2.5 | - | Y | Dena | N | GS |
| 14 | Rameshbhai Patel | 99985 93226 | 5 | 1 | Y | | | 5 | - | Y | Dena | N | GS |
| 15 | Yakubbhai Shah | - | 6 | 1 | Y | | | 3 | 1 | N | Dena | N | GS |
| 16 | Mithiya Vasava | - | 4 | 1 | Y | | | 1.5 | - | Y | BDC | Y | GS |
| 17 | | | | | Y | | | 2.5 | | Y | BDC | Y | GS |

Appendix-3

Details of the respondents

| Village - Kharod | | | | | | | | | | | | | |
|------------------|----------------------|----------------|-----------------------|-----------------------|------------|-----|---------------|-------------------------|----------------------|----------------------------|-------------|---------------|--------------|
| SN | Name of respondent | Contact No. | No. of family members | No. of Working people | Occupation | | | Annual Income (in lakh) | No. of NRI in family | Membership In Co-operative | A/C in bank | Loan occupied | Saving habit |
| | | | | | Agri. | Job | Self Employed | | | | | | |
| 1 | Ismailbhai Yakub | 98247 91504 | 5 | 2 | Y | Y | | 4 | 1 | N | BDC | N | GS |
| 2 | Ahmed Ismail | 2646 276310 | 6 | 2 | Y | Y | | 5 | - | Y | SBI | N | GS |
| 3 | Firozbbhai Jogiyat | 98259 36949 | 7 | 4 | Y | | | 3.5 | 1 | N | BDC | N | GS |
| 4 | Suleman Manjara | 98796 63273 | 8 | 2 | Y | Y | | 3.6 | 2 | N | BDC | N | GS |
| 5 | Ayaz Mohd. Khasodiya | - | 5 | 1 | Y | | | 3 | 1 | N | BDC | N | GS |
| 6 | Ismail Musa Jogiyat | - | 6 | 1 | Y | | | 2.5 | 1 | N | BDC | N | GS |
| 7 | Ismail Khrodiya | 93281 65101 | 6 | 1 | Y | | | 3 | 1 | Y | BDC | N | GS |
| 8 | Abdul Suleman Kazi | | 5 | 1 | Y | | | 2 | - | Y | BDC | Y | GS |
| 9 | Mehmmmod Kharodiya | 93779 92444 | 7 | 1 | Y | | | 3.5 | 1 | Y | BDC | N | GS |
| 10 | Faruq Bhai Sadar | 99781 95461 | 6 | 1 | Y | | | 3 | 1 | N | BDC | N | GS |
| 11 | Jaganben Sadak | 98795 70028 | 4 | 2 | Y | | Y | 2.5 | - | Y | BDC | N | GS |
| 12 | Hanifbhai Jogiyat | 98794 07060 | 5 | 1 | Y | | | 3 | 1 | Y | BDC | Y | GS |
| 13 | Hanifbhai Bhaiyat | 99254 95557 | 6 | 1 | Y | | | 2 | - | Y | BDC | Y | GS |
| 14 | Imranbhai Bera | 98242 83786 | 6 | 1 | Y | | | 2.5 | 2 | N | BDC | N | GS |
| 15 | Ismail Ahmad | 99040 | 5 | 1 | Y | | | 2 | 1 | Y | BDC | Y | GS |

Appendix-4

Details of the respondents

| Village - Bakrol | | | | | | | | | | | | | |
|------------------|--------------------|----------------|-----------------------|-----------------------|------------|-----|---------------|-------------------------|----------------------|----------------------------|-------------|---------------|--------------|
| SN | Name of respondent | Contact No. | No. of family members | No. of Working people | Occupation | | | Annual Income (in lakh) | No. of NRI in family | Membership In Co-operative | A/C in bank | Loan occupied | Saving habit |
| | | | | | Agri. | Job | Self Employed | | | | | | |
| 1 | Ramesh bhai Patel | 97258 39938 | 4 | 1 | Y | | | 1.5 | - | Y | BoB, BDC | N | GS |
| 2 | Natu bhai Patel | 98241 36921 | 5 | 1 | Y | Y | | 3 | - | Y | BDC | N | GS |
| 3 | Bharat bhai Patel | - | 6 | 1 | Y | | | 2 | - | Y | BDC | N | GS |
| 4 | Ramesh bhai Patel | - | 5 | 2 | Y | Y | | 4 | - | Y | BDC | N | GS |
| 5 | Ranchod bhai Patel | - | 2 | 1 | Y | | | 2 | - | N | BDC | N | GS |
| 6 | Jamanbhai | - | 5 | 1 | Y | | | 0.8 | - | Y | BDC | N | GS |

| Village - Kapodra | | | | | | | | | | | | | |
|-------------------|---------------|----------------|---|---|---|---|--|-----|---|---|---------------|---|-----|
| 1 | Abdulla Sir | 98980 56377 | 9 | 3 | Y | Y | | 10 | 1 | N | HDFC , SBI | N | NRI |
| 2 | Shabbir bhai | 98791 17755 | 5 | 1 | Y | | | 8 | - | N | HDFC , SBI | N | GS |
| 3 | Mohd. Sidat | 98255 40400 | 5 | 1 | Y | | | 2 | - | N | HDFC | N | GS |
| 4 | Mohd. Patel | 98780 99781 | 5 | 1 | Y | Y | | 5 | 1 | N | HDFC | N | GS |
| 5 | Basirbhai | - | 6 | 1 | Y | | | 3 | 1 | N | SBI | N | GS |
| 6 | Sunil Vasava | 99092 55564 | 5 | 1 | Y | | | 2.5 | - | N | BoB | Y | GS |
| 7 | Yusuf Pandare | - | 6 | 1 | Y | | | 2 | 1 | N | BoB | N | GS |
| 8 | Ayub Patel | - | 4 | 1 | Y | | | 4 | 1 | N | BoB | N | GS |

Appendix-5

Details of the respondents

| Village - Bhadi | | | | | | | | | | | | | |
|-----------------|---------------------|----------------|-----------------------|-----------------------|------------|-----|---------------|-------------------------|----------------------|----------------------------|-------------|---------------|--------------|
| SN | Name of respondent | Contact No. | No. of family members | No. of Working people | Occupation | | | Annual Income (in lakh) | No. of NRI in family | Membership In Co-operative | A/C in bank | Loan occupied | Saving habit |
| | | | | | Agri. | Job | Self Employed | | | | | | |
| 1 | Ayubhbhai Limbada | 99256 27679 | 5 | 2 | Y | Y | | 5 | 1 | Y | BDC | Y | GS |
| 2 | Ahemadbhai | - | 4 | 2 | Y | Y | | 3.5 | 1 | Y | BDC | N | GS |
| 3 | Mohd. Yusuf Siraj | 26462 76346 | 6 | 3 | Y | | | 7 | 2 | Y | BoB | N | GS |
| 4 | Yusufbhai Adat | - | 4 | 1 | Y | | | 2.5 | - | Y | BDC | N | GS |
| 5 | Ibrahimbhai Tarki | 98791 87663 | 6 | 2 | Y | Y | | 3.5 | 1 | Y | BoB, BDC | N | GS |
| 6 | Adambhai Sidat | 26462 29297 | 4 | 1 | Y | | | 2.5 | 1 | N | BDC | N | GS |
| 7 | Ismailbhai Diwan | - | 5 | 1 | Y | | | 4 | 1 | Y | BDC | N | GS |
| 8 | Ismail Yusuf Dharat | 26462 76562 | 6 | 1 | Y | | | 4 | 1 | N | BDC | N | GS |
| 9 | Ismail Adat | 26462 76191 | 4 | 1 | Y | | | 1.5 | 1 | N | BDC | N | GS |
| 10 | Ismail Diwagiri | 26462 76348 | 5 | 1 | Y | | | 1.5 | - | Y | BDC | N | GS |
| 11 | Ayubhbhai Patel | 98984 69319 | 5 | 1 | Y | | | 1.8 | 1 | Y | BDC | Y | GS |
| 12 | Lukman Hussain | 26462 76123 | 7 | 1 | Y | | | 1.5 | - | Y | BDC | N | GS |
| 13 | Abdul Rahim | - | 6 | 1 | Y | | | 2 | - | Y | BDC | Y | GS |
| 14 | Ishwarbhai Vasava | - | 4 | 1 | Y | | | 1.5 | - | Y | BDC | N | GS |
| 15 | Shantibhai Vasava | - | 5 | 1 | Y | | | 1.2 | - | Y | BDC | N | GS |
| 16 | Mohd. Rafiq Dadiya | - | 6 | 1 | Y | | | 2.5 | 1 | Y | BDC | N | GS |
| 17 | Mohd. Yusuf | - | 5 | 1 | Y | | | 2 | 1 | Y | BDC | Y | GS |

Appendix-5

| | | | | | | | | | | | | | |
|----|-------------------|---|---|---|---|--|--|---|---|---|-----|---|----|
| 18 | Ismail Bhaiyat | - | 6 | 1 | y | | | 3 | 1 | N | BDC | N | GS |
|----|-------------------|---|---|---|---|--|--|---|---|---|-----|---|----|

Appendix-6

Details of the respondents

| Village - Mangrol | | | | | | | | | | | | | |
|-------------------|------------------------|----------------|-----------------------|-----------------------|------------|-----|---------------|-------------------------|----------------------|----------------------------|-------------|---------------|--------------|
| SN | Name of respondent | Contact No. | No. of family members | No. of Working people | Occupation | | | Annual Income (in lakh) | No. of NRI in family | Membership In Co-operative | A/C in bank | Loan occupied | Saving habit |
| | | | | | Agri. | Job | Self Employed | | | | | | |
| 1 | Afzalbhai | 94271 51337 | 8 | 2 | Y | | Y | 6 | 1 | Y | BoB, BDC | N | GS |
| 2 | Ibrahimbhai | 26292 20717 | 6 | 1 | Y | | | 3.5 | 1 | Y | BDC | N | GS |
| 3 | Mohd.Ibrahi m Memat | - | 6 | 1 | Y | | | 3 | 1 | Y | BDC | N | GS |
| 4 | Rajubhai | 99792 68348 | 5 | 1 | Y | | | 2.5 | - | Y | BDC | Y | GS |
| 5 | Gopalbhai Prajapati | - | 5 | 1 | Y | | | 2 | - | Y | BDC | N | GS |
| 6 | Ismail Rawat | 98793 64281 | 6 | 1 | Y | | | 2.8 | 1 | Y | BoB | N | GS |
| 7 | Hasmukh Prajapati | 26292 20132 | 5 | 1 | Y | | | 2.5 | - | Y | BDC | N | GS |
| 8 | Nasirbhai Jasat | 94268 75601 | 5 | 1 | Y | | | 2.5 | 1 | Y | BDC | N | GS |
| 9 | Suleman Jasat | - | 7 | 1 | Y | | | 3.5 | 1 | Y | BDC | N | GS |
| 10 | Ibrahim Rawat | - | 6 | 1 | Y | | | 3 | 1 | Y | BDC | N | GS |
| 11 | Mehmoodbh ai Pader | 26292 20360 | 6 | 1 | Y | | | 10 | 2 | Y | BoB, BDC | N | GS |
| 12 | Mohd.Shadi | 94268 80183 | 6 | 1 | Y | | | 3 | 1 | Y | HDF C | N | GS |
| 13 | Isamail Bemat | 26292 20138 | 5 | 1 | Y | | | 3 | 1 | Y | BoB, BDC | N | GS |
| 14 | Udaysingh | 99796 31526 | 6 | 1 | Y | | | 2.5 | - | Y | BDC | Y | GS |
| 15 | Ismailbhai Patel | 96242 00870 | 7 | 2 | Y | | Y | 4 | 1 | Y | HDF C | N | GS |
| | | 01267 | | | | | | | | | HDF | | |

Appendix-7

Details of the respondents

| Village - Jitali | | | No. of family members | No. of Working people | Occupation | | | Annual Income (in lakh) | No. of NRI in family | Membership In Co-operative | A/C in bank | Loan occupied | Saving habit |
|------------------|-----------------------|----------------|-----------------------|-----------------------|------------|-----|---------------|-------------------------|----------------------|----------------------------|-------------|---------------|--------------|
| SN | Name of respondant | Contact No. | | | Agri. | Job | Self Employed | | | | | | |
| 1 | Ashwinbhai Chikhaliya | 94261 87392 | 5 | 1 | Y | | | 2.5 | - | Y | BDC | Y | GS |
| 2 | Sureshbhai Patel | 99094 07747 | 5 | 1 | Y | | | 2 | - | Y | BDC | Y | GS |
| 3 | Tulsibhai | 94277 78254 | 4 | 1 | Y | | | 3 | - | Y | BDC | Y | GS |
| 4 | Gulambhai | 94280 27883 | 5 | 1 | Y | | | 2.5 | 1 | Y | BDC | N | GS |
| 5 | Gandubhai Patel | 97234 87000 | 5 | 1 | Y | | | 2 | - | Y | BDC | N | GS |
| 6 | Nileshbhai Patel | 94275 18054 | 4 | 1 | Y | | | 2.5 | - | Y | BDC | N | GS |
| 7 | Asifbhai Badat | 98247 28007 | 6 | 1 | Y | | | 4 | 1 | Y | BDC | N | GS |
| 8 | Ismailbhai Dalat | - | 5 | 1 | Y | | | 3.5 | 1 | Y | BDC | N | GS |
| 9 | Dharmendrabhai | - | 4 | 1 | Y | | | 2 | - | Y | BDC | Y | GS |
| 10 | Ismailbhai Patel | 26462 51349 | 5 | 1 | Y | | | 4 | 1 | Y | BDC | N | GS |
| 11 | Saiyadbhai | 94268 89701 | 6 | 1 | Y | | Y | 4.5 | 1 | Y | BDC | N | GS |
| 12 | Iqbalbhai | 26462 51545 | 5 | 1 | Y | | | 3 | 1 | Y | BDC | N | GS |
| 13 | Afzalbhai | 94271 51337 | 8 | 2 | Y | | Y | 8 | 1 | Y | BDC | N | GS |

Appendix-8

Details of the respondents

| Village - Karmali | | | | | | | | | | | | | |
|-------------------|--------------------|-------------|-----------------------|-----------------------|------------|-----|---------------|-------------------------|----------------------|----------------------------|-------------|---------------|--------------|
| SN | Name of respondent | Contact No. | No. of family members | No. of Working people | Occupation | | | Annual Income (in lakh) | No. of NRI in family | Membership In Co-operative | A/C in bank | Loan occupied | Saving habit |
| | | | | | Agri. | Job | Self Employed | | | | | | |
| 1 | Suleman Patel | 2646274567 | 5 | 1 | Y | | | 3 | 1 | N | BDC | N | GS |
| 2 | Yakub haslot | 9879626123 | 6 | 1 | Y | | | 3 | 1 | N | BDC | N | GS |
| 3 | Suleman Ibrahim | 2646274365 | 5 | 1 | Y | | | 2 | 1 | N | BDC | Y | GS |
| 4 | Iqbal Haslot | 9586146137 | 6 | 1 | Y | | | 2.5 | 1 | Y | BDC | N | GS |
| 5 | Salmaben | 9727419796 | 4 | 2 | Y | | Y | 1.8 | - | N | BDC, Dena | N | GS |
| 6 | Yusuf Haslot | - | 6 | 1 | Y | | | 3 | 1 | N | BDC, Dena | N | GS |
| 7 | Ayubbhai | 2646274347 | 6 | 1 | Y | Y | | 5 | 1 | N | BDC, Dena | N | GS |