

# Role of Credit Co-Op Societies In Agricultural Development With Reference To Buldana Urban Co-Op Credit Society Ltd.

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**Abstract-** *India is principally an agricultural country. Agriculture, with its allied sector is unquestionable the largest livelihood provider in India. Most of the Industries also depend upon the sector for their raw material. Steady investment in technology development irrigation infrastructure emphasis on modern agricultural practice and provision of agriculture credit and subsidies are the major factor contribution to agriculture growth. Agricultural finance provided by Credit co-op societies. The Credit society provided loan for all agricultural operations and allied purposes.*

**Keywords-** Agricultural Loan, Warehouse Loan, Account, Interest

## I. INTRODUCTION

Loan sanctioned to the farmers to meet the cost of cultivation of any Marketable crop. Short term loan (generally not exceeding 18 months). Granted by way of Agricultural Cash Credit. Repaid in one lump sum on harvesting the crop. Repayment date is required to be linked with harvesting and marketing crops. Interest to be charged on the due date.

A warehouse line of credit is a credit line used by mortgage banker. It is short turn revolving credit facilities extended by a financial institution to a mortgage loan originator for the finding of mortgage owns. The cycle starts with the mortgage banker taking a loan application from the property buyer. Then the loan originated sectarian vaster to whom the loan will be should, while the selection of a warehouse lender for a particular loan may vary base on the type of loan product allowed by the warehouse provider or investor in the loan approved by the warehouse lender to be on the line. Typical duration that loans are held on the warehouse line, range based on the speed at which investor review mortgage loan for purchase after their submission by mortgage bank. In practice, this length of time is generally between 10-20 days. Warehouse facilities typically limit the amount of dwell time a loan can be on the warehouse line. For loan going

over dwell, mortgage banker is often forced to buy these notes off the line with their own cash in anticipation of a potential problem with the note of credit.

The main objective of this paper to analyze various schemes to promote agriculture loan by BUCCS, for this purposes, graphical analysis is used but mathematical analysis is also an alternate method.

## II. PROFILE OF THE ORGANIZATION BULDANA URBAN CO-OP CREDIT SOCIETY LTD.

Buldana Urban cooperative Credit Society was promoted on June 19, 1986 by Mr.Radheshyam Chandak and his associated. It was registered with a small capital of Rs. 12,500 and a membership of just 72 persons. The main motive behind the formation of Buldana Urban was to provide safe & affordable banking service to all people. The Founder Chairman, Mr. Chandak, affectionately called 'Bhaiji' was so determined to create a good quality Banking Institution that he close dough Sislucriative family business of money lending to devote his full attention and focus on Buldana Urban. In its 22 years of existence in the socio- economically backward region of Vidarbha, Buldana Urban has grown by leaps and bound to become the largest Urban Credit co-op. (UCC) of India. The context of the Financial and Social Inclusion Initiatives of Buldana Urban.

At the time of establishment, account holder of the society were only in a number of two digits and now this number has grown up to six digits i.e. 1.95,000. Today , Buldana Urban Co-Operative Credit Society Ltd, Buldana having 228 branches in major cities cross the India. The Buldana Urban Co-Operative Society Ltd , do the work in four states of India, these state are Maharashtra, Madya Pradesh, Chattisgarh and Rajastan. They have been able to achieve that only with the co-operation and co-ordination of our valued account holders. Buldana Urban Co-Operative Credit Society Ltd. is committed to create member centric organization with a deep and high sense if social responsibility

and to continuously leverage technology to attain world class standards of performance.

**III. DATA COLLECTION**

Financial condition of BUCCS:-

The following are the current condition of BUCCS. The information update on 05-09-2013 by BUCCS

Total deposits - 2403 crore

Total loans - 1981 crore

Total branches- 265

Online branches- 135

Total warehouse (Godown)- 275

Adit rank- regular “A” from establishment

Dividend-15% regularly from establishment (from 25 years)

Recovery -98%

N.P.A.-2.5%

**Documents Required:**

Land records to ascertain cultivation rights.

Acreage under different crops.

Sources of other borrowings.

E.g. Co-operative Societies and Banks.

**List of Co-Op. Society Documents**

Application form.

Pre-sanction Report.

Appraisal Form and Recommendation.

Arrangement Letter (Sanction letter).

Hypothecation agreement:-

Stamp Duty: - 0.1% of loan amount i.e. Rs.100 for 1lacs.

Consent Clause (By Borrowers).

Deed of guarantee (ABII):-

(Required for loan amount above 50,000/-).

Consent clause (By Guarantors).

Exemption Form for Crop Insurance.

(National Agricultural Insurance Scheme)

**List of Customer Documents**

7/12 abstract (covering crop pattern, acres and irrigation type).

Gaon Namuna 8-A (Total land holding by former).

Map of land.

Valuation report given by Talathi.

Identification:-

i. I card.

ii. Pan card.

Residential proof:-

i. Electric Bill.

ii.Phone Bill.

iii.Ration card.

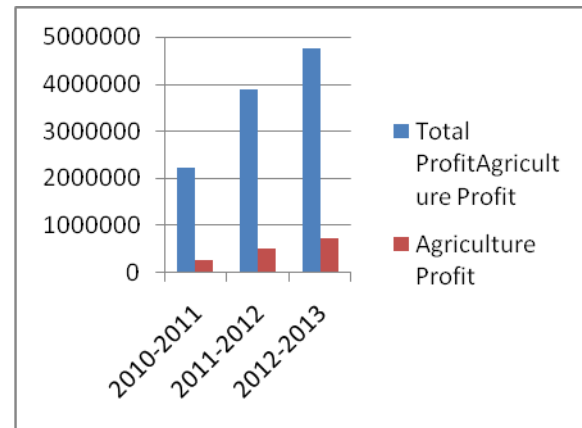
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**IV. DATA ANALYSIS & INTERPRETATION**

**a) Total Profit**

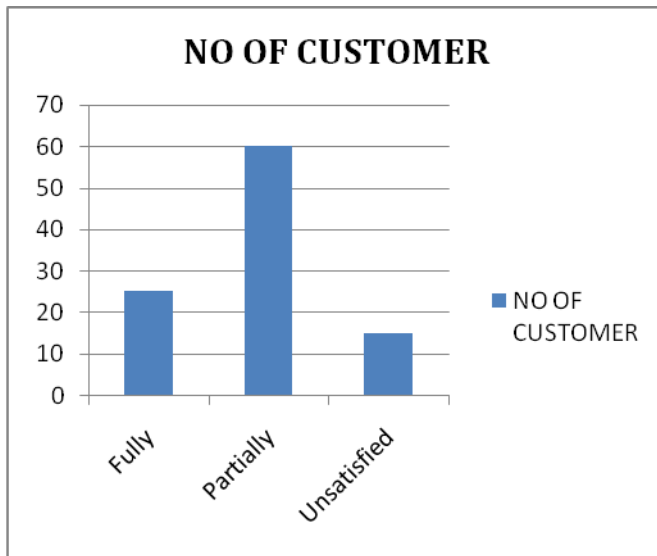
Year	Total Profit	Agriculture Profit
2010-2011	2236460	263902.28
2011-2012	3891826	507494.11
2012-2013	4742770	743192.06



Source: BUCCS.karanja(gha.) branch

**b) Are you satisfied with the service of BUCCS?**

RESPONSE	NO OF CUSTOMER
Fully	25
Partially	60
Unsatisfied	15
<b>Total</b>	<b>100</b>



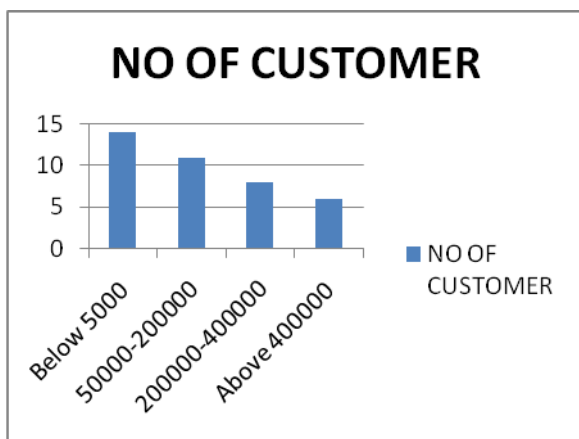
Source: BUCCS. Karanja (gha.) branch

**Interpretation:**

The above data show satisfaction of people about the service provide by BUCCS .Most of the people are partially satisfied with the service provide by BUCCS. the 60 people are partially 25 are fully, and only 15 are unsatisfied with the show .

**c. How much amount you have taken as a loan from BUCCS?**

Amt(In Rs)	No of customer
Below 5000	14
50000-200000	11
200000-400000	8
Above 400000	6
Total	39



**Interpretation:**

In the above table show number of people and the amount of loan (in Rs) which people are taken from BUCCS. The 14, 11, 8,6people have taken loan below Rupees 5000, 50000-200000, 200000-400000, above 400000respectively. Most of the people belong to the middle class family that why they have taken loan below Rs.50000.

**V. RESULT OF DATA ANALYSIS**

The total profit in BUCCS.Karanja(gha.) branch in the year 2008-09 Rs.22,36,460 and the Agriculture profit is Rs.263902.98 The year 2009-10 total profit is Rs.38,91,826 and the Agriculture profit is Rs.5,07,494.11 The profit are increased, the total profit is Rs.47,42,770 and the Agriculture profit is Rs.7,43,192.06

**VI. CONCLUSION**

In this project we see that how the loan proposal of any customer is being processed and how the customer for Agriculture (warehouse ) loan increasing in Buldhana Urban co-op. credit society ltd though there are strong competitor and nationalizes bank available to the customer.

I have made some conclusion which is as fallows-

Agricultural profit comprises biggest part of total profit of credit Co-op Society.

Agricultural profit contributes to the total profit of the credit Co-op Society.

Most of farmer preferredkisan credit card schemes.

BUCCS provides easy loan facilities to the farmer

The rate of interest for warehouse loan is comparative to other bank and financial institution.

Mostly people are satisfied with the service of BUCCS.

Mostly people can recommend their friend or relative to take the

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