

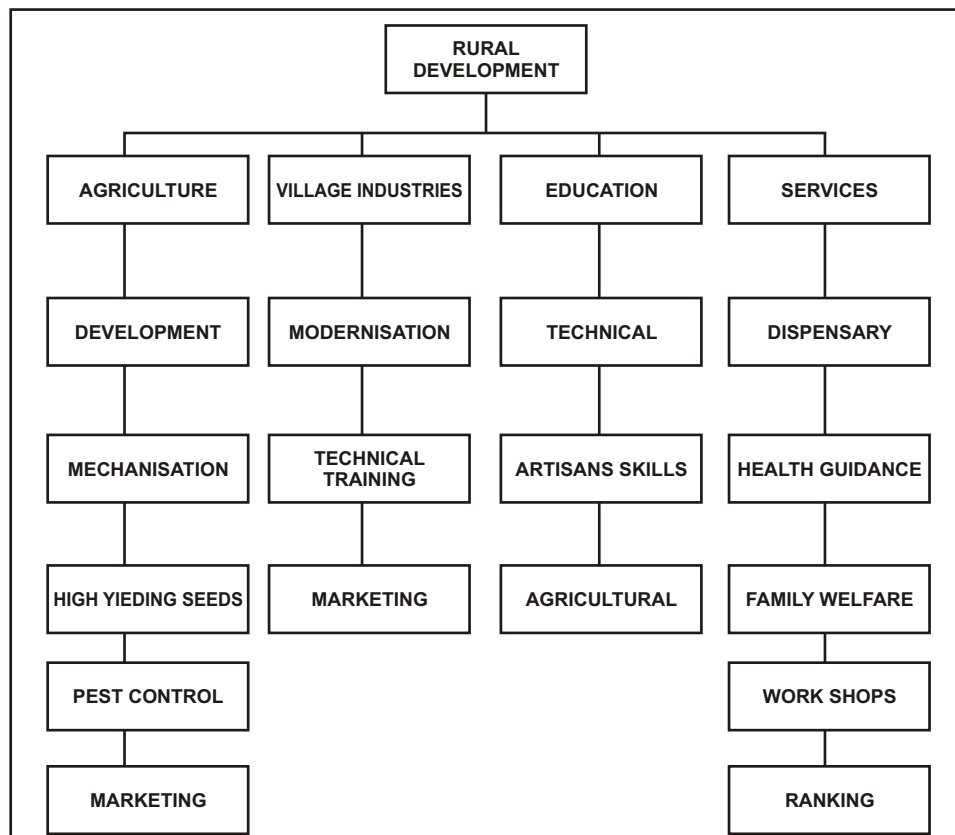
Role of Co-operative Banks In Catering To The Credit Needs of Rural Masses

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INTRODUCTION

Development is an activity or process of both qualitative and quantitative change in the existing systems aiming at immediate improvement of living conditions of the people or increases the potential betterment of living conditions in the future. The concept of rural development was born in the context of agriculture and it remained for a long time with agricultural development in India. The royal commission on agriculture (1928) provided this kind of interpretation to rural development. Nearly half a century later, another committee took more or less similar view of 'rural development'. The planning commission's taskforce on integrated rural development observed in 1972, "After careful consideration, we have belatedly decided to take what might be considered a rather restricted view of the expression, rural development. We have chosen to equate it with agricultural development in the widest sense so as to embrace besides corp. husbandry, all the allied activities". Since nineteen seventies, the concept of rural development has undergone a change and has become more comprehensive. The concept of rural development, as enunciated by the World Bank, makes such a change. The World Bank defines rural development, as a strategy designed to improve the economic and social life of a specific group of people - the poor. The rural development involves extending the benefits of rural development to the poorest among those who seek livelihood in the rural area. The group includes small scale farmers, tenants and landless. To quote from the world banks sector policy paper on rural development: "A national programme of rural development should include a mix of activities including projects to raise agricultural output, create new employment, improve health and education, expand communication and improve housing". In sort, it is wrong to equate rural development with agricultural development alone, although agriculture may be at the centre of the stage.

Thus, a policy designed to bring about rural development as defined above should incorporate the components stated in the chart



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From the chart, it is disclosed that, rural development is a systematic approach aiming at total development of the area and the people by bringing about necessary institutional, attitudinal changes and delivering a package of services through extensive method to encompass not only the economic field that is development of agriculture, rural industries etc., but also the establishment of the required infrastructure and service in the area of health, education, banking etc. with an ultimate objective of improving quality of life in rural area.

SCOPE OF THE STUDY: The study envisaged to cover the operations of bank in fulfilling its role as a generator and provider of credit for the rural masses. Evaluation is a method of determining how far the lending operations of the bank; particularly, the lending operations has progressed and how much faster and in what way it could be carried to accomplish its role as a provider of credit. The present study is aimed to evaluate how far the bank is able to accomplish its basic objectives. The approach of study has been fabricated from the point of view of both the banker and customer. The period of study covers ten years from 1997 to 2006.

OBJECTIVES OF THE STUDY

- The study aims at analyzing the role of primary cooperative banks in providing credit to rural poor.
- To study the co-operative movement during the pre and post independence periods.
- To study the working of service cooperative banks in India with special reference to RBI recommendations and NABARD assistance.
- To analyse the various lending policies and operations of Kayakkody Service Cooperative Bank.
- To assess the performance of Kayakkody Service Cooperative bank with regard to efficiency in employing its deposits mobilized.
- To bring in to light the reason for non-repayment of loans even after due date.
- To offer viable suggestions to improve the performance of KSCB based on findings.

METHODOLOGY : The synthesis of the study is both descriptive and analytical. Primary and secondary data were collected to examine the objectives of the study. The study was spread to cover every nook and corner of the village. The persons with overdue were selected at random from the bank records in order to investigate into the reason for non-repayment of loans. Thus, a multistage sampling technique which involves the selection of panchayat, wards and borrowers, was adopted for the present study and the sample size constitutes 60 members.

RESEARCH TOOLS : Interview schedule is the main research tool used in the study. Major data relating to deposits, lending operations under various schemes, overdue position were compiled from the annual statistical statements and other records of the KSCB. Collected data is analysed by using various statistical tools like trend analysis, regression, comparative statements, ratios and recent software called e-views, which provides more accuracy to the study.

LIMITATIONS OF THE STUDY

- ✓ No information concerning non-performing assets could be collected from the bank.
- ✓ Personal judgment of the researcher played a major role in selecting samples for the study

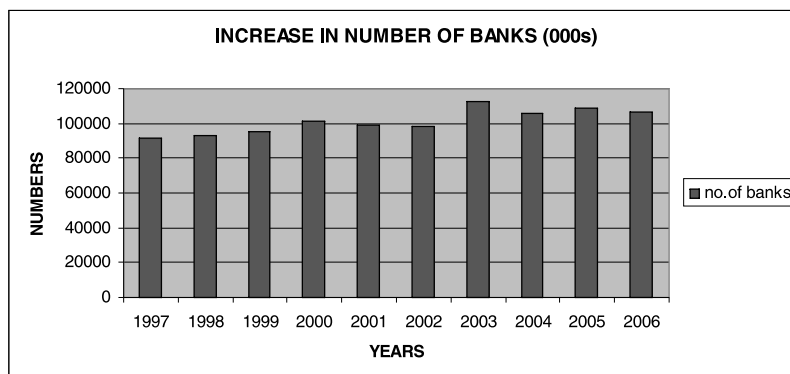
PERFORMANCE OF CO-OPERATIVE CREDIT STRUCTURE: Kerala can claim to have an elaborate and efficient rural credit system administered through primary Co-operatives, Central Co-operative Banks and Apex Co-operative Banks. The co-operative credit structure in Kerala comprises of 2 parts viz. (i) short and medium term credit structure (ii) long term credit structure. The short and medium credit requirements are met by a three-tier system consisting of State Co-operative Banks at middle level and 1628 Primary Agricultural Credit Societies at the base level. In addition to this, 85 urban co-operative Banks and 1013 Employees credit Co-operatives are meeting the Non-Agricultural Credit requirements of their members. Position of PACS in Kerala.

Sl.No.	Particulars per Society	Unit	All India average	Kerala
1	Membership	Numbers	1390	6560
2	Deposit	In Lakhs	RS 4.11	Rs. 119.47
3	Advance	In Lakhs	RS 11.00	Rs. 116.26
4	Working Capital	In Lakhs	RS 23.31	Rs. 205.00

The Primary Agricultural Credit Societies in the state which were once upon a time mere *Nanaya Vinimaya*

Sahakarana Sangham in course of time transformed themselves into the present Agricultural Credit Societies which can cater to all the credit needs of the rural mass and capable of doing all modern Banking Business. They spread their wings in all spheres of socio-economic activities, got entrenched in diverse sectors of the economy and touched the lives of all sections of the people at large.

Primary cooperative banks- all India position



For the growth of any banking institution, credit is an indispensable input. The slogan “accepting deposit for the purpose of lending” clearly brings out the prime importance of lending function of the bank. It is increasingly realized that, public institutions, particularly banks have to play a prominent role to accelerate the economic and social status of weaker sections as part of their activities. The main aim behind the establishment of cooperative banks is to provide financial assistance in short term, medium term, and long term basis to its members.

The role of cooperative banks in expanding and extending credit is considered to be an important indicator of their performance. The lending operations of a cooperative bank help us to know the extent to which the bank is able to cater to the credit needs of its members.

LOAN ACCOUNT AND AMOUNT OF LOANS DISBURSED FOR 10 YEARS

YEARS	NO.OF A/CS	INC.OR DEC.IN A/CS	% OF INC.OR DEC.	TOTAL LOANS	INCREASE IN LOANS	% OF INCREASE
1997	4260	-	-	4074781	-	-
1998	4340	80	1.87	3311714	763067	-18.72
1999	4467	127	2.92	3736686	424972	12.83
2000	4640	173	3.87	3985124	248438	6.64
2001	4916	276	5.94	4565894	580770	14.57
2002	5310	394	8.01	8417381	3851487	8.43
2003	5754	444	8.36	11081713	2664332	31.65
2004	6031	277	4.81	11154335	72622	0.65
2005	6199	168	2.78	15344101	4189766	3.75
2006	6315	116	1.87	20184995	4840894	31.54

Source: General ledger of the KSCB,

Navigation through the advances of KSCB for the past ten years from 1997 to 2006 reveals a light of enhancement and improvement in its lending operations. It shows that the bank is able to meet the emerging demand of rural households in the period under study.

The trend analysis of the advances of KSCB spells out that there is a linear trend in its lending operations. The value has grown from 27.75 (in 1997) to 133.41 (in 2006). There is almost a five fold increase in trend value. It explains that the lending operations of the bank are increasing in absolute and relative terms. Each and every year under study, the trend values increased.

The lending operation of the bank showed a positive trend which paved the way for increased lending. The needs of the people are increasing day by day and the trend analysis shows that the bank is able to meet at least a portion of the increased need for credit of the rural households.

YEAR-WISE TREND EQUATION ANALYSIS OF ADVANCES

YEAR	ADVANCES	TREND VALUE $Y_e = a + bx$
1997	4674781	27.75
1998	3311714	39.49
1999	3736686	51.23
2000	3985124	62.97
2001	4565894	74.71
2002	8417381	86.45
2003	11081713	98.19
2004	11154335	109.93
2005	15344101	121.67
2006	20184995	133.41

*source: General ledger of the KSCB,

The figure above shown is the graphical representation of the values. In the X axis, it shows the year, and the Y axis shows the amount and trend values. The straight line is the trend of advances of KSCB; it shows a positive increasing trend over the last ten years.

PURPOSE-WISE CLASSIFICATION OF ADVANCES FOR THE YEAR ENDING MARCH 2006

TYPE OF ADVANCE	AMOUNT
<u>AGRICULTURAL LOANS</u>	
MORTGAGE SHORT TERM LOAN	1044348
SURETY LOAN	312039
PEPPER LOAN	4060
KCC	6055614
TOTAL OF AGRICULTURAL LOANS	7416061
<u>NON- AGRICULTURAL LOANS</u>	
NAST	4381201
NAMT	104306
GOLD LOANS	7879191
IRDLP LOAN	349736
HOUSING LOAN	54500
TOTAL OF NON- AGRI. LOANS	12768934
TOTAL	20184995

* Source: Annual statistical statement of KSCB.

A close look at the table reveals that BSCB concentrates its lending activities for agricultural and non-agricultural activities. For example, out of Rs. 20184995, Loans sanctioned for the year 2006, agricultural and allied activities accounted for Rs. 74166061. That amounts to 36% of the total advances.

Among the various agricultural loans, bank granted Rs. 6055614 as advance against Kissan Credit Card scheme, which worked out to be 81 % of the total advances to agricultural and allied activities. In the non-agricultural section, gold loan occupies the first place. Gold loan is sanctioned by KSCB to the extent of Rs. 7879191 which works out to 39% of total advances. Next to gold loan, NAST and NAMT occupy significant positions.

From the above analysis, one important point that emerged was the importance given to jewel loans. It seems KSCB prefers jewel loans as advance against jewels does not involve cumbersome procedure and hence it is easy

to avail loan from the point of view of borrowers. It was further inferred that the beneficiaries are free to use the amount sanctioned as loans.

YEAR-WISE ADVANCES TO AGRICULTURE AND NON-AGRICULTURE AND PERCENTAGE TO TOTAL ADVANCES

YEAR	AGRICULTURE	NON- AGRICULTURAL	TOTAL
1997	676183 (16.59)	3398598 (83.41)	4074781 (100)
1998	626480 (18.91)	2685234 (81.91)	3311714 (100)
1999	816295 (21.85)	2920391 (78.16)	3736686 (100)
2000	1345885 (33.77)	2639239 (66.23)	3985124 (100)
2001	1279515 (28.02)	3286379 (71.98)	4565894 (100)
2002	1877502 (22.30)	6539879 (77.7)	8417381 (100)
2003	1455184 (13.13)	9626529 (86.87)	11081713 (100)
2004	1518575 (13.61)	9635760 (86.39)	11154335 (100)
2005	4258897 (27.75)	11085204 (72.25)	15344101 (100)
2006	7416061 (36.74)	12768934 (63.26)	20184995 (100)

***source: General ledger of the KSCB**

A thorough look through the table reveals that the advances are concentrated mostly on non-agricultural sectors. In the year 1997, the advances to agriculture were Rs.676183 which amounts to 16.59% of the total advances and non agricultural loans were granted to the extent of Rs. 3398598, i.e. 83.41% of total advances.

A close watch through the table gives us that the advances to agricultural sector show a growing trend. It grew from 16.59% in the year 1997, to 36.74% in 2006. This means that the increasing importance of agriculture and the need for agricultural credit is satisfied by the bank. On the other hand, there is a percentage decrease in non-agricultural loans. Further, we can understand that the bank is not following a uniform policy of lending to agricultural and non-agricultural sectors.

CREDIT DEPOSIT RATIO OF KSCB

YEAR	CREDIT	DEPOSIT	C/D RATIO
1997	4383983	3904477.96	111.00
1998	3465408	5113295.77	67.77
1999	3951588	5697587.33	69.35
2000	4314241	6378383.93	67.63
2001	4847241	7791454.03	62.72
2002	9007150	11639050.43	77.38
2003	11990090	14377843.05	83.39
2004	11796140	15671857.88	75.26
2005	162553553	19731995.28	82.38
2006	20775567	21822866.55	95.20

***source: General
ledger of the KSCB**

The credit deposit ratio of a bank shows the efficiency of the bank in employing the deposits mobilized by it. Deposit is the major source of income for a bank. The credit deposit ratio of the bank in 1997 was more than 100% (i.e. 111%). It shows that the banks are able to employ the deposit available with it in an efficient manner. But in the succeeding years the same was not followed, all other years the credit deposit ratio was less than 100%. This reduction in employment of deposit for lending may be because of its other operations like *onachanda*, retail shop, fertilizer depot etc.

For safe and secure lending like any other financial institution, KSCB also provides advances on the basis of security. When advances have been secured, the security can be enforced in case of defalcations. Analyses of the securities provided by the customer is as follows :

OCCUPATION AND TYPE OF SECURITY AVAILED

Occupation	Land		Surety bond		Jewels		Total	
	NO.	%	No.	%	No.	%	No.	%
Agriculture	6	10	3	5	2	3.3	11	18.3
Unemployed	2	3.3	4	6.7	4	6.7	10	16.7
Self-employed	5	8.3	9	15	0	0	14	23.3
Coolie	6	10	8	13.3	3	5	17	28.4
Other	3	5	3	5	2	3.3	8	13.3
Total	22	36.6	27	45	11	18.3	60	100.0

The table reveals that 36.6% of the total respondents provides land as security. Of this, 10% are agricultural farmers. The table further shows that self-employed prefer surety bond as security. 6.7% of the unemployed preferred surety bond as the source of their security. The preference of self-employed on land is 8.3 % and 10% of coolie workers furnished land as security. None of the self-employed preferred jewel as security.

Interest is the amount paid by the borrower to the lender for the privilege of using the lenders' money. Bank advances different kinds of loans at different rates of interest, the rate of interest is determined by a number of factors like the repayment period of the loan, purpose of the loan etc. Here this question in the schedule tries to probe into the opinion of borrowers on the interest charged by KSCB on its advances.

RATE OF INTEREST OF THE LOAN -OCCUPATION WISE ANALYSIS

Occupation	Reasonable		Not - reasonable		No command		Total	
	No	%	No.	%	No.	%	No.	%
Agriculture	5	8.3	3	5	3	5	11	18.3
Unemployed	6	10	2	3.3	2	3.3	10	16.7
Self- employed	5	8.3	6	10	3	5	14	23.3
Coolie	4	6.7	8	13.3	5	8.3	17	28.4
Other	3	5	1	1.6	4	6.7	8	13.3
Total	23	38.3	20	33.3	17	28.3	60	100

The table explains that about 38% of the total respondents showed a positive view about the interest charged for the loan. 28.3% of the respondents did not have any command about the rate of interest charged by the bank. The respondents expressed negative feelings towards rate of interest charged by the bank that constituted 33.3%.

Navigation through the table shows that 60% of the total respondents opinioned the period of repayment convenient. Of these, 13.3% are agricultural labours and self-employed and unemployed account for 8.3% and 11.6% respectively. About 21.7% of the respondents expressed the view that they are not comfortable with the repayment period of the loan. They expressed that local money lenders provide money at a flat rate of interest without considering the period of repayment and there is no need for furnishing any security for availing the loan. Many reasons could be attributed for overdue problem. The study on overdues in cooperative banks reveals that a considerable number of borrowers do not make payments not because they would not be able to repay, but because

PERIOD OF REPAYMENT OCCUPATION WISE ANALYSIS

Occupation	Convenient		Not convenient		No command		Total	
	No	%	No.	%	No.	%	No.	%
Agriculture	8	13.3	1	1.6	2	3.3	11	18.3
Unemployed	7	11.6	2	3.3	1	1.6	10	16.7
Self-employed	5	8.3	6	10	3	5	14	23.3
Coolie	12	20	-	0	5	8.3	17	28.4
Other	4	6.7	4	6.7	-	0	8	13.3
Total	36	60	13	21.7	11	18.3	60	100

they are not willing to repay the loan. This category of borrowers is known as “willful defaulters”. And it is quite possible for some borrowers not to keep up their repayment due to some genuine reasons, like increased family expenditure, litigation of expenditure, repayment of other loan, unemployment, loss of agricultural production, illness etc.

REASON FOR OVERDUE - OCCUPATION WISE ANALYSIS

Occupation	Sickness		Unemployment		Crop loss		No reason		Others		Total	
	No	%	No.	%	No.	%	No.	%	No.	%	No.	%
Agriculture	3	5	2	3.3	3	5	3	5	-		11	18.3
Unemployed	2	3.3	7	11.6	-	0	1	1.6	-		10	16.7
Self-employed	4	6.7	6	10	-	0	3	5	1	1.6	14	23.3
Coolie	2	3.3	12	20	-	0	1	1.6	2	3.3	17	28.4
Other	-	0	-	0	2	3.3	6	10	-		8	13.3
Total	11	18.3	27	45	5	8.3	14	23.3	3	5	60	100

According to the above table, 45% of the respondents expressed that they could not repay the loan due because of unemployment. 18.3% of the respondents became defaulters because of illness and 23.3% of them did not have a justifiable reason. It can therefore be inferred that these respondents come under the category of “willful defaulters”. They may be expecting some relief under the agricultural and rural relief scheme. The personal experience of the researcher adds some more facts to this view. Some of the respondents allegedly responded very casually in this regard. A look through the records of the bank gave an embracing picture to the researcher; debts were due for more than seven years. Another reason brought out under this overdue position was that there are some loans which are taken for the benefit of certain persons in the name of the original loanee, this is a situation observed while interacting with some of the respondents. In such a case, the loan remained unpaid because of the default of the other person. Such cases are shown in the table in others column which accounted for 5% of the total respondents.

It is appreciable to note that the efforts taken by KSCB to recover the loan were fairly good, when we compare to their counter parts in the other parts of India.

INTIMATION FROM THE BANK ABOUT OVERDUE POSITION

VARIABLE	FREQUENCY	% TO TOTAL
INTIMATED	52	86
NOT INTIMATED	8	14
TOTAL	60	100

The table shows that about 86% of the respondents were intimated at least once about their overdue position through registered post. Further, the respondents expressed that they were also intimated informally through telephone. So we can judge that the bank is trying to safeguard its side by employing all possible efforts to recover the loans from the defaulters. Overdue is common in the lending operations. An enquiry was conducted to find out

the reason for this state of affair. The respondents are asked to state the purpose for which they utilized loans taken by them.

UTILITY OF THE LOAN - OCCUPATION WISE ANALYSIS

OCCUPATION	Same purpose		Not- utilized		TOTAL	
	NO.	%	NO	%	NO.	%
Agriculture	4	6.6	7	11.7	11	18.3
Unemployed	6	10	4	6.6	10	16.7
Self- employed	6	10	8	13.3	14	23.3
Coolie	10	16.7	7	11.7	17	28.4
Other	2	3.3	6	10	8	13.3
Total	28	46.7	32	53.3	60	100.0

It can be viewed that about 53% of the total respondents who come under the category of irregular in repayments did not used their loan amount for the purpose for which the loan was availed. In the case of agricultural farmers, this trend was more pronounced. For example, only 43% of the borrowers utilized their amount for the specific purpose of the loan .Some of them availed agricultural loans at concessional rate of interest and used for some domestic purposes that has no monetary outcome. The advantage of concessional interest rate and subsidies are utilized by such people for unproductive purposes.

Recovery of loan disbursed is very important for the recycling of the funds and profitability of the bank. Here, the researcher tried to root out the mode of repayment of the overdue loan. The respondents are asked “what is there in their mind to repay the overdue loan”. The details of the analysis are shown in table given below;

MODE OF REPAYMENT - OCCUPATION WISE ANALYSIS

Occupation	Chitty		Other loan		Installment		No idea		Postal deposit		Total	
	No	%	No	%	No.	%	No	%	No	%	No	%
Agriculture	8	13.3	-	0	-	0	3	5	-	0	11	18.3
Unemployed	7	11.6	-	0	3	5	-	0	-	0	10	16.7
Self-employed	4	6.6	-	0	6	10	4	6.6	-	0	14	23.3
Coolie	-	0	3	5	2	3.3	7	11.6	5	8.3	17	28.4
Other	6	10	-	0	-	0	-	0	2	3.3	8	13.3
Total	25	41.6	3	5	11	13.3	14	23.3	7	11	60	100

The table shows that 41.6% of the respondents expected to repay the loan out of the chitty. There was no repayment from some respondents, it is represented as no idea, and this group constitutes 23.3% of the respondents. Some of them showed a benevolent attitude towards the bank, they are ready to repay but they don't have the means to pay. 5% of the respondents expressed that they are proposing to take another loan to repay the loan over due. Some of the respondents revealed that they have some savings in the form of recurring deposit in Post Office. About 13 % of the respondents expressed that they are thinking to repay the loan by small installments.

One of the basic objectives of the establishment of cooperative banks is to relive the rural households from the clutches of the local money lenders. Lenders in the locality are a source of credit for many people even now. Some of the respondents expressed that the procedure for getting credit from the local money lenders like *marvadies* is very simple. In banks, they have to furnish many certificates and comply with a number of cumbersome procedures and have to wait for the loan disbursement. There is no such procedure in case of money-lenders; it is a source of quick cash. Some of the respondents held the notion that the interest charged by these lenders are low as compared to banks because they say that they will not consider the time period of the loan. The borrower has to pay a flat interest, that too at the time of granting the credit. Upon further probing, the researcher came to know

that from the respondents, the interest charged by the local money lenders is 20 rupees for each hundred rupees. That is 20 percentage. For emergency credit at midnight, they charge some extra amount. The responses of the respondents regarding the present position of the money lenders are depicted in the following table.

CURRENT POSITION OF LOCAL MONEY LENDERS

VARIABLE	FREQUENCY	% TO TOTAL
STRENGTHEND	16	27
WEAKENED	14	23
REMAINS SAME	18	30
DO NOT KNOW	12	20
TOTAL	60	100

From the above table we can say that the bank is able to curtail the growth of local money lenders in the locality. 30 % of the respondents expressed that the position of money lenders remain the same.

OPINION ABOUT THE MANAGEMENT OF THE BANK- SEX WISE ANALYSIS

VARIABLE	EFFICIENT		INEFFICIENT		NO COMMAND		TOTAL	
	No	%	No	%	No	%	No	%
MALE	32	53.4	2	3.3	8	13.3	42	70
FEMALE	12	20	-	0	6	10	18	30
TOTAL	44	73.4	2	3.3	14	23.3	60	100

The Table elucidates that out of the total male respondents, 53% expressed that management of the bank is efficient and it is 20% of the total female respondents. 23.3% of the customers have no command about the management but none of the respondents have the opinion that the management of the bank is inefficient. The personal experiences of the researcher supplements this view, one month association with the bank, its management and employees helped to develop a cardinal relationship with them.

FINDINGS

1. Cooperative bank is an invaluable institutional system in rural areas as it is able to meet the productive needs of rural households.
2. Co-operative credit still forms a small portion of the total borrowing of the farmers which means that the farmers are still in the clutches of money lenders.
3. Most primary credit societies are unable to even meet the production oriented needs of farmers;
4. There is an increased demand for gold loan. Gold loan is preferred by the people because of the easiness of getting loan. The procedure is very simple; even a non -member can avail loan against gold. It is less risky for the bank also.
5. The loan availed from the bank is not being utilized for the purpose mentioned while taking the loan; it became one of the reason for non- repayment of the loan.
6. The ultimate analysis, most outstanding of the findings, which indeed is at the root of many of the shortfalls in the co-operative performance, is in the area of management. There has been considerable discussion over the years at all levels in regard to the need for proper manpower development in co-operative sector. Not much progress, however, has taken place. The cooperatives themselves have shown lack of appreciation of this problem.
7. The bank is not following the principle of order, the records are not kept in order, it creates more physical and mental strain to employees and affects their productivity also.
8. Socio- economic condition of the locality is well known to the board of directors of the bank, so it helps them to grant loans accordingly.

SUGGESTIONS

1. Cooperative banks should adopt scientific methods and principles in its day-to-day affairs, the bank should try to appoint professionally qualified people so that effective management of loans, deposits etc. can be achieved. The present employees should be given effective training.
2. A significant number of people of kayakkody are working in gulf countries, so it is advisable to the banks to start NRI accounts in the bank by making use of concessions provided by the govt. to NRIs.

3. A more realistic approach should be devised while lending loans to the people; it should be made sure that the amount disbursed is utilized for the purpose it is granted for. Then only the key objective of cooperative banks could be achieved.
4. Nowadays, cooperative banks have to compete with commercial banks so it should be made viable at least for its surveillance. Like the three tier system of lending, the cooperative banks can devise methods to attract more deposits. They can collectively improve their services by adopting facilities like ATM.
5. Rural Cooperative banks should improve member education as it deals with illiterate and less educated people. The members should be able to know what kind of loans they are availing, what are the benefits of it as compared to other loans and loans granted by other banks, what will be the impact of non-repayment of the loan etc.
6. Primary cooperative banks can be allowed to invest in industrial securities to a certain extent depending upon the degree of professional managers the bank possesses. So that the accumulated loss position in the cooperative banks can be reduced.

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(Cont. from page 38)

CONCLUSIONS

Most of the people are aware of NOKIA brand than others.

- Among the respondents, 50% of them have changed their mobile phone from other brands to NOKIA.
- Features and Battery played a key role for brand switching from other brands to NOKIA.
- Television advertisements influence most of the users to buy NOKIA phones and dealers play a key role in the channels of distribution.
- Majority of the respondents bought phones from the dealers.
- 44% of NOKIA users buy phones from the Gray market.
- Prices of NOKIA phones are affordable.

SUGGESTIONS

- NOKIA Care Centers should be within the customer's reach and hence Nokia should open more centers by giving dealerships.
- Nokia should stick to the quality with respect to Battery and features since it plays a key role in buyer's decision-making.
- Dealers and brand ambassador's role should be considered to attract new customers.
- Pamphlets don't have much impact on buyers buying process. So better not to use pamphlets as an advertisement media since its impact is less.
- It is necessary to avoid customers buying phones without invoice.
- Audio output of some models needs to be improved.
- Software compatibility of the new mobiles should be changed.

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