

Chapter 7

DATA ANALYSIS:

PILOT SURVEY

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Chapter 7

Data Analysis: Pilot Survey

After presenting the information of the SEWA Bank from its beginning to current status in the previous chapter, this chapter is going to discuss about the responses received through the pilot survey.

Data plays a very significant role for any type of research study. This study is based on primary data collected from the SEWA bank. As per the discussion in chapter 3, primary data are collected with the help of three different Questionnaires for three different types of category of people. One questionnaire is prepared for the 'Borrowers' of the SEWA bank; second questionnaire is made for SEWA bank's facilitator (called as 'Hand Holders' at SEWA) and third questionnaire is prepared for field workers of the SEWA bank (called as 'Banksathis' at SEWA). All three questionnaires were pre tested by carrying out the pilot survey and final questionnaire was modified as per the need felt after experiencing the pilot survey. This chapter presents the analysis of pilot survey and modifications made in final questionnaires.

Analysis of pilot survey is carried out in three parts viz. borrowers, hand holders and banksathis. After analyzing responses for each questionnaire, modifications made for preparation final questionnaires are discussed.

7.1 Analysis of Responses by Borrowers

Total 21 questions were set in the questionnaire of the pilot survey for total 59 borrowers. First seven questions relate to borrower's personal information such as name, age, address, religion, caste, educational attainment and marital status. Following responses were received.

7.1.1 Demographic Profile of Respondents

The responses received regarding the demographic profile are tabulated, in Table 7.1. The discussion on the same is presented in the following lines. With reference to the table 7.1, following observations have been noted down.

Age: The borrowers' age was found in the range of 20 to 60. Maximum numbers of borrowers were belonging to the age group of 31-40 i.e. 25 (42.37%).

Religion and Caste: The respondents were divided only in two religions viz. Hindu (64.41%) and Muslim (35.59%). Out of 59 respondents, 21 were unaware about

their caste and hence the classification could be made only for 38 respondents where 12 were belonging to SC/ST, followed by General (9) and OBC (7).

Educational Profile & Marital Status: On analyzing the educational profile, it is observed that majority of the borrowers (21) are uneducated *i.e.* 35.59% while 20 borrowers were found with primary education *i.e.* 33.90%. Few of them have Secondary/Higher Secondary education. This shows very low level of education among borrowers. On examining marital status, it is observed that most of them (86.44%) are married.

Table 7.1 Demographic Profile of Borrowers

Sr. No	➤ Age (in years)	Frequency	Percentage
1	0-20	2	3.39
2	21-30	8	13.56
3	31-40	25	42.37
4	41-50	17	28.81
5	51-60	7	11.86
	Total	59	100
	➤ Religion		
1	Hindu	38	64.41
2	Muslim	21	35.59
	Total	59	100
	➤ Caste		
1	SC/ST	12	20.34
2	General	9	15.25
3	OBC	7	11.86
4	Marvadi	5	8.47
5	Vankar	3	5.08
6	Marathi	1	1.69
7	Jain	1	1.69
8	Don't Know	21	35.59
	Total	59	100
	➤ Educational Attainment		
1	Never attended school	21	35.59
2	Primary 1 to 7	20	33.9
3	Secondary 8 to 10	13	22.03
4	Higher Secondary 11 to 12	1	1.69
5	Collage 1 to 3 years	3	5.08
6	Post Graduate	1	1.69
	Total	59	100
	➤ Marital Status		
1	Married	51	86.44
2	Widowed	5	8.47
3	Unmarried	3	5.08
	Total	59	100

Source: Prepared from responses

7.1.2 Saving Habits and Training

Total six questions have been asked to know about borrowers' views regarding habit of savings and involvement in training programme provided by SEWA bank. According to the table 7.2 out of total 59, only 17 borrowers have been found with saving habit. Among 17, 15 borrowers were found with the habit of monthly savings. Only 2 borrowers had replied that they save money on daily basis *i.e.* ₹330 and ₹100. Out of total 15 borrowers who saved on monthly basis, 4 borrowers reported to save an amount of ₹0 to ₹100. 3 borrowers saved in between ₹101 to ₹200.

Table 7.2 Saving Habit

Sr. No	➤ Responses	Frequency	Percentage
1	Yes	17	28.81
2	No	42	71.19
	Total	59	100
	➤ If Yes...		
1	Daily	2	11.76
2	Monthly	15	88.24
	Total	17	100
	➤ If Monthly..... Amount		
1	₹0-₹100	4	26.67
2	₹101-₹200	3	20.00
3	₹201-₹300	1	6.67
4	₹301-₹400	0	0
5	₹401-₹500	2	13.33
6	₹501-₹600	2	13.33
7	₹601-₹700	0	0
8	₹701-₹800	0	0
9	₹801-₹900	1	6.67
10	₹901-₹1000	1	6.67
11	above ₹1000	1	6.67
	Total	15	100

Source: Prepared from responses

Borrowers were also asked whether banksathi explain them about importance of saving or not. 47 borrowers have replied positively (12 replied negatively) with different types of explanations how banksathis counsel them about the importance of saving. However, majority of the borrowers could not say properly that how banksathis counsel them (see table 7.3). There were two explanations reported from 8 borrowers each. One explanation was "banksathis explain about all types of saving schemes available at SEWA bank and also explain how saving is important". Other explanation was reported that "regular saving can reduce the burden of interest and loan can be repaid easily without any default".

Table 7.3 Counselling to Improve Saving Habits

Sr. No	Explanations	Frequency	Percentage
1	Explain about all saving schemes and importance about saving	8	17.02
2	Regular saving can reduce the burden of interest and loan can be repaid easily without any default	8	17.02
3	Saving can save your future	2	4.26
4	Regular saving in small amount can help in accidental needs	1	2.13
5	Regular saving can help in your business	1	2.13
6	Saving can makes your children's future safe	1	2.13
7	No Response	26	55.32
	Total	47	100

Source: Prepared from responses

Further, borrowers were also asked whether banksathis explain them about training programme provided by SEWA bank or not. Borrowers were asked about type of training they have taken. Out of 59 borrowers, 32 replied that banksathis explain them about training while 18 (out of 59) borrowers reported that they have taken different types of training at SEWA bank. Total five types of training programme have been reported. The borrowers reported about under going more than one type of training programme simultaneously. Therefore, the response for training is more than number of borrowers who have undergone this training programme. (See table 7.4).

Table 7.4 Views about Training

Sr. No	➤ Responses: Explanation about Training from Banksathis	Frequency	Percentage
1	Yes	32	54.24
2	No	27	45.76
	Total	59	100
	➤ Responses: Training Taken		
1	Yes	18	30.51
2	No	41	69.49
	Total	59	100
	If Yes...		
	➤ Types of Training Taken		
1	Business Counselling	12	27.27
2	Financial-Long term training	12	27.27
3	Financial-Short term training	11	25.00
4	Amrut Zaranu	7	15.91
5	Educational training	1	2.27
6	Don't know/No response	1	2.27
	Total	44	100

Source: Prepared from responses

7.1.3 Involvement in Loan Facilities

Further more, an attempt is made to find out types of loans taken by the borrowers, purpose of loan and the amount of loan. SEWA bank provides both unsecured and secured types of loan with different types of loan products. Table 7.5

shows the details of unsecured loans. Total 161 numbers of unsecured loans were reported from 59 borrowers because majority of the borrowers were found with more than one loan, while only 17 numbers of secured loans were reported. Amongst the loan products, Sanjeevani loan is found to be most popular with 41.61% of responses. Amongst the purpose of loans, it is observed that majority of the loans 62.11% are taken for business purpose. Highest amount of loans had been reported in the range of ₹5,001 to ₹25,000 i.e. 92 (57.14%). 18 loans were found with the amount upto ₹5000. 4 loans had been found with the highest range of amount of ₹85,001 to ₹1,05,000.

Table 7.5 Detail of Unsecured Loans

Sr. No	➤ Name of the Product	Frequency	Percentage
1	Sanjeevani Loan	67	41.61
2	Unsecured Loan	37	22.98
3	Pakhi Bhit Loan	35	21.74
4	Daily Loan Collection	11	6.83
5	Capitalization Urban Loan	6	3.73
6	Not remember	5	3.11
	Total	161	100
	➤ Purposes of the Loan		
1	Business	100	62.11
2	To build house	22	13.66
3	House repairing	18	11.18
4	Pay debt	8	4.97
5	Education	2	1.24
6	Medical Expenses	1	0.62
7	Personal expenses	1	0.62
8	Social Expenses	1	0.62
9	No response	8	4.97
	Total	161	100
	➤ Amount of Loan		
1	Up to ₹5,000	18	11.18
2	₹5,001-₹25,000	92	57.14
3	₹25,001-₹45,000	26	16.15
4	₹45,001-₹65,000	19	11.8
5	₹65,001-₹85,000	2	1.24
6	₹85,001-₹1,05,000	4	2.48
	Total	161	100

Source: Prepared from responses

For secured loans only two types of loans had been reported (Table 7.6). Out of total 17 borrowers, 16 borrowers had taken FO (on the basis of Fixed Deposits) loan. Maximum numbers of loans (6) were also taken for the purpose of business. Highest numbers of loans (12) have been reported in the range of amount ₹5,001 to ₹25,000.

Table 7.6 Detail of Secured Loans

Sr. No	➤ Name of the Product	Frequency	Percentage
1	FO	16	94.12
2	ODCC	1	5.88
	Total	17	100
	➤ Purposes of the Loan		
1	Business	6	35.29
2	Personal Expenses	4	23.53
3	Pay debt	4	23.53
4	Housing	1	5.88
5	No response	2	11.76
	Total	17	100
	➤ Amount of Loan		
1	Up to ₹5,000	2	11.76
2	₹5,001-₹25,000	12	70.59
3	₹25,001-₹45,000	2	11.76
4	₹45,001-₹65,000	0	0
5	₹65,001-₹85,000	0	0
6	₹85,001-₹1,05,000	1	5.88
	Total	17	100

Source: Prepared from responses

7.1.4 Modifications in Preliminary Questionnaire based on Responses

Total 21 questions were set in the final questionnaire (*Appendix 1*). First seven questions relate to information about demographic characteristics and have been retained as it is. In the pilot questionnaire, questions 8, 9, 10 and 11 were asked to know about the total family members and their economic activities to know about the repayment capacity of the borrower. Various types of economic activities were reported from 59 borrowers. Thus individual income as well as family income of the borrower had been reported different. *As this information is significant for the study purpose, these four questions had been put in the final questionnaire.*

Question 12 relates to head of borrower's family. On asking directly that who is the head of your family, almost all female borrowers replied that their husbands are the head. Thus this question had been dropped out. *However, the researcher wanted to know the effect of gender on decision making so this question has been modified and the new question is generated.*

Questions 13, 14 and 15 were asked to know about the saving habit of the borrower. These questions were also asked in the final questionnaire but in the two different parts viz. *savings other than from the SEWA bank and savings within the SEWA bank*. Thus, the amount of savings and habit of savings of the borrowers in both the cases could be found out. Questions 16, 17 and 18 had been asked to know about the involvement of borrowers in the training programme of the SEWA bank. Those

questions are continued in the final questionnaire. In addition to this, the borrowers are asked about the reasons not taking any type of training from the SEWA bank. *Based on pilot survey it was felt that to know the regularity in repayment it will be useful to know way of repayment. Hence, this question was added in the final questionnaire.*

Questions 19 and 20 of the pilot questionnaire, inquired about details of loans taken by the borrowers, this is continued as it is.

Question 21 was asked to know if borrowers made any default and for what reason they defaulted. If any borrower did not make any default, she was also asked how she had managed to repay the loan without any default. Considering significance of this question, it has been retained as it is.

Thus, even though most of the questions were retained as it is, based on pilot survey certain significant modifications could be carried out.

7.2 Analysis of Responses by Banksathi

Banksathis are the bank's frontline worker. Opinion of banksathis is also very important for the purpose of the study because banksathi plays a very important role in the loan procedure of the SEWA bank. The banksathi first assesses the applicant. She makes notes on creditworthiness of the borrower and then recommends the bank to give the loan to a particular borrower. Banksathi also takes the responsibility of the collection of the loan instalments from the borrower. Hand holders (bank facilitator) follow up banksathi's recommendations and also keep monitoring on banksathis and their work in the bank and in the field also. 28 questions were framed for 6 banksathis selected for pilot survey. The questions were divided into five sections viz. basic profile of banksathis, procedural, loan products, daily loan collection and views regarding monitoring and defaults. The following para viz. 7.2.1 to 7.2.6 analyses the responses of banksathis.

7.2.1 Basic Profile

In this section seven questions had been asked about name, age, branch name, hand holder's name, experience with SEWA bank (in years), working areas and number of accounts they have opened in the year 2007-08 and 2008-09. The responses are as follows.

Table 7.7 presents the responses regarding age, experience and number of accounts opened. Age of banksathis was found in the range of 31 to 60. Experience of banksathis with SEWA bank had been found in the range of 9 to 11 years. On inquiring

about the number of accounts opened by each banksathi, this ranged in between 60 to 720.

Table 7.7 Basic Profile of Banksathis

Sr. No	➤ Age (in years)	Frequency	Percentage
1	31 to 40	3	50.00
2	41 to 50	1	16.67
3	51 to 60	2	33.33
	Total	6	100
	➤ Experience (in years)		
1	9	1	16.67
2	10	3	50.00
3	11	2	33.33
	Total	6	100
	➤ No. of Accounts Opened (2008-09)		
1	60	1	16.67
2	180	1	16.67
3	300	1	16.67
4	360	1	16.67
5	360 to 420	1	16.67
6	600 to 720	1	16.67
	Total	6	100

Source: Prepared from responses

7.2.2 Procedural

In this section, 5 questions were asked regarding the loan procedure of the SEWA bank. Question 8 was asked to know the limits of loan amount for the first time loan and second time loan. Each banksathi was found with different opinion about both types of loan *i.e.* unsecured and secured loan. In case of the secured loan 3 banksathis did not know the exact amount of the limits. (See table 7.8)

Table 7.8 Limits of Loan Amount

Unsecured Loan				
Sr. No.	Min. Amt. (in ₹)	Max. Amt. (in ₹)	Frequency	Percentage
1	5,000	10,000	1	16.67
2	5,000	15,000	1	16.67
3	5,000	25,000	1	16.67
4	5,000	1,00,000	2	33.33
5	10,000	20,000	1	16.67
Total			6	100
Secured Loan				
	Min. Amt. (in ₹)	Max. Amt. (in ₹)		
1	15,000	50,000	2	33.33
2	20,000	35,000	1	16.67
3	don't know	3 times of saving a/c balance	1	16.67
4	don't know	4 times of saving a/c balance	1	16.67
5	don't know	Depends upon borrower's saving a/c balance	1	16.67
Total			6	100

Source: Prepared from responses

Banksathis were asked to share preconditions if the loan is given for the second time to the same borrower. One banksathi had shared more than one condition. Thus total 19 preconditions had been reported from 6 banksathis. 6 banksathis had believed that regularity and maintenance of saving account should be checked first. Record of previous loan had also been given preference by 5 banksathis. (See table 7.9)

Table 7.9 Preconditions for second time loan to the same borrower

Sr. No	Preconditions	Frequency	Percentage
1	Regularity and Maintenance of saving a/c	6	31.58
2	Record of previous loan	5	26.32
3	Repayment capacity of borrower	3	15.79
4	Repayment capacity of family	2	10.53
5	Number of accounts have been opened in another saving scheme	1	5.26
6	Legal ownership of the borrower's house	1	5.26
7	Willingness to repay	1	5.26
	Total	19	100

Source: Prepared from responses

Banksathis were requested to rank the factors considered to decide the loan amount. Multiple responses were received by banksathis (Table 7.10). Based on the responses by banksathis, average rank was calculated for each factor to find out the exact rank for each factor. Table 7.11 shows that regularity and maintenance of saving a/c by the borrower was given the first rank followed by borrower's income and borrower's record of previous loan.

Table 7.10 Factors to Decide Loan Amount

Sr. No	Factors to decide Loan Amount (For Unsecured/Secured loan)	Rank							
		1	2	3	4	5	6	7	8
1	Income	1	1	0	0	0	0	0	0
2	Record of Previous loan	0	2	0	0	0	0	0	0
3	Repayment capacity of the borrower	0	0	1	0	0	0	0	0
4	Condition of the house	1	0	0	0	0	0	0	0
5	Nature of business income	0	1	0	0	0	0	0	0
6	Household expenses	0	0	1	0	0	0	0	0
7	Regularity and Maintenance of saving a/c	4	0	0	1	0	0	0	0
8	Relationship of the borrower with the bank	0	0	1	0	0	0	0	0

Source: Prepared from responses

Table 7.11 Factors by Average Rank

Sr. No	Factors to decide Loan Amount (For Unsecured/Secured loan)	Average Rank
1	Regularity and Maintenance of saving a/c	1
2	Income	2
3	Record of Previous loan	3
4	Condition of the house	4
5	Nature of business income	5
6	Repayment capacity of the borrower	7
7	Household expenses	7
8	Relationship of the borrower with the bank	7

Source: Prepared and computed from responses

Banksathis were also asked to tell about duration of the different types of loans. As the duration of the unsecured and secured loans has been fixed by the SEWA bank, proper responses could not be received from banksathis. Thus, this question could not be analyzed.

Collection of loan instalments was found as the responsibility of banksathis. Thus, in the opinion of all banksathis, they used to do cash collection on daily basis through the personal visit. They decide different dates for the different areas as per the borrower's convenience.

7.2.3 Loan Products

Three questions were asked, relating to loan products. Banksathis were asked to inform the year of commencement of the all type of loan products (Unsecured and Secured both). None of banksathis knew about the same. Next question related to the loan products in use. From 6 banksathis, 5 responded that daily loan collection is not in use and 1 responded that daily loan collection is in use. Further for daily loan collection not in use, multiple reasons could be observed (Table 7.12). 41.67% of response was attributed to cause banksathis had to take responsibility as a guarantor for daily loan. 25% of response relates to irregularity in daily payment.

Table 7.12 Reasons for Why Daily Loan Collection not in Use

Sr. No.	Reasons	Frequency	Percentage
1	Banksathi had to take responsibility as a guarantor	5	41.67
2	Irregularity in daily payment	3	25.00
3	Borrowers could not repay within the loan duration (i.e. 12 months)	1	8.33
4	High amount of instalments	1	8.33
5	High interest rate charged as compared to other loan products	1	8.33
6	Banksathis were blamed for not paying cash regularly in the bank	1	8.33
	Total	12	100

Source: Prepared from responses

7.2.4 Daily Loan Collection

This section was specially focused on daily loan collection. Total 5 questions had been asked. All 6 banksathis had replied that they all were at SEWA bank when daily loan collection got started. Thus, all banksathis were expected to know more about the daily loan collection.

Banksathis had been asked if they ever felt daily collection as a boring task. The response was equally divided between, boring task and otherwise. On inquiring about to whom it is boring again it was found to be boring in equal proportion to all banksathis, borrowers and to both. On further inquiring the reason the same was also responded

(See table 7.13). On inquiring whether borrowers repaid their loan instalment daily regularly or not, equal response was found for regular payment and otherwise.

Table 7.13 Views about Daily Cash Collection

Sr. No	➤ Responses: Boring or Otherwise	Frequency	Percentage
1	Yes	3	50.00
2	No	3	50.00
	Total	6	100
	➤ Responses (If Yes...)		
1	To Banksathi	1	33.33
2	To Borrower	1	33.33
3	To Both	1	33.33
	Total	3	100
	➤ Reasons - Why it is boring?		
	To Banksathi...		
	Mismatch of timing of banksathi and borrower		
	To Borrower...		
	Borrowers do not like daily visit of banksathi		

Source: Prepared from responses

Further banksathis were asked to share their views about demand of daily loan among borrowers. Banksathis were also asked to tell proper reasons for demand of daily loan. If there were a negative response for daily loan then banksathis had to share their views to increase the demand of daily loan collection. According to table 7.14, out of 6 banksathis, 4 banksathis opined that daily loan was in high demand among borrowers and 4 banksathis agreed that daily payment in small instalments can reduce the burden of interest and debt so daily loan was in high demand. While 2 banksathis were disagree with the demand of daily loan. Those 2 banksathis had been asked to share their views to increase the volume of daily loan but both of them did not want to increase the volume of daily loan collection.

Table 7.14 Demand of Daily Loan Collection

Sr. No	➤ Responses	Frequency	Percentage
1	Yes	4	66.67
2	No	2	33.33
	Total	6	100
	➤ Reasons		
	If Yes.....		
1	Daily payment in small instalments can reduce the burden of interest and debt	4	66.67
2	Bank goes to the borrower to give a loan at their place	1	16.67
3	No requirement of government employee as a guarantor	1	16.67
	Total	6	100
	If No.....		
1	They could not maintain proper record of their daily paid instalments	1	50.00
2	Borrowers do not like banksathis to visit their place daily	1	50.00
	Total	2	100

Source: Prepared from responses

7.2.5 Views regarding Monitoring and Defaults

This section is divided into two sub parts viz. banksathi's views about training and other views. To find out banksathis' views about training given to the borrowers, total 3 questions had been asked.

→ Views about Training and Saving

The researcher wanted to know whether banksathis recommend borrowers for loans without giving any type of training or not (table 7.15). 5 banksathis had positively replied that they recommend borrowers and gave more than one reason for that. Among them 3 banksathis had informed that closure of one day business is not affordable for borrowers. Only one banksathi gave negative answer and suggested 4 types of training to be given to the borrowers before sanctioning a loan. Banksathis had been asked to tell whether they explain importance of saving to the borrowers or not. None of banksathis had given negative response.

Table 7.15 Loan Recommendation without any Type of Training

Sr. No	➤ Responses	Frequency	Percentage
1	Yes	5	83.33
2	No	1	16.67
	Total	6	100
	➤ Reasons		
	If Yes.....		
1	Closure of one day business is not affordable	3	60.00
2	Inconvenient training timing	1	20.00
3	Tired of telling but they are not ready	1	20.00
	Total	5	100
	If No.....		
1	Financial training	1	25.00
2	Business Counselling	1	25.00
3	Calculation of interest	1	25.00
4	Amrut Zarnu	1	25.00
	Total	4	100

Source: Prepared from responses

→ Other Views

Total five questions were asked in this section. To know the effect on borrowers, if any, banksathi has been replaced with other banksathi, banksathis had been asked the question whether they had ever been replaced with other banksathi or not and what type of response had been received by borrowers from new area. According to table 7.16, 3 banksathis had been found replaced with other banksathi in the new area. Three banksathis had shared their experience in new area with multiple responses. Majority of them agreed that borrowers gave them positive response.

Table 7.16 New Areas and Borrowers' Responses

Sr. No	➤ Responses	Frequency	Percentage
1	Yes	3	50.00
2	No	3	50.00
	Total	6	100
	➤ Responses from Borrowers		
1	Got positive response	3	50.00
2	Borrower put trust on banksathi	2	33.33
3	Hand holders or any other person from the bank, known with that particular area, went with banksathi to cover new areas easily.	1	16.67
	Total	6	100

Source: Prepared from responses

Replaced banksathis were also asked which type of accounts they had opened in the new area. All 3 banksathis replied that they had opened all types of account *i.e.* saving account and account for unsecured as well as secured loans.

Further, banksathis were requested to share the steps to be followed by them on finding any borrower with default. 6 banksathis gave four steps for recovery. However, these steps were differing, in the action to be followed. This resulted in total 8 different actions for recovery of loan amount. Based on responses, average rank for these eight actions is derived. Table 7.17, presents these steps in sequential order. 'Personal visit to borrower' stood as the first step, followed by 'inform hand holder about the defaulted borrower' (second step), 'Visit to borrower along with hand holder' (third step) and 'inform about defaulted borrower to the bank by hand holder' as the forth step.

Table 7.17 Steps by Average Rank-by Banksathis

Sr. No	Responses	Rank
1	Personal visit of borrower	1.5
2	Inform hand holder about borrower	1.5
3	Visit borrower's place along with hand holder	3.5
4	Hand holder inform about borrower to the bank	3.5
5	Personal visit of guarantor	5.0
6	Send notice to borrower and to her guarantor	6.0
7	The case has been transferred to the court	7.0
8	Bank takes visit of borrower	8.0

Source: Prepared and computed from responses

Banksathis were also asked to inform their views regarding the reasons behind borrower's default. Six banksathis informed more than one reason for default. Highest response (6) is received about illness as a cause of non payment. 4 banksathis informed that due to loss of business/job borrowers could not repay. 3 banksathis considered that borrowers' unwillingness to pay was the cause for default. (See Table 7.18)

Table 7.18 Reasons of Default

Sr. No	Major reasons for defaults	Frequency	Percentage
1	Illness	6	28.57
2	loss of business / job	4	19.05
3	Unwillingness to repay	3	14.29
4	Death of family member(s)	2	9.52
5	Borrow money from non-bankers/private money lenders with high interest rate	2	9.52
6	Sudden expenses	2	9.52
7	Expenses in excess of income	1	4.76
8	Social expenses	1	4.76
	Total	21	100

Source: Prepared from responses

On inquiring whether defaults make loss to the bank or not, 5 banksathi opined that defaults make loss to the bank. Those 5 banksathi had been reported with multiple reasons how defaults make a loss to the bank. 2 banksathi had believed that bank cannot give higher amount of loan due to unpaid instalments of loan while other 2 banksathi had believed that income of bank decreases. (See table 7.19)

Table 7.19 Defaults make a loss to the bank

Sr. No	Responses	Frequency	Percentage
1	Yes	5	83.33
2	No	1	16.67
	Total	6	100
	Reasons		
	If Yes....		
1	Bank cannot give more amount of loan due to unpaid instalments of loan	2	33.33
2	Income of bank decreases	2	33.33
3	Bank has to reserve an amount equivalent to amount of NPA	1	16.67
4	Expenses of Bank increase	1	16.67
	Total	6	100
	If No....		
1	Bank will get its money back at time at any cost	1	100
	Total	1	100

Source: Prepared from responses

7.2.6 Modifications in Preliminary Questionnaire based on Responses

After getting the results from pilot survey, total number of questions had been reduced i.e. 29 in pilot survey and 25 in final survey (Appendix 2). Most frequent responses were put in the final questionnaire in particular question whenever needed. Five sections have remained as it is in the final questionnaire too. In introduction section only one question is added i.e. qualification of the banksathi. In second section, procedural section, first three questions are kept same. As the duration of the unsecured and secured loans is fixed by the SEWA bank, this information is decided to take directly

from the SEWA bank. This was not an opinion type question so it (*question 11*) had been dropped out from the final questionnaire. Periodicity of collection of loan instalments was found to be the same for any of the loan product. Thus, *the question 12 had been set in the final questionnaire by changing its format.*

In third section, *question 13 was found irrelevant.* As banksathi were not aware about the year of commencement of the loan products of the SEWA bank, this information has been decided to take directly from the SEWA bank. This was not an opinion type question so it had been dropped out from the final questionnaire. Other two questions (14 & 15) are kept same in the final questionnaire. Forth section is kept same in the final questionnaire.

Section five is divided into two subsections. In the first subsection questions regarding training had remained same while *questions regarding savings had been dropped out from the final questionnaire* because everybody gave positive responses and found it irrelevant. In the second subsection, first two questions continued to be as it is. For *question 26 (in the pilot questionnaire), one standard sequence of the steps had been prepared* from the responses of the pilot survey. Thus, this question is kept same but set in the final questionnaire with the standard sequence. Last two questions are also continued to be same in the final questionnaire.

7.3 Analysis of Responses by Hand Holder

Hand holders (bank facilitator) follow up banksathi's recommendations and also keep monitoring on banksathi and their work in the bank and in the field also. Thus, opinions of hand holders are also important. Total 28 questions, divided into five sections, were set for 5 hand holders in the pilot survey. The discussion is as follows.

7.3.1 Basic Profile

Total six questions were put up to know the basic profile of Hand holders in terms of name, age, branch name, experience with SEWA bank (in years), working areas and number of accounts they have opened in the year 2007-08 and 2008-09. The responses are as follows.

On analyzing the response it was observed that 3 out of 5 hand holders interviewed were within the age group of 41-50 whereas one each was found in the age group of 21-30 and 31-40.

Experience with SEWA bank was found in the range of 2 to 8 years. 2 hand holders have the experience of 2 years while other 3 hand holders were found with 3, 5, and 8 years respectively.

On asking how many accounts they had opened, none of the hand holders were able to give exact number for the year 2007-08. However, the average number of accounts they used to open per year was responded. (See table 7.20)

Table 7.20 Number of Accounts had been opened

Sr. No	No. of Accounts Opened (2008-09)	Frequency	Percentage
1	1200	2	40
2	480	1	20
3	180	1	20
4	NA	1	20
	Total	5	100

Source: Prepared from responses

7.3.2 Procedural

Total 6 questions were put regarding the loan procedure of the SEWA bank. Question 8 was to know the limits of loan amount for first time loan and second time loan. Each hand holder was found with different opinion about both type of loans *i.e.* unsecured and secured loan. (See table 7.21)

Table 7.21 Limits of Loan Amount

Unsecured Loan				
Sr. No.	Min. Amt. (in ₹)	Max. Amt. (in ₹)	Frequency	Percentage
1	5,000	10,000	1	20
2	5,000	10,000 to 15,000	1	20
3	5,000	15,000	1	20
4	5,000	1,00,000	2	40
Total			5	100
Secured Loan				
	Min. Amt. (in ₹)	Max. Amt. (in ₹)		
1	6,000 to 7,000	15,000 to 20,000	1	20
2	10,000 to 15,000	50,000	1	20
3	15,000	50,000	1	20
4	don't know	4 times of saving a/c balance	1	20
5	don't know	3 times of saving a/c balance	1	20
Total			5	100

Source: Prepared from responses

Hand holders were asked to share preconditions if the loan is given for the second time to the same borrower. Multiple responses were received from single respondent and thus, from five respondents totally 16 responses were received. As per the table 7.22, majority of the hand holders (37.50%) had given preference to the borrower's regularity and maintenance of saving account and second highest preference (31.25%)

was given to the borrower's record of previous loan. 2 hand holders (12.50%) believed that opinion of banksathi regarding borrower is important too.

Table 7.22 Preconditions for second time loan to the same borrower

Sr. No	Preconditions	Frequency	Percentage
1	Regularity and Maintenance of saving a/c	6	37.50
2	Record of previous loan	5	31.25
3	Opinion of Banksathi regarding borrower	2	12.50
4	Borrower's relationship with bank	1	6.25
5	Find the purpose of the loan and visit borrower's place personally	1	6.25
6	Make them ready to open recurring and pension account to secure bank's future	1	6.25
	Total	16	100

Source: Prepared from responses

Question 9 was about the interest rates charged for the types of unsecured and secured loan. As the rates were fixed and hand holders did not have any idea about the exact rates. Further, hand holders were asked to inform (by giving ranks) which factors they consider to decide loan amount. The hand holders had given multiple responses. (See table 7.23). Based on the responses by hand holders, average rank was calculated for each factor to find out the exact rank for each factor. Table 7.24 shows that regularity and maintenance of saving a/c by the borrower was given the first rank followed by borrower's record of previous loan and level of borrowers' family income.

Table 7.23 Factors to Decide Loan amount

Sr. No	Factors to decide Loan Amount (For Unsecured/Secured loan)	Rank						
		1	2	3	4	5	6	7
1	Regularity and Maintenance of saving a/c	4	0	0	0	0	0	0
2	Level of Family Income	1	1	1	0	0	0	0
3	Inquire about the condition or legal status of the house	0	2	1	0	0	0	0
4	Opinion from neighbours regarding borrower	0	0	0	1	0	0	0
5	Record of Previous loan	0	2	1	1	0	0	0
6	Inquire about borrower's business	1	0	1	0	0	0	0
7	Recommend borrowers to open recurring and pension a/c	0	0	0	0	0	0	0

Source: Prepared from responses

Table 7.24 Factors by Average Rank

Sr. No	Factors to decide Loan Amount (For Unsecured/Secured loan)	Average Rank
1	Regularity and Maintenance of saving a/c	1
2	Record of Previous loan	2
3	Level of Family Income	3
4	Inquire about the condition or legal status of the house	4
5	Inquire about borrower's business	5
6	Opinion from neighbours regarding borrower	6

Source: Prepared and computed from responses

Hand holders had been asked to inform about the duration of loan. As the duration of the unsecured and secured loans has been fixed by the SEWA bank, hand

holders could not give proper response. Thus, the analysis could not be done. Hand holders had also been asked to tell about the periodicity of collection of loan instalment. However, they could not give proper response to this question as collection of loan instalments was the responsibility of the banksathi. Therefore, the analysis could not be done for the same.

7.3.3 Loan Products

Three questions were put up in this part. First question had been asked to tell the year of commencement. However, hand holders were not aware about the year of commencement of the different types of loan products of the SEWA bank. Further hand holders were asked to tell whether any of the loan products was in use or not. From 5 hand holders, 3 said daily loan collection is not in use and 2 said daily loan collection is in use. On inquiring about the reasons why daily loan collection was not in use, 3 hand holders had reported multiple responses *i.e.* five different reasons for why daily loan collection was not in use (See table 7.25).

Table 7.25 Reasons why daily loan collection was not in use

Sr. No.	Reasons	Frequency	Percentage
1	High Fluctuation in daily income of borrowers	1	20
2	Mismatch of timing of banksathi and borrower	1	20
3	High interest rate charged as compared to other loan products	1	20
4	Irregularity of borrowers in daily payment	1	20
5	Borrowers put a blame on banksathi that they did not deposit our instalments in the bank	1	20
	Total	5	100

Source: Prepared from responses

7.3.4 Daily Loan Collection

Five questions were set in this section. Hand holders had been asked whether they were with SEWA bank or not when daily loan had been started. None of the hand holders had been found at the SEWA bank when daily loan got started. Further the collection of loan instalment was not the responsibility of hand holders so they could not give proper response to question 17. However, hand holders could say whether borrowers pay their loan instalments regularly or not. Out of total 5, only 1 hand holder opined that borrowers paid their instalments regularly. Other 4 hand holders had replied negatively. Further hand holders were asked to share the views about the demand of daily loan among the borrowers. According to the table 7.26, out of 5, 3 hand holders had replied that daily loan collection was in high demand while 2 hand holders opined otherwise. The hand holders were further requested to provide the reason about the daily loan collection having been in high demand or otherwise.

Table 7.26 Demand of Daily Loan Collection

Sr. No	➤ Responses	Frequency	Percentage
1	Yes	3	60
2	No	2	40
	Total	5	100
	➤ Reasons		
	If Yes.....		
1	By paying a small amount daily regularly borrowers can reduce the burden of interest	3	60
	If No.....		
1	Daily payment is convenient to daily wage earners only	1	20
2	Borrowers were used to pay daily in the starting period but then they had preferred to pay weekly or monthly as they could not keep perfect record of their paid instalments	1	20
	Total	5	100

Source: Prepared from responses

Two hand holders, who informed that daily loan was not in high demand, were asked to share their ideas to increase the volume of daily loan. Two of them had told that daily service should be given to the borrowers at their convenient time.

7.3.5 Views regarding Monitoring and Defaults

This section is divided into two sub parts viz.; hand holder's views about training and saving, and other views. To find out hand holders' views about training given to the borrowers, total 3 questions had been asked.

➔ Views about training and saving

At outset here an attempt is made to know the importance assigned to training for the purpose of sanctioning the loan. Through responses it could be observed that the loans are sanctioned, even without training. (Table 7.27)

Table 7.27 Loan Recommendation without any Type of Training

Sr. No	➤ Responses	Frequency	Percentage
1	Yes	5	100
2	No	0	0
	Total	5	100
	➤ Reasons (If Yes...)		
1	Closure of one day business is not affordable	3	60
2	Inconvenient training timings	1	20
3	No need to give them special training, because hand holders give all the information about loan at the time of personal visit of the borrower's place	1	20
	Total	5	100

Source: Prepared from responses

To know the views about saving, hand holders had been asked whether they explain importance of saving to the borrowers or not. All 5 hand holders replied positively.

→ Views Regarding Monitoring and Defaults

Hand holders had been asked to share their ideas to monitor activities of banksathi. Multiple responses had been reported from total 5 hand holders. (See table 7.28)

Table 7.28 Ways to Monitor Banksathis

Sr. No	Monitoring of banksathis by hand holders	Frequency	Percentage
1	Randomly visit banksathi's place to check their slip book and cash scroll	5	38.46
2	Inquire with borrower through personal visit about regularity of banksathi and issuance of receipt on payment by borrower	4	30.77
3	Go with them	2	15.38
4	Inquire about the previous loan record	1	7.69
5	Check whether banksathi deposit cash (borrowers' instalment) in the bank regularly or not	1	7.69
	Total	13	100

Source: Prepared from responses

Further hand holders were asked to give proper sequence of steps to be followed for recovery in case of default by the borrower. All hand holders had agreed that by following maximum four steps the loan instalment could be recovered. However, different hand holders suggested different steps.

Table 7.29 presents the average rank based on the responses of hand holders for the steps to be followed to recover loan amount in case of default. First step was informed as to ask banksathi first about the defaulted borrower. Personal visit of borrower was informed as second step. In the third step, majority of hand holders explained borrowers to pay the instalment even in small amount to avoid the burden of interest. In the forth step borrowers are threatened by hand holders about possible consequences from the bank on making default.

Table 7.29 Steps by Average Rank-by Hand Holders

Sr. No	Responses	Rank
1	Ask banksathi first that whether they visit the borrower regularly	1
2	Personal visit of borrower	2
3	Explain borrowers to pay even in small amount to avoid the burden of interest	4
4	Threaten defaulters about possible consequences from the bank on making default	4
5	Send a notice to the borrower on skipping one instalment and send a notice to the defaulter's guarantor on skipping second instalment by borrower	4
6	Personal visit of defaulter's guarantors	6
7	The case is sent to the court	7

Source: Prepared and computed from responses

Based on their experience, hand holders were requested to tell about major reasons of default. Hand holders had given multiple responses and total ten different types of reasons had been reported. Majority of hand holders opined that due to illness

borrowers could not repay the instalments on time. Table 7.30 shows the other reasons of default.

Table 7.30 Major Reasons of Default

Sr. No	Reasons	Frequency	Percentage
1	Illness	4	25.00
2	Social expenses	2	12.50
3	Expenses in excess of income	2	12.50
4	Borrowers used to borrow money from non-bankers with higher interest rate which they prefer to repay first and SEWA's loan prefer to repay second	2	12.50
5	Meeting with an accident	1	6.25
6	Death of family member(s)	1	6.25
7	Delay in salary	1	6.25
8	Loss in business	1	6.25
9	Loss of business	1	6.25
10	Give loan amount to other person to use	1	6.25
	Total	16	100

Source: Prepared from responses

The researcher also wanted to know hand holders views that whether defaults make losses to the bank or not. Out of 5 hand holders, 4 hand holders replied positively. Only one hand holder believed that defaults do not make loss to the bank. Hand holders also gave their views that how defaults make loss to the bank.

On inquiring regarding whether the default leads to loss to bank or not, 4 out of 5 hand holders had affirmative answer and for this 5 different reasons were attributed viz. wastage of travel expenses, bank cannot pay salary to the employees, bank cannot pay dividend, income of bank decreases and bank has to make reserve fund for NPA in RBI. One respondent who believed that default does not result into loss was of the opinion that bank recovers the amount at any cost.

Hand holders were requested to give suggestions to stop overdue. Hand holders gave multiple suggestions. Thus, total 11 different types of suggestions were given by 5 hand holders. The table 7.31 shows the suggestions given by hand holders to stop the overdue.

Table 7.31 Efforts should be done to stop overdue

Sr. No	Efforts should be done	Frequency	Percentage
1	Regular monitoring should be done through personal visit and/or by checking records after disbursement of the loan	4	25.00
2	Proper checking regarding borrower should be done before sanctioning the loan	2	12.50
3	Hand holders should visit the borrower on skipping the instalments to find out the problem	2	12.50
4	Compulsory training should be given	1	6.25
5	Banksathi should visit borrower on skipping one instalment and try to explain them how they can manage	1	6.25

Table 9.31 Contd.

6	Monthly reporting of borrower and banksathi should be done by hand holder	1	6.25
7	Weekly meetings of hand holders and banksathis with bank managers and loan recovery officer should be arranged	1	6.25
8	Banksathi should try to match the timings with borrowers' conveniences	1	6.25
9	Initiate legal action on guarantors and borrowers by bank	1	6.25
10	Notice should be sent to the borrower and her guarantor	1	6.25
11	Banksathis and hand holders should give proper explanation and knowledge to the borrowers	1	6.25
	Total	16	100

Source: Prepared from responses

7.3.6 Modifications in Preliminary Questionnaire based on Responses

After getting the results from pilot survey, total number of questions had been reduced *i.e.* 28 in pilot survey and 22 in final survey (*Appendix 3*). For the open ended questions in the questionnaire of the pilot survey, the most frequent response received are already included in the indicative responses, to speed up the process of data collection and to facilitate the respondent, by putting tick marks. Over and above this, an open ended question was also put up at last. Five sections have been continued in the final questionnaire. *In introduction section one question was added relating to qualification of the hand holder. In second section, procedural section, question 9 which related to the interest rates charged for the types of unsecured and secured loan, was dropped from the final questionnaire as rates are fixed by SEWA. Other two questions which were found to have no bearing on study are dropped. In the remaining section also question 13 and 17 which were not found of significant importance are dropped.*

7.4 Major Findings of the Pilot Survey

Findings of the pilot survey had been used for finalizing the final questionnaire. Major findings are as follows.

7.4.1 Borrowers

Total 59 borrowers were surveyed in pilot survey. Out of total 59 borrowers, following major findings are observed.

1. Majority (25) of the borrowers were from the age group of 31-40. Majority (38) of the borrowers were with Hindu religion. Maximum 21 borrowers did not know their caste. However, 12 borrowers were from SC/ST caste. Education level among borrowers was observed to be very low. Highest numbers (21) of

- them were found uneducated i.e. never attended school. While 20 borrowers were with primary level education. Majority (51) of the borrowers were married.
2. Out of 59, only 17 borrowers were with the habit of regular savings. 15 borrowers were found with regular monthly savings. Amount of savings was found in the range of ₹10 – ₹1,000 and above. 4 borrowers were found with the regular monthly savings of below ₹100.
 3. 47 borrowers opined that banksathis had explained them about importance of savings. Maximum borrowers opined that banksathis explained about all saving schemes. They also taught that regular savings in small amount can reduce the burden of interest and loan can also be repaid without defaults. That shows that banksathis were doing their job well and by explaining borrowers about regular savings, they can reduce the level of defaults.
 4. 41 borrowers out of 59 had not undergone training. However, remaining borrowers were found with more than one type of training viz.: business counselling (12), financial long term training (12) and financial short term training (11).
 5. 67 (out of 161) numbers of unsecured loans were *Sanjeevani Loan*. 100 (out of 161) unsecured loans were for the purpose of business. Amount of the loans was found up to ₹1,05,000/-. 92 (out of 161) unsecured loans had been found in the range of ₹5,001 - ₹25,000.
 6. Out of 17 secured loans, 16 loans were FO (Fixed Deposit) loans. 6 (out of 17) secured loans were for business purpose. 12 (out of 17) secured loans had been reported with ₹5,001 – ₹25,000.

7.4.2 Banksathis

Total 6 banksathis were interviewed during pilot survey. Followings are the major findings.

1. 3 banksathis were found in the age group of 31-40 and 3 banksathis were with working experience of 10 years.
2. 2 banksathis opined that while sanctioning unsecured loans minimum amount should be ₹5,000 and maximum amount should be ₹1,00,000/-. While in case of secured loans 2 banksathis opined that minimum amount should be ₹15,000 and maximum amount should be ₹50,000.
3. As per the opinions of banksathis borrowers should fulfil more than one precondition while taking second time loan. 6 responses were for maintaining

regularity in saving account. 5 responses were for good record for the previous loan.

4. Regularity and maintenance of saving account by the borrowers was considered as the main factor to decide the loan amount to be sanctioned to the borrower. Record of previous loan of the borrower was given second priority to decide the loan amount.
5. Majority of banksathis told that daily loan collection was not in use because in daily loan collection banksathis had to take responsibility as a guarantor for the borrower.
6. Due to mismatch of timings majority of the banksathis and also borrowers felt that daily collection of instalments is a boring task.
7. Majority of banksathis believed that daily loan collection was in high demand among the borrowers when it was in use because daily payment of instalments in small amount can reduce the burden of interest and debt.
8. Maximum numbers of banksathis had given the opinion that they recommend their borrowers for taking the loan even if they had not taken any type of training. As closure of one day business is not affordable, borrowers had not preferred to come to the bank and take part in the training programme.
9. Majority of the banksathis had informed that if any borrower made defaults then first they visit the borrower's place personally. There after banksathis visit the borrower's place along with hand holders. Further, they visit guarantor's place personally. Majority of banksathis had opined that due to illness and loss of business / job borrowers could not repay the instalments on time. Maximum numbers of banksathis had suggested that defaults make loss to the bank because bank cannot give more amount of loan due to unpaid instalments of loans. While some of them had opined that due to more number of defaults income of bank decreases.

7.4.3 Hand Holders

Total 5 hand holders were asked to give their suggestions for pilot survey.

Following observations are made from survey.

1. All hand holders had given the different opinion for minimum and maximum limit of loan amount, indicating limits of loan amount differ from each hand holders.

2. Highest numbers of responses (6) were regarding to 'regularity and maintenance of saving account' followed by (5 responses) 'records of previous loan' before sanctioning the second time loan to the same borrower.
3. While deciding the loan amount to be sanctioned to the borrower proper record of saving account of the borrower should be given the first preference. Second preference should be given to the record of previous loan and legal status of the borrower's house.
4. Majority (3) of hand holders opined that daily loan collection was in high demand because by paying a small amount of instalments daily borrowers can reduce the burden of interest.
5. All hand holders informed that they recommended the borrower for taking the loan even if they had not taken any type of training, as closure of one day business is not affordable for the borrowers and they did not come to the bank to take part in the training programme.
6. Maximum hand holders monitored their banksathis by visiting their place randomly and check their slip book and cash scroll (5 responses). Accordingly, hand holders could have an idea about banksathis work. Majority of hand holders visit borrower's place personally when they made any default. Second they prefer to visit defaulter's guarantor personally to recover the default. Majority of hand holders believed illness is the major reason of defaults among the borrowers. Social expenses, expenses in access of income borrowing money from private money lenders were given equal weightage by hand holders as reasons for defaults in repayment of loan by the borrowers. Majority of hand holders opined that default affects negatively to the banks as income of bank decreases. Maximum hand holders suggested that by monitoring regularly through personal visit, level of defaults can be kept under control. Proper checking should also be done before sanctioning the loan.

After the discussion of analysis of responses of pilot survey from borrowers, banksathis and hand holders in this chapter, preceding chapter is going to discuss about the analysis of responses of final survey from borrowers.

