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TO: Bangladesh Bank
Agency for International Development - USA

Report on Two-Month Extension

March/April 1981

RURAL FINANCE EXPERIMENTAL PROJECT
Bangladesh

388025

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June 1, 1981

Mr. M.A. Majid Molla
Chief Officer
Agricultural Credit Department
Bangladesh Bank
Head Office
Dacca, Bangladesh

Dear Mr. Molla:

This final report covers activities carried out during the two-month extension period from March 1 through April 30, 1981 under the contract for technical assistance services entered into with Bangladesh Bank and a joint venture consisting of Clapp and Mayne, Inc., and Servicios Técnicos del Caribe (both of San Juan, Puerto Rico) and Proggani Consultants Limited (of Dacca, Bangladesh) on August 24, 1978, as amended.

The functions to be carried out by the Consultant during the two-month extension period were basically the same of the previous six-month extension period, except for field surveys that were to be limited to the remaining continuous surveys in the new expansion areas. The report was prepared by Mr. Pedro Negrón of Servicios Técnicos, who would be available to answer any question you may have as to provide further explanation of its contents should it be seen desirable.

Sincerely yours,

Martin C. Clapp

Martin C. Clapp

MCC/af

enclosure

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I. PROGRESS OF THE PARTICIPATING INSTITUTIONS IN IMPLEMENTING EXTENSION PLANS

In the final report covering the six month extension which ended February 28, 1981 a chapter was included summarizing progress of the participating institutions in implementing extension plans, including a series of model by model recommendations.

Most of the recommendations made had either been implemented or were in process of implementation by the end of April, 1981.

Following is a summary of actions taken during the two month period and others that are still pending, model by model. The actions relate to observations and recommendations made in the report covering the period September 1, 1980 through February 28, 1981; as seen useful, further comments and suggestions are also included.

Lending Institution	Action Taken/Pending
Krishi	
	1. Women assistants to promote savings have been provided to each outlet to meet the goal established by Krishi of generating 25% of capital funds.
	2. The proposed Evaluation Officer has been posted at head office.
	3. The overdues are now being documented using Consultants recommendations to improve loan repayment rate.
	4. No training has been given to Investigation Officers of old outlets.
	5. The new Investigation Officers of old outlets have not been provided with transport nor given loan sanctioning authority.

Lending Institution	Action Taken/Pending

Uttara Bank

1. Motorcycles are now being provided to field staff.
2. Additional and needed training is being given to the project staff.
3. The item wise credit norms have been abolished and maximum amount to be loaned to a borrower is Tk. 5,000.
4. Monthly targets of loan for each outlet have been fixed at Tk. 50,000.
5. Credit officers are now assigned to work full time in the project.
6. Refusing a fresh loan to a borrower who repaid his loan while other members of his group have failed to repay continues to be a problem in Uttara's group lending model.

I.R.D.P.

1. The ceilings of individual items have been increased, and are increased more as and when necessary.
2. The question of increasing the commission of KSS Manager is still under consideration.
3. One KSS selected for inclusion in the extension period has been dropped for not having sufficient potentiality for project lending activities.
4. Half yearly productivity targets have now been given to each outlet under the project.
5. The simple loan application form suggested by Consultant is being used.

Lending Institution	Action Taken/Pending

B.S.B.L.

1. One loan supervisor has been posted at Comilla to supervise exclusively RFEP operations in that area and one assistant loan officer has been posted at Jessore to supervise RFEP work in Jessore district.
2. No clear-cut functions, procedures and responsibilities have been fixed in writing among BSBL, CCB and KSS for RFEP affairs.
3. No training has been given to project staff, and loans continue to be sanctioned at the head office in Dacca.

Agrani Bank

1. No effective step has been taken to increase the level of productivity.
2. No attention appears to have been given to promote savings and there has been no improvement in this regard. Targets have, however, been intimated to branches.
3. No RFEP evaluation team has been established and made operative.

Sonali Bank

1. Krishi Shakha of 5 outlets has been delegated loan sanctioning powers and they are now treated as Managers. Circulars clarifying their status and rank are in the process of being issued. They are now being paid extra Tk. 200/per month as a project allowance. Training has been given to staff.

Lending Institution	Action Taken/Pending
Sonali Bank	
	2. Steps have been taken to better control overdues.
Pubali Bank	
	1. The family budget approach has not yet been reinstated. Needed action is in process, however.
	2. Steps are being taken to better relate staff with loan disbursement and productivity.
Rupali Bank	
	1. Instructions have been issued to pay rebates for timely repayment of loans as soon as repayment is received but this is not being implemented at the branch level. The Head Office of Rupali has assured appropriate action.
	2. The recommendation of having various village agents working under each credit officer instead of one-to-one relationship has been implemented. Functions of credit officers and village agents have been defined and geographical areas to be covered by credit officer/village agents have been demarcated. Loan sanctioning authority continues to be with the branch manager, but credit officers are the de facto sanctioning authority.
	3. The evaluation team has not yet been established but action is in process.

Lending Institution	Action Taken/Pending
Janata Bank	
	1. Head Office activities are not yet adequately geared to increase productivity.
	2. Some steps are being taken to improve recovery performance but these are not fully adequate. Closer follow-up from the Head Office is needed.

II. FINANCIAL VIABILITY AND RELATED ISSUES

This section reports on analyses made of the effects of varying interest rates and includes conclusions and recommendations for further action.

Profit and Loss Estimates for all Outlets under RFEP:

The final report on the six month extension period ending February 28, 1981 contained an analysis regarding financial viability being attained by each one of the lending institutions. Definite conclusions were reached establishing the critical impact on profitability of interest rates charged to borrowers, productivity of project staff (in terms of number of loans and volume of lending), bad debts and costs of borrowed capital. On that occasion typical profit and loss estimates were made and included for a limited number of outlets. Now it is possible, after extensive calculations made during the final two month extension period, to include these estimates for all the outlets that were in operation during the full year 1980. This series of tables is included as Annex 1.

Interest Rates and Cost of Borrowed Capital

Two tables were developed at the request of AID after submission of the six month final report. Table 1 shows the theoretical increase in profits or decrease in losses if outlets that charged 12% in 1980 had charged 18% interest on loans made. Naturally, a substantial improvement is shown, but it clearly indicates that 18% is not still enough to cover costs.

Table 2 is a revision of Table 14 of section IV of the six month final report to add new columns 3 and 5 to show interest rates needed

to cover all operating costs less reserve for bad debts using 1981 costs of borrowed capital. The table 2 shows that the interest rate needed to cover all costs goes up from an average of 23.2% in 1980 to 25.2% in 1981, and the interest rate needed to cover all costs less reserve for bad debts increases from an average of 17.7% in 1980 to 19.6% in 1981.

Different Rates of Interest Charged and Paid at the Same Outlet

Experience being gained by both IRDP and BSBL in charging different rates of interest to borrowers depending upon the purpose of the loan merits further consideration in the period ahead. Not much attention was given to this approach during the first phase of the project because of the many problems and obstacles encountered by these two institutions in implementing their models, particularly in reaching a meaningful volume of operations.

Since substantial progress is now being achieved by IRDP overall and in some of BSBL outlets, a close look and evaluation of performance, as it relates to the above mentioned different rates of interest charged in the same outlet, can and should be undertaken.

Both institutions have developed a list of purposes to which a certain interest rate is charged. They are experimenting with 18%, 24% and 30% interest rates; 12% and 36% were not included. Most crops and certain other agricultural and non agricultural purposes are included in the 18% rate. The higher interest rates are charged to certain non-agricultural purposes. No specific studies were made initially to determine the profitability to the borrower of different projects and purposes. In Bangladesh, for example, it is generally accepted that rickshaw pulling is more profitable than milk cows (of course, these are

low grade cows and most target households barely have means of feeding the animals). Goats and other animals are also identified as having low profitability. For instance, IRDP noted that in two of their outlets (Morelgonj and Chowdagram) borrowers were erroneously charged 30% to purchase goats. Borrowers complained that these loans were not profitable enough to pay this rate and their rate of interest was thereupon reduced to 24%, which should have been charged in the first place.

IRDP and BSBL experience also indicates that there was little merit in the plan to pay different rates of interest to savers at the same outlet. Both institutions were supposed to pay 14% on savings to borrowers who were charged 30% for loans, 13% on savings by borrowers who were charged 24% for loans, and 12% on savings by borrowers who were charged 18%. Later both institutions dropped the multiple rates paid on savings and paid one rate of 12% thereafter. The main reason given for this change was confusion between interest rates to be paid. For example, if a borrower received a crop loan for which he was charged 18% and a rickshaw loan for which he was charged 30%, what rate of interest would be payable for his savings?

Leaving apart paying different rates of interest to savers at the same outlet, the implications for lending at different rates of interest at the same outlet have an important bearing on the future viability of the RFEP outlets at the seven other lending institutions which presently charge only one rate of interest for all purposes, particularly those charging the lower interest rates.

It is quite clear after having analyzed 1980 results that no outlet charging only 12% can approach financial viability. Those charging 18% can be viable under only the most favorable (almost ideal) conditions. But the situation can be drastically changed if outlets would charge more than one interest rate depending on the purpose of the loan.

Crop loans necessarily have not to be charged the lower rates. High yielding varieties certainly can pay the higher rates. The same can be said for certain other agricultural and non-agricultural purposes. On the other hand, the classification of purposes for charging different interest rates must be kept as simple as possible or otherwise the system becomes cumbersome and very difficult to operate.

Charging more than one interest rate for different types of loans in the same branch is not new to the banking community, either in Bangladesh and elsewhere. The rationale for charging more than one rate has to be clearly understood both by the credit officer and the borrower. Relative profitability of projects to be financed and the need for the lending institution to recover costs of operation are probably the two most important considerations under RFEP. Both were incorporated for experimentation and analysis and meaningful information is already available, particularly on the former. Borrowers' financial analysis needs more careful design and evaluation. Experience with the farmers financial surveys indicates that the rather broad approach followed does not necessarily produce the more specific information which, subject to proper analysis, will produce the desired results. The design looks somewhat grandiose for the purpose it is supposed to serve.

Recommendations

Based on the above findings, the following recommendations are made:

1. Select two or three of the seven institutions not experimenting with the multiple rates of interest in the same outlet and request them to identify at least one outlet each to start experimenting with the multiple rate approach. These should be outlets having a good mix of purposes, well staffed, and efficiently managed.

2. Experiment with not more than three different rates charged to borrowers and only one interest rate paid to savers.

3. Develop a list of loan purposes to be assigned to each one of the three rates of interest to be charged. The three broad groups of crop loans, other agriculture and non-agriculture should be the starting point, but not closely followed necessarily. IRDP and BSBL experience should be taken into account.

4. Design and conduct small field surveys to gather information to determine relative profitability of different project activities. This should be based on actual lending experience achieved so far by purpose. A breakdown of the three broad categories (crops, other agriculture and non-agriculture) should be made and small sample surveys developed for the most important purposes for which loans are being made.

While the above scheme is being implemented, analysis can be conducted to simulate the relative rate of profitability that outlets could have reached during 1980 had this multiple rate approach been in operation. IRDP and BSBL grouping of purpose and rates would be the basis for this analysis.

III. PROFITABILITY OF LOANED FUNDS TO BORROWERS

Chapter V of the Six Month Extension Final Report included information on costs and returns for various crops financed under RFEP. In all cases owner operators obtained a rather high income after paying the higher interest rates on loans. On the other hand, share-croppers were reported to be in a relatively difficult situation because of having to turn over to land owners half of the gross income generated, very often in kind.

During the two months of this terminal extension, a series of estimates of costs and returns was prepared, based on second hand sources, including crops, other agriculture and non-agricultural uses. Although not based on field interviews of borrowers, the series appears to indicate that even after paying high interest rates under RFEP (30%) the borrowers will still receive a rather high return on borrowed funds. The series of estimates is included for illustrative purposes as Annex II.

This finding further supports the recommendation previously made to conduct a series of small field surveys to develop actual estimates of costs and returns by major purposes to serve as the basis for introducing multiple rates of interest to be charged in one outlet.

IV. AUDITS OF ACCOUNTS AND REIMBURSEMENTS TO THE LENDING INSTITUTIONS

Accounts of 12 RFEP branches were audited during the two-month extension period. These were Rangpur, Gaibandha, Faridpur, Pabna and Kushtia branches of Krishi; Krishnapur, Talux Jamiva and Baluhar Kss's of BSBL; Paglapir branch of Janata; Shahbazpur and Babugonj branches of Pubali and Chuknagar branch of Agrani. These audits showed that RFEP accounts were maintained satisfactorily in all cases, except Shahbaspur of Pubali and Kushtia of Krishi.

Willful defaulters were noted at five branches; second loans used to repay first loans were noted at three branches; and serious understatement of the amount of overdue loans was noted at five branches.

Audit reports were prepared and submitted to the Bangladesh Bank, USAID and to the lending institutions containing detailed recommendations for improvement.

Reimbursement to Lending Institutions

During April 1981, USAID processed the request for reimbursement from the Bangladesh Bank for August 1980. On April 29, 1981 Bangladesh Bank distributed funds to the lending institutions based on submission of the July 1980 statement to USAID. Another recommendation for disbursement was submitted to the Bangladesh Bank, which will be paid when the Bank submits the requests to USAID for September, October and November 1980. Corresponding reports for these months from the lending institutions had already been submitted to the Bangladesh Bank by the end of April 1981.

V. THE SURVEYS

The final two-month extension of the contract cited in the letter of transmittal limited survey work to the completion of the so-called "Continuous Survey" in the new Rural Finance Experimental Project expansion areas.

These surveys were carried out as stipulated and the information updated for project management purposes. The field staff in place also assisted in the establishment of new branches and performed other related work as requested.

APPENDICES

TABLE 1

RURAL FINANCE EXPERIMENTAL PROJECT

EFFECT OF INCREASE IN INTEREST RATE CHARGED ON LOANS FROM 12% TO 18% DURING 1980 AT ALL BRANCHES THAT CHARGED 12% TO BORROWERS - OTHER INCOME AND EXPENSE FIGURES ACTUAL FOR 1980

Lending Institution and Branch	Average monthly balance of principal of loans outstanding during 1980	Net profit (loss) at 12% during 1980				Amount of increased interest charged to borrowers when rates increased from 12% to 18%	Net profit (loss) at 18% during 1980			
		Cost of funds at 1980 rates		Cost of funds at 1981 rates			Cost of funds at 1980 rates		Cost of funds at 1981 rates	
		Amount	Percent	Amount	Percent		Amount	Percent	Amount	Percent
Krishi										
Gaibandha	5,22,512	9%* (27,652)	(5.3%)	11%* (36,838)	(7.1%)	31,351	9%* + 3,699	+ 0.7%	11%* (5,487)	(1.1%)
Manikganj	9,25,920	(41,346)	(4.5%)	(58,258)	(6.3%)	55,555	+ 14,209	+ 1.5%	(2,703)	(0.3%)
Faridpur	8,57,550	(51,662)	(6.0%)	(68,051)	(7.9%)	,453	+ (209)	(0.0%)	(16,598)	(1.9%)
Sonali										
Sitakunda	2,94,285	9% (39,556)	(13.4%)	11% (41,778)	(14.2%)	17,657	9% (21,899)	(7.4%)	11% (24,121)	(8.2%)
Janata										
Jhikargacha	2,27,985	10% (24,387)	(10.7%)	13% (30,688)	(13.5%)	13,679	10% (10,708)	(4.7%)	13% (17,009)	(7.5%)
Agrani										
Natherpetua	4,08,000	9% (12,943)	(3.2%)	12% (23,851)	(5.8%)	24,480	9% + 11,537	+ 2.8%	12% + 629	+ 0.2%
Chowkbazar	7,002	(7,126)	(101.8%)	(7,299)	(104.2%)	420	(6,706)	(95.8%)	(6,879)	(98.2%)
Pubali										
Shahbazpur	5,68,354	10% (29,165)	(5.1%)	13% (45,165)	(7.9%)	34,101	10% + 4,936	+ 0.9%	13% (11,064)	(1.9%)
Average of above	4,76,451	(29,230)	(6.1%)	(38.991)	(8.2%)	28,587	(643)	(0.1%)	(10,404)	(2.2%)

* Interest charged by Krishi increased from 6 1/2% to 9% in 1980 and 11% in 1981 for comparability with Sonali

TABLE 2

INTEREST RATES CHARGED FOR BORROWED CAPITAL AND VOLUME OF LOANS OUTSTANDING IN RELATION TO PROFITABILITY

Institution	Effective interest rate earned in 1980	Interest rate needed to cover				Monthly average balance of loans outstanding per branch	
		All operating costs		All operating costs less reserve for bad debts			
		At 1980 rates	At 1981 rates	At 1980 rates	At 1981 rates	Actual 1980 - Lacks	Amount needed to cover total operating costs - Lacks
Krishi	20.1	19.0*	20.9*	15.0*	16.9*	6.40	6.06
Sonali	18.9	23.6	25.1	16.8	18.3	3.55	4.44
Janata	22.2	34.3	36.7	21.7	24.1	1.86	2.87
Agrani	22.6	23.4	26.5	19.2	22.4	1.96	2.03
Pubali	18.9	27.3	30.8	21.4	24.9	3.27	4.72
Rupali	22.5	40.4	42.9	39.5	42.0	1.68	3.01
Uttara	27.2	64.6	66.8	44.5	46.7	0.88	2.09
IRDP	21.0	16.0**	16.8	14.4**	15.2	1.33	1.02
BSBL	22.2	22.9	22.9	11.9	11.9	1.72	1.77
Total	20.7	23.2	25.2	17.7	19.6	2.89	3.24

* Krishi, during 1980 and possibly 1981, charged 6 1/2% to Branch Offices as the cost of borrowed capital. To remove the advantage of this concessional rate of interest and to achieve comparability with Sonali, the above operating costs have been increased to provide for the cost of capital at 9% and 11% in 1981. If operational costs are calculated to include the cost of capital at the actual 1980 rate of 6 1/2%, the interest rate needed to cover all operating costs was 16.7% (instead of 19.0% and 20.9%) and to cover all operating costs less reserve for bad debts was 12.7% (instead of 15.0% and 16.9%).

** IRDP, during 1980, charged 7% as the cost of borrowed capital. To remove the advantage of this concessional rate of interest and to achieve comparabilily with Sonali, the above operating costs have been increased to provide for the cost of capital at 9% for 1980. (IRDP increased its cost of capital to 10% in 1981 and that rate is reflected in the above figures for 1981). If operational costs are calculated to include the cost of capital at the actual 1980 rate of 7%, the interest rate needed to cover all operating costs in 1980 was 14.5% (instead of 16.0%) and to cover all operating costs less reserve for bad debts was 12.8% (instead of 14.4%).

ANNEX I

KRISHI - SUMMARY OF PROFIT AND LOSS ESTIMATES FOR 12 BRANCHES AND SELECTED INDICATORS - 1980

	Loan - 12% Savings - 11%		Loan - 12% Savings - 11%		Loan - 12% Savings - 11%	
	GAIBANDHA		MANIKGONJ		FARIDPUR	
	9% Interest	11% Interest	9% Interest	11% Interest	9% Interest	11% Interest
Income Earned	66,022	66,020	1,16,355	1,16,355	1,10,942	1,10,942
Operating Expenses						
Interest Paid						
On Savings	6,956	6,956	8,831	8,831	4,189	4,189
On Borrowed Funds	41,335	50,521	76,108	93,020	73,752	90,141
Salaries	28,733	28,733	36,533	36,533	41,638	41,638
Other Expenses	9,577	9,577	12,178	12,178	13,880	13,880
Sub - Total	86,601	95,787	1,33,650	1,50,562	1,33,459	1,49,848
Reserve for Bad Debts	7,071	7,071	24,051	24,051	29,145	29,145
Total Operating Expenses	93,672	1,02,858	1,57,701	1,74,613	1,62,604	1,78,993
Net Profit (Loss)	(27,652)	(36,838)	(41,346)	(58,258)	(51,662)	(68,051)
Percentages Profit (Loss) of average monthly balance of loans outstanding.	(5.3)	(7.1)	(4.5)	(6.3)	(6.0)	(7.9)
			Selected Indicators			
Salaries and allowances as % of operating costs, exclusive of reserve.	33.2	30.0	27.3	24.3	31.2	27.8
Reserve for Bad Debts as % of total operating expenses.	7.5	6.9	15.3	13.8	17.9	16.3
Interest rate needed to cover total operating expenses.	17.9	19.7	17.0	18.9	19.0	20.9
Interest rate needed to cover operating expenses, except reserve.	16.6	18.3	14.4	16.3	15.6	17.5
Average monthly balance of loans outstanding.	5,22,512		9,25,920		8,57,550	
Average monthly of balance of loans outstanding needed to cover total operating costs.	7,80,600	8,57,150	13,14,175	14,55,108	13,55,033	14,91,608
Actual number of loans disbursed during 1980.		450		927		1,036

continues

	Loans - 18% Savings - 12%		Loans - 18% Savings - 12%		Loans - 18% Savings - 12%	
	KUSHTIA		TANGAIL		PABNA	
	9% Interest	11% Interest	9% Interest	11% Interest	9% Interest	11% Interest
Income Earned	1,57,002	1,57,002	97,124	97,124	80,714	80,714
Operating Expenses						
Interest Paid						
On Savings	793	793	8,388	8,388	1,30	1,300
On Borrowed Funds	76,167	93,093	40,121	49,037	37,765	46,158
Salaries	32,937	32,937	28,013	28,013	37,227	37,227
Other Expenses	10,979	10,979	9,338	9,338	12,409	12,409
Sub - Total	1,20,876	1,37,802	85,860	94,776	88,701	97,094
Reserve for Bad Debts	4,605	4,605	15,474	15,474	-	-
Total Operating Expenses	1,25,481	1,42,407	1,01,334	1,10,250	88,701	97,094
Net Profit (Loss)	+ 31,521	+ 14,595	(4,210)	(13,126)	(7,987)	(16,380)
Percentages Profit (Loss) of average monthly balance of loans outstanding.	+ 3.7	1.7	(0.8)	(2.5)	(1.9)	(3.8)
			Selected Indicators			
Salaries and allowances as % of operating costs, exclusive of reserve.	27.2	23.9	32.6	29.6	42.0	38.3
Reserve for Bad Debts as % of total operating expenses.	3.7	3.2	15.3	14.0	0	0
Interest rate needed to cover total operating expenses.	14.7	16.7	19.7	21.4	20.6	22.6
Interest rate needed to cover operating expenses, except reserve.	14.2	16.2	16.4	18.4	20.6	22.6
Average monthly balance of loans outstanding.	8,52,914		5,15,690		4,30,448	
Average monthly of balance of loans outstanding needed to cover total operating costs.	6,97,117	7,91,150	5,62,967	6,12,500	4,92,783	5,39,411
Actual number of loans disbursed during 1980.	360		667		514	

continues

	Loans - 24% Savings - 13%		Loans - 24% Savings - 13%		Loans - 24% Savings - 13%	
	RAJSHAHI		MADARIPUR		MAIJDEECOURT	
	9% Interest	11% Interest	9% Interest	11% Interest	9% Interest	11% Interest
Income Earned	2,02,344	2.02,344	1,31,525	1,31,525	1,54,762	1,54,762
Operating Expenses						
Interest Paid						
On Savings	5,626	5,626	7,993	7,993	6,075	6,075
On Borrowed Funds	70,407	86,053	42,107	51,464	52,218	63,822
Salaries	42,003	42,003	33,197	33,197	29,660	29,660
Other Expenses	14,001	14,001	11,065	11,065	9,887	9,887
Sub - Total	1,32,037	1,47,683	94,362	1,03,719	97,840	1,09,444
Reserve for Bad Debts	18,341	18,341	51,494	51,494	61,245	61,245
Total Operating Expenses	1,50,378	1,66,024	1,45,856	1,55,213	1,59,085	1,70,689
Net Profit (Loss)	+ 51,966	+ 36,320	(14,331)	(23,688)	(4,323)	(15,927)
Percentages Profit (Loss) of average monthly balance of loans outstanding.	+ 6.3	+ 4.4	(2.7)	(4.5)	(0.7)	(2.5)
			Selected Indicators			
Salaries and allowances as % of operating costs, exclusive of reserve.	31.8	28.4	35.2	32.0	30.3	27.1
Reserve for Bad Debts as % of total operating expenses.	12.2	11.0	35.3	33.2	38.5	35.9
Interest rate needed to cover total operating expenses.	18.2	20.1	27.6	29.3	25.4	27.2
Interest rate needed to cover operating expenses, except reserve.	16.0	17.9	17.9	19.6	15.6	17.5
Average monthly balance of loans outstanding.	8,25,575		5,29,333		6,26,929	
Average monthly of balance of loans outstanding needed to cover total operating costs.	6,26,575	6,91,767	6,07,723	6,46,721	6,62,854	7,11,204
Actual number of loans disbursed during 1980.	476		397		439	

continues

	Loans - 30% Savings - 14%		Loans - 30% Savings - 14%		Loans - 30% Savings - 14%	
	KHULNA		RANGPUR		SYLHET	
	9% Interest	11% Interest	9% Interest	11% Interest	9% Interest	11% Interest
Income Earned	1,50,475	1,50,475	1,85,269	1,85,269	1,37,169	1,37,169
Operating Expenses						
Interest Paid						
On Savings	2,533	2,533	2,071	2,071	1,753	1,753
On Borrowed Funds	42,849	52,370	53,217	65,044	39,654	48,467
Salaries	35,229	35,229	29,478	29,478	23,898	23,898
Other Expenses	11,743	11,743	9,826	9,826	7,966	7,966
Sub - Total	92,354	1,01,875	94,592	1,06,419	73,271	82,084
Reserve for Bad Debts	29,530	29,530	-	-	54,947	54,947
Total Operating Expenses	1,21,884	1,31,405	1,94,592	1,06,419	1,28,218	1,37,031
Net Profit (Loss)	+ 28,591	(19,070)	+ 90,677	+ 78,850	+ 8,951	+ 138
Percentages Profit (Loss) of average monthly balance of loans outstanding.	+ 5.8	+ 3.9	+ 15.0	+ 13.0	+ 2.0	0.0
			Selected Indicators			
Salaries and allowances as % of operating costs, exclusive of reserve.	38.1	34.6	31.2	27.7	32.6	29.1
Reserve for Bad Debts as % of total operating expenses.	24.2	22.5	0	0	42.9	40.1
Interest rate needed to cover total operating expenses.	24.7	26.6	15.6	17.6	28.3	30.2
Interest rate needed to cover operating expenses, except reserve.	18.7	20.6	15.6	17.6	16.2	18.1
Average monthly balance of loans outstanding.	4,94,190		6,06,103		4,53,125	
Average monthly of balance of loans outstanding needed to cover total operating costs.	4,06,280	4,38,017	3,15,307	3,54,730	4,27,393	4,56,770
Actual number of loans disbursed during 1980.	309		606		297	

SONALI - SUMMARY OF PROFIT AND LOSS ESTIMATES FOR 5 BRANCHES AND SELECTED INDICATORS, 1980

	SITAKUNDA (Loans - 12%, Savings - 11%)		KULIARCHAR (Loans - 18%, Savings - 12%)		SHAHPUR (Loans - 18%, Savings - 12%)		BIRGONJ (Loans - 24%, Savings - 13%)		GOURIPUR BAZAR (Loans - 30%, Savings - 14%)	
	9% Interest	11% Interest	9% Interest	11% Interest	9% Interest	11% Interest	9% Interest	11% Interest	9% Interest	11% Interest
Income Earned	35,314	35,314	56,673	56,673	64,352	64,352	1,01,956	1,01,956	1,14,929	1,14,929
Operating Expenses										
Interest Paid										
On Savings	20,149	20,149	10,624	10,624	9,253	9,253	5,165	5,165	4,519	4,519
On Borrowed Funds	10,000	12,222	20,368	24,894	25,236	30,844	34,658	42,360	31,574	38,590
Salaries	29,245	29,245	16,621	16,621	20,070	20,070	25,295	25,295	19,590	19,590
Other Expenses	11,399	11,399	3,589	3,589	10,849	10,849	7,498	7,498	5,808	5,808
Sub - Total	70,793	73,015	51,202	55,728	65,408	71,016	72,616	80,318	61,491	68,507
Reserve for Bad Debts	4,077	4,077	42,940	52,940	3,059	3,059	27,760	27,760	33,307	33,307
Total Operating Expenses	74,870	77,092	1,04,142	1,08,668	68,467	74,075	1,00,376	1,08,078	94,798	1,01,814
Net Profit (Loss)	(39,556)	(41,778)	(47,469)	(51,995)	(4,115)	(9,723)	+ 1,580	(6,122)	+ 20,131	+ 13,115
Percentages Profit (Loss) of average monthly balance of loans outstanding.	(13.4)	(14.2)	(15.1)	(16.5)	(1.2)	(2.7)	+ 0.4	(1.4)	+ 5.3	+ 3.4
Salaries and allowances as % of operating costs, exclusive of reserve.	41.3	40.1	31.5	29.8	Selected Indicators 30.7	28.3	34.8	31.5	31.9	28.6
Reserve for Bad Debts as % of total operating expenses.	5.4	5.3	50.8	48.7	4.5	4.1	27.7	25.7	35.1	32.7
Interest rate needed to cover total operating expenses.	25.5	26.2	33.1	34.5	19.2	20.7	23.6	25.4	24.7	26.6
Interest rate needed to cover operating expenses, except reserve.	24.1	24.8	16.3	17.7	18.3	19.9	17.1	18.9	16.1	17.9
Average monthly balance of loans outstanding.	2.94,285		3,14,850		3,57,513		4,24,815		3,83,095	
Average monthly of balance of loans outstanding needed to cover total operating costs.	6,23,917	6,42,433	5,78,566	6,03,711	3,80,372	4,11,528	4,18,233	4,50,325	3,15,993	3,39,380
Actual number of loans disbursed during 1980.	420		385		261		358		209	

JANATA - SUMMARY OF PROFIT AND LOSS ESTIMATES FOR 5 BRANCHES AND SELECTED INDICATORS - 1980

	Loans - 12% Savings - 11%		Loans - 18% Savings - 12%		Loans - 24% Savings - 13%		Loans - 30% Savings - 14%		Loans - 36% Savings - 15%	
	JHIKERGACHA		PAGLAPIR		BANESWAR		BAIDER BAZAR		TAJPUR	
	10% Interest	13% Interest	10% Interest	13% Interest	10% Interest	13% Interest	10% Interest	13% Interest	10% Interest	13% Interest
Income Earned	27,358	27,358	16,081	16,081	77,306	77,306	51,281		42,232	42,232
Operating Expenses										
Interest Paid										
On Savings	1,977	1,977	601	601	1,438	1,438	16,613	16,613	706	706
On Borrowed Funds	21,001	27,302	8,433	10,963	31,104	40,436	5,227	6,795	11,261	14,639
Salaries	24,866	24,866	23,571	23,571	15,401	15,401	14,052	14,052	15,387	15,387
Other Expenses	3,901	3,901	4,212	4,212	1,363	1,363	6,857	6,857	2,575	2,575
Sub - Total	51,745	58,046	36,817	39,347	49,306	58,638	42,749	44,317	29,929	33,307
Reserve for Bad Debts	Nil	Nil	34,808	34,808	47,246	47,246	5,068	5,068	30,320	30,320
Total Operating Expenses	51,745	58,046	71,625	74,155	96,552	1,05,884	47,817	49,385	60,249	63,627
Net Profit (Loss)	(24,387)	(30,688)	(55,544)	(58,074)	(19,246)	(28,578)	+ 3,464	+ 1,896	+ (18,017)	(21,395)
Percentages Profit (Loss) of average monthly balance of loans outstanding.	(10.7)	(13.5)	(62.2)	(65.0)	(6.0)	(8.9)	+ 2.0	+ 1.1	(15.4)	(18.2)
Salaries and allowances as % of operating costs, exclusive of reserve.	48.1	42.8	64.0	59.9	Selected Indicators 31.2	26.3	32.9	31.7	51.4	46.2
Reserve for Bad Debts as % of total operating expenses.	0	0	48.6	46.9	48.9	44.6	10.6	10.3	50.3	47.7
Interest rate needed to cover total operating expenses.	22.7	25.5	80.2	83.0	30.0	32.9	28.0	28.9	51.4	54.2
Interest rate needed to cover operating expenses, except reserve.	22.7	25.5	41.2	44.0	15.3	18.2	25.0	25.9	25.5	28.4
Average monthly balance of loans outstanding.	2,27,985		89,339		3,22,108		1,70,936		1,17,312	
Average monthly of balance of loans outstanding needed to cover total operating costs.	4,31,208	4,83,717	3,97,917	4,11,972	4,02,300	4,41,183	1,59,390	1,64,617	1,67,358	1,76,742
Actual number of loans disbursed during 1980.	458		53		40		73		36	

AGRANI - SUMMARY OF PROFIT AND LOSS ESTIMATES FOR 10 BRANCHES AND SELECTED INDICATORS - 1980

	Loans - 12% Savings - 11%		Loans - 12% Savings - 11%		Loans - 18% Savings - 12%		Loans - 18% Savings - 12%		Loans - 24% Savings - 13%	
	NATHERPETUA		CHOWKBAZAR		CHUKNAGAR		KHAMAR		BHATRA	
	9% Interest	12% Interest	9% Interest	12% Interest	9% Interest	12% Interest	9% Interest	12% Interest	9% Interest	12% Interest
Income Earned	48,050	48,000	840	840	28,686	28,686	26,532	26,532	27,225	27,225
Operating Expenses										
Interest Paid										
On Savings	4,886	4,886	136	136	4,425	4,425	869	869	638	638
On Borrowed Funds	32,722	43,630	519	692	11,024	14,699	12,614	16,819	9,768	13,024
Salaries	17,687	17,687	3,187	3,187	19,542	19,542	9,107	9,107	12,707	12,707
Other Expenses	5,606	5,606	3,233	3,233	1,256	1,256	4,470	4,470	4,395	4,395
Sub - Total	60,901	71,809	7,075	7,248	36,247	39,922	27,060	31,265	27,508	30,764
Reserve for Bad Debts	1,002	1,002	891	891	484	484	35,460	35,460	-	-
Total Operating Expenses	61,903	72,811	7,966	8,129	36,731	40,406	62,520	66,725	27,508	30,764
Net Profit (Loss)	(12,943)	(23,851)	(7,126)	(7,299)	(8,045)	(11,720)	(35,988)	(40,193)	(283)	(3,539)
Percentages Profit (Loss) of average monthly balance of loans outstanding.	(3.2)	(5.8)	(101.8)	(104.2)	(5.0)	(7.4)	(24.4)	(27.3)	(0.2)	(3.1)
					Selected Indicators					
Salaries and allowances as % of operating costs, exclusive of reserve.	29.0	24.6	45.0	44.0	53.9	49.0	33.7	29.1	46.2	41.3
Reserve for Bad Debts as % of total operating expenses.	1.6	1.4	11.2	10.9	1.3	1.2	56.7	53.1	0	0
Interest rate needed to cover total operating expenses.	15.2	17.8	113.8	116.2	23.0	25.4	42.4	45.3	24.2	27.1
Interest rate needed to cover operating expenses, except reserve.	14.9	17.6	101.0	103.5	22.7	25.1	18.4	21.2	24.2	27.1
Average monthly balance of loans outstanding.	4,08,000		7,002		1,59,365		1,47,399		1,13,436	
Average monthly of balance of loans outstanding needed to cover total operating costs.	5,15,858	6,06,758	66,383	67,825	2,04,061	2,24,478	3,47,333	3,70,694	1,14,617	1,28,183
Actual number of loans disbursed during 1980.	513				361		153		323	

continues

AGRANI (continued)
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	SADHUHATI (Loans - 24%, Savings - 13%)		SANTINIKETON (Loans - 30%, Savings - 14%)		BALIGAON (Loans - 30%, Savings - 14%)		PHULPUR (Loans - 36%, Savings - 15%)		CADET COLLEGE (Loans - 36%, Savings - 15%)	
	9% Interest	12% Interest	9% Interest	12% Interest	9% Interest	12% Interest	9% Interest	12% Interest	9% Interest	12% Interest
Income Earned	59,668	59,668	79,234	79,234	87,454	87,454	18,866	18,866	97,204	97,204
Operating Expenses										
Interest Paid										
On Savings	1,962	1,962	1,807	1,807	36	36	317	317	5,640	5,640
On Borrowed Funds	21,071	28,023	22,609	30,145	26,213	34,951	4,526	6,035	20,917	27,889
Salaries	20,388	20,388	19,133	19,133	12,083	12,083	3,314	3,314	24,984	24,984
Other Expenses	6,068	6,068	5,396	5,396	3,034	3,034	826	826	7,390	7,390
Sub - Total	49,435	56,441	48,945	56,481	41,366	50,104	8,983	10,492	58,931	65,903
Reserve for Bad Debts	211	211	-	-	42,550	42,550	-	-	470	470
Total Operating Expenses	49,646	56,652	48,945	56,481	83,916	92,654	8,983	10,492	59,401	66,373
Net Profit (Loss)	+ 10,022	3,016	+ 30,289	22,753	+ 3,538	(5,200)	+ 9,883	+ 8,374	+ 37,803	+ 30,831
Percentages Profit (Loss) of average monthly balance of loans outstanding.	+ 4.0	+ 1.2	+ 11.5	+ 8.6	+ 1.2	(1.8)	+ 18.9	+ 16.0	+ 14.0	+ 11.4
Salaries and allowances as % of operating costs, exclusive of reserve.	41.2	36.1	39.1	33.9	29.2	24.1	36.9	31.6	42.4	37.9
Reserve for Bad Debts as % of total operating expenses.	0.4	0.4	0	0	50.7	- 45.9	0	0	0.8	0.7
Interest rate needed to cover total operating expenses.	20.0	22.8	18.5	21.4	28.8	31.8	17.1	20.0	22.0	24.6
Interest rate needed to cover operating expenses, except reserve.	19.9	22.7	18.5	21.4	14.2	17.2	17.1	20.0	21.8	24.4
Average monthly balance of loans outstanding.	2,48,616		2,64,112		2,91,513		52,405		2,70,011	
Average monthly of balance of loans outstanding needed to cover total operating costs.	2,06,858	2,36,050	1,63,150	1,88,270	2,79,720	3,08,847	24,953	29,144	1,65,003	1,84,369
Actual number of loans disbursed during 1980.	318		468		371		68		659	

PUBALI - SUMMARY OF PROFIT AND LOSS ESTIMATES FOR 4 BRANCHES AND SELECTED INDICATORS - 1980

	Loans - 12% Savings - 11%		Loans - 18% Savings - 12%		Loans - 24% Savings - 13%		Loans - 36% Savings - 15%	
	SHAHBAZPUR		SATIHAT		BABUGONJ		ELENGA	
	10% Interest	13% Interest	10% Interest	13% Interest	10% Interest	13% Interest	10% Interest	13% Interest
Income Earned	68,202	68,202	63,071	63,071	51,202	51,202	83,889	83,889
Operating Expenses								
Interest Paid								
On Savings	3,852	3,852	3,524	3,524	674	674	1,484	1,484
On Borrowed Funds	53,333	69,333	32,103	41,734	20,816	27,060	22,313	29,007
Salaries	26,893	26,893	29,316	29,316	27,395	27,395	31,109	31,109
Other Expenses	7,764	7,764	14,487	14,487	9,447	9,447	12,549	12,549
Sub-Total	91,842	1,07,842	79,430	89,061	58,332	64,576	67,455	74,149
Reserve for Bad Debts	5,525	5,525	10,128	10,128	40,561	40,561	21,285	21,285
Total Operating Expenses	97,367	1,13,367	89,558	99,189	98,893	1,05,137	88,740	95,434
Net Profit (Loss)	(29,165)	(45,165)	(26,487)	(36,118)	(47,691)	(53,935)	(4,851)	(11,545)
Percentages Profit (Loss) of average monthly balance of loans outstanding	(5.1)	(7.9)	(7.6)	(10.3)	(22.4)	(25.3)	(2.1)	(5.0)
			Selected Indicators					
Salaries and allowances as % of operating costs, exclusive of reserve	29.3	24.9	36.9	32.9	47.0	42.4	46.1	42.0
Reserve for Bad Debts as % of total operating expenses	5.7	4.9	11.3	10.2	41.0	38.6	24.0	22.3
Interest rate needed to cover total operating expenses	17.1	19.9	25.6	28.3	46.4	49.3	38.1	41.0
Interest rate needed to cover operating expenses, except reserve	16.2	19.0	22.7	25.4	27.3	30.3	28.9	31.8
Average monthly balance of loans outstanding	5,68,354		3,50,393		2,13,341		2,33,024	
Average monthly balance of loans outstanding needed to cover total operating costs	8,11,392	9,44,725	4,97,544	5,51,050	4,12,054	4,38,071	2,46,500	2,65,094
Actual number of loans disbursed during 1980	795		298		315		364	

RUPALI - SUMMARY OF PROFIT AND LOSS ESTIMATES FOR 3 BRANCHES AND SELECTED INDICATORS - 1980

	Loans - 18% Savings - 12%		Loans - 24% Savings - 13%		Loans - 36% Savings - 15%	
	RAJGONJ		MANSA BAZAR		KALIHATI	
	10 1/4% Interest	14% Interest	10 1/4% Interest	14% Interest	10 1/4% Interest	14% Interest
Income Earned :	41,748	41,748	29,612	29,612	53,173	53,173
Operating Expenses :						
Interest Paid.						
On Savings	4,875	4,875	12,595	12,595	11,859	11,859
On Borrowed Funds	19,610	26,784	2,429	3,318	7,036	9,610
Salaries	41,292	41,292	34,744	34,744	45,470	45,470
Other Expenses	13,598	13,598	4,102	4,102	925	925
Sub-Total :	79,375	86,549	54,234	55,123	65,290	67,864
Reserve for Bad Debts	2,575	2,575	1,907	1,907	228	228
Total Operating Expenses	81,950	89,124	56,141	57,030	65,518	68,092
Net Profit (Loss)	(40,202)	(47,376)	(26,529)	(27,418)	(12,345)	(14,919)
Percentages Profit(Loss) of average monthly balance loans outstanding	(17.3)	(20.4)	(21.5)	(22.2)	(8.4)	(10.1)
			Selected Indicators			
Salaries and allowances as % of operating costs, exclusive of reserve	52.0	47.7	64.1	63.0	69.6	67.0
Reserve for Bad Debts as % of total operating expenses	3.1	2.9	3.4	3.3	0.3	0.3
Interest rate needed to cover total operating expenses	35.3	38.4	45.5	46.2	44.4	46.1
Interest rate needed to cover operating, expenses, except reserve	34.2	37.3	44.0	44.7	44.2	45.9
Average monthly balance of loans outstanding	2,31,935		1,23,385		1,47,793	
Average monthly balance of loans outstanding needed to cover total operating costs	4,55,278	4,95,133	2,33,921	2,37,625	1,81,994	1,89,144
Actual number of loans disbursed during 1980	370		248		395	

UTTARA - SUMMARY OF PROFIT AND LOSS ESTIMATES FOR 4 BRANCHES AND SELECTED INDICATORS - 1980

	Loans - 18% Savings - 12%		Loans - 24% Savings - 13%		Loans - 30% Savings - 14%		Loans - 36% Savings - 15%	
	MYMENSINGH		TANGAIL		BASAN		FENI	
	10% Interest	12 1/2% Interest	10% Interest	12 1/2% Interest	10% Interest	12 1/2% Interest	10% Interest	12 1/2% Interest
Income Earned :	14,346	14,346	11,942	11,942	31,332	31,332	42,635	42,635
Operating Expenses :								
Interest Paid.								
On Savings	139	139	548	548	1,402	1,402	1,510	1,510
On Borrowed Funds	7,854	9,818	4,554	5,692	9,443	11,803	10,837	13,546
Salaries	29,048	29,048	24,651	24,651	33,340	33,340	22,303	22,303
Other Expenses	4,422	4,422	3,361	3,361	4,880	4,880	443	443
Sub-Total :	41,463	43,427	33,114	34,252	49,065	51,425	35,093	37,802
Reserve for Bad Debts	20,654	20,654	-		188	188	40,556	40,556
Total Operating Expenses	62,117	64,081	33,114	34,252	49,253	51,613	75,649	78,358
Net Profit (Loss)	(47,771)	(49,735)	(21,172)	(22,310)	(17,921)	(20,281)	(33,014)	(35,723)
Percentages Profit (Loss) of average monthly balance of loans outstanding	(59.9)	(62.4)	(42.5)	(44.8)	(17.2)	(19.4)	(27.9)	(30.2)
			Selected Indicators					
Salaries and allowances as % of operating costs, exclusive of reserve	70.1	66.9	74.4	72.0	68.0	64.8	63.6	59.0
Reserve for Bad Debts as % of total operating expenses	33.3	32.2	-	-	0.4	0.4	53.6	51.8
Interest rate needed to cover total operating expenses	77.9	80.4	66.6	68.8	47.2	49.4	63.9	66.2
Interest rate needed to cover operating expenses, except reserve	52.0	54.5	66.6	68.8	47.0	49.2	29.6	31.9
Average monthly balance of loans outstanding	79,702		49,758		1,04,441		1,18,430	
Average monthly balance of loans outstanding needed to cover total operating costs	3,45,094	3,56,006	1,37,975	1,42,717	1,64,177	1,72,043	2,10,136	2,17,661
Actual number of loans disbursed during 1980	17		85		217		38	

IRDP - SUMMARY OF PROFIT AND LOSS ESTIMATES FOR 8 BRANCHES AND SELECTED INDICATORS - 1980

	Loans - 18%, 24%, 30% Savings - 12%		Loans - 18%, 24%, 30%, Savings - 12%		Loans - 18%, 24%, 30% Savings - 12%		Loans - 18%, 24%, 30% Savings - 12%	
	BABUGONJ		ISLAMPUR		JOYDEBPUR		DHAMRAI	
	9% Interest	10% Interest	9% Interest	10% Interest	9% Interest	10% Interest	9% Interest	10% Interest
Income Earned :	28,771	28,771	25,692	25,692	11,091	11,091	34,174	34,174
Operating Expenses :								
Interest Paid.								
On Savings	1,817	1,817	666	666	579	579	1,715	1,715
On Borrowed Funds	12,454	13,838	9,361	10,401	4,165	4,628	11,762	13,068
Salaries	6,022	6,022	6,838	6,838	6,375	6,375	10,108	10,108
Other Expenses	3,233	3,233	3,579	3,579	537	537	1,107	1,107
Sub-Total :	23,526	24,910	20,444	21,484	11,656	12,119	24,692	25,998
Reserve for Bad Debts	11,865	11,865	-	-	174	174	-	-
Total Operating Expenses	35,391	36,775	20,444	21,484	11,830	12,293	24,692	25,998
Net Profit (Loss)	(6,620)	(8,004)	+ 5,248	+ 4,208	(739)	(1,202)	+ 9,482	+ 8,176
Percentages Profit and (Loss) of average monthly balance of loans outstanding	(4.3)	(5.2)	+ 4.8	+ 3.8	(1.4)	(2.4)	+ 6.5	+ 5.6
			Selected Indicators					
Salaries and allowances as % of operating costs, exclusive of reserve	25.6	24.2	33.4	31.8	54.7	52.6	40.9	38.9
Reserve for Bad Debts as % of total operating expenses	33.5	32.3	-	-	1.5	1.4	-	-
Interest rate needed to cover total operating expenses	23.1	24.0	18.7	19.6	23.1	24.1	17.0	17.9
Interest rate needed to cover operating expenses, except reserve	15.3	16.2	18.7	19.6	22.8	23.7	17.0	17.9
Average monthly balance of loans outstanding	1,53,520		1,09,558		51,112		1,44,976	
*Average monthly balance of loans outstanding needed to cover total operating costs	1,47,463	1,53,229	85,183	89,517	49,292	51,221	1,02,883	1,08,325
Actual number of loans disbursed during 1980	354		203		85		287	

* Average rate of interest charged to borrowers is arbitrarily considered to be 24%

continues

IRDP - (continued)
(2)

	MORELGONJ (Loans - 18%, 24%, 30% Savings - 12%)		CHOWDDAGRAM (Loans - 18%, 24%, 30% Savings - 12%)		BURHANUDDIN (Loans - 18%, 24%, 30% Savings - 12%)		NATORE (Loans - 18%, 24%, 30% Savings - 12%)	
	9% Interest	10% Interest	9% Interest	10% Interest	9% Interest	10% Interest	9% Interest	10% Intere
Income Earned	19,327	19,327	38,206	38,206	35,934	35,934	30,194	30,194
Operating Expenses								
Interest Paid								
On Savings	220	220	1,729	1,729	5,008	5,008	5,608	5,608
On Borrowed Funds	7,819	8,687	15,440	17,156	15,542	17,269	6,338	7,042
Salaries	7,360	7,360	7,745	7,745	5,387	5,387	6,627	6,627
Other Expenses	988	988	1,925	1,925	992	992	2,856	2,856
Sub-Total	16,387	17,255	26,839	28,555	26,929	28,656	21,429	22,133
Reserve for Bad Debts	1,225	1,225	-	-	-	-	4,279	4,279
Total Operating Expenses	17,612	18,480	26,839	28,555	26,929	28,656	25,708	26,412
Net Profit (Loss)	+ 1,715	+ 847	+ 11,367	+ 9,651	+ 9,005	+ 7,278	+ 4,486	+ 3,782
Percentages Profit and (Loss) of average monthly balance of loans outstanding	+ 1.9	+ 1.0	+ 6.1	+ 5.2	+ 4.2	+ 3.4	+ 3.8	+ 3.2
Selected Indicators								
Salaries and allowances as % of operating costs, exclusive of reserve	44.9	42.7	28.9	27.1	20.0	18.8	30.9	29.9
Reserve for Bad Debts as % of total operating expenses	7.0	6.6	-	-	-		16.6	16.2
Interest rate needed to cover total operating expenses	19.9	20.8	14.4	15.4	12.6	13.4	21.9	22.5
Interest rate needed to cover operating expenses, except reserve	18.5	19.5	14.4	15.4	12.6	13.4	18.3	18.9
Average monthly balance of loans outstanding	88,708		1,85,968		2,14,420		1,17,155	
Average monthly balance of loans outstanding needed to cover total operating costs	73,383	77,000	1,11,829	1,18,979	1,12,204	1,19,400	1,07,117	1,10,050
Actual number of loans disbursed during 1980	54		273		635		209	

BSBL - SUMMARY OF PROFIT AND LOSS ESTIMATES FOR 7 BRANCHES AND SELECTED INDICATORS - 1980

	Loans - 18%, 24%, 30% Savings - 12%	Loans - 18%, 24%, 30% Savings - 12%	Loans - 12% 18%, 24%, 30% Savings - 12%	Loans - 18%, 24%, 30% Savings - 12%	Loans - 18%, 24%, 30% Savings - 12%	Loans - 18%, 24%, 30% Savings - 12%	Loans - 12%, 18%, 24%, 30% Savings - 12%
	SREEKRISHNAPUR	TALTOLI	BOAILDAH	BALUHAR	PACHIMPAKUTIA	BHABANIPUR	JHALAM
Income Earned	6,781	16,840	28,569	62,346	64,588	5,469	54,438
Operating Expenses							
Interest Paid							
On Savings	-	-	-	-	-	-	-
*On Borrowed Funds	1,134	5,263	2,550	4,691	25,228	4,185	11,790
Salaries	3,807	4,306	4,497	6,225	5,018	8,345	3,717
Other Expenses	1,386	2,485	3,111	8,625	4,626	1,454	2,733
Sub-Total	6,327	12,054	10,158	19,541	34,872	13,984	18,240
Reserve for Bad Debts	5,027	3,446	17,380	6,064	-	3,760	19,154
Total Operating Expenses	11,354	15,500	27,538	25,605	34,872	17,744	37,394
Net Profit (Loss)	(4,573)	+ 1,340	+ 1,031	+36,741	+29,716	(12,275)	+17,044
Percentages Profit and (Loss) of Average monthly balance of loans outstanding	(14.9)	+ 2.0	+ 0.6	+ 12.7	+ 11.8	(55.4)	+ 7.6
			Selected Indicators				
Salaries and allowances as % of operating costs, exclusive of reserve	60.2	35.7	44.3	31.9	14.4	59.7	20.4
Reserve for Bad Debts as % of total operating expenses	44.3	22.2	63.1	23.7	-	21.2	51.2
Interest rate needed to cover total operating expenses	37.0	23.1	16.3	8.8	13.8	80.1	16.6
Interest rate needed to cover operating expenses, except reserve	20.6	18.0	6.0	6.7	13.8	63.1	8.1
Average monthly balance of loans outstanding	30,721	67,047	1,68,843	2,89,756	2,52,199	22,161	2,24,999
**Average monthly balance of loans outstanding needed to cover total operating costs	47,308	64,583	1,14,742	1,06,688	1,45,300	73,933	1,55,808
Actual number of loans disbursed during 1980	38	88	85	300	426	22	231

* The BSBL Head Office charges the KSS the difference between the interest charged to the borrowers of 12%, 18%, 24% or 30% and 7% which is paid to the KSS and the Central Cooperative Bank. This difference of 5%, 11%, 17% or 23% is shown here as interest paid on borrowed funds. No change in interest rate is expected in 1981 from 1980.

**Average rate of interest charged to borrowers is arbitrarily considered to be 24%.

ANNEX II

RURAL FINANCE EXPERIMENTAL PROJECT

ESTIMATED FINANCIAL ANALYSIS OF DIFFERENT NON - CROP ACTIVITIES

Type of occupation	Estimated cost		Estimated gross income		Net profit	Profit per Taka 1000 per 12 months
	Estimate for two years					
1. Milch cow Loan Tk. 3500 at 30% interest repayable in two years in installments.	1. Loan installments with interest in two years. 2. Cost of feeds at Tk. 2 in milking period, i.e. for 8 months in each year.	Tk. 4550 Tk. 960 Tk. 5510	1. Sale of milk- 18 Mds. 1st year 18 Mds. 2nd years 36 Mds. (milking period 8 months in each year and average milk yield at 3 seers selling price at Tk. 4 each seers)	Tk. 5760	Tk. 9260 Tk. 5510 Tk. 3750	Tk. 536 (Tk. 3750 ÷ 2 years. ÷ Tk. 3500x1000)
			2. Sale of 1st calf 3. Sale 2nd calf 4. Sale of cowdung in two years 5. Sale of old cow	Tk. 1000 Tk. 500 Tk. 200 Tk. 1800 Tk. 9260		
2. Beef fattening Loan Tk. 1000 at 30% interest repayable after two year in lump sum.	1. Loan repayment in lump sum 2. Interest on capital 3. Cost of feed	Tk. 1000 Tk. 600 Tk. 150 Tk. 1750	1. Sale proceeds of cattle 2. Sale proceeds of cow dung	Tk. 2100 Tk. 200 Tk. 2300	Tk. 2300 Tk. 1750 Tk. 550	Tk. 275 Tk. 550 ÷ 2 years)
	Estimate for one year					
3. Goat rearing Loan Tk. 600 at 30% interest repayable after one year in lump sum.	1. Loan repayment in lump sum with interest	Tk. 780	1. Sale proceeds of 6 goats after 1 year	Tk. 1490	Tk. 1490 Tk. 780 Tk. 710	Tk. 1183 (Tk. 710 ÷ 600x 100)

continues

Estimated Financial Analysis of Different Non - Crop Activities
(continued)

Type of occupation	Estimated cost		Estimated gross income		Net profit	Profit per Taka 1000 per 12 months
	Estimate for one year					
4. Poultry raising Loan Tk. 1500 at 30% repayable in one year in monthly installments.	1. Loan installments in one year 2. Cost of feed for birds	Tk. 1725 Tk. 2755 Tk. 4480	1. Sale of 25 old birds 2. Sale proceeds of eggs 15 Nos. of eggs daily at Tk. 1	Tk. 600 Tk. 5475 Tk. 6075	Tk. 6075 Tk. 4480 Tk. 1595	Tk. 1063 (Tk. 1595 ÷ 1500x1000)
	Estimate for three years					
5. Fish rearing Loan Tk. 5000 at 30% repayable in three years in installments.	1. Loan installments including interest in 3 years	Tk. 7250	1. Sale proceeds of 500 fishes at the closing of 1st year at Tk. 4 each 2. Sale proceeds of 500 fishes in 2nd year at Tk. 12 each 3. Sale proceeds of 290 fishes in 3rd year at Tk. 25 each closing 3rd year	Tk. 2000 Tk. 6000 Tk. 7250	Tk. 15250 Tk. 7250 Tk. 8000	Tk. 533 (8000 ÷ 3 ÷ 5000x1000)
	Estimate for a month					
6. Fishing net making Loan Tk. 300 at 30% interest repayable in one year in installments.	1. Monthly installment with interest 2. Cost of yearn	Tk. 29 Tk. 213 Tk. 242	1. Sale proceeds of one net at 122 for 3 nets	Tk. 366	Tk. 366 Tk. 242 Tk. 124	Tk. 4960 (124x12 ÷ 300x1000)
7. Rice processing Loan Tk. 500 at 30% repayable in one year in installments.	1. Loan installment in a month 2. Cost of 5 maunds Tk. 100 each 3. Cost of fuel and others	Tk. 48 Tk. 500 Tk. 25 Tk. 573	1. Sale proceeds of 3-10 srs. Tk.650 at 200 per maunds (Rice can be processed twice in a month)	Tk. 650	Tk. 650 Tk. 573 Tk. 77	Tk. 1848 (77x12 ÷ 500x1000)

continues

Estimated Financial Analysis of Different Non - Crop Activities
(continued)
- 3 -

Type of occupation	Estimated cost		Estimated gross income		Net profit	Profit per Taka 1000 per 12 months
	Estimate for a month					
8. Rickshaw Loan Tk. 3000 at 30% repayable in 1 1/2 years in installments.	1. Maintenance cost 2. Loan installment including interest	Tk. 41 Tk. 204 Tk. 245	Average daily return at Tk. 25 per day for 25 days	Tk. 625	Tk. 625 Tk. 245 Tk. 380	Tk. 1520 (380x12 ÷ 3000x1000)
	Estimate for a season					
9. Purchasing of a boat Loan Tk. 2000 at 30% repayable in two years in installments.	1. Monthly loan installment including interest at 100 for a year 2. Maintenance cost	Tk. 1300 Tk. 314 Tk. 1614	Return at 21 per day for 6 months = 3780	Tk. 3780	Tk. 3780 Tk. 1614 Tk. 2166	Tk. 1083 (2166 ÷ 2000x1000)
	Estimate for a month					
10. Purchasing of fishing net and fishing equipment Loan Tk. 10000 in group of four at 30% interest, repayable in two years in installments.	1. Miscellaneous (costs) 2. Wages 6 labours at Tk. 15 each per day x 15 days. 3. Monthly loan installment including interest	Tk. 608 Tk. 1350 Tk. 542 Tk. 2500	Return by sale of fish at Tk. 3000 per month =	Tk. 3000	Tk. 3000 Tk. 2500 Tk. 500	Tk. 600 (500x12 ÷ 10000x1000)
11. Running of small shop Loan Tk. 2000 at 30% repayable in two years in installments.	1. Monthly loan installment including interest 2. Rent of shop	Tk. 108 Tk. 42 Tk. 150	Monthly return at Tk. 25 per hundred on Tk. 2000 =	Tk. 500	Tk. 500 Tk. 150 Tk. 350	Tk. 2100 (350x12 ÷ 2000x1000)

continues

Estimated Financial Analysis of Different Non - Crop Activities
(continued)

Type of occupation	Estimated cost		Estimated gross income	Net profit	Profit per Taka 1000 per 12 months
	Estimate for one month				
12. Retailing of fruits vegetables and consumer goods Loan Tk. 5000 at 30% interest repayable in two years in installments.	1. Monthly loan installment including interest	Tk. 271	Monthly return at 20% on the capital. Tk. 5000 = 1000		
	2. Transport charge	Tk. 103		Tk. 1000	Tk. 1142
	3. Rent of shop	Tk. 50		Tk. 524	(476x12 ÷ 5000x1000)
		Tk. 524		Tk. 476	
	Estimate for a month				
13. Purchasing of bullock for bullock cart Loan Tk. 5000 at 30% interest payable in two years in installments.	1. Monthly loan installment	Tk. 271	Monthly return at Tk. 30 per day = 900	Tk. 900	Tk. 1262
	2. Monthly maintenance cost of bullock	Tk. 103		Tk. 374	(526x12 ÷ 5000x1000)
		374		Tk. 526	
	Estimate for a week				
14. Mustard Oil Ghani Loan Tk. 4500 at Tk. 30% interest payable within two years in installments.	1. Weekly loan installment including interest	Tk. 56	Sale of 65 seers of Mustard oil at Tk. 24	Tk. 1810	Tk. 3293
			per seer = Tk. 1560	Tk. 1525	(285x52 ÷ 4500x1000)
	2. Maintenance of bullock and Ghani	Tk. 114	Sale of oil cake = Tk. 250	Tk. 285	N.B. monthly income 285x4 = 1140
	3. Wages of 1 man at Tk. 15 per day.	Tk. 105	Tk. 1810		
	4. Cost of 5 Maund mustard seed at Tk. 250 per Maund	Tk. 1250			
		Tk. 1525			

continues

Estimated Financial Analysis of Different Non - Crop Activities
(continued)

Type of occupation	Estimated cost		Estimated gross income	Net profit	Profit per Taka 1000 per 12 months
	Estimate for a week				
15. Coconut oil by Ghani Loan Tk. 5000 at 30% interest payable in two years in monthly instalments..	1. Weekly loan installment including interest	Tk. 62	Return - 4 seers oil per ghani 3 times in a day	Tk. 2688	Tk. 3775 (363x52 + 5000x1000)
	2. Maintenane cost of two Bullocks and ghanis	Tk. 158	4x3 = 12 seers oil in a day. Sale proceed Tk. 32 per seer 32x12 =384 in a week = 2688	Tk. 2325	
	3. Wages of 1 man Tk. 15 per day	Tk. 105		Tk. 363 Net profit in a month Tk. 1452	
	4. Cost of raw materials	Tk. 2000			
		Tk. 2325			
	Estimated for a month				
16. (a) Paper bag Loan Tk. 1000 at Tk. 30% interest repayable in one year in monthly instalments.	1. Loan installment with interest	Tk. 96	Return Self proceeds of paper bags Tk. 1215	Tk. 1215	Tk. 7368 (614x12 + 1000x1000)
	2. Cost of waste paper and others	Tk. 389		Tk. 601	
	3. Conveyance	Tk. 116			
		601		Tk. 614	
	Estimated for a week				
(b) Ganny bags Loan Tk. 3000 at 30% payable in two years in monthly instalments.	1. Loan installment (including interest)	Tk. 38	Return No. of bags in a week -700; Tk. 1 1/2 each on average = Tk. 1050	Tk. 1050	Tk. 2808 (162x52 + 3000x1000)
	2. Cost of jute cloths	Tk 603		Tk. 888	
	3. Conveyance	Tk. 149			
	4. Wages of one man for a week Tk. 14 per day	Tk. 98		162	
		Tk 888			

continues

Estimated Financial Analysis of Different Non - Crop Activities
(continued)
- 6 -

Type of occupation	Estimated cost		Estimated gross income		Net profit	Profit per Taka 1000 per 12 months
	Estimated for a week					
17. Jute rope and coir rope Loan Tk. 1000 at Tk. 30% repayable on one year monthly installments.	1. Loan installment with interest	Tk. 22	Return Sales proceeds at 20 seers rope daily - 20 x 7 = 140 seers sale proceeds = 140x5.50 at Tk. 5.50 =	Tk. 770	Tk 770 Tk. 605 Tk. 65 weekly	Tk. 8580 (1 65 x 52 + 1000 x 1000) 165 x 4 = 660 monthly
	2. Cost of raw materials	Tk. 426				
	3. Wages one man at Tk. 15 per day	Tk. 105				
	4. Conveyance	Tk. 52				
		Tk. 605				
	Estimate for a month					
18. Pati making Loan Tk. 750 at 30% payable in one year in monthly installments.	1. Loan installment with interest	Tk. 72	Return sale proceeds of 50 pieces of different sizes Pati at Tk. 15 each =	Tk. 750	Tk. 750 Tk. 460 Tk. 290	Tk. 4640 (290 x 12 + 750 x 1000)
	2. Cost of raw materials	Tk. 388				
		Tk. 460				
	Estimate for a month					
19. Mat making Loan Tk. 500 at 30% payable in one year in monthly installments.	1. Installment with interest	Tk. 48	Sale proceeds of 150 Mats at Tk. 5 each =	Tk. 750	Tk. 750 Tk. 218 Tk. 532	Tk. 12768 (532 x 12 + 500 x 1000)
	2. Cost of raw materials	Tk. 170				
		Tk. 218				
	Estimate for a month					
20. Pottery Loan Tk. 5000 at 30% payable in two years in installments.	1. Loan installments interest	Tk. 271	Sale proceeds of utencils of different types =	Tk. 3500	Tk. 3500 Tk. 2530	Tk. 2328 (970x12 + 5000 x 1000)
	2. Cost of raw materials (Firewood, colour, clay Mymensingh clay etc)	Tk.1200				
	3. Wages one man one women at Tk. 15 each per day x 30 days	Tk. 900			Tk. 970	
	4. Transport	Tk. 159				
		Tk.2530				

continues

Estimated Financial Analysis of Different Non - Crop Activities
(continued)

Type of occupation	Estimated cost		Estimated gross income		Net profit	Profit per Taka 1000 per 12 months
	Estimate for a month					
21. Blacksmith Loan Tk. 2500 at Tk. 30% payable in two years installments.	1. Loan installment with interest 2. Cost of raw materials 3. Wages 2 men at Tk. 10 per day 4. Transport	Tk. 135 Tk. 900 Tk. 600 Tk. 115 Tk. 1750	Monthly Sale proceeds	Tk. 2750	Tk. 2750 Tk. 1750 Tk. 1000	Tk. 4800 (1000x12 ÷ 2500 x 1000)
	Estimate for a month					
22. Carpentry Loan Tk. 2000 at Tk. 30% payable in two years in installments.	1. Loan installment with interest 2. Cost of raw materials 3. Wages one man at 45 per day	Tk. 108 Tk. 842 Tk. 1350 Tk. 2300	Sale proceeds of chair, table, alna, khat etc.	Tk. 2400	Tk. 2400 Tk. 2300 Tk. 100	Tk. 600 (100x12 ÷ 2000x 1000)
	Estimate for a month					
23. Cane products Loan Tk. 2500 at Tk. 30% payable in two years in installments.	1. Loan installments including interest 2. Cost of raw materials 3. Wages of one man at 11 & 12 per day.	Tk. 135 Tk. 1405 360 Tk. 1900	Sale proceeds of Dhulna Alna, Chair, Team table, More etc. Cane scale palla, touring box suitable, small containers.	Tk. 2350	Tk. 2350 Tk. 1900 Tk. 450	2160 (450x12 ÷ 2500x1000)
	Estimate for one month					
24. Wooden cart wheel Loan Tk. 4000 at Tk. 30% in installments payable in two years.	1. Loan installments including interest 2. Cost of raw materials 3. Wages of one man at 15 each per day	Tk. 217 Tk. 2983 Tk. 450 Tk. 3650	Sale proceeds of 10 wooden wheels at Tk. 350 each Sale proceeds of unused wood as fuel	Tk. 3500 Tk. 900 Tk. 4400	Tk. 4400 Tk. 3650 Tk. 750	Tk. 2250 (750x12 ÷ 4000x1000)

continues

Estimated Financial Analysis of Different Non - Crop Activities
(continued)

Type of occupation	Estimated cost		Estimated gross income		Net profit	Profit per Taka 1000 per 12 months
	Estimate for a month					
25. Ready made garments Loan Tk. 3000 at 30% interest payable in two years in installment.	1. Loan installment with interest	Tk. 162	Sale proceeds of shirts punjabi, paby frock, blouse petticoat etc. =	Tk.1575	Tk. 1575 Tk. 1200 Tk. 375	Tk. 1500 (375x12 ÷ 3000x1000)
	2. Cost of raw materials	Tk. 738				
	3. Wages of one man at 10 per day	Tk. 300				
		Tk. 1200				
	Estimate for a month					
26. Embroidered quilt Loan Tk. 300 at 30% interes payable in one year in installments.	1. Loan installment with interest	Tk. 29	Sale proceeds of two Kantha 5'x4' (quilt)	Tk. 450	Tk. 450 Tk. 300 Tk. 150	Tk. 6000 (150x12 ÷ 300x1000)
	2. Cost of raw materials old clothes, and salu	Tk. 171				
	3. Wages for part time worker					
		Tk. 300				
	Estimate for a month					
27. Bamboo products Loan Tk. 600 at 30%	1. Loan installment with interest	Tk. 58	Sale proceeds of small containers, fish catching equipments etc.	Tk. 850	Tk. 850 Tk. 150 Tk. 700	Tk. 14000 (700x12 ÷ 600x1000)
	2. Cost of raw materials and others	Tk. 92				
		Tk. 150				
	Estimate for a year					
28. Gur making Loan Tk. 5000 at 30% interest, payable in two years.	1. Loan installments with interest	Tk. 3250	Return by crushing sugar cane of farmers at Tk. 2400 per month		Tk. 9600 Tk. 7460 Tk. 2140	Tk. 428 (2140 ÷ 5000x1000)
	2. Maintenance cost of bullocks	Tk. 610				

Estimated Financial Analysis of Different Non - Crop Activities
(continued)

Type of occupation	Estimated cost		Estimated gross income		Net profit	Profit per Taka 1000 per 12 months
	Estimate of a unit for a season (6 months) Nov. to April					
29. Preparation of salt by solar process Loan Tk. 4000 at 30% interest payable in 2 years.	1. Loan installment with interest	Tk. 2600	800 maund at the rate of Tk. 12 per maund	Tk. 9600	Tk. 9600 Tk. 7300 Tk. 2300 in 6 months = Tk. 383 per month	Tk. 575 (2300 ÷ 4000x1000)
	2. Cost of equipment a woolen roller	Tk. 95				
	3. Wages of 2 men					

Estimated Financial Analysis of Different Non - Crop Activities
(continued)

Type of occupation	Estimated cost		Estimated gross income		Net profit	Profit per Taka 1000 per 12 months
	Estimate for a month					
32. Handloom Industries Loan Tk. 5000 at 30% interest repayable in two years in installments.	1. Loan installment with interest	Tk. 271	Sale proceeds of sharies lungi, gamcha etc. per month	Tk. 2800	Tk. 2800 Tk. 1930 Tk. 870	Tk. 2088 (870x12 ÷ 5000x1000)
	2. Cost of raw materials yarn, colour etc.	Tk. 1209				
	3. Wages of 1 man at 15 per day	Tk. 450				

RURAL FINANCE EXPERIMENTAL PROJECT

ESTIMATED COST OF CULTIVATION AND PROFIT PER ACRE OF DIFFERENT MAJOR CROPS IN OWNED LAND

Name of crop	Time of sowing	Time of harvesting	Cost of cultivation		Yield per maud	Rate per maund	Gross Income	Profit in Tk. 1000 in season on capital invested
1. Boro paddy (HYV) Loan Tk. 2500 at 30% interest repayable within 2 months of harvesting but complete payment in 8 months.	Dec. - Jan.	May - June	1. Ploughing 2. Fertilizer 3. Pesticide 4. 1/2 of total labour hired 5. Irrigation 6. Seeds 7. Interest on capital	500 470 150 810 600 30 410 Tk. 2970	Grain - 45 Mds. Straw - 45	100 10	4500 450 Tk. 4950 Tk. 2970 Tk. 1980	Tk. 792 in a season (1980 + 2500x1000) Tk. 1188 in a year (792 + 8x12)
2. Aus paddy (HYV) Loan Tk. 2000 at 30% interest repayable within two months of harvesting but complete payment in 8 months.	Mar. - Apr.	June - July	1. Ploughing (hired) 2. Fertilizer 3. Pesticides 4. 1/2 of total labour hired 5. Irrigation 6. Seeds 7. Interest on capital	510 510 410 200 750 300 30 400 Tk. 2600	Grain - 40	100	4000 2600 Tk. 1400	Tk. 700 in a season (1400 ; 2000x1000) Tk. 1050 in a year (700 + 8x12)
3. Aus (Local) Loan Tk. 1500 at 30% interest repayable within 2 monthsof harvesting but complete payment in 8 months.	Mar. - Apr.	July - Aug.	1. Ploughing (hired) 2. Fertilizer 3. Pesticide 4. 1/2 of total labour hired 5. Irrigation 6. Seeds 7. Interest on capital	500 500 345 100 645 - 110 300 Tk. 2000	Grain - 25 Mds.	100	2500 2000 Tk. 500	Tk. 333 in a season (500 + 1500x1000) Tk. 500 in a year (333 + 8x 12)

continues

Estimated Cost of cultivation and Profit Per Acre of Different Major crops in owned land
(continued)
- 2 -

Name of crop	Time of sowing	Time of harvesting	Cost of cultivation		Yield per acre	Rate per maud	Gross Income	Profit in Tk. 1000 in season on capital invested
4. T. Aman (HYV) Loan Tk. 2000 at 30% interest repayable within 2 months of harvesting but complete payment in 8 months.	July - Aug.	Nov. - Dec.	1. Ploughing (hired)	510	Grain - 35 Mds. Straw - 35 Mds.	100 20	3500 20	Tk. 900 in a season Tk. 1350 in a year (1800 + 2000x1000) (900 + 8x12)
			2. Fertilizer	470			Tk. 4200	
			3. Pesticide	200			Tk. 2400	
			4. 1/2 of total labour hired	790				
			5. Irrigation	-			Tk. 1800	
			6. Seeds	30				
			7. Interest on capital	400				
				Tk. 2400				
5. T. Aman (Local) Loan Tk. 1500 at 30% interest repayable within 2 months of harvesting but complete payable in 8 months	July - Aug.	Nov. - Dec.	1. Ploughing (hired)	510	Grain - 25 Mds. Straw - 25 Mds.	100 10	2500 250	Tk. 510 in a season Tk. 765 in a year (765 + 1500x1000) (510 - 8x12)
			2. Fertilizer	345			Tk. 2750	
			3. Pesticides	150			Tk. 1985	
			4. 1/2 total labour	650			Tk. 765	
			5. Irrigation	-				
			6. Seeds	30				
			7. Interest on capital	300				
				Tk. 1985				
6. Broad casting Aman paddy Loan Tk. 1000 at 30% interest repayable within 2 months of harvesting but complete payment in 1 year.	Mar. - Apr.	Nov. - Dec.	1. Ploughing (hired)	500	Grain - 18 Mds. Straw - 18 Mds.	100 10	1800 180	Tk. 520 in a season Tk. 520 in a year (520 + 1000x1000)
			2. Fertilizer	150			Tk. 1980	
			3. Pesticide	100			Tk. 1460	
			4. 1/2 total labour hired	300			Tk. 520	
			5. Irrigation	-				
			6. Seeds	110				
			7. Interest on capital	300				
				Tk. 1460				

continues

Estimated Cost of cultivation and Profit Per Acre of Different Major crops in owned land
(continued)

Name of crop	Time of sowing	Time of harvesting	Cost of cultivation		Yield per acre	Rate per maud	Gross Income	Profit in Tk. 1000 in season on capital invested
7. Jute Loan Tk. 1500 at 30% interest repayable within two months of harvesting but complete payment in 10 months.	Mar. - Apr.	July - Aug.	1. Ploughing (Hired) 2. Fertilizer 3. Pesticides 4. 1/2 of total labour hired 5. Irrigation 6. Seeds 7. Interest on capital	500 175 100 700 - 40 375 Tk. 1890	Fibre - 21 Mds. Stick - 42 Mds.	150 20	3150 840 Tk. 3990 Tk. 1890 Tk. 2100	Tk. 1400 in a season Tk. 1680 in a year (2100 + 1800x1000) (1400 + 10x12)
8. Potato Loans Tk. 5000 at 30% interest repayable within 2 months of harvesting but complete payment in 8 months.	Oct. - Nov.	Mar. - Apr.	1. Ploughing 2. Fertilizer 3. Pesticide 4. 1/2 of total labour hired 5. Irrigation 6. Seeds 7. Interest on capital	500 750 150 850 600 3000 1000 Tk. 6850	Potato - - 150 Mds.	100	15000 6850 Tk. 8150	Tk. 1630 in a season Tk. 2445 in a year (8150 + 5000x1000) (1630 + 8x12)
9. Wheat Loan Tk. 2000 at 30% interest repayable after harvesting but complete payment in 8 months.	Nov. - Dec.	Mar. - Apr.	1. Ploughing 2. Fertilizer 3. Pesticide 4. 1/2 of total hired 5. Irrigation 6. Seeds 7. Interest on capital	480 580 50 500 300 120 400 Tk. 2430	Grain - 35 Mds.	110	3850 2450 Tk. 1420	Tk. 710 in a season Tk. 1065 in a year (1420 + 2000x1000) (710 + 8x12)

continues

Estimated Cost of cultivation and Profit Per Acre of Different Major crops in owned land
(continued)

Name of crop	Time of sowing	Time of harvesting	Cost of cultivation		Yield per acre	Rate per maud	Gross Income	Profit in Tk. 1000 in season on capital invested
10. Tobacco Loan Tk. 2000 at 30% interest payable after harvesting but complete payment in 8 months.	Nov. - Dec.	Mar. - Apr.	1. Ploughing 2. Fertilizer 3. Pesticide 4. 1/2 of total labour hired 5. Irrigation 6. Seeds 7. Interest on capital	350 125 100 500 500 30 400 Tk. 2005	Leaves 10 Mds.	300	3000 2005 Tk. 995	Tk. 498 in a season Tk. 747 in a year (995 + 2000x1000) (498 + 8x12)
11. Sugarcane Loan Tk. 4500 at 30% interest repayable after harvesting but complete payment in 1 1/2 years.	Nov. - Dec.	Dec. - Jan.	1. Ploughing 2. Fertilizer 3. Pesticides 4. 1/2 of total labour hired 5. Irrigation 6. Seeds 7. Interest on capital	600 2000 50 1100 300 750 2025 Tk. 6825	Cane - 550 Mds.	20	1000 6825 Tk. 4175	Tk. 928 in a season Tk. 619 in a year (4175 + 4500x1000) (928 + 18x12)

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