

# **CHAPTER - VI**

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## **FINDINGS**

THIS CHAPTER IS DEVOTED TO THE FINDINGS OF THE ENQUIRY AND THE FINDINGS ARE PRESENTED UNDER THE FOLLOWING :

**A - THE POLICY DECISION**

**B - INSTITUTIONAL AGRICULTURAL CREDIT  
DURING PLAN PERIOD**

**C - MEMBERSHIP AND VILLAGE COVERAGE  
OF THE SOCIETIES**

**D - THE ACTIVITIES OF THE SOCIETIES  
\* THE LOAN AND RECOVERY BEHAVIOUR**

**E - STATUS (CATEGORY) OF THE P A C S**

## **PART(A) - THE POLICY DECISION**

A.1 - The commencement of the state policy on cooperative began in the year 1976-77 when the Manipur State Cooperative Societies Act was passed. It commenced fairly late.

A.2 - A new beginning of the Gram Panchayat Level Multipurpose Agricultural Cooperative Society Ltd. (GPLMPCS) in the valley and the Large Sized Agricultural Multipurpose Co-operative Society (LAMPS) in the hill areas was made from 1976-77, after 25 years of economic planning in the country.

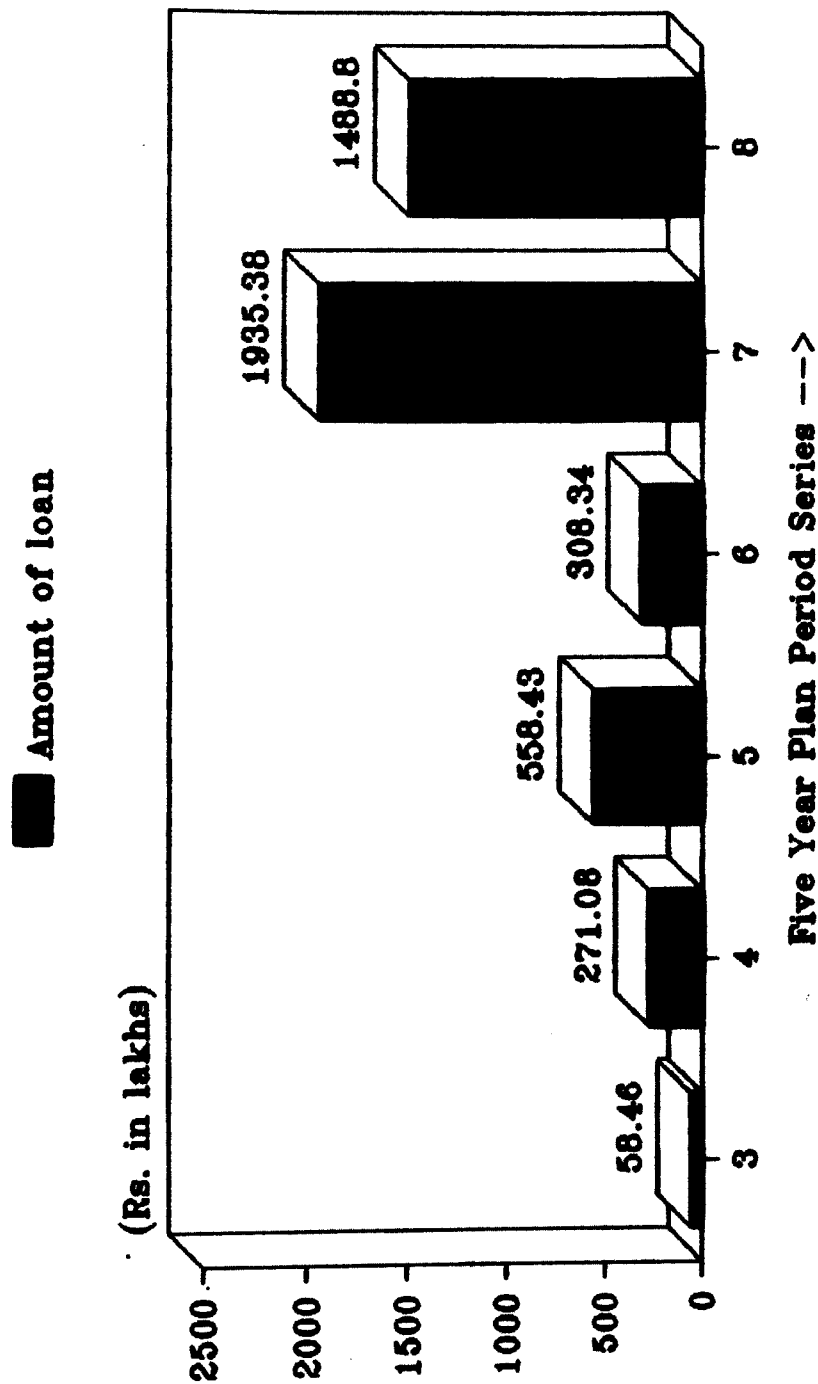
Till to-day there is no state policy on cooperative.

**PART (B) - INSTITUTIONAL  
AGRICULTURAL CREDIT  
DURING PLAN PERIOD**

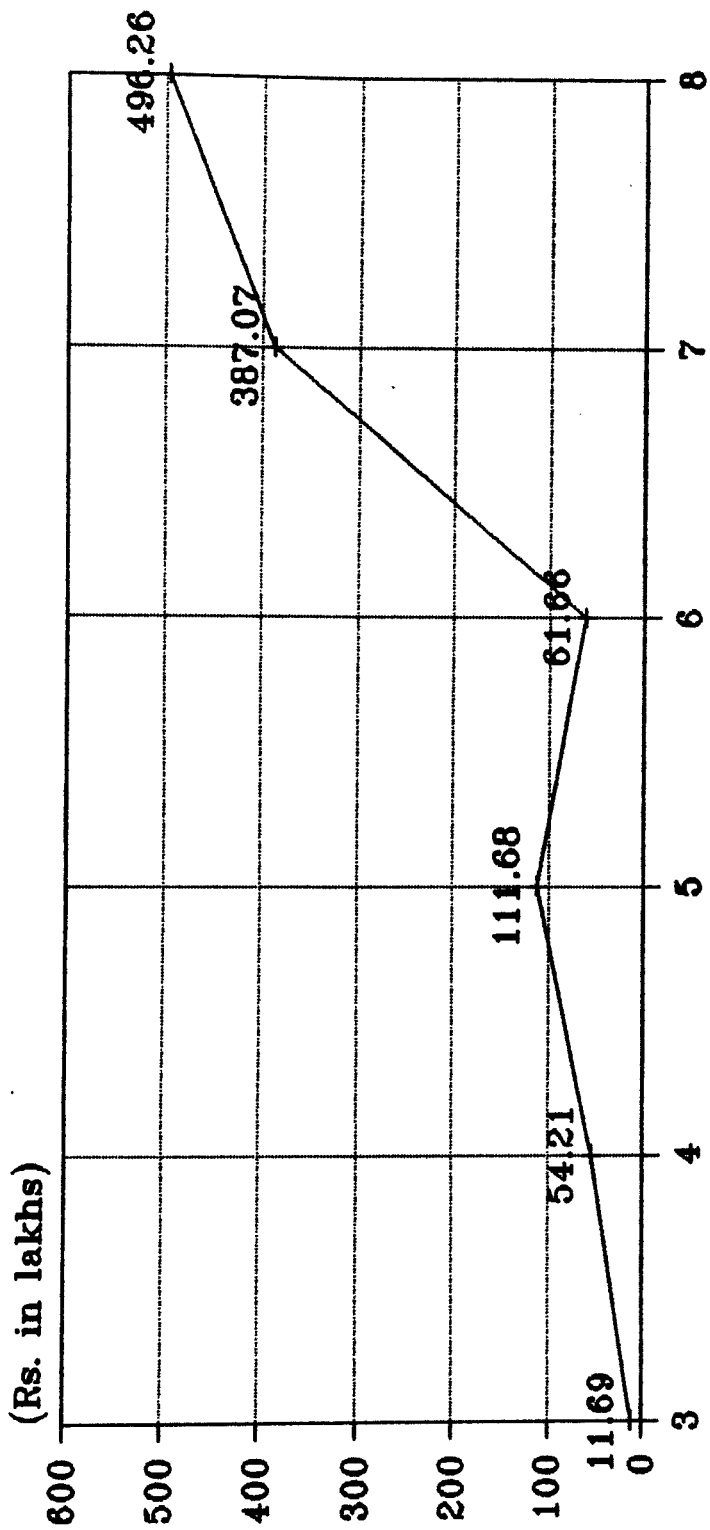
B.1 - The institutional credit for agriculture is found to have been created with Rs. 58.46 lakhs practically, only from the Third Five Year Plan. The annual agricultural credit was Rs.11.69 lakhs only for the entire rural economy of the state.(per society credit is Rs.1.34 lakhs).

B.2 - A sum of Rs. 271.80 lakhs could be made available during the Fourth Five Year Plan recording annual percentage increase of 15.6 (Chart No.1 & 4).

**CHART NO. 1**  
**INSTITUTIONAL FINANCE DURING PLAN PERIOD**  
**(AGRICULTURAL CREDIT)**



**CHART NO. 4**  
**ANNUAL INSTITUTIONAL FINANCE DURING**  
**PLAN PERIOD (AGRICULTURAL CREDIT)**



Five Year Plan Period Series----->

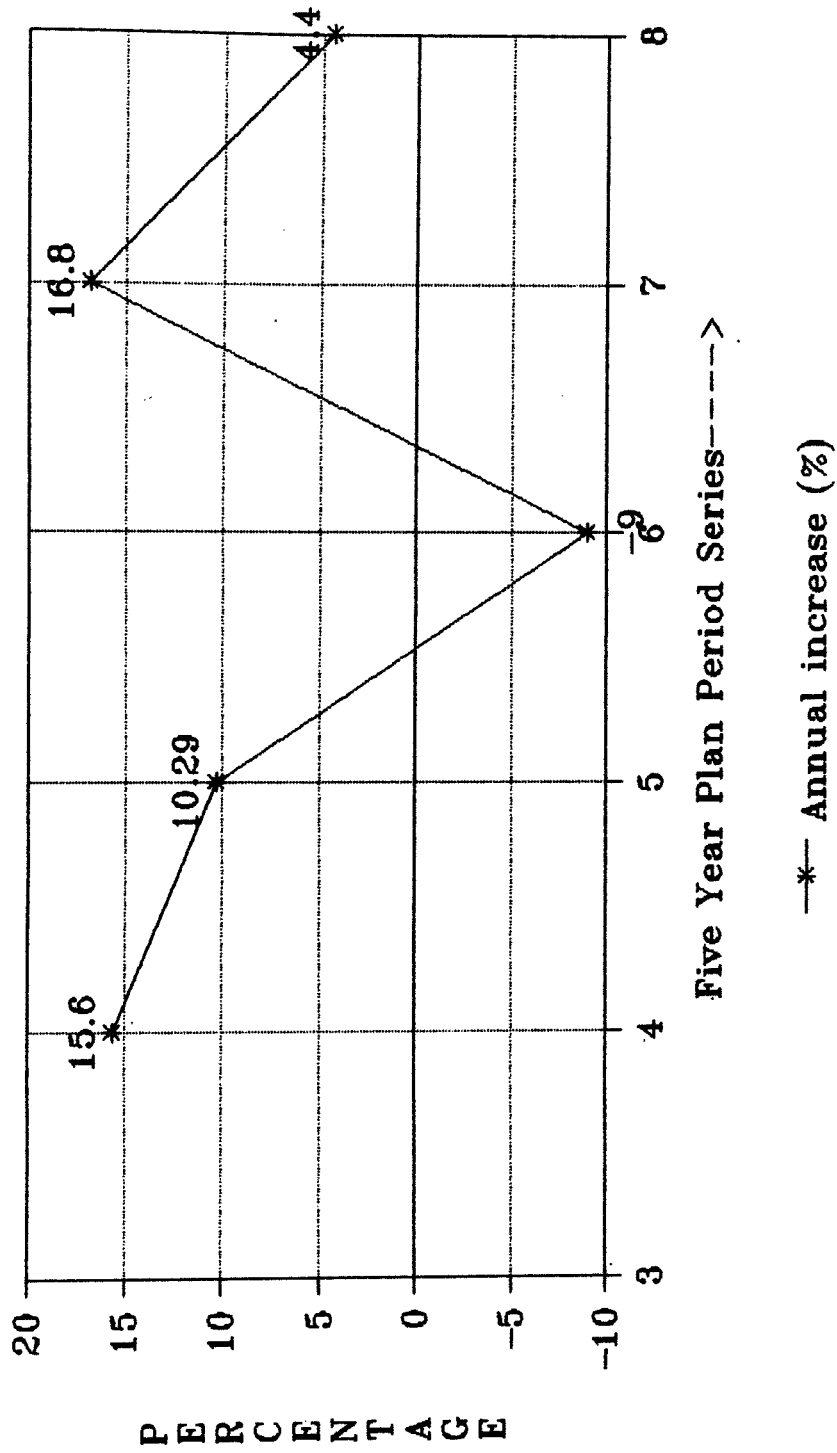
—+— Annual amount

B.3 - The Fifth Five Year Plan recorded the annual percentage decrease by 5 from 15 to 10.

B.4 - The performance of the agricultural credit becomes perceptibly discouraging with (-9) percent (annual) during the Sixth Five Year Plan period. (Chart No.5).

B.5 - Improvement is recorded during the Seventh Five Year Plan period with annual percentage increase of 16.8

CHART NO. 5  
**ANNUAL PERCENTAGE INCREASE DURING  
 PLAN PERIOD (INSTITUTIONAL FINANCE)**



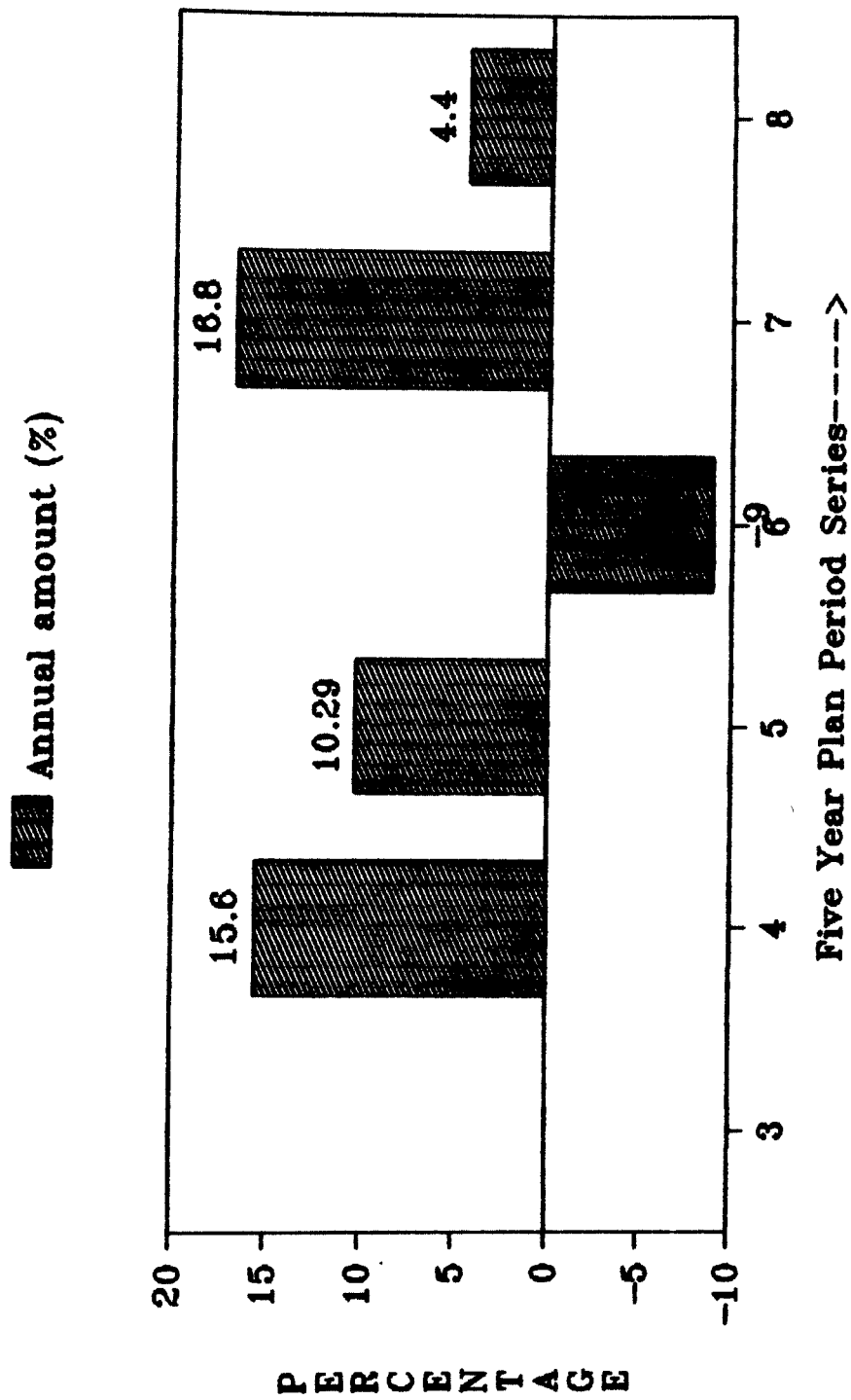


B.6 - The annual percentage increase during Eighth Five Year Plan is found to have decreased to 4.4

As such the trend of agricultural credit in Manipur is evidently found to be highly fluctuating from (- 9 %) to 16.8 % during period under study.(Chart No.6).

The state economy is evidently exposed to the obvious disadvantages of the lack of a sound credit planning during the plan period.

CHART NO. 6  
**ANNUAL PERCENTAGE INCREASE DURING  
 PLAN PERIOD (INSTITUTIONAL FINANCE)**



**PART (C) – MEMBERSHIP AND  
VILLAGE COVERAGE  
OF THE SOCIETIES**

**MEMBERSHIP (STATE LEVEL)**

C.1 - The average membership size of the PACS in Manipur is 642 as against All India Average of 970.  
(Chart No.8)

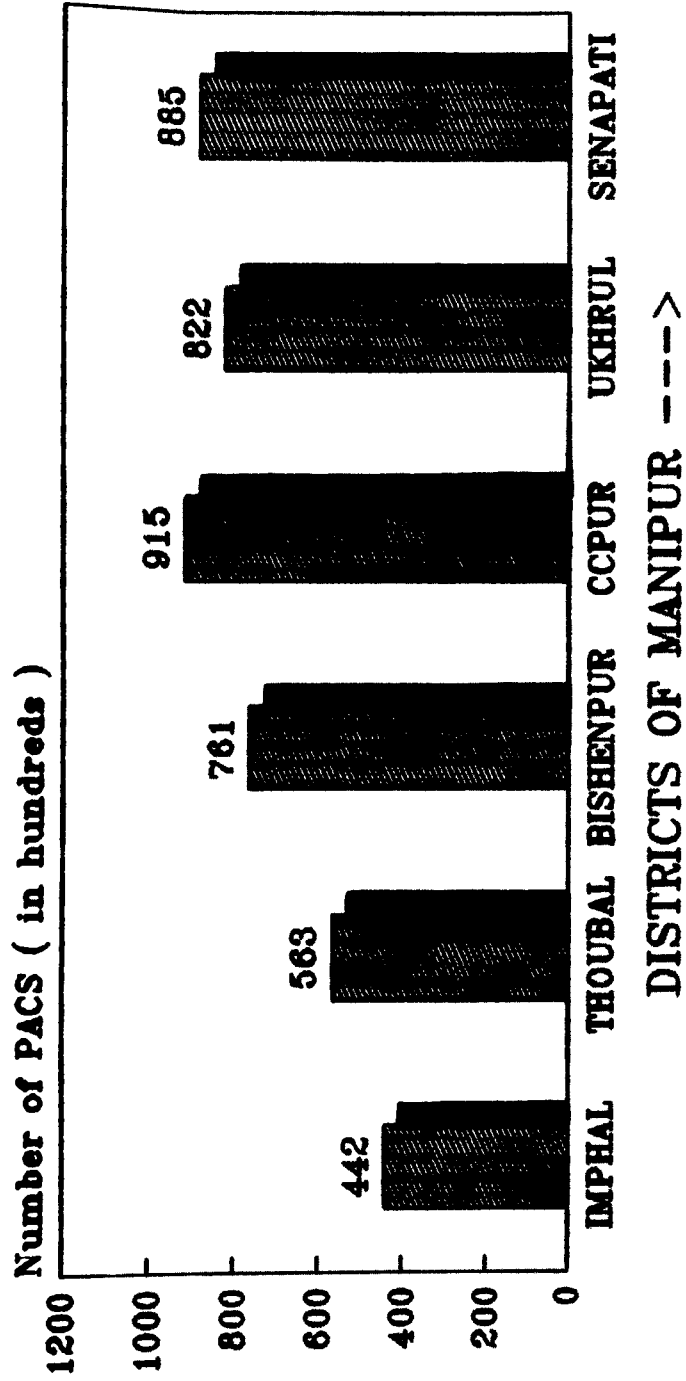
C.2 - The smallest size is found in Imphal District (442 members) and the highest in Churachandpur District (Hill- 915 members.)

The rate of participations and institutional interaction is found fairly low in Manipur, although the state economy is predominantly agrarian.

(PART NO 8)

## AVERAGE MEMBERSHIP OF PACS (GPLMPCS/LAMPS)

■ Average members/PACS




All India Average - 970 (1988-89)

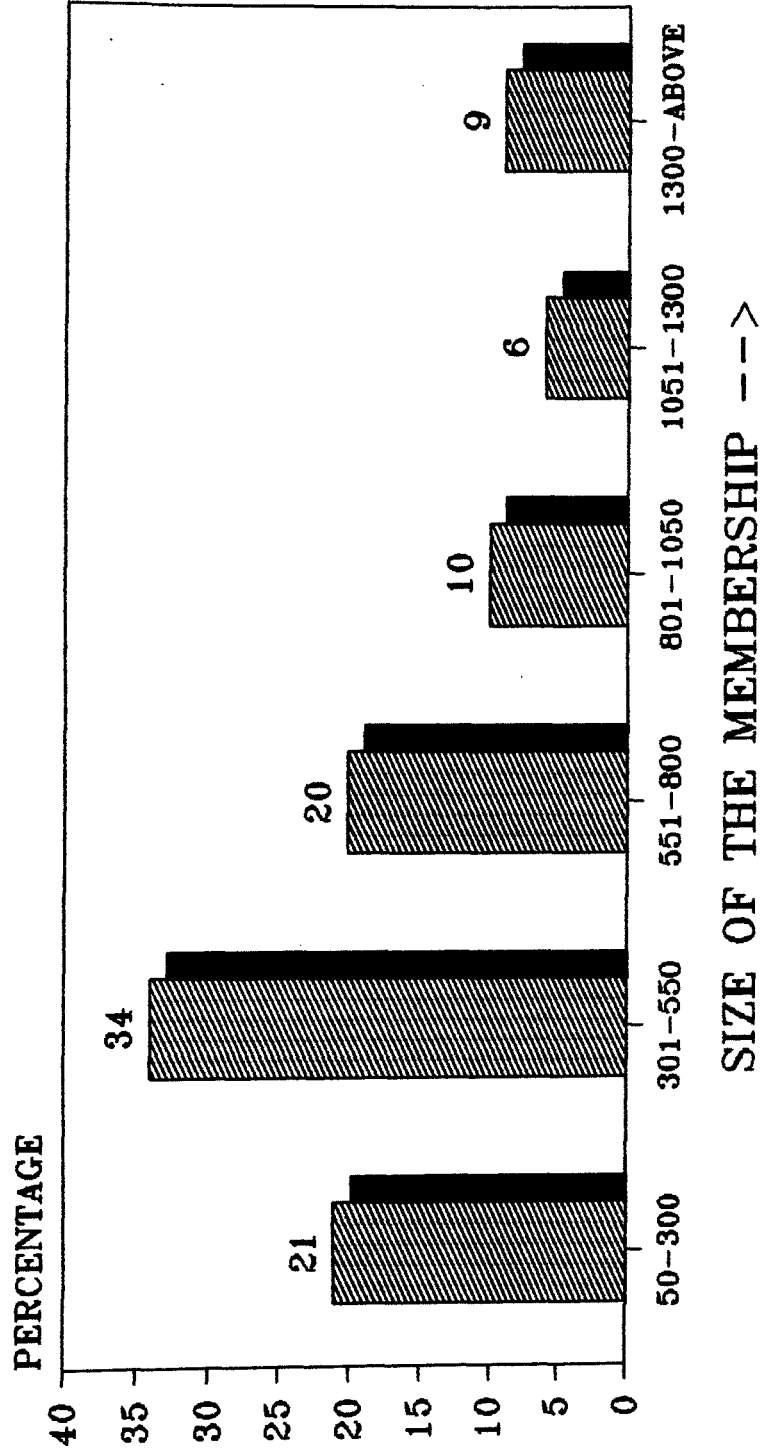
State average - 642

- C.3 - Out of 133 units investigated, societies having membership range 50 to 300, account for 21 percent.
- C.4 - The societies having the membership 301 to 550 constitute 34 percent, the highest.
- C.5 - The societies having membership of 1300 and above account for 9 percent only. (Chart No.10).

Judged by the standard that the performance of the society is largely determined by the strength of the membership, the performance of the PACS in Manipur is evidently low.

CHART NO.10  
**STATE LEVEL MEMBERSHIP STRENGTH  
 (IN PERCENTAGE)**

 Membership strength



## **MEMBERSHIP INDUCTION**

### **STATE LEVEL**

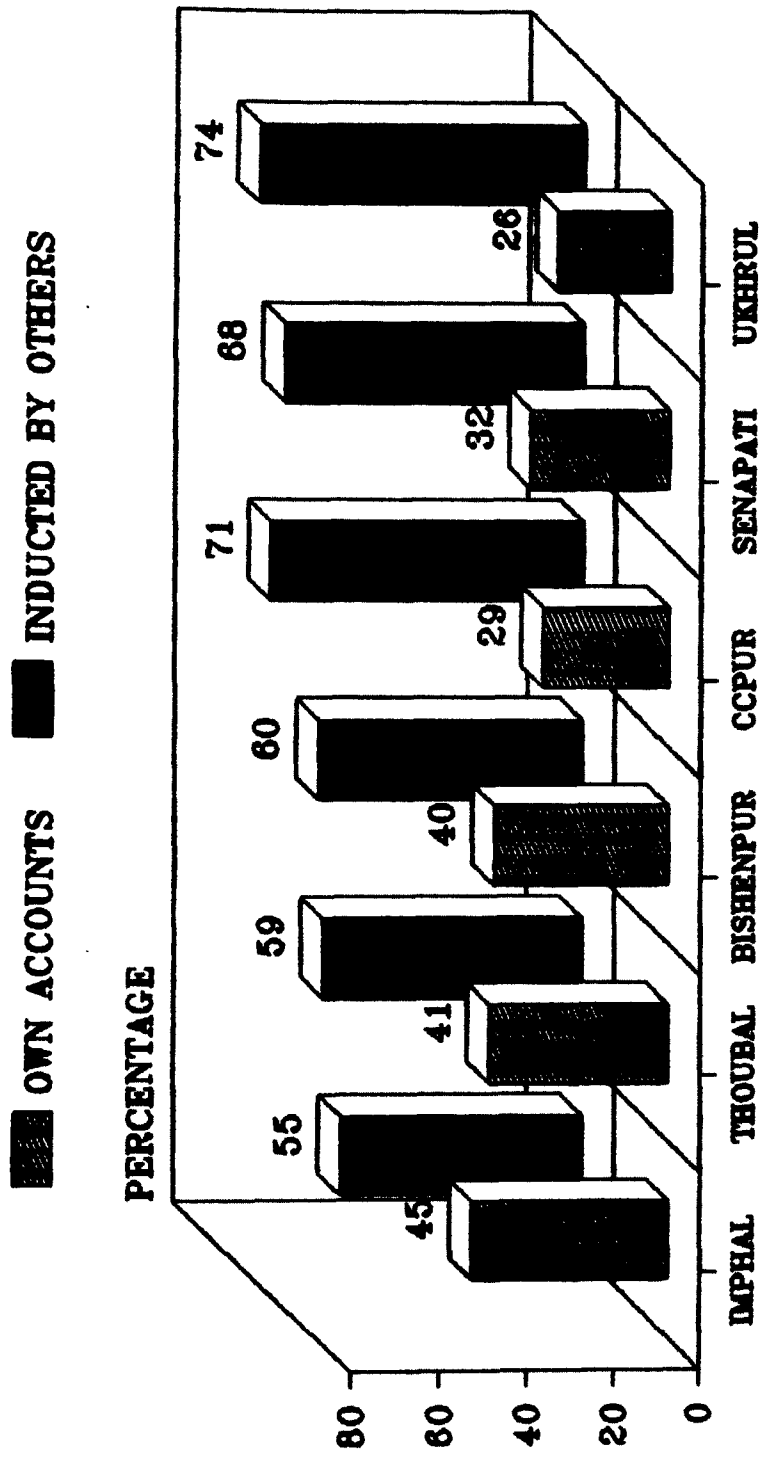
C.6 - The percentage of members inducted by 'His/Her accounts' is 38. (Chart No.14).

C.7 - The percentage of members inducted by 'Other members and relatives' is 62.

### **DISTRICT LEVEL**

C.8 - The lowest percentage of membership by "Own or His/Her account" is found in Ukhru District, percentage being 26.

**CHART NO.14**  
**PERCENTAGE DISTRIBUTION OF MEMBERS BY**  
**MODE OF INDUCTION**



**DISTRICTS OF MANIPUR - (1993-94)**

Own Accounts (P.C.) - 38  
 Inducted by others (P.C.) - 62



C.9 - The highest percentage of membership by 'Own or His/Her account' is found in Imphal District, the percentage being 45.

C.10 - The highest percentage of inducted ofmembers by 'Other members and relatives' is found 71 percent in Hill Districts.

C.11 - The lowest percentage in respect of members being inducted by 'Other members and relatives' is found 58 percent in Valley Districts.

The awareness of 'Co-operative Opportunity' is therefore found low.

## **VILLAGE COVERAGE**

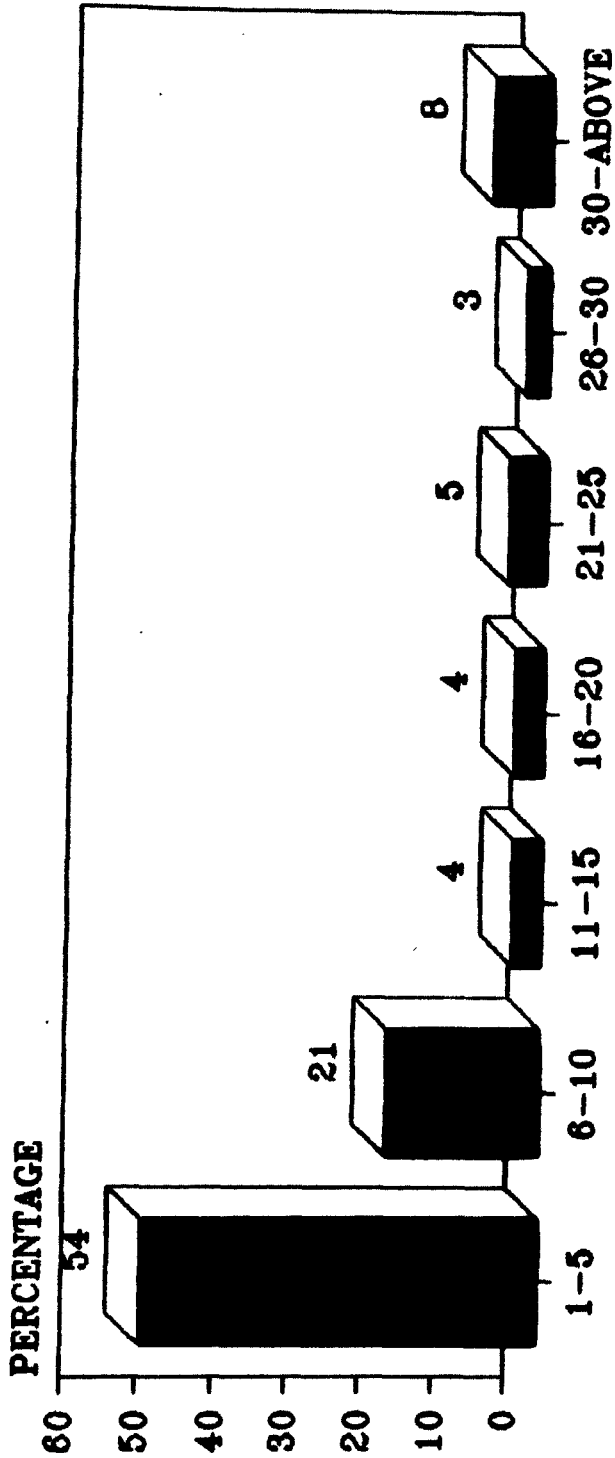
### **STATE LEVEL**

- C.12 - The average village covered per society in the state is 14 as against all India average of 6 villages per society.
- C.13 - Societies (PACS) covering '1 to 5 villages' account for 54 percent.
- C.14 - Societies covering '30 villages and above' account for 8 percent.  
(Chart No.15)

CHART NO.15

# PERCENTAGE CLASSIFICATION OF SOCIETIES BY VILLAGES COVERAGE

■ SIZE OF VILLAGE



NUMBER OF VILLAGES (1993-94)--->

Average villages per PACS

All India - 6

Manipur State - 14

#### **HILL AREAS**

C.15 - In the Hill District average village covered per society is found 24 much more than the highest (6 villages per PACS) in the country.

C.16 - In the hill areas on an average the societies covering '15 villages and above' constitute 20 percent.

#### **VALLEY AREAS**

C.17 - In the valley areas on an average 80 percent of the PACS cover '15 villages and below'.

The operational efficiency in terms of coverage of the villages may not be expected.

## **MEMBER EXPECTATION**

### **STATE LEVEL**

C.18 - Of the total members investigated, 46 percent are found having positive expectations.

C.19 - Members having less expectations account for 54 percent.

**DISTRICT LEVEL**

C.20 - In the valley districts members entertaining positive expectations account for 53 percent while members entertaining less expectations constitute 32 percent.

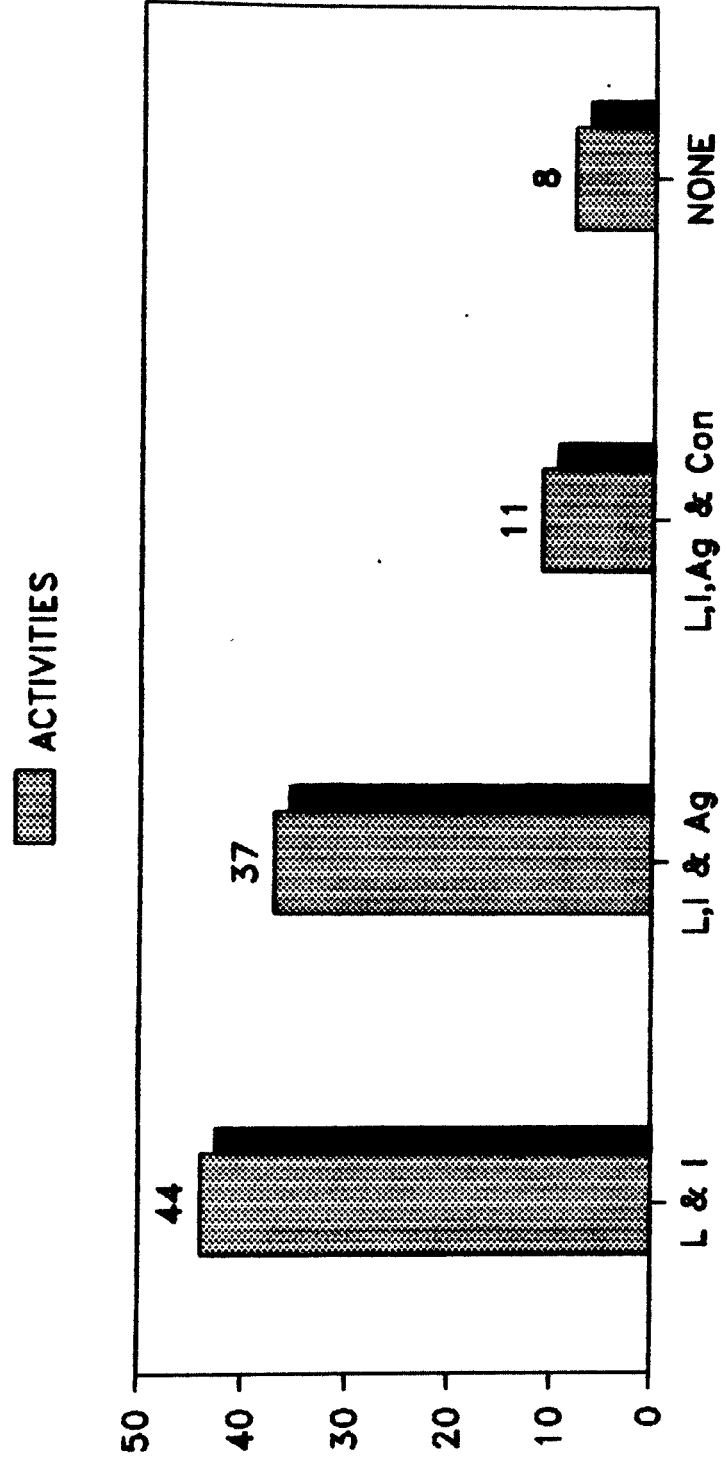
C.21 - In the hill districts members entertaining positive expectation account for 32 percent as against 68 percent accounted for by the members entertaining less expectations.

## **PART (D) - ACTIVITIES OF THE SOCIETIES**

### **STATE LEVEL**

- D.1 - Of the total units investigated, the percentage of societies undertaking combined activities - 'credit with inputs' (kind portion) is 44. (Chart No.16)
- D.2 - The percentage of societies undertaking 3 (three) activities of credit, input and agro-services is 37.
- D.3 - Societies undertaking 4 (four) activities of credit, input, agro- services and consumer services account for only 11 percent.

CHART NO. 16  
**PERCENTAGE DISTRIBUTIONS OF PACS  
 BY ACTIVITIES**



ACTIVITIES OF PACS (1988-93)----->

- L & I = Loan & Input
- L,I & Ag = L,I & Agro services
- L,I,Ag & C = L,I,Ag & Consumers



## **DISTRICT LEVEL**

### **TWO ACTIVITIES**

D.4 - Societies undertaking activities concerning loan and inputs (kind i.e. fertilizers) in Imphal District account for 32 percent, the highest.

D.5 - The societies operating for the said two activities constitute 5 percent only in Ukhrul District, the lowest.

### **THREE ACTIVITIES**

D.6 - The societies operating for 3 (three) activities i.e. credit, input, and agro-services account for 37 percent in Imphal District, the highest.

D.7 - Ukhrul and Churachandpur Districts are rated lowest- percentage being 8 in the said category.

#### **FOUR ACTIVITIES**

D.8 - 33 percent of the societies in Imphal District are operating for 4 (four) activities i.e. loan, inputs, agro-services and consumer items. This is highest.

D.9 - Only 7 percent is found in Churachandpur and Ukhrul District. This is lowest.

## **AVAILABLE SERVICE BEHAVIOUR**

### **STATE LEVEL**

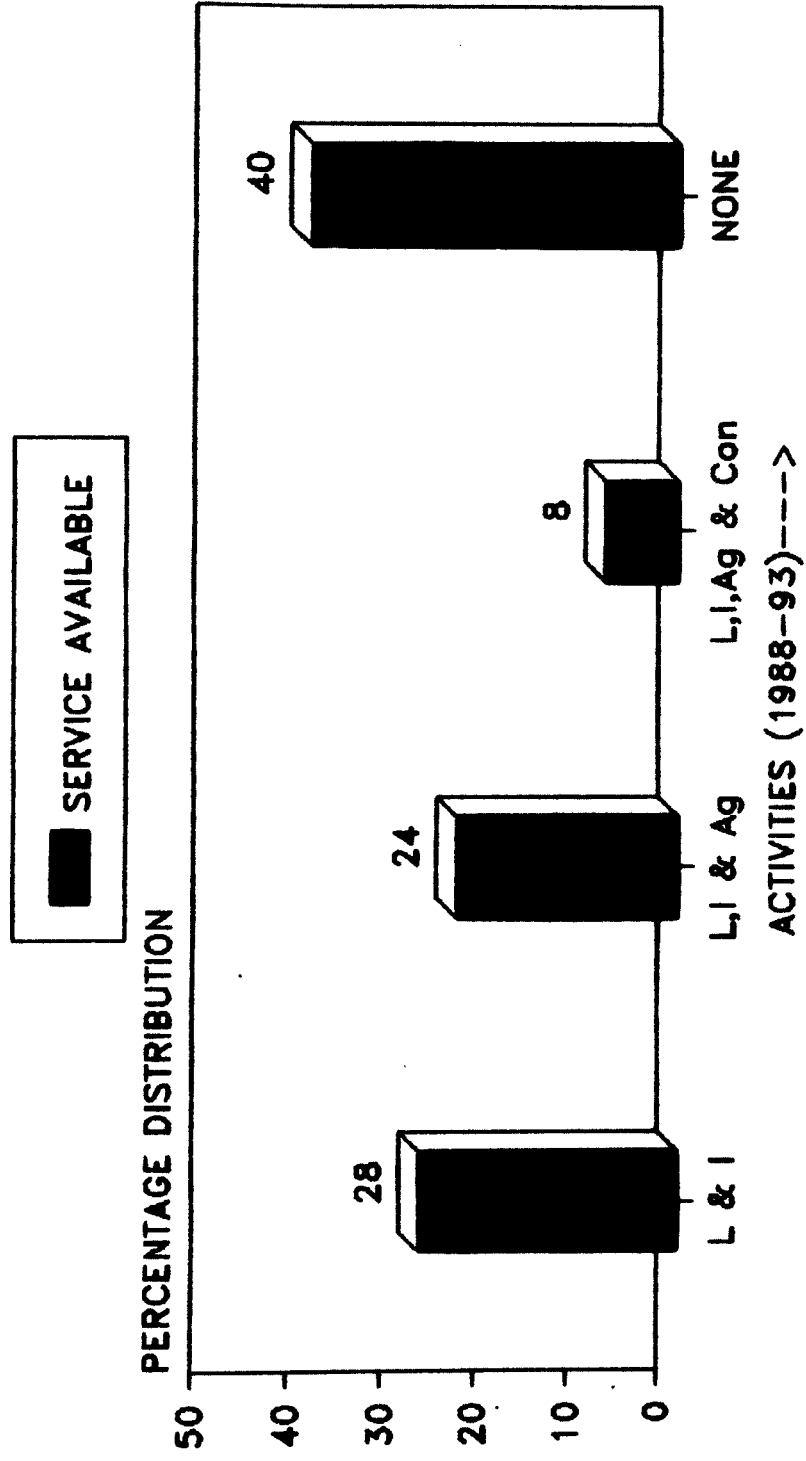
#### **(TWO SERVICES)**

- D.10 - The percentage of members getting combined services of credit with input is 28.(Chart No.18).

#### **(THREE SERVICES)**

- D.11 - The percentage of members getting three services of credit, input and agro-hiring services is 24.

CHART NO.18  
**PERCENTAGE DISTRIBUTIONS OF MEMBERS  
 BY SERVICES AVAILABLE**



L & I = Loan and Inputs  
 L, I & Ag = L, I & Agro-services  
 L, I, Ag & C = L, I, Ag & Consumer

**(FOUR SERVICES)**

D.12 - Members getting 4 (four) services of loan, input, agro-hiring services and consumer services account for 8 percent.

D.13 - 40 percent of the members do not get services.

**DISTRICT LEVEL**

**(TWO SERVICES)**

D.14 - Members getting services of loan and input (kind portion i.e. fertilizers) in Imphal District account for 38 percent, the highest.

D.15 - In Ukhrul District, only 5 percent do not get the said services indicated in D.14.

**(THREE SERVICES)**

D.16 - The members getting services in terms of loan, input and agro-services account for 29 percent in Thoubal District, the highest.

D.17 - Churachandpur and Ukhrul Districts are rated lowest, percentage being 9 in the said category.

**(FOUR SERVICES)**

D.18 - 33 percent of the members in Imphal District get 4 (four) services i.e. loan, inputs, agro-services and consumer items. This is highest.

D.19 - Only 7 percent is found in Ukhrul and Churachandpur Districts. This is lowest.

## **LOAN BEHAVIOUR**

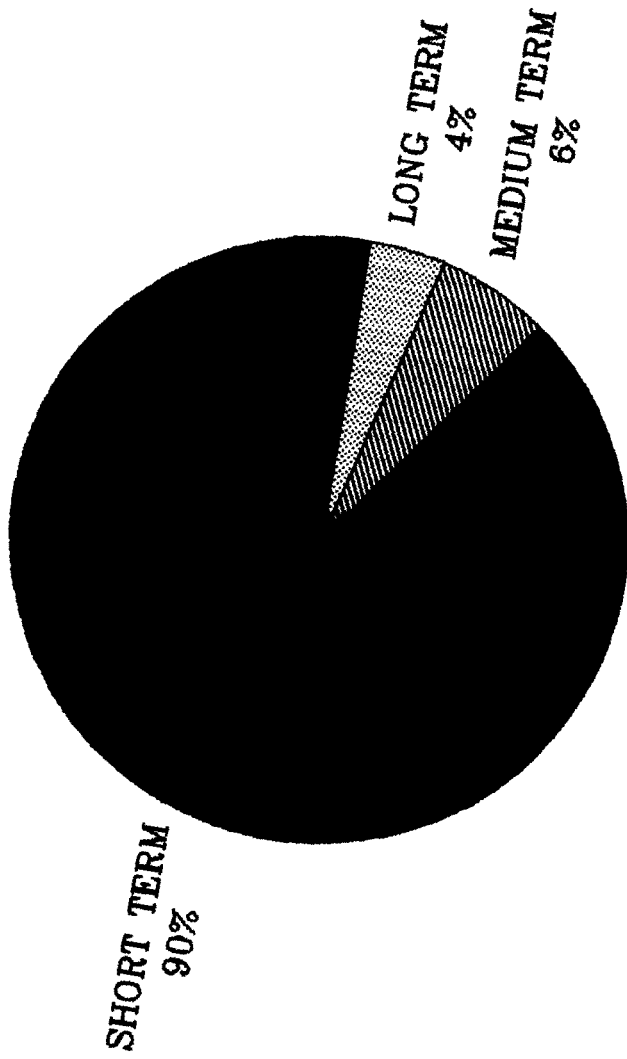
### **AMOUNT OF LOAN ADVANCED**

#### **STATE LEVEL**

D.20 - 90 percent of the loan is advanced as crop loan (short term loan). (Chart No.17)

D.21 - Medium and long term loans, together, are found visibly low accounting for 10 percent only.

CHART NO. 17  
PERCENTAGE DISTRIBUTION OF MEMBERS BY  
LOAN ADVANCED



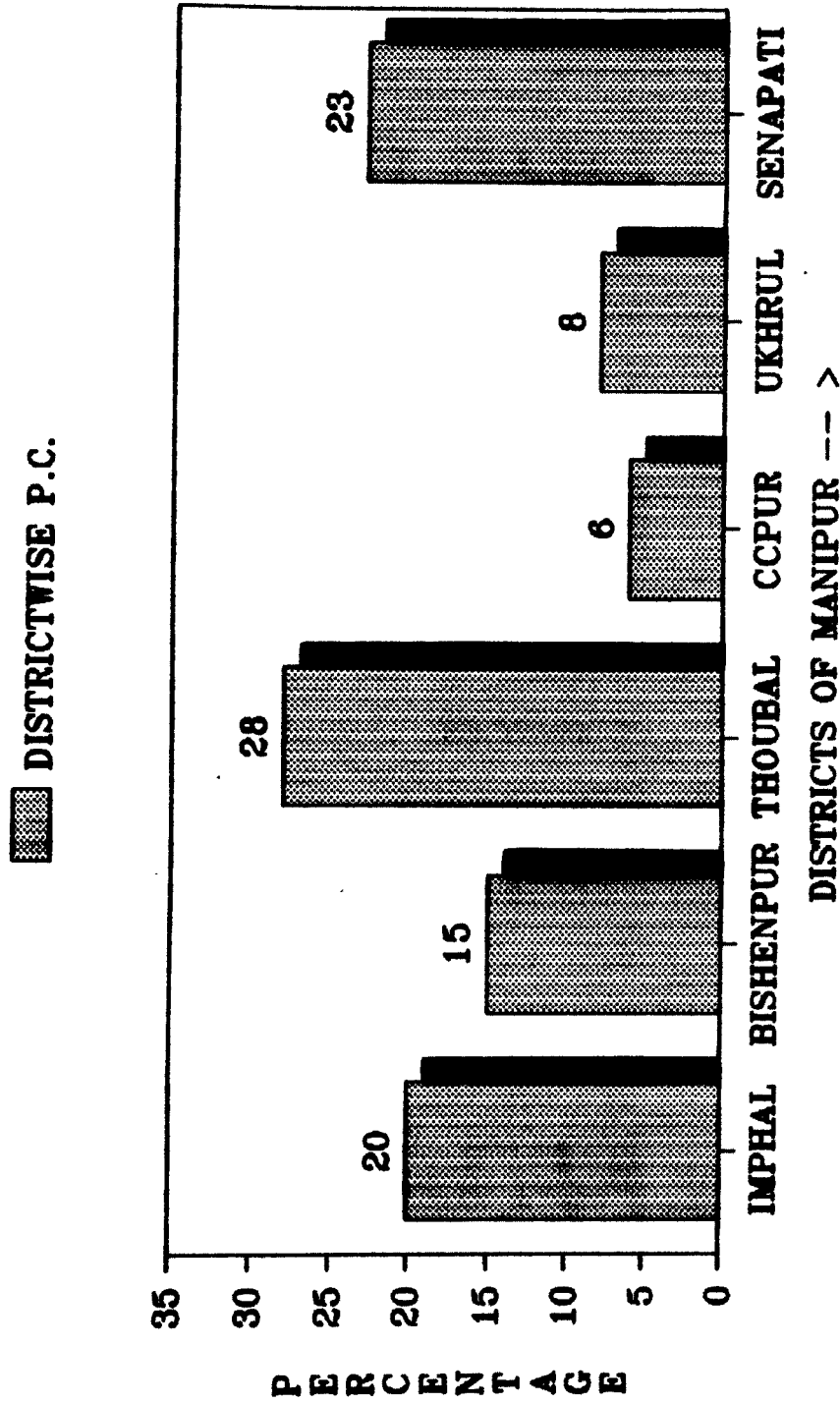
1988-89 TO 1993-94



## **DISTRICT LEVEL**

- D.22 -           The highest percentage share of the short term loan is 28 found in Thoubal District ( Valley ).  
(Chart No.19)
- D.23 -           The lowest percentage share of the short term loan is 6 (six) found in Churachandpur District (Hill).
- D.24 -           The medium term loan is not available in Ukhrul and Churachandpur Districts (Hill).
- D.25 -           Senapati District (Hill) is found without facility of the long term loan.

CHART NO. 19  
**DISTRICTWISE PERCENTAGE DISTRIBUTION  
 OF LOAN ADVANCED**



DISTRICTS OF MANIPUR --- >  
 1988-89 TO 1993-94

## **AVERAGE CREDIT**

### **STATE LEVEL**

- D.26 - The average credit per society per year is Rs. 1.79 lakhs, as against the set norms of Rs.2 lakhs (1973) and Rs.10 lakhs (1989), All India.
- D.27 - The average credit (short term only) per society per year is Rs. 1.66 lakhs i.e.Rs.256.50 lakhs per member as against All India average of Rs. 1750 (1987-88).
- D.28 - The average credit of the medium term per society per year is only Rs. 0.09 lakh.

D.29 - The average credit of the long term per society per year is Rs. 0.08 lakh.

D.30 - Irrespective of the size of the holdings, the loan amount is found, restricted to Rs 1000-3000.

#### **DISTRICT LEVEL**

#### **SHORT TERM**

D.31 - The highest average credit of the short term per society per year is Rs. 2.97 lakhs found in Senapati District.

D.32 - Rs. 0.83 lakh, lowest average credit of the short term per society per year is found in Imphal District.

### **MEDIUM TERM**

D.33 - The highest average credit of the medium term per society per year is Rs. 0.23 lakh found in Thoubal District.

D.34 - Rs. 0.22 lakh, the lowest average credit of the medium term per society per year is found in Senapati District.

### **LONG TERM**

D.35 - The highest average credit of the long term per society per year is Rs. 0.22 lakh found in Thoubal District.

D.36 - Rs. 0.008 lakh, lowest average credit of the long term per society per year is found in Ukhrul District.

## **CREIDT VARIATION (PC)**

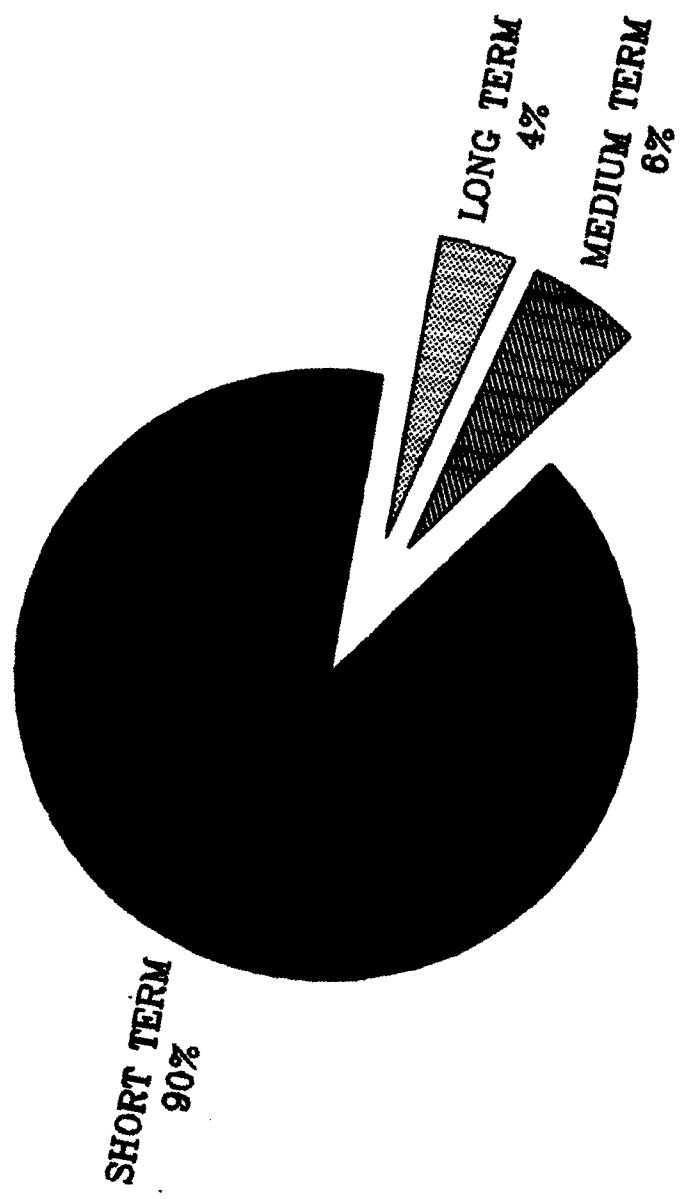
Long term credit accounts for only 4 percent and medium term for 6 percent as against 90 percent accounted for by the short term.

(Chart No.24).

<b>Short Term Loan</b>	<b>- 90 %</b>
<b>Medium Term loan</b>	<b>- 6 %</b>
<b>Long Term Loan</b>	<b>- 4 %</b>

The negligible percentage accounted for by the long and medium term loans speaks eloquently of the visible lack of technological change in the agrarian economy of Manipur and also of the less attention paid to a sound credit planning.

**CHART NO. 24**  
**CREDIT VARIATION (PERCENTAGE)**



**1988-89 TO 1993-94**

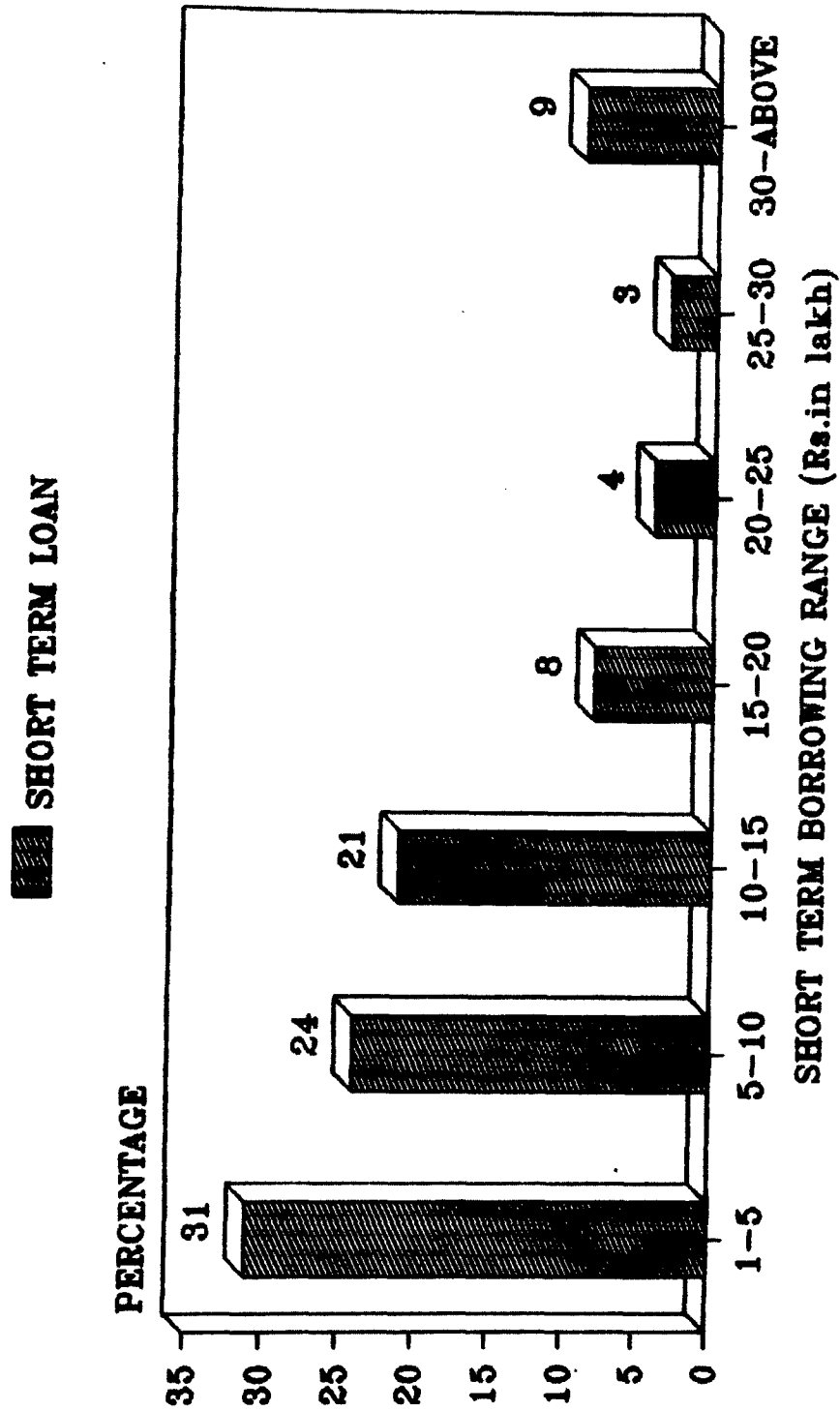
**CREDIT RANGE OF THE MANIPUR  
STATE CO-OPERATIVE BANK Ltd.**

**STATE LEVEL**

- D.37 - The borrowing by the PACS within the range, Rs. 1-5 lakhs, accounts for the highest percentage of 31.
- D.38 - The borrowing within the range, Rs. 5-10 lakhs constitutes 24 percent. (Chart No.11)
- D.39 - 21 percent of the borrowing is accounted for by the borrowing within the range of Rs.10-15 lakhs.



**CHART NO. 11**  
**PERCENTAGE DISTRIBUTION OF SOCIETIES BY**  
**SHORT TERM BORROWING (CREDIT) RANGE**



**1988-89 TO 1993-94**

D.40 - Borrowing within the range of Rs. 25-30 lakhs accounts for 3 (three) only.

D.41 - Borrowing within the range of Rs. 30 lakhs and above accounts for 9 percent only.

#### **MEMBERS BY CREDIT**

#### **AVAILABILITY (BORROWERS)**

#### **STATE LEVEL**

D.42 - Members who avail of the short term loans account for 50 percent.

D.43 - Members getting long term loan constitute 4 percent only.

D.44 - Members who avail of the medium term loans account for 6 percent only.

**D.45 - Members who do not get loan of any category constitute 40 percent.**

**Borrowers - 60 percent**

**(i.e. 385 members per society)**

**Non-borrowers - 40 percent**

The credit policy, it is evident, is geared much more towards meeting immediate requirements for operative expenses and much less towards changing the production-base and lasting economic layouts.

## **PERCENTAGE SHARE OF INSTITUTIONAL FINANCE**

D.46 - The institutional finance made available by the Manipur State Cooperative Bank Ltd. (MSCB) constitutes 69 percent of the total institutional finance as against 26 percent of the Commercial Banks and 4 percent of the Rural Banks.

(Chart No.23)

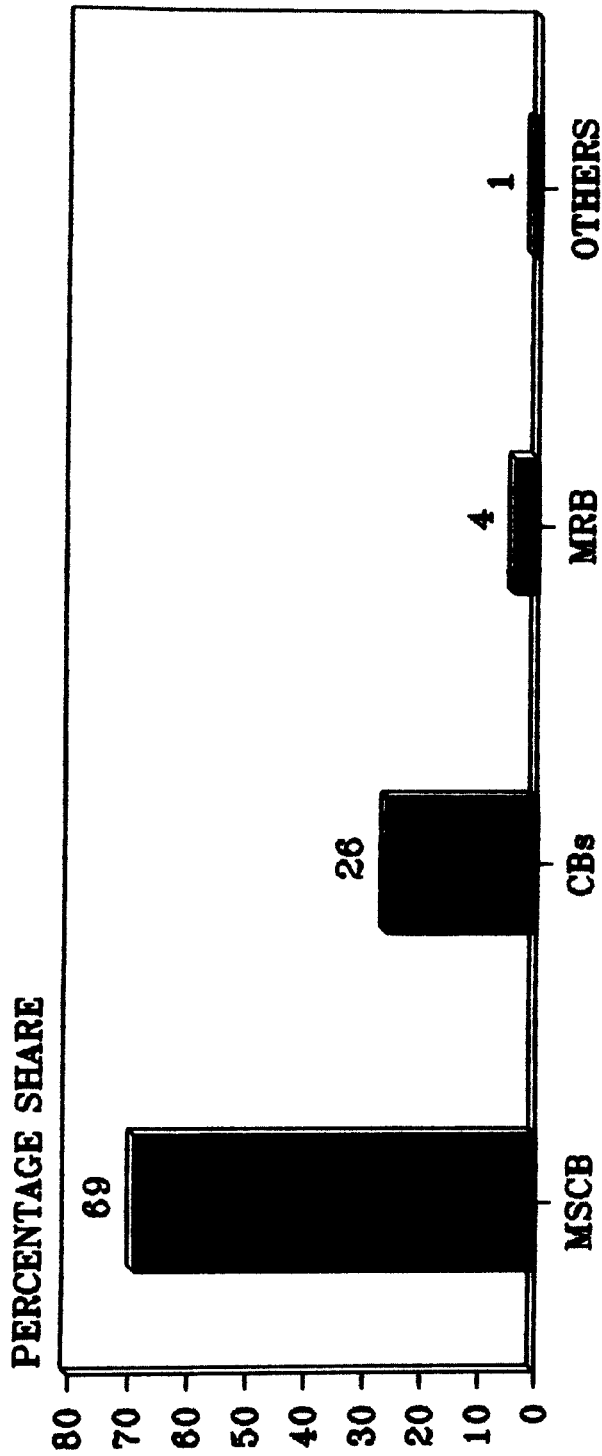
D.47 - Taking into account the credit requirements of the marginal farmers and small farmers, the total credit requirement works out to Rs. 12 crores. Of this the amount advanced by the PACS accounts for only 2 percent.

The role of PACS is found evidently marginal.

CHART NO. 23

# PERCENTAGE SHARE OF INSTITUTIONAL FINANCE FOR AGRICULTURAL ACTIVITIES

■ CREDIT ADVANCED



TYPE OF FINANCIAL INSTITUTIONS (1993)

MSCB = Manipur State Cooperative Bank

CBs = Commercial Banks

MRB = Manipur Rural Bank

## **LOAN RECOVERY BEHAVIOR**

### **STATE LEVEL**

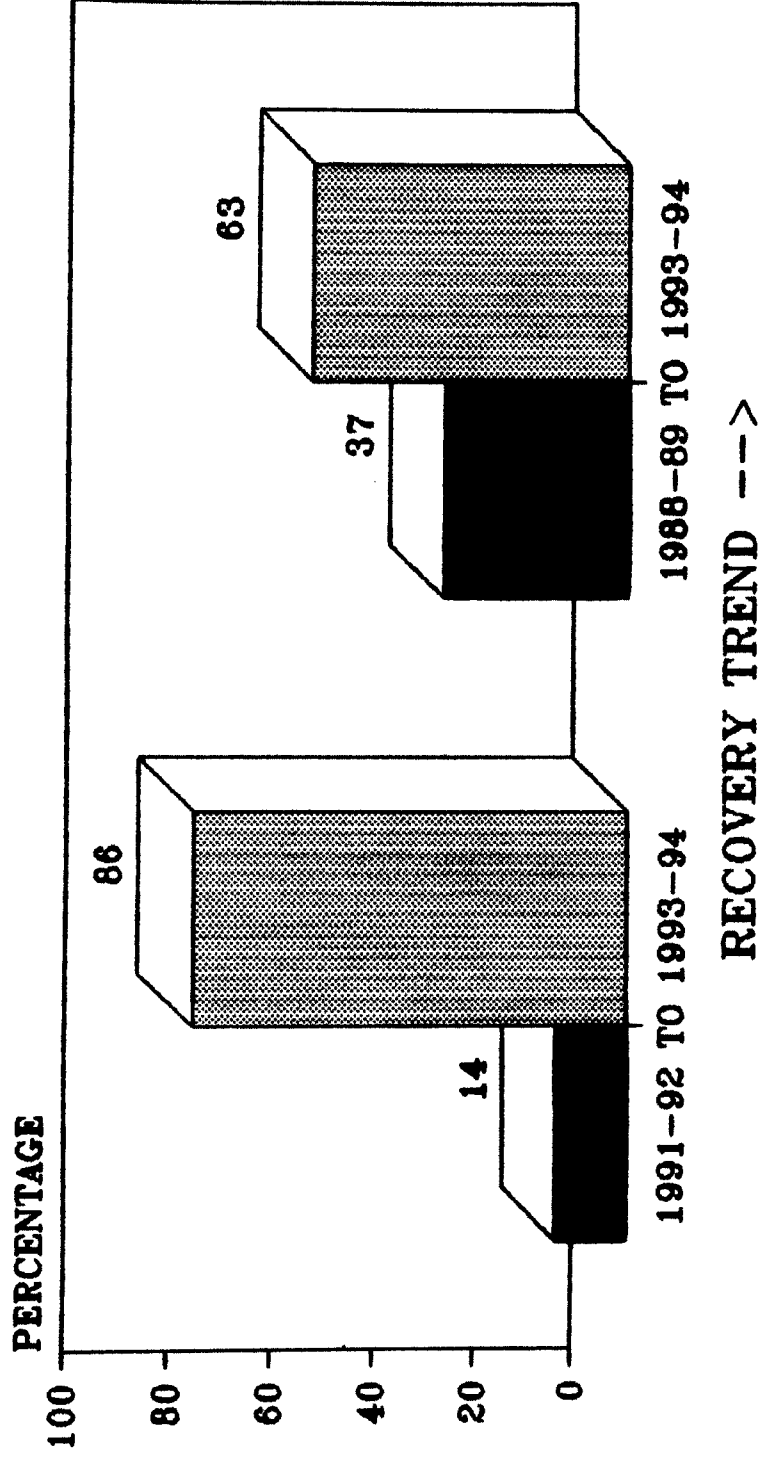
D.48 - Recovery percentage is 37 of all categories in the state(1988-89 to 1993-94). Recovery percentage is only 14 for the period of 1991-92 to 1993-94.(Chart No.13)

D.49 - Recovery percentage of the short term loan is 31. Recovery percentage of the medium term and long term loan is 6.

CHART NO. 13

# RECOVERY PERCENTAGE OF LOAN (STATE LEVEL) ALL CATEGORIES

■ RECOVERY P.C.    ▨ OUTSTANDING P.C.



D.50 - Borrowers who have paid their dues in full account for 16 percent (short term)

D.51 - Borrowers who have paid their dues partly constitute 15 percent (short term).

The rate of credit delinquency is fairly high.

#### **DISTRICT LEVEL**

#### **SHORT TERM LOAN ONLY**

D.52 - 37 p.c. is the highest percentage recovery found in the valley district of Thoubal.

Recovery in full accounts for 17 percent and part-recovery constitutes 20 percent.



D.53 - The lowest recovery is 17 percent, found in Imphal district.

#### **HILL DISTRICTS**

D.54 - As regards the performance in the hill areas, the highest percentage, - 39 p.c., is found in the Senapati district. Recovery in full accounts for 17 percent and part - recovery constitutes 22 percent.

D.55 - The lowest is 34 percent found in Ukhrol District.

## **FACTORS FOR OVERDUE**

### **STATE LEVEL**

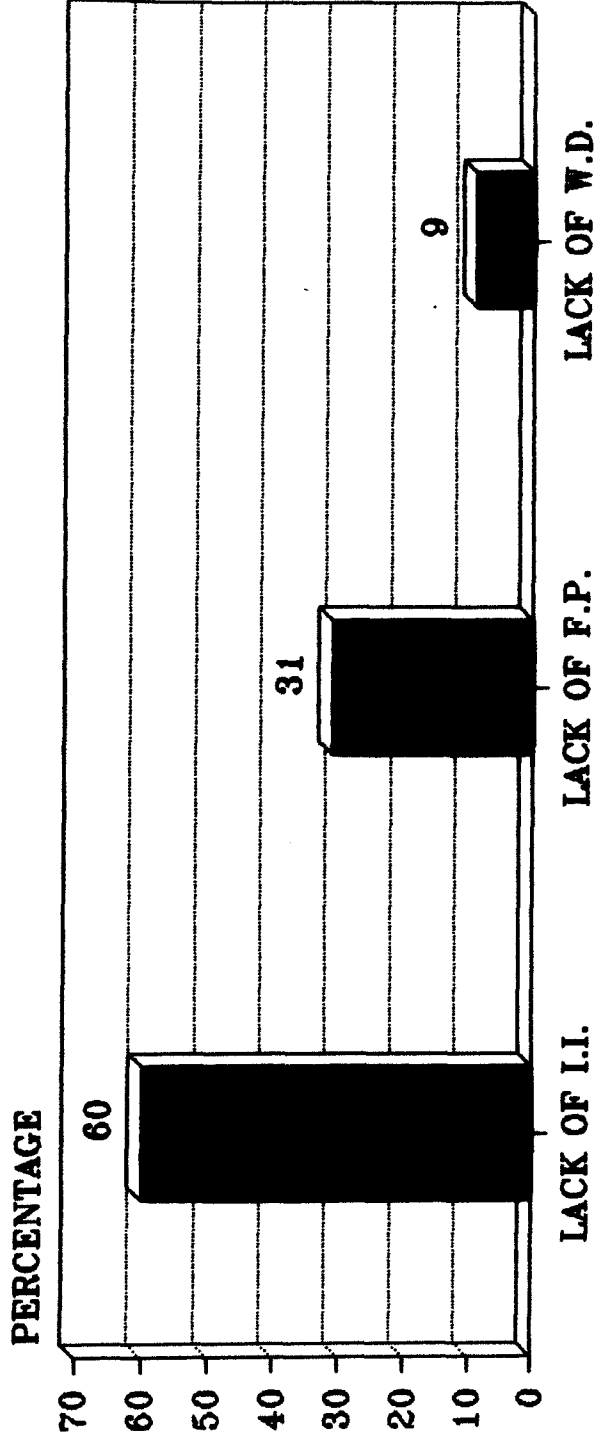
- D.56 - Lack of incremental income, the most important of all factors for overdue, accounts for 60 percent.
- D.57 - Lack of facility to repay stands second accounting for 31 percent.
- D.58 - Wilful default accounts for 9 percent. (Chart No.21)

a. Lack of incremental income	60 p.c.
b. Lack of facility to repay	31 p.c.
c. Wilful default	9 p.c.

**CHART NO. 21**

**PERCENTAGE OF MEMBERS BY FACTORS  
OF LOAN OVERDUES (STATE LEVEL)**

**■ NO. OF MEMBERS**



**REASONS FOR OVERDUES --->**

- I.I. - Incremental Income
- F.P. - Facilities to Pay
- W.D. - Wilful Default

#### DISTRICT LEVEL

- D.59 - Lack of incremental income accounts for 72 percent in Bishenpur District (Valley).
- D.60 - In Churachandpur District the percentage is 66 (Hill).
- D.61 - The lack of facility to repay constitutes 39 percent in the valley district of Thoubal, followed by 36 percent in Ukhrul District.
- D.62 - The percentage accounted for by wilful default is 17 in Senapati District (Hill) followed by 16 in Bishenpur District (Valley).

The commercial perception of the utilisation of loan, it is evident, is found less taken care of.

**PART(E) - STATUS (CATEGORY)  
OF PACS**

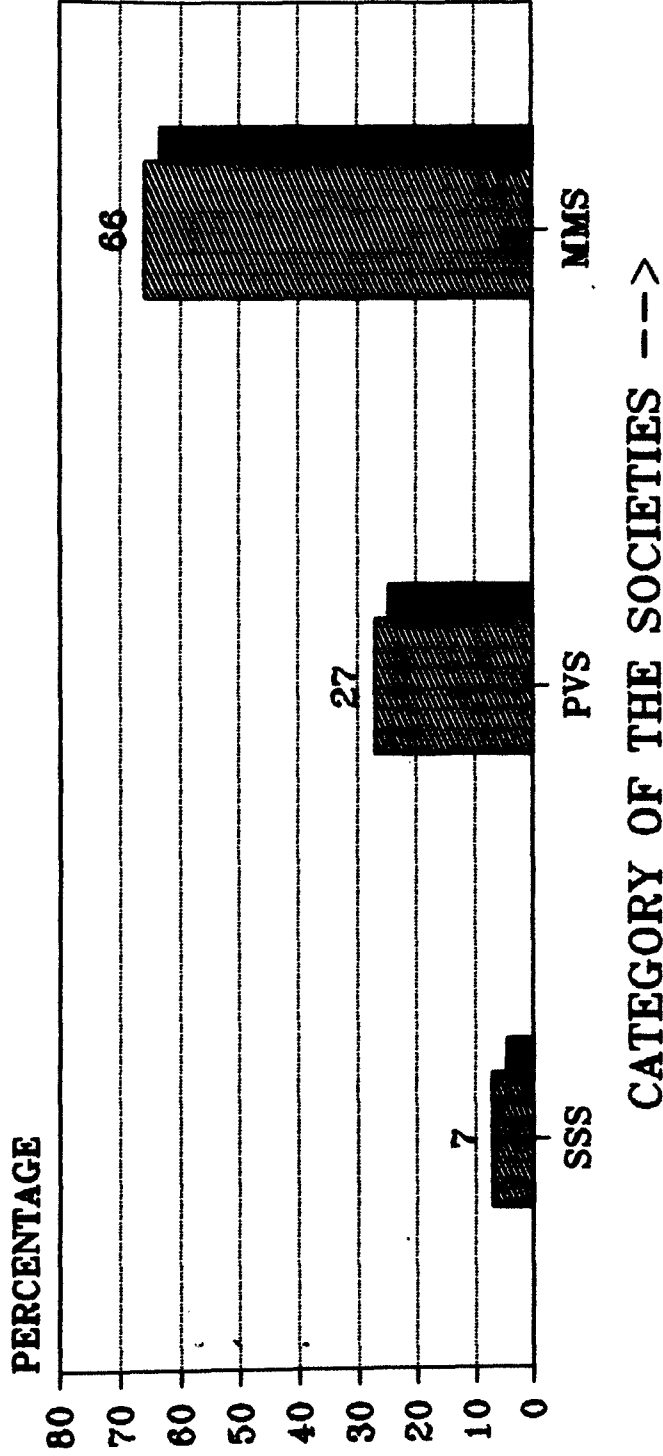
**STATE LEVEL**

E.1 - Only 9 societies are found successful and sound, accounting for 7 percent.

E.2 - 36 societies are found not viable at the moment, but the scope of viability can be expected. They constitute 27 percent.  
**(Chart No.22)**

CHART NO. 22  
**STATUS CATEGORY OF PACS  
 STATE LEVEL**

■ STATUS CATEGORY



SSS = Successful / Sound Societies  
 PVS = Potential Viable Societies  
 MMS = Mismanaged / Moribund Societies

E.3 - The mismanaged and moribund societies constitute 66 percent.

Sl. No.	STATUS CATEGORY	NUMBER	P.C.
1	SUCCESSFUL /SOUND SOCIETIES	9	7
2	SOCIETIES WHICH ARE NOT VIABLE BUT CAN BE MADE VIABLE	36	27
3	MIS-MANAGED/MORIBUND SOCIETIES	88	66
	<b>TOTAL</b>	<b>133</b>	<b>100</b>