CHAPTER - VI

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION
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6.1 Findings of the study

The following are the main findings based on the analyses and interpretation.

1. The jewel loan given by PACS to its members was 24.57 high percent in the year 2002 - 03 and 15.25 low percent in the year 2004 - 05. The deposit loan was 22.89 high percent in the year 2001 - 02 and 16.31 low percent in the year 2001- 02. Consumer loan given to the member was 64.51 high percent in the year 2000 - 01 and 2.22 low percent in the year 2001- 02.

2. It has been found that the amount of jewel loan repayment was 24.71 high percent in the year 2001- 02 and 15.62 low percent in the year 2004 - 05. The repayment of deposit loan was 24.03 high percent in the year 2003 - 04 and 14.33 low percent in the year 2004 - 05.

3. The irrecovery of jewel loan was 53.67 high percent in the year 2002 - 03 and 5.59 low percent in the year 2001 - 02. The irrecovery of deposit loan was 29.36 high percent in the year 2001- 02 and 10.29 low percent in the year 2000 - 01. The irrecovery of consumer loan was 81.36 high percent in the year 2000-01 and 1.68 low percent in the year 2001 - 02.

4. It is clear that saving deposit received by PACB was 23.5 high percent in the year 2004 - 05 and 14.87 low percent in the year 2001- 02. The fixed deposit received by PACS was 22.91 high percent in the 2000 - 01 and
16.52 low percent in the year 2001-02. The recurring deposit was 21.73 high percent in the year 2002-03 and 17.07 low percent in the 2004-05.

5. The fixed deposit of PACs was 27.15 high percent in the year 2000-01 and 11.6 low percent in the year 2002-03. Recurring deposit paid to the member by PACs 45.23 high percent in the year 2000-01 and 9.19 low percent in the year 2003-2004.

6. The interest repayment of jewel loan made by the members was 24.65 high percent in the year 2001-02 and 17.03 low percent in the year 2004-05. Interest repayment of kisan cash credit loan made by the members was 31.38 high percent in the year 2001-02 and 11.94 low percent in the year 2004-05. Interest repayment of deposit loan made by member was 30.92 high percent in the year 2003-04 and 8.26 low percent in the year 2000-01.

7. 35 per cent of beneficiaries and 33 per cent of non-beneficiaries have the family size of 7 to 9 members.

8. 25 percent of beneficiaries have experience of 10-15 years and 33 per cent of the non-beneficiaries have the same 10-15 years of experience. The number of beneficiaries and non-beneficiaries decrease as the year of experience increases.

9. 12 marginal farm is operated in 28.20 per cent of the total area and 48 marginal farms are operated in 71.80 of the total area.
10. Paddy is the major crop cultivated by the non-beneficiaries accounting for 59.56 per cent and 48.87 per cent of the gross cropped area respectively. For beneficiaries, paddy is the second major crop and for non-beneficiaries.

11. The cropping intensity of both beneficiaries and non-beneficiaries was almost the same largely because both are working under the same agro climatic conditions.

12. It could be observed from the table that net income and gross income of the beneficiaries is larger than those of non-beneficiaries.

13. The majority of the respondents (83 per cent) utilized the credit completely. Regarding non-beneficiaries, they have used the loan from other sources to maximum extent and only very few made partial utilization.

14. 20 per cent of the farmers stated easy accessibility and 80 per cent of the farmers stated low rate of interest as the reasons for borrowing from the co-operatives.

15. It is inferred that the difficult in getting loan was due to the difficult procedures for 15 per cent, untimely loans for 27 per cent, security, required for 15 per cent, problems in providing documents for 27 per cent and cost of availing loans.

16. 67 per cent of the farmers are regular repayers of loan and 33 per cent of the farmers are irregular in repaying loans.
17.75 per cent of the samples reported crop failure as the cause for overdue.

The family expenses and other commitments accounted for only 25 per cent.

18.30 percent of the farmers found the fixed duration for repayment as a constraint and wanted some flexibility whenever necessary. The scale of finance based on the current income is the limiting factor for the crop loan according to 22 per cent of farmers. Simplification of procedure was the suggestion of 23 per cent of farmers.

6.2 Suggestions

The farmers have few suggestions for the better services of PACB. Out of the total 34 per cent of farmers found the fixed duration for repayment as a constraint and wanted some flexibility whenever necessary. The scale of finance based on the current income is the limiting factor for the crop loan according to 20 per cent of farmers. They desired that the scale of finance be based on prospective income likely to be available after the investment is made.

This is further supported by the suggestion to have a fixed scale of finance to avoid arbitration. Still 30 per cent of farmers found the fixed duration for repayment as a constraint and wanted that to be relaxed by allowing some flexibility duration. Simplification of procedure was suggestion of 25 farmers. There are few to suggest linking credit with sale of produce and loans based on collateral securities. All these suggestions are not difficult to practice.

Ultimately in the emerging environment two aspects become important

i. better corporate governance,
ii. innovativeness and developing competitive edge through imagination.

Ethical decision-making leading to accountability to shareholders and stockholders will finally bring competitiveness in Urban Co-operative Banks leading to better performance as per past record.

With rising rural income and agricultural exports the next few years would witness a substantial increase in the demands for rural credit. The growing importance of animal husbandry, fishery, forestry giving preference for higher value crops, these changes may necessitate involvement of newer financial agencies or groups such as Self Help Groups, non-banking Financial Companies etc. Hence co-operative need to be revitalized, as they have to initiate forming and nurturing Self Help Groups. Norms for refinance for co-operative should be relaxed. NABARD should safeguard and strengthen the economic viability of co-operative and RRBs.

1. The working capital of Sebathaiahpuram, PACB should be enhanced bringing credit from the central co-operative banks.

2. The share capital of PACBs was to be increased through government contribution. Government should develop liberal attitude for the development of the co-operative subscribing its share in time.

3. The over due of the borrowers may be reduced accelerating the recovery position of co-operatives.

4. As poverty loan waiving policy of government and the failure of the crop due to natural calamities were the cause of indebtedness of the borrowers, sufficient steps may be undertaken to increase the economic position of the
borrowers government and authorities of co-operative societies should encourage the repayment habit among the borrowers giving various incentives like reduction in interest rate, financial benefit and provision of consumption loan through Kisan Card. Crop Insurance Scheme should be undertaken by co-operatives while giving credit to reduce the indebtedness of borrowers against the failure of crop due to natural calamity.

5. People’s participation should be encouraged in co-operative should be encouraged in co-operative activities and officials should take initiative for checking the co-operatives from liquidation. A honest, sincere and hardworking official should be awarded through quick promotion and encouragement. The staff and personnel of the co-operative should be properly trained to develop the spirit of self-help and mutual self among the borrowers / beneficiaries.

6.3 Conclusion

In the present post liberalization period, co-operative face challenges from all corners. When public sector activities are gradually diminishing a proper co-operation among the officials, borrowers / beneficiaries, politicians, office bearers and experts in the field will sustain the co-operatives making them economically viable.