

C H A P T E R - I V

PERFORMANCE OF SELECTED URBAN CO-OPERATIVE CREDIT SOCIETIES

- 4.1. Introduction.
- 4.2. Performance of viable UCCS :
 - 4.2.1. Establishment.
 - 4.2.2. Objectives of viable UCCS.
 - 4.2.3. Membership of viable UCCS.
 - 4.2.4. Share Capital of viable UCCS.
 - 4.2.5. Working Capital of viable UCCS.
 - 4.2.6. Loans Advanced by viable UCCS.
 - 4.2.7. Problems of viable Units.
 - 4.2.8. Factors Responsible for the Growth of viable UCCS.
- 4.3. Performance of Weak UCCS.
 - 4.3.1. Establishment.
 - 4.3.2. Objectives of Weak UCCS.
 - 4.3.3. Membership of Weak UCCS.
 - 4.3.4. Share Capital of Weak UCCS.
 - 4.3.5. Working Capital of Weak UCCS.
 - 4.3.6. Loans Advanced by Weak UCCS.
 - 4.3.7. Overdues of Weak UCCS.
 - 4.3.8. Problems of Weak Units.
 - 4.3.9. Factors Responsible For The Slow Growth of Weak Units.
- 4.4. Performance of the MSUCCS as a Representative of SC/ST Unit :
 - 4.4.1. Establishment.
 - 4.4.2. Objectives of MSUCCS.
 - 4.4.3. Membership of MSUCCS.
 - 4.4.4. Share Capital of MSUCCS.
 - 4.4.5. Working Capital of MSUCCS.
 - 4.4.6. Loans Advanced by MSUCCS.
 - 4.4.7. Overdues of MSUCCS.
 - 4.4.8. Problems of MSUCCS.
 - 4.4.9. Factors Responsible for the slow growth of MSUCCS.
- 4.5. Summing Up :

4.1. INTRODUCTION :

We, as stated in our research methodology, selected five UCCS out of 69 UCCS located in the Solapur City. Our sample unit have been categorised into three groups-

1. Viable UCCS.
2. Weakest UCCS.
3. SC/ST group UCCS.

Generally viable units are defined according to the audit classification of the UCCS, 'A' grade UCCS are generally called as viable units, though viability of UCCS is dependent on other than points involved in the characteristics of class 'A' grade of audit guidelines. We for the sake of convenience selected two 'A' class UCCS from 69 UCCS located in Solapur City, whose working capital and share capital is highest among all (69) UCCS. Like wise weak UCCS are generally. Categorised into B & C class of audit, we for the sake of convenience selected two UCCS, whose share capital and working capital is less among 69 UCCS. One UCCS which is being managed by SC/ST people is purposively selected so as to examine special performance and working techniques if any, And to test to which class they belongs either weaker or good UCCS ?

Out of the selected five UCCS two viable UCCS are selected. They were as follows-

1. Sahastrarjun Urban Co-operative Credit Society Limited,
Solapur (SUCCS).
2. Bhavsar Urban Co-operative Credit Society Limited,
Solapur(BUCCS).

In the second group of weakest UCCS, the selected two UCCS were,

1. Jiveshwar Urban Co-operative Credit Society Limited, Solapur (JUCCS).
2. Tirumala Urban Co-operative Credit Society Limited, Solapur (TUCCS).

In the third group, we selected- Mochi Samaj Urban Co-operative Credit Society, Limited, Solapur (MSUCCS).

4.2. PERFORMANCE OF VIABLE UCCS :

4.2.1. Establishment :

The first UCCS viz. SUCCS in viable group is established on 16th April, 1980. This is one of the biggest urban co-operative credit society in the city. This society was formed by the people belonging to Kshatriya Samaj(i.e. warriors), small businessmen, traders, shop-keepers, people from the weaker section and low income group etc. Today this society is known to be the leading co-operative credit society in the city.

The second UCCS viz. BUCCS is established on 25th April, 1980. This society was formed by the people like businessmen, traders, shop-keepers, people from the weaker section and low income group etc.

These two societies are the representatives of viable units. These two societies have the highest amount of working capital and the share capital. These are the only two societies which are having the working capital above

Rs.25 lakhs and are having audit class 'A' since their establishment.

4.2.2. OBJECTIVES OF VIABLE UCCS :

The objectives of these UCCS as mentioned in their constitution are as under-

1. To increase thrift and self help among the people.
2. To fulfill the economic needs of the members.
3. To free them from the clutches of the money lenders and to supply them credit on low rate of interest.
4. To help the members belonging to the economically backward class of the society and to raise their standard of living etc.

These two societies are operating to fulfill the above objectives covering the whole Solapur city area.

The performance of these two viable co-operative credit societies is depicted in Table No.4.1. From the table we can see that these two societies viz. SUCCS and BUCCS are having their working capital above Rs.25 lakhs (i.e. Rs.66.67 lakhs and Rs.52.14 lakhs respectively) and the share capital more than Rs.7 lakhs (i.e. Rs.7.10 lakh and Rs.10.71 lakhs respectively). Both are classified in audit class 'A' incurring no losses. Almost since 1980, both these UCCS are observed in profit. Not only this but the profit rate has increased by three fold.

4.2.3. MEMBERSHIP OF VIABLE UCCS :

The membership of the two societies since their

establishment is shown in the table No.4.1. From the table we can observe that in case of SUCCS from 1980 to 1985 the membership goes on increasing from 724 to 1325 respectively, after that, upto the year 1988 it declined from 1325 to 1276. In case of BUCCS, from the year 1980 to 1986 the membership goes on increasing from 458 to 1833 respectively after that upto 1988 it declined from 1833 to 1815. In both cases the reasons behind the decline of membership, are that the societies do not allow loans to the members which have overdues with them. The members having overdues, have no choice other than to transfer their amount of share capital for the repayment of their borrowed debt. So the membership get cancelled and the number of membership declined during the period between 1985-88 in case of SUCCS and 1987-88 in case of BUCCS. The average growth of membership of BUCCS during the period 1980 to 1988 is about 170 per year. While that of SUCCS is only 69 per year. A great difference of membership between both these societies is observed. This may be because of the reason that the growing rate of profit of BUCCS is higher than SUCCS (see table 4.1.)

4.2.4. SHARE CAPITAL OF VIABLE UCCS :

In case of the SUCCS the authorised share capital was Rs.10 lakhs having 20 thousand shares of Rs.50 each. The paid up share capital goes on increasing from Rs.2 lakhs in the year 1980 to Rs.7.83 lakhs in the year 1988, while in case of the BUCCS the authorised share capital was Rs.5 lakhs in 1980 which has been raised upto Rs.15 lakhs having 30

thousand shares of Rs.50 each. The paid up share capital of BUCCS goes on increasing from Rs.70 thousand in 1980 to Rs.12.95 lakhs in 1988. While that of SUCCS the paid up capital raised from Rs.2 lakhs to Rs.7.83 lakhs during the same period (see table 4.1.). However the growth of paidup capital of BUCCS is growing at higher rate than SUCCS.

The annual growth of paid up capital of BUCCS is about Rs.1.53 lakhs and that of SUCCS is about Rs.0.73 lakhs only. The average share per member of SUCCS increased from Rs.276 to Rs.614 during period 1980-88 while that of BUCCS the share per member increased from Rs.153 to Rs.713 during the same period.

Thus increasing amount of share capital in case of both the societies shows spectacular progress in the working of the co-operative credit society. These two societies succeeded in creating faith and hope among the people which makes these societies more and more viable and vice-versa.

4.2.5. WORKING CAPITAL OF VIABLE UCCS :

In case of the SUCCS the working capital was Rs.2.10 lakhs in the year 1980 which increases upto Rs.66.67 lakhs in the year 1988. This is the topmost society in the city having such a huge amount of working capital. While in case of BUCCS the total amount of working capital was Rs.71 thousand in 1980, which increased to Rs.52.14 lakhs in 1988. This is the second society with highest working capital in the city. The growth of working capital of these two societies is shown in table No.4.1.

From the table 4.5., it is clear that there is tremendous growth in the amount of working capital of both the societies. The working capital of SUCCS is greater than BUCCS. The annual average growth of working capital of SUCCS during 1980-88 is about Rs.8.07 lakhs while that of BUCCS is about Rs.6.43 lakhs per year.

4.2.6. LOANS ADVANCED BY VIABLE UCCS :

Generally the borrowers of UCCS credit belong to middle class traders and weaker section people as they are the members of UCCS for carrying out the small business activities and trading etc. In case of the SUCCS the total amount of loans advanced in the year 1980 was Rs.99 thousand which increased to Rs.40.35 lakhs in the year 1988. And in case of the BUCCS the total amount of loans advanced in the year 1980 was Rs.22 thousand which increased to Rs.27.08 lakhs in the year 1988. The total amount of loans advanced by both the societies is shown in Table No.4.1. The advancement of loan was on the security of gold and silver, personal surety, machinery, vehicle, artical, saving deposits, fixed deposits, pigmy deposits etc.

In case of SUCCS the percentage of loans advanced on the security of gold is more, in the year 1988 it was 44.13%. The percentage of loans advanced on the security of personal surety was next to it which was 26.84% in the year 1988. In case of BUCCS the advancement of loan was on the security of only two things- 1) personal surety 2) gold and silver. In the year 1988 the percentage of loans

advanced on the security of the personal surety and Gold was 99.68% and 0.31% respectively, which means that highest amount of the loans were advanced on the security of the personal surety. The percentage of variations between loans and working capital is observed among both viable units (see table 4.1.) The ratio of loans to working capital is highest in SUCCS (i.e. 60.52%) and about 52% in BUCCS in 1988.

The credit deposit ratio in BUCCS is higher during all years i.e. 1980-87, except 1988. In 1988, the credit deposit ratio declined to 82.06%. It means the ratio of deposits (Rs.33 lakhs) is higher than the loans advanced (Rs.27.08 lakhs). Before 1988 the BUCCS was dependent on the borrowing from District Co-operative Bank. The compulsory deduction from loans sanctioned on account of deposits declined the credit deposit ratio.

In case of SUCCS the credit deposit ratio in 1980 was too higher, because, the SUCCS had collected the deposit to the extent of only 8 thousand while, loans advanced was to the tune of Rs.99 thousand during the same period. Since then the credit deposit ratio goes on falling up to 55.53% in 1985 and raised to 105.15% and again declined to 84.32% in 1987, and 80.42% in 1988 (see table 4.1.). The number of borrowers are not mentioned against the amount borrowed in the Annual Reports, so the columns left unfilled.

4.2.7. PROBLEMS OF VIABLE UNITS :

As stated in research methodology, we discussed the

problems of viable UCCS with chairmen, secretaries and other concerned authorities. During the discussions, the concerned authorities stated some problems, but accordingly they can easily overcome such problems.

1. OVERDUES :

In case of viable units we find that there is huge amount of loans advanced. To recover the amount of loans is quite a difficult task. However there is very little percentage of overdues in case of viable units. It is mostly near about 5 to 10 percent. Which is not mentioned in balancesheet.

2. ADMINISTRATION :

As we have seen that the financial position of the viable units is on large scale, the proper and effective administration is felt essential. Proper decision making, better co-ordination between various factors, effective staff control etc. are much essential for the proper and efficient functioning of the viable units.

3. EXPENDITURE :

The expenditure of the viable units is higher in comparison with other societies. The remunerative salaries to the staff is also necessarily high because of their financial position.

However, these are not the problems but the symptoms of growth with the growth of UCCS the expenditure on administrative staff has to grow. But one thing, the

authorities could not explain satisfactorily that, why overdues are not shown in balance-sheet ? though they agree certain percent of overdues in Annual Reports as a general statements. So, there is a possibility that the overdues are adjusted with the renewal of loans.

4.2.8. FACTORS RESPONSIBLE FOR THE GROWTH OF VIABLE UCCS :

There are certain factors which are responsible for the growth of viable units. They are as follows -

1. The members of UCCS are belongs to the rich and middle class. Most of the members are businessmen and traders. It is due to this fact that there is very little problem of the recovery of loans.
2. The deposits of such units are high. The amount of share capital is also very high. Therefore, the UCCS belonging to the such units can advance more and more loans to the members and can earn more and more profits.
3. The management of the UCCS belonging to better financial position is expected to be efficient, so the internal economics are beneficial to the UCCS and vice-versa.
4. Societies belonging to such viable group can perform different schemes, projects and ideas for acquiring more and more benefits to its members.
5. Such societies have much more confidence in their functioning. The people also trust on such societies and try to have membership of such societies. So, the UCCS grows.

4.3. PERFORMANCE OF THE WEAK UCCS :

4.3.1. Establishment :

As we have stated earlier, we selected two UCCS for the study of weak UCCS. viz.

1. Jivheshwar Urban Co-operative Credit Society Limited, Solapur (JUCCS).
2. Tirunal Urban Co-operative Credit Society Limited, Solapur (TUCCS).

These two UCCS are weakest in the city according to their performance in working capital and share capital. The first UCCS viz. Jivheshwar Urban Co-operative Credit Society Limited, Solapur is established on 31st Jan., 1981. This society was formed by small shop-keepers, tailors, workers etc. The members belonging to this society are from very poor and low income group.

The second UCCS viz.- Tirumal Urban Co-operative Credit Society Limited, Solapur is established on 16th August., 1983. The members of this society are mostly mill workers, workers on daily wages, small shop-keepers, handloom workers etc. The members of this society also belongs to a very poor class.

These two UCCS are the societies having lowest amount of working capital and share capital. These two societies are selected, as a representative of weak UCCS functioning in the Solapur city.

4.3.2. OBJECTIVES OF WEAK UCCS :

The objectives of these UCCS are as follows :

1. To increase thrift and self help among the members.
2. To fulfill the credit requirements of the members.
3. To help them to be economically stable.
4. To free them from the clutches of the money lenders.

These JUCCS and TUCCS are operating to fulfill the above in an operational area of Solapur city area and ward 53 area respectively. The performance of these two weak UCCS is analysed in Table No.42.

4.3.3. MEMBERSHIP OF WEAK UCCS :

The membership of the two societies since their establishment is shown in the Table No.4.2. We can observe that, in case of JUCCS the membership goes on increasing from 322 in the year 1980-81 to 442 in 1987-88,. That is at the rate of 15 per year. In case of TUCCS also the membership goes on increasing from 109 in the year 1983-84 to 214 in 1987-88. That is at the rate of 5 per year. Since their establishment no decline of membership is observed as observed in case of viable units.

4.3.4. SHARE CAPITAL OF WEAK UCCS :

The authorised share capital of both UCCS is Rs.50 thousand of each Rs.50 shares. There is a wide range of difference between authorised share capital and paidup share capital. The picture showing the share capital of both the societies is shown in Table No.4.2. From the table we

see that; in case of JUCCS the share capital in 1980-81 was Rs.12,375 and the year 1981-82 it jumped up to Rs.21,915 and in the year 1982-83 declined to Rs.18,940 and then goes on increasing. During the 8 years increase in the amount of share capital was only by Rs.16,515 which means an average annual increase is about Rs.2,064. In case of TUCCS the amount of share capital in the year 1983-84 was Rs.6,755 which slowly gone up to Rs.8,950 in 1987-88 which means that during the 5 years period, the amount of share capital increased by only Rs.2,195, which means an average annual growth is about Rs.439.

The amount of share capital is shown increasing trend in both the cases. However, the amount of share capital increased is not sufficient to satisfy the necessities of the members. There is the need of more and more accumulation of share capital. The fall in the share capital in 1982-83 in case of JUCCS is because of the reason that the borrowers liquidated their share capital into repayment of loans and thus the amount declined. The average share per member of JUCCS, in 1980-81 was only Rs.38, which increased to only Rs.65 in 1987-88. In case of TUCCS the average share per member was Rs.35 in 1983-84, which increased to only Rs.42 in 1987-88.

4.3.5. WORKING CAPITAL OF WEAK UCCS :

The position showing working capital in both UCCS is explained in Table No.4.2. From the table it is seen that



in case of JUCCS the amount of working capital in the year 1980-81 was Rs.12,375 which goes up to Rs.22,400 in the year 1981-82 and then it declined up to Rs.16,667 in the corresponding year. This is also because of the fall in share capital amount. In case of TUCCS, the amount of working capital in the year 1983-84 was Rs.33,773 which increases upto Rs.37,288 and then it declined upto Rs.18,854 in 1985-86.

We thus can see that, there are ups and downs in the amount of working capital in connection with both UCCS. The reason behind this is the increasing amount of the overdues and the increase in the expenses to recover the loans.

4.3.6. LOANS ADVANCED BY WEAK UCCS :

In case of both the societies the loans were advanced on the personal guaranttee of the two members. The figures showing the amount of loans advanced by the two societies is shown in Table No.4.2. In case of the JUCCS the amount of loans advanced in the year 1980-81 was Rs.11,000 which increases upto Rs.28,090 in the year 1982-83 and then it falls to Rs.12,500 in 1987-88. In case of the TUCCS the amount of loans advanced was Rs.25,573 in the year 1983-84, which declined to Rs.17,704 in 1987-88.

The decline in the amount of loans advanced is only due to the reason that the members who borrowed loans from the UCCS, unable to repay the amount with the timelimit putforth. In some cases the position was such that they cannot repay the loans so the problem of recovery of the

loans is the vital for the UCCS belonging to the weak units.

4.3.7. OVERDUES OF WEAK UCCS :

As we are seen the problem of recovery of the loans is the vital problem. So, the overdues is the result. The problem of overdues is observed only among weak units. The figures of overdues in case of weak unit is shown in Table No.4.2. From the table we come to know the intensity of the problem. In case of JUCCS the percentage of overdues to total loan advanced is in between the range 3.5% to 57.5% during 1982-83 to 1987-88. While in case of TUCCS the percentage of overdues to total loans advanced is in between the range 49% to 93.4% between the period 1983-84 to 1987-88.

The reason behind the rise in the percentage of overdues is that, members belonging to such societies are very poor. They take loans from the society but they are unable to repay it, because the borrowed is meant for extra-vagant expenses or consumption purpose. The chairman of the society is very much familiar with the economic backwardness of the members, so there is no use of taking any legal action against such members. Moreover, the authorities does not dare to persue the matter.

4.3.8. PROBLEMS OF WEAK UCCS :

There are various problems which the UCCS are being faced in the process of functioning of UCCS. Some of the important problems of these units are noted below-

1. OVERDUES :

This is a malignant disease of weak UCCS. As we have seen that, even during the initial period of the UCCS the percentage of overdues is more than 90%. Recovery of the loans is a headache for these societies. As the members are belonging from economically backward class there is no use of taking any legal action. The loans were advanced on the basis of non-security loans, accordingly a member share holder can be eligible to borrow certain amount of loan even when he has no repaying capacities. These loans are called as " Vina Taran Karje ".

2. ADMINISTRATION :

There are lot of administrative problems of such societies. The office bearer and the other staff is not working as a full time workers. They are engaged in their own main occupation or services. Even the societies are so weak that they can not appoint full time worker for the office work. The UCCS belonging to weak units have no confidence in implementing any new schemes. The co-ordination among the different factors is quite a complex and difficult task. The office record is not properly maintained. In certain other UCCS there is no office at all.

3. EXPENDITURE :

There is too much expenditure over the recovery of the loans. Which otherwise can be utilised for the benefit of the society members.

4.3.9. FACTORS RESPONSIBLE FOR THE SLOW GROWTH OF THE
WEAK UNIT : -----

There are different factors which are responsible for the retardation of growth of the weak unit. They are as follows -

1. The members belonging to such units are from the very poor and economically backward class. They are very much in need of the money so they take loans from the society but they cannot repay it. Another important thing is that they cannot afford any deposits with the society. As we have seen there is no deposits with the JUCCS.
2. The management of the societies belonging to such unit is not satisfactory. They can not provide experienced staff. The records of such societies is not properly maintained.
3. There is very less aids from the Government to such societies because they are not in the position to fulfill the terms and conditions putforth by the Government.
4. The members belonging to such societies are not co-operative in nature. They behave like as if there is no concern of them with the society. They only see how much loan they can have from the society. They are not interested in the growth of the society.
5. The societies belonging to this unit advances loans recklessly without taking into consideration the ability of the person to repay the amount of loans.

4.4. PERFORMANCE OF THE MSUCCS AS A REPRESENTATIVE OF
SC/ ST UNIT :

4.4.1. ESTABLISHMENT :

One UCCS namely, Mochi Samaj Urban Co-operative Credit Society Limited, Solapur (MSUCCS) has been selected purposively so as to test the performance in comparison with other UCCS. MSUCCS is established in the year 1981. This UCCS has been formed by the members belonging to Mochi Samaj. The members of this society are very poor belonging to cobblers and the mill workers. The standard of living is very low. The UCCS was functioning satisfactorily upto the year 1983-84. But since 1984, the office record has been complicated due to the mis-management of the secretary. He has been charged against the corruption. However the MSUCCS is operating today and is on the way of progress.

4.4.2. OBJECTIVES OF MSUCCS :

The objectives of this society are as follows-

1. To increase thrift and self-help among the members belonging to scheduled cast and scheduled tribe.
2. To fulfill the credit requirements of the SC/ST people.

The performance of this Urban Co-operative Credit Society is explained in Table No.4.3. There are three urban co-operative credit societies belonging to SC/ST people in Solapur city. Out of these three urban co-operative credit societies only MSUCCS is functioning satisfactorily.

TABLE NO. 4.3

PERFORMANCE OF SC/ST UNIT (MSUCCS)

Sr. No.	Item	Year						
		1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88
1.	No. of members	179	196	203	193	191	194	192
2.	Deposits (in Rs.)	9,879	16,872	25,632	38,101	39,568	42,300	31,019
3.	Average Deposits (in Rs.)	55	86	126	197	207	218	161
4.	Share Capital (in Rs.)	23,880	28,480	32,590	29,200	31,220	32,930	33,260
5.	Average Share Capital (in Rs.)	133	145	160	151	163	170	173
6.	Reserve and other funds (in Rs.)	-	-	-	-	-	-	-
7.	Working Capital (in Rs.)	33,759	43,953	54,872	61,917	67,997	72,726	61,724
8.	Average Working Capital (in Rs.)	188	224	270	321	356	375	321
9.	Loans Advanced (in Rs.)	32,300	40,000	40,780	21,400	25,000	24,000	18,825
10.	Percentage of loans to total deposits	327	237	159	56	63	57	61
11.	Percentage of loans advances to total working capital	96	91	74	34	37	33	30
12.	Overdues (in Rs.)	2,238	4,078	5,800	3,225	4,355	2,500	2,149
13.	Percentage of overdues to the loans advanced	7	10	14	15	17	10	11
14.	No. of borrowers	NA	NA	NA	NA	NA	NA	NA
15.	Average amount of borrowing (in Rs.)	-	-	-	-	-	-	-

Contd.

Sr. No.	Year							
	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	
16. Profit (in Rs.)	399	2,350	4,384	1,791	1,504	1,555	1,062	
17. Loss (in Rs.)	-	-	-	-	-	-	-	
18. Audit Class	B	B	B	NA	NA	NA	NA	NA

Note :- MSUCCS - Mochi Samaj Urban Co-operative Credit Society

NA - Not available

- Percentage and Average is in round figure.

Source :- Annual Reports From MSUCCS - 1981 to 1988.

4.4.3. MEMBERSHIP OF MSUCCS :

The membership of this urban credit society, since its establishment is shown in Table No.4.3. From the table it is clear that there is an adverse effect on the membership due to confiscation of the society record in the year 1984-85. The membership since 1984-85 is falling. The number of members in 1981-82 was 179 which increased to 203 in the year 1983-84, since then it goes on declining because of the confiscation of the society record. The annual average growth of membership between 1981-82 to 1987-88 is 2 members yearly.

4.4.4. SHARE CAPITAL OF MSUCCS :

From table No.4.3. it is observed that the amount of share capital in the year 1981-82 was Rs.23,880 which goes on increasing upto Rs.32,590 in 1983-84. Since then it falls to Rs.29,200 in the corresponding year 1984-85. After that it goes on increasing upto Rs.33,260 in 1987-88. From the table it is seen that an increasing trend of share capital is disturbed in the year 1984-85 because of frauds made by the secretary. The per member share of MSUCCS in 1981-82 was Rs.133, which increased to Rs.173 in 1987-88 except for the year 1984-85 when it goes down to Rs.151. The annual average growth of share capital during the period between 1981-82 to 1987-88 is Rs.1340 yearly.

4.4.5. WORKING CAPITAL OF MSUCCS :

The picture showing the working capital position in

case of the MSUCCS is depicted in Table No.4.3. From the table it is seen that there is an increasing trend in the amount of working capital from the year 1981-82 to 1986-87. The amount of working capital in the year 1981-82 was Rs.33,759 which raised to Rs.72,726 in the year 1986-87. But it declined to Rs.61,724 in the corresponding year 1987-88. The annual average growth of working capital during the period 1981-82 to 1987-88 is Rs.3,995 yearly.

4.4.6. LOANS ADVANCED BY MSUCCS :

The amount of loans advanced by MSUCCS in the year 1981-82 was Rs.32,300. In the year 1983-84, the amount of loans advanced raised to Rs.40,780. Then it falls to Rs.21,400 in 1984-85. Then after the variations in it are observed. The annual average decline in loans advanced during the period between 1981-82 to 1987-88 is about Rs.1,925 per year. However a growth in advancement is observed during the period between 1981-82 to 1983-84. Since then a decline is seen except in the year 1984-85.

4.4.7. OVERDUES OF MSUCCS :

The figures showing the picture of overdues is shown in Table No.4.3., which shows that an amount of overdues in the year 1981-82 was Rs.2,238, it was 7% of the total amount of loans advanced during the same year. The overdues goes upto Rs.5,800 (i.e.14%) in the year 1983-84 then it reduced to Rs.3,225. But the percentage of overdues to total loans advanced goes on increasing upto the year 1985-86. The amount

of overdues goes on declining since 1985-86 to 1987-88. The annual average growth of overdues is Rs.1,187 during the period between 1981-82 to 1983-84. Since then a fall in overdues is observed.

4.4.8. PROBLEMS OF MSUCCS :

The problems of the societies belonging to SC/ST unit is not different from the problems of the societies as we have seen in the weak unit category. Some of the problems we observed are as follows-

1. OVERDUES :

Though there is a problem of overdues in MSUCCS the percentage of overdues is not so high as in case of other weak societies which we have discussed earlier.

2. ADMINISTRATION :

There are many administrative problems in such societies. Firstly, there is no any special assistance from any other agencies despite District Co-operative Bank, particularly, to the societies belonging to SC/ST units. Secondly, members are not co-operative in nature. Particularly in connection with UCCS' transaction and bussiness. The society can not have an experienced staff. The members are also not very much familier with the co-operative principles. There is lots of complexity in the society because of untrained, and partly engaged staff of UCCS.

3. EXPENDITURE :

There is more expenditure on behalf of the recovery of the loans. Which otherwise can be utilised for the benefit of the society members.

4.4.9. FACTORS RESPONSIBLE FOR THE SLOW GROWTH OF THE SC/ST UNIT :

There are different factors which are responsible for the slow growth of the society belonging to SC/ST unit. They are as follows-

1. Members of this society are belonging from the economically backward class. Most of them are illiterate. They do not understand the importance of co-operation.
2. The management of this society is not satisfactory. There is no special assistance for the society belonging to this unit.
4. The society fails to create faith in the minds of the people. There are lots of quarrels among the members themselves.

4.5. SUMMING UP :

To sum up, it may be stated that the viable societies are functioning well because, they belongs to traders and businessmen. And it is true because, only trading and business helps the banking units to spread and extend their business. The viable UCCS help to grow the economic conditions of its members, and members help the viable UCCS to develop its

economic position. While the weak UCSS helps to develop the economic conditions of its members but members are unable to develop the UCSS. So, they become weak, and at last get liquidated. So, in a banking business both members and institutions should help one another.

