

CHAPTER-VI

CONCLUSIONS AND SUGGESTIONS

6.1 Introduction :

This chapter brings together all the elements of the study discussed in the earlier chapters in the form of conclusions and also includes suggestions for effective working of the Primary Agricultural Co-operative Credit Societies.

6.2 Conclusions :

1. Solapur district comes under the drought prone areas of Maharashtra. The demographic feature of the district is dominated by rural population and the main occupation of the people is agriculture.

2. During the period under study the number of PACS in Solapur district increased from 857 in 1989-90 to 920 in 1993-94. While membership of these societies increased from 2,81,929 to 3,68,125 for the same period. The membership per society increased from 329 to 400 in the period.

3. The share capital of the PACS, in Solapur district increased from Rs.1638.46 lakh in the year 1989-90 to Rs.2803.39 lakh in the year 1993-94.

The share capital per society was Rs.1.91 lakh, it increased to Rs.3.05 lakh during the period. Correspondingly the share capital per member increased from Rs.581 to Rs.762.

4. The deposits of the PACS in the Solapur district, increased from Rs.71.62 lakh in the year 1989-90 to Rs.113.15 lakh in the year 1993-94. The deposits per society were Rs.8,361, which

increased to Rs.12,299 in the same period. Correspondingly deposits per member increased from Rs.25.40 to Rs.30.75.

5. The reserve funds of the PACS of the Solapur district decreased from Rs.5383.63 lakh in the year 1989-90 to Rs.1556.49 lakh in the year 1993-94.

6. The borrowings of the PACS, of the Solapur district increased from Rs.2761.65 lakh in the year 1989-90 to Rs.8765.29 lakh in the year 1993-94.

7. The working capital of the PACS in the Solapur district increased from Rs.9,855.39 lakh in 1989-90 to Rs.13,238.32 lakh in 1993-94. While working capital per member increased from Rs.3,496 to Rs.3596 during this period and working capital per society increased from Rs.11.50 lakh to Rs.14.39 lakh in the same period.

The dominance of owned funds in the composition of working capital of the PACS decreased from 71.25 percent in 1989-90 to 32.93 percent in 1993-94. The dominance of the borrowings in the composition increased from 28.02 percent to 66.21 percent during the same period. At the same time contribution of deposits remain same over a period of time.

8. Loan advanced by PACS in the Solapur district decreased from Rs.5,549.19 lakh in 1989-90 to Rs.5112.29 lakh in 1993-94. Loans advanced per society decreased from Rs.6.48 lakh to Rs.5.56 lakh and loans advanced per member decreased from Rs.1,968 to Rs.1,389 during the same period.

9. Loans outstanding of the PACS in the Solapur district increased from Rs.7,926.77 lakh to Rs.9,922.27 lakh during the period 1989-90 to 1993-94.

10. During the Period under study the number of PACS in Pandharpur Tahashil increased from 84 to 92. While membership increased from 33,552 to 41,751 during the same period.

11. There is an increasing trend of share capital of PACS in Pandharpur Tahashil.

12. Reserve fund kept by the PACS in Pandharpur Tahashil have shown an increasing trend over a period of the Study.

13. Working capital of PACS have shown an increasing trend steadily, in Pandharpur Tahashil.

14. The PACS of the Pandharpur Tahashil failed to attract deposits from the members.

15. Loans outstanding of the PACS, in the pandharpur Tahashil do not have specific trend because in some years it has increased while in other years it has decreased.

16. The societies in Pandharpur Tahashil are neither sick nor have the achieved ideal position in the sense of audit class, but they are promising ones and have the potentials of growth.

17. Secretaries, who are main executives of the PACS policies should undergo suitable training for effective and efficient

operations of PACS. All the secretaries of sample PACS are trained in rural co-operative credit activities.

18. There is spontaneous participation in the process of decision making and its execution by the directors, secretaries and member farmers. This reveals collective and self disciplined process of working.

19. Co-operative department for administrative advice and the district central co-operative bank Solapur for financial help have extended whole heartely co-operation for the healthy growth of the PACS in this area.

20. The reason behind the obtaining the membership of PACS is neither political nor social, but purely financial, that is fulfillment of financial needs of the agriculture sector

21. The purpose of obtaining loans is mainly for 'crops' that is for cultivation of crops, their development etc.

22. The repayment schedule of the loans is mainly dominated by the situation of crops.

23. Inspite of the low rate the receipt of dividend is regular.

6.3 Suggestions :

1. It is suggested that steps should be taken for reforming and streamlining the loan policies and procedures which will go along way in checking overdues.

2. The drive for recovering of loans should be organised efficiently, involving the participation of all concerned authorities of PACS.

3. There should be constant watch on dues dates of loans and continuous attempt should be made in observance of such dates.

4. Farmer members should be educated regarding the schedules of repayment to be followed and they should be well convinced about the liability on default and legal action which may be initiated on default.

5. PACS should not concentrate only on credit but it should participate in all the aspects of agricultural needs—that is advise, services etc.

6. PACS should change their personality from merely lending institutions to all weather friends of members.

7. PACS should intensify their extension services proving knowledge, skill and training to the rural population, about commercialisation of agriculture and importance of co-operation in the field.