

\* CHAPTER - VI \*

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SUMMARY, CONCLUSIONS AND SUGGESTIONS

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CHAPTER -VI

SUMMARY CONCLUSIONS AND SUGGESTIONS

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## CHAPTER - VI

### SUMMARY CONCLUSIONS AND SUGGESTIONS

#### 6.1 INTRODUCTION :

In this chapter the researcher wants to give Summary, Conclusion of the present study and some of the important suggestions for better performance of the Patsanstha. However conclusions are based on the data made available for the study.

#### 6.2 SUMMARY AND CONCLUSIONS :

##### 6.2.1 General ;

In fact Co-operation is much older than man himself. Co-operation is soul of human existence. Nothing but Co-operation has contributed on large scale to the economic and social welfare of human race than the practice of co-operation.

Co-operative Credit is one of the important facts in Co-operation, in which nagari pat-sanstha occupy a distinguished place. Alongwith all the Co-operative Acts, they also followed all the principle's of co-operation. The main objects of the Nagari Patsansthas are to meet the credit needs of various people in Urban and Semi-Urban areas and to promot the habit of saving among them.

There is not single definition of the Nagari Pat-sanstha which is nation wide accepted. Hence the survey

Of Urban Co-operative Societies conducted by Co-operative Department by D.D.R. and R.B.I. in 1959 and 1961 considered that a non agricultural credit society having minimum paid up share capital of Rs.20,000 making provision of important banking facilities withdrawals of cheques, remittance of funds, maintenance of available resources, according to the prescribed standards, may be known as Urban Co-operative Banks or Nagari Pat-sanstha". They differ from commercial banks in respect objectives, organisation and area of operation.

It shows that Urban Co-operative Credit Societies have its basic foundation in Germany it is the first country in the world in this field. There after many countries followed the path of co-operatives societies and Urban Co-operative Patsanstha, Banks. The origin of the Urban Co-operative Credit movement in India rooted at the close of nineteenth century. The first Urban Co-operative Credit Society started in Baroda on 5th February 1889 under the guidance of Shri Vithal Laxman Kavathekar. The development of Urban Co-operative Credit Societies did not receive much attention until 1915, then number of committed and R.B.I. and D.D.R. emphasized the need of establishing the Urban Co-operative Credit Societies and bank in all the cities, towns, for providing facilities to middle class people.

Maharashtra is on lead in the Urban Co-operative Credit Societies Business. It has made significant progress in respect of number of Patsanstha Co-operative Credit Societies, Deposits, Loans etc.

Kolhapur District is playing an lion role in respect of Nagari Patsansthas and Credit Societies business in Bhudargad Taluka has made rapid progress with fruitful result upto the year 1985-86.

The Bhudargad Taluka Nagari Sahakari Patsanstha Ltd. Gargoti is the first expending with 10 branches and development in Bhudargad Taluka. To meet increasing financial requirements of Bhudargad Taluka. "The Bhudargad Taluka Sahakari Patsanstha Ltd. Gargoti", formed on 12-8-1977 and made remarkable progress during the period of 9 years.

6.2.2 Profile of the Bhudargad Taluka Nagari Sahakari Patsanstha Ltd., Gargoti :

The Patsanstha has registered its name in the forefront among the most successfully working big Nagari Sahakari Patsansthas in Kolhapur District. The Patsanstha has rendered very important and useful services to all the people of the Urban Community in Bhudargad Taluka by providing Credit by encouraging thrift and saving. The Patsanstha had strongly supported development of small scale industries, business and commerce in its area of operation.

According to the size of the Patsanstha occupied the first position in Kolhapur District. The Patsanstha field of mobilisation of deposits, advancing loans, working capital, membership, and paid up capital etc. Especially the patsanstha has made remarkable progress in the area of mobilisation of deposits and advancing loans.

So far as working of the Patsanstha is concerned, today it is the foremost Bhudargad Taluka Nagari Patsanstha amongst the Nagari Patsanstha not only in Kolhapur District but also in Poona Regional of Co-operative Department.

#### 6.2.3 Deposits ;

Deposits are one of the important elements in Co-operative Credit Societies business in fulfilling the credit requirements, of the members. The raise a large portion of their working capital by way of deposits. Nagari Patsanstha have to collect its own sufficient resources to cope with the needs of its constituents.

From the beginning itself the patsanstha has tried to become self sufficient and made concentrated efforts in mobilisation of deposits of the local people and still patsanstha is striving hard for increasing the proportion of deposits in their working capital. As on 30th June 1986 the aggregate deposits of the Patsanstha amounted to Rs.2,83,49,800-00 and working capital amounted to Rs.3,87,91,800-00. Thus as on 30th June 1986 the share of deposit in working capital stood at 75.08%.

In the early stage the Patsanstha has collected the deposits under the main deposit schemes like fixed deposits, saving deposits and current deposits. To strengthen Patsanstha deposits and financial position, the patsanstha introduced new attractive and incentive oriented schemes for the masses such as Recurring Deposits, Damduppat, Dampavanedonppat, Dam-Adichppat, Danlaxmi Thev Yojana, Lakhapati Deposits, Pajigmy Deposits etc. By observation of the performance of the deposits of the patsanstha, it is observed that the aggregate deposits increased from Rs.15,763-60 in 1977-78 to Rs.2,83,49,800.00 in 1985-86. Thus there was 19 fold increase in aggregate deposits during the period under review. The average rate of growth of was 34.06%. Hence the average rates of growth never remained constant, it was always fluctuating. In fact it is essential to keep the rate of growth always in upward direction, but in practice it was not seen.

After analysing each scheme of deposit it was observed that aggregate deposits constituted as fixed deposit 35.94%. The above performance clearly shows that the patsanstha has concentrated its efforts to collect maximum fixed deposits by introducing various attractive deposit schemes. While introducing various new deposit schemes, it is observed that one new scheme affected another. During the period under review, the patsanstha has increased its fixed deposits from Rs.8,35,883/- in 1977-78 to

Rs.88,35,938-00 in 1985-86, out of total. Fixed deposits collected by the nagari patsanstha in Kolhapur District comparatively satisfactory.

The Patsanstha allowed depositors to open saving account to encourage saving habit among a people. As the same indicates these accounts are opened for the purpose of saving. During the period under review the Patsanstha has enhanced its saving deposits by 36.61% on an average. The analyses and study of performance of saving deposits of the Patsanstha clearly show that there was near about 13 fold increase in saving deposits of the Patsanstha during the period under review. Saving deposits of the Patsanstha increased from Rs.5,11,470-08 in 1977-78 to Rs.65,45,127-63 in 1985-86.

Current accounts are normally opened by businessmen. Current deposits of the Patsanstha increased from Rs.557-75 in 1977-78 to Rs.14,652-95 in 1985-86. The average rate of growth of current deposit was 323.37% during the period under review. Moreover the share of current deposit in total deposit was 9.35 during the period under review. These current deposits are purely from commercial members. Therefore there are always ups and down in their position.

As compared to other deposits, recurring and Pigmy Deposits were not increased satisfactorily during the period under review. In fact pigmy deposits showed decline trend particularly from the year 1984. Which was mainly due to withdrawal of pigmy damduppat loan facility and



recurring deposits more or less remained constant during the period of last 9 years. However, the patsanstha can not ignore such deposits as these deposits for the poirot of view of poor people.

6.4 SUGGESTIONS :

The researcher would like to make the following few suggestions for efficient working of the patsanstha.

1. It is necessary to the Patsanstha to divert its attention towards the Fixed and Saving Deposits. Every attempt should be made to increase the proportion of such deposits in the aggregate deposits of the Patsanstha.
2. The Patsanstha cannot ignore Pigmy and Recurring Deposits. It is necessary that the Patsanstha should be concentrate of such deposits. Pigmy deposits can be increased by appointing honest and deserving Pigmy agents and providing then incentives like bonus.
3. The most important suggestion is that the Patsanstha should establish a separate stataistical department to maintain the upto date statistical information about deposit schemes, various loans, credit worthiness of customers etc. This will definately help in Policy decissions of the Patsanstha.

- 4. To the maximum extent possible, the Patsanstha should strive to provide wide range services to its customers so that all needed facilities for remittance of funds, safe deposit of valuables etc. are available to the population in smaller centres also.
  
- 5. A system of fixing targets for deposit mobilisation for the Patsanstha as a whole and for each of its branches, may be introduced. The Branch Manager and other officers concerned with the mobilisation of deposits should be actively involved in reaching the targets. There should be a periodical review of the targets fixed and steps should be taken by the Patsanstha to remove difficulties, if any in reaching the target.

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