

CHAPTER : 5

Findings , Conclusion and Suggestion

5.1 Findings and Conclusions

5.2 Suggestions

Chapter : V

FINDINGS, CONCLUSIONS AND SUGGESTION

5.1 Findings And Conclusions :

The findings of this study are given below.

- 1) The membership of patsanstha has increased significantly over the period of study. At the end of the year 2004-2005 the number of members was 702
- 2) The net profit has increased from Rs. 7.25 lakhs in 2000-2001 to Rs.15.26 lakhs in 2004-2005. Thus the net profit has more than doubled over this period.
- 3) The paid-up capital has increased from Rs.36.92 lakhs to Rs. 93.99 lakhs during the period of 5 years of the study. This shows the strong financial base of the patsanstha. The patsanstha has succeeded in inculcating the habit of saving among its members.
- 4) The deposits of patsanstha have crossed the mark of one crore in the year 2003-04. At the end of the year 2004- 2005 deposits stood at Rs.1.41 crores this indicates that the efficiency of patsanstha in mobilizing the deposits.
- 5) The patsanstha has met the credit requirements of its members in a satisfactory manner. The amount of outstanding loan has increased from Rs.1.49 crores in the year 2000-2001 to Rs.2.46 crores in the 2004-2005. The external borrowings are very less. Even though the K.D.C.C. Bank has sanctioned a cash credit Rs. 40 lakhs in the year 2003-2004. The patsanstha has utilized only

an amount of Rs. 4.89 lakhs only. This shows the minimum dependance on external borrowings. Again in the year of 2004-2005 the patsanstha got a cash credit limit of Rs.40 lacks but was not required to utilize any amount from this limit.

- 6) The patsanstha has continually obtained audit grade 'A' from the co-operative department from the year 2003-2004 to too date.
- 7) The patsanstha has implemented various member welfare schemes. viz insurance protection and financial awards to children of members. This shows the attitude of social responsibility of the patsanstha.
- 8) The employee productivity was also found satisfactory. The total business per employee increased from Rs. 64 lakhs in 2000-2001 to Rs. 129 lakhs in 2004-2005 and the net profit per employee increased from Rs. 2.41 lakhs to Rs. 5.09 lakhs over the same period.

5.2 Suggessions :

On the basis of the findings of the study of financial performance of Kolhapur Zilla Magasvargiy Vidut Karmachari Sahakari Patsanstha Maryadit Kolhapur, for the period of five years from 2000-2001 to 2004-2005 a few suggestions as follows may be made to enhance further the functioning of the patsanstha.

- 1) This patsanstha is formed for the economic of upliftment of backward caste employees. It should examine the possibilities of providing cheap credit to it's members by reducing the rate of interest on different types of loans. This measure may help to achieve the target of more economic inclusion of this community.

- 2) The length of loan procedure may be reduced to 7 to 10 days from the present time interval of 30 days between the submission of loan application and its sanction.
- 3) The patsanstha is located in Kolhapur city and its members are spread in the district. The out side members have to come down to Kolhapur on a number of times i.e. at the of taking the loan application form, subraitting the duly filled in application form, for exculpating the bond agreement and for collecting the loan amount. A lot of time money and energy is spent in this procedure. The patsanstha should think of making some alternative arrangement to reduce the inconvenience faced by members. One such alternative could be to make available the loan application form in the respective office of the members and one local representative may be empowered to collect the duly filled in application forms and forward them to the patsanstha office through the mail of M. S. E. B. office.
- 4) The patsanstha should try to avoid` the dependence on external borrowings by mobilizing more deposits from the members and non-members. This step will help the patsanstha to reduce the rate of interest on loans thus benefiting the members. Such a step will also make the patsanstha financially strong and self supporting.
- 5) The limit of loans and term of loans may be increased to meet the credit requirements adequately and to reduce the amount of monthly installment of repayment.
- 6) The operating expenses should be reduced to 10% present of total business of patsanstha. Especially the expenses on telephone bills printing of annual reports, advertisement,

travelling and other expenses need to be reduced. The reduction in operating expenses can be utilized for reducing the rate of interest on loans.

- 7) The membership of patsanstha is voluntary. Therefore some backward caste employee have yet not become members of patsanstha. The Board of directors should undertake a campaign to motivate employees to become members of patsanstha. This step will serve two purposes viz. providing benefits to the new members and secondly the amount of owned funds of patsanstha will increase.

In the end it can be concluded that the work of Kolhapur Zilla Magasvargiy Vidut Karmchari Sahakari Patsanstha Maryadit Kolhapur. is appreciable because of it's contribution to the state policy of inclusion for the Backward caste people in the society and needs to be strengthened further to serve the interest of backward caste people; in a better manner.
