

## Opinion of Managers' Regarding Working of Punjab State Co-operative Agricultural Development Bank Through PCA

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### ABSTRACT

The special banks providing long-term loans are called Land Development Banks. The first Land Development Bank was established at Jhang in Punjab in 1920. Punjab State Co-operative agricultural and rural development bank is playing an important role in meeting credit requirement of rural population in the state. The basic objective of the bank was to eliminate exploitations of the farmers by the money-lenders, by providing the farmers long-term loans at cheaper rates of interest, repayable in easy installments for redemption of mortgages. Present study make an attempt to know the opinion of managers of PADBs regarding the working of Punjab State Co-operative Agricultural and Rural Development Bank through Factor analysis by Principal Component technique for which primary data has been collected through pre-designed questionnaire. All the managers are satisfied from the working of the bank except that the bank is facing competition with other banks, stamp duty on registration, share money is very high, adequate staff is not available at the bank, deposit mobilization scheme of the bank is not running effectively and the bank does not adopt modern technologies. The Principle Component Analysis merged 35 statements into eight factors upon which working of the Bank is based. The eight contnet are propre perdsuation, timely and economical, moderisation, encouragement, support by PSCADB, simple procedure, skill development and diversification

**Key Words:**-Analysis, Bartllet Test, Feasibility, Principle Component Analysis, Reliability.

### INTRODUCTION

Indian economy is largely dependent upon agriculture as majority of its population is employed in it. As per census 2011, 56.6 per cent of the country's total workforce is employed in agriculture and allied sector. The contribution of agriculture sector in GDP of the country was 17 per cent in the year 2011-12. Although agriculture sector is the largest employer in the economy but its contribution in the GDP has been declining and was 13.7 per cent in the year 2012-13 (NABARD, 2013: p. 2). This can be attributed due to low productivity of the agriculture sector in the country (CMIE, 2014). Inadequacy of capital has

been one of the most important causes of the low productivity in agriculture sector and consequently leading to low capital formation and low growth rate (Nurkse, 1982). Although agriculture in India is largely dependent on monsoons but still certain other inputs are required for its growth that are irrigation facilities, fertilizers, pesticides, seeds etc. For acquiring the essential inputs and for financing the various farm sector and non-farm sector activities credit is vital input. Thus, the role of credit in the agricultural economy is essential. Agriculture credit is required for various purposes. Agriculture credit can be classified on the basis of period, purpose, security, creditor and borrower. On the basis of the term period of the loan, agriculture credit is broadly categorized into three categories viz., short-term, medium-term and long-term credit. Long-term credit is considered as capital expenditure in agriculture which has paramount importance in the Indian economy. The Land Development Banks have developed a special technique for conducting their business. They obtain their funds by the issue of long dated debentures sometimes carrying State Government guarantee with regard to payment of interest and repayment of principal. Thus, they are able to lend their money for long periods to agriculturists. On account of their importance to the nation they enjoyed special powers for the recovery of defaulted loans, exemption from taxes and in some cases state guarantee for these bonds.

In India, the rural co-operative banking sector plays an important role in providing credit to agriculture sector. The structure of the rural co-operative banking sector in India is two fold. The rural areas are served by two distinct sets of the institutions extending short-term and long-term credit. The short-term co-operative credit institutions have a three-tier structure comprising State co-operative banks at the apex level, district central co-operative banks at intermediate level and primary agricultural societies at the base level. The long-term co-operative credit institutions have, generally, a two tier structure comprising the State co-operative agriculture and rural development banks at the state level and primary agricultural and rural development banks at district or block level.

### **Co-operative Banking in Punjab**

The Punjab State Cooperative Agricultural Development Bank Limited was established on 26/02/1958 under the provisions of Punjab Cooperative Land Mortgage Banks Act, 1957. The basic objective of the bank was to eliminate exploitations of the farmers by the money-lenders, by providing the farmers long-term loans at cheaper rates of interest, repayable in easy installments for redemption of mortgages. Over the period, the bank introduced many schemes and diversified its lending operations with repayment period range from 5-15 years, depending upon the purpose of the Loan. In the initial stage, the bank has started functioning through the central co-operative banks, by appointing them as its agents. The long-term structure in the Punjab state, as such, is a federal structure having State Cooperative Agricultural Development Bank as an apex institution with Primary Cooperative Agricultural Development Bank as its members. As on 31st March, 2013, there were 89 PADB's. The management of the Punjab State Cooperative Agricultural Development Bank is vested in its

board of directors, which is constituted, as per provision of byelaw number 29 of the byelaws of the bank. The board of directors lay down the policy guidelines regarding the working of the bank. The functioning of the head office of the bank is run through different branches. For the purpose of close supervision of the PADBs, the bank has 19 district offices at district headquarters, which are supervised by the assistant general managers and 3 regional offices, at Jalandhar, Ferozpur and Patiala by regional officers.

At the time of establishment the bank started advancing loans for the redemption of land and for purchase of land so as to make land holdings economically viable. After sometime, the bank also started providing loans for the improvement of banjar, alkaline and saline lands. Thereafter, the Bank played a substantial role in the mechanization of farming in the state by advancing loans for the purchase of tractors, agricultural implements and installation of tubewells etc. The bank made significant contribution in the green, white and blue revolutions in the state. The Bank is also playing a vital role in elimination of unemployment in the State by providing self-employment to the educated unemployed youth. In 1993-94, the Bank switched over to Non-Farm Sector (NFS) and started financing ventures of self-employment in manufacturing, processing and service activities with the objective of generating self-employment and business expansion/diversification.

The long-term co-operative credit institutions in the Punjab state, as such, have a federal structure having Punjab State Co-operative Agricultural Development Bank as an apex institution with Primary Cooperative Agricultural Development Banks as its members. As on 31st March, 2014, there were 89 PADBs. Now, these banks have worked for more than 50 years. After 1993-94, these banks have worked more aggressively and provided credit to not only farming and non-farming sector but also to allied activities. Over the period, the Agricultural Development Banks have introduced many schemes and diversified their lending operations and thus there has been continuous change in the focus and working of the banks

## **OBJECTIVES AND METHODOLOGY OF THE STUDY**

The main objective of study is to know the opinion of managers of PADBs regarding the working of Punjab State Co-operative Agricultural and Rural Development Bank through factor analysis by Principal Component Technique for which primary data has been collected through pre-designed questionnaire having 35 statements. A sample survey of 60 managers has also been conducted to examine the extent to which the Punjab State Co-operative Agricultural and Rural Development Bank have fulfilled the needs of the people at Taluka level. Firstly to ascertain the satisfaction level of managers, they were asked to register their extent of satisfaction on a five-point scale regarding various issues related to the loan agreement over various statements related to the functioning of PSCADB. For this the Average weighted scores have been calculated by assigning the weights as 5, 4, 3, 2 and 1 to 'strongly agree', 'agree', 'neither agree nor disagree', 'disagree' and 'strongly disagree'. Secondly to know the variation in data, factor analysis has been done through Principle Component Technique.

## Average Weighted Score

Average Weighted Score has been used to study the borrowers' and managers' preferences and views expressed in terms of ranks of preferences for different attributes relating to functioning of Agricultural Development Banks in Punjab according to their degree of importance. Five-Point Likert Scale has been selected to measure the extent of agreement, importance or degree of satisfaction. The range of scale is 5, 4, 3, 2, 1. The weighted average score has been calculated by assigning weights like 5 to highly satisfied, 4 to satisfied, 3 to neither satisfied nor dissatisfied, 2 to dissatisfied and 1 to highly dissatisfied. On the basis of frequency of ratings for each attribute, average weighted scores have been calculated with the help of the following formula:

$$W = \left[ \frac{\sum Wfw}{\sum fw} \right]$$

W= Average weighted score

w= Weight given to the attribute

f= Number of respondents who attached weight to the attribute

## Factor Analysis

Factor analysis has been employed in the study to assess the respondents' attitude towards an issue.

## Mathematical model

for  $i = 1, \dots, 200$  the  $i$ th respondent's scores are

$$X_{1,i} = \mu_1 * 1_{1 \times 200} + L_{1,1}F_i + L_{1,2}F_2 + \varepsilon_{1,i}$$

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$$X_{n,i} = \mu_n * 1_{1 \times 200} + L_{n,1}F_i + L_{n,2}F_2 + \varepsilon_{n,i}$$

where

$x_{k,i}$  is the  $i$ th respondent's score for the  $k$ th statement

$\mu_k$  is the mean of the respondents scores for the  $k$ th statement

$n$  is the number of statements (10, 10 and 15)

$F_i$  is the  $i$ th respondent's "first factor",

$F_2$  is the  $i$ th respondent's "second factor", and so on

$\varepsilon_{k,i}$  is the difference between the  $i$ th respondent's score in the  $k$ th statement and the average score in the  $k$ th statement of all the respondents,

In matrix notation, we have

$$X = \mu * 1_{1 \times N} + LF + \varepsilon$$

where

$N$  is No. of respondents

$X$  is a statements  $\times$  No. of respondents matrix of observable random variables,

$\mu$  is a number of statements  $\times$  1 column vector of unobservable constants,

$L$  is a statements  $\times$  2 matrix of factor loadings,

$F$  is a 2  $\times$  consumers matrix of unobservable random variables,

$\varepsilon$  is a statements  $\times$  respondents matrix of unobservable random variables.

### **Type of Factoring**

**Principal Component Analysis (PCA):** The most common form of factor analysis, PCA seeks a linear combination of variables such that the maximum variance is extracted from the variables. It then removes this variance and seeks a second linear combination which explains the maximum proportion of the remaining variance and so on. This is called the principal axis method and results in orthogonal (uncorrelated) factors.

**Factor Loadings:** The factor loadings, also called component loadings in PCA, are the correlation coefficients between the variables (rows) and factors (columns). Analogous to Pearson's  $r$ , the squared factor loading is the per cent of variance in the indicator variable explained by the factor. To get the per cent of variance in all the variables accounted for by each factor, add the sum of the squared factor loadings for that factor (column) and divide by the number of variables (note the number of variables equals the sum of their variances as the variance of a standardized variable is 1). This is same as dividing the factor's eigenvalue by the number of variables.

**Communality:** The sum of the squared factor loadings for all factors for a given variable (row) is the variance in that variable accounted for by all the factors and this is called the communality. The communality measures the percent of variance in a given variable explained by all the factors jointly and may be interpreted as the reliability of the indicator.

**Eigenvalues/Characteristic Roots:** The eigenvalue for a given factor measures the variance in all the variables which is accounted for by that factor. The ratio of eigenvalues is the ratio of explanatory importance of the factors with respect to the variables. If a factor has a low eigenvalue, then it is contributing little to the explanation of variances in the variables and may be ignored as redundant with more important factors. Eigenvalues measures the amount of variation in the total sample accounted for by each factor.

**Extraction Sums of Squared Loadings:** Initial eigenvalues and eigenvalues after extraction "Extraction Sums of Squared Loadings" are the same for PCA

extraction, but for other extraction methods, eigenvalues after extraction will be lower than their initial counterparts. In "Rotation Sums of Squared Loadings" for PCA, the eigenvalues will differ from initial and extraction eigenvalues, though their total will be the same.

**Factor Scores** (also called component scores in PCA) are the scores of each case (row) on each factor (column). To compute the factor score for a given case for a given factor, one takes the case's standardized score on each variable, multiplies by the corresponding factor loading of the variable for the given factor and sums these products. Computing factor scores allows one to look for factor outliers. Also, factor scores may be used as variables in subsequent modelling.

### **Criteria for Determining the Number of Factors**

**Varimax Rotation:** is an orthogonal rotation of the factor axes to maximize the variance of the squared loadings of a factor (column) on all the variables (rows) in a factor matrix, which has the effect of differentiating the original variables by extracted factor. Each factor will tend to have either large or small loadings of any particular variable. A varimax solution yields results which make it as easy as possible to identify each variable with a single factor. This is the most common rotation option (Jolliffe, 2002).

## **ANALYSIS**

### **Agreement Among Managers on Various Statements**

The weighted average score of all the statements varies between 1.72 to 4.83. The weighted average score of statement 'PSCADB meant for long-term finance for rural, poor and weaker section of society at Taluka Level' is highest i.e. 4.83 and weighted average score the statement 'PSCADB is not facing any competition with other banks' lowest i.e. 1.72.

Table 1 shows that all Managers have expressed their agreement with regard to the statements 'PSCADB meant for long-term finance for rural, poor and weaker section of society at taluka level' (100 per cent), 'sufficient support is given to PADBs by PSCADB' (100 per cent), 'special training programmes are amended time to time to provide guidance to PADBs about new loan policies of the Bank' (100 per cent), 'PSCADB helped in reducing dependence from money lenders/commission agents' (100 per cent), 'security requirements of PSCADB for advancement of loans are appropriate' (100 per cent), 'loans are advanced timely by PSCADB' (100 per cent), 'PSCADB accepts the Government waiver given to the PADB's borrower members' (100 per cent), 'PSCADB encourages the women beneficiary to become a borrowers member of PADB by giving them benefits in the form of rebate in share money and loan fee' (100 per cent), 'one time settlement and buy-back schemes enhanced the recovery position of PADBs' (100 per cent). Majority of respondents expressed their agreement with the statements 'PSCADB advances more than 70 per cent loans to small farmers' (98.33 per cent), 'PSCADB adopts better appraisal system for reimbursing the loans of PADBs' (98.33 per cent), 'new loan polices are introduced by the PSCADB at appropriate time' (95 per cent), 'special training programmes are amended time to time to provide guidance to PADBs about new loan policies of the Bank' (95 per cent), 'soft loans schemes provide appropriate support to meet the credit needs of the weaker PADBs' (95 per cent), 'proper legal action is taken

by PSCADB against wilfull defaulter' (95 per cent), 'pre sanction visits are done by PSCADB Frequently' (95 per cent), 'post disbursement follow up is frequently done by PSCADB' (95 per cent) and 'PSCADB advances loans on the principle of first cum first serve basis' (95 per cent) during the period.

**Table: 1**  
**Managers' Agreement Level Regarding Various Statements**

S. No.	Statement	Highly Agree	Agree	Neutral	Disagree	Highly disagree	AW S
S1.	PSCADB meant for long-term finance for rural, poor and weaker section of society at Taluka Level	50 (83.33)	10 (16.67)	0	0	0	4.83
S2.	Sufficient support is given to PADBs by PSCADB.	43 (71.67)	17 (28.33)	0	0	0	4.72
S3.	PSCADB is not facing any competition with other banks	0	3 (5)	3 (5)	28 (46.67)	26 (43.33)	1.72
S4.	Political Interference does effect of working of PSADB adversary	16 (26.67)	31 (51.67)	9 (15)	2 (3.33)	2 (3.33)	3.95
S5.	PSCADB adopts modern technologies and computerization.	0	16 (26.67)	23 (38.33)	21 (35)	0	2.92
S6.	Deposit Mobilization scheme of the PSCADB is running effectively and successfully.	0	28 (46.67)	24 (40)	8 (13.33)	0	3.33
S7.	Adequate funds are available with PSCADB for proper implementation of new loan policies.	0	33 (55)	27 (45)	0	0	3.55
S8.	PSCADB had adopted appropriate diversification in loan policies	10 (16.67)	41 (68.33)	9 (15)	0	0	4.02
S9.	New Loan polices are introduced by the PSCADB at appropriate time.	17 (28.33)	40 (66.67)	3 (5)	0	0	4.23
S10.	Special training programmes are amended time to time to provide guidance to PADBs about new loan policies of the Bank.	29 (48.33)	28 (46.67)	3 (5)	0	0	4.43
S11.	Borrower Members of PADBs prefer to borrow loans from LADBs.	8 (13.33)	35 (58.33)	17 (28.33)	0	0	3.85
S12.	PSCADB helped in reducing dependence from money lenders/commission agents.	38 (63.33)	22 (36.67)	0	0	0	4.63
S13.	Pre Sanction visits are done by PSADB Frequently.	27 (45)	30 (50)	0	3 (5)	0	4.35
S14.	Post disbursement follow up is frequently done by PSADB.	26 (43.33)	31 (51.67)	0	3 (5)	0	4.33

S15.	PSADB advances loans on the principle of first cum first serve basis.	28 (46.67)	29 (48.33)	0	3 (5)	0	4.37
S16.	Share money (3%) is nominal and not very high.	12 (20)	1 (1.67)	15 (25)	16 (26.67)	16 (26.67)	2.62
S17.	Loan procedure of PSADB is	36 (60)	17	2 (3.33)	5 (8.33)	0	4.4
S18.	Security requirements of PSCADB for advancement of loans are appropriate.	35 (58.33)	25 (41.67)	0	0	0	4.58
S19.	Stamp duty on registration of property to be mortgaged is appropriate	0	0	8 (13.33)	34 (56.67)	18 (30)	1.83
S20.	Sufficient loan amount is sanctioned by the PSCADB to PADB's	15 (25)	36 (60)	7 (11.67)	2 (3.33)	0	4.07
S21.	Adequate staff is available at PSCADB to sanction the loans	5 (8.33)	12 (20)	27 (45)	16 (26.67)	0	3.1
S22.	Loans are advanced timely by PSCADB.	37 (61.67)	23 (38.33)	0	0	0	4.62
S23.	PSADB advances more than 70 per cent loans to small farmers.	28 (46.67)	31 (51.67)	1 (1.67)	0	0	4.45
S24.	PSCADB adopts better appraisal system for reimbursing the loans of PADB's.	13 (21.67)	46 (76.67)	1 (1.67)	0	0	4.2
S25.	Less rate of interest is charged on reimbursement of loans.	25 (41.67)	31 (51.67)	4 (6.67)	0	0	4.35
S26.	Easy repayment schedule are adopted by PSCADB.	26 (43.33)	27 (45)	7 (11.67)	0	0	4.32
S27.	The scheme of 40 per cent loan amount as security in case of NFS loans is taken positively by the landless borrower members	0	14 (23.33)	16 (26.67)	28 (46.67)	2 (3.33)	2.7
S28.	Attestation authority given to managers of PADB's helped in reducing the chances of malpractices in advancement of loans.	20 (33.33)	26 (43.33)	5 (8.33)	8	1 (1.67)	3.93
S29.	Borrowers of PADB are free to purchase agricultural Machinery and implements etc from other firms of their own choice	27 (45)	30 (50)	3 (5)	0	0	4.4
S30.	PSCADB accepts the Govt. waiver given to the PADB's Borrower Members.	40 (66.67)	20 (33.33)	0	0	0	4.67
S31.	Good pay master rebate fund gives incentives for early repayment done by PADB's.	19 (31.67)	31 (51.67)	7 (11.67)	3 (5)	0	4.1
S32.	PSCADB encourages the	41	19	0	0	0	4.68

	women beneficiary to become a borrowers member of PADB by giving them benefits in the form of rebate in share money and loan fee .	(68.33)	(31.67)				
S33.	One time settlement and buy-back schemes enhanced the recovery position of PADBS.	16 (26.67)	44 (73.33)	0	0	0	4.27
S34.	Soft loans schemes provide appropriate support to meet the credit needs of the weaker PADBs	9 (15)	48 (80)	0	3 (5)	0	4.05
S35.	Proper legal action is taken by PSCADB against wilfull defaulter	34 (56.67)	23 (38.33)	0	3 (5)	0	4.47

Majority of managers disagree with the statements 'PSCADB is not facing any competition with other banks' (90 per cent), followed by 'stamp duty on registration of property to be mortgaged' is appropriate' (86.67 per cent), 'share money (3%) is nominal and not very high' (53.34 per cent) and 'deposit mobilization scheme of the PSCADB is running effectively and successfully' (46.67 per cent). The managers are neutral to the statements 'adequate staff is available at PSCADB to sanction the loans' (45 per cent), for 'deposit mobilization scheme of the PSCADB is running effectively and successfully' (40 per cent), 'PSCADB adopts modern technologies and computerization' (38.33 per cent).

### **Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO MSA) and Bartlett's Test**

The contents emerged out of 35 statements relating to PSCADB were identified through Factor Analysis by Principle component Technique. The results of the analysis have been presented in table 2, table 3 and table 4.

**Table: 2**  
**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.352
Bartlett's Test of Sphericity (Approx $\chi^2$ )	2031
d.f.	595
Significance	0.000

Table 2 contains the Kaiser-Meyar-Olkin Measure of Sampling Adequacy (KMO MSA ) coefficient and Bartlett's Test of Sphericity to test the significance of KMO MSA. It is clear from the Table that KMO MSA comes to be 0.352 which is highly significant as per the Bartlett's Test of Sphericity i.e. 2031. This indicates that the data set is fit for factor analysis. The communalities indicate whether there is powerful correlations between various statements or not. If there is no powerful correlations, the data set is not fit for the factor analysis.

It is clear from table 3 that the communalities ranged from 0.647 to 0.970. The magnitude of communalities is significantly high, which establishes

that strong correlations between various statements. Therefore, it is again proved that the data set is fit for the factor analysis.

**Table: 3**  
**(Rotated Component Matrix of Factor Analysis)**

Statement	F1	F2	F3	F4	F5	F6	F7	F8	Communalities
S13	<b>.914</b>	.238	.151	.131	-.002	-.104	.051	-.036	.952
S14	<b>.915</b>	.211	.118	.176	.028	-.100	.079	-.012	.949
S15	<b>.925</b>	.263	.113	.107	.017	-.071	.072	-.057	.970
S18	<b>.628</b>	.241	.207	-.104	.464	.173	.072	.082	.822
S31	<b>.810</b>	.288	.131	.060	-.129	.208	.030	-.200	.874
S33	<b>.551</b>	.277	-.193	.217	.254	.254	-.418	-.062	.802
S34	<b>.881</b>	.004	-.268	.177	-.111	.101	.098	-.028	.914
S35	<b>.814</b>	-.103	-.047	.342	.162	-.197	-.038	-.113	.873
S17	.055	<b>.693</b>	.059	.298	-.165	.022	-.047	.222	.722
S22	.300	<b>.739</b>	.188	.236	-.228	.270	.002	.048	.904
S23	.353	<b>.829</b>	.088	.114	.254	.076	.057	.005	.906
S25	.280	<b>.737</b>	.212	.263	.113	.027	-.033	-.091	.828
S26	.332	<b>.713</b>	.230	.017	.091	.245	.028	-.220	.880
S3	.020	.136	<b>.762</b>	-.045	.027	-.115	.047	-.137	.647
S5	.152	.023	<b>.673</b>	.048	-.347	.118	.304	-.132	.771
S6	-.179	.033	<b>.606</b>	-.218	.028	.514	.228	.036	.776
S9	.066	.053	<b>.552</b>	.377	-.375	.175	.311	.202	.787
S11	-.059	.421	<b>.624</b>	.410	.147	.131	.053	.238	.837
S12	.367	.133	<b>.521</b>	.347	-.007	.139	-.021	.119	.705
S29	.184	.259	.058	<b>.800</b>	.185	-.160	-.157	-.010	.851
S30	.259	.190	.019	<b>.826</b>	.011	.170	.136	-.075	.843
S32	.299	.151	.057	<b>.851</b>	-.103	.112	.071	.076	.894
S1	.109	.086	.031	.083	<b>.833</b>	-.005	.024	.002	.728
S2	.028	.127	.088	-.040	<b>.806</b>	-.095	-.115	-.030	.703
S27	.101	.196	.247	-.048	<b>-.732</b>	.005	-.216	.066	.699
S16	-.096	.027	.006	.208	-.290	<b>.787</b>	-.122	.213	.818
S19	-.063	.403	-.005	-.009	.214	<b>.693</b>	.197	.008	.819
S28	.305	.410	.400	.004	.056	<b>.558</b>	-.138	-.204	.882
S10	.142	.209	.219	.316	-.224	.441	<b>.512</b>	.190	.797
S20	-.012	.305	.332	.036	.090	-.160	<b>.694</b>	.188	.756
S21	.178	-.221	.090	-.017	.088	.098	<b>.872</b>	-.096	.903
S7	-.333	-.064	-.057	-.017	-.135	.159	.049	<b>.863</b>	.933
S8	.106	.277	.604	.103	.182	.036	.134	<b>.529</b>	.820
S24	.166	.436	.037	.341	.057	.092	.403	<b>.488</b>	.753
<b>Eigen Value</b>	10.46	4.86	3.19	2.60	2.27	1.79	1.45	1.23	
<b>% Variance</b>	29.88	13.88	9.11	7.43	6.49	5.12	4.14	3.52	
<b>Cumulative Variance</b>	29.88	43.76	52.88	60.31	66.79	71.92	76.05	79.57	

**Table: 4**  
**Contents Emerged Through Factor Analysis**

Factor	Statements	Content	% Variance Explained	Cumulative % Variance Explained
1	13,14,15,18,31,33,34,35	Proper Persuasion (8)	29.88	29.88
2	17,22,23,25,26	Timely & Economical (5)	13.88	43.76
3	3,5,6,9,11,12	Modernization (6)	9.11	52.88
4	29,30,32	Encouragement (3)	7.43	60.31
5	1,2,27	Support by PSCADB (3)	6.49	66.79
6	16,19,28	Simple Procedure (3)	5.12	71.92
7	10,20,21	Skill Development (3)	4.14	76.05
8	7,8, 24	Diversification (3)	3.52	79.57

Tables 3 and 4 clearly show that 8 contents emerged out of 35 statements like proper persuasion, timely and economical, modernisation, encouragement, support by PSCADB, simple procedure, skill development and diversification. The 1<sup>st</sup> content (F1) is 'proper persuasion of the loan cases by PADB's'. This content included 8 statements with 29.88 per cent of the variance explained by these statements. The 2<sup>nd</sup> content (F2) is found to be 'timely and economical loan sanction and disbursement to the beneficiaries'. This content includes 5 statements with 13.88 per cent variance explained and cumulative variance explained by two contents is 43.76 per cent. The 3<sup>rd</sup> content (F3) comes to be 'adoption of modern technology for effective implementation of various loan schemes'. This content includes 5 statements with 9.11 per cent of the variance explained and cumulative variance explained by three contents is 52.88 per cent.

The 4<sup>th</sup> content (F4) is 'encouragement to the beneficiaries', particularly to the rural poor and women beneficiaries to get maximum of the PADB's loan schemes which includes 3 statements with 7.43 per cent of the variance explained and cumulative variance explained by four contents is 60.31 per cent. The 5<sup>th</sup> content (F5) comes to be 'support of PADB's by the PSADB in terms of funds for effective implementation of various loan schemes' which includes 3 statements with 6.49 per cent of the variance explained and cumulative variance explained by five contents is 66.79 per cent. The 6<sup>th</sup> content (F6) emerged is 'simple procedure of security and documentation' of PADB's. This content included 3 statements with 5.12 per cent of the variance explained and cumulative variance explained by six contents is 71.92 per cent. The 7<sup>th</sup> content (F7) is found to be 'skill development of PADB's staff through training and development programmes' organized by PSCADB. This content includes 3 statements with 4.14 per cent of the variance explained and cumulative variance explained by seven contents is 76.05 per cent. The last and 8<sup>th</sup> content (F8) emerged out of 35 statements is 'provision of funds for PADB's for diversification of loan from farm to other sectors by PSADB', this content included 3 statements with 3.52 per cent of the variance explained and cumulative variance explained by eight contents is

79.57 per cent. In this way the 8 contents merged out of 35 statements explains 79.57 per cent of the variance in the overall performance of PSCADB and PADB.

## CONCLUSION

From the above analysis it is concluded that all the managers of PADB are satisfied from the working of the bank except that the bank is facing competition with other banks, stamp duty on registration of property to be mortgaged is not appropriate, share money is very high, adequate staff is not available at the bank to sanction the loans, deposit mobilization scheme of the bank is not running effectively and the bank does not adopt modern technologies and computerization. It is also concluded that working of PSCADB is based on mainly eight contents like proper persuasion of the loan cases by PADB, timely and economical loan disbursement to the beneficiaries, adoption of modern technology for effective implementation of various loan schemes, encouragement to the beneficiaries, support of PADB by the PSCADB in terms of funds for effective implementation of various loan schemes, simple procedure of security and documentation, skill development of PADB staff through training and development programmes and provision of funds for PADB for diversification of loan from farm to other sectors by PSCADB.

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