

Constrains of Defaulters toward Loan Transaction with LAMPS – A review

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Abstract

Research has been conducted to find reasons for the defaults in the repayment of loans provided by the Large-Sized Multipurpose Cooperative Societies (LAMPS) to its members of the Scheduled Tribe category. The study has taken fifteen niche types of constraints of defaulters when doing loan transactions with LAMPS. Amongst five, two LAMPS in the Salem district of Tamil Nadu were chosen for this study, and defaulters of loans were found from the annual record of these societies. The structured interview schedules were used to find the data and were done through t-test and f-test to check the validity of hypotheses. The analysis had shown the existence of firm disparity amongst the respondents in facing the types of issues related to loan transactions which stood as a prudential factor in changing the repayment behavior of the borrowers. The types of constraints have gained .86 as alpha value and the respondents under female of all ages, gender of both aged between 20 to 30, unmarried, educated up to the primary, employed as labors and earning less than one lakh rupee per annum are subject to a high disparity in facing the constraints related to loan transactions. Hence, suggestions are provided to mitigate the disparity in treatment and provide mutual benefits to the LAMPS and its stakeholders.

Key words: Constrains, Default, Disparity, Loan, Scheduled Tribe

INTRODUCTION

Indebtedness is one of the main reasons for the perennial poverty of rural populations engaged in agriculture, agricultural labor, artisan works, micro and cottage enterprises, etc. These activities do not ensure an adequate and regular income to

support the rural population. Hence, to fulfill their requirements, they search for sources and usually end up with informal institutions like money lenders, relatives and, friends. These sources can provide funds at the quickest with strict binding and an exorbitant interest rate. People living in the rural parts of India generally have limited awareness and access to organized institutions like Co-operatives, Regional rural banks, and special organizations like LAMPS. Among these institutions, LAMPS is providing interest-free loans to the members of both scheduled tribe and scheduled caste categories to support their economic activities and to enable them to increase their socio-economic status.

Even though there exist thousands of formal institutions, the rural population is perennially indebted to the unorganized sector, and the reason for this revealed in a study conducted by **Gian Singh et al. (2017), (p 51)** in which they said that the borrowers residing in the rural area primarily depends on formal institutions for their production purposes but to satisfy other needs, they mostly depend on the informal organization that provide loans at an exorbitant rate of interest¹ and, not be easily repayable because of insufficient income, unplanned commitments, increase in the cost of living, lack of awareness about the market condition, etc. and the result of which keep them indebted throughout their life and also the financial health of the formal institutions get compromised a large and this has been revealed in an article published by **Ahita Paul (2018), (4th para 1-3 lines)**. In which she had stated that the volume of the non-performing assets of the Indian financial sector at the close of the financial year 2017-2018 was found equal to Rs.10.35 lakh crore and a hefty portion (85%) of it was of the banks functioning in the Public Sector²

Among the participants of the rural money market of India, LAMPS is a special type of Primary Agricultural Co-operative society that provides both monetary and non-monetary supports to its members. Monetary assistance is provided as interest-free loans for both short-term and medium-term to the members of Scheduled Tribes and Scheduled Caste categories. **Jagabandhu Samal (1979), (p 29)**. In his dissertation, he had stated that in the year 1971 the Government of India had commissioned a group of experts under the leadership of Shri. K. S. Bawa and based on their recommendation, LAMPS were established to provide credit and marketing assistance to the tribes of the country³. **Subashchandirabose & Nagarajan, (2018), (p 980)**. Their study had confirmed that based on the report of the K.S. Bawa committee, LAMPS were promoted by the Indian government in the year 1973 in the tribal areas of the country. The yearly publication of **the Indian Cooperative Movement (ICM) (2018), (p 50)**. shows that at the close of the financial year March 31, 2017, 1707 LAMPS are functioning in India.

The prime objective of LAMPS is to empower its members both socially and economically. But, some loopholes remain unsealed for a long time and impeding the fulfillment of the said objectives. Those impediments are primarily connected with the loan activities of members of the LAMP society. ICM, (2019), (P 67)., It can be realized, through the volume of stressed assets carried by the PACS -Primary Agriculture Co-operative Societies functioning in India that which stood at Rs.53293 crores at the close of the financial year 2016-17.

Even though LAMPS has been providing interest-free loans to the members, it also suffers a lot due to the accumulation of stressed assets (non-performing loans) in their balance sheet. The present study tends to find the reasons for the growing tendency of non-performing assets from the view of loan defaulters. Following are some of the studies related to problems faced by the borrowers in doing loan transactions with the banking entities.

REVIEW OF LITERATURE

Nitin Bhatt and Shui-Yan Tang, (2002) Four prominent micro-credit schemes viz. NEP, FC, CEP, and WDA operated in the US are taken for this study. Six demographic variables were considered to find the factors causing changes in the repayment behavior of the borrowers. Logit model of two probabilities was taken for analysis and had found that transaction cost incurred by the borrower, homogeneity of members in a group, and threat of sanctions had an important role in changing the attitude of borrowers while, the other impeding factors include delay in sanction of loans, high transaction cost, frequent change of administrator of schemes, poor maintenance of loan records had also played its part to cause a delay in repayment of loans.

C.A. Wongnaa and D. Awunyo-Vitor, (2013) their study had found the factors disturbing the prompt payment of loans among yam farmers. The study focuses on one hundred farmers of Yam Cooperatives. They had taken Frequency and Probit Regression models to find factors causing variation in the repayment of loans. Thirteen demographic variables were taken for analysis and had found that 41% of borrowers have faced troubles in repayment of loans due to family commitments, gender bias, mono income, low literacy, misuse of loans, and no follow-up by the lending institution. **Waqar Akram et al. (2008)** had studied the constraints of borrowers related to repayment of loans taken under the agricultural credit schemes provided by formal credit institutions in Pakistan. Primary data has collected from 2642 households of 16 prominent districts in Pakistan and also from another group consist of 160 farm households chosen from Sargodha region of Punjab. The logit regression analysis had revealed two major reasons that had played dominating role in changing the attitude of the borrower viz. the need for land ownership for claiming loans and that is not available with tenants and share-croppers and the second one is the transitory income of farmers.

Firafis Haile, (2015) had attempted a study to ascertain factors playing a crucial role for the poor and non-repayment of loans provided by the Micro Finance Institutions in the Harari region of Ethiopia, where the count of borrowers are more in number. By using multi-stage sampling 120 loan beneficiaries were picked out from the population of 800 households. The researchers had used Binary logits and found that six dependent variables viz. inadequacy of loan, absence of training, poor follow-up of the lending institution, the distance of the market, lack of saving habit, costly inputs, and lack of understanding about the benefits of timely repayment were playing their part strongly to weaken the repayment performance of borrowers. Another study

of cross-sectional nature was done by **Fikadu Gutu et al. (2017)** to find factors causing variation in the repayment of loans by women to the Microfinance institutions in Southwest Ethiopia. They had chosen 182 women borrowers through multi-stage sampling that consists of 97 prompt payers and 85 defaulters. The analysis had revealed that inadequacy of loan, change of business idea due to insufficient loan, failure in expected results, diversion of fund for non-intended purposes, poor training to the borrower, lack of awareness of toward the benefits of prompt repayment, and improper follow-up of lending institutions had caused negative impacts in the repayment of the loan.

M.K. Patel et al. (2017) had conducted a study in Raipur District to find constraints faced by the farmers in the repayment of loans to co-operatives. They had chosen 80 farmers to collect primary data and co-efficient of correlation was applied for analysis. The results revealed that 32.50 percent of the total respondents are prompt in repayment of their loans and, they hardly face any problem in the repayment. But the remaining 67.50 percent had complained of having multiple problems in repaying their loans and of those low outcomes of produce were reported by 83.33 percent whereas, 14.82 percent had reported inadequacy of time gap as a problem in the repayment of loans.

RESEARCH GAP AND NEED FOR THE STUDY

Having done these reviews it was found the earlier studies had covered borrowers and the employees of banks to collect reasons for non-payment of loans but, hardly studies are found on loan defaulters and their constraints in the form of disparity that causes psychological impact in changing their attitude related to repayment of loans. The study of (Brain Keeley 2015), (p 74). has shown that “Inequality reduces social mobility – it’s harder to climb the economic ladder if the rungs are growing further apart. Another strand is the possible impact of inequality on people’s well-being – everything from health to happiness” and this has made the researchers connect disparity as a core element for the behavioral changes, happened with loan defaulters. Hence a study was felt necessary to find the factors that stood behind the attitudinal change with the borrower in repaying loans to LAMPS and find solutions to mitigate the volume of stressed assets with the LAMPS.

OBJECTIVES OF THE STUDY

1. To find the disparity in facing the types and severity of constraints encountered by the respondents when doing loan transactions with LAMPS.
2. To find possible remedies to resolve constraints faced by the respondents and the disparity among them.

RESEARCH METHODS

Type of study – The study was conducted as descriptive cum analytical work to depict the scenario through statistical values to find the validity of hypotheses.

Place of study – The study had covered two LAMPS functioning in the two major hill stations of the Salem district namely the S.A.62 Periyakalrayan LAMPS, Soolankurichi post, in Salem district, and S.402 The Yercaud LAMPS, Yercaud post in Salem district.

Period of study – The study in terms of data collection has been done in two different sets of months viz. November and December of the year 2018 with the respondents chosen from Periyakalrayan LAMPS and in March and April of the year 2019 with the respondents of Yercaud LAMPS.

Population – The study had concentrated on the active defaulters of the LAMPS studied. The total of the defaulting borrowers of the two LAMPS was found as 362 as recorded in the Short Note of the year 2017-18.

Size of Sample – The size of the sample has been determined by applying the formula provided by Taro Yamane. His method finds the appropriate number of representatives only when the size of the population is precise.

Formula $n = N / (1 + N(e)^2)$ where, **n** – refers the size of sample; **N** – refers the population and **(e)** – refers the margin of error. By taking **N** as 362 and **(e)** as 5%, the sample was found as **190.02** and, the same was divided between the two LAMPS based on their size of defaulters for the year 2017-18. This has been shown in Table 1.

Table 1: Loan defaulters of LAMPS and determination of size of sample

Sl. No.	Name of the LAMPS	No. of Loan Beneficiaries	No. of Loan Defaulters	Determination of the proportion	Number of sample
1.	S.A.62 Periyakalrayan LAMPS	1173	127	$190 / 362 \times 127$	67
2.	S. 402 The Yercaud LAMPS	2618	235	$190 / 362 \times 235$	123
	Total	3791	362		190

Source: Short Note, S.A. 62 Periyakalrayan Hills LAMPS – 2017-18 and ⁸ Short Note, S. 402 – The Yercaud Hills LAMPS – 2017-18

Formula applied to find the proportion is [Total of sample / Total of population] x Population of each LAMP. $[190/362 \times 127] = 67$ and $[190/362 \times 235] = 123$. The method applied for choosing the sample from the population is SRS - Stratified Random Sampling and the stratas are created on the basis of time lag of defaults.

Data collection tool – A structured interview schedule containing two heads viz. demographic data and the types of constrains was used for data collection.

Data analytical tools – Statistical tools such as percentage, t-test, f-test, one way ANOVA were used with the help of SPSS version 21.

HYPOTHESES

The study has used the following hypothesis to prove or disprove whether the assumption holds good or not.

H₀ - No strong disparity exists among respondents based on their demography in facing the types and severity of constraints when doing loan transactions with LAMPS.

H_a - Strong disparity exists among respondents based on their demography in facing the types and severity of constraints when doing loan transactions with LAMPS.

ANALYSIS AND INTERPRETATION OF DATA

Table 2: Demographic description of sample members of LAMPS

Variables	Proportion	Percentage
Gender		
Male	135	71.10
Female	55	28.90
Age		
20-30	48	25.30
31-40	62	32.60
41-50	52	27.40
Above 50	28	14.70
Caste Category		
Scheduled Tribe	130	68.40
Scheduled Caste	60	31.60
Education Status		
Illiterate	54	28.40
Upto Primary	43	22.60
Upto Higher	52	27.40
Secondary	41	21.60
Diploma/Graduation		
Marital Status		
Married	150	78.90
Unmarried	40	21.10

Occupation		
Farmer	38	20.00
Daily labor	45	23.70
Salaried Employee	56	29.50
Self-Employed	51	26.80
Family Income		
Upto Rs.100000	48	25.30
Rs.100001- Rs.2	86	45.30
Lakhs	46	24.20
Rs.200001- 3	10	5.30
Lakhs		
Above Rs. 3Lakhs		
Membership holding in years		
Less than 5 years	11	5.80
6 to 10 years	47	24.70
11 to 15 years	61	32.10
Above 15 years	71	37.40
Number of loans availed		
Less than 3 times	78	41.10
4 to 6	76	40.00
Above 6	36	18.90
Outstanding loans		
Less than 50000	21	11.10
50001 to 100000	84	44.20
Above 100000	85	44.70
Restructured the loans for		
Never	105	55.30
1 time	36	18.90
2 times	30	15.80
More than 2	19	10.00
Number of times of waiver		
Never	70	36.80
1 time	54	28.40
2 times	43	22.60
More than 2	23	12.10

Source: Author's input

Interpretation: Table 2 shows the demographic representation of the sample. It shows the population of the male is higher by 42.2% than the female. The majority (32.60%) of respondents comes under the age group of 31–40 and only 14.70% are found as aged above 51. In the caste category, 68.40% belong to ST and the remaining are belonging to SC. Toward education, 28.40% are illiterate and 21.20% are qualified as graduates. The marital status shows that 78.90% are married while the rest are unmarried. Salaried is ranked first by having 29.50% in the occupation status while farmers found as least. Around 45.30% have earned between one lakh to two lakhs rupees per annum as family income but only 5.3% have the same for more than three lakh rupees per annum.

Toward duration of membership in years, the table shows that 37.40% have had it for more than fifteen years and 5.8% have the same for less than five years. Toward the number of loans, 40% have had it between 4 and 6 times while only 18.90% had the same for more than six times. Toward outstanding loans with LAMPS, 44.70% have it for above one lakh rupee while 11.10% have the same as less than fifty thousand and 55.30 had not restructured their loan ever but, 10% have the same for more than two times. While 36.80% had not availed of the loan waiver even for a time but 12.10% have had it for more than two times.

Table 3: Reliability and Relativity test on constrain factors – Test based on Cronbach's alpha

Constrain Factors	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted	Cronbach's Alpha
2.1 No information about the new loans	59.53	36.187	.764	.839	
2.2 Reluctance of officials to add you as beneficiary	59.38	38.037	.719	.843	
2.3 No help in loan application process	59.21	45.254	.048	.886	
2.4 No explanation on requirements of application	59.32	41.447	.501	.856	
2.5 No lenience in time for submission of documents	59.33	36.443	.733	.841	
2.6 No guidance toward right amount as loan	58.19	46.377	.170	.867	

Constrain Factors	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted	Cronbach's Alpha
2.7 Undue delay in the appraisal of loan application	58.62	42.989	.440	.859	.864
2.8 Purposive denial in scrutinizing of loan application	58.21	45.701	.320	.864	
2.9 Compulsion of personal surety for casual loans	59.34	35.854	.756	.840	
2.10 Not sanctioning loan within reasonable time	59.31	43.633	.391	.861	
2.11 Delay in delivery of loan	59.03	41.533	.452	.858	
2.12 Sanctioning amount in short than what claimed	58.51	41.648	.565	.853	
2.13 No guidance on time and amount of repayment	58.37	43.230	.622	.855	
2.14 No information on the benefits of timely repayment	58.61	41.415	.663	.850	
2.15 No information on the demerits of delay in repayment	58.89	40.825	.649	.849	

Source – Author's input

Interpretation Table 1.3 shows the reliability and relativity score gained by the dependent variables used in this study. It shows that the Cronbach's alpha value of the 15 constrain factors is .86 and we all know the alpha is sufficient to exceed .7 in the case of studies related to social science. Hence, it confirms the reliability and relativity of the factors to induct them for further tests.

One sample t-test was applied to arrive at the probability value at 5% significance level to check the validity of hypothesis.

Table 4: Gender and disparity in showing the type and level of constrains faced when doing loan transaction with LAMPS.

Q1.Gender	N	Mean	Std. Deviation	t-Value	P-Value
Male	135	64.0667	6.63572	3.006	0.003
Female	55	60.8364	6.91419		
Total	190				

Source: Author's input

Interpretation – Table 4 shows the mean value of male respondents as higher than the female respondents. It reveals that the disparity in facing constraints related to loan transaction was found more with the male gender also the t and p-value at 5% significance level was found against the null hypothesis (**H01**) by showing it as 3.0 and .0 respectively. Hence it confirms the existence of strong disparity between the gender in facing constraints related to loan transactions with LAMPS.

Table 5: Age and disparity in showing the type and level of constrains faced when doing loan transaction

Age	N	Mean	Std. Deviation	F-Value	P-Value
20 – 30	48	58.2500	5.55246	17.526	.000
31 – 40	62	63.4516	6.87041		
41- 50	52	64.5577	5.76471		
Above 51	28	68.1429	5.79728		
Total	190	63.1316	6.85824		

Source: Author's Input

Interpretation – Table 5 presents the disparity among the respondents based on their age in facing constraints related to loan transactions with LAMPS. It shows the mean value as highest (68.14) with the respondents aged above 51 and least (58.25) with the age group of 20 to 30. The probability value, as well as the F-value, was found to be against the **H02** by showing .0 and 17.52 respectively at a 5% significance level, and thus it confirms the existence of strong disparity among the age groups in facing constraints related to loan transactions with LAMPS.

Table 6: Marital status and disparity in facing constrains related to loan transaction with LAMPS

Marital status	N	Mean	Std. Deviation	t-Value	P-Value
Married	150	64.1667	6.79065	4.202	.000
Unmarried	40	59.2500	5.67383		
Total	190				

Source: Author's input

Interpretation: Table 6 presents the statistical results to reveal the level of disparity between the two marital categories. It seems that the mean value was found higher among the married respondents and, while the t value, as well as the p-value, was found against the validity of **H03** by showing 4.2 and .0 respectively at a 5% significant level hence, it can be assumed that strong disparity exists between the two categories in facing the constrains when doing loan transactions with LAMPS.

Table 7: Caste categories and disparity in facing constrains related to loan transaction

Caste	N	Mean	Std. Deviation	F-Value	P-Value
Scheduled Tribes	130	63.1462	6.50833	.002	.966
Scheduled Caste	60	63.1000	7.61956		
Total	190	63.1316	6.85824		

Source: Author's input

Interpretation – Table 7 provides the statistical values between the variables in testing the validity of the null hypothesis. It shows the mean values gained by the two caste categories are marginally similar and also the f value. The p-value has supported the validity of the null hypothesis (**H04**) by showing .96 at a 5% significance level. Hence we can realize that there is no strong disparity exists between the two caste categories in facing constraints related to loan transactions with LAMPS.

Table 8 Education and disparity in facing constrains when doing loan transaction with LAMPS

Education Qualification	N	Mean	Std. Deviation	F-Value	P-Value
Illiterate	54	63.7778	7.49004	1.408	.242
Upto Primary	43	61.3721	7.80117		
Upto Higher Secondary	52	64.0192	6.10204		
Graduation or Post Graduation	41	63.0000	5.62139		
Total	190	63.1316	6.85824		

Source: Author's input

Interpretation – Table 8 shows disparity among the respondents based on their education status toward facing constraints related to loan transactions with LAMPS. It shows the mean value was found high among the respondents having education up to higher secondary and low with the group having up to primary education. The p-value

shows a positive (.24) score and the f-value was found nearer to 1 at a 5% significance level. Hence it can be assumed that there is no strong disparity exists among the respondents in facing constraints related to loan transactions with LAMPS based on their education status. Thus, **H05** got accepted.

Table 9: Occupation and disparity in facing constrains when doing loan transaction with LAMPS

Occupation	N	Mean	Std. Deviation	F-Value	P-Value
Farmer	38	67.7368	4.90826	35.018	.000
Wage earner	45	56.3111	5.75966		
Salary Earner	56	65.4821	6.04826		
Small scale business	51	63.1373	5.13428		
Total	190	63.1316	6.85824		

Source: Author's input

Interpretation – Table 9 presents the analytical results of the factors inducted for analysis. It shows the category of the farmer has the highest mean value and then the salary earners finally, the least mean was found with the wage earners. The probability value and the F-value at 5% significance level failed to support the null hypothesis (**H06**) by showing .0 and 35.01 respectively. Thus it was assumed that there exists a strong disparity among the categories in facing constraints related to loan transactions with LAMPS.

Table 10: Income and disparity in showing the type and level of constrains faced when doing loan transaction

Annual Income	N	Mean	Std. Deviation	F-Value	P-Value
Upto Rs. 100000	48	59.4375	6.50991	17.446	.000
Rs.100001 – Rs.200000	86	62.3488	6.46396		
Rs.200001 – 300000	46	66.6739	5.50981		
Above 300001	10	71.3000	1.76698		
Total	190	63.1316	6.85824		

Source: Author's input

Interpretation – The mean values as found from table 10 show their highest with the respondents earning annual family income above 3 lakh per annum and the lowest of the same was found with the respondents earning up to Rs.1 lakh per annum. The F-value, as well as the p-value at 5% significance level, are found to oppose the validity of the null hypothesis (**H07**), and thus it was observed that there exists a strong disparity among the four different income categories in facing constraints when doing loan transactions with LAMPS.

FINDINGS

After analysis the following were found as reasons for the scenario happening

(a). The Strong disparity among respondents in facing constraints had lead them to lose hope in the organization and motivate them to default their loans.

(b). In the case of gender, the results had supported a high disparity between the two. The reason was that male respondents have comparatively more number of loan transactions than the female and hence their awareness level causes such a disparity.

(c). In the case of age groups, the firm disparity was due to the number of years of membership and frequency of borrowing. The disparity was found healthier with the age group of 30 to 40 and weak with the 20 to 30. The former has more number of transactions with LAMPS and, the latter has the least of the same.

(d). The results have shown that the married category has a positive deviation and the unmarried have a negative. The reason for this is that married members generally have high commitments related to their family needs than the un-married and hence their need for a loan is more and, their frequency of visits to LAMPS was also more.

(e). The mean value of occupations has shown that the wage earners have a high level of negative variation with disparity and the farmers have a high level of positive variation. The reason for this is that farmers have more varieties of loans available with LAMPS when compared with the wage earners and make them have more frequencies with society and this has caused strong disparity in facing constraints among them.

(f). Also, the same results had found with the income categories where the mean value gets weak with the waning trend and strong with the waxing of annual income. The reason is that of good annual income and good repayment performance. Hence they face less disparity related to loan transactions with LAMPS.

SUGGESTIONS

To narrow the disparity in facing he constraints among the respondents it was suggested that

(a). LAMPS should conduct special awareness camps for women members to increase their knowledge of loan transactions. A high level of disparity has been found with the age group of 20 to 30 and can be reduced with the help of members aged above 30 years having good frequency with LAMPS. They need to provide guidance and supports to the latter and the former have to voluntarily approach the matured members to lean down the strong disparity.

(b).The married members need to follow the same as suggested for the groups aged above 30 and, the unmarried need to follow the advice provided for the age group of 20 to 30. Defaulters under the category of farmers and salary earners face

less disparity when compared with the self-employed and wage earners. Hence, the gap should be narrowed with the efforts of the officials of LAMPS by changing their pattern of behavior with the latter groups and in turn, the members of these two categories need to understand the officials and have a cordial relationship with them.

(c). The disparity based on the annual income can be shortened with the self-efforts of members falling under the first two income categories so as to find ways to increase their annual income and also to get the supports of LAMPS with reasonable efforts. The LAMPS from its part need to support the efforts of members falling under low-income categories.

CONCLUSION WITH POLICY IMPLICATION

The study on constraints of loan defaulters provides a scope for the researchers to understand the scenario from the part of loan defaulters. It also helps the organization (LAMPS) to get true reasons for the delays and defaults of loans as well as it provides a scope for the loan defaulters to express their views on disparities in facing various constraints that has changed their behavior related to repayment of loans to LAMPS.

As an outcome of the study, it has been realized that disparity in treatment will make negative impacts on the borrowers by affecting their psychology, changing their attitude against the organization. Hence to mitigate such negative results the LAMPS and its stakeholder needs to implement the suggestions provided by the researchers

LIMITATIONS OF THE STUDY AND FURTHER SCOPE FOR FUTURE RESEARCHES

The study has been conducted by taking the constraints in loan transactions faced by the borrowers of a particular category (ST) but, the other categories such as Scheduled Caste and Other backward casts have been ignored. Also, the Salem district has three other LAMPS other than the two that has been studied and the state of Tamil Nadu has been having twenty such special cooperatives and, that all were ignored due to the limitation of time and finance.

LAMPS are functioning, not only for providing financial services but also for other services such as inputs for agriculture and allied activities, storage facilities for both agricultural and non-agricultural commodities, marketing facilities for the outputs and the Minor Forest Produces. Besides these LAMPS have been engaged in the supply of essential commodities through a Primary distribution system and are not considered in this study. Hence all these uncovered areas are providing further scope for future researches.

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CONFLICT OF INTEREST

Mr. S. Senthil, the first author, Dr. D. Thiruniraiselvi, the co-author of the study herewith assure that we have no affiliation with or involvement in any organization or entity with any financial interest, or non-financial interest in the subject matter or materials discussed in this manuscript.

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S. Senthil is a NET qualified lecturer in Commerce working in Government Arts College in Tamil Nadu since 2014. He had published articles on Cost of environment degradation, Solid waste management, Stressed Assets of Co-operatives, and of LAMPS.

Dr. D. Thiruniraiselvi has been the HOD of the Research Department of Commerce in AAGA College in Tamil Nadu since the year 2016. She has been lecturing for 20 years and has published articles related to Banking, Finance and HRM.

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