CHAPTER VII
SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS
7.1 INTRODUCTION

Credit is a crucial input process of development. For historical reasons, Indian farming community failed to make huge investments in agriculture. There is an adage which says that "Indian farmer is born in debt, lives in debt and dies in debt". In order to mitigate the problems of the farming community, the Cooperative Credit Societies Act was passed in 1904, which permitted the formation of credit societies. They provided institutional support to farmers for short, medium and long term purposes. Subsequently, tiers at state and district levels were too conceived to strength these credit co-operatives. Apart from these cooperative institutions, nationalization of commercial banks and introduction of regional rural banks also helped in increasing credit supply to farmers. During this period, these institutional financing agencies failed to a large extend, to meet the requirements (consumption and production) of the farmers.

Some of the factors responsible for their failure are inadequate supply of credit, poor recovery, demand-supply gaps, interference by politicians, and lack of monitoring, mis-utilisation of credit, problems in identification of target groups, high transaction costs, and lags in time, natural calamities and competition from informal credit agencies. In additions to these, the heavy over dues, low rate of loan recovery, unproductive loan policies, inefficient management, untrained staff, the challenges put by new economic policy, the phase of liberalization, RDD, NPA are some of the important problems. But the DCC Banks are playing a significant and important role in agricultural financing. The Banks has lion's share in the development of farmers and cooperative movement. Finally, it can be said that development of DCC Banks means the development of agricultural as well as rural sector.

Despite the phenomenal expansion of outreach & volume of operations in the country, the cooperative societies are facing difficulties, particularly in mobilizing adequate resources so as to become self-reliant and economically viable units. Central Cooperative Banks have progressed remarkably well on all fronts such as in its profits, deposits, loans or advances, but these are lagging behind due to the above mentioned
Summary of Conclusions And Recommendations

problems. Hence, efforts should be taken to recapitalize and revive the cooperative societies in the region.

Government of India constituted a number of committees to look into the working of Central Cooperative Banks and made several recommendations to improve their health and functioning such as the Rural Banking Inquiry Committee (1949), the All India Rural Credit Survey Committee (1954), the Committee on Cooperative Credit (1960), the All India Rural Debt and Investment Survey (1962), Study Group on Panchayats and Co-operatives (1962), the All India Rural Credit Review Committee (1969), the Working Group on Rural Banks (1975), the Committee to Review Arrangement for Institutional Credit for Agriculture and Rural Development (1981), the Agricultural Review Committee (1989) and the Narasimhan Committee (1991 and 1998), Task Force on Revival of Co-operative Credit Institutions (2004), DCCB Level Implementation & Monitoring Committee (DLIC), 2007, the Expert Committee to Examine 3-Tier Short-term Co-operative Credit Structure (2013). Of the total credit provided by these institutions 44 per cent was met by the cooperative banks and 48 per cent by the commercial banks leaving a nominal amount by the regional rural banks.

In view of globalize economic scenario, there is an urgent need of a concrete action plan for strengthening the credit structure; making them truly democratic autonomous, professionally managed and financially strong entities. At the same time introduction of modern technology, bringing efficiency and professionalism an effective inter cooperative relationship must be built up. Presently, a new trend in banking sector, i.e. Information technology has transformed the business environment all over the world. It has had a major impact on banking sector with the introduction of number of e-channels like ATMs, ECSs, EFTs, credit cards, internet banking, mobile banking, telebanking etc. It has bridged the gaps in terms of the reach and coverage of the systems, and enabled better management of banking business.

The Cooperative Banks should try to increase their deposits by opening branches in business areas, improve the services to their clients, introduce different types of deposit schemes and offer competitive rates of interest. Accountability and transparency need to be brought in the implantation of the deposit and loan schemes. They should change their loan policies on the basis of crop loan systems. They must maintain adequate liquid resources, margin, and proper scrutiny of loans and should
try to qualitative improvement to the staff. They should try to co-ordinate between the Board of Management, Members, Depositors and Employees of bank.

In the present study entitled “Role of Latur District Central Cooperative Bank in the Agricultural and Rural Development” an effort has been made to investigate, analyze and evaluate the contribution of LDCC Bank in the field of agriculture and rural development. In this chapter it has been endeavoured to draw certain generalizations and to make some recommendations to improve the performance of LDCC Bank, Latur in financing the mentioned areas.

It is observed from the present study that LDCC Bank, Latur has made remarkable progress during the 2001-02 to 2012-13, both from view point of capital base and their lending operations and activities. This Bank did a good job in increasing and improving business with individuals and financed growing need of PACCs and other cooperative societies. The overall working of LDCC Bank, Latur is remarkable one. LDCC Bank had played a significant and important role in agriculture financing. The LDCC Bank, Latur has lion’s share in the upliftment of farmers and development of cooperative movement in Latur district.

In the present study, researcher also discussed the measures i.e. review of cooperative law, branch expansion programmes, adoption of new technologies, computerization, implementation of proper Grievances Redressal Mechanism, good communication network, tighten the supervision and monitoring of operation, removal of political interference, required training and incentives to staff, etc. Technological up gradation, product range quality and price, marketing strategy and quality of service would give LDCC Bank the competitive edge in the new environment. Customer friendly and pleasant atmosphere inside the branch premises would enhance customer satisfaction. Training, up gradation of skills of staff and change in their attitudes, behaviors and conduct are the necessary factors for rendering efficient and courteous service to customers in a computerized environment and to conform to customer expectations.

The present chapter summarizes the conclusions based on the entire issues discussed in the preceding chapters and the suggestions to overcome the problems of Latur District Central Cooperative Bank, Latur the role of LDCC Bank in agriculture and rural development in Latur district. Researcher feels that if these suggestions would be implemented, it would strengthen and promote the agriculture and rural development of Latur district.

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ANALYSIS WITH THE HELP OF QUESTIONNAIRE

As the present study is a Latur district, so it was not possible to collect data and information form individual respondents. Being universe very large, we decided to select some representative samples of total beneficiaries of LDCC Bank, Latur.

Latur district has 10 talukas. 250 respondents were selected from these talukas. From every taluka, 25 respondents were selected from agricultures, industry and service sector. Out of these 25 respondents, 12 belong to agriculture - 6 from small, 3 from medium and 3 from large land holdings. It helped us to study this Bank’s contribution in the development of various landholding farmers.

From industrial sector, 6 respondents were selected. LDCC Bank, Latur provides credit facilities to small, medium and large scale industries. 2 respondents were selected from every group.

Service sector has seen rapid growth in Latur district also. As compared to agriculture & industry, it has shown speedy growth. It was necessary to study the impact of LDCC Bank, Latur on the growth of service industries. Hence, 7 respondents from each district were selected. All these sampling was selected on random basis.

The data collected through questionnaires is processed and analyzed for arriving at relevant conclusions. The collected data is tabulated, classified, edited and then analyzed to arrive at conclusions. The term analysis refers to the computation of certain major outcomes. It can be defined as the ordering or breaking of the data into constituent part in order to obtain answer of research questions.

After collecting and analyzing the data, the researcher has to complete a task of drawing inferences followed by report writing. This has to be done very carefully otherwise misleading conclusions may be drawn.

Interpretation refers to the task of drawing inferences from the collected information after an analytical study is done. It is essential for the simple reason that usefulness and utility of research findings provide proper interpretation.

I. General Information about Customers

Considering the key role of the LDCC Bank officials and customers in the banking field two questionnaires were circulated. One for the Bank officials and another for the customers. Bank officials are the business decision-makers and the ‘providers of banking services’. On the other hand, customers of banks are the ‘buyers
of banking services’. Therefore an attempt is made to know the observations, understanding, perceptions and institutional reactions with the help of questionnaires.

General information about customers includes the occupation status, income status, land holding capacity of farmers, etc.

1. Occupation Status of Customers

Customers’ occupation status of LDCC Bank, Latur is as follows:

Table No. 7.1

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Occupation</th>
<th>No. of Customers</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Farmer</td>
<td>120</td>
<td>48%</td>
</tr>
<tr>
<td>2.</td>
<td>Businessman</td>
<td>60</td>
<td>24%</td>
</tr>
<tr>
<td>3.</td>
<td>Serviceman</td>
<td>70</td>
<td>28%</td>
</tr>
</tbody>
</table>

(Source: Questionnaire and Interview)

Table No. 7.1 represented that out of 250 customers, we have selected 48% farmer, 24% businessmen and 28% servicemen.

2. Income Status of Customers

Customers’ income status of LDCC Bank, Latur is as follows:

Table No. 7.2

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Income</th>
<th>No. of Customers</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Below Rs.50000</td>
<td>85</td>
<td>35%</td>
</tr>
<tr>
<td>2.</td>
<td>Rs.50000 to Rs.100000</td>
<td>113</td>
<td>45%</td>
</tr>
<tr>
<td>3.</td>
<td>Rs.100000 to Rs.200000</td>
<td>25</td>
<td>10%</td>
</tr>
<tr>
<td>4.</td>
<td>Rs.200000 to Rs.500000</td>
<td>18</td>
<td>7%</td>
</tr>
<tr>
<td>5.</td>
<td>Above Rs.500000</td>
<td>9</td>
<td>3%</td>
</tr>
</tbody>
</table>

(Source: Questionnaire and Interview)

Table No. 7.2 indicated that the customers income status of sample of 250 customers of LDCC Bank, Latur. Out of total customers, 35% customers comes under below Rs. 50000 income group, 45% customers were between Rs.50000 to Rs.1 lakhs, 10% customers were between Rs.1 lakhs to Rs.2 lakhs, 7% customers were between
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Rs. 2 lakhs to Rs. 5 lakhs and 3% customers were found in above Rs. 5 lakhs income group.

3. Land Holding Capacity of Customers (Farmers)

Customers' (Farmers') land holding capacity of LDCC Bank, Latur is as follows:

Table No. 7.3
Customers' Land Holding Capacity

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Land Holding Capacity</th>
<th>No. of Customers</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Small Landholders</td>
<td>60</td>
<td>50%</td>
</tr>
<tr>
<td>2</td>
<td>Medium Landholders</td>
<td>30</td>
<td>25%</td>
</tr>
<tr>
<td>3</td>
<td>Large Landholders</td>
<td>30</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>120</td>
<td>100%</td>
</tr>
</tbody>
</table>

(Source: Questionnaire and Interview)

Table No. 7.3 presented the land holding capacity of farmers. Out of 250 samples, 120 farmers were selected. Out of total 120 farmers, 50% farmers were selected from small landholding capacity, 25% were medium landholding capacity, and remaining 25% were large landholding capacity.

4. Result on Production/Income

Table No. 7.4
Is there any increase in Production/Income after taking Loan?

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Opinion of Customer</th>
<th>No. of Customers</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>210</td>
<td>84%</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>30</td>
<td>12%</td>
</tr>
<tr>
<td>3</td>
<td>Constant</td>
<td>10</td>
<td>4%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>250</td>
<td>100%</td>
</tr>
</tbody>
</table>

(Source: Questionnaire and Interview)

Table No. 7.4 showed the result of loan amount on production/income of customer after taking loan from LDCC Bank, Latur. Out of total customers, 84% customers responded positively, 12% customers answered negatively and remaining 4% customers were constant.
5. Utilization of Loan Amount

Table No. 7.5

Do you utilize the Loan Amount for the Loan Disbursed Purpose?

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Opinion of Customer</th>
<th>No. of Customers</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Yes</td>
<td>232</td>
<td>93%</td>
</tr>
<tr>
<td>2.</td>
<td>No</td>
<td>18</td>
<td>7%</td>
</tr>
</tbody>
</table>

(Source: Questionnaire and Interview)

Table No. 7.5 revealed the information about utilization of loan amount disbursed by LDCC Bank, Latur to customers for the purpose or otherwise. Out of the 250 customers, 93% customers had given positive response whereas 7% customers responded negatively.

6. Modernization of Business/Agriculture

Table No. 7.6 exhibited the opinion of customers regarding modernization of business/agriculture after taking loan from LDCC Bank, Latur. Out of total customers, 89% customers had given positive response whereas 11% customers responded negatively.

Table No. 7.6

Do you adopt Modern Techniques after taking Loan?

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Opinion of Customer</th>
<th>No. of Customers</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Yes</td>
<td>222</td>
<td>89%</td>
</tr>
<tr>
<td>2.</td>
<td>No</td>
<td>28</td>
<td>11%</td>
</tr>
</tbody>
</table>

(Source: Questionnaire and Interview)
7.2 SUMMARY OF CONCLUSIONS

The Co-operative Societies Act, which was passed in 1904 envisaged the formation of village credit societies. In 1912, the Act was amended to enable formation of other types of societies for activities relating to sale, purchase, production, housing etc. This Act also provided for the creation of federations of primary societies and for supervision, audit, mutual control and overall development of the co-operative movement. In 1919, the subject of co-operation was transferred to the provinces and most of the provinces enacted their own laws to regulate the working of co-operative societies. To give a stimulus to the co-operative movement, the Government of India set up an Agricultural Credit Department in the Reserve Bank of India with a view to providing financial assistance and credit to the co-operatives.

The Cooperative Movement in India was largely a sequel to the move against private money-lenders who were reputed the charging exorbitant interest rates from the poor people. This reduced their condition to one of perpetual indebtedness.
Cooperative societies therefore aimed at promoting institutional formal credit and cooperative finance. Economic development and social justice are two main objectives of our planning. To fulfill these two objectives simultaneously, the role of cooperative banking in India made real growth and progress.

Latur District Central Cooperative Bank is pioneer of all cooperative societies and center of development of the cooperative movement at Latur district. Since the formation of Latur district i.e. 16th August, 1982, Latur has made appreciable and eye-catching progress in politics, education, industries, farming, and cooperative sector. LDCC Bank has the lion’s share in the overall development and upward progress of Latur district.

LDCC Bank has made major changes in agricultural loan policy and provides the loan at low rate of interest for machineries, sprinklers etc. It has been providing the government sponsored loan schemes for economically weaker sections like Swarn Jayanti Gram Swarojgar Yojana, Self Help Groups, Short Term Loan Scheme for pensioners, Home Loan Scheme for Salary earners. It gives acceleration to the saving habit of women and strengthens them financially. Another objective of this Self Help Group is to include the economically weaker and illiterate women in banking transactions and to make familiar them with financial transaction of banks.

LDCC Bank, Latur has been rendering various schemes for agriculture and rural development. Researchers has evaluated the performance of LDCC Bank, Latur on the basis of various matters such as share capital, membership, assets and liabilities, cash and bank balance, total income, working capital, loans and advances, agriculture overdue, agriculture arrears, etc. Along with this, researcher studied the impact of New Economic Policy on the working of LDCC Bank, Latur.

Researcher has used some statistical tools like mean, percentage, base index, chain index, ratio analysis, graphs, and charts for analyzing the data of 12 years i.e. 2001-02 to 2012-13. The statistical information has been presented in tables and that are analysed and interpreted with the help of graphs. On the basis of analyzed data, researcher drawn some conclusions and presented below-

1. **Share capital presented moderate increase.**

   Table 4.1 reveals the growth of share capital during the study period 2001-02 to 2012-13. The authorized share capital of the bank is Rs. 1 billion divided into 10000 shares of Rs 10,000 each. The issued and paid up capital on 31st March 2013 stands to Rs 58,65,95,971. During the year 2001-02 to the paid up share capital stood
Summary of Conclusions And Recommendations

at Rs. 2412.85 lakhs which was increased to Rs. 5865.95 lakhs during 2012-13 showing an average annual increase of 60.52% over base year and 0.62% over previous year. During this study period there was moderate increase in share capital.

The growth in the share capital was mainly due to implementation of higher norms of viability, increase in loan transactions and increase in the price of share capital in the year 2011-12.

2. Total membership revealed decreasing trends.

Table No. 4.2 indicated the position of membership of LDCC Bank. In the year 2001-02, 1509 members were registered with LDCC Bank. This figure decreased to 1211 members during the year 2012-13.

During the year 2011-12 where there is abnormal decrease in the number of shareholders i.e. 1209 members. It was due to the amendments in banking bye-laws of LDCC Bank, Latur that the member cooperative societies have to pay Rs. 10000 per share from 2011-12, earlier the price per share was Rs. 1000. Those member cooperative societies who will not pay the required amount of share capital within the period of 2 months, their membership will be cancelled by Board of Directors of Bank & bank will returns the paid up amount to the co. op societies. Due to this amendment in banking bye laws, there was reduction in membership particularly in 2011-12. Thereafter in 2012-13, membership was increased to 1211 members as the admission was given to other cooperative societies. Bank cancelled the membership of 540 societies due to this amendment and joined 8 new societies after fulfilling the above requirement of share capital.

Total membership presented the average annual increase of 5.78% over base year and 1.26% over previous year. The variation in membership was mainly due to amendment in banking bye-laws of LDCC Bank, Latur.

3. Reserve Fund indicated continuous increase.

Table No. 4.3 exhibited the position of reserve fund during the study period 2001-02 to 2012-13. During the year 2001-02, the reserve fund of LDCC Bank was Rs. 27.87 crores which increased to Rs. 178.07 crores during 2012-13. The average annual growth was 232.02% over base year and decrease of 2.48% over previous year.

The continuous growth in the reserve fund was mainly due to the fulfillment of annual provisions to the respective fund as per the banking regulations. The major contribution in this growth was of Reserve fund, Agricultural credit stabilization fund,
Building Fund. LDCC Bank is maintaining various funds for safeguarding the interest of bank as well as customers.

4. Total income showed fluctuating trends.

Table No. 4.4 exhibited the fluctuations in total income during the study period 2001-02 to 2012-13. In the financial year 2001-02, the bank’s total income was Rs. 9107.60 lakhs which rose to Rs. 16,616.67 lakhs in 2012-13. It remarked the average annual growth of 23.25% over base year and 2.17% over previous year.

Total income showed fluctuating trend due to fluctuating investment and variations in loan transactions. LDCC Bank received interest on these loan and investment. The another reason is that majority the business transactions are performed on credit basis, and for that these is use of bills, hundies and drafts, therefore, bank is also earning from commission on these transactions.

5. The net profit showed fluctuating trends.

Table No. 4.5 revealed the growth of net profit during the study period 2001-02 to 2012-13. During the year 2001-02, the net profit stood at Rs. 227.89 lakhs which was increased to Rs. 740 lakhs during 2012-13. During the study period, the average annual increase was 319.12% over base year and 66.74% over previous year.

The net profit exhibited the variations in growth due to reduction in expenditure such as bonus/grant, increase in income from interest on loans and investments, increase in commission on hundies, bills and drafts, increase in various expenditure such as salary and allowances, legal charges, depreciation and dead stock, heavy provision for bad and doubtful debts and provision for interest, understating the expenses, payment of premium to LIC office, Aurangabad.

6. Total liabilities indicated continuous increase.

Table No.4.6 revealed the continuous increase in total liabilities during 2001-02 to 2012-13. In the year 2001-02, the total liabilities stood at Rs. 663.63 crores, which marked the increase to Rs. 1809.77 in 2012-13 presenting the increase of 172.70% over base year. It presented the average annual growth of 70.63% over base year and 1.46% over previous year.

This continuous increase in liabilities of LDCC Bank was observed due increased membership and share price as they contribute in share capital for taking loan. LDCC Bank has maintaining various funds for safe guarding the interest of bank. As per the higher turnover, there is increment in various types of reserves.
Summary of Conclusions And Recommendations

7. Working capital presented the continuous growth.

Table No. 4.7 presented the continuous growth in working capital. It is the lifeblood of any organization which is required to fulfill the routine & daily needs of organization. In the year 2001-02, working capital of LDCC Bank amounted to Rs. 652.4 crores, which recorded the increase to Rs. 1791.49 crores in 2012-13. It showed an average increase of Rs. 1109.47 crores during the study period. It presented the average annual growth of 61.71 % over base year and 1.49 % over previous year.

This reason for this continuous increase is the sound financial position of LDCC Bank and due to implementation of norms timely regarding working capital given in Banking Regulation Act (Section 18 and 24).

8. Cash and bank balance showed fluctuating trend during the study period.

Table No. 4.8 focused the cash and bank balance position of LDCC Bank, Cash & Bank balance showed fluctuating trend. As per the section 18 & 24 of Banking Regulation Act, it is mandatory on banks to carry required cash and bank balance.

During the year 2001-02, the cash & bank balance was Rs. 14.95 crores, it presented the increase to Rs. 114.23 crores during 2012-13. It presented the average annual growth of 252.36% over base year and 22.10% over previous year.

The variation in the years 2004-05, 2006-07, and 2010-11 was due to variation in collection in deposits by the member cooperative societies at the end of the year. If the deposits are disbursed speedily, the cash & bank balance present decrease. At the end of the year, bank accepts only deposits and does not allow withdrawal transactions. At the same period various member cooperative societies deposit heavy amounts in bank for the purpose of salary or other distributions and due to these deposits bank shows increment in bank balance.

9. Total assets showed continuous increasing trends.

Table No. 4.9 remarked the continuous growth in total assets during the study period 2001-02 to 2012-13. In the year 2001-02, total assets amounted to Rs.663.63 crores, and it was Rs.1809.77 crores in 2012-13, it showed an eye catching and continuous growth in total assets. A slight decrease is observed in 2010-11 of 23.69 % over previous year. In that year, government sanctioned grants for soyabean and sugarcane, grants for Shubh Mangal Yojana. As a result there was reduction in study debtors / loans advances.
Summary of Conclusions And Recommendations

Total assets presented the average annual growth of to 70.63% over base year and 1.46 % over previous year. It was due to increased turnover and transactions, increased investments, loan limits and fixed assets. This growth in assets presents the sound financial position of LDCC Bank.

10. Investment showed a fluctuating trend during the whole study period.

Table No. 4.10 exhibited the position of investment during a study period 2001-02 to 2012-13. During the year 2001-02, amount of investment were Rs.11049.55 lakhs which was increased to Rs. 32564.36 lakhs during the year 2012-13.

The average annual increase was 86.57% over the base year and 9.35% over the previous year during the study period. Investment presented a fluctuating trend due to less investment in fixed deposits in State Cooperative Bank, withdrawal the investments from short term deposits in SBI as well as in MSCDC and IDBI.

11. Majority of the investment was made in Fixed Deposits of Maharashtra State Cooperative Bank.

Table No. 4.11 presented the comparison of investments made by LDCC Bank during the study period 2001-02 to 2012-13. Investment includes Fixed Deposits in Maharashtra State Cooperative Bank, Central & State Govt. Debentures, and Term Deposits in SBI short term deposits in MSCDC & IDBI.

During the year 2001-02, total investment was Rs. 11049.55 lakhs which increased to Rs. 32564.36 lakhs during 2012-13. The major share of 88.62% of total investment is captured by fixed deposits in Maharashtra State Cooperative Bank due to high returns and it is compulsory investment as per the directions of Reserve Bank of India. During the whole study period shares in State Cooperative Bank captured the share of 3.4 %, Central and State Govt. Debentures / term Deposits in SBI covered the share of 2.6 %, Short term deposits in SBI and short term deposits in MSCDC & IDBI captured the shares of 3.16 % & 2.22 % in the total investment of LDCC during the whole study period respectively.

In the year 2009-10, heavy investment was made in Fixed Deposits of Maharashtra State Cooperative Bank, Mumbai i.e. 98.1%. Loan demand was low and therefore bank invested the surplus amount in State Cooperative Bank as State Cooperative gives interest on fixed Deposits at 7 to 9.30 %. As per the section 24 of BR Act, 1949, it mandatory on State Cooperative Banks to invest 25 % of total deposits and outside liabilities in State Cooperative Bank.
12. Total deposits presented the continuous growth.

Table No. 4.12 revealed the trends in total deposits in LDCC Bank during the study period. In the year 2001-02, the total deposits were Rs.376.62 crores which remarked the outstanding growth of Rs. 1017.83 crores in 2012-13. It presented an average annual increase of 70.47% over base year and 2.36% over previous year.

Total deposits presented the continuous & eye catching growth during the whole study period, reason is that LDCC Bank assigns individual targets to the bank staff, and launches various schemes of deposits for the customers. It resulted in the growth total deposits.

13. Fixed deposits were more than standard norms issued by RBI.

Table No. 4.13 presented the position of fixed deposits in LDCC Bank during the study period. In the year 2001-02, the fixed deposits were Rs. 252.14 crores which presented the increase to Rs.521.98 crores in 2012-13. During the study period, it showed average annual growth of 36.36% over base year and 4.22% over previous year.

In the LDCC Bank, the Fixed Deposits are made by member cooperative societies. Rate of interest on Fixed Deposits is varying from 5% to 10% as per the circular of RBI. Fixed Deposit is the highest interest earning deposits. As per the standard norms issued by RBI, the portion of Fixed Deposit should be 50% of total deposits. During the study period, the Fixed Deposit covered the portion of 53% of total deposits. LDCC Bank has fulfilled the standard norms issued by RBI.

14. Saving deposits are near to standard norms issued by RBI.

Table No. 4.14 described the position of saving deposits in LDCC Bank during the study period. In the year 2001-02, the saving deposits stood at Rs. 90.32 crores which rose to Rs 363.46 crores during 2012-13. It revealed average annual increase of 130.76% over base year and 5.34% over previous year. Saving deposits showed a trend of continuous growth during the study period 2001-02 to 2012-13.

Saving deposits are invested by member cooperative societies or individuals. Its rate of interest is normally near to 3.5% to 4.5% as per the guidelines of RBI. As per the standard norms issued by RBI the portion of saving deposits should be 35% of total deposits. During the study period, saving deposits of LDCC Bank, Latur occupied the portion of 32% total deposits. It is near to standard norms issued by RBI.
15. Current deposit has completed the standard norms issued by RBI.

Table No. 4.15 presented the position of current deposits of LDCC Bank during the study period. During the year 2001-02, the current deposits were Rs 34.16 crores, it rose to Rs. 131.97 in the year 2012-13 presenting an eye catching growth. It mentioned average annual growth of 162.81% over base year and 6.76% over previous year.

As per the standard norms issued by RBI, the current deposits should cover the portion of 15% of total deposits. During the study period, current deposits of LDCC Bank captured the portion of 15% of total deposits. LDCC Bank has completed the standard norms issued by RBI.

16. Proportion of deposits stood as per norms of RBI.

Table No. 4.16 provided the details regarding comparison of fixed, saving & current deposits in LDCC Bank during the study period 2001-02 to 2012-13.

As per the standard norms issued by RBI, the portion of fixed, saving & current deposits should be 50%, 35%, & 15% of total deposit respectively. During the study period 2001-02 to 2012-13, the portion covered by fixed, saving & current deposits were 53%, 32% and 15% respectively. It is near to the guidelines of RBI regarding deposits. All the types of deposits remarked the continuous growth during the study period.

During the year 2001-02, fixed, saving & current deposits of LDCC Bank stood at Rs 252.14 crores, Rs 90.32 crores, and Rs. 34.16 crores respectively, these rose to Rs. 5221.98 crores, Rs 363.46 crores and Rs. 131.97 crores during the year 2012-13 respectively. It showed an eye catching growth in the fixed, saving & current deposits of LDCC Bank during the study period.

17. Continuous growth in deposits.

Table No. 4.17 presented the details regarding comparison of deposits in LDCC Bank during the study period 2001-02 to 2012-13. In LDCC Bank, the total deposits include the deposits of cooperative societies, Zilla parishad, Urban Banks and personal deposits.

During the year 2001-02, the deposits of cooperative societies were Rs. 8618.7 lakhs, which rose to Rs.13159.60 lakhs during 2012-13. There is a continuous growth in deposits of LDCC Bank, Latur. The share in total deposits of cooperative societies, zilla Parishad/urban banks, and personal deposits were 15%, 11% and 74% respectively.
18. Fixed deposits dominate personal deposits.

Table No. 4.18 revealed comparative analysis of fixed, saving & current deposits of cooperative societies in LDCC Bank during the study period 2001-02 to 2012-13.

Cooperative societies have three types of deposits i.e. fixed, saving and current deposits. Fixed deposit has captured the majority i.e. 85% of total deposits of cooperative societies. Saving deposits has occupied only 1% portion of total deposits of cooperative societies. Current deposits has captured 13% portion of total deposits of cooperative societies.

19. Saving deposits acquired the highest portion of personal deposits in LDCC Bank.

Table No. 4.19 remarked the growth in personal deposits in LDCC Bank during the study period 2001-02 to 2012-13. Personal deposits include fixed, saving, current & other deposits. Majority portion i.e. 44% share is covered by saving deposits as majority of the account holders are salaried persons. Fixed, current and other deposits have captured 20%, 7% and 29% share of total personal deposits in LDCC Bank.

During the year 2001-02, fixed, saving, current & other deposits stood at Rs. 5248.92 lakhs, Rs. 8927.75 lakhs, Rs. 360.74 lakhs & Rs. 12127.24 lakhs respectively which rose to Rs.18126.15 lakhs, Rs.36214.99 lakhs, Rs.11034.64 lakhs & Rs.17844.40 lakhs respectively during the year 2012-13.

Personal deposits in LDCC Bank presented the continuous growth during the study period 2001-02 to 2012-13.

20. Short term loan presented the normal growth trend.

Table No. 4.20 presented the position of short-term loan issued by LDCC Bank during the study period 2001-02 to 2012-13.

Short term loan is issued in the forms of crop loan to farmers and cash credit to sugar industries. During the year 2001-02, short-term loan stood at Rs 370.28 crores which increased to Rs. 1062.12 crores during the year 2012-13, showing the increase of 186.84% over base year and 2.76 over previous year.

21. Medium term loan recorded fluctuating trend.

Table No. 4.21 indicated the medium term loan issued by LDCC Bank, Latur during the study period 2001-02 to 2012-13. Medium term loans are issued for the
Summary of Conclusions And Recommendations

period of 7 to 9 years. Its rate of interest is nearly 8% to 13% p.a. depends on discretion of bank.

During the year 2001-02, the medium term loan issued to farmers stood at Rs. 40.02 crores which was increased to Rs. 165.73 crores in the year 2012-13. It presented average annual increase of 164.03% over base years and 28.88% over previous year. It recorded the fluctuating trend. It was due to less disbursement of loan due to less demand for medium term loan in those specific years.

22. Long term loan issued presented variations.

Table No. 4.22 indicated the variations in long term loan issued by LDCC Bank, Latur, during the study period 2001-02 to 2012-13. The disbursement of long term loan is comparatively lower than short and medium term loan. It constituted only 6% portion of total loan issued by LDCC Bank.

During the year 2001-02, the long term long stood at Rs.35.15 crores which increased to Rs.44.18 crores during the year 2012-13. During the study period, the average annual growth was 35.20% over base year and 2.36% over previous year. Long term loan showed variations during the study period. This variation was due to less demand and low disbursement for long term loan.

23. Comparatively short term loan has occupied majority portion of total loan issued.

Table No. 4.23 provided a comparative analysis short term, medium term & long term loans issued by LDCC Bank during the study period 2001-02 to 2012-13.

During the year 2001-02, the short term, medium term & long term loans stood at Rs. 370.28 crores, Rs. 40.02 crores and Rs. 35.15 crores respectively which rose to Rs. 1062.12 crores, Rs.165.73 crores and Rs.44.18 crores, during the year 2012-13 respectively. Short term, medium term & long term loan constitute the portion of 80 %, 14 % and 6 % total loan issued by LDCC Bank respectively.

24. C-D Ratio of the LDCC Bank, Latur is satisfactory.

In the year 2001-02, the C-D Ratio of LDCC Bank, Latur was 118.26%. It increased in the year 2012-13 to 127.12%. This is a good sign of progress in mobilization of deposit and lending of advances. During the study period, the C-D Ratio was satisfactory. The credit deposit ratio was highest in the year 2012-13 (127.12%). The credit deposit ratio indicated that the bank had taken positive steps for mobilizing deposit.
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25. Major portion of agriculture loan i.e. 97% was of short term loan.

Table No. 4.25 focused on Agriculture loan disbursement by LDCC Bank, Latur during the study period 2001-02 to 2012-13.

During the year 2003-04, the short term loan disbursement stood at Rs. 8250.46 lakhs, which was increased to Rs. 36540.03 lakh during the year 2012-13. During the year 2004-05, the short term, medium term & long term loans stood at Rs. 6598.27 lakhs, Rs. 101.95 lakhs, and Rs. 17.15 lakh respectively which rose to Rs. 36540.03 lakhs, Rs. 472.69 lakhs & Rs. 91.66 lakhs during the year 2012-13 respectively. Majority portion of agriculture loan i.e. 97% was acquired by short term loan. The loan Disbursement is depend upon some important factors such as demand for loan, outstanding and arrear amounts of loan, loan repayment capacity of farmers etc.

26. Short term agriculture loan beneficiaries captured the higher portion.

Table No. 4.26 revealed the number of beneficiaries who are benefited from agriculture loan. During the year 2003-04, the short term agriculture loan was disbursed to 84887 farmers.

During the year 2004-05, the short term, medium term & long term loan beneficiaries were 139390 farmers, 369 farmers and 4 farmers respectively which were increased to 161194 farmers, 611 farmer and 16 farmers respectively during the year 2012-13. Short term, medium term & long term loan beneficiaries occupied the portion of 98 %, 1 %, and 1 % total loan beneficiaries respectively. LDCC Bank has issued majority of the loan to short term loan beneficiaries due to the heavy demand of loan from them.

27. Discrimination in loan disbursement.

Table No. 4.27 exhibited the position of agriculture loan disbursement to various talukas of Latur district by LDCC Bank, Latur during the period from 1st April 2012 to 31st March 2013. Latur (13 %), Ausa (17 %), Nilanga (15 %), Ahmedpur (14 %) have large agriculture area (in hectares) hence comparatively higher loan amounts are issued to those district. Udgir and Chakur covered 11% & 10 % agriculture land of Latur district and their loan disbursement were 9% and 9% respectively which were Rs. 3441.34 lakhs and Rs. 3914.04 lakhs respectively during the year 2012-13. Renapur, Jalkot, Deoni and Shirur (Anantpal) have captured small agriculture land i.e. 8%, 5%, 4%, and 6% of total agriculture land therefore their agriculture loan disbursement were also 8%, 4%, 5%, and 7% of total agriculture loan disbursed.
28. Agriculture loan disbursement to small farmers is based on their land holding capacity.

Table No. 4.28 presented the details of agriculture loan disbursement to the various talukas in Latur district by LDDC Bank during the period from 1.4.12 to 31.3.13. Small farmers hold the land less than 5 acres. During the period, 1.4.12 to 31.3.13, majority of the agriculture loan to the farmers of Ahmedpur district i.e. 16% as majority to the small farmers (21%) were from Ahmedpur taluka & their land area covered was also 31% of total area occupied by all the talukas. Then after, the agriculture loan was disbursed to Nilanga & Udgir talukas as majority of the farmers i.e. 13% & 12% respectively were from these two talukas.

Latur, Chakur, & Renapur have acquired the moderate portion of agriculture loan. Deoni & Shirur (Anantpal) has got a small share of agriculture loan as their land holding capacity is less.

29. Higher proportion of the crop loans are disbursed to the small farmers of Udgir, Ahmedpur, Chakur, Renapur, and Jalkot.

Table No. 4.29 provided the comparative analysis of total agriculture loan disbursement & agriculture loan disbursement to small farmers from 1.04.2012 to 31.03.2013.

During the mentioned period, total crop loan disbursed to Latur taluka was Rs.5670.71. 35% of total crop loan i.e.1950.90 lakhs were disbursed to total taluka. The small farmers of Ausa, Jalkot, Nilanga, Udgir, Ahmedpur, Chakur, Renapur, & Renapur have covered the portion of 20%, 36%, 53%, 61%, 55%, of the total crop loan respectively. In case of Jalkot taluka, 100% of crop loan was disbursed to small farmers as no demand for medium or long term loan. Small farmers of Deoni & Shirur (Anantpal) were covered 35% & 40% share of total crop loan.

30. The agriculture loan recovery (current) showed a continuous increasing trend.

Table No. 4.30 provided the details regarding agriculture loan recovery of current year during the study period 2001-02 to 2012-13. During the years, 2001-02 the short term, medium & long term, jeep loan, balutedar loan stood at Rs. 1603.88 lakhs, Rs. 194.86 lakhs, Rs. 13.83 lakhs and Rs. 10.8 lakhs respectively which were increased at Rs. 32426.36 lakhs, Rs.392.82 lakhs, Rs. 00 and Rs. 0.58 during the year 2012-13.
Majority of the portion of recovery i.e. 98 % of agriculture loan recovery was captured by short term loan due to the high disbursements and regular recovery. Medium term & loan to balutedar had acquired only 4% and 1% recovery portion of agriculture loan due to the low disbursement & low recovery.

31. Majority of the recovery portion is occupied by short term loan recovery.

Table No. 4.31 indicated the position of arrears of agriculture loan recovery of LDCC Bank during the study period 2001-02 to 2012-13. During the year 2001-02, arrears of loan recovery in short term, medium term, long term, balutedar loan stood at Rs.4102.76 lakhs, Rs. 245.03 lakhs, and Rs. 160.27 lakhs which were changed to Rs. 2728.01 lakhs, Rs. 73.84 lakhs & Rs. 2.24 lakhs during 2012-13. Loan recovery of arrears of short term, medium & long term, jeep loan & balutedar loan was 88%, 9%, 1% and 2% respectively during study period. Majority of the recovery portion is occupied by short term loan recovery as its loan disbursement is high. Balutedar loan disbursement was very low hence its recovery portion is also negligible.

32. The agriculture loan recovery indicated a continuous increasing trend.

Table No. 4.32 presented the total recovery (arrears & current) of agriculture loan issued by LDCC Bank Latur during the study period 2001-02 to 2012-13.

Loan recovery of short term, medium & long term, jeep loan & balutedar loan was 93%, 5%, 0.13% and 1.57% during the study period respectively. Majority of recovery portion is covered by short term loan due to the high disbursement of short term loan to farmers. During the study period, short term loan recovery presented increasing trend and medium, long term, and balutedar loan showed low recovery.

33. Agriculture loan recovery percentage showed continuous speedy increase.

Table No. 4.33 focused on agriculture loan recovery percentage at the end June (short, medium and long term loans) of LDDC Bank, Latur during 2001-02 to 2012-13.

During the year 2001-02, recovery percentage was 32.34%. It showed continuous speedy increase during the whole study period which remarked the increase to 93.28% in the year 2012-13, presenting an increase of 188.43% over base year. The average growth rate during the whole study period was 68.62%. It was due to constant efforts of LDDC staff for loan recovery, effective loan recovery policy, set up of recovery unit for continuous recovery operations, disbursement of loan to eligible farmers, no disbursement of loan to the default borrowers.
Summary of Conclusions And Recommendations

34. Agriculture loan outstanding provided continuous increasing trend.

Table No. 4.34 revealed the position of outstanding agriculture loan of LDCC Bank during the study period 2001-02 to 2012-13.

During the year 2001-02, outstanding agriculture loan stood at Rs. 23,168.06 lakhs which was increased to Rs. 36,567.67 lakhs during 2012-13. It showed the average annual growth of 32.99% over base year and 3.59% over previous year. In the year 2006-07 and 2008-09, the decrease was observed due to less disbursement of agriculture loan in these years. The continuous increasing trend is observed in outstanding agriculture loan due to high demand for agriculture loan from framers.

35. Short term agriculture loans outstanding constituted a higher portion.

Table No. 4.35 exhibits the position of short term, medium term & long term agriculture loan outstanding of LDCC Bank, Latur during the study period 2001-02 to 2012-13. Short term, medium term & long term outstanding agriculture loans constituted the portion of 77%, 14%, and 9% of total outstanding agriculture loan respectively.

Short term agriculture loan outstanding constituted a higher portion due to the high demand & high disbursement. The continuous decreasing trend is observed in medium term & long term agriculture loan outstanding amounts. As the bank adopted strict policies for loan recovery, keep a keen watch on proper utilization of loan amount, appointment of field officers/inspectors for checking proper utilization of loan amount. As a result of this, there is continuous decrease in medium term & long term agriculture loan outstanding.

36. Agriculture loan overdue recorded continuous decreasing trend.

Table No. 4.36 provided the details regarding agriculture loan overdue of LDCC Bank during the study period 2001-02 to 2012-13.

During the year 2001-02, the agriculture loan overdue stood at Rs. 5,234.78 lakhs which was decreased to Rs. 340.66 lakhs during the year 2012-13 showing a decrease of 93.5% over base year and 25.02 % over previous year. The continuous decreasing trend is observed due to strict policies for loan recovery, kept a keen watch on proper utilization of loan amount, appointment of field officers/inspectors for checking proper utilization of loan amount.

37. Majority of overdue portion is captured by short term loan.

Table No. 4.37 presented the details regarding comparison of short, medium & long term agriculture loan overdue of LDCC Bank, Latur during the study period.
Summary of Conclusions And Recommendations

2001-02 to 2012-13. Short term, medium term & long term agriculture loan overdue occupied the portion of 87%, 6%, & 7% resp. during the study period. Majority of overdue portion is captured by short term loan as the heavy disbursement of loan on short term basis.

38. Kisan credit card (crop loan beneficiaries) exhibited a fluctuating trend.

Table No. 4.38 exhibited the number of beneficiaries of Kisan Credit Card of LDCC Bank, Latur during the study period 2001-02 to 2012-13.

During the year 2001-02, the beneficiaries of KCC stood at 81209 farmers, which rose to 146806 beneficiaries during the year 2012-13, presenting an increase of 80.77% over base year and 29.25% over previous year.

The average annual increase was 61.54% over base year and 25.94% over previous year. The Kisan Credit Card Co-operative loan beneficiaries presented the fluctuating trend during the study period. It was due to variations in sanction of Government grants for Kisan Credit Card.

39. Kisan Credit Card – crop loan disbursement showed the normal growth.

Table No. 4.39 presented the loan disbursement under Kisan Credit Card of LDDC Bank, Latur during the study period 2001-02 to 2012-13.

During the year 2001-02, LDDC Bank has disbursed the crop loan under Kisan Credit Card of Rs.7370.54 lakhs which rose to Rs.34139.55 lakhs during the year 2012-13. Kisan Credit Card-Crop loan remarked the average annual growth of 178.26% over base year and 12.17% over previous year. The Kisan Credit Card-crop loan showed the normal growth with some fluctuations during the study period due to implementation of efficient loan recovery policy of LDDC Bank.

40. Sugarcane cash credit disbursement

Table No. 41 exhibited the sugarcane cash credit disbursement during the year 2013-14. Cash credit is disbursed to various types of sugarcane such as Aadsali, Purv Hangami, Suru and Khodva. Cash credit is disbursed after the interval of 3 months i.e. June to August, December to February, 15 days after cutting to March 2013.

First installment of cash credit is given before cultivation and second installment is given after cultivation. In 1st installment 60% of cash credit is disbursed and in 2nd installment remaining 40% of cash credit is disbursed.
41. Financial indicators performed positively for the progress of LDCC Bank during the study period.

Table No. 4.42 and Table No. 4.43 indicated the financial performance of LDCC Bank, Latur during the study period from 2001-02 to 2012-13. These tables present the statistical information regarding share capital, total membership, reserve fund, working capital, investment, total assets, total liabilities, total deposits, total loans issued, total income and net profits indicating percentage increase of decrease over base year. Due to the mentioned financial indicators, LDCC Bank marched towards success during the study period. All these figures indicated that LDCC Bank, Latur has been progressing remarkably and its states of affairs are satisfactory.

42. Various ratios, yield percentage, NPA related matters, Audit class presented a satisfactory performance of LDCC Bank during the study period.

Table No. 4.44 released the financial information of LDCC Bank, Latur regarding yields (rate of interest) on loans issued and borrowed, various ratios, turnover, NPAs and audit class during the study period 2008-09 to 2013-14. This table presented the following results:

1. Yield on Investment is decreased from 7.83% to 7.30%.
2. Yield on Loans Issued is decreased from 9.75% to 10.37%.
3. Yield on deposits is increased from 5.98% to 6.45%
4. Yield on loans borrowed rose from 6.47% to 8.47%.
5. Average yield received is also increased from 8.07% to 8.91%.
6. Average yield given is also rose from 4.36% to 5.38%.
7. Gross margin in the yield is increased from 3.71% to 3.53%.
8. Administration cost is increased from Rs. 1599.09 lakhs to Rs. 3348.33 lakhs.
9. Ratio of Administration expenses to working capital rose from 1.46% to 2.06%.
10. Ratio of Income to working capital decreased from 0.10% to 0.08%.
11. Ratio of Risk Cost to working capital decreased from 0.42% to 0.19%.
12. Ratio of Net Margin to working capital declined from 1.93% to 0.51%.
13. NPA Provision is increased from Rs. 456.85 lakhs to Rs. 534.46 lakhs.
14. Credit Deposit ratio rose from 83.33% to 99.74%.
15. Turnover per employee grew from Rs. 211.96 lakhs to Rs. 357.52 lakhs.
16. Turnover per branch rose from Rs. 1346.47 lakhs to Rs. 2135.64 lakhs.
17. LDCC Bank, Latur got Audit Class “A” during the study period.
18. The gross NPA reduced from 7.21% to 4.18%.
19. LDCC Bank’s net NPA was NIL during the study period.
20. The amount of gross NPA was declined from Rs. 5567.11 lakhs to Rs. 5036.26 lakhs.

All these figures and ratios proved that the state of affairs of LDCC Bank, Latur are satisfactory and Bank is marching towards the overall development.

43. Total NPA provision presented an eye-catching growth.

Table No. 4.46 presents the information regarding the total NPA provision made by LDCC Bank, Latur, during the period 2005-06 to 2012-13. During the year 2005-06, LDCC Bank made the provision of Rs. 9063.79 lakhs which showed a huge growth to Rs. 13741.76 lakhs during the year 2012-13 presenting the average annual increase of Rs. 11974.84 lakhs. It was due to adoption of latest circulars of RBI regarding asset classification and provisioning on assets.

44. Ratio of gross NPA to Total Advances indicated the strong financial position of LDCC Bank, Latur.

Table No.4.47 provided the Ratio of Gross NPA to Total Advances during the study period 2005-06 to 2012-13. It was 15.92% during the year 2005-06 which decreased to 4.14 % during the year 2012-13. It showed the average annual decrease of 8.28 % during the study period. It presented the average decrease of 47.97 % over base year during the study period. This reduction is good for the strong financial condition of bank.

45. LDCC Bank, Latur made required provision on standard assets.

Table No. 4.48 reveals the analysis of provision made on standard assets. During the year 2005-06, the total assets stood at Rs. 87272.59 lakhs, out of which the assets of Rs. 3932 lakhs were considered as standard assets by LDCC Bank, Latur. And the Bank made the provision of Rs. 9.83 lakhs on standard assets as per the RBI norms. During the year 2012-13, the total assets were Rs. 180977.26 lakhs, out of that standard assets were Rs. 13677.50 lakhs and Bank made the provisioning of Rs. 54.71 lakhs on standard assets.

46. Analysis of gross NPA, NPA provision and ratio of gross NPA to total advances marked the satisfactory financial performance of LDCC Bank, Latur.

Table No. 4.49 presented the Analysis of Gross NPA, NPA Provision and Ratio of Gross NPA to Total Advances. The average decrease in Gross NPA was Rs.
Summary of Conclusions And Recommendations

6679.06 lakhs per year and the percentage decrease in gross NPA was 26.58% over base year from the year 2005-06 to 2012-13. The Net NPA during the study period i.e. from the year 2001-02 to 2012-13 was NIL. The NPA provision showed the average annual increase of Rs. 9258.72 lakhs during the study period. It presented the average growth of 1365.47 % over base year during the study period.

The Ratio of Gross NPA to Total Advances showed the average annual decrease of 8.28% during the study period. LDCC Bank’s Net NPA was nil, NPA Provision was presented continuously increasing trend; and Gross NPA and Ratio of Gross NPA to Total Advances were showed continuously decreasing trend during the study period. All these are the indicator showing that NPA position of LDCC Bank is satisfactory.

47. LDCC Bank made excess provision on assets during the year 2012-13.

Table No. 4.50 revealed that as per the prudential norms of RBI for DCCBs, for the year 2012-13, the provision required on these assets were – on Standard Assets Rs. 496.10 lakhs (0.40 paise per hundred), on Sub-standard Asset Rs.4.11 lakhs (10% of Sub-standard Assets), on Doubtful Assets Rs. 3131.77 (as per norms), on Loss Assets Rs.2183.66 lakhs (100% of Loss Asset). The total provision required on these assets was Rs. 5815.53 lakhs during the year 2012-13.

During the year 2012-13, actual provision as per the prudential norms made by LDCC Bank, Latur on total assets were Rs. 7866.81 lakhs whereas the required provision was Rs. 5815.53 lakhs. LDCC Bank made the excess provision of Rs. 2051.28 lakhs.

48. LDCC Bank has maintained the level of CRAR more than the level prescribed by RBI (Chapter 5)

In the context of financial stability of the rural cooperative banking system and to strengthen the capital structure of State and Central Cooperative Banks (SCBs/CCBs), these SCBs/CCBs are advised to maintain a mandated minimum CRAR of 7% on an ongoing basis with effect from March 31, 2015 and 9% with effect from March 31, 2017.

The Capital to Risk weighted Assets Ratio (CRAR) of LDCC Bank, Latur is provided below:
Summary of Conclusions And Recommendations

CRAR of LDCC Bank, Latur

<table>
<thead>
<tr>
<th>As on March 31, 2013</th>
<th>13.24%</th>
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<tr>
<td>As on March 31, 2014</td>
<td>15.73%</td>
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</table>

LDCC Bank, Latur has maintained the CRAR ratios more than the level prescribed by RBI and NABARD. It is the indicator of good financial position of bank.

**49. LDCC Bank followed the norms regarding SLR Investments issued by RBI.**

Total liabilities of bank includes Net Demand and Time Liabilities (NDTL) deposits with bank and other liabilities on 28.02.2014, the total liabilities of LDCC Bank were Rs. 1064.34 crores and it is compulsory to invest Rs. 266.08 crores for completion of SLR. At the end of Feb 2014, LDCC Bank has invested Rs. 179.84 crores in Fixed Deposits of Maharashtra State Cooperative Bank and remaining amount in 364 days treasury bills. LDCC Bank invested totally Rs. 289.60 crores for fulfilling the requirements of SLR in Maharashtra State Cooperative Bank / Government securities, Treasury bill, Cash Management Bonds of RBI.

**50. LDCC Bank has fulfilled the Non-SLR Investments norms issued by RBI.**

At the end of Feb- 2014, LDCC Bank Latur has invested Rs. 10.30 crores in MSC Bank for reserve fund and Rs.33.08 crores in treasury Bills and Government securities. LDCC Bank, Latur has invested totally Rs. 43.38 crores for Non-SLR. Along with this, LDCC Bank invested Rs. 1.30 crores for Agriculture Credit Stabilization Fund in MSC Bank.

During the period April 2013 to Feb 2014, LDCC Bank invested the extra funds in Non-SLR investments and earned the interest of Rs. 3.98 crores.

**51. LDCC Bank has set up an Asset Liability Management Committee (ALCO) as per the guidelines of RBI.**

LDCC Bank has set up ALCO Committee as per the guidelines issued by RBI for the monitoring the implementation of ALM system in the bank on regular basis. Board of Directors of LDCC Bank, Latur has given approval to constitute ALCO in their meeting held on 08.03.2014. Bank decided to conduct the meetings of this ALCO once in every three months and discuss the matters in detail related with liquidity, profitability, deposits, loan policy, loan disbursement, rate of interest, currency and market trends, etc. as per the guidelines of RBI.
Summary of Conclusions And Recommendations

As per the guidelines issued by RBI and NABARD, LDCC Bank has established ALCO in LDCC Bank, Latur. Hence researcher concluded that new economic policy affected positively on the working of LDCC Bank, Latur.

52. LDCC Bank has maintained a recovery cell for prompt and timely recovery.

LDCC Bank, Latur has set up a separate ‘Recovery Cell’ to guide the branch managers, recovery officials in their recovery efforts. LDCC Bank has 112 branches therefore bank has appointed 10 field officers at taluka level and 90 inspectors at the village level for the effective loan recovery purpose. Due to the impact of New Economic Policy and various circulars regarding recovery management, LDCC Bank, Latur has been implementing the guidelines regarding recovery management issued by RBI and NABARD. Due to the effective set up of recovery network for loan recovery and constant efforts of recovery manager, field officers, and inspectors the agriculture loan recovery percentage of bank was increased to 93.28% in the year 2012-13 which was 32.34% in the year 2001-02.

The overall loan recovery percentage was 53% for the year 2012-13. It was due to implementation loan recovery policy, constant efforts of bank’s staff for loan recovery, cooperation from farmers, etc.

53. LDCC Bank is following the norms regarding Know Your Customer (KYC).

LDCC Bank, Latur is following the guidelines issued by RBI and NABARD regarding KYC norms and Anti Money Laundering Standards. For fulfilling the KYC norms, LDCC Bank provides a KYC Application Form to customers while opening an account in bank. The form contains the identity details.

LDCC Bank collects Cash Transaction Report (CTR) and Suspicious Transaction Report (STR) from its all branches monthly as per the norms prescribed by RBI. These reports are further send online to Financial Intelligence Unit, Delhi every month. In the CTR, Bank denotes a high amount of cash activity i.e. 10 lakhs and above within the accounts of a customer. And a STR denotes unusual or a typical activity within the account of a customer.

54. LDCC Bank has been playing an active role in Financial Inclusion Programme.

LDCC Bank Latur has implemented the guidelines issued by Dr. C. Rangarajan, a committee set up by Govt. of India on Financial Inclusion. Under Financial Inclusion Programme, the Board of directors of LDCC Bank decided to
establish “Financial Literacy Center” to spread financial literacy among common people.

LDCC Bank Latur appointed a Financial Literacy Coordinator at taluka level under the Direct Benefit Transfer (DBT) for transforming various grants of govt. to the saving accounts of respective customers. LDCC Bank has been playing a crucial role in linkage of saving accounts with Aadhar Cards and spread financial literacy among common public under the Financial Inclusion Programme.

55. LDCC Bank, Latur has weak Grievance Redressal Mechanism.

LDCC Bank, Latur has Grievance Redressal Mechanism. Bank has designated a senior officer as ‘Nodal Officer’ from Personnel Department to solve the customer queries, redress the grievances and satisfy them. The personal manager is performing the duties of nodal officer for providing information on various issues. Bank has appointed only one person in this Department and not following all the guidelines of NABARD in this regard.

56. LDCC Bank has not introduced the latest banking technologies for its customers.

LDCC Bank has not yet started the latest technologies such as ATM, online banking, mobile banking, electronic transfer, etc. It makes inconvenient for customers and they are not attracted towards LDCC Bank.

57. LDCC Bank has no Management Information System.

LDCC Bank has not yet maintained Management Information System. Therefore, there is no collection of data at a centralized place. Sometimes it makes inconvenient for the customers as well as bank officials.

58. LDCC Bank has adopted Core Banking Solutions.

LDCC Bank has started Core Banking facility to its customers at the end of December 2012. At present, all the 112 branches of LDCC Bank become online under Core Banking System.

59. LDCC Bank has been effectively rendering Kisan Credit Card Scheme of NABARD for the agriculture development.

With the help of NABARD, and its schemes regarding rural development such Kisan Credit Card, Self Help Groups, LDCC Bank achieved rural development in the Latur district.
Summary of Conclusions And Recommendations

Table 5.8 presented that during the year 2001-02, the beneficiaries of KCC stood at 81209 farmers which rose to 146806 beneficiaries during the year 2012-13 presenting an increasing of 80.77% over base year and 29.25% over previous year. Kisan Credit Card-Crop loan remarked the average annual growth of 178.26% over base year and 12.17% over previous year.

There is an effective role of NABARD in the development of LDCC Bank.

60. LDCC Bank has been effectively rendering Self Help Groups Scheme initiated by NABARD especially for financially weak group of women.

The SHGs are working through 112 branches of bank. Women of Latur district have made an economic revolution through these SHGs. Table 5.9 and Table 5.10 exhibited that, 10105 SHGs were created at the end March 2013 having their own funds of Rs. 54.25 crores, internal loan disbursement Rs. 48.60 crores, loan recovery Rs. 42.16 crores and loan outstanding were Rs. 5.90 crores. LDCC Bank, Latur has contributed its own funds or giving encouragement to SHGs in Latur district.

. In the year 2006-07 and 2008-09, LDCC Bank, Latur was awarded by “SHGs Best Performance Award”, a State Level Award.

61. LDCC Bank has been playing an active role in the agriculture and rural development of Latur district by initiating various programmes initiated by RBI and NABARD.

LDCC Bank has introduced various programmes for the agriculture and rural development of Latur district such as National Agricultural Insurance Scheme (NAIS), Personal Accident Insurance Scheme (PAIS), NABARD’s Farmers’ Club Programme, Interest Subsidy Scheme, Prof. Vaidyanathan Task Force Financial Assistance, etc.
7.3 RECOMMENDATIONS TO LDCC BANK, LATUR

After a detail and indepth study of LDCC, Latur, its various schemes for agriculture and non-agriculture schemes, the performance of different financial indicators, LDCC Bank’s role in agriculture and rural development, etc. following suggestions are made to improve the working efficiency of LDCC Bank, Latur. These suggestions are helpful for agriculture and rural development of Latur district by overcoming its problems. A few suggestions are forwarded here for due consideration and apprehension.

Researcher suggested that the functioning of LDCC Bank, Latur be strengthened financially and technically by the collective efforts of State and Central Government, RBI, NABARD and LDCC Bank, Latur and its Primary Agriculture Credit Cooperative Societies. Following are some recommendations for improving the performance of LDCC Bank, Latur-

1. Centralised Control

The operations and working of Latur District Central Cooperative Banks come under the jurisdiction of multiple authorities. And LDCC Bank has to follow the instructions issued by all the supreme authorities such as RBI, NABARD, Central and State Government, and RCS. Due to this multiplicity of control, LDCC Bank could not complete its developmental activities. Therefore, Government should up a supreme centralized authority for controlling and issuing guidelines to DCCBs. There must be clarity in guidelines and all the circulars and orders should be issued by that central authority. It will make convenient to LDCC Bank and get time to undertake the developmental and promotional activities. Govt. participation and support is necessary. But it should not be patronage or interference or domination. It should facilitate its growth in healthy lines.

2. Need to Open More Branches

The LDCC Bank is a prominent banking institution of Latur district and plays a significant role in the development and uplift of rural areas of the district under study. During the course of study, it has been observed that no doubt the bank has opened its branches in rural areas, but keeping in view the rural areas and rural population of the districts this number appears to be really inadequate to cater the credit needs of the agriculturists and rural artisans.
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Moreover, large number of branches has been opened in the urban and semi-urban areas. In Latur district, most of the bank branches can be found in urban blocks whereas rural blocks do not have sufficient number of bank branches. Since the vast rural areas are still outside the field of banking institutions, LDCC Bank should take the efforts to implement branch expansion programme in the needy rural areas for meeting credit needs of the people. And, LDCC Bank should open the branches on equality basis in all the villages.

3. Expansion of Operational Area

The Reserve Bank of India to modify the banking license of any DCCB to include additional operational area from which a PACS could work as Business Correspondents of a DCCBs. LDCC Bank should exploit this opportunity and issue licenses to PACS to work as BCs of LDCC Bank, Latur as per the guidelines of RBI. In this way, LDCC Bank can expand its area of operation and mobilize the deposits and conduct developmental activities. Due to this policy, the Bank can avoid various problems which arise due to limitation and restriction of area such as limited mobilization of resources, limited business expansion, and so on.

4. Development of Infrastructure at Taluka and Village Level

LDCC Bank has 112 branches at urban and rural areas. Majority of the branches are located at taluka and village level. It has provided the basic infrastructure facilities to branches at Latur and some other taluka places. These are not yet provided to the village areas. Now it is a demand of time to set up well furnished offices and other infrastructure for attracting new customers and sustaining existing customers. Hence it is necessary to develop a good infrastructure at those places such as seating facility, drinking water facility, lighting facility, prompt transactions, locker facility, etc. for making comfort to the customers and attracting more and more customers. Bank should provide the quality staff having computer knowledge with rural orientation.

5. Implementation of Strict Recovery Norms

DCC Banks should implement the strict recovery norms to recover over dues for avoiding the situation of losses and maintain up to date records on a daily basis and try to minimize the NPAs. LDCC Bank should make the necessary changes in the loaning policy and recovery policy as well. Customers should know that there are very strict recovery norms in LDCC Bank and they must make the repayment of loan amount on time with interest. No one should be allowed to delay in repayment without
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any proper reason. Bank Management should create the atmosphere which helps the repayment on loans on time. Loans should be given on time and at only the necessary amount.

6. Provision of Punishment for the Willful Defaulters

Loan recovery percentage of LDCC Bank is not considerably high. As on 31st March 2013, LDCC Bank has total 583 PACS. Out of these only 311 PACS have 100% loan recovery and its percentage was 53%. Hence, LDCC Bank should take strict action against willful defaulters. Because the mind set up of loan holders, their tendency of not returning loan after giving due notices create hurdles in loan recovery. If the Bank creates provision of punishment for willful defaulters, there will be increment in loan recovery percentage.

7. Change the Mind Set Up and Increases the Morale of Loan Holders

It is observed that the mentality of loan holders is adversely affected due the policy of Government. Sometimes, Government declares exemption for loan or overdue amount to loan holders and not taking any strict against willful defaulters. Therefore, loan holders think that after some years Government will declare loan or overdue exemption, so why should we repay loan on time and with interest amount? Hence, LDCC officials should try to raise the morale of employees by conducting meetings of customers at taluka and village places and tell them the importance of cooperative movement, involvement of customers in cooperative movement, success of cooperative movement, role of Government, etc. It is necessary to spread the movement as people's movement. People should not think it as a part of the Govt. or a department of the govt. People should own it and manage it. People should be educated about the advantages of this movement.

8. Follow the Accounting Standards issued by ICAI

At the end of every financial year, LDCC Bank has to complete audit from the authorized and appointed auditors. Auditors check the accuracy and correctness of accounting transactions. But researcher observed that LDCC Bank is not disclosing the relevant data to auditors and not following Accounting Standards such as AS – 2: Valuation of Stationery, AS – 17: Segmental Reporting, Rate of Depreciation is not prescribed, etc. Therefore, LDCC Bank should follow the Accounting Standards issued by Institute of Chartered Accountant of India.
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9. Disclose the information on Taxes on Income

As per the instructions of RBI and NABARD, District Central Cooperative Banks should provide the details of taxes on income. Therefore, LDCC Bank has to show information regarding taxes on income.

10. Appoint Full Time Office Staff and Full Time Field/Visiting Staff

The LDCC Bank officials at branches and head office provide information to customers regarding various bank related matters such as schemes of LDCC Bank, loan recovery, Self Help Groups, etc. But they have to visit frequently to the talukas and villages for verifying the progress made by Self Help Groups and loan recovery. It makes inconvenience for the customers and visitors at bank office location. Hence there should be separate appointment of the full time staff working at bank office location and full time staff field/visiting at talukas and villages.

11. Improved and Modified Training Programmes

Employee of the co-operative bank is the basic element of the bank. The trained and efficient staffs, selfless directors are essential for the progress of the bank. In the co-operative banking business, trained employee is the need of time. Training is a widely accepted practice. Training makes employees more effective and productive. Training is an organized procedure by which employees learn knowledge and acquire the skills they need for the definite purpose.

LDCC Bank is totally computerized bank. Therefore, LDCC Bank should provide improved training facilities as trained employees make a better economic use of materials and equipment. Training will heighten the morale of the LDCC Bank employees. To provide excellent customer service is possible with the help of trained employees. Training is a continuous process and it increases success rate of the bank.

12. Provide incentives and rewards to Bank employees

LDCC Bank should provide the incentives and facilities to bank employees who are performing the extra duties such those personnel visit to taluka and village places for loan recovery and other matters, those who are completing their task earlier than due dates. The incentives and rewards will create enthusiasm among employees, raise their morale, enhance their loyalty regarding bank, and ultimately increase the productivity and profit of the LDCC Bank.

13. Appointment of Trained Staff at Rural Areas

Researcher has been also observed that not only, the number of bank branches in the rural areas is inadequate, but the existing branches do not have sufficient staff
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with rural orientation. The banking authorities do not provide specialized training to the staff to be posted in rural areas.

14. Necessity of Systematic Publicity of Schemes and Programmes

Due to the absence of systematic publicity, there is lack of awareness among the agriculturists about the various schemes of LDCC Bank introduced for their development. The majority of the beneficiaries complain that they have come to know about the schemes from secondary sources, that is, friends and relatives and no official agency ever contacted them to impart necessary information. A large number of people do not even know that there has been any such programme in existence for their uplift. LDCC is rendering various programmes for the welfare of rural people but non-cooperation and non-participation is again the hurdle in the process of progress. No development programme can succeed without people’s participation. Hence, LDCC Bank should make systematic publicity through proper channels of such schemes and programmes and uplift rural area.

15. Provide Loan Facility to Businessman and Entrepreneurs

The prime task of LDCC Bank is to provide financial assistance to agriculturists. But for facing the challenges put up by New Economic Policy, it is necessary to involve all types of customers in banking business. Presently, LDCC Bank is providing financial assistance to non-agriculture sectors also, but its proportion is very low. Therefore, LDCC Bank should offer the loan facility to businessman and entrepreneurs in large amount.

16. Keep a Keen Watch on Utilization of Loan by Loan Holders

The main purpose of LDCC Bank, Latur is to disburse loans for agriculture and rural development. Some people take loan under the name of agriculture activities but utilize it for the other purposes like buying a vehicle for personal use, constructing the house, marriage of daughter, etc. Hence, the officials of LDCC Bank should give frequent visits to the taluka places and village places to observe the progress of that farming activities for which loan has been taken, and check the repayment schedule of loan. It will keep control on misutilization of disbursed loan. The loan from LDCC Bank, Latur should be granted in such a manner and under such conditions that these are used productively and not misused. LDCC Bank officials should increase the morale of beneficiaries as they will not think to deceive the Government and LDCC Bank, Latur.
17. Introduction of New Methods and Techniques

LDCC Banks should introduce new methods and techniques for improving the quality and promptness of services. This can be done by offering innovative services like ATM facility, Debit Cards, Credit Card facility, Tele Banking, On time interest, banking services, etc. Thus, the customer who is in the focus of banks in all the innovations and developments that are intended to provide latest and best service to them. By adopting these latest and specialized banking services, LDCC Bank can face the competition with private, commercial and nationalized banks.

18. Government should give permission to issue Kisan Credit Cards through PACS.

Deposits of members of PACS are not covered by DICGC and PACS are not in a position to issue Kisan Credit Cards (KCC). Therefore, LDCC Bank and all other CCBs should provide these services directly by using PACS as their business correspondents (BCs). All depositors and borrowers of PACS, therefore, the customers of LDCC Bank would become normal shareholding with voting rights for all active members. It requires amendments to the State Co-operative Societies Acts, Rules and bye-laws would be necessary in each state with regard to the definition of active members for the purpose of mobilising deposits and disbursing loans.

19. Attractive Schemes at Competitive Rate of Interest

LDCC Banks should start different types of deposit schemes and offer competitive rate of interest, start the new branches in business areas. Apart from the traditional schemes, LDCC Bank should start attractive schemes at competitive and reasonable rate of interest for agriculture and non-agriculture sector as like the commercial and private banks.

20. Attract Deposits from Money Market

LDCC Bank should attract deposits just as other commercial banks and borrow from other members of the money market and make loans and advances to the agriculturists through the PACS.

21. Set up Management Information System

LDCC Bank should set up MIS as is based on the existing data. Based on that, the management of LDCC Bank understands where we are as on particular date on all the angles of banking operations such as deposits, advances, investments, overdue loans, NPA loans, maturity pattern of deposits and advances, asset liability position with mismatches, CRR/SLR position etc. From comparison of the past and present
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data management can understand where the bank is and on what direction, progress or decline, it is going. Therefore LDCC Banks should base their decisions on MIS.

22. Strong Grievances Redressal Mechanism

LDCC Bank should set up an effective Grievances Redressal Mechanism for solving the complaints and problems of bank customers. For that, Bank should follow the guidelines issued by RBI and NABARD. It should create a separate department named as Grievances Redressal Department, appoint a Nodal Officer, create a separate team for handling grievances, set up a set of standards, etc.

23. Adopt the policy of Professionalization

LDCC Bank is rendering its services on the principle of cooperation. Its object is not maximization of profit but achieve social welfare through cooperative movement. Then also for surviving in this cut throat competition raised by commercial and private bank and due to the adoption of New Economic Policy, LDCC Bank has to render the services on professional basis. Bank has to start new attractive loan and deposit scheme, adoption of advertising and marketing, use of latest technologies, etc.

24. Establish Good Corporate Governance

Good corporate governance create the control on LDCC Bank form the top level management as there is direct involvement of top management in working and operations of LDCC Bank. Therefore, LDCC Bank has to follow instructions issued by RBI regarding corporate governance such as appointment of at least two professional directors on the board of directors.

25. Speedy Expertise Development

LDCC Bank should enhance its expertise in various matters such as corporate governance, grievances redressal mechanism, security instructions, helpline, website development, etc. It will prove beneficial for the overall development of LDCC Bank. Speedy expertise development makes the LDCC Bank more competitive and faces the competition created by private players.

26. Adopt the Strategy of Bank Marketing

LDCC Bank should follow the strategy of bank marketing just like commercial banks for attracting more and more customers because customer may not aware about the loan schemes of DCC Banks. Now-a-days, the customer satisfaction plays an important role in the growth and progress of cooperative banks.
27. Special Permission for Deposits by RBI

Reserve Bank of India should give permission to LDCC Bank to issue fixed interest bearing deposits of 10 years or more with a lock-in period of five years for its members and to treat such deposits as Tier-I capital. DCCBs may be permitted to issue perpetual bonds or debt instruments to be contributed by State Government, individuals and other entities, and these may be treated as Tier-I capital.

28. Supply of Loan at Low Rate of Interest from MSC Bank

Due to the three tier structure of cooperative banking i.e. apex, middle and bottom, there is a heavy addition in the rate of interest. RBI charges interest to MSC Bank, MSC Bank to DCCBs and DCCBs to PACS. In this way, the ultimate customers get loan at higher rate of interest. Therefore, Maharashtra State Cooperative Bank should supply loan to DCCBs at that rate which it is charged by RBI. Another way is that, NABARD should provide direct finance for crop loan to DCCBs to reduce the interest rate for the benefit of ultimate borrower.

29. Start the Bankassurance Business

After accepting the New Economic Policy with liberalization in economy, banks are given much freedom to do various kinds of businesses other than the traditional banking businesses. RBI and NABARD issued guidelines to DCCBs to enter into the insurance business either with referral arrangement with the insurance company or as a corporate agent of the insurance company. By starting such type of insurance business, LDCC Bank, Latur may get another income source and it can attract more customers. Bank is able to give insurance related services to the people and earn fee based income. Presently, all the banking companies are following the same practice and started the insurance business such as ICICI Prudential, SBI Life, HDFC Life Insurance, etc.

30. Provide Computer literacy to customers

LDCC Bank, Latur has Core Banking Facility at all the 112 branches. Its branches are operating at taluka and village level. In case of core banking a very high level of technology is used at both the branch and customer level. The customers may not be familiar with the level of IT. In such cases, the customers may not feel comfortable in handling business transactions with their banks. Therefore, LDCC, Banks has to play an important role in educating it’s customers in this area.
31. Coordinate all the parties of LDCC Bank, Latur

DCC Banks should coordinate the linkage between the Board of Directors, PACCs, members, depositors, other customers and employees of LDCC Bank for the formulation of bank policies and its effective and timely implementation.

32. Website Updation

LDCC Bank, Latur has started its own website. But this website does not provide overall information about LDCC Bank as well it is not update. Hence, LDCC should update the website. Because for all the customers and public residing at village and taluka level, it is not affordable and convenient to come at head office or branch office for getting required information. The updated website can provide them the required information by sitting at their places. It would enhance the accessibility as well as reduce the trouble of customers as well as LDCC officials. No need to come at LDCC office for getting any little information.

33. Check the Practical Viability of Ventures

LDCC Bank sanctions loan to the non-agriculture sector also. So many people take the loan for starting new ventures. Bank experienced that the loan recovery is difficult in case of non-agriculture loans. Hence, LDCC Bank should check practical viability of project because those projects which have practical viability can be implemented in a successful manner. And the loan recovery would become a smooth process.

34. Take the Help of Specialists to Screen the Project Plans

LDCC Bank should take the help of specialists drawn from agriculture and non-agriculture sector to project plans and provide guidance to those, whose plans are finally accepted for implementation. In this way, customers can be encouraged through necessary guidance in the preparation of agriculture plans and business plans. Ultimately, it would make favourable impact on loan recovery.

35. Continuous Monitoring And Inspection

Government should conduct research and continuous monitoring and inspection regarding problems and constraints of different cooperative societies especially DCCBs. In this way, it will help to overcome the difficulties and LDCC Bank will approach towards the success. Cooperative movement will be an important impetus for rapid rural development of the country.
36. **Optimum use of bank employees' services**

With the use of technology most of the bank work can be computerized. Manual intervention of various banking jobs will not be needed. Due to the adoption of Core Banking Solutions and computerization of LDCC Bank, the employee will get more and more free time. The management of the banks will have to decide about how the employees can be optimally utilized for various banking jobs other than the traditional banking functioning.

37. **Customer Relationship Management**

LDCC Bank has to maintain and develop good relations with customers. Now a days customers’ satisfaction plays a crucial role in the development of banks. Therefore, LDCC Bank should develop the strategy to maintain customer relationship management and provide the training regarding this to bank employees.

38. LDCC Bank should improve and modify all the **HRM&D practices** in more scientific way. It would develop the organizational excellence towards changing scenario of cooperative banks. Along with this, there is a need to assess the human resources requirements of LDCC Bank in the era of CBS and other ICT platforms.

39. RBI with the consultation with NABARD should develop the **Banking Ombudsman or a similar mechanism** to cover the functioning of DCCBs and SCBs.