CHAPTER II
NATURE, SCOPE, OBJECTIVES AND
METHODOLOGY OF THE STUDY
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2.1 INTRODUCTION

Cooperative banks play an important role in meeting the credit requirements of both the urban and rural India. Though in the bank dominated financial system, these institutions accounted for a small share in the total credit yet, they hold a significant position in credit delivery as they cater to different geographic locations and demographic categories. The wide network of cooperative banks, both rural and urban, supplements the commercial banking network for deepening financial intermediation by bringing a large number of depositors/borrowers under the formal banking network. These institutions have enabled access to financial services to low and middle income group in both rural and urban areas for the agriculture and rural development.

Agriculture development has a vital importance for bringing socio-economic development in the country. In the real sense, the economic development and progress of India is totally dependent upon reconstruction of agriculture system of the country. The real growth of Indian economy lies in uplifting the rural sector. Considering this objective in view, government has given priority to agriculture and rural development programmes and plans. The government introduced financial institutions to enhance agriculture production by providing adequate and need based credit. The government has made changes in the credit schemes and policies of the banks to provide direct credit to neglected sectors of economy. Prior to nationalization of private banks, the rural sector was neglected. After nationalization, whole situation has been changed and now banks are extending finance and banking services in the rural areas by opening their branches. A.D.Gorwala Committee (1954) recommended to set up one central cooperative bank for each district.

The introduction of the Cooperative Credit Societies Act, 1904 started the beginning of the institutionalization of cooperative banking system in India for providing credit to farmers. The Act of 1904 was amended in 1912 for the creation of central cooperative banks at the district level by setting a three tier federal system.
The DCC Bank acts as an intermediary between State Cooperative Bank and Primary Agriculture Cooperative Societies. The first Central Cooperative Bank was registered in Uttar Pradesh in 1906 as a primary society. In Rajasthan, the first DCC Bank was started in 1910 at Ajmer. The period from 1906 to 1918 was the period of origin of DCC Banks in India. The success of cooperative credit movement in a district largely depends on their financial strength. DCC Bank is a key financing institution at the district level which shoulders responsibility of fulfilling credit needs of different types of cooperatives in the district.

Latur District Central Cooperative Bank plays a vital role in the agriculture and rural development of Latur district. The DCC Bank has reached to the rural area of Latur, through its large number of branches. Latur district is an agriculture based district and its maximum population stays in rural areas. The central cooperative bank occupies a position of inevitable importance in the cooperative credit structure. The DCC Bank has played an important role in agriculture financing. It provides various types of loans by considering the needs and requirements of the farmers. At present, most of the DCC Banks are facing the problems of overdue, recovery, non-performing assets and other problems. Therefore, it is necessary to study the role of DCC Bank performing at district level. This research work attempts to analyze the role of Latur District Central Cooperative Bank, Latur in the agriculture and rural development of Latur district during the period 2001-02 to 2012-13. The study is based on primary as well as secondary data.

2.2 SIGNIFICANCE OF THE STUDY

Cooperative Banking plays a vital role in the agricultural and rural development of the country. 65% population of the country resides in villages even today. No one can dream economic development of the country without rural development. In this context, this study occupies very important role. The proposed study brings out the role of LDCC Bank in the rural development of Latur district. The cooperative banking is passing through a bad patch. New Economic Policy of 1991 has affected very badly on the very existence of cooperative banking in the country. In the light of M. Narasimham Committee Report and its recommendations by the Government and RBI, it will be interesting to know the working of these banks. There is a need of radical changes in the old and traditional working of these banks. There is an urgent need to improve the performance of these banks to make
them more competitive. This study proves definitely useful to improve the profitability and state of affairs of these banks. It is also useful to go rural and urban sectors hand in hand.

Research scholars can use this study for their research references. People from urban and semi-urban and rural areas can be benefited by getting information and knowledge of various schemes of loans and advances provided by LDCC Bank, Latur. The study is also helpful to understand the effects of New Economic Policy on cooperative banking in general and LDCC Bank in particular. It is also useful to know the changing role and challenges of District Central Cooperative Banks at district level. The study contributes a lot in the wake of Globalization, Privatization and Liberalization. It aims at studying the various problems of these banks. It helps to understand the role of LDCC bank in the rural development of Latur district.

The findings of the study would reveal the importance of schemes of LDCC Bank for agricultural and rural development of Latur district. It would enable the LDCC Bank to identify its strengths and weaknesses. The conclusions given are helpful in finding out the state of affairs of the bank.

The result of the study would enable the policymakers to formulate effective measures to control the factors responsible for the failure of the schemes of LDCC Bank. Recommendations given are important to state government, directors of the banks to frame new policies to make these banks competitive. People at large would come to know in what way the bank is useful to enhance the economic development of the district. It is also useful to the scholars, researchers and economists in understanding the present working of the bank.

The researcher has selected Latur district as a representation of the region. The researcher has made efforts to make in-depth study of LDCC Bank, Latur. It serves as a guideline to other cooperative banks in the district. The conclusions drawn will be representative for the DCCBs in the state. It will also focus on the impact of New Economic Policy on the working of these banks.

The study will also be useful for framing the policies regarding DCCBs in the state. The suggestions given in the last topic will help to improve the working of these banks in the state.
2.3 OBJECTIVES OF THE STUDY

The proposed study is undertaken with the following objectives:

1. To study the role of cooperative banking in the rural and agriculture development.
2. To evaluate the role of District Central Cooperative Bank, Latur in the development of Latur district.
3. To understand the trends of deposits and loans lent by bank.
4. To throw light on the role of NABARD in cooperative banking.
5. To examine the procedure of loan lending and mechanism of recovery of loans.
6. To study the various credit schemes of the bank.
7. To study the impact of New Economic Policy on cooperative banks in general and DCC Bank, Latur in particular.
8. To probe into the problems of LDCC Bank.
9. To give recommendations to overcome the problems of LDCC Bank.
10. To cover any incidental or collateral issue related to the study.

2.4 JUSTIFICATION OF THE PROBLEM

India is a democratic and welfare state. The Government, since independence, has endeavoured to initiate various agriculture and rural development schemes to improve the lot of rural masses and make them better in all walks of life. As finance is one of the major requirements for the development, the Government has placed the responsibility on the banks to finance the rural people for bringing them on development tracks. Though the banks have been allotted the responsibility of agriculture and rural development, they have not coped to the expectation. It is obvious from the fact that the condition of rural people is miserable and they live in a state of poverty.

Various research studies have earlier been conducted on the topic of agriculture and rural development and role being played by banks, but no study relating to the role of Latur District Central Cooperative Bank, Latur in agriculture and rural development has been conducted so far. In this study, an effort has been made to find out the main shortcomings in the working of Latur District Central Cooperative Bank, Latur as financial institution, in providing credit facilities for agriculture and rural development. On the basis of this study, some remedies have
been suggested to remove the existing bottlenecks. Being a student of Commerce and also hailing from the rural areas, the researcher was prompted to take this study to empirically analyse the role played by LDCC in agriculture and rural development. Though, there are number of cooperative banks operating in the study district, the researcher intentionally picked up LDCC Bank, as it is the central bank of district of three tier system.

Another reason for choosing Latur District Central Cooperative was that it is a central cooperative bank in the district under three tier system. The role of bank in the development of rural people, its contribution to uplift rural people involved in agriculture, role of bank in satisfaction of its client, attitude of bank’s personnel towards the rural people when they approach to avail bank credit, the credit needs and requirements of rural people and the problems faced by the bank and beneficiaries in getting loans, these are some of the major issues for which an in-depth study has been conducted. On the basis of data collected, some meaningful and applicable suggestions have been made to make the functioning of LDCC Bank more conducive and convenient and attain the desired target of agriculture and rural development.

2.5 STATEMENT OF THE PROBLEM

To accelerate economic growth, growth of agriculture and rural sector is necessary. Agriculture being the occupation of the masses requires sufficient credit facilities, but the present scenario, the contribution of agriculture to the national income deteriorating year after year. It has very adverse effect on the economic status of farmers and farm labourers. For the rapid growth of Indian economy, agriculture and rural sectors have to play very vital role. Agriculture being very vast sector requires huge amount of credit facilities. Commercial banks are not able to meet the major requirements of credit facilities of agriculture and rural development.

Co-operative Banks in general and DCC Banks in particular have to play major role for agriculture and rural credit. DCC Banks having direct access to agriculture and rural sector are playing important role. The place of DCC Bank in co-operative banking is very unique. They are intermediator between State Co-operative Bank and Primary Credit Co-operative societies. After new Economic Policy, there is sea change in the governance and working of DCC Banks.
From the last two decades, various credit financing agencies are providing loans and advances to agriculture & rural sectors for their economic upliftment. At the district level, the government sponsored DCC Banks are providing credit to agriculture rural sectors.

The major occupation of Latur district is agriculture and availing credit to agriculture activities is the main task of DCC Bank. LDCC Bank, Latur is playing major role in providing credit to rural sector of Latur district through various schemes such as crop loan, vehicle purchasing, minor irrigation, tractor financing, cattle purchasing, rural artisans, poultry, home construction, self help groups, farmers’ club, etc. Though Latur district, the major dominance is of agriculture profession, LDCC Bank is providing credit facilities for rural artisans those who are willing to enter in industrial sector. LDCC Bank is facing various problems in providing credit facilities to agriculture & rural sector; therefore we have conducted the present study. In this present study, a detailed and thorough analysis has been made to highlight certain points related with financial position of bank, agriculture loans & overdue, sanction and disbursement of loan, NPA provisions, etc. Researcher has given the useful and practically applicable suggestions to overcome these problems.

2.6 DATA COLLECTION

The present study is based on both primary as well as secondary data. It throws light on working performance of LDCC Bank, Latur. So this is historical, empirical and descriptive study. The data is collected by personally visiting the Latur District Central Cooperative Bank, library of SRTMU, Nanded, library (Jaikar) of University of Pune, Vaikunthlal Mehta Institute of Cooperation, and various libraries of Latur and beneficiaries of various schemes of LDCC.

The data collected comprises-

2.6.1 Primary Data

The researcher has conducted a field survey by means of visit to the LDCC Bank, Latur and its branches. Questionnaires, interviews and observations are used for collection of primary data.

Primary data is collected from the respondents with the help of personal interviews, personal meetings and schedule of questionnaires. Response of the accountholders of the LDCC and the interviews with the LDCC officials are the
main sources of primary data. It is collected from the beneficiaries who have availed the benefits under various schemes of the bank.

2.6.2 Secondary Data

The secondary data consists of literature survey. It was collected from-

a. Published Annual Reports for the concerned years of Latur District Central Cooperative Bank, Latur.
b. Socio economic profile of Latur district for the study period.
c. Journals, Magazines of Cooperative Banking
d. Government Reports, Committee Reports, RBI Bulletins on Cooperative Banking.
e. Past research work, research journals, articles and seminar papers.
g. Websites related to cooperative banking, RBI, NABARD, etc.

Besides, unpublished authentic data from bank officials are referred especially for theoretical analysis. This data has been collected by visiting various libraries, the office of LDCC Bank, Latur. The researcher has collected secondary data for the last 12 years i.e. 2001-02 to 2012-13. The same data is analyzed, represented and interpreted for drawing conclusions.

2.7 TOOLS OF RESEARCH

The data is analyzed and interpreted with the help of various statistical tools and techniques like average, percentage, mean, index number, ratio-analysis, etc. to arrive at the conclusions. The data is represented in the form of tables, charts, computerized diagrams, and three dimensional graphs, etc.

2.8 SCOPE OF THE STUDY

The scope of the study comprises of-

2.8.1 Geographical

The scope of the study is limited to Latur district only. It has helped for an in-depth study of the LDCC and its role in the agricultural and rural development. Every District Central Cooperative Bank's working area is limited to that district only. It has helped for giving full justice to the research title.
2.8.2 Periodical

The study period of the research is from 2001-02 to 2012-13. The NEP 1991 has made a sea change in the working of LDCC Bank also. The researcher has deliberately selected this period. It has helped to understand the effect of New Economic Policy on the working of DCC Banks in Maharashtra in general and Latur District Central Co-operative Bank in special. The study period has helped to draw concrete conclusions of the study.

2.8.3 Operational

Every DCC Bank has to perform functions of commercial banks. In addition to that it has to perform special functions related to agriculture and rural development. The proposed study includes some major functions of the banks. Minor functions of the bank have not considered which do not affect on the quality and overall performance evaluation of bank.

In addition to the above, the experiences and views of the account holders and officials are also taken into account while evaluating the performance of LDCC Bank, Latur.

2.9 SAMPLE SELECTION AND SIZE

As the present study is a Latur district, so it was not possible to collect data and information from 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.
2.10 HYPOTHESES OF THE STUDY

Hypotheses provide a line of action to be followed for the purpose of pursuing research in a methodical manner. The following hypotheses were made, validity of which was tested on the basis of data collected from the universe of the study. The present study intends to test the following four hypotheses. So, keeping in view, the objectives of the study, the following hypothesis have been formulated and the validity of these is tested in this study.

1. The LDCC Bank has played a major role in agricultural and rural development of Latur district.
2. The state of affairs of the bank is satisfactory.
3. The loans and deposits of the bank show increasing trends.
4. NPA ratio of the bank is satisfactory.

2.11 CHAPTER SCHEME

The present study is divided into seven chapters, each chapter distinctively highlighting various points having bearing on the different aspects of the study.

1. Origin, Need, Structure, and Development of Cooperative Banking in India

The first chapter being introductory in nature covers meaning and features of term cooperatives, fundamentals and principles of cooperation, structure of cooperative banking, district central cooperative banking, their types, membership, management, etc. It also provides the statistical information regarding DCCBs at all India level, their financial performance, asset and liabilities, profit and losses of DCCBs in India, NPAs and recovery ratio of DCCBs in India, DCCBs in Maharashtra, etc. It gives a brief introduction of Latur District Central Cooperative Bank, its accounting policies, its branches, its staff, schemes rendered, reserve fund, profit distribution loan recovery, employee training, etc.

2. Nature, Scope, Objectives and Methodology of the Study

This chapter contains the nature, scope, objectives and methodology of study, universe of study, sample selection and sample size, tools of data collection and analysis, formulation of hypotheses, chapter scheme and limitations of study, hypotheses testing, and brief summary of conclusions and recommendations.

3. Review of Literature

The third chapter is exclusively devoted to review of existing literature and profile of Latur district. Review of literature is made through various committee reports on
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cooporative banking, Ph.D thesis and M.Phil thesis, books, journals, research articles published in national and international journals, etc. In the same chapter, the brief introduction is presented about profile of Latur district. It includes the information related with Latur district’s geographical area, its talukas, education and employment, banking facilities, agriculture aspects, etc.


Fourth chapter deals with the performance evaluation of LDCC Bank, Latur with the help of major statistical parameters such as share capital, reserve fund, membership, working capital, loans and advances, deposits, total assets and liabilities, cash and bank balance, investments, NPA, its provisions, agriculture loans, its arrears, overdues, various ratios, loan disbursement and its recovery, etc.


This chapter focuses on impact of New Economic Policy on the working of LDCC Bank, Latur. This chapter deals with new economic policy 1991, its objectives, its implication for cooperative banks, Banking Regulation Act, 1949 applicable to cooperative banks. In this chapter researcher has analyzed the various guidelines of RBI and NABARD to DCCBs regarding major issues in cooperative banking and its implementation by Latur District Central Cooperative Bank such as prudential norms, investment policy, Asset Liability Management, Recovery Management, Financial Inclusion, etc. Researcher has also focused on role of NABARD in cooperative banking with special reference to Latur District Central Cooperative Bank, Latur.


In this chapter the problems of LDCC Bank, Latur are studied in detail along with the general problems of DCCBs. Problems due the globalization, privatization, liberalization, problems of customers, problems due to Government and RBI on LDCC Bank, Latur are also discussed in detail.

7. Summary of Conclusions & Recommendations

Major findings of the study and necessary suggestions for improvement in Bank’s role and performance with regard to agriculture and rural credits have been made in seventh chapter. In the end, there is a detailed bibliography which could be of enormous utility for researchers in the sphere of agriculture and rural development. This chapter contains the conclusions drawn from this research work.
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and recommendations for solving and removing those problems from the path of LDCC Bank, Latur.

2.12 LIMITATIONS OF THE STUDY

The present study is not free from some limitations. However, while collecting and processing the primary as well as secondary data, care has been taken.

1. The study is limited to the performance evaluation of LDCC Bank, Latur only. Hence, no comparative analysis of the performance of LDCC Bank, Latur with any other DCC Bank is possible.

2. The conclusions drawn from the study need not necessarily applicable to other DCC Banks.

3. The study includes primary data as per its necessity but more emphasis is given on secondary data.

2.13 HYPOTHESES TESTING

Research process had been started with the specific hypotheses which have been tested in following ways:

HYPOTHESIS NO. 1: The LDCC Bank has played a major role in agricultural and rural development of Latur district.

TESTING:

Table No. 7.4 and Table No. 7.5 presented that LDCC Bank has played a major role in agricultural and rural development of Latur district. LDCC Bank, Latur has rendering number of schemes for agriculture sector. On the basis of questionnaires and interviews, it is observed that 84% respondents replied that there is increase in production and income after taking loan. 93% respondents stated that they have utilized the loan amount for the loan disbursed purpose. 89% respondents replied that they have adopted modern techniques for the business/farming purpose.

With the help of these explanations and discussions, researcher proved that LDCC Bank, Latur is playing a major role in agriculture development of Latur district. LDCC Bank, Latur has been providing financial, marketing and technical assistance for the rural development of Latur district. Along with these, LDCC, Bank has provided assistance through Self Help Groups and various schemes for rural development.

HYPOTHESIS NO. 1 IS PROVED POSITIVE.
HYPOTHESIS NO. 2: The state of affairs of the bank is satisfactory.

TESTING:

Table No. 4.42, and Table No. 4.43 and their explanations proved that the financial condition of LDCC Bank, Latur is sound. Researcher presented the statistical information regarding bank’s financial position i.e. share capital, total membership, reserve fund, working capital, investment, total assets, total liabilities, total deposits, total loans issued, total income and net profits. In the Table No. 4.43, researcher focused on yields (rate of interest) on loans issued and borrowed, various ratios, turnover, NPAs and audit class and proved that state of affairs of the LDCC Bank, is satisfactory with the help of statistical tools. It is presented that there is a continuous increase in the deposit mobilization of LDCC Bank, Latur.

Along with this, researcher used ratio analysis techniques for knowing about the state of affairs of the bank. LDCC Bank calculated various types of ratio regarding profitability, liquidity and solvency such as Earning on Investment, Earning on Loans and Advances, Cost of Management, Gross NPA Ratio, Net NPA ratio, etc. All the ratios indicated that the state of affairs of LDCC Bank, Latur is satisfactory.

HYPOTHESIS NO. 2 IS PROVED POSITIVE.

HYPOTHESIS NO. 3: The loans and deposits of the bank show increasing trends.

TESTING:

Table No. 4.12 to Table No. 4.19, it is presented that there is a continuous increase in the deposit mobilisation of LDCC Bank, Latur. Fixed, Saving, Current deposits showed the average growth of Rs. 343.83 crores, Rs. 208.42 crores and Rs. 89.76 crores respectively during the study period i.e. 2001-02 to 2012-13. The total deposits were increased from Rs. 376.62 crores to Rs. 7704.81 crores during the study period.

Table No. 4.20 to Table No. 4.22, it is indicated that there is a continuously rising trend in loans issued during the study period. During the year 2001-02, the short, medium and long term loans stood at Rs. 370.28 crores, Rs. 40.02 crores and Rs. 35.15 crores respectively which presented the increase to Rs. 7230.17 crores, Rs. 1268.02 crores, Rs. 570.31 crores in the respective loans. The total loan issued
increased from Rs. 445.45 crores to Rs. 9068.59 crores during the year 2001-02 to 2012-13.

Hence, the loans and deposits presented the continuous growth during the whole study period.

**HYPOTHESIS NO. 3 IS PROVED POSITIVE.**

**HYPOTHESIS NO. 4: NPA ratio of the bank is satisfactory.**

**TESTING:**

LDCC Bank, Latur has implemented the prudential norms issued by RBI and NABARD regarding NPA for reducing the percentage of NPA. Table No. 4.47 and the above description presented that 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. 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.

Table No. 4.45 indicated that Ratio of Gross NPA to Total Advances was 15.92% during the year 2005-06 which decreased to 4.14% during the year 2012-13. This reduction is an indicator of strong financial condition of bank.

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. All these are the indicator showing that NPA position of LDCC Bank is satisfactory.

**HYPOTHESIS NO. 4 IS PROVED POSITIVE.**
2.14 SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

SUMMARY OF CONCLUSIONS OF LDCC BANK, LATUR

1. Share capital presented moderate increase during the study period.
2. Total membership showed decrease during the study period.
3. Reserve Fund, Working capital, Total liabilities, Total assets indicated continuous increase during the study period.
4. Total income, Cash and bank balance, Net profit, Investments showed fluctuating trend during the study period.
5. Majority of the investment was made in Fixed Deposits of Maharashtra State Cooperative Bank.
6. Total deposits presented the continuous growth during the whole study period.
7. Fixed deposits, saving deposits, current deposits has completed the standard norms issued by RBI.
8. There is a continuous growth in deposits during the study period.
9. Majority of the portion of personal deposits is captured by fixed deposits.
10. Saving deposits acquired the highest portion of personal deposit in LDCC Bank.
11. Short term loan lent presented the normal growth trend during study period.
12. Medium term loan and Long term loan lent recorded fluctuating trend.
13. Comparatively short term loan has occupied majority portion of total loan issued.
14. Majority portion of agriculture loan i.e. 97% was acquired by short term loan.
15. Discrimination is observed in loan disbursement to talukas.
16. Agriculture loan disbursement to small farmers is based on their land holding capacity.
17. Majority of the crop loans is disbursed to the small farmers of Udgir, Ahmedpur, Chakur, Renapur, and Jalkot.
18. The agriculture loan recovery (current) showed a continuous increasing trend and its majority portion is occupied by short term loan recovery.
19. The total agriculture loan recovery and its percentage (arrears and current) indicated a continuous increasing trend.
20. Kisan credit card (crop loan beneficiaries and crop loan disbursement) exhibited a fluctuating trend during the study period.
21. Agriculture loan outstanding provided continuous increasing trend.
22. Agriculture loan overdue recorded continuous decreasing trend.
23. Majority of overdue portion is captured by short term loan.
24. Financial indicators performed positively for the progress of LDCC Bank during the study period.

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


27. NPA provisions showed continuously increasing trend during the study period.

28. Ratio of gross NPA to overdue indicated the strong financial position of LDCC Bank, Latur.

29. Analysis of gross NPA, NPA provision and ratio of gross NPA to overdues marked the satisfactory financial performance of LDCC Bank, Latur.

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

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

32. LDCC Bank followed the norms regarding SLR and Non-SLR Investments issued by RBI.

33. LDCC Bank has set up an Asset Liability Management Committee (ALCO) and a recovery cell for prompt and timely recovery as per the guidelines of RBI.

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

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

36. LDCC Bank, Latur has weak Grievance Redressal Mechanism and no Management Information System.

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

38. LDCC Bank has adopted Core Banking Solutions.

39. LDCC Bank has been effectively rendering Kisan Credit Card Scheme and Self Help Groups Scheme of NABARD for the agriculture and rural development.

40. LDCC Bank has played an active role in the agriculture and rural development of Latur district by starting various programmes initiated by RBI and NABARD.
SUMMARY OF RECOMMENDATIONS TO LDCC BANK, LATUR
1. Government should maintain centralized control on LDCC Bank, Latur.
2. LDCC Bank should open more branches at village area and expand operational area and make development of infrastructure at taluka and village level.
3. Bank should implement the strict recovery norms and increases the morale of loan holders by changing their mind sets.
4. Bank should make provision of punishment for the willful defaulters.
5. Bank should follow the Accounting Standards issued by ICAI.
6. Bank should disclose the information on taxes on income.
7. Bank should appoint full time office staff and full time field/visiting staff.
8. Bank must render improved and modified training programmes and provide incentives and rewards to Bank employees.
9. Bank has necessity of systematic publicity of its schemes and programmes.
10. Bank should keep a keen watch on utilization of loan by loan holders.
11. Bank has to introduce new and latest banking methods and techniques.
12. Government should give permission to issue Kisan Credit Cards through PACS.
13. Bank should launch attractive schemes at competitive rate of interest.
14. Bank should attract deposits from money market.
15. Bank should set up Management Information System and strong Grievances Redressal Mechanism. Bank has to maintain Customer Relationship Management and should improve and modify all the HRM&D practices.
16. Bank has to establish Good Corporate Governance and adopt the strategy of Bank Marketing. It has to give speed to expertise development.
17. Bank should try to get special permission for deposits by RBI.
18. Bank has to start the Bankassurance Business.
19. Bank should provide computer literacy to customers.
20. Bank has to update its website time to time.
21. Bank must check the practical viability of ventures.
22. Bank must make continuous monitoring and inspection.
23. Bank should take optimum use of bank employees’ services.

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