

CHAPTER - 7

OBSERVATIONS AND SUGGESTIONS FOR IMPLEMENTATION

The present research work "A study of Management practices of co-operative Bank" is divided in to seven chapters. In this last chapter an attempt is made to mark some observation on previous chapters and on the basis of observations some suggestions are made.

OBSERVATIONS

1. The Sholapur District Branch of the MSCARD Bank Ltd., Bombay is our study area. While considering the objectives of the present studies, we observed that the formation of the Borad of Directors is as per the procedure laid down in the bye-laws of the MSCARD Bank Ltd., Bombay
2. Regarding their recruitment policy of the said district bank, 20 employees were recruited during the study period of the five year (1985-86 to 1989-90). They are in the clerks cadre. However it is observed that the said district branch has not followed the procedure of giving wider publicity for these vacancies through advertisement. As a result these 20 newly recruited employees are not efficient.
3. The performance of the district branch regarding the training facilities is quite satisfactory. All the employees have been trained for more then five periods at verious

levels. For training purpose five training centres are available in Maharashtra, out of which 4 centres are in Poona only namely, The Agricultural Banking College, Vaikunthbhai Mehata National Institute for co-operate management, Co-operative Training College of Co-operative Federation and Training centre of Maharashtra State Co-operative Agricultural and Rural Development Bank Ltd, Gultekdi, Poona.

4. Seniority of the service is the only criteria for promotion. The qualification and efficiency have been totally neglected. It has created dissatisfaction in the staff.

5. It is observed that motivation is given to the staff of recovery department only on the basis of recovery percentage. The recovery position of the MSCARD Bank Ltd., district branch Sholapur is not up to target during 1985-86 to 1989-90. Recovery efforts are un satisfactory so district branch Sholapur did not get benefits of motivation.

6) In the Bye-laws of MSCARD Bank Ltd., 28 purposes are given but district branch Sholapur disbursed loan only for 16 purposes.

7) It is observed that during the study period i.e. 1985-86 to 1989-90 maximum amount of loan was disbursed by Pandharpur, Akluj and Karmala sub-branches, out of total loan disbursed Rs. 1515.42 lakhs, 62.29% percent loan was disbursed by three sub-branches only.

8) As per purposewise loan disbursement, it is observed that MSCARD Bank Ltd, district branch Sholapur disbursed maximum loans for three purposes only i.e. New Wells with Electric Motor, Lift Irrigation and Horticulture out of total loan Rs. 1515.42 lakhs 75.55% loan was disbursed for only three purposes.

9) It is observed that loan for poultry farming was only disbursed by Akluj sub-branch.

10) It is observed that loan for Gobar Gas was decreasing trend and in 1985-85 MSCARD Bank, district branch Sholapur has not disbursed loan for this purpose.

11. The overall performance of three branches of Pandharpur, Akluj and Karmala was highest in respect of the long term loan for Lift Irrigation, Horticulture and New Wells. The poultry industries had flourished in Akluj area due to the bank only.

12. The district branch of the MSCARD Bank Ltd., has provided hardly 11 percent loan for the development of Rural Industries, Sheep Rearing and Dairy Activities. We observed that there is tremendous scope for this sector.

13) It is observed from table No. 7.20 target of recovery, actual recovery and percentage of recovery for total five year i.e. 1985-85 to 1989-90. In 1987-88 recovery percentage

was higher as compared to other years but not at satisfactory level. In other four year recovery percentage is less than 50%. Recovery position was very discouraging.

14. It is disheartening to note that the recovery performance of nine branches is very unsatisfactory. The three branches of Pandharpur, Akluj and Sangola are satisfactory, however these three branches did not have any incentive/motivation for their good performance.

SUGGESTIONS FOR IMPLEMENTATION

1. It is suggested that for the recruitment of employees advertisements should be given in the news papers. Qualified persons should be recruited properly.

2. It is suggested that, at the time of promotions equal weightage should be given to seniority as well as educational, professional qualification and efficiency etc.

3. Motivation and incentives are key factors to improve the efficiency of employees, so it is suggested that the bank should start motivational and incentive schemes for their employees.

4. In the bye laws of the bank 28 loan purposes are mentioned but actually bank has advanced loan only for 16 purposes. It is suggested that bank should finance all the purposes which are given in the bye-laws of the MSCARD Bank Ltd., Bombay.

5. It is suggested that like Lift Irrigation, Horticulture and New Wells more stress should be given in financing other loan purposes, practically other purposes are neglected by the MSCARD Bank Ltd., district branch Sholapur.

6. The overall performance of three branches such as Pandharpur, Akluj and Karmala is at satisfactory level. It is suggested that more stress should be given for improving the overall performance of other sub-branches also.

7. It is suggested that the MSCARD Bank Ltd., district branch Sholapur should concentrate its finance activity for the development of Rural Industries, Sheep Rearing and Dairy Development Activities. There is a tremendous scope for financing these neglected sector.

8. The recovery performance of Pandharpur, Akluj and Sangola sub-branches is at satisfactory level. It is suggested that more stress should be given for improving the recovery position of remaining nine sub-branches i.e., Akkalkot, Barshi, Mangalwedha, Mohol, Madha, Karmala, South Sholapur, Mandrup and North Sholapur.

9) The bank should start training programmes, orientations programmes, work shops, direct visit on field etc. for their customers/farmers. This will create awareness among farmers for proper utilization of loans, regular re-payment of loans

and will provide guidance to the farmers regarding cropping pattern, productivity of the farm, maximum utilisation of land etc.

10) Effective measures should be followed by the bank to minimise the mounting overdues for example legal action against defaulters.

By and large it can be concluded that the organisational structure of the long term agricultural credit in Maharashtra is still haphazard, inadequate in comparison with three tier short term co-operative credit structure. The democratic structure has under influence of bureaucracy. The elected members of the loan committee is not properly democratised from the functional efficiently point of view. Due to the high percentage of defaulters the MSCARD Bank Ltd, district branch Sholapur is still not reaching the needy poor both for development of the farming sector as well as the sector of rural industries and agro-based activities in the Sholapur district.