

Chapter -VII

***Concluding Observations : An
Appraisal of the Working of the
Cooch-Bihar ARDB — Some Policy
Suggestions***

CHAPTER VII

CONCLUDING OBSERVATIONS: AN APPRAISAL OF THE WORKING OF THE COOCH-BEHAR A.R.D.B. — SOME POLICY SUGGESTIONS

According to the opinion of the Co-operative Planning Council, National Co-operative Union of India, the Central Government is providing budgetary support to the public sector Banks. In the Union Budget for 1993-94, a sum of Rs. 5700 crores was provided as capital contribution to the public sector Banks to help them to make necessary provisions against bad and doubtful losses and also to meet the new capital adequacy norms. In the year 1994-95 Union Budget, a sum of Rs. 5600 crores was provided as additional capital contribution in the form of Government Bonds for these Banks. As against these measures for the Public Sector Banks, the co-operative banking system has received step motherly treatment at the hands of the Central government.

The committee headed by Narasimhan appointed by the Ministry of Finance to examine the economic reforms in the financial sector, has made no attempt to examine the functioning of the co-operative Banking systems which has emerged as a very significant component of the National financial system. The Co-operative Banking system comprising State Co-operative Banks Central Co-operative Banks. Agricultural and Rural Development Banks and Primary Agricultural Co-operative societies have made their presences felt in the remotest villages in India. The expert committee has not taken note of contribution of the Co-operative Banking system. The Agricultural Credit Review Committee, headed by Prof. A. N. Khusro recommended to establish a National Co-operative Bank of India to ensure efficient functioning of co-operative sector. The National Co-operative Union of India has already taken necessary steps with regard to incorporation of the National Co-operative bank. Due to certain formalities by the Reserve bank of India and the Government of India. This lacuna in this regard needs to be removed at the earliest. This will be in tune with the emphasis being laid on the revitalisation of the co-operative Banking system.

The co-operative sector is over regulated and over-administered by the State Governments which is violative of the autonomy and democracy of the

co-operatives. The co-operatives being autonomous organisations need to be governed by the elected Boards of Management. National Co-operative Union of India is struggling hard to rectify the above abnormality in the tune with the provisions contained in the Model Co-operative Societies Act. The normal of this abnormality will facilitate the healthy development of co-operative movement.

The Bureau of Industrial and Financial Reconstruction (B.I.F.R.) is looking after the rehabilitation programme of sick units in the public and private sectors. But there is no agency to look after sick co-operative units. There is an urgent need to establish organisations on the pattern of BIFR for suggesting rehabilitation programme for sick co-operatives.

It is evident that the co-operative organisations, will have much opportunities in the promotion of agro-processing and cottage and rural industries which will emerge as principal source of income for the weaker sections of society including small farmers, artisans, landless agricultural labours and share croppers.

In the Congress of the International Co-operative Alliance held in Manchester U.K. the principles of co-operation were discussed. The co-operative principles have ben changed at this congress. Under this revised principles, education occupies a pride place. And co-operatives have to be considered as a process of education and training in the community as a whole.

A new rural Infrastructural Development Fund has been established in NABARD during the year 1995-96. The said fund will provide loans to the State Governments and state-owned corporations for the completion of the on-going projects relating to medium and minor irrigation, soil conservation, water shed management and other forms of rural infrastructure. By submitting suitable projects related to co-operative activities, the the cooperative sector should take advantage of this fund.

The national economy is already oriented towards market economy and steps are being taken to integrate the national economy globally. The function of the co-operatives should be re-oriented to face competition with the private and multinational companies.

The Government should take measures to empower the co-operatives to promote efficient functioning in the present situation. Some of them are as follows:

1. The Government should frame a policy to recognise co-operation as a sector as it was done in the case of public and private sectors.
2. In the present economic reforms, a lot of freedom has been given to private sector but the co-operative sector still continue to be over-regulated and over-administered. So the same amount of de-regulation should be extended to co-operative sector.
3. The Government should continue to extend effective support to co-operative sector so that its benefit, flow directly the producer and general masses.
4. Co-operatives should be given priority and preference in the field of agro-business, agro-industries and exports.
5. Co-operative bank of India which has been incorporated should be allowed to function so as to bridge the systemic gap within the co-operative sector.
6. Emphasis should be given for resource mobilisation.
7. Another important matter is the structural re-adjustment and thus reorganisation has become the most important aspect of market oriented economy.

There is a potential opportunity for co-operatives and Panchayats to join hands for common goal and mutual benefit. The finances being provided to the panchayats through the 10th Finance Commission and the State Finance Commissions will help in financing such joint co-operative development activities during the Ninth Five Year Plan Period.

It is hoped that the National Policy Parameters having a bearing on the growth and functioning of the co-operative movement will find an eminent place in the Ninth Five Year Plan.

Some state governments have enacted co-operative laws which grant substantial decision making autonomy to the member-owned co-operatives.

Andhra Pradesh Govt. has enacted such laws. This new Act of Andhra Pradesh Government has conferred autonomy only on the self-reliant co-operatives which do not avail any aid from the Govt. assistance. For the weaker section, the weaker co-operatives can not succeed without the support of the Governmental assistance. This Act of Andhra Pradesh Government falls short of the recommendations made in the Report of the Committee on Model co-operative Act set by the Planning Commission in the year 1990. The various State Governments should take early steps to incorporate the main provision originated from the recommendations of this committee. Such type of step would give a robust boost to the functioning of the co-operative movement in India.

In India Co-operative Movement is facing serious challenges both from external and internal environment. Externally in the wake of economic policy of liberalisation, the economy is open to foreign multi-nationals, possessing enormous capital resources with the benefit of low rate of interest, highest managerial skill, advance technology and world wide marketing net work and they are eager to capture the market. In such competitive situation, co-operatives in India are not in a position to compete with them unless Government extend adequate protection to co-operative institutions.

In the wake of liberalisation of economy and emphasis on operation of market forces, co-operative institutions would like to concentrate on such areas where they have got competitive advantage as compared to others. This will call for greater attention towards enhancing professional competence of the co-operative institutions, emphasis on total quality management, well designed programmes for improving operational efficiency and well concerted efforts for reducing the operational cost and improving the quality of services rendered by the co-operative institutions.

Central Government is committed to support the Co-operative movement considering that as an instrument for empowerment of rural poor and on effective tool for ensuring growth with justice, its concern for the backward regions of the country, the neglected sectors of rural economy and special need of the weaker sections of our society such as the small and marginal farmers, scheduled castes, scheduled tribes and women.

The Ninth Five Year Plan have affirmed the crucial role of co-operative institutions in accelerating the pace of economic growth and promised to create climate conducive for the improvement of the co-operative movement.

The Agriculture and Co-operation Ministry of India had constituted a High level committee under the chairmanship of famous co-operator, Shri R.N. Mirdhaji, Member of Parliament to Study the problems of co-operative institutions. Government of India also making a National Co-operative Policy.

Co-operative is a self dependent movement. In the interest of healthy development of co-operative movement, the Government should help the democratic and autonomous functioning of the co-operative institutions.

On the lines of the recommendations of the Ch. Brahm Prakash and Mirdha Committees, the Central Government is taking steps to bring amendments to the Multi-state Co-operative Societies Act.

Problems of co-operative credit institutions can be successfully tackled with the joint efforts of Central Government, State Governments, Reserve Bank of India and National Bank for Agriculture and Rural Development.

The Government of India is also considering a proposal to create National Agricultural Credit Relief of Fund to assist farmers whose debt burden had accumulated due to successive occurrence of natural calamities by providing loan assistance. The proposed out lay for this scheme in Ninth Five Year Plan is Rs. 200 crores.

Another scheme is under consideration of the Government of India for the revitalisation of the co-operative credit structure particularly at grass root level, that is Primary Agricultural Credit Society by providing financial assistance. Its main components are as follows :

1. Provision of separate line of credit to select PACS for implementation of Business Development Plans.
2. Assistance to states for the introduction of deposit guarantee of PACS.
3. Assistance to state for rectification of imbalances in the co-operative credit structure, and

(4) Provision of incentives to PACS for promotion of self-help groups.

The total out lay suggested for the scheme is Rs. 320 crores for Ninth Five Year Plan.

Unless co-operative institutions improve their credibility in discharging their social obligations, there will hardly be any justification of claim preference over private and public sector institutions.

Some of the leading private sector corporations have promised to spend 1% of their profit towards promotion of rural development in India. Major profitable co-operative institutions should also come forward and earmark at least 1% of their profit for accelerating the pace of rural development.

The strategy of rural development as envisaged in our approach to the Ninth Five Year Plan, has emphasised the importance of integration of rural development programmes with other sectoral programmes. In this context, co-operative organisations will also like to have closer interaction with other institutions like Panchayati Raj institutions, research institutions, extension agencies and KVKS so that the benefit of different development programmes can be properly directed towards the targeted groups.

Considering the overwhelming importance of agricultural development for our rural economy, co-operatives are expected to pay special attention towards the new dimensions of agricultural development so that we can achieve the targeted rate of growth of our agricultural production.

It may be noted that the National Co-operative Union of India has appointed a Co-operative Planning Council with Prof. Y. K. Alagh as its Chairman. It will be considered that the various recommendations made by this council for effecting improvement in the functioning of co-operative sector during the Ninth Five Year Plan.

Twenty Years of Co-operation Department in West Bengal

During Left Front Regime in West Bengal the Co-operation Department has been engaged in formulating and implementing different socio-economic projects for various section of people particularly for economically backward classes.

Some of the projects and achievements are given below :

Universal Membership

Under this scheme the initial share capital for enrolment in a co-operative is provided as grant. The number of universal members was 4.61 lakhs in 1975 - 76. Now, with the implementation of different schemes the number of such members has shot up to about 66 lakhs.

Issue of short-term loans

There has been much improvement during the last few years both in investment and recovery. In 1975 - 76, the total amount invested and realised was 51.05 crore and Rs. 38.80 crore. In 1995 - 96 the investment and realisation have respectively been Rs. 167.97 crore and Rs. 69.05 crore.

Long-term Credit Sector

A remarkable growth and development has been achievement in long-term credit sector in the last twenty years, 24 Primary Agriculture and Rural Development Bank and 2 branches of the West Bengal State Co-operative Agriculture and Rural Development Bank Ltd. cater to the investment credit need of the growers in the farm sector as well as non-farm sector. In the year 1975-76, the total amount of investment and recovery was Rs. 8.09 crore and 6.08 crore respectively. In 1995-96 the amount was Rs. 40.2 crore and Rs. 24.12 crore.

Consumer Sector

In West Bengal, there is a big network of consumers' co-operative spread for the distribution of consumer articles both among the urban and rural people.

The West Bengal State Consumer's co-operative Federation Ltd. (CONFED) an apex body, 31 whole-sale consumer's co-operative societies are responsible for sale of consumer articles at fair price. These societies run 18 departmental stores and 76 large-sized retail outlets and 166 small sized retail outlets. Some of these shops are located in Calcutta but most of them are situated in District and Sub-divisional towns and also in rural areas. In 1975-76 the consumer co-operative societies sold consumer articles worth Rs. 72.8 crore. In 1995-96, total turn over was to the tune of Rs. 400 crore.

Marketing and Processing Sector

The main activities in the marketing sector include the distribution of agricultural inputs and procurement of agricultural produce mainly through Primary Agricultural Co-operative Societies, Primary Agricultural Marketing Societies, Cold Storage Societies. The main thrust is so far as planning in this sector is concerned has been laid upon the diversification of business to keep the societies viable and setting up of godowns and cold storages to market and store the agricultural produce and inputs.

Since 1975-76 by enhancing the storage capacity in phases 43 co-operative cold storage having an installed capacity of 1.88 lakhs metric tons have so far been constructed in the state. During this period 3500 godowns with the storage capacity of 5.15 lakhs tons have been constructed.

Co-operative Audit Directorate

With the specific objective of ensuring financial discipline in the co-operative bodies, the Directorate of Co-operative Audit, West Bengal, was created in 1988 by separating the audit components from the co-operation Directorate.

The Audit Directorate with its independent and self-sufficient mode of working has been able to bring about enough improvement in over all situation. The Audit Directorate has completed auditing of 13,966 co-operative societies in 1995-96 and collected Rs. 1425619160 as audit fees.

Womens Cooperative Credit Societies

In 1992-93, one of the remarkable achievements of the co-operation Department is the forming of women's co-operative credit societies run exclusively by the women members for their socio-economic up lift. There are 24 such societies have been functioning in 18 districts of West Bengal. The working capital of such women's co-operative is Rs. 211 crore of which Rs. 1.25 crore has been advanced to the women members under different self-employment schemes.

Cooperative Training and Education

In 1947, the first co-operative training centre was set up at Konnagar and

thereafter in Uttarpara in Hoogly District to impart training to the Junior-level officers of the co-operative Directorate. Then 3 more Co-operative Training Centres were founded at Jhargram in Midnapore District, Barsul in Burdwan District and Kalimpong in Darjeeling District. The responsibilities of running all these training centres as well as imparting training to the Auditor of Co-operative Societies, Supervisors of District Central Co-operative Banks and Managers of Primary Agricultural Co-operative Societies, Primary Agricultural Marketing Societies etc. were handed over to the West Bengal State Co-operative Union.

Housing Finance

The West Bengal State Co-operative Agriculture and Rural Development Bank Ltd. has extended its area of operation in the field of financing housing projects in the rural areas. The investment of WBSCARDB in rural housing project, implemented through its affiliated Primary Agricultural and Rural Development Banks of Rs. 190.57 lakhs during the year 1995-96. And Rs. 223.91 lakhs was invested in the year 1996-97 (up to 30 -11- 96).

The West Bengal State Co-operative Housing Federation is also going to provide soft loan to the Primary Co-operative Housing Societies in the year 1997-98.

Unemployed Engineers' Cooperative

To solve to problems faced by the unemployed youth who are degree and diploma holders in Engineering, Engineer's Co-operatives have been organised with engineers and technically qualified persons. Also by organising unorganised labours to save them from the economic exploitation of the labour construction co-operatives have been formed.

Rural Electrification Co-operatives

In West Bengal the State Government has decided to organise the rural consumers of electricity to form one rural co-operative in each district in order to prevent transmission loss by way of theft and lack of proper supervision and ensure effective distribution of electricity to meet ever-increasing consumer demand in rural areas. At present the number of such registered co-operatives is four.

MOU on DAP between CCARDB and WBSCARDB

The Cooch-Bihar Co-operative Agriculture and Rural Development Bank Ltd. has been suffering financially for a long period. It is a 'loss making' Bank. It is seen that the Bank mainly suffers from its low volume of business and high transaction cost. As a result of this the capital of the Bank has eroded. In order to receive its financial position and to make it a viable unit certain measures have been taken in the shape of Development Action Plan under the guide lines of NABARD. On the basis of the guide lines of the NABARD, a Development Action Plan was prepared with some financial provisions and projection of programmes with a time frame. Accordingly a Memorandum of Understanding in between the West Bengal State Co-operative bank Ltd. and Cooch Bihar Co-operative Agriculture and Rural Development Bank Ltd. was executed on 30th December, 1995. On the D.A.P. certain financial measures were suggested in the said DAP. All the concerned financial agencies were supposed to provide continued financial assistance to the Bank to improve its financial position with ultimate objective to make this bank a viable unit. The main objective of making this Bank as a viable unit is to ensure the credit flow to the rural people to improve their economic condition.

In order to implement the Development Action Plan a time bound programme has been worked out in the following manner

(Rs. In crore)

PARTICULARS	ACTUAL				PROJECTIONS		
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
1. Aggregate share	0.23	0.24	0.24	0.26	0.41	0.49	0.59
Capital of which		(4.3)	(-)	(7.7)	(57.7)	(19.5)	(20.4)
govt.	0.09	0.09	0.09	0.09	0.19	0.19	0.19
2. Reserves & others	0.26	0.32	0.36	0.42	0.48	0.55	0.64
		(23.1)	(12.5)	(16.7)	(14.3)	(14.6)	(16.4)
3. Borrowing outstanding	1.17	1.22	1.36	1.67	2.24	3.26	4.69
		(4.3)	(11.5)	(22.8)	(34.1)	(45.5)	(43.9)
4. Loan issued	0.22	0.04	0.08	0.42	1.10	1.65	2.10

PARTICULARS	ACTUAL					PROJECTIONS	
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
5. Loan & Advance Outstanding	0.96	0.91 (-15.49)	0.85 (-16.59)	1.11 (30.59)	1.71 (54.05)	2.81 (64.43)	4.31 (53.38)
6. Investment (other investment)	0.05	0.05 -	0.08 (60)	0.12 (50)	0.14 (16.7)	0.16 (14.3)	0.20 (25)
7. Percentage of Recovery to Demand	-	28.64	27.30	60	65	70	75
8. Working Capital	2.21	2.44	2.88	3.36	4.22	5.29	7.13
9. Average Cost of Funds per Rs. 100/-	3.99	4.02	4.15	4.28	4.35	5.02	5.08
10. Average yield on Assets per Rs. 100/-	5.06	5.17	4.61	5.39	5.62	6.51	6.89
11. Average Gross Margin per Rs. 100/-	1.07	1.15	0.46	1.11	1.27	1.49	1.81
12. Transaction cost as percentage of Working Fund	8.88	5.96	7.92	7.58	6.87	5.86	4.66
13. Average net Margin [(10+12) - (11+13)]	(-) 7.81	(-)4.81	(-)7.28	(-)6.48	(-)5.13	(-)3.84	(-)2.26
14. Annual Profit Loss Position (+) (-)	(-)0.30	(-)0.18	(-)0.24	(-)0.20	(-)0.18	(-)0.16	(-)0.14
15. Accumulated Profit / Loss	(-)0.83	(-)1.01	(-)1.25	(-)1.05	(-)0.87	(-)0.71	(-)0.57
16. Bearing Level	16.80	12.30	49.54	22.79	21.26	18.79	16.68
17. Miscellaneous income% of WF	NA	NA	0.35	0.59	0.61	0.63	0.65
18. Risk cost as percentage of WF	NA	NA	0.17	0.15	0.14	0.10	0.09
19. Per Employee Productivity	0.02	0.02	0.02	0.03	0.04	0.07	0.11
$\left[\frac{\text{Loan Outstang}}{\text{Total No. of Employees}} \right]$							

N. B. Figures in the Brackets indicates the growth rates.

Source : Development Action Plan and Memorandum Of Understanding, there on, bettween CoochBehar Co-operative Agriculture and Rural Development Bank Ltd. & The West Bengal State Co-operative Agriculture and Rural Development Bank Ltd.

The programme as drawn up is found to be beneficial to the Cooch-Bihar Co-operative Agriculture and Rural Development Bank Ltd. to reach available position. The programme could not be implemented because the financial assistance as assured as per Memorandum of Understanding on Development Action Plan could not be made available. If the programme could be implemented in practice financial position would be much better.

New Economic Policy (NEP) and Challenges Before ARDBs

Recommendations

1. Under new economic policy the role of ARDBs should be clearly defined by the Government of India and National bank. So that they can effectively meet their responsibilities in the economic development and for that purpose they should be provided the necessary assistance.
2. Through appropriate training programmes, members should be educated to reorient their attitudes by ARDBs to ensure their active participation in developing the Banks as business organisations.
3. According to the recommendation by Choudhury Brahm Prakash Committee, Government of India should prevail on State Governments to adopt the model Co-operative Societies Act to minimise state control and management of ARDBs to democratically elected Boards.
4. To curtail the impact of market rates of interest on loans which ARDBs will be required to charge under New Economic Policy, particularly on the weaker sections of the people, they should evolve a profit sharing scheme with members. They can consider to offer interest rebate from their income on timely repayment of loan instalments.
5. If ARDBs are directed to finance activities at rates of interest lower than the market rates. National Bank should provide concessional refinance to enable them to maintain their normal margins on such loans.
6. ARDBs may insist to invest in commercial farms involving higher outlay and loan components in view of the greater spread available to them on loans of over Rs. 2 lakhs.

7. The present Fixed Deposit Scheme for ARDBs is very much restricted, they should be allowed to accept such deposits on their own terms similar to those of non-banking financial institutions and co-operative Banks. They should be allowed to extend these deposits to finance members to meet all their credit needs without restriction, on their own terms to enable them to cross-subsidise operations. The Banks were advised to canvas for deposits. Government of India may consider to extend income tax concessions on these deposits as they are to be used for rural lending exclusively.

In West Bengal long term investment credit is routed through 24 Primary co-operative Agriculture and Rural Development Banks and 2 branches of the West Bengal State Co-operative Agriculture and Rural Development Bank Ltd. making a total 26 operational units. At present all the units excepting Cooch-Bihar Co-operative Agriculture and Rural Development Bank Ltd. and Kandi Co-operative Agriculture and Rural Development Bank Ltd. are functioning properly and improved their position considerably particularly after the implementation of the Agricultural and Rural Debt Relief Scheme. But the two named ARDBs could not come up to the level of performance.

The main problems of the Cooch-Bihar Co-operative Agriculture and Rural Development Bank Ltd are low level business. Low recovery higher transaction cost and limited resources. So to improve the situation all related concerned should be involved to find out a suitable mechanism to help the Cooch-Bihar Co-operative Agriculture and Rural Development Bank Ltd. to turn around as a strong organisation for dispensation a rural credit in the long-term sector in its area of operation.

So the State Government, NABARD, West Bengal State Co-operative Agriculture and Rural Development Bank, Cooch-Bihar Co-operative Union should come forward in order to solve the problems. The following specific action are required to be taken independently by the respective agencies as indicated below :

(A) State Government

1. The Cooch-Bihar ARDB requires assistance from Government by Rs. 208.47 Lakhs to cleanse the Balance sheet and to be eligible for more time to try a fresh to bring back normal health.

2. To settle all the pending interest subsidy claims as early as possible in respect of COB. ARDB and ensure that benefits are passed on to the Bank.
3. A soft loan assistance to be provided to the Cooch-Behar ARDB under such terms and conditions and such interest at the State Government may deem fit keeping in view the weak financial position of the Bank.
4. After firming up a rehabilitation package, to make a request to NABARD seeking relaxation in eligibility norms in respect of COB. ARDB. So as to enable eligible for share capital contribution from the NRC (LTO) Fund.
5. To restore contribution of the State Government to the 'Risk Fund' of the COB. ARDB as was being done earlier for others.
6. To consider the issue of adopting the practice of assessing the crop yields on a scientific manner based on crop cutting experiments in the event of natural calamities so as to declare 'Annawari' and suspend the dues recoverable by the Government which would definitely pave the way for the Bank for availing of the facility of postponement of current demand from NABARD.
7. State Government is to issue an order in the line that the staff of the COB. ARDB, if found excess initially may be placed to other ARDBs for a stipulated period of 5 years and once the units are viable they may again be sent back to their original ARDB.
8. State Government should provide suitable government officer as the Chief Executive Officer of the COB. ARDB immediately.

(B) The West Bengal State Co-operative Agriculture and Rural Development Bank Ltd

1. The WBSCARDB should restore the refinance line to the Cooch-Behar ARDB for continuance of flow of ground level credit.
2. The WBSCARDB should reimburse quickly in disbursement certificate's submitted by the Cooch-Behar ARDB.
3. The WBSCARDB is to provide permit the deposit mobilisation.
4. The WBSCARDB should also consider delegating adequate sanctioning powers to its branch (at Siliguri) functioning new Cooch-Behar ARDB so as to

enable the said ARDB to avoid incurring an additional transaction cost in sending the loan case papers to the Head Office of the WBSCARDB (in Calcutta) for sanction.

5. Till achievement of investment during the specified time (i.e. 5 years) the establishment cost to be borne by the WBSCARDB, the said amount may be treated as soft loan which to be repaid latter on in the manner as may be decided upon.

6. The WBSCARDB should periodically inspect the Bank and suggest corrective measure for smooth functioning of COB. ARDB.

(C) The Cooch-Bihar Co-operative Agriculture and Rural Development Bank Ltd

1. The Cooch-Bihar A.R.D.B. should improve its system of internal checks and control substantially in keeping with the emerging situation.

2. The Cooch-Bihar ARDB should fix specific targets for recovery closely monitor the same on a fortnightly or monthly basis.

3. A realistic lending programme should be worked out by the Cooch-Bihar ARDB on the consideration of past trends and new potentials. One such a realistic loaning programme is worked out the loan disbursement may be phased out during the year.

4. The total interest payable by the Cooch-Bihar ARDB to the WBSCARDB should be paid off in full if possible.

5. A realistic cash flow and outflow statement for the year 1998-1999 and 1999-2000 should be prepared by the Cooch-Bihar ARDB so as to reveal the extent to which it will be able to liquidate its principal dues to the WBSCARDB as a consequence of which its balance would get reduced.

6. The Cooch-Bihar ARDB should immediately carry-out a case by case analysis of overdues and adopt a strategic action plan including that of identification of wilful and non-wilful defaulters.

7. The management of the Cooch-Bihar ARDB should fix individual accountability for the supervisors by allotting them with fixed target and monitoring

their performance closely at regular intervals. The accountability of the supervisors may include over aspects also apart from recovery.

8. The service of technical officer of the cell of WBSCARDB should be obtained by the Cooch-Bihar ARDB in formulation of the schemes both for farm and non-farm sector.

9. The Cooch-Bihar ARDB should have functional coordination with the PACS in its area of operation to enable its borrowing members to meet their short-term credit need.

10. The Cooch-Bihar ARDB should compile the Annexures III, IV, & V of Development Action Plan within the prescribed time limits and for this purpose the bank may identify the personnel from within and set up a DAP cell.

11. The Cooch-Bihar ARDB should hold its District level Monitoring and Review Committee meeting regularly.

(D) National Bank for Agriculture and Rural Development

NABARD should consider the relaxation in eligibility norms to enable the Cooch-Bihar ARDB to become eligible for share capital contribution from the M.R.C. (L.T.O) fund maintained by National Bank for Agriculture and Rural Development.

(E) Cooch-Bihar Co-operative Union

Through appropriate training programmes, members should be educated to reorient their attitudes to ensure their active participation in developing the Cooch-Bihar ARDB.

The following programmes should be taken for achieving the viability of the Cooch-Bihar ARDB.

TABLE 7: 2
Proposed Investment Programme

Year	Loan Outstanding	New Investment	Total	Demand		Recovery		Total	COB.ARDB'S Portion @30%	WBS CARDB'S Portion	Balance Outstanding
				Pr.	Int	90%	100%				
1998-1999	64.33	200.00	264.33	29.37	37.00	26.43	37.00	63.43	11.10	52.33	237.90
1999-2000	237.90	300.00	537.90	59.95	75.30	53.79	75.30	129.09	22.59	106.50	484.11
2000- 2001	484.11	400.00	884.11	98.23	123.77	88.41	123.77	212.18	37.13	175.05	795.70
2001- 2002	795.70	500.00	1295.70	143.97	181.40	129.57	181.40	310.97	54.42	256.55	1166.13
2002- 2003	1166.13	600.00	1766.13	196.23	247.25	176.60	247.25	423.85	74.17	349.68	1589.53

Proposed Deposit Mobilisation Programme

Year	Opening	New Deposit Collection				Total	Withdraw (40%)	Investment	Gross Income (20%)	Payable to Depositor @10%	Net Income	Outstanding
		SB- A/C	T.D. A/C	Minideposit	Total							
1998- 1999	-	1.00	0.75	1.00	2.75	1.10	1.65	0.33	0.16	0.17	1.65	
1999- 2000	1.65	2.00	1.25	1.50	6.40	2.56	3.84	0.77	0.39	0.39	3.84	
2000- 2001	3.84	2.50	1.50	2.00	9.84	3.74	5.90	1.18	0.59	0.59	5.90	
2001- 2002	5.90	3.00	2.00	2.50	13.40	5.36	8.04	1.60	0.80	0.80	8.04	
2002-2003	8.04	3.50	2.50	3.00	17.04	6.82	10.22	2.04	1.02	1.02	10.22	

Expected Income and Expenditure showing Remittance to the WBS CARDB on Expected Recovery and Deposit Mobilisation

Year	Expected Recovery	WBS CARDB'S Portion	COB. ARDB'S Portion	Income from Deposit	Misc. Income	Total	Establishment Cost.	(-) deficit (+) Surplus	Expected Remittance	Remittance to be made	Shortfall/ Surplus
1998- 1999	63.43	52.33	11.10	0.17	1.00	12.27	29.00	(-) 16.73	52.33	35.60	(-) 16.73
1999- 2000	129.09	106.50	22.59	0.39	1.50	24.48	30.00	(-) 5.52	106.50	100.98	(-) 5.52
2000- 2001	212.18	175.05	37.13	0.59	2.00	39.72	31.00	(+) 8.72	175.05	183.77	(+) 8.72
2001- 2002	310.97	256.55	54.42	0.80	2.50	57.72	32.00	(+) 25.72	256.55	282.27	(+) 25.72
2002- 2003	423.85	349.68	74.17	1.02	3.00	78.19	33.00	(+) 45.19	349.68	394.87	(+) 45.19

[Prepared on the basis of informations and data available from the following sources :

- (1) Schemes Submitted by the Bank
- (2) Schemes Submitted by the Unions.]

Thus viewed, the role of the co-operatives in the general national rural economy can be properly understood.

Co-operatives have to play the role of a catalyst in bringing about social change and economic development. The foregoing discussion has conclusively proved that special attention needs to be paid in this direction. The Cooch Behar ARDB provides an excellent example in this regard. It has become all the more important in the context rural development and expansion of the base for more job-opportunities. The district of Cooch-Bihar, because of locational disadvantage, low rate of economic development, lack of adequate infrastructural and other facilities and consequently low capacity to absorb the unemployed youth demands greater care and attention from the policy-planners both at the State and Central levels. In this respect, the Cooch-Bihar ARDB, if revitalised properly, can play a very constructive role in bringing about a 'social revolution' in the truest sense of the term.