

DCC BANKS IN INDIA: CAUSES OF OVERDUES AND MEASURES OF REDUCING OVERDUES

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ABSTRACT

It appears to be inescapable that lack of will and discipline among the cultivators to repay is the principal factor contributing to the prevalence of overdues in the cooperatives. The causes of overdues are untimely sanctioned and disbursement of loan, inadequate and uneven distribution of recovery staff, lack of action by the management of the bank, failure of crops and political interference etc. To avoid the problems of overdues, the bank should take certain steps like monitoring the spending pattern of loanee, strong action against willful defaulters, and implementation of RBI and NABARD guidelines for collecting dues.

KEYWORDS: Overdues, Loanee, Panchayat Samitis, Root Cancer.