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HARCO BANK : AN ANALYTICAL STUDY

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ABSTRACT:- Co-operative Banks play an important role in rural financing, with funding of areas under agriculture, livestock, milk, personal finance, self-employment, setting up of small scale units among the few focus points for both urban and rural Co-operative banks. They provide a much-needed alternative to the age-old exploitative practice of people approaching the village moneylender, most often getting into a debt-trap that they struggle to pull themselves out of.

The Co-operative banking system came into being with the aim to promote saving and investment habit among people, especially in rural parts of the country. In this paper we will focus on The Haryana State Co-operative Apex Bank Ltd. (HARCO BANK), which is located in Haryana. The present study is only focuses on financial position of HARCO Bank and Crop-wise (Kharif Crops & Rabi Crops) advances by the Central Co-operative Banks.

KEY WORDS: - RBI, DCCBs, PACS, NABARD HARCO

Introduction-

Haryana State Co-operative Apex Bank Limited (HARCO BANK) occupies a vital position in the state economy and has been financing farmers, rural artisans agricultural labourers, entrepreneurs etc. in the state and serving its depositors for the last 53 years. The Short Term Coop. credit structure consists of three Tiers i.e. HARCO BANK at state level having 13 branches and 2 extension counters at Chandigarh and Panchkula, 19 Central Co-operative banks at district headquarters with their 594 branches and 725 PACS catering to the financial needs of 11.93 lacs members who are residing mostly in rural areas of Haryana. The HARCO BANK from the humble beginning in November, 1966 has grown into a sound financing Institution of outstanding credit worthiness. The performance of HARCO Bank has been adjudged as the best State Co-operative Bank in the country. It had working capital of Rs. 9,282.08 crore as on December, 2019 (Table 1.1). The Comparative position of advances made by the Central Co-operative Banks (crop wise) during the last six years is given in table 1.2

The various activities undertaken by the HARCO bank are mobilization of deposits, raising of funds / borrowing from various higher financing Agencies like RBI/NABARD, State Government, NCDC etc. on its behalf and on behalf of the members and to the provide credit to its members for agriculture, marketing and processing, consumption, manufacturing, trading, housing, transport distribution and stocking etc. purposes in the state and serving its depositors for the last 53 years.

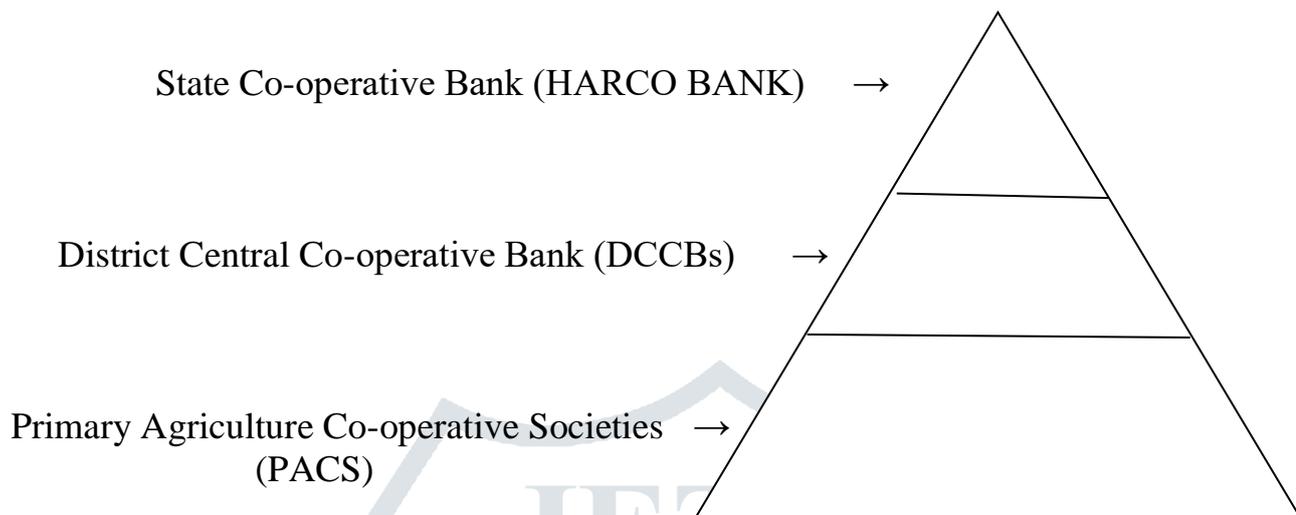
Objectives:- The present study is based on the following objectives.

- To study the financial position of HARCO BANK (2014-2019).
- To study and evaluate the benefit of farmers through Kisan Credit Cards.
- To know about the structure of Co-operative Banks in Haryana.
- Evaluation of different operational schemes of HARCO BANK (THE HARYANA STATE CO-OPERATIVE APEX BANK LTD.).

Database and Methodology:- In this study, we are used mainly secondary data. It's focused on the financial position of HARCO Bank. The data has been collected from Govt. of Haryana, Economic Survey of Haryana 2019-20, different websites, annual reports, and articles.

Research area- The economic growth of Haryana has been exemplary since its inception as a separate state. Although Haryana is geographically a small State, Haryana is 20th largest state with an area of 44212 km² and the 17th largest by populations (as per census 2011). It is bordered by Punjab and Himachal Pradesh to it's north and by Rajasthan to the west and south. It also borders with country's capital Delhi on three sides north, west and south.

Structure of Co-operative Banks in Haryana:-



Co-operative Banks have a three-pronged structure, at the lowest level there are primary agricultural Co-operative societies (PACS), at the middle level there are District Central Co-operative Banks (DCCBs) and at the top level there are state Co-operative banks(HARCO BANK).

Branches of HARCO Bank in Haryana

Table:-1

Sr. No.	Branch at Chandigarh	Sr. No.	Branch at Panchkula
1.	Head Office, Sector 17-B	1.	Shakarita Bhawan. Sector-2
2.	Branch, Sector 15-C	2.	Branch, Sector-4
3.	Branch, Sector 19-D	3.	Branch, Sector-11
4.	Branch, Haryana Civil Sectt. Sector-1	4.	Branch, Sector-15
5.	Moter Market, Manimajra	5.	Ext. Counter HSAMB Complex. Sector-6
6.	Branch, Sector 20-D		-
7.	Branch, Sector 32-C		-
8.	Branch, Sector 44-D		-
9.	Branch, Sector 28-D		-
10.	Ext. Counter, New Sectt. Branch, Sector-17		-

Source:- www.harcobank.org.in

It is clear from the above table- 1 that the branches of HARCO Bank are located in Chandigarh and Panchkula district. The Headquarter of HARCO Bank is located in Chandigarh Sector 17-B. Eleven branches have been established in Chandigarh and Five Branches have been established in Panchkula. Most of its branches are located in Chandigarh.

Table:1.1 – FINANCIAL POSITION OF HARCO BANK.**(Rs. In crore)**

Sr. No.	PARTICULARS	2014-15	2015-16	2016-17	2017-18	2018-19	Upto Dec. 2019
1.	Share Capital	132.61	137.99	143.21	172.57	245.36	245.36
2	Own Fund	566.45	756.53	800.34	850.05	949.84	949.83
3	Deposits	2179.55	3104.91	3740.28	3397.93	2682.70	3894.94
4	Borrowings	4425.04	4025.27	4300.99	4719.83	4663.96	4295.80
5	Loan Issued	6748.60	7608.07	7397.17	7541.99	7313.05	6318.27
6	Loan O/S	5904.08	6318.60	5564.17	6771.73	6748.65	7099.21
7	Profit/Loss	16.23	23.80	31.96	35.65	31.88	-
8	Recoveries %	99.95	99.96	99.95	99.95	-	-
9	Total Overdue as % to Loans O/S	0.05	0.04	0.05	0.04	0.05	-
10	NPAs %	0.05	0.04	0.05	0.04	0.05	-
11	Wkg . Capital	7698.09	8029.50	9127.83	9039.39	8434.21	9282.08

Source:- Economic survey of Haryana 2019-20 – Department of Economic and statistical Analysis, Haryana.

It is clear from the above table that the share capital of the HARCO Bank was Rs. 132.61, 137.99, 143.21, 172.57, 245.36 Crore in 2014-15, 2015-16, 2016-17, 2017-18, 2018-19 and upto Dec. 2019 respectively. Deposits of bank in 2014-15 Rs. 2179.55 crore which was increased upto December 2019 to Rs. 3894.54 crore done. Bank is running in profit position for the last 5 years, in the year 2014-15, the bank's profit was Rs. 16.23 crore which increased to Rs. 31.88 crore in the year 2018-19. Working capital was 7698.09 crore in 2014-15 which increased to Rs. 9282.08 crore in Dec. 2019. The percentage of NPAs in the years 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 was 0.05, 0.04, 0.05, 0.04 and 0.04 percent respectively.

Table: 1.2- Crop-wise Advances by the Central Co-operative Banks.**(I) KHARIF CROPS****(Rs. In crore)**

Session	Targets			Achievement		
	Cash	Kind	Total	Cash	Kind	Total
2015	4194.00	201.00	4395.00	4369.58	211.26	4580.84
2016	4600.00	227.00	4827.00	4558.40	206.83	4765.23
2017	4875.00	243.00	5118.00	4749.14	233.79	4982.93
2018	5121.00	271.30	5392.00	4978.87	245.00	5223.87
2019	5285.00	300.00	5585.00	4928.53	256.23	5184.58

Source:- Economic survey of Haryana 2019-20 – Department of Economic and statistical Analysis, Haryana.

Table: 1.2- Crop-wise Advances by the Central Co-operative Banks.**(II) RABI CROPS****(Rs. In crore)**

Session	Targets			Achievement		
	Cash	Kind	Total	Cash	Kind	Total
2014-15	4175.00	305.00	4480.00	4310.25	250.59	4560.84
2015-16	4483.00	305.00	4788.00	4523.94	361.06	4885.00
2016-17	4704.00	396.00	5100.00	4082.05	296.91	4378.96
2017-18	4731.00	414.00	5145.00	4620.06	297.79	4917.85
2018-19	5237.47	418.00	5655.47	5172.20	312.76	5484.96
2019-20	5678.12	459.12	6137.77	3187.41	252.20	3439.61 (as on 1.12.2019)

Source:- Economic survey of Haryana 2019-20 – Department of Economic and statistical Analysis, Haryana.

Schemes covered under HARCO Bank:-

The following Schemes are in operations by the HARCO Bank:-

Revolving cash credit scheme and deposit guarantee scheme

For the benefit of farmers, 11.93 lakh Kisan Credit Cards have been issued and achieved the 100 percent target of issuing KCC up to March 2019, to meet all types of loan requirement of the farmers for non-agricultural purposes, a limit upto rupees Rs.7 lakh is being provided under Revolving Cash Credit Scheme in the interest of rural inhabitants, Deposit Guarantee Scheme for PACS has been implemented from 01.11.2005 Under this scheme, deposits up to Rs. 50,000 of the members are guaranteed by the bank.

Interest Subvention Schemes of Govt. of India

Interest subvention @ 3% was provided by Government of India to the farmers who availed crop loans and made repayment of their crop loans on or before due dates. Thus, the effective rate of interest from prompt payee farmers on crop loans is 4 percent w.e.f. 01.04.2009. Under this scheme, interest relief of Rs.95.41 crore was provided to approximately 5 lakh from farmers during the year 2018-19.

State Interest Subvention Scheme

Interest subvention @ 4% is being provided by State Government to prompt payee farmers during the year 2018-19, interest relief of Rs.127.88 crore was provided to approximately 5 lakh prompt payee farmers. As 3% interest subvention is being provided by Government of India to the prompt payee farmers on crop loans and 4% interest subvention is provided by State Govt. Thus the effective rate of interest on crop loan is 'Zero' Percent for the prompt payee farmers (I.e. 7%- 4%- 3% -). This scheme is still on operation.

Personal Accident Insurance Scheme for KCC Holders

Personal Accident Insurance Scheme has been implemented in the DCCBs since 2009. During the year 2018-19 insurance cover upto Rs.50000.00 are being provided on nominal Insurance Premium I.e. Rs.5.60 KCC holders. The premium payable by per KCC holder is Rs.2 only and balance of Rs.3.60 are being borne by the CCBs. The scheme will continue for the year 2019-20 also.

Social Security Pension/Allowances Scheme

District Central Co-operative Banks in the state have been assign the work of distribution of pension/allowances by Social Justice Empowerment Department Haryana. 3.58 lakh pension accounts have been opened by the branches of these banks so far and pension is being disbursed through these banks. Distribution of pension through sales points of PACS is also been done in some areas. Central Co-operative Banks have attained no. 1 position in the state amongst all public and private sector Banks.

Core Banking Solution (CBS) & Services to Customer under I.T. Sector

Core Banking Solution has been implemented in HARCO bank and all Central Co-operative Banks. Under CBS, RTGS/NEFT & SMS Alerts service and Direct Benefit Transfer (DBT) service are being provided to the customers. RuPay Debit Cards & Kisan Debit Cards (ATM Cards) are also being provided by HARCO Bank & DCCBs. ATM machines have been installed in HARCO Bank and Central Co-operative Banks. RuPay Kisan Cards are being provided by DCCBs to all the active Loanee members to avail credit facilities. Micro ATMs facilities are also being provided to the customers of HARCO Bank and DCCBs. The POS machines have been installed at PACS level in all 19 DCCBs. Mobile banking services have been implemented in HARCO Bank.

HARCO Bank and all the Central Coop. Banks are providing services under Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Atal Pension Yojana (APY) and Pradhan Mantri Jeevan Suraksha Bima Yojana (PMJJBY) to their customers.

One Time Settlement (OTS) Policy- 2019 for PACS

With a view to provide opportunities to the loanee members of PACS, in the state who have not been able to repay their dues for reasons beyond their control and are defaulter to PACS, One Time Settlement Scheme has been formulated to provide relief to them to clear their overdue. This scheme is in operation since 01.09.2019 and was operative upto 31.12. 2019. However, the scheme has been extended upto 31.1. 2020 by the State Govt. and an amount of Rs.1264.65 crore (39.33%) has been recovered upto 27.01. 2020 out of overdue amount of Rs.3215. 30 crore.

One Time Settlement (OTS) Policy - 2019 for DCCBs

This policy is implemented to reduce the NPAs of the DCCBs and to provide opportunities to the borrowers of the DCCBs, who have not been able to repay their dues for reason beyond their control.

Conclusion:-

- HARCO Bank has benefited farmers with Kisan Credit Card Scheme.
- Under CBS, RTGS/NEFT & SMS Alerts service and Direct Benefit Transfer (DBT) service are being provided to the customers.
- To provide opportunities to the loanee members of PACS in the state who have not been able to repay their dues. One Time Settlement Scheme has been formulated to provide relief to them to clear their overdue.
- HARCO Bank is running in a profit situation from 2014-15 to 2018-19 Rs. 16.23 crore profit position in year 2014-15 which increased to Rs.31.88 crore in 2018-19.
- During the study, it was observed that the HARCO Bank has also given attention to customer relationship management.
- During the study, it was found that HARCO Bank has tried to provide all possible facilities to the customers.

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