An Internship Report

on

Analysis of Crops and Livestock Loan Disbursement and Recovery Performance of Rupali Bank PLC- A Case Study on HSTU Corporate Branch, Dinajpur

This report is submitted to the Department of Finance and Banking, Faculty of Business Studies, Hajee Mohammad Danesh Science and Technology University, Dinajpur for the partial fulfillment of the degree of Master of Business Administration (MBA) in Finance.

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Hajee Mohammad Danesh Science and Technology University,
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May, 2024

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May, 2024

Acknowledgement

It is my great privilege to express our gratitude to our creator Allah for such great opportunity to be in touch with 90 days internship program. I have to put my heartened feelings and gratitude for the kindness and assistance that was provided to me to complete my assigned report on topic Analysis of Crops and Livestock Loan Disbursement and Recovery Performance of Rupali Bank PLC- A Case Study on HSTU Corporate Branch, Dinajpur. I want to express my strong gratitude to my honorable supervisor, Professor Shahnaz Parvin, Department of Finance and Banking, Faculty of Business Studies, HSTU, Dinajpur. I also want to express my strong gratitude to my honorable co-supervisor, Dr. Md. Main Uddin Ahammed, Associate Professor, Department of Finance and Banking, Faculty of Business Studies, HSTU, Dinajpur. I would thankful for such co-operation which I received from my honorable supervisor.

I am also grateful to the customers of bank for their sincere information. They helped me a lot to collect the information correctly and extended their helpful to me. I would also like to thanks all employees of the bank for their beloved manner and attitude that they had shown to me. I would also like to thank from the deep of my heart to those people who are related with making of this report and make it success.

………………………..

Md. Mehedi Hasan Redoy

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MBA in Finance

Faculty of Business Studies

HSTU, Dinajpur

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RUPALI BANK PLC.
মুজিব বর্ষের প্রতিশ্রুতি
আর্থিক খাতের অগ্রগতি
হাজী মোহাম্মদ দানেশ বিজ্ঞান ও প্রযুক্তি বিশ্ববিদ্যালয় (হাবিপ্রবি),কর্পোরেট শাখা, দিনাজপুর।
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Date: 26/05/24

TO WHOM IT MAY CONCERN

This is to certify that, **Md. Mehedi Hasan Redoy**, having student ID No. 1703046, MBA in Finance and Banking, a Student of Hajee Mohammad Danesh Science & Technology University (HSTU), Dinajpur, has successfully completed his internship from 01/01/2024 to 30/03/2024 total 90 (Ninety) days internship program at Rupali Bank PLC, HSTU Corporate Branch, Dinajpur. During his internship period found his good moral attitude and sound behavior.

We wish him every success in life.

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Certificate of Supervisor

I hereby certify that the concerned report on "Analysis of Crops and Livestock Loan Disbursement and Recovery Performance of Rupali Bank PLC- A Case Study on HSTU Corporate Branch, Dinajpur" is made by Md. Mehedi Hasan Redoy, Student Id: 1703046, MBA in Finance Hajee Mohammad Danesh Science and Technology University, Dinajpur-5200. He has performed his work under my supervision and advised to submit the report to the Faculty of Business Studies for the partial fulfillment of the degree of Master of Business Administration.

I wish him every success in life

……………………………….

Supervisor
Professor Shahnaz Parvin
Department of Finance and Banking
Faculty of Business Studies
HSTU, Dinajpur

Certificate of co-supervisor

I hereby certify that the concerned report entitled "Analysis of Crops and Livestock Loan Disbursement and Recovery Performance of Rupali Bank PLC- A Case Study on HSTU Corporate Branch, Dinajpur" is made by Md. Mehedi Hasan Redoy, Student Id: 1703046. He has completed his internship under my co-supervision and submitted for the partial fulfillment of the requirement of the degree of Master of Business Administration (MBA), at Hajee Mohammad Danesh Science and Technology University, Dinajpur.

I wish him every success in life.

……………………….

Co-supervisor
Dr. Md. Main Uddin Ahammed
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Student’s Declaration

I hereby certify that the internship report entitled “Analysis of Crops and Livestock Loan Disbursement and Recovery Performance of Rupali Bank PLC- A Case Study on HSTU Corporate Branch, Dinajpur” embodies the result of my own works and efforts prepared under the supervision of Professor Shahnaz Parvin, Department of Finance and Banking, Hajee Mohammad Danesh Science and Technology University, Dinajpur.

I further affirm that, the work and information presented in this report its original and any part or whole has not been submitted to, in any form, any other University or institution for any degree or any other purpose.

…………………………..

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Abstract

Rupali Bank PLC (RBPLC) has taken some steps to alleviate the poverty of the north-west region in Bangladesh. Providing loan in agricultural sector is one of them because the most of the people in the country are directly and indirectly engaged in agriculture. Surprisingly they generate a low income causing low investments and more than one-third of the people live below the poverty line. This study is an endeavor to conduct with the objective of finding why loan recovery performance is lower in relation to loan disbursement. The descriptive research works have been used for analyzing and investigating the empirical data derived from primary and secondary sources related to loan disbursement and recovery performance of crops and livestock of the RBPLC, HSTU Corporate Branch, Dinajpur. In this report it has found that the branch is in ahead of loan disbursement but disbursed loan of this branch being unrecovered and classified due to use of that fund in family private expenses and festival expenses and natural calamity like flood, rain with hail, drought and Covid-19. The study suggests that the branch should be more concentrative on loan recovery performance through awareness and supervision then this branch will be able to expand the socio-economic activities at this region and the country to develop and generate the agro-based industries, self-employment facilities etc.

Keywords: crops, livestock, loan disbursement, loan recovery.

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CHAPTER 1

INTRODUCTION

1.1. Prelude

Bangladesh is a country that is heavily dependent on agriculture, with around 80% of the people working in farm-related industries such tiny cottage industries, livestock, fisheries, etc (2013). The Bangladeshi agriculture industry contributes the most to GDP, with a nearly 21.91% share, notwithstanding the slow decline (Fakir *et al.,* 2013). Most people in our nation live in rural areas and rely on agriculture for their livelihood—about 61.05% of the total population—in these areas.

The utilization of numerous inputs will modernize agriculture and boost its production. Hybrid seeds, appropriate fertilizer and pesticide doses, irrigation, drainage, and other factors are essential. For the majority of farmers, purchasing inputs requires additional financing. In the majority of cases, poor farmers commonly rely on loans from "Mahajans or Money lenders at an inexpensive rate" with excessive rates of interest. Many farmers lose their possessions because they are unable to repay their debts, which are provided to them by local money lenders and other landlords for purposes other than cultivating crops. They obtain financing from moneylenders, and while they repay the loan with interest, they continue to lose land.

As the Bangladeshi government has placed a high priority on the agricultural industry, a number of financial institutions have begun to provide agricultural credit to farmers. Agriculture production is expanding as a result of institutional support from organizations like the National Commercial Banks (NCBs), Bangladesh Rural Development Board (BRDB), Bangladesh Samabay Bank Limited (BSBL), Grameen Bank, BRAC, Proshika, ASA, etc. as well as more economic activity. To the chosen individual, Rupali Bank PLC offers loans for agricultural.

Rupali Bank is designed to support farmers and promote agricultural development in Bangladesh.

By achieving these goals, landless, marginal, and small farmers can become self-sufficient, which is crucial for the nation's economic development. Rupali Bank's HSTU Corporate Branch has distributed 18% of loans in the fiscal year 2016– 2017, 21% of loans in the fiscal year 2017 – 2018, 24% of loans in the fiscal year 2018 – 2019, 26% of loans in the fiscal year

2019 – 2020 and 32% in the fiscal year 2020 – 2021 crops and livestock. As a result, the total performance of Rupali Bank PLC is greatly impacted by the success of loan disbursement to livestock and crop recovery. We attempted to identify the issues with the loan disbursement and recovery performance of livestock and crops at the Rupali Bank PLC, HSTU Corporate Branch in our study and provide some corrective advice for better branch operation. By steadily achieving these goals, the Rupali Bank PLC in HSTU Corporate Branch will be able to carry out a number of tasks, such as offering loan facilities for the growth of agro-based companies, reducing poverty, modernizing agriculture, and improving the socioeconomic condition of villagers. They do this by offering a variety of lending programs for cash credit, agro-based industrial loans, fisheries loans, livestock loans, and crop loans, among other things.

1.2. Objectives of the Study

The study has been conducted with the principal objective of finding why loan recovery performance is lower in relation to loan disbursement. To accomplish this objective, the study covers the following specific objectives:

i. To find out loan disbursement performance.
ii. To find out loan recovery performance.
iii. To find out uncollected loan performance.

1.3. Limitations

It's difficult to prepare a report on the gained practical experience in a short amount of time. The following issues and constraints were observed while preparing this report:

i. Bank is a sophisticated business sector. So the bank does not interest to provide confidential data.
ii. Time is one of the important limitations of this report.
iii. Sometimes employees were very busy giving their valuable time.
iv. Lack of experience in making internship reports is one of the limitations of this study.
v. Due to limitations and limits imposed by the banking authority, large-scale analysis was not possible.
vi. Up-to-date information wasn't frequently published.
vii. Access to pertinent papers and records was in certain instances tightly forbidden.

CHAPTER 2

LITERATURE REVIEW

Many studies have been conducted about the financing of agriculture in the country. In the earlier studies, the learned researchers have tried to reveal some of the hitherto unrevealed aspects of the subject. It is but natural that their findings have paved the way for further studies and research. Every researcher is, therefore, deeply indebted to his/her predecessors in the field. An attempt has been made in this chapter to provide an overview of various aspects and issues of this study through the review of existing literature. Some of the main studies selected for review have been discussed below:

Khan (1994) in his report titled ‗Survey Report on Farm Credit Recovery of Problems in Pakistan and Possible Solution' found that rural credit is very important for the society and Federal Bank for Cooperatives and other Commercial Banks have been meeting this need effectively. He concluded that banks need to be highly vigilant in screening of applicants before the disbursement of credit in order to reduce the non-payment and need to have strong pressures and checks after the disbursement in order to ensure the timely recovery.

Singh and Vishwajit (1994) conducted a study, titled, ―A Study of Overdues of Loans in Agriculture‖, to examine the repayment performance of defaulters in three blocks of Agra district in Uttar Pradesh. They found that well-to-do agriculture families accounted for a large share of over dues. They accounted for 37 per cent of total defaulters and 57 per cent of total overdues. Total amount of over dues and its relative share also increased during the period of study. Lack of proper supervision over the end use of loan was identified as a major reason for mis-utilization of credit which leads to increase in over dues.

Bhakta (1998) in his study Financing Agricultural Development and Mode of Production' feels in the light of historical events that different stages of economic development is financed out of different sources. Under this theoretical background, he analyzed the capitalist, pre-capitalist and primitive accumulation financing of agricultural development of Saran district in north-west Bihar. It has been found that financing out of primitive accumulation is the dominant source. The capitalist approach of credit institutions of financing agricultural development needs to be changed to remove defects like *benami* transactions, over dues and checking of funds.

Misra (1999) in his book Commercial Banks and Agricultural Development‘ analyzed the role played by commercial banks in promoting agricultural development in hilly and drought-prone areas of Orissa. He made an attempt to find answers to the questions like adequacy of present cropping pattern, desired changes in the cropping pattern to bring development of agriculture in such hitherto neglected area, sufficiency of banking services to meet the demand for credit by farmers, utilization of credit by the farmers for which it has been taken by the farmers from the banks, repayment of loans by the farmers on time or not, the bottlenecks that affect the role of banks and the performance by the farmers handling agricultural credit and the special measures that are needed to improve the involvement of banks in the hitherto neglected hilly and drought-prone areas. He found that farmer borrowers also generated certain amount of savings but they lagged behind the amount of savings generated by non- borrower farmers. He also observed that the farmer borrowers have a number of difficulties in respect of inadequate supply of inputs, lack of marketing facilities, lack of irrigation facilities and the problem of.

Anand (1999) in her book titled Co-Operative Agricultural and Rural Development Banks‘ examined the role of the banks in meeting the long term credit requirements of the rural masses in the State of Kerala. It also examined the impact of lending, and the utilization and recovery pattern of the loans advanced. The study made a brilliant exposition of all these issues and highlighted the real problem prevailing at the beneficiary level.

Satyasai and Badatya (2000) in their paper, titled, Restructuring Rural Credit Cooperative Institutions ‘presented his findings regarding restructuring Rural Credit Co-operative Institutions. They analyzed performance of rural co-operative credit institutions on the basis of borrowings and lending operations, cost structure, financial viability, etc. and found that co-operative system, in general, had failed to perform its functions properly. They advised the co-operative banks to diversify their business and also to overcome internal (rising transaction cost, declining business level, mismanagement of over-dues) and external (excessive bureaucratization, politicization) weaknesses.

Veni and Sah (2005) in their paper Direct Institutional Credit to Agriculture and Allied Activities- Changing Scenario‘ concluded that the growth rate of Cooperative Banks is relatively lower than the SCBs and RRBs in terms of short-term, long-term and total credits. The RRBs have recorded the highest growth rates in terms of credit-both at aggregate and disaggregate level since their inception in 1975-76 till 2001-02. It is also evident from the study that the SCBs have maintained the second position in terms of short-term and long-term credits and aggregate credits during the study period. This study emphasizes that the credit to agriculture and allied activities has been slowly moving from Cooperatives to SCBs and RRBs during the period of study. This study suggests that there is an immense need to improve the institutional credit especially the share of Cooperative Banks to save the farmers from financial difficulties. Above all, integration between the institutions and the state governments is required to attend the financial needs of the rural sector.

Bagchi (2006) in his study, Agriculture and Rural Development are Synonymous in Reality-Suggested Role of CAs in Accelerating Process 'analyzed the performance of Primary Agriculture Credit Societies, and observed that PACS could not match up to the increasing requirements of growth dimensions in the agriculture /rural developments in the post Independence Period, although till the late 50"s, they were the only available source of institutional rural finance.

Banik and Das (2015) reviewed that the banking system plays a vital role for the economic development of Bangladesh. It is clear that a poor banking system cannot support economic development in a country. Average Percentage of Classified Loans are higher in Bangladesh compared to other countries. Government has taken different initiatives to reduce this rate. Now trend of percentage of classified loans is decreasing. But it is still of two digits. The objective of this study is to compare the amount of classified loans and non-performing loans of four state-owned commercial banks and four first generation private commercial banks in Bangladesh. Data of four state-owned commercial banks and four selected first generation private commercial banks for the period 2000 to 2010 were analyzed. In addition, a regression model is used to estimate the impact of spread and loan & advances on the classified loans of these banks.

CHAPTER 3

METHODOLOGY OF THE STUDY

The study is concerned with the analysis of loan disbursement and recovery performance of crops and livestock of the RBPLC, HSTU Corporate Branch, Dinajpur. The approach adopted is basically analytical and interpretive in nature considering the objectives of the study. It is also decided to employ descriptive method of analysis and investigation of the empirical data of primary and secondary sources related to loan disbursement and recovery performance of crops and livestock of the Rupali Bank PLC, HSTU Corporate Branch, Dinajpur.

Internal sources:

- Annual Report of the RBPLC, HSTU Corporate Branch.
- Journal report issued by Rupali Bank PLC.

External sources:

- A variety of books and publications on the banking sector
- Circulars from Bangladesh Bank
- Newspapers
- Website Details

CHAPTER 4

ANALYSIS AND INTERPRETATION

a) Crop loans: Rupali Bank PLC provides funding for all summer, winter, and nursery crops. Production of crops and seeds with high yields and values is specially promoted. Yet Rupali Bank PLC's "HSTU Corporate Branch" solely finances the production of paddy, bananas, and potatoes.

b) Livestock: The bank offers loan options for the husbandry of animals, including dairy, beef, fattening, poultry, rearing, and hatcheries, in order to boost the output of milk, meat, and eggs. This bank provides credit facilities to marginal and small farmers who cannot obtain loans from other commercial banks due to collateral requirements and other limitations. These farmers raise cattle.

Table 01: Financial Scenario of Crops and livestock loan

Fiscal Year	**Crops**				**Livestock**			
	Loan disbursement	Loan Outstanding	Loan recovery	Loan Uncollected	Loan disbursement	Loan Outstanding	Loan recovery	Loan Uncollected
2017-2018	22657	113285	25074	92907	28578	164654	45526	125788
2018-2019	25936	118756	30757	95321	58238	172645	57938	127119
2019-2020	27457	120934	20378	95860	48049	193487	34193	127489
2020-2021	34037	128367	23435	97610	41238	203746	38866	169553
2021-2022	37098	133735	37896	98839	52582	228409	65998	170471

*Amount in Hundred, Tk.

** Source: Official records Rupali Bank PLC, HSTU Corporate Branch, Dinajpur

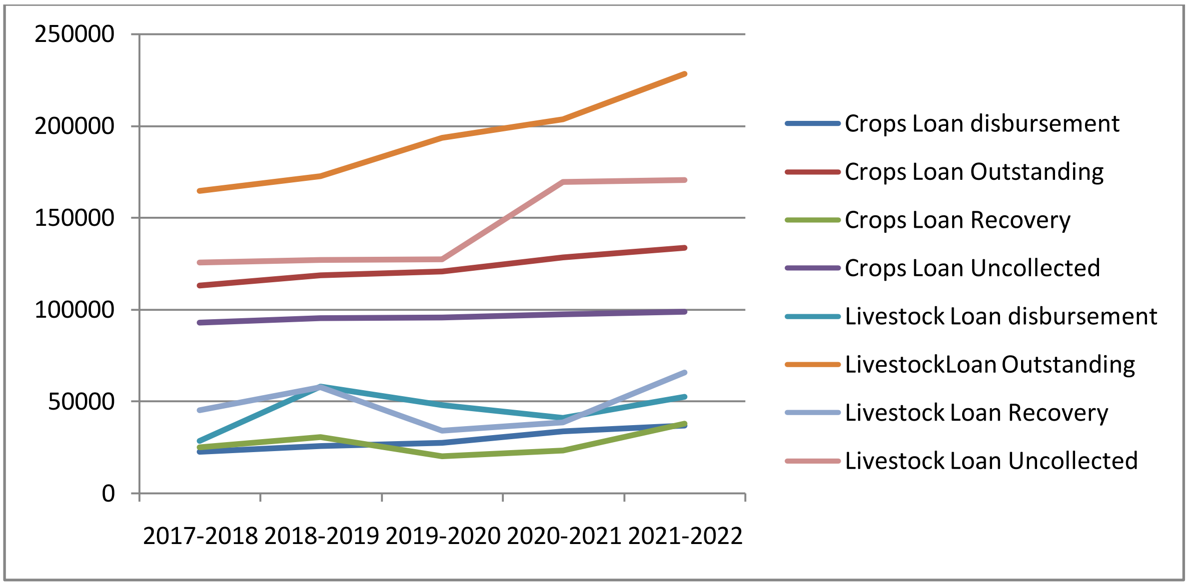

Figure 01: Financial Scenario of Crops and livestock loan

According to the table 1, Figure 1 every item is gradually increasing as demand and production are increasing. This table and graph show that 20.96% of crop loans in the fiscal years 2017–18, 23.96% of crop loans in the fiscal years 2018–19, 17.99% of crop loans in the fiscal years 2019–20, 19.73% of crop loans in the fiscal years 2020–21, and 28.34% of crop loans in the fiscal years 2021–22 have been collected where 79.04% of the loans made for crops in the fiscal years 2017–18, 76.04% in the fiscal year 2018–19, 82.01% in the fiscal year 2019–20, 80.27% in the fiscal year 2020–21, and 71.66% in the fiscal year 2021–221 have been uncollected.

A further 28.63% of livestock loans in the fiscal years 2019–18, 25.36% in the fiscal years 2018–19, 16.78% in the fiscal years 2019–20, 23.60% in the fiscal years 2020–21, and 34.11% in the fiscal years 2021–22 have been collected where 71.37% of livestock loan in the fiscal years 2017–18, 74.64% of livestock loan in the fiscal years 2018–19, 83.22% of livestock loan in the fiscal years 2019–20, 76.40% of livestock loan in the fiscal years 2020–21, and 65.89% of livestock loan in the fiscal years 2021–22 have been uncollected.

Table 02: Loan disbursement to crops

Year	Amount
2017-18	22657
2018-19	25936
2019-20	27457
2020-21	34037
2021-22	37098

*Amount in Hundred, Tk.

** Source: Official records Rupali Bank PLC, HSTU Corporate Branch, Dinajpur.

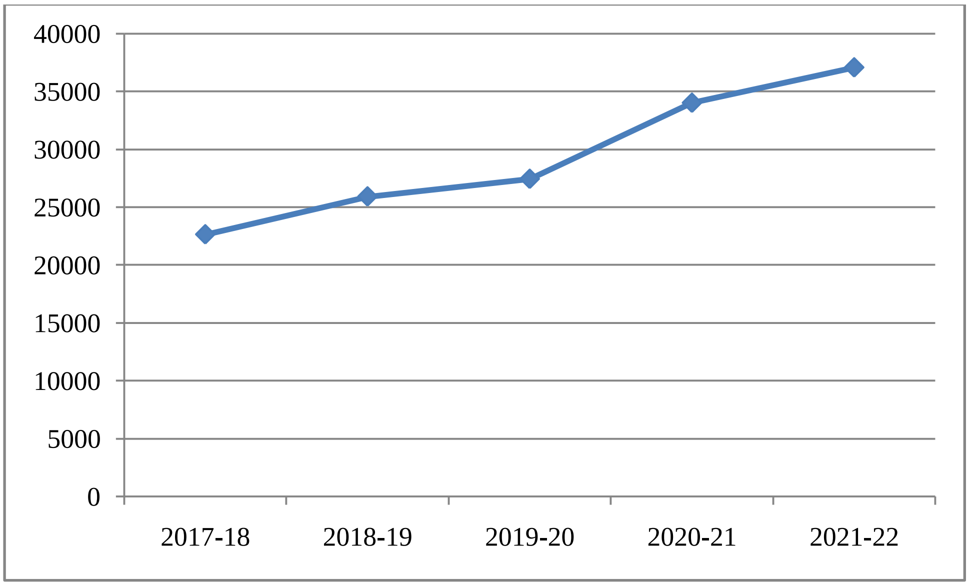

Figure 02: Loan disbursement to crops

According to the table 2 and figure 2 loan disbursement to crops is gradually increasing as demand and production are increasing. In the earlier this branch has provided small amount of paddy loan but now-a-days it provides only potato and banana loan due to increase the demand of these products. We know these products are seasonal products. The demand and price of these products depends on various factors. Such as Condition of weather and climate, Price of the factor of production Consumer test, Due to the above reasons and chance to be affected by Nipah virus and Covid-19 the production of banana is decreasing as result the distribution of loan to cultivation of banana is decreasing. The production of potato is increasing as result the distribution of loan to cultivation of potato is increasing.

Table 03: Loan disbursement to Livestock

Year	Disbursement
2017-18	28578
2018-19	58238
2019-20	48049
2020-21	41238
2021-22	52582

*Amount in Hundred, Tk.

** Source: Official records Rupali Bank PLC, HSTU Corporate Branch, Dinajpur

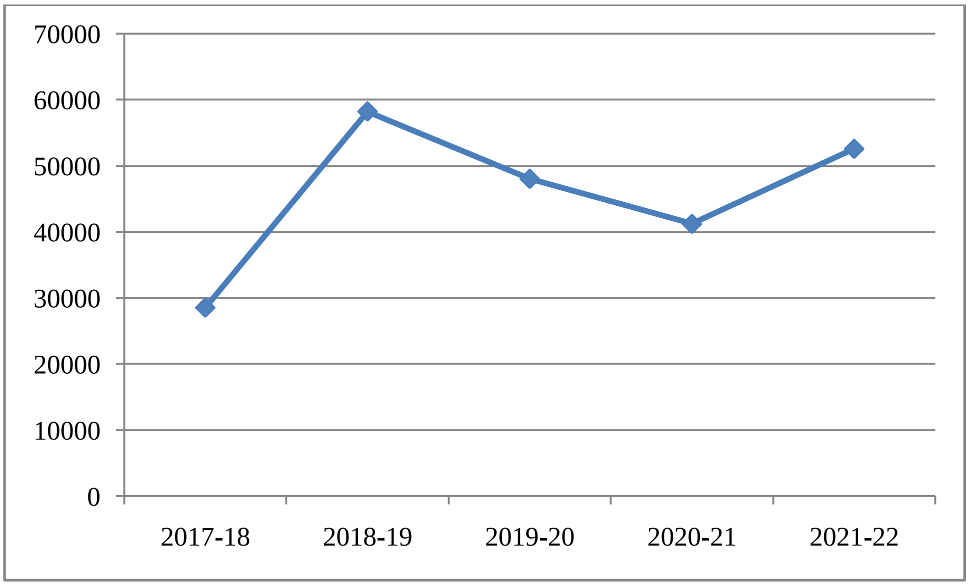

Figure 03: Loan disbursement to Livestock

According to the table and graph the disbursement of loan to this sector is increasing as demand and production of this sector are increasing. Livestock loan includes dairy, beef, fattening and poultry. It is known to all that livestock farming has been affected by Anthrax and Bird-flue and the cause Covid-19. As a result, in fiscal year 2019 – 2020, 2020-2021 loan disbursement to this sector has been decreased than the fiscal year 2018 – 2019 cause of Covid-19.

Table 04: Comparative analysis of disbursement to crops and livestock

Year	Crops	Livestock
2017-18	22657	28578
2018-19	25936	58238
2019-20	27457	48049
2020-21	34037	41238
2021-22	37098	52582

*Amount in Hundred, Tk.

** Source: Official records Rupali Bank PLC, HSTU Corporate Branch, Dinajpur

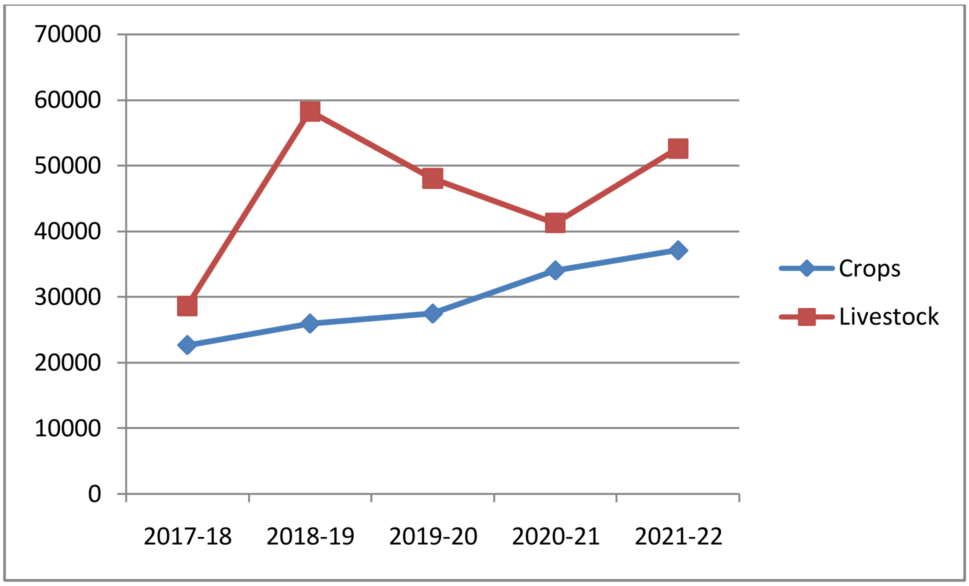

Figure 04: Comparative analysis of disbursement to crops and livestock

According to the table 4 and figure 4 the disbursement of loan to crops and livestock are increasing as demand and production of this sector are increasing. But the disbursement of loan to livestock is higher than the disbursement to crops due to most of the farmers are marginal farmers and can't meet the necessary condition to get crop loan, condition of collateral, loan disbursement to crop is risky etc.

Table 05: Loan recovery from crops

Years	Crops Recovery	Percentage
2017-18	25074	20.96%
2018-19	30757	23.96%
2019-20	20378	17.99%
2020-21	23435	19.73%
2021-22	37896	28.34%

*Amount in Hundred, Tk.

** Source: Official records Rupali Bank PLC, HSTU Corporate Branch, Dinajpur

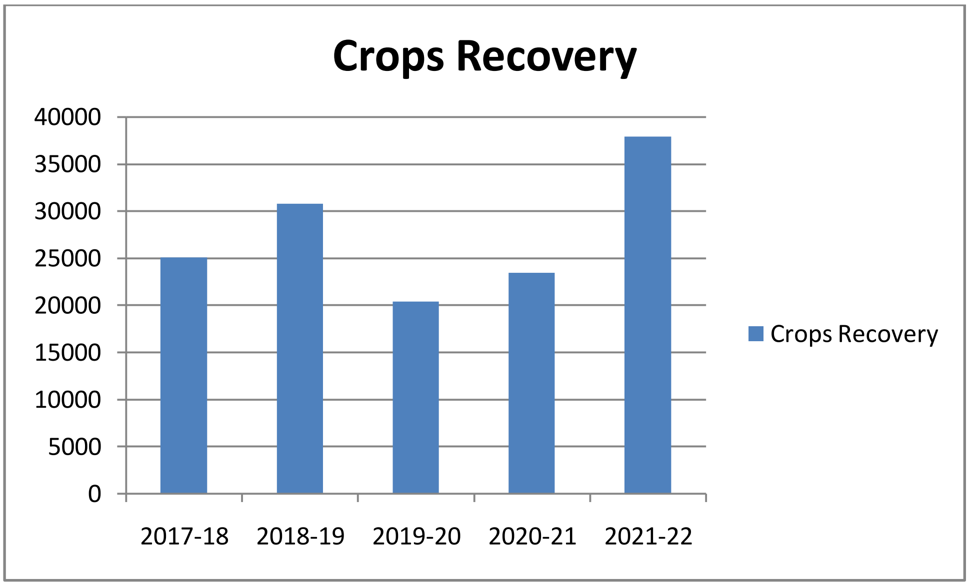

Figure 05: Loan recovery from crops

According to the above table and figure, loan recoveries from this sector are rising smoothly except the fiscal year 2019-2020 and 2020-2021. Because of that time was Covid-19 periods.

Table 06: Comparative evaluation of crop recovery performance

Year	Loan disbursement	Loan Outstanding	Loan recovery	Loan Uncollected
2017-18	22657	113285	25074	92907
2018-19	25936	118756	30757	95321
2019-20	27457	120934	20378	95860
2020-21	34037	128367	23435	97610
2021-22	37098	133735	37896	98839

*Amount in Hundred, Tk.

** Source: Official records Rupali Bank PLC, HSTU Corporate Branch, Dinajpur

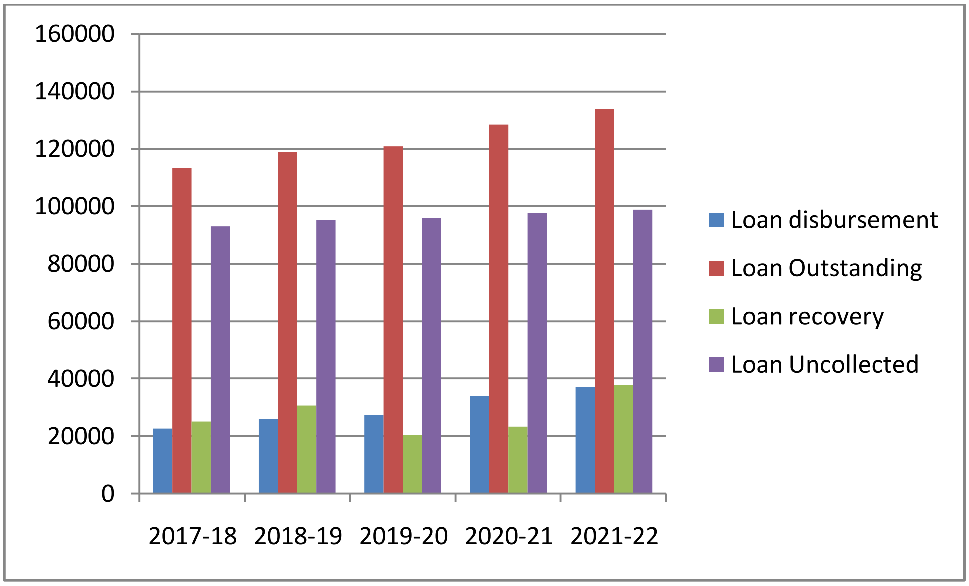

Figure 06: Comparative evaluation of crop recovery performance

It is obvious from the table 6 and figure 6 that the collection of disbursed loan is increasing of the Branch. From the above graph it is also clear that the amount of uncollected balance is very high with respect to the total amount of collection. Even this increasing rate is so high that it is insignificant to the collection amount. It indicates that the performance of the Branch in case of collection is not efficient. So the efficiency of the Management should be increased.

Table 07: Loan recovery from livestock

Year	Recovery	Percentage
2017-18	45526	28.63%
2018-19	57938	25.36%
2019-20	34193	16.78%
2020-21	38866	23.60%
2021-22	65998	34.11%

*Amount in Hundred, Tk.

** Source: Official records Rupali Bank PLC, HSTU Corporate Branch, Dinajpur

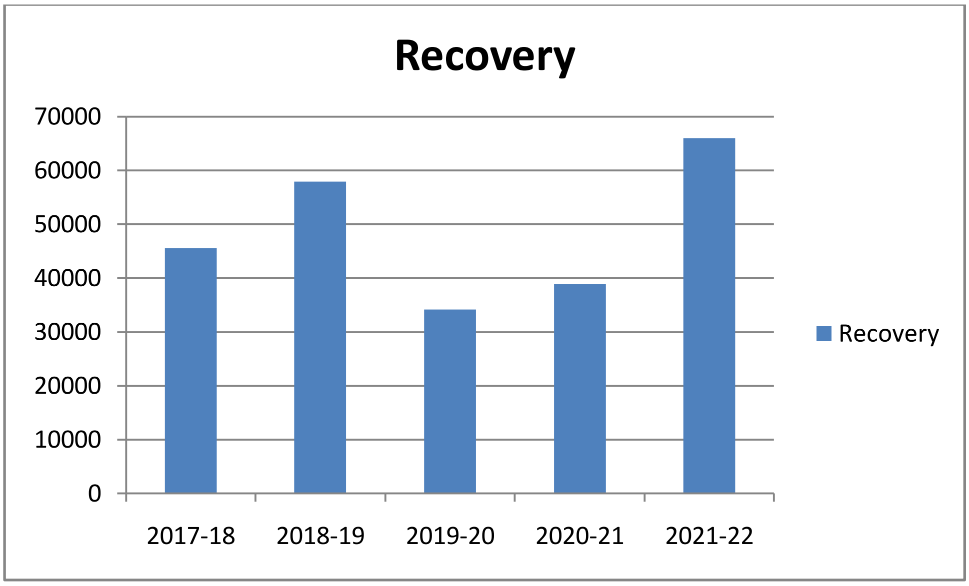

Figure 07: Loan recovery from livestock

According to the table and graph the recovery of loan from this sector is sometime increasing and sometime decreasing as disbursement of loan to this sector is increasing and decreasing according to the production and condition of climate.

The bank extends credit facilities of livestock farming, which includes dairy, beef, fattening and poultry. We know livestock farming has been affected by Anthrax and Bird-flue and Covid-19. As a result the loanees have been unable to repay the loan in due date and loan recovery has been about to zero in fiscal year 2019 – 2020, 2020-2021.

Table 08: Comparative evaluation of livestock recovery efficiency

Year	**Loan Disbursement**	**Loan Outstanding**	**Loan Recovery**	**Loan Uncollected**
2017-18	28578	164654	45526	125788
2018-19	58238	172645	57938	127119
2019-20	48049	193487	34193	127489
2020-21	41238	203746	38866	169553
2021-22	52582	228409	65998	170471

*Amount in Hundred, Tk.

** Source: Official records Rupali Bank PLC, HSTU Corporate Branch, Dinajpur

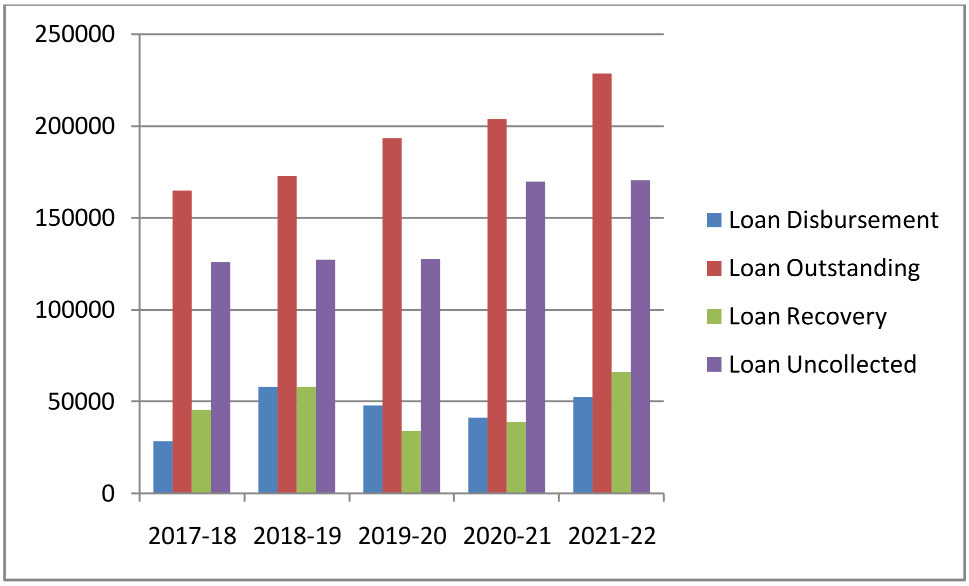

Figure 08: Comparative evaluation of livestock recovery efficiency

It is clearly found from the table 8 and figure 8 that the collection of disbursed loan is increasing of the branch except the fiscal year 2019 – 2020, 2020-2021 as the livestock has been affected by Anthrax, Bird-flue and Covid-19. From the above graph it is also clear that the amount of uncollected balance is very high with respect to the total amount of collection. Even this increasing rate is so high that it is insignificant to the collection amount. It indicates that the performance of the Branch in case of collection is not efficient. So the efficiency of the management should be increased. If the Branch fails to increase the efficiency of the management, it may fall in continuous loss.

Table 09: Comparison of the recovery performance of crops and livestock

Year	Crops	Livestock
2017-18	25074	38866
2018-19	30757	57938
2019-20	20378	34193
2020-21	23435	45526
2021-22	37896	65998

*Amount in Hundred, Tk.

**Source: Official records Rupali Bank PLC, HSTU Corporate Branch, Dinajpur

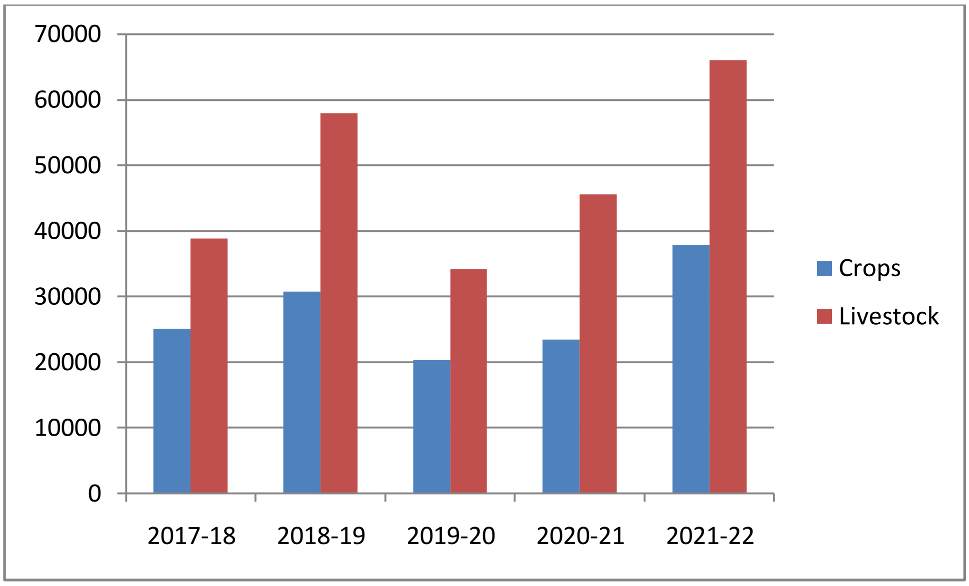

Figure 09: Comparison of the recovery performance of crops and livestock

There is a fluctuation or variability (table 9 & figure 9) to collect the loan from crops and livestock as sometimes natural calamity destroys the crops, banana was affected by Nipah virus, livestock was affected by Anthrax, Bird-flue and Covid-19.

CHAPTER 5

FINDINGS AND SUGGESTIONS

5.1. Findings

a) Loan recovery problem

Loan recovery problem is a major problem for Commercial Bank like RBPLC. HSTU Corporate Branch is also not out of this problem. In our study we have found that collection rate is quite lower than the uncollected rate.

79.04% of the loans made for crops in the fiscal years 2017–18, 76.04% in the fiscal year 2018–19, 82.01% in the fiscal year 2019–20, 80.27% in the fiscal year 2020–21, and 71.66% in the fiscal year 2021–221 have gone unpaid.

71.37% of the loan made for livestock in the fiscal years 2017–18, 74.64% in the fiscal years 2018–19, 83.22% in the fiscal years 2019–20, 76.40% in the fiscal years 2020–21, and 65.89% in the fiscal years 2021–22 have gone unpaid.

b) Causes of default

The loanee can’t make loan payment in due time in various causes. The main cause is like the natural calamity destroys the crops, for this reason the loanee is unable to pay in due time. Sometimes, RBPLC cannot take proper step against the influential loanee. The loanee does not use the loan properly and repay loan in due time fiscal year 2019-2020 and 2020-2021 was Covid-19 pandemic time so that was another reason for Loan default.

5.2. Suggestions

RBPLC plays a vital role in agricultural sector in the northwest region of Bangladesh. In our study we have acquired practical banking experience from HSTU Corporate Branch of RBPLC and observed some shortcomings in loan disbursement and recovery of crops and livestock. The HSTU Corporate Branch of RBPLC should take some measures to overcome those limitations. The study suggested that branch must try to increase the no. of deposits accounts by offering attractive deposits schemes, loan recovery department must more transparent and there must have some regular supervision. The study also suggest training to employees relating proper utilization of loan, selection of genuine borrowers, selection of productive sectors, disbursement and recovery relationship, resource mobility and liquidity, taxes and lawsuits, refinance plan.

CHAPTER 6

CONCLUSIONS, POLICY IMPLICATIONS AND FUTURE WORK

6.1. Conclusions

Bangladesh is a developing nation, and 61.05% of the people there live in rural areas, where they have terrible financial circumstances. They only depend on little companies and farming enterprises. They will therefore borrow money from this bank to cover both their company and agricultural needs. As commercial banks provide low-interest rates and accept collateral as security for the loan, borrowing money from them is feasible. Because they lack literacy and technical understanding, our nation's farmers misuse borrowed funds. In addition, they divert their borrowings to cover personal expenses for their families and festival costs. Crops are damaged by natural disasters like floods, rain with hail, drought, etc., while cattle are afflicted by anthrax and bird flu. Loan default is now one of the biggest issues in our nation as a result of the culture of default that has developed. The financial situation of the rural population cannot be improved by a single branch or Rupali Bank PLC as a whole. Yet, in order for Rupali Bank PLC to perform better and contribute to the achievement of its goals, it needs the assistance of people from all social strata.

6.2. Policy implications

The results obtained from this analysis on loan disbursement and recovery will help the top management council to take proper step to solve the above problems. In terms of loan disbursement and recovery, it is seen that although loan disbursements are increasing every year, there is no recovery of loans due to which the related activities may be disrupted. The problems can be reduced to a great extent if the management of the branch can adopt new measures in loan disbursal and recovery along with various technological training for their employees.

6.3. Future work

The purpose of this study is to analyze Crops and Livestock Loan Disbursement and Recovery Performance. So, more concentration on the recovery performance rather than loan disbursement is still possible. If more intensively the bank can take steps in the above situation, then the desired results can be achieved very quickly and the loan disbursement and recovery process can be normalized. This report attempts to show the disbursement and recovery of crop and livestock loans which is done on a single-branch basis. Further study can be done by making a comparison with other branches with another methodology.

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