

Research note :

Growth and prospectus of DCCBs in Western Maharashtra region of Maharashtra, India

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Credit is the lifeblood of modern agriculture and one of the accelerators for any development programme. This is particularly true for rural development, which has its goal to achieve higher agricultural productivity as well as the improvement of standard of living of rural people. The role of agricultural credit and credit institutions in the developing countries like India is very important due to the pressing needs for increasing agricultural production and productivity to meet the needs of increasing population.

Co-operative movement in Maharashtra has played a significant role in the social and economic development of the State in general and the co-operative banks have changed the socio-economic status of rural masses in particular. The DCCBs in Maharashtra are largely responsible for the success of dairy and sugar industry in Western Maharashtra, cotton pockets in Marathwada and Western Maharashtra, fruit and rice processing in Konkan region and also small scale processing industry in rural areas. The network of DCCBs has largely benefited the rural masses. Prior to independence, the private moneylenders dominated the rural credit and they have exploited the farming community by charging very high interest rate. This situation attracted the attention of State Govt. towards the strengthening of the co-operative credit structure and because of this; the co-operative banking system has reached to almost each village in the State.

Now a day cases of farmers suicide in the Maharashtra state is increasing. There are number of reasons behind it. The important reason may be unavailability of adequate credit from institutional agency to the farmers.. Looking to the importance of co-operatives in institutional credit agencies, the present study is undertaken to know the fund management and growth and prospectus of DCCBs in Western Maharashtra region of Maharashtra.

The study is based on secondary data obtained from the NAFSCOB's reports and annual reports of 9 DCCBs in Western Maharashtra region of Maharashtra for the period of past 16 years i.e. from 1985-86 to 2000-01. The periodwise average loans advanced per DCCB and

its composition were estimated for the base year (1985-86) and the terminal year (2000-01) with the help of ratios, averages and percentages. The periodwise performance in respect of different performance indicators were studied with the help of compound growth rates (CGR), for three different periods viz; Period I -1985-86 to 1993-94, Period II -1994-95 to 2000-01 and Period III covered the entire study period (1985-86 to 2000-01).

Ranking of DCCBs based on performance index has been done for all the 9 DCCBs in the region. It was decided to estimate the performance index for the year 1985-86, 1990-91, 1995-96 and 2000-01. The next step was to the estimation of average performance index and then ranking was done in the descending order of performance index. The ranking of districts and regions was based on performance index (PI) of DCCBs, which was obtained as under,

$$PI = \frac{Lo - Ld}{Lod} \times \frac{MB}{MBs}$$

Where,

Lo - Loan outstanding (Rs.)

Ld - Loan demand (Rs.)

Lod - Overdues (Rs.)

MB - Number of borrowing members.

MBs - Membership at the state level.

Average total loan distributed and its composition :

It was revealed that (Table 1) the average total loan distributed by the DCCB in Western Maharashtra region of the state had increased from Rs.128.23 crores in 1985-86 to Rs. 11421.62 crores in 2000-01. As against this average loan disbursement per DCCBs at the state level was Rs 74.84 crores in 1985-86 which was increased to Rs. 515.25 crores in 2000-01 which indicates that average loan disbursed per DCCB was far more than other regions and at the state level also. The average short-term loan disbursement per DCCB in Western Maharashtra region was Rs. 113.93 crores in the year 1985-86 which was

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