



Research Paper

## Recovery performance of DCCB's in Konkan region of Maharashtra

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**ABSTRACT :** District Central Co-operative Bank (DCCB) occupies a position of cordial importance in the cooperative credit structure. These banks provide short and medium term loans to the farmers. The paper attempts to analyse the DDCB wise performance during the different time periods with respect to recovery of loan in Konkan region of Maharashtra. The results were based on secondary data obtained from all the four DCCBs in Konkan region for 20 years period. It was observed that the growth in total loan recovered by DCCBs in Konkan region was relatively more during period first (1990-2000) as compared to period second (2000-2010). The growth in total recovery of loan was highest in Raigad DCCB and lowest in Sindhudurg DCCB during the period under study. The growth in recovery percentage of DCCBs in the Konkan region had increased from 69.76 per cent in 1990-91 to 83.53 per cent in 2009-10. Period first showed relatively better performance as indicated by significant positive growth rate than period second. The total recovery was highest in Ratnagiri DCCB against other DDCBs in the Konkan region during both the periods. Maximum recovery of loan was one of the indicators of performance of particular DCCB.

**KEY WORDS :** Recovery, Demand, Growth, Composition

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### INTRODUCTION

Institutionalising credit in the villages is a 21<sup>st</sup> century phenomenon in this country. Credit cooperatives have made remarkable progress during the last five decades. In the cooperative credit structure, the District Central Cooperative Bank (DCCB) occupies a position of cordial importance. They play an intermediate agency between the primary credit cooperatives and apex cooperative banks and also act as balancing centre of finance for the diversification of agriculture, which involved the various inputs such as improved seeds, HYVs, irrigation, fertilizers and pesticides and therefore, additional investments in the agricultural sector have become imperative. The District Central Cooperative Banks in Konkan region of Maharashtra have played significant role in providing crop loans and term loan to farmers. The present study was undertaken to study the growth in recovery of loan and recovery percentage to demand of loan in Konkan region.

### MATERIALS AND METHODS

The study is based on secondary data obtained from 4 DCCBs in Konkan region for the period of last 20 years *i.e.* from 1990-91 to 2009-10. Data were obtained from the publication of NAFSCOB, Annual Reports of the DCCBs, Progress Reports and other records of the banks. The DCCB wise and period wise performance in respect of growth in total recovery of loans and growth in recovery percentage to demand was studied with the help of compound growth rate. The annual compound growth rates were estimated for three different periods *viz.*,

Period I- 1990-91 to 1999-2000 (I decade)

Period II- 2000-01 to 2009-10 (II decade)

Period III- 1990-91 to 2009-10 (Entire period)

The DCCB wise and period wise recovery of loans of DCCB and their composition were estimated for the base year (1990-91) and terminal year (2009-10) with the help of ratios, averages and percentages.