

A study of the finance pattern in terms of agriculture and non-agriculture credit of district central Co-operative banks in Vidharbha region

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Abstract

They introduced in the field of co-operative credit innovations Crop loan system credit for creditworthy farmer and state partnerships, which were later on unhesitatingly adopted by commercial banks after their nationalization. The Maharashtra State Co-operative Bank provided institutional leadership to the co-operative credit movement in the country.

The study of District Central Co-operative Banks (DCCB's) in Maharashtra is unexplored area. Looking at the regional imbalance in the development of Vidharbha, the study is conducted to know the difference among pattern of deposits and lending in DCCB's of five districts in Vidharbha region viz. Nagpur, Chandrapur, Gondia, Yeotmal and Amravati.

Keywords: agriculture, non-agriculture, co-operative

Introduction

The state of Maharashtra occupies the most prominent position in the economic and banking map of India. It is the most economically advanced state in India. It contributes the largest share to national income. It is most urbanized and industrial state in the country. It is also the birthplace of co-operative credit movement in the country and continues to have strong co-operative credit institutions, both at urban and rural centers. Maharashtra has been a pioneer in the development of Co-operative banking and continues to hold the top-ranking position in the field of Co-operative Banking in post-independence period. Maharashtra has proved two outstanding co-operators, Shri. Vaikunthbai Mehata and Prof. D.R. Gadgil, who shaped the co-operative movement of this country.

The co-operative movement in Maharashtra has played a significant role in the social and economic development of the state particularly in the rural areas. Initially, this movement was confined mainly to the fields of agricultural credit. Later it rapidly spread to other fields like agro-processing, agro-marketing, rural industries, consumer stores, social services, etc. Progress of co-operative movement in the last four decades showed increase more than four times. The co-operatives in Maharashtra have a political, historical, social and cultural heritage. It is particularly strong in Western Maharashtra as the independent movement and the leaders from Pune, Mumbai and Ahmednagar initiated social reforms. Due to favorable climate conditions, soil and the development of irrigation facilities Maharashtra made good progress in sugarcane and sugar production through the help of co-operative sugar factories.

Agriculture is the leading activity of the rural area of the Maharashtra. Agriculture occupies main location for survival of the largest population of Maharashtra State. Informal credit market of Maharashtra which is dominated by moneylenders is quite more active in rural areas. With the commercialization of agriculture, rural indebtedness further increased and by the end of the nineteenth century, the agricultural and artisans became almost totally subjected to the control of usurious

moneylenders. In the State of Maharashtra agriculturists faces several problems- small holding, indebtedness, lack of irrigation facilities, low productivity, etc. During the early days, the rural credit societies could not satisfy the needs of the farmers. They did not have enough funds or facilities to offer to the farmers. Thus, the farmers continued to rely on the money lenders and suffer.

Methodology

Any research work has to be planned to be tackled judiciously and for that purpose a methodology has to be employed to get the desired results. The research or study should be such that it should be meaningful and should convey to the society in general and academic world in particular the finding of research. The benefit of which can be derived by both.

Research Objectives

1. To study the Finance pattern in Terms of Agriculture and Non Agriculture Fund.
2. To study of Economic status of Finance for DCCB's in Vidharbha Region.

Sampling Design

Universe of the study: The universe selected for the study is Vidarbha region.

Population: The target populations for this study were all District Central Co-operative Banks in Vidarbha region.

Sample Size: The sample size for this study were five randomly selected five District Central Co-operative Banks (DCCB's) viz. Yavatmal, Amravati, Nagpur, Chandrapur and Gondia from Vidarbha region.

Sampling Technique: For the purpose of this survey, simple random sampling technique was employed by using lottery method of sample selection. Out of all the DCCBs Vidarbha, 5 DCCBs from each region were selected by lottery method.

District Central Co-operative Banks

There are 31 District Central Co-operative Banks in Maharashtra whose primary object is to provide for the credit requirements of the Primary Credit societies. The first such secondary level co-operative was registered in Mumbai in 1911 under the Government of India Act, 1904. Since then these Central Banks have laid the firm financial infrastructure for the co-operative movement in Maharashtra. The DCCB as the name suggests has an area of operation covering a single district. In any district, the banking system would comprise

Commercial Banks, Regional Rural Banks, Cooperative Banks and other agencies like SFC, MFIs, Non Formal Credit institutions and Non-Banking Credit agencies. With the available resources and the unique strengths of the DCCB, a market needs to be developed which is appropriate, adequate and profitable. The progress of the District Central Co-operative Banks in Vidharbha region viz. Amravati, Chandrapur, Gondia, Nagpur and Yavatmal can be seen from the following tables:

Table 1: Showing Total Amount of Short Term Agricultural Loan Given (As On 31st March) (Rs. In Lakhs)

Name of the District central Cooperative banks In the state	Total Short Term Agricultural Loan						
	2008	2009	2010	2011	2012	2013	2014
Amravati	8918	18716	23098	23587	23885	22034	38207
Chandrapur	7963	14771	17501	14430	16563	21893	40520
Gondia	3778	9104	10787	8979	8964	14545	9187
Nagpur	16637	27555	20211	28500	32635	38946	25593
Yavatmal	23703	46183	52869	45389	47856	75919	44833

Source: National Federation of State Co-operative Banks Ltd.

Table no. 1 shows the total amount of total short term agricultural loan in DCCBs in Vidharbha for seven years from 2008 to 2014. Analysis shows that the total amount of total short term agricultural loan in Vidharbha region DCCBs in the year 2008 amounts to is Rs. 60,999. This shows that the amount

of total short term agricultural loan in DCCBs in in Vidharbha region. In the year 2014, this amount of total short term agricultural loan has gone up to Rs. 1, 58, 340 lakhs in DCCBs in Vidharbha. This shows that the amount of total short term agricultural loan by DCCBs in Vidharbha region is very low.

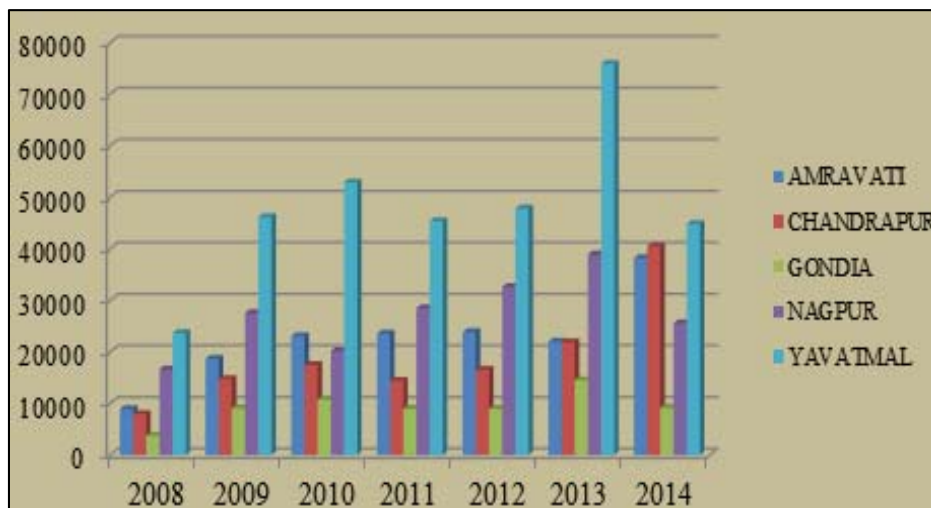


Fig 1: Showing Total Amount of Short Term Agricultural Loan Given

Table 2: Showing Total Amount of Non-Agricultural Loan Given (As On 31st March) (Rs. In Lakhs)

Name of the District central Cooperative banks In the state	Total Short Term Non Agricultural Loan						
	2008	2009	2010	2011	2012	2013	2014
Amravati	0	756	0	0	0	0	0
Chandrapur	10132	1123	1048	621	1995	1533	2267
Gondia	1976	667	2909	2947	2990	3929	3403
Nagpur	14441	14550	17883	25844	28932	31575	29853
Yavatmal	9261	11598	16402	30319	40438	17371	10960

Source: National Federation of State Co-operative Banks Ltd.

Table no. 2 shows the total amount of Total short term nonagricultural loan in DCCBs in Vidharbha for seven years from 2008 to 2014. Analysis shows that the total amount of total short term nonagricultural loan in Vidharbha region DCCBs in the year 2008 amounts to is Rs.35810 lakhs. This

shows that the amount of total short term nonagricultural loan in DCCBs in in Vidharbha region. In the year 2014, this amount of total short term nonagricultural loan has gone up to Rs. 46483 lakhs. In DCCBs in Vidharbha.

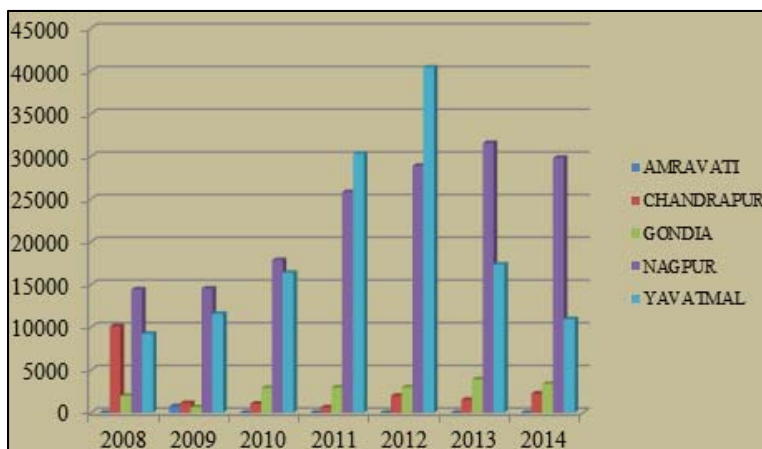


Fig 2: Showing Total Amount of Non-Agricultural Loan Given

Table 3: Showing Total Amount of Medium Term Agricultural Loan Disbursed (As On 31st March) (Rs. In Lakhs)

Name of the District central Cooperative banks In the state	Total Medium Term Agricultural loan						
	2008	2009	2010	2011	2012	2013	2014
Amravati	0	8060	10472	16545	12875	26908	194
Chandrapur	1675	7317	7362	9432	1494	5804	803
Gondia	1815	3899	5440	11553	893	10129	493
Nagpur	100	2470	131	1502	110	546	21
Yavatmal	480	4569	3400	21632	1414	16325	2702

Source: National Federation of State Co-operative Banks Ltd.

Table no. 3 shows the total amount of Total Medium Term Agricultural loan in DCCBs in Vidharbha for seven years from 2008 to 2014. Analysis shows that the total amount of Total Medium Term Agricultural loan in Vidharbha Region DCCBs in the year 2008 amounts to Rs. 4070 lakhs. This shows that

the total amount of Total Medium Term Agricultural loan in Vidharbha Region DCCBs. In the year 2014, this amount of Medium Term Agricultural loan has gone up to Rs.4213 lakhs. In DCCBs in Vidharbha.

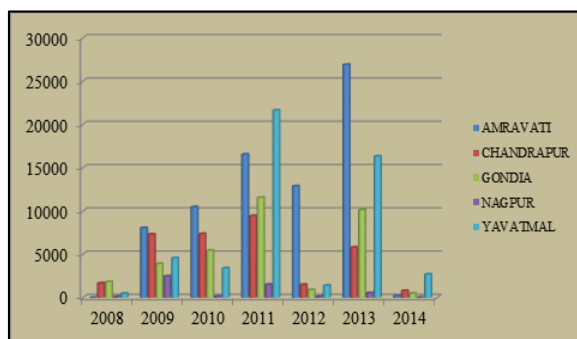


Fig 3: Showing Total Amount of Medium Term Agricultural Loan Disbursed

Table 4: Showing Total Amount of Non-Agricultural Loan Disbursed (As On 31st March) (Rs. In Lakhs)

Name of the District central Cooperative banks In the state	Total Medium Term Non Agricultural Loan						
	2008	2009	2010	2011	2012	2013	2014
Amravati	0	360	136	0	7223	740	0
Chandrapur	266	7607	4210	2136	18	12798	17456
Gondia	1336	4216	1999	3045	4033	1861	1442
Nagpur	323	1833	560	642	1254	384	657
Yavatmal	1520	3342	2246	2472	2597	4272	12011

Source: National Federation of State Co-operative Banks Ltd.

Table no 4 shows the total amount of Total Medium Term Non Agricultural loan in DCCBs in Vidharbha for seven years from 2008 to 2014. Analysis shows that the total amount of Total Medium Term non Agricultural loan in Vidharbha region DCCBs in the year 2008 amounts to Rs. 3,445 lakhs. This

shows that the total amount of Total Medium Term Non Agricultural loan in Vidharbha Region DCCBs. In the year 2014, this amount of Total Medium Term Non Agricultural loan has gone up to Rs. 31566 lakhs. In DCCBs in Vidharbha.

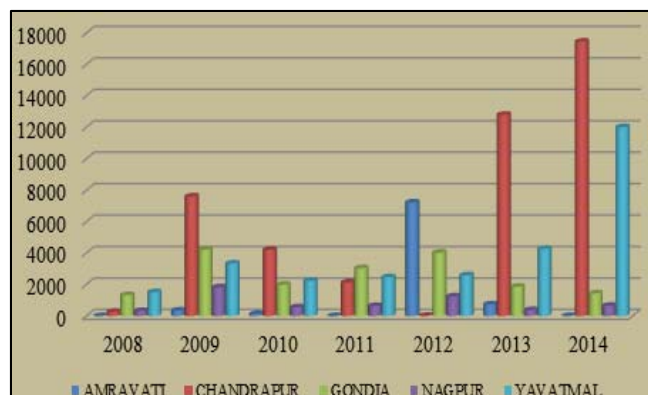


Fig 4: Showing Total Amount of Non-Agricultural Loan Disbursed

Conclusion

They have concluded that the growth and development of co-operative institutions would be reflected in the better socio-economic planning and its positive changes, better standard of living and community at large. The Agriculture and non-Agriculture loan surveys had shown that the farmer's access had gone up considerably across states as a result of the banking and agricultural sector reforms. The future survival of these institutions would be determined by its ability to technologically modernize themselves, innovation of new products and its reach among the rural population in Vidharbha region. There has been analyse the seven years from 2008 to 2014 DCCBs in five states in which in the year 2014 the growth has gone up as compared to year 2008.

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