

CHAPTER NO III

**MAHARASHTRA ON THE FOREFRONT
OF CO-OPERATIVE MOVEMENT**

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Chapter No III

MAHARASTRA ON THE FOREFRONT OF CO-OPERATIVE MOVEMENT

3.1 INTRODUCTION:

The principle of Co-operation are not in any way new to India. At the end of the provinces adhoc attempts were made to organise co-operatives societies. Co-operation has been known and practised in this country in various forms since ancient times. The joint family system which is very old and exists till today is one instance of indigenous co-operation. Under this system the land is owned and cultivated in common, while all adult members have to share the duties of the family engaged in occupations other than agriculture. Members of the family live in a common house and the household expenses are met from the income of the joint property. The institution is based on a feeling of brotherhood and mutual help.

It is here that the Co-operative movement can and must come forward to improve the economic condition of the masses and increase their income and purchasing power. The necessity and importance of co-operation was realised by the MaclaganCommottee thus: "By the union of forces material advancement is secured and by united action self reliance is fasted.; and it is from the interaction of those influences that it is hoped to attain the effective realisation of the higher and more prosperous standard of life, which has been Characterised as better living".

Another form of co-operation is the panchayat which is based on the principle of Community self-help. Although the system has fallen some what into decay Panchyats are Still Common and in all states they have been revived. The decision of the Panchyats are enforced under the penalty of social boycott. Then there are "Chit Funds" commonly found in South India, which are based on the principles of mutual association. The whole system of the "Chit Funds" depends upon mutual confidence and honest dealing which are the main essentials of co-operation.

It is thus clear that India provides a natural soil for the development of Co-operative institutions. Although co-operative movement was officially set up in 1904, yet it has not made such headway up till now. All these 67 years have been spent by the Department of Co-operation, helped vigorously by a large army of honorary works in rasing the Co-operative credit structure from the primaries to the Central Financing Agencies and thence to State Apex Banks.

3.2 CO-OPERATIVE CREDIT MOVEMENT IN INDIA:

The Co-operative movement in India has been a growth of a little over half a century and is largely dependent for its origin as well as development on the Government. Even before 1904 (When the movement was first officially set up). The Government was not unaware of the difficulties which the peasants and farmers were facing in borrowing funds and was anxious to ease the situation. As early as 1882 Sir Willian Wedderburn and Justice Ranade prepared a scheme for establishing the Agricultural Banks to provide loans to farmers.

The Agriculturists Loans Act made provisions for the Short term Credit for the relief of distress and to enable the cultivators to purchase Cattle, Seeds, implemements, etc. The Gagdil Committee remarked that such loans were properly closely connected in their origin and their operation with times of distress or famine and that the committee had agreed that the Act should be confind to time of emergency and stress and not to be used more extensively in normal circumstances.

Takavi loans have been advanced not only in times of threatened famine but also for agricultural improvement. In short the takavi system is claimed to have failed in its primary purpose of stimulating agriculture. In brief, "The high rate of interest, the rigidity of collection the onerous terms regarding periods of payment and conditions relating to securities required "are the Chief objections to state loans.

In 1894, Sir Frederick Nicholson, a civilian, was deputed by Madras Government to study the working of Co-operatives in Germany. It was largely in pursuance of his monumental report on "Possibility of Introducing Land and Agricultural Banks into the Madras presidency" that a decision was taken to place a co-operative law on the statute book. In 1895 he submitted his report. His summing up was "Find Raiffeisen. In the meantime Mr. Supernex of the Indian Civil Service, had engaged himself in making local enquiries in the purpose of discovering how best to establish agricultural banks in selected localities. His conclusions were set forth in an interesting and suggestive book "People's Bank for Northern India"(1900). But then it came to light that no real advance could take place without a special legislation on the subject.

A committee was appointed by the Government of India under Sir Edward Law to make proposals on the basis of experiences gained. This committee considered the form of legislation needed to secure for the societies the privileges needed for their working and supervision. Their recommendations provided the basis for co-operative Credit Societies Act of 1904. Consequent this legislation, the local Government set to work to translate into

action the intention of this Act. The Co-operative Credit Structure which has developed. So far as agricultural finance is concerned. May be said to consists of two parts, one dealing with short and medium-term-credit and the other in long-term credit.

Co-operative Movement Before Independence:

The first phase of the Co-operative movement in India may be considered from 1904 to 1947. The Act of 1904 provided for the registration of the primary credit societies only. But the experience of 7 or 8 years working showed that much progress could not be made in the supply of credit under it to rural areas. During this 1904 to 1947 period the movement was nurtured by the British government to amenorate the conditions of the poor and unreduced mainly of official guidance and support. The position of primary co-operatives and primary land mortgage banks. Which formed the base of the co-operative credit structure for short and medium and long-terms loans respectively at the end of 1946 – 47 is given in the annexure I and II.

On the passing of the Government Act of 1919, Co-operation became a provincial subject and was administered by provincial Governments. This Act gave the option of retaining or modifying the existing Act of 1912 to the provincial Governments. The abnormal conditions created by world war II led to some far-reaching developments in the co-operative movement. In 1946 – 47 there were then about 84 thousand primary societies with a membership of 31.75 lakhs paid up capital of Rs. 14.43 crores, deposits of Rs. 3.11 crores and a working capital of Rs. 21.58 crores.

Table No. 3.1

Progress of Co-operative Movement in India From 1906- 07 to 1911 – 12

Year	No. of Societies	No of Members	Amount of working capital in Rs.
1906 – 07	843	90844	2371683
1907 – 08	1357	149160	44144086 (1761.29)
1908 – 09	1957	180338	8232225 (-81.35)
1909 – 10	3428	224797	12468312 (51.45)
1910 – 11	5321	305058	20305800 (62.85)
1911 – 12	8177	403318	33574162 (65.34)

Sources: Book- Co-operative in India Dr. C. B. Mamoria & R. D. Saksena, P.P. 127.

From the above table number 3.1, it seen that tremendous projects in number of societies during the period from 1906-07 to 1911-12. There was a continuously increased from 843 to 8177 in the number of societies. The trend towards an increase in the numbers of members in the country. It was 90844 in the year 1906-07. And started to increased from this year upto 403318 in the year 1911-12. Amount of working capital was also increased. It was 51.45 percent in the every 1909-10 and started to increase with the 65.34 percent.

Table No. 3.2

Progress of Co-operative Movement in Indian from 1914 – 15 to 1929 -30

Year	No. of Societies	No of Members	Amount of working capital in Rs.
1915 – 16	17327	824469	122292
1916 – 17	23336	108425	311225 (154.49)
1921 – 22	51182	1974290	311225 (0)
1923 – 24	61106	2313567	405297 (30.22)
1925 – 26	80182	3058625	576039 (42.12)
1927 – 28	96091	3070173	767087 (33.16)
1929 - 30	104187	4181904	895178 (16.69)

Source: Book- Co-op. in India C.B.Mamoria & R. D.Saksena Dr. C.B. Momoria. P.P.135.

It observed from the above table number 3.2 it seen that the rising trend in the number of societies. It was 17327 in the year 1915-16 and it was increasing upto 104187 in the year 1929-30. It also seen that increasing trend throughout from the year 1915-16 to 129-30 in amount of working capital. It was Rs. 122292 in the year 1929 -30. The table sees the factor of number of members also. It was Rs. 824469 in the years 1915-16. And it increasing upto 4181904 in the year 1929-30.

Table No. 3.3

Progress of Co-operative Movement in Indian from 1931 – 35 to 1944 – 45

Year	No. of Societies	Membership (in lakhs)	Working capital (in crores of Rs.)
1931 – 35	106	43.22	94.61
1937 – 38	111	48.5	104.02
1938 – 39	122	53.7	106.47
1939 – 40	137	60.8	107.10
1940 – 41	143	64.0	109.32
1941 – 42	145	67.4	112.42
1942 – 43	146	69.1	121.04
1943 – 44	156	76.9	132.21
1944 – 45	160	83.6	146.63
1945 – 46	157	91.6	164.00

Source: Book- Co-op. in India Dr. C.B.Mamoria & R. D. Saksena P.P.No. 132.

Table number 3.3 it was found that the progressive situations in all indicators. The number of societies were 106 in the year 1931-35. And it increased upto 160 in the year 1944-45. But after this year it was found that it decreased upto 157 in the year 1945-46. Membership increasing from Rs. 43.22 lakhas upto Rs.91.6 lakhs during the year 1931-35 to 1945-46. Table seems that the rising trend in working capital. It was Rs. 94.61 Crores in the year 1931-35. After this year it continuously started to increased. It increased upto Rs.164.00 Crore in the year 1945-46.

Co-operative Movement after Independence:

After independence peoples welfare became the guiding principle of all activities of government planning was accepted on the basis to regulate and promote economic progress so as to augment production, increase employment potential and lay the foundations of a balanced economy. The first five year plan came into operation in 1950 – 51., in which “Co-operation” was recognised as an instrument of planned economic action in democracy” combining initiative, mutual benefit and social purpose. It was recognised that the co-operative agency was better suited than the state for ensuring population of credit for productive purposes.

Primary Agricultural Societies from the foundation on which entire edifice of the co-operative credit structure is based. It is generally for one village. The minimum initial membership is ten and ultimately the membership of the credit society is expected to reach a

full coverage of the village. The liability of members is limited in absolute terms. The management lies in the hands of general body of members assisted by the president and the secretary. They usually render honorary services. Primary Agricultural Credit Societies provide short term and medium term loans, loans granted to agricultural for the productive purpose only. These societies raise funds thorough share capital entrance fees, reserves deposits, loans income from investment and loans etc. In short the broad futures of the primary co-operative societies i.e. assessment of the credit to members, recovery of credit and promote the economic interest of the members.

Table No. 3.4

Statement showing all India Position of Primary Agricultural credit societies.

(Rs. in Lakh)

Sr. No.	2001 -02	2002 - 03	2003- 04	2004 - 05	2005- 06	2006-07	2007 -08	2008 -09	2009 -10	2010 -11
No. of societies	98247	112309	105735	108779	106384	93224	94950	95633	94647	93413
Total Membership	102141	123552	135411	127406	125197	125792	131530	132350	126419	121225
Paid up Capital	438953	495339	516642	557136	564425	613841	659665	700732	714842	755117
Owned Funds	685503	819798	839736	919705	929201	1103884	1098383	1180582	1247863	1445561
Total Deposits	1484570	1912023	1814253	1897604	1956119	2348407	2544926	2624538	3528607	3723816
Working Capital	5190490	6114243	6204685	7540741	7338667	7995869	8810685	9458488	13519152	14422190
Total loans Issued	3076999	3399586	3511924	3921172	4291959	4961275	5764248	5878674	7493754	9130382
Total Over dues	1106727	1528937	1629517	1605223	1547623	1575291	2400348	3793654	3952401	2269759

Source: NAFSCOB- National Federation of State Co-operative Banks Ltd. J.K. chamber, 5th Floor, plot No.-76, sector-17, Vashi, Navi Mumbai- 40070

It was observed from the above table No.3.4 that there has been significant achievement in augmenting the business operations of PACS since the commencement from 2001 – 02 to 2010 – 11. It is observed from 2001 – 02 to 2010 – 11. It was observed from the above table that primary Agricultural co-operative societies decreased from the year 2001 – 02 to 2011 – 11. It seems that the negative growth rate during the year 2003 -04, 2005 – 06, 2006 – 07, 2010 – 11. But the total membership increased from 102,141 lakhs upto 121,225 lakhs during the year 2001 – 02 to the 2010 – 11. From the 2001 – 02 there was a continuous increasing in the paid up capital from Rs. 438953 lakhs to Rs. 755117 lakhs and the working capital from Rs. 5190490 lakhs to Rs. 14422190 lakhs during the same period. It was remarkable note that the owned funds, deposits of the primary Agricultural credit societies were increased by the present and present respectively during the same deade. Moreover, the

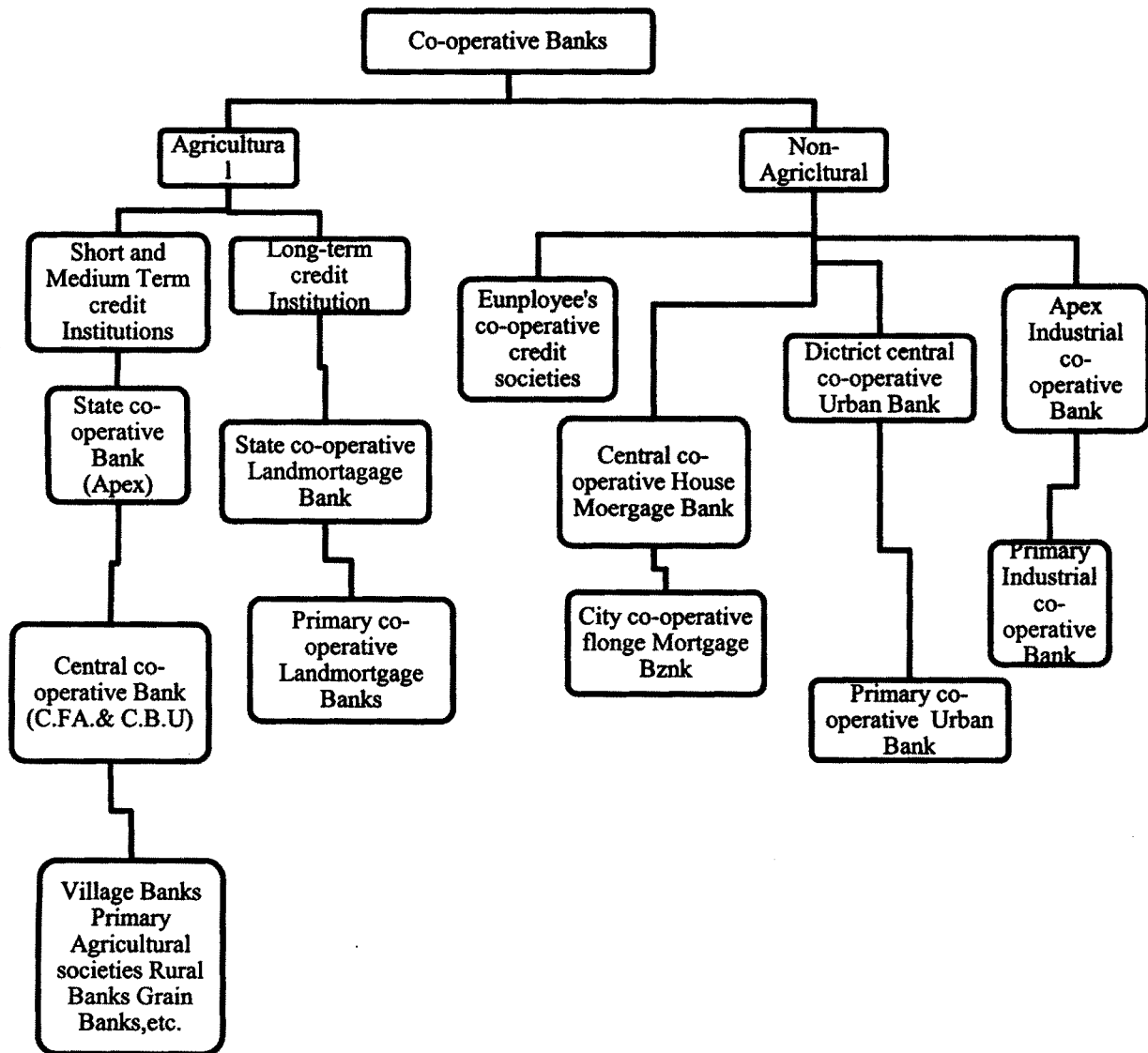
total loans issued by the primary agricultural credit societies increased by nearly Rs. 3076999 lakhs upto Rs. 9130382 lakhs from the year 2001–2002 to 2010–2011. Thus primary agricultural credit societies in India were functioning as effective instrument for mobilisation to some extent. These were the qualities part of economic position of the primary agricultural co-operative credit societies is on the brighter side of the coin.

Co-operative Banking Structure in India -

Co-operative banks in India may be divided into two distant types, Viz, primaries and financing association. The co-operative banking structure is pyramidal of federal in character- At the base that is at the village level, there is primary credit society. These societies are federated at the district level into a central society called the central co-operative bank- At the State level the district banks are federated into an Apex bank- This Apex or State co-operative bank is closely linked with the National bank for Agricultural and Rural Development Bank which provides considerable financial assistance to co-operative credit structure. This is the set-up in regard to short-term financing- The long-term credit structure at the moment consists of two tiers there are primary and Montage banks at the base and central land montage banks at the top.

It is a merit of this set-up that though the institution at the different levels are connected with each other by the bond of affiliation. Together these institutions constitute an effective machinery functioning as balancing centers within the movement and supplementing the internal financial resources by borrowing from outside.

Primaries do not strictly conform to the definition of a bank i.e lending money; they have been regarded as miniature banks for villages by the rural banking inquiry committee (1950). Many are convinced that they are the most appropriate institutions through whom institutional credit and banking facilities can reach the millions of villagers. The following is the detailed classification of various types of co-operative credit institutions:



The co-operative banking structure is divided into two types. One is the Agricultural and other is non-Agricultural types is divided in two types of credit institution. One is the short and medium term credit institutions and second is the long-term credit institutions. Short term and medium term credit institutions consists three tiers first is state co-operative bank. It is known Apex bank also. This bank is working state level and finance to the central co-operative banks. This District level bank working on the district level and finance to the village level banks] primary Agricultural co-operative credit societies. This is the three tier financial structure. The primary co-operative credit societies, working in the village as they do, deal directly with the ultimate borrowers.

Long-term credit institutions consists two tiers. First is state co-operative landmortgage Bank. And this bank finance the primary co-operative Landmortgage Bank.

Non-Agricultural co-operative banking structure is divided into four types. There are as follow:

1. Employee's co-operative credit societies
2. Central Co-operative House Mortgage Bank – This bank finance to the city co-operative House Mortgage Bank.
3. District central co-operative Urban Bank- This bank finance to the primary co-operative Urban Bank.
4. Apex Industrial Co-operative Bank- This bank finance to the primary Industrial Co-operative Bank.

3.3 MAHARASHTRA ON THE FOREFRONT OF CO-OPERATIVE MOVEMENT:

Co-operation in Maharashtra has been pioneering sector of the co-operative movement in the country; it has remained in the forefront since its inception. In Maharashtra these were dynamic leadership attained by the great man like G. K. Ghokhale, Vitthaldas Thakarchi, N.C. Kelkar, G. K. Deodhar, Chunilal Mehata, Vaikunthbhai Mehata, D. G. Karvey, Dr. Dhanjayrao Gadgil Padmshri, Dr. Vittalrao Vikhe Patil, Vasantadada Patil, Rajarambapu Patil, Shankarao Mohite Patil, Tatyasaheb Kore, Ratnappa Kumbhar etc. These all Men have made hard efforts for success of co-operative movement in various parts in Maharashtra.

Plenty of literature is available on the historical growth of the movement and a number of expert committees have from time to time critically examined its shortcoming and failures and suggested programmes of concrete action to overcome these. The co-operative movement in Maharashtra has followed a sequential evolutionary pattern. Beginning with the German Raiffeisen type of co-operative societies primarily meant for meeting the credit needs

of the agriculturists the co-operatives in the state have over the last seventy years come to cover a wide range of activities in different sectors of the studies economy.

In 1953 the All India Rural Credit Survey Committees Report was published. It contained a comprehensive study of various aspects and problems of rural credit and outlined measures for the future development of co-operatives in India. It would appear that the rapid progress made by the co-operative movement in Maharashtra persuaded the committee to base some of its important recommendations on the policies evolved in Maharashtra.

Table No. 3.5**Progress of Co-operative Movement in Maharashtra**

(Members in Lakh and Rs. in crore)

Sr.	Item	1961-62	1971-62	1981-82	1991-92	2001-02	2009-10	2010-11
1	Total Societies	31565	42603	60747	104620	158016	212344	218320
2	Total members	42	86	148	270	430	517	542
3	Paid up Share Capital	53	238	600	1957	7560	14969	15015
4	Of which Government	8	39	105	385	1150	2178	2004
5	Owned Funds	73	345	1207	3935	17770	38758	37249
6	Deposits	76	315	1939	11048	74462	118024	128579
7	Working Capital	326	1490	5210	24713	13441	236401	246162
8	Loans Advanced (net)	95	348	116	6300	43392	82556	78190

Source: 1). District Deputy Registrar. 2). Co-operative Movement At a Glance in Maharashtra- 2010.

Above table number 3.5 seems that the number of all types of co-operative societies was increasing from the year 1961 to 2010. The co-operative in Maharashtra are attracting more money in form of deposits, which increased from 76 crores of rupees in 1961 to 128579 crores in 2010. It was clearly seen from the above table No. 3.5 that the rate of increase of the working capital of all types of societies was greater than that of the number of societies and membership in Maharashtra. The working capital increased from rupees 326 crores to rupees 246162 crores during the year from 1961 to 2010. Whereas the total members increased from 42 lakhs to 542 lakhs in the year from 1961 to 2010.

In Maharashtra for Judging the progress of the co-operative movement the qualitative assessment the basics of audit classified into three types as follows.

- 1. A Grade Societies:-** These societies are which comes in A grade societies are the model societies. The Management of this societies are very perfect And also working on genuine principles of co-operation, inculcate a habit of thrift and spirit of co-operation, maintain account and are self reliant. They have no overdoes as a result of their found management.
- 2. B Grade Societies:-** These societies which are working satisfactorily but fall some what short of the 'A' standard due to some of the problem. They are potentially good societies. They may have a few defaulters.
- 3. C Grade societies :-** These are the societies which are mediocre, weak, where majority of borrowers are defaulters. They have the problem of overdoes, but any how they manage to pull on with their problems.

Table No. 3.6

The Audit Classification of Co-operative societies in Maharashtra (1961 to 2010)

Years	1961-62	1971-72	1981-82	1991-92	2001-02	2009-10	2010-11
Audit Classification of Societies							
A	3110	3600	3671	4966	N.A	4475	5185
B	10921	12343	11670	13581	N.A	13721	12741
C	7515	16122	18854	17058	N.A	14949	12386

Source: 1).District Deputy Registrar.2). Co-operative At a Glance in Maharashtra-2010.

N.A – Not available.

It may be observed from the above table number 3.6 the numbers of societies which are including in 'A' grade classification were increasing. From 3110 to 5185 during the period from 1961 to 2010. In 'B' grade classification the numbers of societies were increasing from 10921 to 12343 in the year from 1961 to 1971. But it seems that the numbers of societies decrease in 1981 up to 11670. After that its started to increasing from the year 1991 to 2009 from 13581 upto 13721. All in 2010 the numbers of societies has decreased upto 12741.

It was dearly seen from the above table that the number of societies which are including in 'C' grade classification are increasing from 7515 to 18854 luring the year from 1961 to 1981. But there were tramounds decreasing the numbers of societies from 17058 to 12386 during the year from 1991 to 2001.

From this table its clearly seems that very numbers of societies are including in 'A' grade classification of societies than 'B' grade and 'C' grade.

It was also remarkable to note that the owned funds also shows increasing trend. Moreover, there were tremendous growth in Share Capital and loans advanced. Thus the Maharashtra is one of the co-operatively developed state in India.

3.4. THE PATTERN OF CO-OPERATIVE IN MAHARASHTRA:

A state co-operative bank is the federation of central co-operative banks in a state. It is the pivotal around which all economic activities of the co-operative movement rotate. It is the vertex of the pyramidal structure in a state for the provision of short and medium term credit to agriculturists on co-operative basis. It is the “Keystone of the co-operative movement in the state; it links the movement not only with the commercial money market but also with the Reserve Banks of India as a potential Source of Credit for seasonal and emergent needs”. It derives physical support from the primary credit societies.

Since 1958, their formation was discouraged and following the Nagpur Congress Resolution, the primary credit societies were turned into ‘Service’ Societies providing services such as supply of improved seeds fertilizers over and above the supply of credit in the currently existing three-tier system for supply of co-operative credit, the primary societies at the lowest level have now turned into a form of multi-purpose societies although their major function continues to be the supply of credit to the agriculturist.

In the evolution of the crop loan scheme in Maharashtra the state co-operative Bank has played a leading role. The state government also extended liberal loan facilities. Since 1968, a policy of extensively involving co-operative credit institutions in financing co-operative lift – irrigation schemes has been adopted and state assistance to them has virtually been stopped under the new policy the District central co-operative Banks provide medium-term loans, the state land mortgage Bank is to advance long-term loans to cover the entire capital expenditure, and half of the 5 percent of the share capital to be contributed by the members is to be shared by the Zilla Parishads.

Since 1966, the state government has been giving loans and outright grants to farming co-operatives for improvement of land construction of warehouse and stables and for administrative expenses. Government also participates in their share capital. The state also provides the necessary in their share capital. The state also provides the necessary technical assistance to farming co-operatives through a specially appointed team of 26 extension officers under the supervision of a Deputy Director of Agriculture Building levelling, terracing, etc. Of land owned by the co-operatives is initially done through the Department of Agriculture and the expenses are borne by the Government.

The financial aid given to the co-operative organisations at all levels by the state. The central banks are the links which can develop this co-operative relation between the societies which they finance. The apex bank in its turn establishes co-operation between the central banks, and the central organisations of the co-operative societies have the same objective of

developing co-operative organisation under them. Thus the achievement of financial viability in the development of the spirit of goodwill, mutual help and co-operation between the members and organisations at all levels of the co-operative structure.

Co-operative Banking Structure in Maharashtra

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Apex or State Co-operative Banks

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Central Co-operative Banks at the District Level

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Primary Co-operative Credit Society at the Village Level

Table No 3.7**Primary Agriculture Credit societies in Maharashtra****(Members in thousand and Rs. in Lakh)**

Item	1961-62	1971-72	1981-82	1991-92	2001-02	2009-10	2010-11
Societies	18998	20014	18389	19491	20524	21240	21343
Membership	1827	3136	5391	7507	1021	13668	13853
Share Capital	1212	5231	10691	30719	96019	166444	168262
Deposits	99	405	1035	2157	8792	10041	10967
Working Capital	5668	20984 [270.21]	52695 [151.11]	178399 [238.55]	698768 [291.68]	1293661 [85313]	1390596 [7.49]
Loans advanced	4036	11493	24993	76855	373412	528417	698884
Loans recovered	3125	9224	20044	78417	276550	617644	922039
Loans outstanding	4296	16483 [283.68]	38345 [132.63]	135192 [252.56]	530827 [292.64]	965743 81.93]	1024119 6.04]
Loans Overdues	865	6184	14965	49276	164498	444845	394382
% of Overdues to outstanding	20.1	37.5	39	36.4	32.2	46.1	38.2

Sources: District Deputy Register. Co-op. movement At a Glance in Maharashtra-2010.

In this table number 3.7 it was found that in respect number of Societies, membership, share capital, deposit, working capital, loans advanced etc. There was tremendous growth. The number of societies were 18998 in the year 1961-62. But it decreased upto 18389 in the year 1981-82. After this year in started to increased upto 21343 in the year it was increased upto 7507 in the year 1991-92. But table seen that it decreased in the year 2001-02 upto 1021. But after this year it started to increased. It was 13668 and 13853 in the year 2009-10 and 2010-11. It was found that share capital continuously increased from the year 1961-62 to 2010-11. Overall it seems that there was rising trend in deposits warning capital, loans advanced, loans recovered. But it is equally disheartening and also a cause of concern that in respect of loans overdues, P.C. of overdues to outstanding societies in profit, society in loss and amount of loss the trends were not satisfactory during the year from 1961 to 2010.

Table No. 3.8
Primary Agricultural Credit Societies in Maharashtra – (Advances)

(Rs. in Lakh)

Item	1961-62	1991-92	2000-01	2001-02	2009-10	2010-11
Short Term	21712	59225	230128	289502	410595	574316
Medium Term	3231	15239	65964	75600	92672	109121
Long Term	50	2390	6552	8310	25150	15447
Total	24993	76854	302644	3734412	528417	698884
		[207.50]	[293.79]	[1133.92]	[-85.85]	[32.25]

Sources: District Deputy Register. Co-operative movement At a Glance in Maharashtra-2010. p.p-16.

Above table number 3.8 seems that the short term loans advanced was increased during 1961 to 2010. It was increased from 21712 lacks & rupees in 1961 to 574316 lakhs in 2010. This table also seems that the medium term loans also was increased from the year 1961 to 2010. It was increased from 3231 laths to rupees 109121 lakhs. There were also remarkable progress in long term loans advanced. It was also increased from rupees 50 lakhs to rupees 15447 lakhs during the year 1961 to 2010.

Table No. 3.9

Primary Agricultural Credit Societies in Maharashtra (Outstanding)

(Rs. in Lakh)

Item	1961-62	1991-92	2000-01	2001-02	2009-10	2010-11
Short Term	29164	83756	249849	324821	629885	713917
Medium Term	8923	44308	146790	181190	292446	267967
Long Term	258	7128	21446	248116	43412	42235
Total	38345	135192	418085	530827	965743	1024119
		[252.56]	[209.25]	[26.96]	[81.93]	[6.04]

Sources: District Deputy Register. Co-operative movement At a Glance in Maharashtra-2010. p.p-16.

In this table number 3.9 it was found that the short term loans outstanding was increased from Rupees 29164 lakhs to rupees 713917 lakhs during the year 1961 to 2010. But there was decreasing in medium term loans outstanding. It was increased from rupees 8923 lakhs to rupees 292446 lakhs during the year from 1961 to 2009 and after the 2009 it seems decrease in medium term loans outstanding. It was decreased upto rupees 267967 lakhs in the year 2010. This table also seems that long term loan outstanding was increased from the year of 1961 to 2009. It was decreased upto rupees 42235 lakhs in 2010.

Table No. 3.10
Primary Agricultural Credit Societies in Maharashtra (Demand)

(Rs. in Lakh)

Item	1961-62	1991-92	2000-01	2001-02	2009-10	2010-11
Short Term	28892	96785	285585	325624	758227	1087089
Medium Term	6061	27844	82169	88087	271772	204388
Long Term	51	3065	8841	11457	32491	25132
Total	35004	127694 [264.79]	376595 [194.91]	425168 [12.89]	1062490 [149.89]	1316609 [23.91]

Sources: District Deputy Register. Co-operative movement At a Glance in Maharashtra-2010. p.p-16.

It may be observed from the above table number 3.10 there were tremendous growth in short term demand. It was increased from rupees 28892 lakhs to rupees 1087089 lakhs in year from 1961 to 2010. But was decreasing in medium term demand. It was increased upto rupees 271772 lakhs during the year from 1961 to 2009 And it was decreased upto rupees 204388 lakhs in the year 2010. And long term demand was increased from rupees 51 lakhs to 25132 lakhs during the year from 1961 to 2010.

Table No.3.11
Primary Agricultural Credit Societies in Maharashtra (Recovery)

(Rs. in Lakh)

Item	1961-62	1991-92	2000-01	2001-02	2009-10	2010-11
Short Term	17878	61266	187114	214530	438346	801792
Medium Term	2155	14946	41845	41200	164740	104873
Long Term	11	2205	4051	4940	14559	15374
Total	20044	78417 [291.22]	233010 [197.14]	260670 [11.87]	617645 [136.94]	922039 [49.28]

Sources: District Deputy Register. Co-operative movement At a Glance in Maharashtra-2010. p.p-16.

In this table number 3.11 it seems that the short term recovery of primary agricultural credit societies were increasing from rupees 17878 lakhs upto rupees 801792 lakhs during the year from 1961 to 2010. According to that the medium term recovery was increased from rupees 2155 lakhs to the rupees 41845 lakhs during the year from 1961 to 2000. But it

decreased upto rupees 41200 lakhs in the year 2001. And after that it was started increasing from the rupees 164740 lakhs upto rupees 104873 lakhs during the year 2009 to 2010. Long term recovery was also increased from the rupees 11 lakhs upto the rupees 15374 lakhs during the year from 1961 to 2010.

Table No.3.12
Primary Agricultural Credit Societies in Maharashtra (Overdues)
(Rs. in Lakh)

Item	1961-62	1991-92	2000-01	2001-02	2009-10	2010-11
Short Term	10914	35519	98471	111094	319881	285297
Medium Term	4006	12898	40324	46887	107032	99515
Long Term	45	860	4790	6517	17932	9758
Total	14965	49277	143585	164493	444845	394570
		[229.28]	[191.38]	[14.56]	[170.43]	[-11.30]

Sources: District Deputy Register. Co-operative movement At a Glance in Maharashtra-2010. p.p-16.

Above table number 3.12 the short term overdues of primary agricultural credit societies was increased from rupees 10914 lakhs to rupees 319881 lakhs during the year 1961 to 2009. It was decreased upto rupees 285297 lakhs in the year 2010. As well as medium term overdues was increased from the rupees 4006 lakhs upto 107032 lakhs during the year from 1961 to 2010. But it was also decreased upto rupees 99515 lakhs in the year 2010. Long term overdues was increased from the rupees 45 lakhs upto 17932 lakhs during the year from 1961 to 2009. But it also was decreased upto rupees 9758 lakhs in the year 2010.

From this table its clearly seems that the short term, Medium Term and Long term overdues were been increasing in the year 2010.

3.5. CO-OPERATIVE MOVEMENT IN KOLHAPUR DISTRICT STUDY AREA:-

Kolhapur is one of the leading district in co-operative movement in Maharashtra. Co-operative movement made revolutionary development in various fields of the district there are about 9624 co-operative department at the district powers of the registrar of co-operative societies under the Bombay co-operative societies Act (VIII of 1925) and the rules under it have been delegated to him.

Inspire by social philosophy of Shri. Shahu Chhatrapati Maharaj of Kolhapur state the late Shri. Bhaskarrao Jadhav, then Revenue Minister of Kolhapur founded this Bank 99 years ago, in 1913, to institutionalize the social reform effort of the Maharaja. Then known as

Kolhapur Urban credit society was a well thought of and planned step to solve the then exiting liquidity and savkari problems. The co-operative movement of Kolhapur district owes its inspiration to this Bank which was the first to have Harijans as founder members and also the first Bank to enroll women as its members. This is the Bank of common man.

The first societies, viz. The Kolhapur Urban co-operative society Ltd. (now the Kolhapur Urban co-operative bank) was registered on 24/5/1913. Shri. Bhaskarrao V. Jadhav was the main behind formation of this society and thus is the pioneer of co-operative movement in state. The bank was initial started at a small room at the Nagar Palika office. To relieve the traders businessmen & agricultural from the clutches of "Savakari" the co-operative movement took shape. This co-operative is by the people, of the people & for the people. State Govt. as well as research bank of India controlled on this bank.

Among various co-operative societies the co-operatives Sugar Factories, co-operative milk societies, co-operative banks, co-operative marketing societies, co-operative spinning mills are playing major role in prosperity of co-operative movement in the Kolhapur district.

Co-operative Sugar Factories:-

There are 17 co-operative Sugar Factories in Kolhapur district. Total crushing capacity of these sugar factories 62.15 lakh metric tons and total sugar production 7.56 lakh metric tons.

Co-operative Milk Societies:-

In Kolhapur district there are three renowned co-operative Dudh sanghas Viz, Gokul Sahakari Dudh Sangh, Gokul Shirgaon, Warana Sahakari Dudh Sangh, Warananagar and Mayur Dudh Sang Kolhapur. There are about 2755 milk producers co-operative societies.

Co-operative Marketing Societies:-

There are 54 marketing societies having membership of 112246 Besides assisting farmers.

Co-operative Banks:-

The Kolhapur district co-operative bank controls co-operative bank. The KDCB having 182 branches all over the district. It has 7143 society members and 719 individual members. The KDCB has share capital of 42.82 lakh rupees and working capital of 14.96 crore rupees. The total deposits are 10.47 crore, 88.03 lakh, 5.08 lakhs and 7.50 crore rupees short, medium and long term loans respectively. Besides this there are co-operative Urban Banks, wage earners credit societies, Urban societies in various parts of the district.

(Statement shows co-operative societies in Kolhapur district.)

Table No. 3.13**Co-operative societies in Kolhapur District.**

Sr. No	Type of co-operative societies	Number
1.	District Central co-operative Bank	1
2.	Primary Agricultural credit societies	1504
3.	Food grain Banks	16
4.	Primary Urban co-operative Banks	62
5.	Urban co-operative credit Societies	2158
6.	Wage-earners credit Societies	294
7.	Marketing Societies	51
8.	Processing co-operative societies	64
9.	Agricultural co-operative credit societies	15
10.	Water Supply Societies	54
11.	Handloom co-operative societies	15
12.	Power loom co-operative societies	318
13.	Industrial co-operative societies	199
14.	Industrial Colonies	17
15.	Consumers co-operative societies	291
16.	Housing co-operative societies	94
17.	Labour co-operative societies	94
18.	Transporters co-operative societies	64
19.	co-operative Sugar Factories	17
20.	co-operative Spinning Mills	47
21.	Milk Producers co-operative societies	2755
22.	co-operative Fishing societies	22
23.	co-operative Poultry	67
24.	co-operative animal Husbandry Societies	271
25.	Other co-operative societies	175.
	Total	8665

Source: Kolhapur District Co-operative Bank – 2010-11

From the above table number 3.13 shows that there are so much co-operative societies in Kolhapur district. There is only one District central co-operative bank. And 1504 numbers of primary Agricultural credit societies. As well as there are 16 Food grain banks. Primary Urban co-operative Banks are 62 and Urban co-operative credit societies are 2158. Wage earner credit societies are 294 as well as Marketing societies are 51. Processing co-operative societies are 64.

There are 15 agricultural co-operative societies. water supply societies are 54. Handloom and Power loom co-operative societies are 15 and 318.

According to this table there are 199 Industrial co-operative societies and 17 Industrial colonies. Thereafter 291 consumer's co-operative societies and 94 housing co-operative societies. Labour co-operative societies are also 94.

The table shows that there are transporters co-operative societies are 64 and co-operative sugar factories are 17. As well as co-operative spinning Mills, Milk Producers co-operative societies, other co-operative societies are 47, 2755, 22, 67, 271, and 175.

Total of all co-operative societies are 8665. So in Kolhapur district all co-operative societies are helping for development of Kolhapur district.

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