

CHAPTER IV

ANALYSIS OF LOANS

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4.1 INTRODUCTION:

In this chapter, the role of Maharashtra State Co-operative Land Development Bank, Bombay in Walwa Taluka is evaluated on the basis of following selected indicators.

1. Demand for long term loans.
2. Loans sanctioned.
3. Loans issued for different productive purposes.
4. Kinds of agriculturists to whom loans were issued.

In the field of agriculture, long-term credit is of fundamental importance. This is so especially in India, because method and techniques of cultivation have been continuously improving in India. This long term credit is supplied by Land Development Banks to the farmers.

In order to bring about rapid increase in agricultural production, following principles are assumed special significance¹

1. Introduction of the most modern methods of cultivation.
2. Creation of production potential mainly by way of investment in capital assets on land like sinking of new wells, installation of pumping sets, introduction of mechanised equipments on the farm and,
3. Ensuring maximum yield with the best achievable cost benefit ratio.

Taking in to consideration the above principles of the role of Land Development Bank is very important. From the year 1968-69 LDB's have adopted production oriented system of lending. LDB's provides loans for various purposes, such as construction of Wells, Irrigation Schemes, Farm Houses, Cattle sheds and Godowns, for purchase of Electric Motors, Pipe Lines, Agricultural Machinery, for purchase of cows and for poultry farming etc.

The Maharashtra State Co-Operative Land Development Bank, Bombay is functioning through its following three sub-branches in Walwa taluka.

1. Ashta Sub-branch.
2. Islampur North Sub-branch, and
3. Islampur South Sub-branch.

4.2 DEMAND FOR LONG TERM LOANS IN WALWA TALUKA:-

Demand made by cultivators for long term loans to these three Sub-branches of LDB's Bombay in Walwa taluka during the period from 1980-81 to 1983-84 has been presented in Table 4.1. Total demand-s for long term loans showed wide fluctuations during the period from 1980-81 to 1983-84. During the period from 1980-81 to 1981-82 demands ~~was~~ for long term loans showed downward trend, in that period it was rapidly declined from Rs. 135.22 lakhs to Rs. 59.09 lakhs. As a result, the growth index of Demands of loans was declined from 100 to 43.70 during the same period. During the period from 1981-82 to 1982-83 demand for long term loans and its growth index had rapidly increased to its highest level, respectively from Rs. 59.09 lakhs to Rs. 245.92 lakhs, and from 43.70 to 181.87.

As the demands from long term loans in Ashta sub-branch increased considerably (Rs. 174.23) the total demands for long term loan were increased rapidly during this period.

Table 4.1

DEMANDS FOR LONG TERM LOANS IN WALVA TALUKE (1979-80 to 1983-84)

YEAR	(A) Ashta Sub-Branch		(B) Islampur North Sub-Branch		(C) Islampur South Sub-Branch		TOTAL A + B + C	NO Total Demand for loan in Rs. lakhs	'GROTH INDEX
	NO. Demand for loans in Rs. Lakhs	* N.A.	NO. Demand for loan in Rs. lakhs	* N.A.	NO Demand for loan in Rs. lakhs	* N.A.			
1979-80				**					
1980-81	217	32.47 (23.79)	156	49.94 (36.93)	300	53.11 (39.28)	673	135.02 (100)	100
1981-82	92	13.46 (22.78)	55	29.64 (50.16)	96	15.99 (27.06)	243	59.09 (100)	43.70
1982-83	116	174.23 (70.85)	69	46.04 (18.72)	163	25.65 (10.43)	348	245.92 (100)	181.87
1983-84	65	11.84 (36.92)	33	8.45 (26.35)	74	11.78 (36.73)	172	32.07 (100)	23.72
AVERAGE DEMAND		57.93 (49.06)		33.52 (28.39)		26.63 (22.55)		118.08 (100)	

* N.A. Not available

** Islampur North sub-branch was not in existence

Figures in brackets indicates the percentage to total in each column.

Source- Compiled from office records of sub-branches of LDB Bombay in Walva Taluka

Further total demands for long term loans, again declined to its lowest level of Rs. 32.07 lakhs in 1983-84 from Rs. 245.92 lakhs in 1982-83. As a result, growth index moved down from its highest level of 181.87 to lowest level of 23.72 during the same period.

The demand for long term loans in these three sub-branches continuously declined except in 1982-83 during the period under review. The share of Islampur North sub-branch in total Demand was slightly more than 50% during the year 1981-82. While during 1982-83 the share of Ashta sub-branch in total demand is nearly 71% but during the remaining period the share of all these three sub-branches in total demand was nearly equal. It remained in the range from 10.43% to 39.28%. Out of the total average demand of Rs. 188.08 lakhs the share of Ashta sub-branch was Rs.57.93 lakhs, the share of Islampur North sub-branch was Rs. 33.52 lakhs lakhs, the share of Islampur South sub-branch was only Rs.26.63 lakhs.

During the period from 1980-81 to 1981-82 the total loans sanctioned and its growth index rapidly declined respectively from Rs. 85.63 lakhs to Rs. 42.60 lakhs and from 100 to 49.75. During the year from 1981-82 to 1982-83 the total loans sanctioned rapidly increased to its highest level of Rs. 227.67 lakhs from merely Rs. 42.60 lakhs. As a result, the growth index rapidly increased from 49.75 to its highest level of 265.88 during the same period. Further during 1983-84 again the total loans sanctioned declined from Rs. 227.67 lakhs in 1982-83 to Rs. 18.93 lakhs and its growth index decreased from its highest level of 265.88 to its lowest level of 22.11

The long term loans sanctioned by Ashta and Islampur sub-branches were declined considerably during the year 1981-82, while during the same period loans sanctioned by Islampur North-Sub-branch was increased by 43.30%. During the year 1982-83 long term loans sanctioned by these sub-branches were increased rapidly. Further, during 1983-84, loans sanctioned by

Thus the share of Ashta Sub-branch in total Demand for long term loans in Walwa taluks during the period under review was nearly 50%.

Aforesaid analysis implies that the demand for long term loans in Walva taluka was continuously declined except in 1982-83. As the demand for long term loans in Ashta sub-branch for the purpose of Lift Irrigation Schemes launched by Veer Kisan Ahir Co-operatives Sugar Factory the total demand for long term loans in Walwa taluka reached its ~~demanded~~ to ~~of~~ highest level of Rs. 245-92 lakhs during the year 1982-83.

Due to increasing role of commercial banks in the field of agriculture and the lengthy process of getting loans from LDB's as compared to ~~commercial banks~~ CommercialBanks, the demand of cultivators for long term loans in Walwa taluka decreased considerably.

4.3 LONG TERM LOANS SANCTIONED IN WALWA TALUKA:-

The total long term loans sanctioned by three sub-branches of LDB's Bombay in Walwa taluka exhibited decreasing trend except during the year 1982-83 (Table 4.2)

Table 4.2
LOANS SANCTIONED BY THE SUB BRANCHES OF LDB TO WALWA TALUKA (79-80 TO 83-84)

YEAR	(A) ASHTA SUB BRANCH	(B) ISLAMPUR NORTH SUB BRANCH	(C) ISLAMPUR SOUTH SUB BRANCH	TOTAL A + B + C	NO. LOANS SANCTIONED IN RS. LAKHS	NO. LOANS SANCTIONED IN RS. LAKHS	NO. LOANS SANCTIONED IN RS. LAKHS	NO. TOTAL LOANS SANCTIONED IN LAKHS	GROWTH INDEX
	* N.A.	**	* N.A.	* N.A.					
1979-80									
1980-81	162	24.23 (28.30)	119	17.83 (20.82)	215	43.57 (50.88)	496	85.63 (100)	100
1981-82	59	9.51 (22.32)	46	25.55 (59.98)	60	7.54 (17.70)	165	42.60 (100)	49.75
1982-83	81	169.31 (74.37)	48	37.71 (16.56)	137	20.65 (9.07)	266	227.67 (100)	265.88
1983-84	38	7.20 (38.04)	17	4.65 (24.56)	49	7.08 (37.40)	104	18.93 (100)	22.11
AVERAGE SANCTION PER YEAR		52.56 (56.09)		21.44 (22.88)		19.71 (21.03)		93.71 (100)	

* N.A. Not available

** Islampur North sub-branch was not in existence.

Figures in brackets indicates the percentage to total in each column.
 Source-Compiled from office records of sub-branches of LDB Bombay in Walwa Taluka.

these sub-branches decreased to its lowest level
(Table 4.2)

During the year 1980-81 the proportion of loans sanctioned by Islampur south sub-branch in total was more than 50%. During 1981-82 the proportion of Islampur North sub-branch in total sanction is nearly 60%. Out of total loans sanctioned during the year 1982-83, nearly 75% loans were sanctioned by Ashta Subbranch. During the year 1983-84 the share of all these branches in total sanction was nearly equal (Table 4.2)

During the period from 1980-81 to 1983-84 the total average loans sanctioned per year by these sub-branches were Rs. 93.71 lakhs, of which Rs.52.56 lakhs were sanctioned by Ashta sub-branch, Rs.21.44 lakhs by Islampur North-sub-branch and Rs. 19.71 lakhs by Islampur South sub-branch.

Above analysis implies that, the long term loans sanctioned to the Walwa taluka went to decreasing and out of total long term loans sanctioned in Walwa taluka, the Ashta sub-branch sanctioned more than 56% long term loans during the period under review.

4.4 LONG TERM LOANS ISSUED IN WALWA TALUKA :-

The data regarding the long term loans issued by the sub-branches of LDB's Bombay, in Walwa taluka is presented in Table 4.3.

The total long term loans issued in Walwa taluka showed a decreasing trend except in 1983-84. During the period of four years from 1979-80 to 1982-83 the long term loans issued continuously decreased from Rs. 72.18 lakhs to Rs. 56.85 lakhs. As a result, the growth index of long term loans moved down from 100 to 78.76. During the year 1983-84 the long term loans and its growth index rapidly increased respectively from Rs. 56.85 lakhs to 105.88 lakhs and from 78.76 to 146.69.

The total long term loans issued during the period under review at the average of Rs. 72.80 lakhs per year. The average loans issued by Ashta sub-branch stood at Rs. 31.92 lakhs, while Rs. 20.21 lakhs and Rs. 24.71 lakhs were issued by Islampur North sub-branch and Islampur South sub-branch respectively. Thus, the

share of Ashta sub-branch in average total issue was larger than other two sub-branches in Walwa taluka. The long term loans issued by Ashta sub-branch showed an upward trend except in the year 1980-81. During the period from 1979-80 to 1980-81 long term loans in this sub-branch declined from Rs. 17.08 lakhs to Rs. 10.05 lakhs. During the subsequent period the loans issued continuously increased from Rs. 10.05 lakhs to ^{Rs.} 85.57 lakhs.

The long term loans issued by Islampur North sub-branch showed wide fluctuations during the period under review. During the period from 1980-81 to 1981-82 it was rapidly increased from Rs. 18.93 lakhs to Rs. 32.36 lakhs. However, during the subsequent year it declined to Rs. 12.34 lakhs, Further during 1983-84 it again increased up to Rs. 17.22 lakhs.

The loans issued by Islampur South sub-branch continuously went on decreasing except in the year 1982-83. During the period of three years from 1979-80 to 1981-82, the loans issued were rapidly decreased from Rs. 55.10 lakhs to merely Rs. 7.62 lakhs. During 1982-83 it increased upto Rs. 17.76 lakhs. Further during 1983-84 it declined to the lowest level of Rs. 3.09 lakhs from Rs. 17.76 lakhs.

Table 4.3

LOANS ISSUED BY SUB BRANCHES OF LDB IN WAVA TALUKE (79-80 TO 83-84)

YEAR	(A) ASHTA SUB BRANCH		(B) ISLAMPUR NORTH SUB BRANCH		(C) ISLAMPUR SOUTH SUB BRANCH		TOTAL A + B C	
	NO. LOANS ISSUED IN Rs. LAKHS	GROWTH INDEX	NO. LOANS ISSUED IN Rs. LAKHS	GROWTH INDEX	NO. LOANS ISSUED IN Rs. LAKHS	GROWTH INDEX	TOTAL NO. ISSUED IN Rs. LAKHS	TOTAL LOANS ISSUED IN INDEX
1979-80 *	17.08 (23.66)	100	230	55.10 (76.34)	230	100	230	72.18 (100)
1980-81 *	10.05 (14.57)	58.84	238	39.99 (57.98)	238	100	334	68.97 (100)
1981-82 35	20.15 (33.51)	117.97	68	7.62 (12.67)	68	170.95	191	60.13 (100)
1982-83 64	26.75 (47.05)	156.62	148	17.76 (31.24)	148	65.19	263	56.85 (100)
1983-84 23	85.57 (80.82)	500.99	35	3.09 (12.92)	35	90.97	76	105.88 (100)
AVERAGE LOANS ISSUED	31.92 (43.85)			24.71 (33.94)				72.80 (100)

* N.A. Not available

** Islampur North sub-branch was not in existence

Figures to brackets indicates the percentage to total in each column.

Source-Compiled from office records of Sub-branches of LDB Bombay in Waiwa Taluka

GROWTH OF LONG TERM LOANS
IN WALWA TALUKA (1979-80 TO 1983-84)

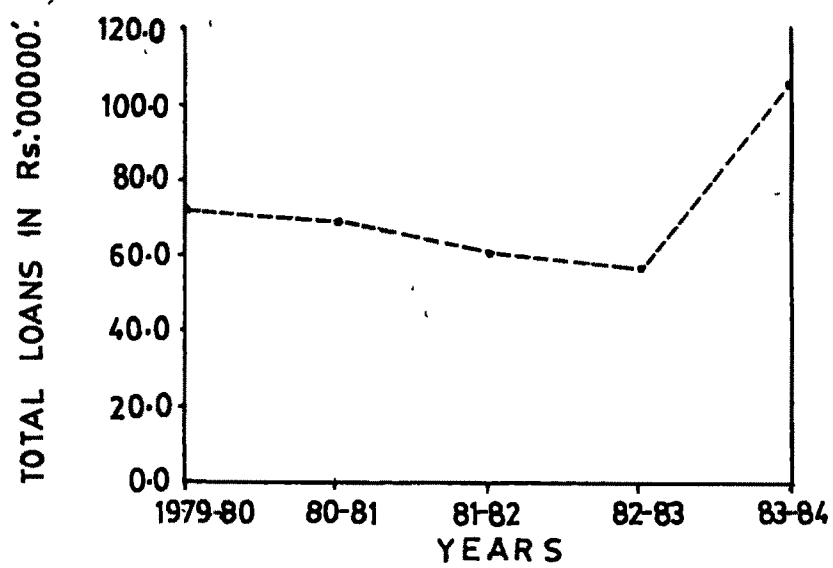


Fig.4.1

The proportion of Ashta sub-branch in total loans issued was larger at 80.82% during the year 1983-84. During the remaining period it remained in the range of 14.57% to 47.05%

The proportion of Islampur North sub-branch in total loans was higher at 53.82% in the year 1981-82. During the remaining period, it restored in the range of 16.26% to 27.45%. The proportion of Islampur South sub-branch in total loans was larger during the year 1979-80 and 1980-81. It was 76.34% in 1979-80 while 57.98% in 1980-81. In the rest of periods it was range from 2.92% to 31.24%.

Total average long term loans issued by the LDB's in Walwa Taluka during the period of reference was Rs. 72.80 lakhs, of which Rs. 31.92 lakhs were issued by Ashta sub-branch and Rs. 24.31 lakhs were by Islampur South sub-branch. While Rs. 16.17 lakhs were issued by Islampur North sub-branch.

Thus out of total average loans issued in Walwa taluka 43.85% were issued by Ashfa sub-branch while 33.94% were by Islampur South sub-branch.

From the table 4.2 and 4.3 it is concluded that the long term loans sanctioned in Walwa taluka went on decreasing except in 1982-83, and the disbursement of long term loans also decreased continuously except in 1983-84.

As the demand for long term loans reached to its highest level (table 4.1) during the year 1982-83 the long term loans sanctioned also increased during that period and as the loans sanctioned increased the issue of long term loans increased during the subsequent year.

As the R.B.I and NABARD imposed restrictions on advancing loans in relation to the unsatisfactory recovery performance of the sub-branches of LDB's Bombay in Walwa taluka there was a set back in sanction and issue of long term loans. Set back in loans sanctioned and issued by Islampur South sub-branch was due to the fact that Islampur Sub-branch was divided in two sub-branches viz. Islampur South sub-branch & Islampur North Sub-branch in Sept.1980.

4.5 PURPOSEWISE CLASSIFICATION OF LONG TERM LOANS ISSUED IN WALWA TALUKA:-

1. The total long term loans issued for construction of new wells, lift irrigation and repairing of old wells formed a perceptible part of total long term loans issued which are shown in table 4.4 . The loans for these purposes continuously increased from Rs. 27.72 lakhs in 1979-80 to Rs. 41.56 lakhs in 1981-82. However, during the year 1982-83 the loans for those purposes declined to Rs. 29.56 lakhs. Further, during 1983-84 the loans for those purposes increased rapidly to its highest level of Rs. 90.66 lakhs from Rs. 29.56 lakhs.

The proportion of loans for wells and lift irrigation to total long term loans issued persistently went on increasing from 38.41% in 1979-80 to 69.12% in 1981-82. During the period from 1981-82 to 1982-83 that proportion was declined from 69.12% to 52%. Further, during the year 1983-84 proportion of those loans increased from 52% to its highest level at 85.63%.

The loans distributed by Ashta sub-branch for wells and lift irrigation showed an upward trend during the period under review. During the period of five years from 1979-80 to 1983-84 loans issued by Ashta sub-branch

for those purposes continuously went on increasing merely from Rs. 3.29 lakhs to its highest level of Rs. 75.68 lakhs. ~~As a result, the proportion of those loans to total loans in Ashta sub-branch went on increasing from 4.56% in 1979-80 to 71.48% in 1983-84.~~ On the contrary, loans issued by Islampur South sub-branch for those purposes during the period from 1979-80 to 1983-84 exhibited the downward trend. In this sub-branch loans for these purposes, during the period from 1979-80 to 1983-84 continuously went on decreasing from Rs. 24.43 lakhs to Rs. 1.09 lakhs. As a result, the proportion of those loans to total loans in Islampur South sub-branch went on decreasing from 33.85% to merely 1.03%. However, the loans issued by Islampur North sub-branch for wells and lift irrigations exhibited neither upward trend nor downward trend during the period under review, on the contrary it showed wide fluctuation. In this sub-branch during the period from 1980-81 to 1981-82, loans for these purposes increased from Rs. 12.41 lakhs to Rs. 26.21 lakhs. During 1982-83 those loans declined rapidly upto Rs. 5.54 lakhs. However, during the year 1983-84 those loans again increased from Rs. 5.54 lakhs to Rs. 13.89 lakhs.



The proportion of those loans to total loans in Islampur North-sub-branch remained in the range of 9.75% to 43.59%.

During the period under review the loans for the purpose of wells & lift irrigation issued at the annual average of Rs.46.35 lakh in Walwa Taluka. The annual average loans issued by Ashta sub-branch stood at Rs.23.57 lakhs, while Islampur North sub-branch issued those loans at the average of Rs.14.51 lakhs per year and Islampur South Sub-branch at the annual average of Rs.8.27 lakhs.

Out of the total average loans issued for wells and lift irrigation schemes in Walwa Taluka 50.85% loans were issued by Ashta sub-branch. The share of Islampur north and Islampur South sub-branches in total average loans issued for wells lift irrigation schemes was 31.31% and 17.84% respectively during the period under review.

From the above analysis it is concluded that as water is an essential ingredient of agriculture and without it improved seed, fertilizers and mechanisation can do nothing the sub-branches of LDB'S Bombay in Walwa Taluka accorded a top priority to wells & lift irrigation Schemes. Out of the total average loans issued for different purposes during the period of study, nearly 61% loans were issued for wells and lift irrigation schemes in Walwa Taluka and out of that more than 50% loans were issued by Ashta Sub-branch.

2. The Loans for purchase of electric motors slowly increased from Rs.3.48 lakhs to Rs.6.52 lakhs during the period from 1979-80 to 1981-82. However, those loans exhibited a fluctuating trend during the subsequent period in as much as these loans declined to Rs.1.91 lakhs in 1982-83 and then increased up to Rs. 3.17 lakhs in 1983-84 (Table 4.4)

The proportion of such loans to total loans issued exhibited upward trend during the period from 1979-80, to 1981-82. During that period such proportion went on increasing from 4.82% in 1979-80 to its high level of 10.84% in 1981-82. During the period from 1981-82 to 1983-84 this proportion went on decreasing from 10.84% to 2.99%.

The Loans distributed by Ashta Sub-branch for electric motors showed an upward trend during the period of three years from 1979-80 to 1981-82. During that period the loans issued for that purpose by Ashta Sub-branch went on increasing from Rs.0.85 lakhs in 1979-80 to Rs.2.69 lakhs in 1981-82. During the period from 1981-82 to 1982-83 the loans for that purpose declined from Rs.2.69 lakhs to Rs.0.99 lakhs. Further, during 1983-84 these loans increased from Rs.0.99 lakhs to Rs.2.19 lakhs.

The proportion of those loans to total loans in Ashta Sub-branch remained in the range of 1.18% to 4.47% (Table 4.4)

On the contrary the loans issued by Islampur

South Sub-branch for Electric Motors showed the downward trend except in 1983-84. During the period of four years from 1979-80 to 1982-83 the loans issued for that purpose by Islampur South Sub-branch continuously went on decreasing from Rs.2.63 lakhs to Rs.0.40 lakhs. During the period from 1982-83 to 1983-84 these loans slightly increased from Rs.0.40 lakhs to Rs.0.52 lakhs.

The proportion of those loans issued for Electric motors to total loans issued by Islampur South Sub-branch continuously went on decreasing from 3.64% in 1979-80 to 0.49% in 1983-84. (Table 4.4). The loans issued by Islampur North sub-branch for electric motors during the period under review went on decreasing except during the year 1981-82. During the period from 1980-81 to 1981-82 the loans for that purpose in this branch increased considerably from Rs. 1.21 lakhs to Rs.2.35 lakhs. However, during the subsequent period it continuously went on decreasing such as from Rs.2.35 lakhs in 1981-82 to Rs.0.46 lakhs in 1983-84.

The proportion of the loans issued for electric motors by Islampur north Sub-branch to total loans remained in the range of 0.43% to 3.91% during the period from 1980-81 to 1983-84.

During the period under review, the loans for electric motors issued at the annual average of Rs.4.16 lakhs in Walwa taluka. Out of this the loans amounting to Rs.1.57 lakhs were issued per year by The Ashta Sub-branch Rs.1.14 lakhs were issued by Islampur north Sub-branch and Rs.1.45 lakhs were by Islampur South Sub-branch.

In this way out of total loans issued for electric motors in Walwa Taluka, 37.74% loans were issued by Ashta Sub-branch, 27.40% by Islampur north sub-branch and 34.86% by Islampur South sub-branch,

Thus, long term loans for purchase of electric motors was insignificant in Walwa Taluka during the period of reference. The proportion of such loans to total continued to remain in the range from 2.99% to 10.84%. The share of all the three sub-branches was nearly equal in the total average loans issued for Electric Motors in Walwa Taluka.

3. The Long term loans issued for purchase of pipe line in Walwa Taluka showed continuously increasing trend except during 1983-84. The loans issued for that purpose during the period of four years from 1979-80 to 1982-83 slowly but continuously went on increasing, from Rs.2.98 lakhs to Rs.4.81 lakhs. During the period from 1982-83 to 83-84, The loans for pipe-line declined from Rs.4.81 lakhs to Rs.3.71 lakhs.

The proportion of loans for pipe line to total long term loans issued went on increasing from 4.13% in 1979-80 to its highest level of 8.46% in 1982-83. However, that proportion was declined to 3.50% during 1983-84.

The loans issued by Ashta sub-branch for pipe line during the period of three years from 1979-80 to 1981-82 slowly but steadily increased from Rs.1.05 lakhs to Rs.1.48 lakhs. During the period from 1981-82 to 1983-84

the loans issued by this sub-branch for pipe line decreased from Rs.1.48 lakhs to Rs.1.01 lakhs.

The proportion of those loans issued by Ashta Sub-branch to total loans issued during the period under review remained in the range of 0.95% to 2.46%.

The loans issued for pipe line by Islampur north Sub-branch during the period from 1980-81 to 1981-82 increased from Rs.1.05 lakhs to Rs.1.97 lakhs. During the period from 1981-82 to 1982-83 these loans rapidly decreased from Rs.1.97 lakhs to Rs.0.51 lakhs. Further, during the year 1983-84 the loans for pipe line rapidly increased upto Rs.2.05 lakhs.

The proportion of loans for pipe line issued by Islampur north sub-branch to total loans issued remained in the range of 0.90% to 3.28%.

The loans issued by Islampur south sub-branch for pipe line during the year of three years from 1979-80 to 1981-82 continuously went on decreasing from Rs.1.93 lakhs to Rs.0.83 lakhs. However, during 1982-83 those loans increased up to Rs.2.90 lakhs and again it was declined to Rs.0.65 lakhs in 1983-84. The proportion of these loans issued by Islampur south sub-branch to total loans remained in the range of 0.61% to 5.10%.

During the period under review the loans for pipe-line issued at the annual average of Rs.4.21 lakhs in Walwa Taluka. The Annual average loans issued by Ashta Sub-branch stood at Rs.1.21 lakhs, while Islampur north Sub-

branch issued these loans at the annual average of Rs.1.40 lakhs and Islampur south sub-branch at the annual average of Rs.1.60 lakhs.

In this way, the out of the total loans issued for pipe line in Walwa Taluka 28.74% loans were issued by Ashta, 33.25% by Islampur north and 38.01% by Islampur South sub-branch. Table 4.4 indicates that proportion of long term loans for purchase of pipe line to total remained below 8.46% That means the long term loans for purchase of pipe line was also insignificant.

4. The Long term loans for purchase of power tillers and tractors were significant in amount particularly during the period from 1979-80 to 1980-81. However, those loans showed the downward trend. The loans for those purposes rapidly decreased from Rs.24.32 lakhs in 1979-80 to Rs.2.71 lakhs in 1981-82. During the period from 1981-82 to 1982-83 loans for that purpose slightly increased from Rs.2.71 lakhs to Rs.5.24 lakhs. Further, during the year 1983-84, again those loans declined to 2.55 lakhs. The proportion of those loans to total loans during the years 1979-80 and 1980-81 was 33.69% & 28.37% respectively. During the subsequent period, proportion of such loans to total continued to remain in the range from 2.41% to 9.22% (Table 4.4).

The loans issued by Ashta Sub-branch for that purpose during the period from 1979-80 to 1980-81 rapidly declined from Rs.6.15 lakhs to Rs.1.42 lakhs. During the year

1981-82 those loans in Ashta Sub-branch slightly increased upto Rs.2.71 lakhs; while during 1983-84 only Rs.2.55 lakhs had been issued for that purpose. In 1982-83 they loans had not issued for that purpose. The proportion of such loans issued by Ashta Sub-branch to total loans remained in the range of 2.06% to 8.52%.

During the years 1981-82 and 1983-84 Islampur north sub branch had not issued any loan for that purpose. The loans amounting to a Rs.1.23 lakhs & Rs.3.07 lakhs had issued during the year 1980-81 and 1982-83 respectively. The proportion of that loans issued by Islampur north Sub-branch to total loans remained in the range from 1.78% to 5.40%.

The loans issued for that purpose by Islampur South Sub-branch during the period from 1979-80 to 1980-81 declined from Rs.18.18 lakhs to Rs.16.92 lakhs. During the years 1981-82 and 1983-84 Islampur South Sub-branch had not issued any loan for that purpose. However Rs. 2.17 lakhs had issued for that purpose during the year 1982-83. The proportion of those loans issued by Islampur south sub-branch to total loans remained in the range from 3.82% to 25.17%.

During the period from 1979-80 to 1983-84 the loans for power-tillers & tractors issued at the annual average of Rs.11.10 lakhs in Walwa Taluka. The average loans issued for that purpose by Ashta Sub-branch stood at Rs.2.57 lakhs per year, while Islampur north Sub-branch

issued those loans at the annual average of Rs.1.08 lakhs & Islampur south sub-branch at the annual average of Rs.7.45 lakhs.

As a result, out of the total loans issued for power-tillers & tractors in walwa taluka 67.12% loans were issued by Islampur South, 23.15% by Ashta & only 9.73% by Islampur north sub-branch.

Thus, long-term loans issued for purchase of power-tillers and tractors were significant in amount particularly during the years 1979-80 and 1980-81. During the subsequent period the financing for that purpose by Sub-branches of LDB Bombay in Walwa Taluka went on decreasing. As only big farming could purchase the tractors and there was limitation on number of big farmers the share of this purpose in total loans declined considerably.

5. The sub-branches of LDB, Bombay, issued perceptible amount of long term loans for purchase of cows in Walwa Taluka during the period from 1979-80 to 1980-81 and during 82-83 the loans amounting to Rs.12.56 lakhs, Rs.12.26 lakhs and Rs.11.74 lakhs respectively issued for that purpose, During the same period. (Table 4.4) During 1981-82 the loans for that purpose declined to Rs.4.32 lakhs. During 1983-84 Rs.4.75 lakhs were issued for that purpose.

The proportion of such loans to total loans exhibited a fluctuating trend during the period under review. It was slightly increased from 17.40% in 1979-80 to 17.78% in 1980-81. However, that proportion was ~~rapidly~~ rapidly

declined from 17.78% to 7.25% during the year 1981-82. Further during 1982-83, it was rapidly increased up to 20.65% and it again declined ~~upto 20.65%~~ to 4.49% in 1983-84.

The loans issued for purchase of cows by Ashta Sub-branch exhibited a fluctuating trend. During the period from 1979-80 to 1980-81 loans for that purpose in Ashta Sub-branch rapidly declined from Rs.5.74 lakhs to Rs.0.33 lakhs. However, during the period of three years from 1980-81 to 1983-84 such loans increased continuously from Rs.0.33 lakhs to Rs.4.14 lakhs. The proportion of such loans issued by Ashta sub-branch to total loans remained in the range of 0.48% to 7.95% during the period under review.

The loans issued by Islampur north sub-branch for cows during the period from 1980-81 to 1981-82 declined from Rs.2.68 lakhs to Rs.1.39 lakhs. During the subsequent period the loans had not been issued for that purpose by this sub-branch. The proportion of that loans in Islampur north sub-branch to total loans declined from 3.89% in 1980-81 to 2.31% in 1982-83.

The loans issued by Islampur south sub-branch for purchase of cows during the period from 1979-80 to 1980-81 increased from Rs.6.82 lakhs to Rs.9.25 lakhs. During the year 1981-82 ~~to~~ such loans in this sub-branch rapidly declined upto Rs.1.59 lakhs. Further, during the period from 1981-82 to 1982-83 such loans rapidly increased from

PURPOSE-WISE
CLASSIFICATION OF AVERAGE LOANS
ISSUED BY L.D.B. IN WALWA TALUKA.
[1979-80 TO 1983-84]

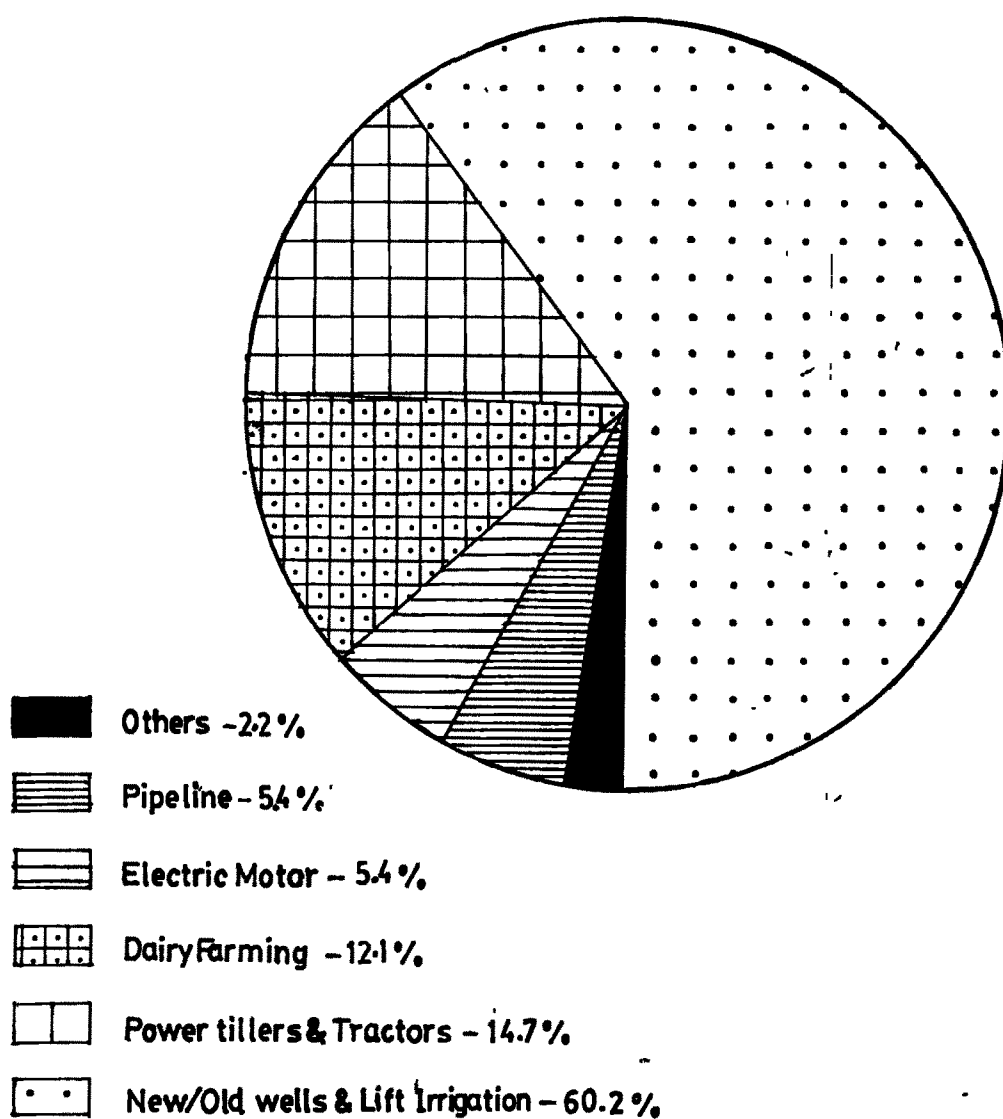


Fig 4-2

Rs.1.59 lakhs to Rs.8.26 lakhs and again that loans rapidly declined from Rs.8.26 lakhs in 1982-83 to Rs.0.61 lakhs in 1983-84. The proportion of such loans in Islampur south sub-branch to total loans remained in the range from 4.49% to 20.65% during the period under review.

The loans for purchase of cows issued at the annual average of Rs.9.34 lakhs in Walwa Taluka. Ashta sub-branch issued such loans at the annual average of Rs.3.01 lakhs While, Islampur north sub-branch issued those loans at the annual average of Rs.1.02 lakhs and Islampur South Sub-branch at the annual average of Rs.5.31 lakhs.

The share of Islampur south sub-branch was higher in total loan, issued for purchase of cows, as out of total loans issued for purpose 56.85% loans were issued by this sub-branch. The share of Ashta Sub-branch in total loans issued for that purpose was 32.23% while out of total loans issued for that purpose 10.92% loans were issued by Islampur north sub-branch.

Thus, sub-branches of LDB, Bombay, in Walwa Taluka played an important role in diversifying their lending policy. Those sub-branches in walwa taluka issued perceptible amount of long term loans for purchase of cows during the years 1979-80, 1980-81 & 1982-83. Out of the three sub-branches Ashta & Islampur South sub-branches disbursed a great deal of amount for dairy farming. But this, is not sufficient as out of total average loans issued for different purposes only 12% loans were issued

for that purpose. There is more scope to LDB, Bombay in deversifying their lending policy.

6. The amount of long term loans for other purposes was higher during the year 1982-83. During that period it stood at Rs.3.59 lakhs due to the fact that large amount of loans issued by Islampur north sub-branch for construction of godowns and farm houses. During the remaining years such loans were insignificant ranging in between Rs.0.70 lakhs to Rs.1.12 lakhs. (Table 4.4).

The proportion of such loans to total loans was higher at the level of 6.31% during the year 1982-83. During the remaining period under review that proportion showed continuously decreasing trend (Table 4.4) During that period proportion of such loans to total remained below 1.56%.

The loans issued for other purposes by Islampur north sub-branch showed an upward trend except during 1983-84. The loans issued for those purposes by this sub-branch increased from Rs.0.35 lakhs in 1980-81 to Rs.2.70 lakhs in 1982-83. During the year 1983-84 such loans declined rapidly to Rs.0.82 lakhs. The proportion of such loans in this sub-branch to total loans ranging in between 0.51% to 4.75% during the entire period under review.

The loans issued for other purposes by Islampur south sub-branch during the period of three years from 1979-80 to 1981-82 continuously went on decreasing from ~~Rs.1.12~~ Rs.1.12 lakhs to Rs.0.26 lakhs. During the year 1982-83

it was increased upto Rs.0.89 lakhs and again it was declined rapidly to Rs.0.22 lakhs in subsequent year.

The proportion of those loans issued by Islampur south sub-branch to total loans remained in the range of 0.21% to 1.56%.

The sub-branches of LDB, Bombay in Walwa Taluka issued long-term loans for other purposes at the annual average of Rs.1.71 lakhs. Out of that 63.16% loans were issued by Islampur north sub-branch and only 36.84% by Islampur South sub-branch.

Thus, the long-term loans for other purposes were negligible in Walwa taluka as the proportion of ~~xxxxx~~ such loans to total remained below 3.59%.

4.6 TYPE OF AGRICULTURISTS TO WHOM LOANS WERE ISSUED BY
SUB-BRANCHES OF LDB, BOMBAY IN WALWA TALUKA DURING
1979-80 TO 1983-84 :

I - INTRODUCTION

From the table 4.4 it come to know that the sub-branches of LDB, Bombay in Walwa Taluka showed satisfactory performance in respect of credit disbursement according to purposes as centpercent loans were given for productive purposes. But that table does not reveals that to what type of agriculturists did the loans were issued by LDB, Bombay, in Walwa Taluka, in which proportion did those farmers received long-term loans and for what purposes these farmers preferred to take those loans.

Generally the big farmers who have enough resources can easily get credit from financial institutions, These institutions are so designed that the need of big farmers are properly looked after². As against this, the small farmers often do not get loans from modern institutions, because these farmers do not have adequate assets which could be acceptable to financial institutions as security against loans. The only tangible asset that small farmers can offer as security against loan is a tiny piece of land itself. Recently, 'National Commission on Agriculture' recommend to distribute the fruits of the co-operative movement in favour of small farmers. At the same time education is also an important factors in getting loans from financial institutions. It is generally observed that

literature farmers can easily obtain loans from these institutions. Therefore, in this part, it is intended to ascertain that to what type of agriculturists does the long-term loans were issued by those Sub-branches, in which proportion and for what purposes those farmers preferred to take long-term loans during the period ^{under} review.

While attempting to find out the type of agriculturists to whom loans were issued by LDB in Walwa Taluka, following three factors have been taken in to consideration.

- A. Size of land-holdings of sample borrowers
- B. The level of education of the sample borrowers and
- C. The caste structure of the sample borrowers.

II. DISTRIBUTION OF LONG-TERM LOANS TO SAMPLE BORROWERS ACCORDING TO SIZE OF LAND-HOLDINGS (1979-80 to 1983-84)

To ascertain wheather the LDB, Bombay in Walwa Taluka, laid emphasis on small or medium or large farmers in advancing loans the sample borrowers have been classified in following manner -

- a) Small Farmers - having land-holdings up to 2 hectares
- b) Medium farmers -having land-holdings from 2-6 hectares
- c) Large farmers- having land-holdings above 6 hecters.

All sample borrowers (52) in Walwa Taluka received the total amount of long-term credit to the extent of Rs.8,57,700 from three sub-branches of LDB, Bombay, in Walwa Taluka (Table 4.5) out of this total amount of

Rs.3,14,200 or 36.63% went to 30 small farmers which formed 57.69% of total sample borrowers.

19 medium farmers which formed 36.54% of total sample borrowers obtained long-term loans of Rs.2,95,100. That is medium farmers secured 34.41% of total long-term loans. Amount of long-term loans received by 3 large farmers which formed merely 5.77% of total sample, borrowers amounted to Rs.2,48,400 i.e.28.96% of total long-term loans.

Average long-term loans per farmer was largest in the case of large farmers' group amounting to Rs.82,800 and lowest in the case of small farmers' group amounting to Rs.10,473. In case of medium farmers average long-term loan, amounted to Rs.15,532. Average long-term loan per farmer was higher in the case of large & medium farmers' group as compared to small farmers' group owing to following factors.

1. Out of the total large farmers (3) as many as 2 large farmers received loans for purchase of tractors and the scale of finance for tractor is generally largest than any other purpose for which long-term loan is given. This fact caused average loan to increase in the case of large farmer's group.
2. Medium farmers' group received 80.85% of its total loans for minor irrigation (i.e. for construction of new wells, for repair of old wells, for pipe line and for purchase of electric motors etc.) Loans for these purposes continued to remain in the range of Rs.6000 to 50,000. Such loans resulted in increasing average

Table 4.5

DISTRIBUTION OF LONG TERM LOANS TO SAMPLE BORROWERS ACCORDING TO
SIZE OF LAND-HOLDINGS DURING 1979-80 TO 1983-84

Category of Farmers	No. of farmers in the group	Average Land holdings in Hectares	Total Long term loans Received in Rs.	% to Total Loans	Average long-term loans received per farmers
Small farmers upto 2 Hect.	30 (57.69)	1.29	3,14,200	36.63	10,473
Medium farmers from 2 to 6 Hect.	19 (36.54)	3.17	2,95,100	34.41	15,532
Large farmers above 6 hect.	3 (5.77)	18.05	2,48,400	28.96	82,800
TOTAL:	52 (100)		8,57,700	100.00	

Figures shown in the parentheses are the percentages to total sample borrowers
Source: Tabulated from Questionnaire.

**AVERAGE LONG TERM LOANS RECEIVED BY
PER FARMER IN DIFFRENT CATAGORIES IN
WAIWA TALUKA (1979 TO 1984)**

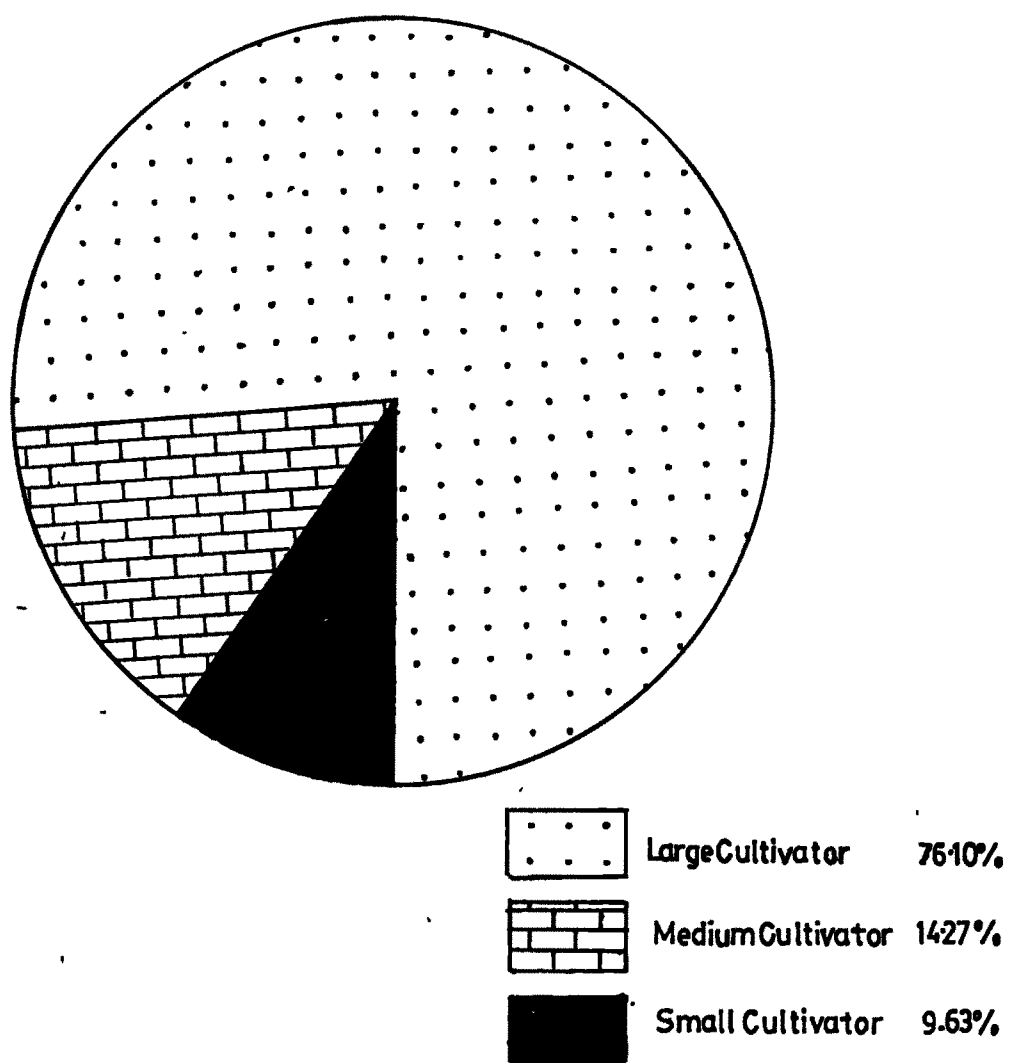


Fig. 4.3

loan per farmer in the case of medium farmers' group.

3. Small farmers' group received 65.40% of its total loans for minor irrigation. Thus, the amount of loans received by these farmers' group for minor irrigation was small as compared to medium farmers' group. At the same time these farmers group did not receive any amount of long term loans for purchase of tractors.

Thus, as compared with medium and large farmers' group a large part the total long-term loans were received by small farmers which formed 57.69% of the total sample borrowers. Out of the total long term loans 36.63% went to small farmers' group, 34.41% went to medium farmers group and only 28.96% went to large farmers' group. Therefore it can be concluded that LDB, Bombay had played a vital role in providing long term credit to the small farmers in Walwa Taluka.

But at the same time small and medium farmers received lesser average long term credit than their shares in total number of sample borrowers. On the contrary large farmers' group has a strong position in getting more loans than their share in total number of cultivators.

(III) PURPOSEWISE DISTRIBUTION OF
LONG TERM LOANS TO SAMPLE BORROWERS

Purposewise distribution of long-term loans reveals that out of the total sample borrowers (52) small and medium farmers (49) received a perceptible amount of loans for ~~xxxxx~~ construction of new wells and for repairing of old wells, loans for construction of new wells amounted to Rs.1,81,900. Such loans formed 21.21% of total long-term loans received by all simple borrowers (Table 4.6) Loans for repairing of old well amounted to Rs.1,64,800 and the proportion of these loans to total loans received by all sample borrowers was 19.21%.

All sample borrowers (52) received a significant amount of loans for purchase of electric motors and pipeline. Loans for these purposes amounted to Rs.1,19,000. Such loans formed 13.87% of total long-term loans received by all sample borrowers.

The proportion of loans for purchase of tractors was largest accounting for 26.44%. The proportion of loans for purchase of cows to total loans were also perceptible accounting for 11.66% Loans for farm-houses and other purposes were insignificant. The proportion of such loans to total loans were 4.19% and 3.42% respectively.

Out of the total long term loans received by small farmers' group 37.87% loans were received for construction

Table 4.6

PURPOSE-WISE DISTRIBUTION OF LONG-TERM LOANS TO SAMPLE BORROWERS
(1979-80 TO 1983-84)

Figures in Rs.

Category of Sample Farmers	Construction of New wells	Repair of Old wells & joints	Electric Motor and pipe-line	Power-tillers and Tractor	Cow houses	Farm houses	Others*	TOTAL
Small Farmers	1,19,000 (37.87)	51,200 (16.30)	35,30 (11.23)	-	63000 (20.05)	16400 (5.22)	29300 (9.33)	314200 (100)
Medium farmers	62,900 (21.31)	1,13,600 (38.50)	62,100 (21.04)	-	37000 (12.54)	19500 (6.61)	-	295100 (100)
Large farmers.	-	-	21,600 (8.70)	2,26,800 (91.30)	-	-	-	248400 (100)
TOTAL:	1,81,900 (21.21)	1,64,800 (19.21)	1,19,000 (13.87)	2,26,800 (26.44)	100000 (11.66)	35900 (4.19)	29300 (3.42)	857700 (100)

* Others includes- Grape Garden, Bullock cart & Bafallows
Figures indicated in Parentheses are percentages to total
Source:Compiled from questionnaire.

of new wells. The proportions of loans for old wells and joints, and loans for electric motors and pipe line to total loans were also perceptible accounting for respectively 16.30% and 11.23% (Table 4.6).

Small farmers' group received more loans for purchase of cows. These loans amounted to Rs.63,000. The proportion of these loans to total loans received by this group accounted for 20.05%. In order to earn sufficient income and to meet consumption needs of family, small farmers prefer additional source of income other than agriculture such as dairy farming.

The amount received by small farmers' group for farm-houses and other purposes such as Bullock-cart, Grape garden etc. were insignificant in amount.

Amount of long-term loans for minor irrigation received by medium farmers was largest as compared to small farmers. Out of the total loans received by this group 21.31% were received for construction of new wells, 38.50% were for repair of old wells and joints and 21.04% were for electric motors and pipe-line.

Loans for purchase of cows were also significant in case of medium farmers such loans formed 12.54% of the total loans received by this group. However, such loans and their proportion to total loans were lower as compared to small farmers' group.

Large farmers received more loans for purchase of tractors in as much as proportion of loans for tractors

to total was largest accounting for 91.30% Loans amounting to Rs.21,600 were also received by large farmers for purchase of electric motores and pipe-line. such loans formed merely 8.70% of the total loans received by this group.

(IV) LEVEL OF EDUCATION OF THE SAMPLE BORROWERS (1979-80 TO 1983-84) IN WALVA TALUKA:

As mentioned earlier the level of education plays an important role in getting loans and in the proper utilisation of loans.

Out of the total sample borrowers, 17.31% borrowers are illiterate. 21.54% of the sample borrowers are studied up to 4th standard and 30.77% up to 7th Standard. Matriculates and graduates formed respectively 23.07% and 7.69% of the sample borrowers (Table 4.7).

Thus, majority of sample borrowers in Walva Taluka are educated.

(V) CASTE-WISE DISTRIBUTION OF SAMPLE BORROWERS (1979-80 to 1983-84): WALVA TALUKA:

Table No.4.8 reveals the caste-structure of sample borrowers. This table shows that the majority benefits of LDB, Bombay in Walva Taluka went to 'Maratha' farmers. They formed 69.23% of the sample borrowers. The next important castes among the sample borrowers are the 'Dhangar' and 'Jain' which formed respectively 9.62% and 7.69% 'Lingayats' and 'Mali' formed respectively 5.77%, and 3.85% of sample borrowers. 'Brahmins and 'Scheduled

Table 4.7
LEVEL OF EDUCATION OF THE SAMPLE BORROWERS
(1979-80 TO 1983-84)
IN WALWA TALUKA:

Sr. No.	Level of Education	No. of Cultivators	% of Total
1	Illiterate	9	17.31
2	4th Standard	11	21.16
3	7th Standard	16	30.77
4	Matriculates	12	23.07
5	Graduates	4	7.69
TOTAL:		52	100.00

Source: Compiled from questionnaire.

Table 4.8CASTE-WISE DISTRIBUTION OF SAMPLE BORROWERS(1979-80 to 1983-84)IN WALWA TALUKA:

Sr. No.	Caste	No. of cultivators	% to Total
1.	Maratha	36	69.23
2.	Dhanagar	5	9.62
3.	Jain	4	7.69
4.	Maki	2	3.85
5.	Lingayats	3	5.77
6.	Brahmins	1	1.92
7.	Scheduled Castes.	1	1.92
TOTAL:		52	100.00

Source: Compiled from questionnaire.

Caste's are negligible. They formed 1.92% each, of sample borrowers.

Thus, the major beneficiaries of LDB in Walwa Taluka were the Maratha cultivators during the period of reference.

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2. A.N.Agarwal:Indian economy 1975. P.219

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