

## CHAPTER V

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### ANALYSIS AND INTERPRETATION OF DATA

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- 5.3 The recovery and outstandings of Sub-branches of LDB, Bombay in Walwa Taluka.
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**5.1 INTRODUCTION:**

In this Chapter, the role of sub-branches of LDB, Bombay, in Walva Taluka is evaluated on the basis of some selected indicators. The indicators such as trends of outstanding, level of recovery, level of overdues and utilisation of loans can serve as barometer of evaluating the role of sub-branches of LDB in Walva Taluka.

Recovery of loans as well as utilization of loans are equally important for effective functioning of LDBS. The unproductive use of credit arrests the repaying capacity of borrowers and makes them grossly indebted ultimately resulting in to discontinuance of the flow of credit to them. Timely repayment of loans is also a prerequisite for achieving efficiency. This is mainly because of the fact that the sub-branches of LDB, Bombay preponderantly depend upon State Co-operative LDB, Bombay and its branch in Sangli District for support in disbursing loans to the cultivators. When there is a gross failure of repayment on the part of borrowers entire capital structure becomes function less. Therefore, level of outstandings, recovery, overdues and utilisation of loans are useful indicators of evaluating the role of sub-branch of LDBs.

**5.2 UTILIZATION OF LOANS ISSUED BY LDB IN WALWA TALUKA:**

Doubts are often expressed regarding the judicious utilization of credit by farming community. It is

TABLE 5.1UTILIZATION OF LOANS ISSUED BY LDB, BOMBAY IN  
WALWA TALUKA (1979-80 to 1983-84 )

Rs. IN LAKHS

PRODUCTIVE UTILIZATION		MISUTILIZATION		TOTAL LONG TERM LOANS ISSUED	
NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT
1090	363.68 (99.91)	4	0.33 (0.09)	1094	364.01 (100)

Figures in brackets indicates percentage to total.

Source:-Compiled from the office records of the  
Sub-branches of LDB, Bombay in Walwa Taluka.

therefore necessary to study the nature extent of loans utilized by the agriculturists during the period under review. The productive utilization and misutilization of long term loans during the period from 1979-80 to 1983-84 has been presented in table 5.1. This table shows that about 99.91% of the total amount issued by sub-branches of LDB, Bombay in Walva Taluka was utilized for productive purposes, further, this table indicates that misutilization of long-term loans was very little during the period of reference. The proportion of misutilization of long-term loans to total loans was merely 0.09%.

Thus, the above analysis indicates that more than 99% of the total long-term loans issued in Walva Taluka by LDB were utilised for the purposes for which they were sanctioned, while less than 1% of the total long-term loans issued, were utilised for the purposes other than the one for which they were originally granted.

### 5.3 THE RECOVERY AND OUTSTANDINGS OF SUB BRANCHES OF LDB BOMBAY IN WALVA TALUKA:

Table 5.2 reveals the position of recovery and outstandings of the long term loans in Walva Taluka. Outstandings of the long term loans in Walva Taluka exhibited an upward trend from 319.8 lakhs in 1979-80 and 432.5 lakhs at the end of 1983-84, except in 1981-82, while recovery also showed an upward trend except in 1982-83. But the former slowly increased and the latter

TABLE 5.2

GROWTH RATE OF THE OUTSTANDINGS AND RECOVERY OF  
SUB BRANCHES OF LDB BOMBAY IN WALWA TALUKA  
 ( 1979-80 to 1983-84 )

Rs. IN LAKHS

YEAR	OUTSTAND- INGS	'GROWTH RATE	' LOANS RECOVERED	'GROWTH RATE
1979-80	319.86 (100)	-	47.50 (100)	-
1980-81	376.53 (117.72)	+17.72	58.53 (123.22)	+23.22
1981-82	333.59 (104.29)	-11.40	74.10 (156.00)	+26.60
1982-83	372.75 (116.54)	+11.74	69.39 (146.08)	-06.36
1983-84	432.52 (135.22)	+16.03	78.98 (166.27)	+13.82
AVERAGE GROWTH RATE		+8.52		+14.32

Figures in brackets indicate growth index.

Source: Compiled from the office records of the sub-  
 branches of LDB, Bombay in Walwa Taluka.

OUTSTANDING & RECOVERY OF L.D.B. IN WALWA TALUKA  
( 1979-80 TO 1983-84 )

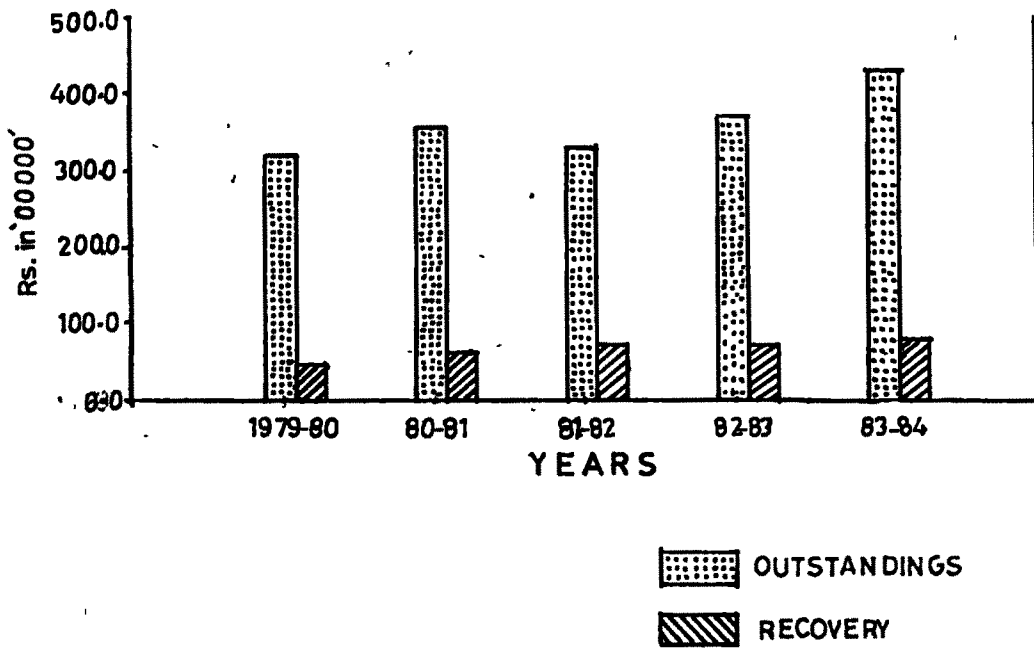


Fig. 5-1

rapidly increased during the period of reference.

Owing to substantial improvement in recovery, level of outstandings could not be increase rapidly. The total outstandings of LDB in Walva Taluka increased at the annual average growth rate of 8.52% from Rs.319.88 lakhs to Rs.432.52, lakhs during the period from 1979-80 to 1983-84, while recovery increased at the annual average growth rate of 14.32% from Rs.47.50 lakhs to Rs.78.98 lakhs during the same period.

#### 5.4: RECOVERY AND OUTSTANDINGS OF ASHTA SUB-BRANCH:

The data in table 5.3 shows the recovery and outstandings of loans of Ashta Sub-branch. The outstandings of Ashta sub-branch showed an upward trend, in that it was continuously went on increasing from Rs.62.33 lakhs to Rs.170.53 lakhs. The recovery of Ashta sub-branch ~~was~~ showed ~~xxxxxxx~~ a fluctuating trend. During the period of three years from 1979-80 to 1981-82 recovery of that sub-branch slowly went on increasing from Rs.14.12 lakhs to Rs.20.35 lakhs. However, during the subsequent period, it declined from Rs.20.25 lakhs to Rs.18.18 lakhs.

The outstandings of that sub-branch increased at the annual average growth rate of 31.40%. While recovery increased at the annual average growth rate of only 8.24%. Thus, the former rapidly increased and the latter slowly increased during the period under review. Owing to set back in recovery performance the level of outstandings in Ashta Sub-branch increased rapidly.

TABLE 5.3

GROWTH RATE OF THE OUTSTANDINGS AND RECOVERY OF  
LOANS IN ASHTA SUB BRANCH (1979-80 -1983-84)

Rs. IN LAKHS

YEAR	LOANS OUT- STANDING	GROWTH RATE	LOANS RECOVERED	GROWTH RATE
1979-80	62.33 (100)	-	14.12 (100)	-
1980-81	67.46 (108.23)	+8.23	20.22 (143.20)	+43.20
1981-82	78.03 (125.19)	+15.67	20.25 (143.41)	+0.15
1982-83	94.32 (151.32)	+20.88	18.62 (131.87)	-8.05
1983-84	170.53 (273.59)	+80.80	18.18 (128.75)	-2.36
ANNUAL AVERAGE GROWTH RATE		+31.40		+8.24

Figures in brackets indicates growth index.

Source: Compiled from the office records of Ashta  
Sub-branch.



TABLE 5.4

GROWTH RATE OF THE OUTSTANDING & RECOVERY OF  
LOANS IN ISLAMPUR NORTH SUB BRANCH (79-80 TO 83-84)

Rs. IN LAKHS

YEAR	LOANS OUTSTAND- INGS	GROWTH RATE	LOANS RECOVERED	GROWTH RATE
1979-80	*	-	*	-
1980-81	175.19 (100)	-	12.38 (100)	-
1981-82	161.18 (92.00)	-8.00	16.73 (135.14)	+ 35.14
1982-83	185.45 (105.86)	+15.06	24.59 (198.63)	+ 46.98
1983-84	186.65 (106.54)	+ 0.65	33.50 (270.60)	+ 36.23
ANNUAL AVERAGE GROWTH RATE		+ 2.57%		+ 39.45%

\* Islampur North sub-branch was not in existence in that year.

Figures in brackets indicates growth index.

Source: Compiled from office records of Islampur north-Sub-branch.

### 5.5: RECOVERY AND OUTSTANDINGS OF ISLAMPUR NORTH

#### SUB BRANCH:

Table No.5.4 indicates the interpretation about recovery and outstandings of Islampur North sub-branch. Both recovery as well as outstandings, except in 1981-82 exhibited an upward trend but the former rapidly increased and latter slowly rose during the period from 1980-81 to 1983-84. Recovery of this sub-branch increased at an average growth rate of 39.45% per annum from Rs.12.38 lakhs to Rs.33.50 lakhs while, outstandings increased at an average growth rate of only 2.57% per annum from Rs.175.19 lakhs to Rs.186.65 lakhs during the period from 1980-81 to 1983-84.

### 5.6 RECOVERY AND OUTSTANDINGS OF ISLAMPUR SOUTH SUB BRANCH:

Outstandings of Islampur South Sub-branch exhibited the downward trend, while recovery showed a fluctuating trend, during the period from 1979-80 to 1983-84 (Table 5.5) & The outstandings of that sub-branch went on decreasing at the annual average growth rate of (-) 24.49% from Rs.257.53 lakhs to Rs.75.34 lakhs during the period of study. The recovery of this sub-branch decreased from Rs.33.38 lakhs in 1979-80 to Rs.25.93 lakhs in 1980-81. However, it was rapidly increased upto Rs.37.12 lakhs during the year 1981-82. Further, during the period from 1981-82 to 1982-83 recovery was declined from Rs.37.12 lakhs to Rs.26.18 lakhs and again it was increased upto Rs.27.30 lakhs

TABLE 5.5

GROWTH RATE OF THE OUTSTANDING & RECOVERY OF  
LOANS IN ISLAMPUR SOUTH SUB BRANCH (79-80 TO 83-84)

RS. IN LAKHS

YEAR	'LOANS OUT- STANDING	'GROWTH RATE	'LOANS RECOVERED	'GROWTH RATE
1979-80	257.53 (100)	-	33.38 (100)	-
1980-81	133.88 (51.99)	-48.01	25.93 (77.68)	-22.32
1981-82	94.38 (36.65)	-29.50	37.12 (111.20)	+43.15
1982-83	92.98 (36.10)	-1.48	26.18 (78.43)	-29.47
1983-84	75.34 (29.25)	-18.97	27.30 (81.79)	+4.28
ANNUAL AVERAGE GROWTH RATE		-24.49%		-1.09%

Figures in brackets indicates growth index.

Source: Compiled from the office records of Islampur South  
Sub-branch.

in 1983-84. Recovery of that sub-branch declined at the annual average growth rate -1.09%. Thus the out-standings of Islampur South Sub-branch were rapidly declined and the recovery was slowly declined during the period under review.

5.7: PROPORTION OF RECOVERY TO DEMAND OF SUB BRANCHES OF LDB BOMBAY

IN WALVA TALUKA:

The proportion of recovery to demand from borrowers of LDB in Walva Taluka, during the period of reference is presented in table 5.6. During the period of three years from 1979-80 to 1981-82 the proportion of recovery to demand went on increasing from 48.76% to 68.64. During the subsequent period it was declined from 68.64% to 54.79%.

The proportion of recovery to total demand in Ashta Sub-branch exhibited a fluctuating trend during the period under review. During the period from 1979-80 to 1981-82 such proportion in that sub-branch increased from 44.25% to 64.82%. However, during the year 1982-83 it was declined up to 59.26%. Further, it was increased from 59.26% in 1982-83 to 62.50% in 1983-84. Thus, this proportion in Ashta Sub-branch remained below 64.82%.

The proportion of recovery to total demand in Islampur North sub-branch during the period from 1980-81 to 1981-82 increased from 62.72% to 72.87%. However during the subsequent period it was continuously went on decreasing upto 47.30%. Thus, during the period of reference this proportion in Islampur North sub-branch remained below 72.87%

The proportion of recovery to demand in Islampur South-sub-branch during the period from 1979-80 to 1980-81 declined from 54.36% to 52.82%. During the year 1981-82 it was rapidly increased upto 69.06%. However, during the period from 1981-82 to 1982-83 it was again declined from 69.06% to 61.64%. Further, during the year 1983-84 it was slightly increased upto 61.67%. Thus such proportion in Islampur South Sub-branch remained below 69.06%.

Above analysis, indicates that the recovery performance of LDB, Bombay in Walva Taluka was not satisfactory, as the recovery was remained below 68.64% and the average percentage of the recovery was below 57% during the period from 1979-80 to 1983-84. Out of the three sub-branches of LDB in Walva Taluka the recovery of performance of Islampur South Sub-branch was good as the average percentage of the recovery of that sub-branch was 59.91%, while the recovery position of Ashta-Sub branch was weak, as the average percentage of the recovery of that sub-branch was only 57.72% during the period of reference.

According to norms established by R.B.I. the recovery of LDBS should not be less than 84%. But the sub-branches of LDB Bombay in Walva Taluka did not reach to this standard.

#### 5.8: TRENDS IN OVERDUES OF SUB BRANCHES OF LDB BOMBAY IN WALVA TALUKA:

Table 5.7 reveals the trend in overdues of LDB, Bombay in Walva Taluka. Overdues of LDB in walva taluke exhibited a fluctuating trend during the period of study.

During the period of three years from 1979-80 to 1981-82, the overdues of LDB went on decreasing from Rs.45.81 lakhs to Rs.33.85 lakhs. As a result, the growth index of overdues declined from 100 to 73.89 during the same period. The overdues of LDB rapidly increased from Rs.33.85 lakhs in 1981-82 to Rs.65.20 lakhs in 1983-84. Therefore, the growth index of overdues increased from 73.89 to 142.33 during the same period. The annual average overdues of LDB in Walwa Taluka was Rs. 48.86 lakhs during the period of reference.

The overdues of Ashta Sub-branch was continuously went on decreasing except during the year 1982-83. During the period from 1979-80 to 1981-82, overdues of that sub-branch declined from Rs.17.79 lakhs to Rs.10.99 lakhs. However, during 1982-83 it was increased upto Rs.12.80 lakhs. Further, it was declined from Rs.12.80 lakhs in 1982-83 to Rs.10.91 lakhs in 1983-84.

The proportion of Ashta sub-branch in total overdues, remained in the range of 16.73% to 38.83%. The annual average overdues of Ashta sub-branch was Rs.13.45 lakhs.

The overdues of Islampur north sub-branch went on increasing except in 1981-82. During the period from 1980-81 to 1981-82. The overdues of that sub-branch decreased from Rs.7.36 lakhs to Rs.6.23 lakhs. However, during the subsequent period it was went on increasing from Rs.6.23 lakhs in 1981-82 to Rs.37.32 lakhs in 83-84. The proportion of that sub-branch to the total overdues

OVERDUES OF LAND DEVELOPMENT  
BANK IN WALWA TALUKA (1979-80 TO 1983-84)

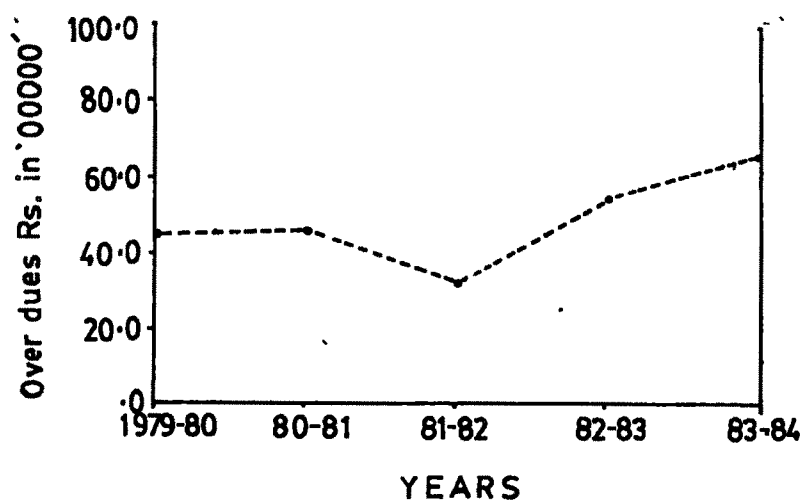


Fig. 5.2

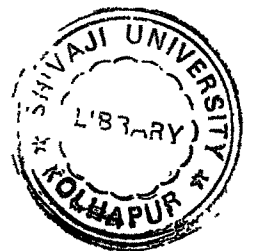


TABLE 5.7

TRENDS IN OVERDUES OF SUB BRANCHES OF LDB, BOMBAY IN WALWA TALUKA  
( 1979-80 TO 1983-84 )

YEAR	RS. IN LAKHS				GROWTH INDEX
	(A) ASHTA SUB-BRANCH AMOUNT OF OVERDUES	(B) ISLAMPUR NORTH, SUB-BR. AMOUNT OF OVERDUES	(C) ISLAMPUR SOUTH SUB-BR. AMOUNT OF OVER DUES	TOTAL A+B+C AMT. OF OVERDUES	
1979-80	17.79 (38.83)	*	28.02 (61.17)	45.81 (100)	100
1980-81	14.77 (32.61)	7.36 (16.25)	23.16 (51.14)	45.29 (100)	98.86
1981-82	10.99 (32.47)	6.23 (18.40)	16.63 (49.13)	33.85 (100)	73.89
1982-83	12.80 (23.64)	25.05 (46.27)	16.29 (30.09)	54.14 (100)	118.18
1983-84	10.91 (16.73)	37.32 (57.24)	16.97 (26.03)	65.20 (100)	142.33
ANNUAL AVERAGE OVER DUES	13.45 (27.53)	15.19 (31.09)	20.22 (41.38)	48.86 (100)	

\* Islampur north sub-branch was not in existence

Source: Compiled from office records of sub-branches of LDB Bombay in Walwa taluka.

Figures in brackets indicates percentage to total.



remained in the range of 16.25% to 57.24%. The annual average overdues of that sub-branch was Rs.15.19 lakhs.

The overdues of Islampur South sub-branch showed an decreasing trend during the period under review. During the period from 1979-80 to 1982-83 overdues of Islampur South Sub-branch consistently went on decreasing from Rs.28.02 lakhs to Rs.16.29 lakhs. However, during the subsequent year, it was slightly increased up to Rs.16.97 lakhs. The annual average overdues of that sub-branch was Rs.20.22 lakhs. and the proportion of that sub-branch in total overdues remained in the range of 26.03% to 61.17% during the period from 1979-80 to 1983-84.

Thus, overdues of LDB, Bombay in Walwa Taluka showed a fluctuating trend, during the entire period of study. Though the overdues of Islampur South sub-branch showed an decreasing trend, ~~at~~ the share of that sub-branch in total average overdues was more (41.38%) than other two sub-branches in Walwa Taluka. The share of Ashta Sub-branch in total average overdues was only 27.53%.

#### 5.9 : PROPORTION OF OVERDUES TO DEMAND OF LDB. IN WALVA TALUKA:

The proportion of overdues to demand from borrowers by LDB in Walva Taluka during the period from 1979-80 to 1983-84 is presented in table:5.8. During the period of three years from 1979-80 to 1981-82 the proportion of total overdues to the total demand in Walva Taluka went on decreasing from 49.09% to 31.36%. However, during

the subsequent period it showed an increasing trend, in it such proportion was increased from 31.36% in 1981-82 to 45.22% in 1983-84. The annual average of such proportion was 42.62%.

The proportion of overdues to demand in Ashta Sub-branch exhibited a fluctuating trend (table 5.8) during the period of reference. During the period of three years from 1979-80 to 1981-82 such proportion in that Sub-branch consistently declined from 55.75% to 35.18%. However, during the year 1982-83 it was increased upto 40.74% further during the period from 1982-83 to 1983-84 such proportion was declined from 40.74% to 37.50%. The average proportion of overdues to demand was 42.28% per year.

The proportion of overdues to demand in Islampur north Sub-branch, during the period from 1980-81 to 1981-82, declined from 37.28% to 27.13%. During the subsequent period such proportion was increased from 27.13% to 52.70%. The annual average of such proportion in that sub-branch was 41.89%.

The proportion of overdues to demand in Islampur South sub-branch showed a fluctuating trend, (Table 5.8) during the period of reference. Such proportion in that sub-branch, during the period from 1979-80 to 1980-81 was slightly increased from 45.64% to 47.18%. Further, during the year 1981-82 it was rapidly declined up to 30.94%. However, during the subsequent such proportion was again increased upto 38.33%. The average proportion

TABLE 5.8  
 PROPORTION OF OVERDUES TO DEMAND OF SUB-BRANCHES OF LDB BOMBAY IN WALWA TALUKA  
 (1979-80 to 1983-84)

YEAR	ASHTA		(R) ISLAMPUR NORTH		(C) ISLAMPUR SOUTH		TOTAL A+B+C				
	DEMAND	OVERDUES PERCENTAGE	DEMAND	OVERDUES PERCENTAGE	DEMAND	OVERDUES PERCENTAGE	DEMAND	OVERDUES			
1979-80	31.91	17.79	55.75	-	-	-61.40	28.02	45.64	93.31	45.81	
1980-81	34.99	14.77	42.21	19.74	7.36	37.28	49.09	23.16	47.18	103.82	45.29
1981-82	31.24	10.99	35.18	22.96	6.23	27.13	53.75	16.63	30.94	107.95	33.85
1982-83	31.42	12.80	40.74	49.64	25.05	50.46	42.47	16.29	38.36	123.53	54.14
1983-84	29.09	10.91	37.50	70.82	37.32	52.70	44.27	16.97	38.33	144.18	65.20
AVERAGE OVERDUES			42.28%			41.89%				40.09%	

Source: Compiled from the office records of sub-branches of LDB, Bombay in Walwa Taluka.

of overdues to demand in that sub-branch was 40.09%  
per annum.

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Thus, above analysis implies that the proportion of overdues to demand in LDB, Bombay, in Walwa Taluka remained above 42% during the period under review. Due to loans issued for wells and cows the total overdues of LDB in Walva taluka was increased considerably during the period of reference. Most of the wells in dry areas had failed and ultimately affected adversely the repaying capacity of borrowers. If these defaulting cultivators would have used to adopt double cropping pattern instead of taking cash-crops like sugar-cane, with the help of limited water which they had in their wells, the repaying capacity of that defaulting cultivators should have increased.

In case of cows the cost of maintaining dairy farming was increasing day by day as compared with the income from that business. Secondly it seems that the cows did not come on heat at proper time. This was resulted in increasing overdues of sub-branches of LDB in Walwa Taluka. The supervisors of those sub-branches were loaded with more work, therefore, they could not make concentrated efforts for recovery. There was also a great problems of wilful defaults.