ABSTRACT
PROBLEM OF OVERDUES IN DISTRICT CENTRAL COOPERATIVE BANK, RAIPUR OF CHHATTISGARH STATE : AN ECONOMIC ANALYSIS (PERIOD : 1991-92 to 2001-02)

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ABSTRACT

The present study was carried out with the aim to find out the extent of agricultural cooperative granted, distributed, repayment and extent and causes of overdues in cooperative credit in Raipur district during the period 1990-91 to 2001-02. For this study, District Central Cooperative Bank (DCCB), Raipur and three sampled Primary Agricultural Cooperative Credit Societies (PACSs) branches namely Mandir hasaud, Arang and Dharsiwa were considered. Two sub-branches in each selected PACSs branches were considered on the basis of maximum amount of overdues. A list of defaulter borrowers of six sampled PACSs sub-branches was taken and grouped in to small, medium and large farmers categories. Overall 15 per cent of defaulter borrowers were considered to the respective farm size categories. Two hundred sampled borrowers comprising of 106, 50 and 44 were selected under small, medium and large categories, respectively. The primary data pertaining to year 2001-02 were collected through personal interview with the help of pre-tested questioners from sampled borrowers on different aspects. The time series secondary data for the period of 1990-91 to 2001-02 were collected on various parameters like amount granted, distributed, repayment and overdues in DCCB/PACSs to assess the performance of selected PACSs and DCCB, Raipur.

All parameters under study have shown positive trend and the compound growth rate of above parameters was positive and highly significant over the period of study (1990 to 2001). Though higher growth rates of amount granted and distributed are good indication for better performance of
DCCB and sampled PACSs, significant and comparatively higher growth rates of repayment and overdues are warranted. The problem of overdues was the highest among the large farmers (61.56%) followed by medium farmers (52.89%) and small farmers (42.52%), while, maximum credit gap was observed in case of small farmers (21.72%). The main causes of overdues among the 200 sampled borrowers of the study area were misuse of the loan for consumption purposes (22%), non-remunerative price of their produce (21%) and attitude and policies of the Government (17%). The other causes of overdues were short periods of repayment (14%), influence of political leaders (12%), inadequate income (10%) and failure of crop (6%). The multiple regression analysis revealed that dependency ratio, the total income, land holding size, amount of loan borrowed and amount of loan repaid were the major factors which contributing the accumulation of overdues at the farmers level.

Thus, it can be inferred that DCCB and PACSs have an undisputedly important role in 3-tire federal cooperative credit structure since it is operating in a limited geographical area and is in direct touch with the rural masses to understand requirements of local people. However, in present environment of competition, bank should slightly mould their activities, and more emphasis should be given to income generating activities, effective credit disbursement, recovery campaign, curtailment of expenditure and efficiently mobilization of rural savings. This will help bank to reap benefits of better performance.

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