CHAPTER-III

REVIEW OF CO-OPERATIVE MOVEMENT IN MAHARASHTRA: SINCE INDEPENDENCE
3.1 Introduction:

The origin of co-operative movement in Maharashtra State (old Bombay province) dates back to 1882 when the first Urban co-operative bank (Anyonya Sahakari Mandali) was established at Baroda, "though phad system" in the Kolhapur was the from of an informal co-operative that existed much prior to that. The movement was formally introduced through all India co-operative societies Act 1904. The old Bombay province was considered as one of the leading states in co-operative. As a matter of fact the movement then was concerned primarily with agricultural credit.

3.2 Co-operative Movement in Maharashtra (Pre-Independence):

Maharashtra is one of the major states of India. It is also the most urbanised and industrialised state. Co-operative movement is widespread and has a long history in Maharashtra and even today it plays an important role in the economy of Maharashtra. The genesis of the co-operative movement in Maharashtra can be divided into following stages.
3.2.1 The Pre Co-operative Stage (1870-1903):

With the Deccan Agriculturists Relief Act, The Land Improvement Loan Act 1883 and the Agricultural Loans Act, the Nicholson Report.

3.2.2. The Initial Stage (1904-1911):

From the Agricultural Credit Co-operative Societies Act 1904 to the creation of the Bombay Central Co-operative Bank.

3.2.3. The Evolution Stage (1912-1924):

After the Co-operative Societies Act of 1912, the movement passed through a new phase of re-organisation: formation of Co-operative Financing Agencies, formulation of Co-operative Educational Schemes and organisation of Non-credit Societies.

3.2.4. The Stagnation Stage (1925-1947):

The enactment in 1925 of the Bombay Co-operative Societies Act widened the scope of the movement in Bombay province both horizontally as well as vertically. This Bombay Co-operative Insurance Society was established in the year 1930. In the same year the Co-operative Land Mortgage Bank was also formed for long term financing redemption of debts, land improvement and purchase of land.

3.2.5 Co-operative Leadership in Maharashtra:

Justice Ranade who thought of organising the first rural bank for agriculturist at Baramati in Pune district in 1883. Rao Bahadur, H. L.
Kazi, Sir Lallu Bhai Samaldas, Shri G. K. deodhar, Shri Bhaskarao Jadhav, Prof. D. G. Karve and many others led this movement in its infancy. These great leaders with their own social status were committed to the ideology and cared more for co-operative philosophy and principles and insisted upon observing them in practice. The state was fortunate in having leaders who followed them and were of equal commitment. Late Shri. V. P. Varde, R. G. Sarayya, M. B. Nanawati from the Urban elites and equally committed large number of co-operators from the rural areas.

This period laid the foundation stone for the future development of co-operatives in Maharashtra, which is giving this state still a leading position in the country.

The Bombay province to be the leader in the country even there after till "Maharashtra State" came to be established in May 1960. From 1947 to 1960 co-operative movement in this state had started its working in various fields.

During this period, attention was mainly given to the organisation to the rural societies. Government's officials were the main spring of the whole co-operative movement. In the districts, the registrar was to be assisted by the revenue officials in the organisational work. Naturally the organisation work suffered in the beginning, because of the absence of a separated and specially
trained staff. The keynote of this period was that the Government was almost the dictator of co-operation. Mr. C. S. Campbell (19**), the registrar, plainly admitted in his Annual Report for the year, 1906-07 that "in India we must be prepared for distortional co-operation" of course some non-financials came to be associated with the co-operative movement later on.

In 1946-47 attempts were made in the Bombay province to tap rural savings and attract deposits to co-operative credit societies. The objects of savings were threefold namely:

1. To assist the Government to fight inflation.
2. To provide the agriculturists, the artisan and other men of small means with resources necessary enable them to withstand the effects of possible economics depression and
3. To collect share capital and local deposits of co-operative institutions so as to make them less dependent on outside funds.

The Government of Bombay have adopted the policy of giving preference to the co-operative organisations in the rehabilitation of displaced persons, as suggested by the Government of India by the end of the year 1949-50, the number of such societies of displaced persons from Pakistan was 183.
The special feature of this period was the establishment of first
co-operative Sugar factory at Pravaranagar in Ahmednagar district by
Late Padmashree Vikhe Patil, also supported by Late Shri
Vaikunthbhai Mehta and internationally known economist Dr. D. R.
Gadgil within a couple of years, thereafter number of co-operative
Sugar factories came to be organized in different parts of the state. At
the same time number of other type of co-operative like housing,
forest labourers' co-operatives, artisans' co-operatives, consumers' co-operatives etc. were also established.

3.3. Co-operative Movement in the Maharashtra (After Independence):

3.3.1. The growth stage (1948-1961):

There was an all-round progress during these two decades after
India attained Independence from the British Rule. The movement
diversified especially in the rural area where sugarcane was grown.
The agriculturists pursued this concept of self-help and made the best
use of the credit facilities given to them for the production. Examples
like the Pravaranagar Sugar Co-operative inspired many to organise
co-operatives in the sugar sector with long-term goals in mind.
Significant changes had occurred at the grass root level. This was also
the period of emergence of rural leadership through co-operative
movement.
The Apex Bank also started to strengthen its organisation and the working of the secondary level central financing agencies. This was also the period where institutional foundation was strengthened.

3.3.2. The Diversification Stage (1962 onwards):

Expansion accompanied by extensive vertical (Fig. 3.1) and horizontal diversification embraced all fields of socio economic activity with gains varying from 2 to 6 times.

The State Government initiated policies and programmes to strengthen the co-operative effort. Some of the noteworthy features of the movement during this period were the increased mobilisation of resources, strengthening the co-operative effort in the sphere of agricultural production and the building of rural leadership.

The State Co-operative Bank also built up the necessary strength to provide support to the government programmes of intensive production and procurement of food grains, financing of sugar factories and other new industries in the co-operative sector to develop grass-root level leadership and bring about peaceful social economic changes.

The co-operatives have helped the rural economy of Maharashtra tremendously. It has been able and helps institutionalise the rural economy to a considerable extent.
Growth of Co-operative Societies in Maharashtra

Fig. 3.1
The Co-operative movement in Maharashtra has not only improved the lives of the people here but has made significant contribution to the economy of the State itself. Today Maharashtra is considered as the land of opportunities as it is one of the most developed states not only economically but also in terms of infrastructure. Without doubt a major credit goes to the Co-operative sector which has promoted and developed rural leadership, which can certainly be termed as the leadership of the masses has been involved in promoting the development of infrastructure in the state.

3.4. Classification of Co-operative sector in Maharashtra:

The Co-operative sector in Maharashtra can be classified in two ways:

A. Agricultural Societies
B. Non-Agricultural Societies

3.4.1 Agricultural Societies:

Since Agriculture is the prime activity and also an activity where co-operation can really support the poor and marginal farmers, these Co-operatives assume vast importance.

Obviously the first stage where the farmers need support is for purchase of seeds, fertilisers insecticides etc. Hence agriculture credit is the foremost priority.
Agricultural Credit:

The Co-operative agricultural credit structure in Maharashtra is a three-tier structure.

Short & Medium Term Credit

1. Long Term Credit
2. Central Co-operative Banks at district level
3. Primary Agricultural Credit Societies at Village Level

Long Term Credit

1. Mascard Bank
2. Branches at District Level
3. Sub Branches at Taluka

(MASCARD Bank is Maharashtra State Co-operative Agriculture And Rural Development Bank)
Thus the agricultural credit reached the farmers right up to their doorstep through the Primary Agricultural Credit Societies (PACS).

The Short-term loan is made available for a period of 12 to 15 months for meeting the cost of expenditure during the agricultural season. Medium term loan is given for a period of five years for the purchase of bullocks, carts, repairs to old wells etc. The Long Term Loans are granted for period exceeding five years mainly for sinking for wells, permanent fencing, purchase of land, purchase of heavy agricultural machinery like tractors etc. as well as for lift irrigation schemes.

The life of the farmers is full of problems viz. smallholdings, indebtedness, lack of irrigation facilities leading to low productivity. He is traditionally used to dealing with one single agency for satisfaction of all his credit requirements. Thus the local trader/ moneylender not only lends him money for his seeds, fertilisers, insecticides etc. but at times also provides these necessities to him. The trader/ moneylender also provides him credit for his household needs. And when the crops are harvested, the trader also markets the crops.

In their initial days the rural credit societies could not satisfy the needs of the farmers. They did not have enough funds or facilities to offer to the farmers. Thus the farmers continued to rely on the moneylenders and suffer.
Thus came the advent of multipurpose Co-operatives. However since the societies at the villages levels were small in size, they could not provide adequate services to their members. The Government there after gave financial assistance to these societies and thus increased their borrowing capacity. Crop Loan System has also been introduced.

The government has introduced various schemes to improve the economic conditions at the rural level.

1. Subsidy to Agricultural Credit Stabilisation fund
2. Contribution to Risk Fund
3. Share Capital Contribution
4. Loans to Co-operative Credit Societies for conversion of loans from Short Term to Medium Term.
5. Crop Production Incentive to agriculturists.

3.4.2 Non-agricultural Societies:

Co-operation works not only in the agriculture sector in Maharashtra but also in the non-agriculture. Considering the fact that Maharashtra is the most urbanised State of India it is but natural that Maharashtra co-operative should have a strong presence in the urban region as well.
The non-agricultural Societies are also present in the rural areas, as their activities are common to both urban as well as rural areas.

1. Credit Co-operative Societies:

There are several urban co-operative credit societies, which give credit to their members. These societies are organised at the grass-root level. There are Urban Co-operative Banks, which carry out regular Banking activities. These banks and credit societies join the District Central Co-operative Banks.

Besides there are also Co-operatives like the Salary Earners' Co-operative Societies, which form part of the co-operative credit system.

2. Industrial Societies:

Industrial Societies are organised by the artisans and workers to get employment and to create adequate facilities to carry on their trade. The Government gives assistance to such societies under various schemes. Over 306 societies have been organised as block level Village Artisans Multipurpose Co-operative Societies in the State.

Some of the facilities given by the government are contribution to share capital, financial assistance for tools and equipment, loans and subsidy for construction of godown, workshops etc.
3. Housing Societies:

Housing Societies are mainly an urban phenomenon. There are four types of housing societies.

A. Tenants' Ownership:

In the case where the land is owned by the society and the structure on the plot is owned by the members. Individual members are allotted plots by the co-operative to construct their houses. The society creates infrastructure and may also arrange the finance for the members.

B. Tenants' Co-partnership:

The land and the constructed structure are owned by the society and the members who are allotted the flats have the easement rights.

C. Builders' Co-operative:

Where the builder floats housing schemes and sells the flats. The buyers of the flats then organise a housing society. Such societies are merely service societies or maintenance societies.

D. House Mortgage Society:

House Mortgage Society provides loans to individuals having the piece of land anywhere in the area of its operation, for construction of houses. House Mortgage Society borrows money from various sources for this purpose.
E. Labour Contract Societies:

The Labour Contract Societies are organised mainly from the laboures whose sole source of livelihood is manual labour, as well small farmers, with a view to assure them gainful employment and adequate distribution of profit amongst themselves. Government has granted several concessions to these societies due to which most of these are in profit.

The main source of business for these societies is from the Public Works Department of the Maharashtra State. A technical Cell has been created to assist the Labour Co-operatives and their Federations and to act as a liaison with the Work Awarding Agencies.

In the year 1997-98 the Labour Contract Societies have executed works worth 3772.7 million Rupees.

3.4.3 Co-operative Marketing:

After providing financial assistance to the farmer by the Co-operative credit system, the second logical step is to provide the farmer marketing facilities to sell his produce.

The main object of the Co-operative marketing bodies is that the farmer should get fair value for his produce. His produce should be measured in a correct manner and that he should get his payments on time.
The Maharashtra State Agricultural Produce (Marketing Regulation) Act, 1963 was enacted to regulate the Agricultural Marketing. The Agriculture Produce Market Committees (Agricultural Produce Market Committees) were established under this Act and it also provides for setting up of the Maharashtra Agriculture Marketing Board. The post of Director of Agriculture Marketing is also envisaged under this Act.

The following functions come under the preview of Marketing.
1. Agriculture Produce Marketing Committees
2. Co-operative Processing Societies
3. Co-operative Marketing Societies

The farmers take their produce to their village level sale-purchase Co-operative Society. These societies ensure that the produce is weighted correctly and the farmer gets a fair price for his goods. These societies also ensure that deductions of loans extended to the farmer under various schemes are made and the farmer receives the balance amount speedily.

There are also similar Co-operative sale-purchase unions at the Taluka level and the District level. The district level Co-operative unions join the Maharashtra State Co-operative Marketing Federation. Thus there is an elaborate marketing set-up for marketing of
agriculture produce of the farmers. The Federation has over 5800 members and is owned funds in 1998 were 488.4 million Rupees on a share capital of Rupees 129.2 million.

There is also the Maharashtra State Co-operative Floriculture Development Board, which has begun exporting flowers on an experimental basis. Varieties of Roses, Gerbera and Jasmine are being exported.

Farmers' Co-operative Societies have been organised by farmers growing Grapes and Mangoes. About 25 such societies whose members are Grape growers have joined in a partnership called MAHAGRAPE. A similar such partnership has been created by the mango growers societies called MAHAMANGO. These Co-operative partnerships undertake the activity of marketing these fruits and also exporting them since Indian Mangoes are world famous.

3.4.3.1 Agricultural Processing Co-operative Societies:

After the farmer is provided with credit for agricultural activity, by the Co-operative agricultural credit system, by he may also require the help of processing his produce for value addition. Again the Co-operatives step in.

The agricultural processing societies provide means to employ rural capital and labour, securing reasonable returns to the primary producers. These societies are given assistance for setting up of
processing units of Agricultural Produce like Ginning and Pressing in case of cotton growers, Oil Mills, Rice Mills, Fruit and Vegetable units etc.

In the processing co-operatives it is essential to mention that the sugar co-operatives and the cotton ginning and processing co-operatives have done tremendous work.

Though much headway has not been done in the field of fruits and vegetable processing in the co-operative sector in Maharashtra, there exist a tremendous potential for the same.

3.4.3.2 Consumers' Co-operative Societies:

It is not just important for the co-operatives to just acquire raw goods as in the case of the Agricultural Societies. It is also necessary that the goods reach the final consumers and the consumers get the commodities at fair price, fair weight and fair quality. For this the co-operatives have the Maharashtra State Co-operative Consumers Federation at the top. This Federation controls the working of the Co-operative Consumer Societies, which supply goods in wholesale and are organised District wise. These wholesale Consumer Societies distribute the goods to Primary Co-operative Consumer societies whose outlets supply goods to local consumers.

Thus the marketing chain is complete.
3.4.3.3 Agricultural Produce Market Committees:

The Agricultural Produce Market Committees are the statutory bodies established under the provisions of the Maharashtra Agriculture Produce Marketing (Regulation) Act, 1963. These committees are mainly established to regulate the marketing of Agricultural Produce so as to avoid exploitation of the producers.

The Agricultural Produce Market Committees create the infrastructure for the agricultural markets in their operational areas at main market-yards and sub market-yards. At present there are 165 Agricultural Produce Market Committees and 572 sub-yards in Maharashtra State. There is programme to establish number of markets in Adivasi and backward areas of the state during the Ninth Plan Period.

3.4.3.4 Warehousing:

Though warehousing is not directly a function covered by the cooperatives, it is an essential infrastructure, which has been provided by the State Government. It is essential that agriculture produce should be stored.

The Maharashtra Warehousing Corporation Act provides for the setting up of warehouses to aid the farmers to store their agriculture produce. Besides the Warehousing Corporation the agriculture cooperatives provide for the storage facilities to members under the
provisions of the National Grid of Godown and the NCDC Godown Schemes.

The Government of Maharashtra has sanctioned a scheme for establishment of National Grid Godown. The main objective of the scheme is to meet the storage requirement of Agricultural Produce of particularly small and marginal farmers. The assistance is being made available to Agricultural Co-operative Societies, Agricultural Produce Marketing committees and Maharashtra State Warehousing Corporation.

The scheme envisages financial assistance up to 50% of the cost of the storage facility by the Central and State Government. This assistance is given in the form of subsidy.

3.4.3.5 Others:

The Government has also promoted certain special interest-group co-operatives like the woman's co-operative to promote economic growth of the women. Under the financial assistance scheme the Government contributes upto one hundred thousand Rupees as share capital, working capital and subsidy to the newly organised women's co-operatives.
3.5 Financial Structure and Composition in Maharashtra:

Maharashtra is one of the economically developed states in India. It is a highly industrialised state. The three groups of financial industries i.e. commercial banks, co-operative and other financial institutions are wide spread and have created their own place in Maharashtra.

Commercial banks works for trade, commerce and industry. These banks are sufficient to comply the needs of people at large. Other financial institutions are formed with specific objects and rendering their services to that particular area e.g. IDBI, ICICI, etc. co-operative banks and co-operative credit societies are serving for the common man and satisfy their needs.

3.5.1 District Central Co-operative Banks:

There are 30 such Banks in Maharashtra whose primary object is to provide for the credit requirements of the Primary credit societies. The first such secondary level Co-operative was registered in Mumbai in 1911 under the Government of India Act, 1904. Since then these Central Banks have laid the firm financial infrastructure for the Co-operative movement in Maharashtra.
Table 3.1

Progress of the District Central Co-operative Banks

(Rupees in millions)

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<tbody>
<tr>
<td>1. No. of Banks</td>
<td>35</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>0.00</td>
</tr>
<tr>
<td>2. Branches</td>
<td>---</td>
<td>3,147</td>
<td>3603</td>
<td>3775</td>
<td>16.64</td>
</tr>
<tr>
<td>3. Members</td>
<td>57,000</td>
<td>84,000</td>
<td>97000</td>
<td>103000</td>
<td>47.37</td>
</tr>
<tr>
<td>4. Share Capital</td>
<td>65.3</td>
<td>1,889.6</td>
<td>3365.5</td>
<td>4030.0</td>
<td>53.11</td>
</tr>
<tr>
<td>5. Deposits</td>
<td>264.7</td>
<td>31,994.0</td>
<td>71914.5</td>
<td>89242.4</td>
<td>64.15</td>
</tr>
<tr>
<td>6. Working Capital</td>
<td>609.3</td>
<td>48,349.2</td>
<td>103466.6</td>
<td>140234.3</td>
<td>65.52</td>
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<tr>
<td>7. Loan outstanding</td>
<td>436.1</td>
<td>30,783.6</td>
<td>65033.2</td>
<td>66913.8</td>
<td>54.00</td>
</tr>
<tr>
<td>8. Profit</td>
<td>5.0</td>
<td>171.4</td>
<td>596.2</td>
<td>555.5</td>
<td>69.14</td>
</tr>
</tbody>
</table>


** The fall in figure of banks in 1991 & 1995 is due to the reorganisation of the State I in 1961, which led to the reduction of the number Districts.

The table (table-3.1) shows that in 1961 the number of branches are observed 35 and to reorganisation of state number of districts reduced and the branches number came down to 30 which numbered unchanged upto the year 1998.

The number of branches in the year 1991 were 3147 and in 1996, it increased by 456. In the year 1998 the percentage of increase in
number of branches was 19.95% of 1991 that is base year. This increase in branches shows the need of these banks in society.

The total number of member in the year 1961 was 57000 while the members' number show tremendous increases i.e. 84,000, 97,000, 1,03,000 in the year, 1991, 1996 and 1998 respectively. The number of the members is increased by 47.37% of the member observed in the year 1991. The members welcome the District Central Co-operative Banks on so this increase have shown all over the years.

The share capital in the year, 1961 was only Rs. 65.3 millions which becomes Rs. 1889.6 millions in the year 1991. The amount of share capital in the year 1996 was Rs. 3365.5 millions which was 78.11% more than the year 1991. The share capital in the year 1998 became Rs. 4030 millions shown 19.74% increase than the year 1996. This increase in the amount of share capital is the evidence of successful working of District Central Co-operative Banks.

The amount of the deposits with the banks in the year 1961 was only Rs. 264.7 millions which becomes Rs. 31,994.0 millions in the year 1991. In the year 1996 the amount of deposit was RS. 71914.5 millions, which shows 124.77% increase more than in the year 1991. In the year 1998 the amount of deposit was Rs. 89242.4 millions which is 24.1% more than the year 1996. The deposits increased to large extent and in this way public level showed trust with the bank.
The working capital amounted to only 609.3 millions in the year 1961. In the year 1991 the amount of working capital was Rs 48349.2 millions and it amounted to Rs. 103466.6 millions in the year 1996 which is 114% more than year 1991. In the year 1998 the amount of working capital show Rs. 140234.3 million, which is 35.54% more than the year 1996. The progress in the working capital shows the more financial coverage of banking business.

The amount of outstanding loan in the year 1961 was Rs 436.1 millions and the same was Rs. 30783.6 millions in the year 1991. In the year 1996 the outstanding loan amounted to Rs. 62032.2 millions, which is 101.51% more than the year 1991. The outstanding loan in the year 1998 was Rs. 71,890 millions which is 7.88% more than the year 1996. The amount of outstanding loan shown increase and it requires speed in the process of recovery of loan.

The amount of profit in the year 1961 was Rs. 5.0 millions which becomes Rs. 171.4 millions in the year 1991. The profit amounted to Rs. 596.2 millions in the year 1996, which is 247.84% more than the year 1991. In the year 1998 the amount of profit was Rs. 555.5 millions which is 6.82% less than the year 1996. The amount of profit has shown increase regularly from 1961 to 1996. It is observed that the profit margin of the co-operative banks is being decline from the
year 1997. As profit is the index of efficiency in the financial organisations, the District Co-operative Banks are working efficiently.

3.5.2 The State Co-operative Bank:

The State Co-operative Bank, which is at the top of the credit structure, is also called the Apex Bank. Its functions are Co-ordinate and to guide the working of the Central Banks and to arrange re-finance for them. It thus acts like a supervisory body at the top and arranges to spread the Co-operative movement.

Table-3.2

The progress made by the Apex Bank

(Rupees in Millions)

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<tbody>
<tr>
<td>1. No. of Branches</td>
<td>20</td>
<td>43</td>
<td>45</td>
<td>44</td>
<td>2.33</td>
</tr>
<tr>
<td>2. Members</td>
<td>11,000</td>
<td>26,000</td>
<td>29,000</td>
<td>31,796</td>
<td>22.29</td>
</tr>
<tr>
<td>3. Share Capital</td>
<td>32.6</td>
<td>281.6</td>
<td>455.5</td>
<td>674.6</td>
<td>139.56</td>
</tr>
<tr>
<td>4. Deposits</td>
<td>215.3</td>
<td>20,936.2</td>
<td>36,085.2</td>
<td>76,494</td>
<td>265.37</td>
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<td>5. Loans Outstanding</td>
<td>374.2</td>
<td>21,731.4</td>
<td>31,189.4</td>
<td>50,430</td>
<td>132.06</td>
</tr>
<tr>
<td>6. Profit</td>
<td>2.0</td>
<td>68.6</td>
<td>101.5</td>
<td>-3,789.2</td>
<td>-5623.62</td>
</tr>
</tbody>
</table>

Source: Co-operative Movement at a Glance in Maharashtra, Government of Maharashtra.
The number of branches of the operative banks was 20 in the year 1961 (Table-3.2) which became 43 in the year 1991. It is increased by 13 branches than the year 1961. In the year 1995 the branches were 45 which showed increased by only 2 than the year 1991. In the year 1999 the number of branches were 44 which decreased in branches by one number. The state Co-operative Bank and its branches have been giving proper direction to co-operative field.

The number of members in the year 1961 were 1100 the same become 26000 in the year 1991, which shows tremendous increase in members by 15000 members than the year 1961. In the year 1995 the number of members became 29000 which shows 3000 increase in the number than the year 1995. The number became 31,796 in the year 1999, which denote the increase by 2796 numbers than the year 1995.

The amount of share capital in the year 1961 was Rs.32.6 millions and it amounted to Rs.281.6 millions in the year 1991, which is Rs. 248.6 millions more than the year 1961. In the year in the year 1995 the amount of the share capital was Rs. 455.5 which is Rs. 173.9 millions more than the year 1991. In the year 1999 the share capital amounted to Rs. 674.6, which shows Rs. 219.1 millions more than the year 1995. The amount share capital shows regular increase. The increase in share capital is useful to the bank to work more efficiently.

The amount of deposited in the year 1961 was Rs 215.3 millions and
the same amounted to Rs 20936.2 millions in the year 1991. The progress in amount of deposits denoted 20720.9 millions than the year 1961. In the year 1995 the deposits amounted to Rs. 36085.2 millions the increase in the deposits is of Rs. 15149 millions by the year 1991. The deposits amounted to Rs. 76494 millions which is Rs. 40408.8 millions. It is more than the year 1995. The deposits show regular increase, which is a good sign for the banks.

The amount of loans outstanding in the year 1961 was Rs. 374.2 millions and the same amounted to Rs. 21731.4 millions. The loan outstanding is increased by Rs. 21357.2 millions than the year 1961. In the year 1995 the outstanding loan was Rs. 31189.4 millions which is Rs. 9458 millions more than the year 1991. In the year 1998 outstanding loan was Rs. 50430 millions which is Rs. 19240.6 millions the increase in outstanding loan is observed from 1961 to 1999 continuously. To reduce outstanding loan regular recovery of loan is necessary.

The amount of profit in the year 1961 was Rs. 2.00 millions and the same amounted to Rs. 68.6 millions in the year 1991 which show Rs. 66.6 millions more than the year 1961. In the year 1995 the profit amounted to Rs. 10.5 millions which is Rs. 32.9 millions more than the year 1991.
3.5.3 The Maharashtra State Co-operative Agricultural and Rural Development Bank (MASCARD):

The MASCARD Bank floats debentures for making provision of long term loans to the member Banks. These debentures are purchased mainly by the State Government, however, it is necessary for it to create a strong asset base so that it can secure the loans raised by it.

Table-3.3

The progress made by the MASCARD banks

(Rupees in Millions)

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<tbody>
<tr>
<td>1. Members</td>
<td>8,000</td>
<td>10,21,000</td>
<td>11,38,000</td>
<td>11,90,195</td>
</tr>
<tr>
<td>2. Share Capital</td>
<td>5.1</td>
<td>543.6</td>
<td>780.5</td>
<td>986.3</td>
</tr>
<tr>
<td>3. Working Capital</td>
<td>74.6</td>
<td>8,371.0</td>
<td>11,631.4</td>
<td>14,502.1</td>
</tr>
<tr>
<td>4. Loans Advanced</td>
<td>21.5</td>
<td>1,243.8</td>
<td>1,366.2</td>
<td>10,078.9</td>
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<tr>
<td>5. Debentures Issued</td>
<td>35.0</td>
<td>1,022.6</td>
<td>1,458.0</td>
<td>39.5</td>
</tr>
<tr>
<td>6. Debenture Outstanding</td>
<td>53.6</td>
<td>5,510.7</td>
<td>8,495.0</td>
<td>10,411.3</td>
</tr>
</tbody>
</table>

Source: Co-operative Movement at a Glance in Maharashtra, Government of Maharashtra.

The table (Table-3.3) shows that the number of members in the year 1961 were 8000 and the same became 10,21,000 in the year 1991, which shows more increase by 1013000 members than the year 1961.
1961. In the year 1995 number became 11,38,000 which 1,17,000 members more than the year 1991. In the year 1999 the number of members became 11,90,195 which is 52,195 member more than the year 1995. The growth in the number of members is observed from 1961 to 1999. The growth in members shows the expansion of working of the bank in the public.

The share capital was Rs. 5.1 millions in the year 1961 and it amounted to Rs. 543.6 millions in the year 1991, which shows Rs. 538.5 millions increase more than the year 1961. In the year 1995 the amount of share capital was Rs. 780.5 millions which is Rs. 236.9 millions more than the year 1991. In the year 1999 the amount of share capital was Rs. 986.3 millions which is Rs. 205.8 millions more than the year 1995. The share capital is increased continuously from the year 1961 to 1991. The increase in share capital is essential for working at large.

The amount of working capital in the year 1961 was Rs. 74.6 millions and the same amounted to Rs. 8371.0 in the year 1991, which shows increase by Rs. 8296.4 millions than the year 1961. In the year 1995 the amount of working capital was Rs. 11631.4 millions, which is Rs. 3260.4 more than the year 1991. In the year 1999 the working capital amounted to Rs. 14502.1 which shows increase by Rs. 2870.7 millions than the year 1995. The working capital is essential for day to
day business. The increase is the natural need of bank for the satisfaction of customer.

The loan advanced in the year 1961 was Rs. 21.5 millions and it amounted to Rs. 1243.8 millions in the year 1991, which show increase by Rs. 1222.3 than the year 1961. The loan advanced in the year 1995 was Rs. 1366.2, which shows 122.4 millions more than the year 1991. In the year 1999 the loan advanced was Rs. 10078.9 millions which is Rs. 8712.7 millions more than the year 1995. The amount of loans advanced shows continuous increase from 1961 to 1999. The main function of the bank is to give loans and it is done satisfactorily.

The debentures issued in the year 1961 amounted to Rs. 1022.6 millions in the year 1991, this shows increase by Rs. 987.6 millions than the year 1961. In the year 1995 the debentures amounted to Rs. 1558.0 millions which is Rs. 436 millions more than the year 1991. In the year 1999 the debentures amounted to only Rs. 39.5 millions. The debentures are issued for raising the capital and to satisfy the financial needs.

The debentures outstanding in the year 1961 was Rs, 53.0 millions and it amounted to Rs. 5510.7 millions in the year 1991, which shows Rs. 5457.1 more than the year 1961. In the year 1995 debentures outstanding were of the Rs. 8495 millions which show Rs.
2984.3 more than the year 1991. In the year 1999, the debentures outstanding were Rs. 10411.3 millions which is Rs. 1916.3 more than the year 1995. The debentures outstanding show increase in Rs. 39.52 millions from 1961 to 1999. The debentures are the way to raise capital from general public, which is the best way for the bank.

The Government 'vide order No. LDB-1099/C.N.37/7-C' dated 29.12.1999 has bifurcated the Maharashtra State Co-operative Agricultural and Rural development Bank into 29 Districts Agricultural Co-operative and Multipurpose Rural Development Bank. There will be Apex Bank of these district banks called as Maharashtra State Co-operative Agricultural and Multipurpose Rural Development bank.

3.5.4 Commercial Banks:

We find that the commercial banks are concentrated in big cities and industrial belt in Maharashtra. The industrial belt of Pune, Bombay, Aurangabad has a large number Commercial banks while Vidarbha, marathwada and Konkan regions are undeveloped regions and therefore the number of branches of Commercial banks is comparatively less in these areas.


**Table-3.4**

Banking Dispersion in Maharashtra

<table>
<thead>
<tr>
<th>Population norm</th>
<th>Category</th>
<th>No of branches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upto 10000</td>
<td>Rural</td>
<td>2540</td>
</tr>
<tr>
<td>10000 to 100000</td>
<td>Semi-urban</td>
<td>820</td>
</tr>
<tr>
<td>100000 to 1000000</td>
<td>Urban</td>
<td>1082</td>
</tr>
<tr>
<td>Above 100000</td>
<td>Metropolitan</td>
<td>1172</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>5614</td>
</tr>
</tbody>
</table>


Branches of Scheduled Commercial banks as on 1.1.92

The table (table-3.4) indicates that the number of branches of scheduled bank in the rural area (up to the population 10,000) were 2540, which shows 45.24% of the total branches. In the semi-urban area (10,000 to 100,000 population) the branches of scheduled bank were 820, which indicate 14.60% of the total branches. In the urban area (the population from 1,00,000 to 10,00,000) the branches of scheduled banks were 1082 which shows 19.27% of the total branches. In the metropolitan areas (above 10,00,000 population) the number of branches were 1172, which indicates 20.87% of total branches. It is clear from the table, rural and metropolitan areas have more branches than the semi-urban area which is neglected, by the scheduled banks.
From this table it is clear that the bank branches are concentrated in metropolitan cities. They show significant growth in rural areas also. But semi-urban areas have remained neglected by commercial banks.

The following table indicates the region wise growth of commercial banks after the bank nationalisation in 1969 upto 1993.

Tabel-3.5

Inter-regional variations in Selected indicators

<table>
<thead>
<tr>
<th>Region</th>
<th>Population</th>
<th>Bank branches %</th>
<th>Deposit %</th>
<th>Credit %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Mumbai</td>
<td>13</td>
<td>21</td>
<td>75</td>
<td>78</td>
</tr>
<tr>
<td>Konkan</td>
<td>11</td>
<td>11</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Western Maharashtra</td>
<td>38</td>
<td>36</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>Marathawada</td>
<td>16</td>
<td>12</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Vidarbha</td>
<td>22</td>
<td>20</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>


Mumbai is the greatest region of all other regions. It has the population of 13% and bank branches are in the same region are 75% of the total deposits, the table further indicate 78% of the credit in the Greater Mumbai region.
The Konkan region has 11% population and 11% bank branches are observed in the same region while only 5% deposits shown in Konkan region and only 3% credit is allotted in the same region.

The Western Maharashtra region has 38% of the population and 36% branches of banks while deposits were 13% in the region at the same time credit is observed 12% of total credit.

The Marathwada region shows 16% population and 12% bank branches while only 2% deposits are there in the region and only 2% credit of total in there in the region.

The Vidarbha region shows 22% population and 20% bank branches in the region while only 5% deposits are collected from the region and only 5% credit provided in the region.

The overall performance of bank branches shows in balance in the state after nationalisation. The purpose of nationalisation is not served properly.

The commercial banks have extended Credit facilities to greater Bombay region in huge percentage on the contrary, other regions of Maharashtra are in need of more credit facilities from commercial banks.
3.5.5 Urban Co-operative Banks:

Co-operation is deeply rooted in Maharashtra. It has played a vital role in rural development, especially agricultural development. At present Primary credit co-operative societies are spread in almost all villages in Maharashtra. The need of rural credit in Maharashtra is fulfilled by the co-operative sector to substantial extent.

Urban co-operative banks are established in Urban and Semi-Urban areas. As compared to the other states in India there is better growth of these banks in Maharashtra out of 1251 Urban banks in India 400 banks in Maharashtra state alone. This means, nearly 35% of Urban co-operative banks are in Maharashtra. The position of Urban co-operative in Maharashtra on 30.06.1990 is shown below.

Table-3.6

The position of Urban co-operative in Maharashtra

(30th June 1990)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total no. of urban co-operative banks</td>
<td>386</td>
</tr>
<tr>
<td>Branches of these banks</td>
<td>1404</td>
</tr>
<tr>
<td>Members</td>
<td>42.5 lakhs</td>
</tr>
<tr>
<td>OWN Sources</td>
<td>347 crores</td>
</tr>
<tr>
<td>Deposits</td>
<td>4259 crores</td>
</tr>
<tr>
<td>Advances given</td>
<td>3341 crores</td>
</tr>
<tr>
<td>Annual turnover</td>
<td>5000 crores</td>
</tr>
</tbody>
</table>

The total number of urban co-operative banks (Table-3.6) are 386 in number. The urban co-operative banks show 1404 branches all over the Maharashtra. The number of members of urban co-operative bank are 42.5 lakhs. The members have covered the broad base to urban co-operative banks. The own sources of the banks amounts to Rs. 347 crores. This amount gives sound base for the banks. The deposits with these banks show amount of Rs. 4259 crores. The huge amount of deposit shows the faith of public with bank, which covers major part of the urban population. The advances given by the banks are of the Rs. 3341 crores. The needy people get the proper advances from the banks. The annual turnover of the bank show amount of Rs. 5,000 crores. The urban co-operative banks and their turnover show their utility in the society.

These banks are meeting the needs of Urban and semi-urban areas. But their number, size, annual turnover is insignificant as compared to the needs of Urban and semi-urban population.

3.5.6 The position of Urban-Credit / Non-agriculture co-operative societies in Maharashtra:

The following chart indicates the growth of urban credit co-operative societies.
Table-3.7

The growth of Urban Credit Co-operative societies

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban credit</td>
<td>1631</td>
<td>2966</td>
<td>5477</td>
<td>11293</td>
<td>136785</td>
<td>140858</td>
</tr>
<tr>
<td>co-operative</td>
<td>%</td>
<td>81.85</td>
<td>84.66</td>
<td>106.19</td>
<td>1111.23</td>
<td>2.98</td>
</tr>
<tr>
<td>societies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members</td>
<td>10.87</td>
<td>24.30</td>
<td>37.59</td>
<td>93.02</td>
<td>368</td>
<td>398</td>
</tr>
<tr>
<td>%</td>
<td></td>
<td>123.55</td>
<td>54.69</td>
<td>147.46</td>
<td>295.61</td>
<td>8.15</td>
</tr>
</tbody>
</table>


Maharashtra Co-operative at a Glance

In the year 1961 urban / non-agriculture co-operative credit societies were 1631 and there member were 10.87 lakhs. In the year 1971 the same societies became 2966 and members were 24.55 lakhs. The societies show 123.55% increases in number and 81.85% increase in members between the year 1961 to 1971 i. e. in 10 years.

In the year 1981 the number of societies were 5477 and members were 37.59 lakhs the number of members were increased by 54.69% than 1971 and number of societies increased by 84.65% than 1971.

In the year 1991 the number of societies were 11293 and members were 93.02 lakhs while the societies were 106.18% more than they were in the year 1981. The number of members were 147.45% more than in the year 1981.
In the year 1997 the number of societies were 1,36,785 and the members were 368 lakhs. The societies increased by 1111.23% within 6 years from the year 1991. The members increased by 295.61% in 6 years from 1991.

In the year 1998, the number of societies was 1,40,858 and members were 398 lakhs and societies were increased by 2.97% in only one year. The members were increased by 8.15% in only one year.

The continuous increase in societies and in members observed from 1961 to 1998. This huge development of societies shows the necessity of the societies.

3.5.7 The region wise progress of non-agriculture / urban co-operative societies as on 31.03.91.

In the Mumbai region there were 1462 societies and 6.51 lakhs members of Rs. 16.08 at the same time societies running loss were 103 (Table 3.8).

In the Nasik region there were 598 societies and they show 3.44 lakhs members in them. The own capital amounted to Rs. 13.92 lakhs in the societies. The societies running in profit were 351 where as the societies running in loss were 182.
Table-3.8

Region wise progress of Urban Non agricultural credit co-operative societies (31\textsuperscript{st} March 1991)

<table>
<thead>
<tr>
<th>Region</th>
<th>No of societies</th>
<th>Members in lakhs</th>
<th>Own capital in lakhs</th>
<th>Societies running in profit</th>
<th>Societies running in loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mumbai</td>
<td>1462</td>
<td>6.51</td>
<td>16.08</td>
<td>1129</td>
<td>103</td>
</tr>
<tr>
<td>Nasik</td>
<td>598</td>
<td>3.44</td>
<td>13.92</td>
<td>351</td>
<td>182</td>
</tr>
<tr>
<td>Pune</td>
<td>2187</td>
<td>9.72</td>
<td>32.14</td>
<td>1198</td>
<td>661</td>
</tr>
<tr>
<td>Aurangabad</td>
<td>231</td>
<td>0.73</td>
<td>1.78</td>
<td>110</td>
<td>105</td>
</tr>
<tr>
<td>Amaravati</td>
<td>121</td>
<td>0.45</td>
<td>1.51</td>
<td>74</td>
<td>.32</td>
</tr>
<tr>
<td>Nagpur</td>
<td>191</td>
<td>0.56</td>
<td>0.93</td>
<td>156</td>
<td>22</td>
</tr>
</tbody>
</table>


In Pune region the number of societies were 2187 and members 9.72 lakhs in them. The own capital in the societies amounted to Rs. 32.14 lakhs with them. The societies running in profit were 1198 and the societies running in loss were 661.

In the Aurangabad region the societies were 231 and members 0.73 lakhs in them. The own capital in the societies amounted to Rs. 1.78 lakhs. The societies running in profit were 110 and the societies running in loss were 105.
In the Amaravati region the societies were only 121 and members 0.45 lakh in them. The own capital in societies was Rs. 1.51 lakh. The societies in profit were 74 and societies in loss were 32.

In the Nagpur region the societies were 191 with 0.56 lakh members. The own capital in the societies amounted to Rs. 0.93 lakh. The societies running in profit were 156 and the societies running in loss were 22.

From the above table the Pune region shows highest growth of co-operative credit societies. Where as Amaravati region show very low progress in it. The Mumbai region is second largest number in societies and regarding overall performance. The Nasik region is in third number regarding the societies. Aurangabad and Nagpur region show low progress in the field of co-operative credit societies.

It can thus be concluded that co-operative credit organisations play a vital role in solving the financial problems of needy people in rural and semi-urban areas. This has resulted in the growth of co-operative credit Co-operative organisation, of which credit co-operative societies constitute a substantial part.
3.5.8 Comparative statistics of co-operative Societies in the state in 1998:

Table-3.9

Co-operative Societies in the state

<table>
<thead>
<tr>
<th>Sr. no.</th>
<th>Item</th>
<th>1996-1997</th>
<th>1997-1998</th>
<th>%during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Number of societies</td>
<td>136785</td>
<td>140858</td>
<td>3.00</td>
</tr>
<tr>
<td>2</td>
<td>Number of members (in lakh)</td>
<td>368</td>
<td>398</td>
<td>-8.2</td>
</tr>
<tr>
<td>3</td>
<td>Paid up share capital</td>
<td>4023</td>
<td>5201</td>
<td>29.3</td>
</tr>
<tr>
<td>4</td>
<td>Deposits</td>
<td>29043</td>
<td>35690</td>
<td>22.09</td>
</tr>
<tr>
<td>5</td>
<td>Advances (net)</td>
<td>16466</td>
<td>20833</td>
<td>26.5</td>
</tr>
<tr>
<td>6</td>
<td>Working capital</td>
<td>59085</td>
<td>70765</td>
<td>19.8</td>
</tr>
<tr>
<td>7</td>
<td>Number of societies in profit</td>
<td>45972</td>
<td>46786</td>
<td>1.8</td>
</tr>
<tr>
<td>8</td>
<td>Profit</td>
<td>709</td>
<td>810</td>
<td>14.2</td>
</tr>
<tr>
<td>9</td>
<td>Number of societies in loss</td>
<td>43063</td>
<td>43328</td>
<td>0.6</td>
</tr>
<tr>
<td>10</td>
<td>Loss</td>
<td>670</td>
<td>1357</td>
<td>102.5</td>
</tr>
<tr>
<td>11</td>
<td>Number of societies no profit no loss</td>
<td>2877</td>
<td>3845</td>
<td>33.06</td>
</tr>
<tr>
<td>12</td>
<td>No of societies whose position of profit or loss is not available</td>
<td>44873</td>
<td>46899</td>
<td>4.5</td>
</tr>
</tbody>
</table>

Source: Co-operative Movement at a Glance in Maharashtra, Government of Maharashtra.
The table gives comparative statistics in Maharashtra in 1998. Numbers of societies in 1996-97 were 13678 and 140858 in 1997-98 which shows 3% increase during the year.

The number of members in 1996-97 was 368 lakhs and 398 lakhs in the year 1997-98 which shows 8.2% increase during the year.

The paid up capital amounted to Rs.4023 in 1996-97 and Rs. 5201 lakh in the year 1997-98 which show 29.3% increase during the year.

The deposits amounted to Rs. 29043 lakh 1996-97 and Rs. 35690 lakh in 1997-98, which shows 22.09% increase during the year.

The advances amounted to Rs. 16466 in the year 1996-97 and 20833 in the year 1997-98, which show 26.5% increase during year.

The working capital is amounted Rs. 59085 in the year 1996-97 and Rs. 70765 in 1997-98, which is 19.8% more than 1996-97.

The number of societies in profit in the year 1996-97 was 47972 and 46786 in the year 1997-98, which indicates 1.8% increase during year.
The amount of profit amounted to Rs. 709 in 1996-97 and Rs. 810 in the year 1997-98, which indicates 14.2% increase in profit during the year.

The number of societies in loss in the year 1996-97 was 43063 and 43328 in the year 1997-98, which is 0.6% more than the year 1996-97.

The amount of loss in the year 1996-1997 was Rs 670 and Rs 1357 in the year 1997-1998, which is 102.5% more than the last year.

The number of societies observed with no profit no loss in the year 1996-97 were 2877 and 3845 in 1997-98, which is 33.06% more than 1996-97.

The number of societies whose position of profit of loss is not available was 44873 in 1996-97 and 46899 in 1997-98, which is 405% more than last year.

The number of societies show progress and the total member of members are also increased accordingly. All information regarding co-operative societies in Maharashtra show satisfactory growth and also indicate success achievement by co-operative societies. The loss making societies are not good for co-operative movement. The steps to reduce loss and efforts to earn profit are essential.
Table 3.10

Type and Growth of the Co-operative Societies

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Apex-and central Agri/non-Agri Credit.</td>
<td>39</td>
<td>31</td>
<td>34</td>
<td>34</td>
<td>34</td>
<td>34</td>
<td>87</td>
</tr>
<tr>
<td>2</td>
<td>Primary Agri. Credit</td>
<td>400</td>
<td>18577</td>
<td>19545</td>
<td>20137</td>
<td>19068</td>
<td>20534</td>
<td>5134</td>
</tr>
<tr>
<td>3</td>
<td>Non-Agri. Credit</td>
<td>1630</td>
<td>5474</td>
<td>11291</td>
<td>17671</td>
<td>10359</td>
<td>19862</td>
<td>1219</td>
</tr>
<tr>
<td>4</td>
<td>Marketing Co-operatives</td>
<td>344</td>
<td>423</td>
<td>931</td>
<td>1044</td>
<td>985</td>
<td>1055</td>
<td>307</td>
</tr>
<tr>
<td>5</td>
<td>Industrial Co-ops (Sugar factories, spinning mills etc.)</td>
<td>4306</td>
<td>14327</td>
<td>28954</td>
<td>41985</td>
<td>41985</td>
<td>37872</td>
<td>880</td>
</tr>
<tr>
<td>6</td>
<td>Service Co-operatives (consumer stores/ Housing etc.)</td>
<td>3846</td>
<td>21915</td>
<td>43845</td>
<td>58218</td>
<td>64354</td>
<td>67464</td>
<td>1754</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>31565</td>
<td>60747</td>
<td>104620</td>
<td>139089</td>
<td>136785</td>
<td>146641</td>
<td>465</td>
</tr>
</tbody>
</table>


It is observed in the table (table-3.10) that the progress of the co-operative movement in Maharashtra. The apex and central agriculture and non-agricultural credit institutions were 39 in 1961 and 31 in 1981. From 1991 to 1999 the number remained same i.e. 34.
The primary agricultural societies in the year 1961 were 21400 and 18577 in the 1981 while 19565 in the year 1991 the same became 20137 in the 1996, 19068 in 1997 and 20534 in the year 1999.


The marketing co-operatives in the year 1961 were 344, in 1981-423 and in 1991 931. The same were 1044 (1996), 985 (1997) and 1055 (1999).

The industrial co-operatives such as sugar factories, spinning mills etc. were 4306 in the year 1961, 1981 they were 14327 and 1991 28954. The same was 41985 in the 1996, in 1997 were 41985 and in 1999 were 37872.

The service co-operatives such as consumer stores, housing, etc were 3846 in the 1961, in 1981 they were 21915 and 1991 were 43845. The same was 58218 in the year 1996 while 64354 societies 1997 and in 1999, 67464 societies were established. Total co-operatives societies in 1961 were 31565, in 1981 the figure was 60747 and in 1991 total number was 104620. The total in the year 1996 was 139089 in 1997. It was 136785 and in 1999 the total societies were 146641.
The information given in the table (table-3.10) is indicates that progress of co-operative societies in the Maharashtra.

This table gives an idea about the progress of the co-operative movement in Maharashtra over the year.

Co-operative movement has been recognised as an effective instrument for the economic development of the rural masses and for improvement in the socio-economic condition of the underprivileged.

Since majority of the population of Maharashtra lives in the rural areas and is involved in agricultural activity, the Co-operative movement here assumes greater significance. Today we find that Co-operatives are found in almost all the pockets of Maharashtra and have been vastly successful in the overall improvement of the quality of life in the rural areas. This is a success of not only the people of Maharashtra but also of the Co-operative movement itself.