

CHAPTER-III

CAPITAL STRUCTURE AND SUPPLY OF SHORT
TERM LOANS BY PACCS IN WALWA TAHSIL

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CAPITAL STRUCTURE AND SUPPLY OF SHORT-TERM AND MEDIUM-TERM LOANS BY PACCS IN WALWA TAHSIL

In this chapter, the first section is concerned with capital structure of all PACCS in Walwa Tahsil, composition of working capital as well as share capital of all PACCS and composition of membership. The second section is devoted to supply of short-term loans by PACCS in Walwa Tahsil. Moreover, it discusses kind and cash components of short-term loans, supply of short-term loans according to size of land holding, share of weaker sections of farming community and supply of short-term loans according to amount. The third section deals with supply of medium term loans, classification of medium term loans according to size of land holding, share of weaker sections (particularly small and marginal farmers) and purpose-wise classification of medium term loans. The last section is devoted to trends in overdues in the case of both short-term as well as medium-term loans.

SECTION-I

Capital Structure of Primary Agricultural Co-operative Credit Societies in Walwa Tahsil

The capital structure of PACCS consists of owned funds and borrowed funds. Share capital and reserves from

the owned funds and deposits and loans from outside including from Central Co-operative Banks form the borrowed funds. The sum total is working capital.

Working capital per society in Walwa Tahsil amounted to Rs. 4.19 lakhs in 1979 (Table 3.1). It exhibited an upward trend during the period since 1979. Working capital per society stepped up continuously from Rs. 4.19 lakhs to Rs. 7.21 lakhs in 1982 (Table 3.1). However, it slightly declined to Rs. 7.13 lakhs during 1983.

Aggregate working capital of all societies increased invariably from Rs. 398.43 lakhs in 1979 to Rs. 684.90 lakhs in 1982 (Table 3.1). While during 1983, it went down to Rs. 676.98 lakhs. The decline in borrowings was the main factor causing working capital to decline in that year.

A) BORROWED FUNDS :

Borrowed funds constitute a major source of working capital of PACCS. However, deposit component of borrowed fund forms a very small part. As a result, deposits of primary agricultural credit society continued to remain insignificant during the period from 1979 to 1983. Aggregate deposits of all societies (95) showed following trends.

1) Aggregate deposits of all societies continued to remain at very low level amounting to less than Rs. 5.00 lakhs during the period under review (Table 3.1).

WALWA TALUKA

- TALUKA PLACE
- SELECTED SOCIETY'S VILLAGE
- ~ RIVER
- ROAD
- NATIONAL HIGHWAY
- ☐ SUGAR FACTORY

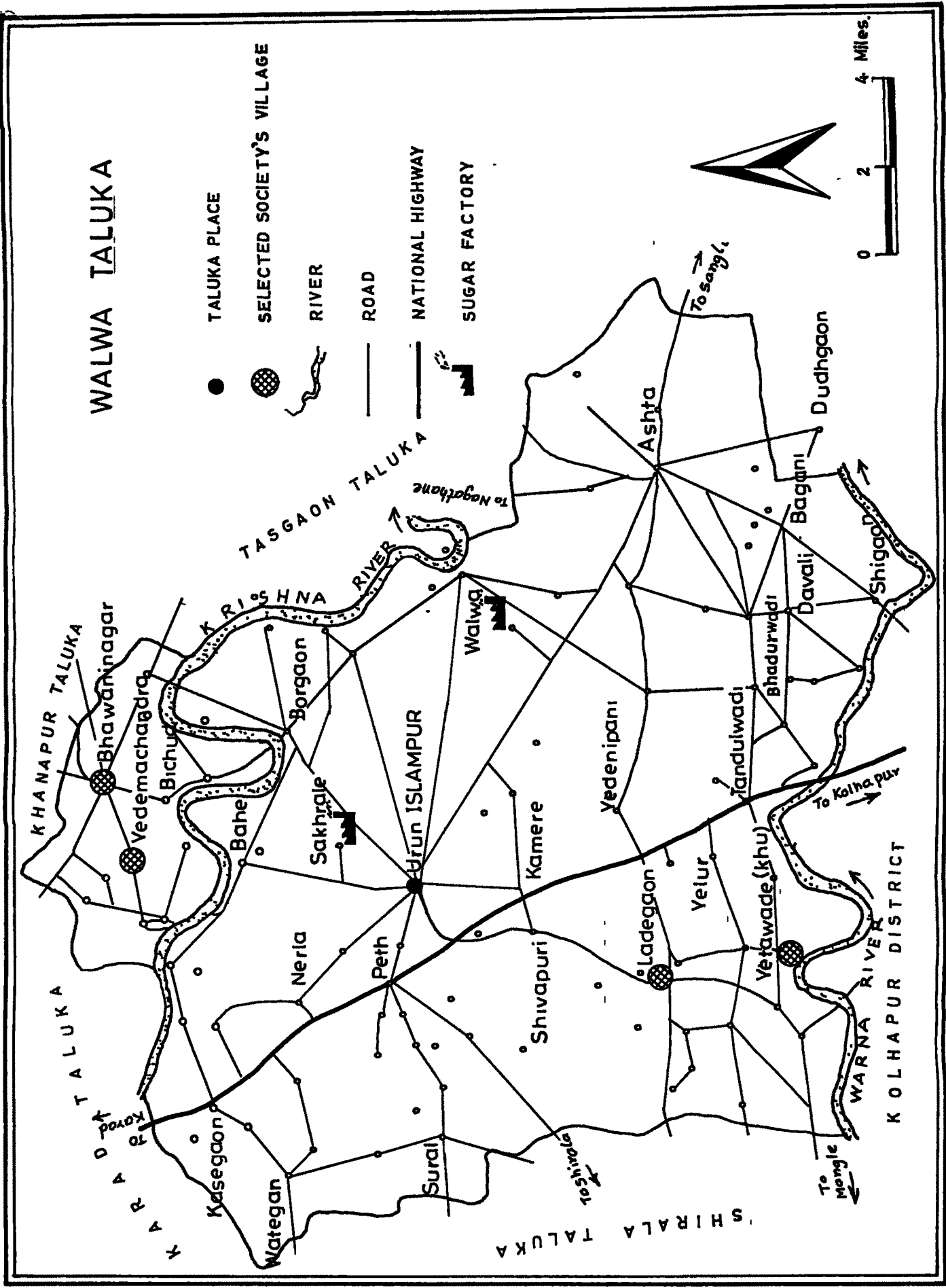
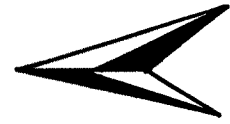


Table No. 3.1Composition Working Capital of all
PACCS in Walwa Tehsil

(Rupees in lakhs)

Particulars of	1979	1980	1981	1982	1983
Working Capital					
I) Share Capital	99.57 (24.99)	103.69 (24.51)	113.25 (21.07)	125.79 (18.37)	136.00 (20.1)
II) Reserves	24.58 (6.17)	26.30 (6.21)	27.36 (5.09)	29.29 (4.28)	31.44 (4.64)
III) Bad debts and other funds	18.10 (4.54)	19.37 (4.58)	21.18 (3.94)	22.72 (3.32)	24.96 (3.68)
IV) Deposits	4.62 (1.16)	4.29 (1.02)	3.04 (0.56)	3.32 (0.48)	4.51 (0.67)
V) Borrowings	220.58 (55.36)	233.05 (55.08)	335.17 (62.35)	459.87 (67.14)	430.72 (63.62)
VI) All other Liabilities	30.98 (7.78)	36.41 (8.60)	37.58 (6.99)	43.91 (6.41)	49.35 (7.29)
Total : I+II+III+ IV+V+VI	398.43 (100.00)	423.11 (100.00)	537.58 (100.00)	684.9 (100.00)	676.98 (100.00)
Working capital per society	4.19	4.45	5.66	7.21	7.13

Figures in brackets are percentages
of total.

2) Aggregate deposits of all societies in Walwa

Tahsil showed a downward trend during the period from 1979 to 1981 and then a upward trend during subsequent period. Deposits of all societies continuously declined from Rs.4.82 lakhs in 1979 to Rs. 3.04 lakhs in 1981. However, deposits of all societies slightly increased to Rs. 4.51 lakhs during the period since 1982 (Table 3.1). Consequently, share of deposits in working capital of all societies first continuously declined from 1.16% to 0.48% during the period from 1979 to 1982 and then increased to 0.67 during 1983.

Deposit mobilization requires not only the creation of confidence among the rural people in ^{the} safety of their funds but also assurance of higher returns. Societies in Walwa Tahsil failed to attract sufficient deposits during the period under review. Naturally, aggregate deposits of all societies accounted for only less than 1.16% of working capital in all years under review (Table 3.1).

Borrowings (an important component of borrowed funds) from Central Co-operative Banks continued to be ^{the} main source of working capital for Primary Agricultural Credit Societies in Walwa Tahsil. Aggregate borrowings of all societies stood at Rs. 220.58 lakhs during the year 1970 and persistently went-up to the level of Rs. 459.87 lakhs in subsequent period of three years from 1980 to 1982. However, borrowings slightly declined by Rs. 29 lakhs to Rs. 430.72 lakhs during the year 1983.

The percentage of borrowings to working capital remained more or less stagnant at 55 during the period of two years from 1979 to 1980. However, during the subsequent period since 1981, this percentage remained above 60 (Table 3.1). Borrowings of societies exhibited ^{the} following trends during the period. First borrowings constituted a single largest source of working capital for PACCS in Walwa Tahsil in as much as borrowing formed more than 55% of working capital during the entire period under review.

Second, borrowings of the societies continuously enhanced during the period except 1983. Only during 1983 borrowings slightly declined.

Third, the percentage of borrowings to working capital exhibited neither a downward trend nor a ⁿ upward trend during the period. On the contrary, it showed a fluctuating trend (Table 3.1). This indicates that the societies once borrowed failed to repay the borrowed amount within the stipulated period which impaired their capacity for further borrowings during some years.

B) OWNED FUNDS :

Reserves formed a small part of working capital of all societies as the proportion of the former to latter continued to remain less than 6.22 percent during the period under review. Reserves of all societies continuously

increased from Rs. 24.58 lakhs to Rs. 31.44 lakhs during the period from 1979 to 1983. However, percentage of reserves to working capital declined during the period of two years from 1981 to 1982 (Table 3.1).

The paid-up share capital is the major part of owned funds of societies. The share capital of the PACCS in Walwa Tahsil continuously went on increasing from Rs. 99.57 lakhs to Rs. 136.00 lakhs during the entire period under review (Table 3.1). However, its proportion to working capital persistently declined from 24.99% in 1979 to 18.37% in 1982 and then it increased to 20.1% during 1983 (Table 3.1). The decline in aforesaid proportion was mainly due to the fact that borrowings, constituting a sizable proportion of working capital, increased more rapidly than share capital during 1979-1982. However, during 1983, borrowings slightly declined; while share capital of societies increased. Naturally, the proportion of share capital to working capital increased from 18.37% to 20.1% during the year 1983.

The share capital of the societies comprises the share capital contribution of members and that of State Government. The share of the former in paid up share capital of the societies continued to remain above 98% during the period under review (Table 3.2). Moreover, the share capital contribution of members increased continuously

Table No. 3.2

Composition of Share Capital of all
PACCS in Walwa Tahsil

Year	Share Capital of Members		Government Contribution		Total Share Capital Amount in Rs. lakhs
	Amount in Rs. lakhs	% of Total	Amount in Rs. lakhs	% of Total	
1979	98.20 (100)	98.62	1.37 (100)	1.38	99.57 (100)
1980	102.19 (104.06)	98.55	1.5 (109.48)	1.45	103.69 (104.14)
1981	112.35 (114.4)	99.21	0.9 (65.69)	0.79	113.25 (113.74)
1982	125.01 (127.3)	99.36	0.8 (58.4)	0.64	125.81 (126.35)
1983	134.55 (137.01)	98.93	1.45 (105.84)	1.07	136.00 (136.58)

Figures in parentheses denote growth index.

while share capital contribution of State Government did not increase continuously. Infact, it declined during some years (Table 3.2). The growth index of the share capital from members went-up from 100 to 137.01 during the period (Table 3.2). While growth index of share capital contribution of Government increased slowly from 100 to 105.84 during the same period. The large increase in share capital of members was mainly due to linking of members' borrowings to the share holdings of societies. Since both the contribution of members as well as that of Government increased during the period, total share capital of the societies exhibited an upward trend and its growth index stepped up continuously from 100 to 136.58 during the period under review (Table 3.2).

The aforesaid analysis implies the following facts :

- i) The share capital of members accounts for a major part of total share capital of the societies. Consequently its proportion to total share capital remained above 98% during entire period under review.
- ii) The share capital contribution of State Government remained at low level. Therefore,

it accounts for a small part of total share capital of the societies. Consequently its proportion to total remained below 2% during the same period (Table 3.2).

- iii) The share capital contribution of members exhibited an upward trend, while the share capital contribution of the State Government exhibited a fluctuating trend. Since the former formed a large part of total share capital as compared to the latter, the total share capital of the societies showed an upward trend during the period under review.

Composition of Membership of PACCS in Walwa Tahsil

Table No. 3.3 reveals that Primary Agricultural Co-operative Credit Societies in Walwa Tahsil gave adequate membership to small and marginal farmers. As far as farmer members having land holding upto ^{one} 1 hectare are concerned, it appears that though their number and growth index increased respectively from 13,365 to 14,039 and from 100 to 123.53 during the period under review, their proportion to total membership showed neither a ⁿ increasing trend nor a decreasing trend. Contrarimise, it showed a fluctuating trend (Table 3.3). The portion of members having land

holding upto 1 hectare to total members remained above 30% throughout the entire period. Similarly ^{the} number of members having land holding from 1 hectare to 2 hectares increased continuously from 7,055 to 8,740 and consequently growth index went up from 100 to 124 during the period from 1979 to 1983 (Table 3.3). However, their proportion to total membership exhibited ^{the} following trends.

- i) The proportion of members having land from 1 hectare to 2 hectares to ^{the} total membership increased from 19.85% to 23.4% during the period from 1979 to 1981 and during the subsequent period of two years, it slightly went down from 23.4% to 21.59%.
- ii) During the entire period, the proportion of members from 1 hectare to 2 hectares to total membership continued to remain above 20%.

Landless labours also could be able to get adequate representation in membership of PACCS in Walwa Tahsil. Membership of landless labours ^{ers} and its growth index stepped up respectively from 7,351 to 8,071 and from 100 to 110 during the period under review. However, their proportion to total membership continuously declined year after year except 1982. Though ^{the} proportion went on declining, it remained above 18% during all years.

TABLE 3.3

COMPOSITION OF MEMBERSHIP OF PACCS IN WALWA TAHSIL

Year	Up to 1 hectare		1 to 2 Hectares		Above 2 hectares		Landless Labourers		Total	
	Members	Percentage to Total	Members	Percentage to Total	Members	Percentage to Total	Members	Percentage to Total	Members	Percentage to Total
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
1979	11365 (100.00)	31.97	7055 (100.00)	19.85	9776 (100.00)	27.5	7351 (100.00)	20.67	35,547 (100.00)	100.00
1980	11011 (96.88)	30.65	7353 (104.22)	20.47	10243 (104.77)	28.52	7312 (99.47)	20.36	35919 (101.04)	100.00
1981	12059 (106.00)	33.04	8542 (120.73)	23.4	9013 (92.19)	24.69	6885 (93.66)	18.86	36499 (102.68)	100.00
1982	12416 (109.2)	31.67	8543 (121.10)	21.79	9101 (93.09)	23.21	9145 (124.40)	23.33	39205 (110.29)	100.00
1983	14039 (123.53)	34.65	8746 (123.97)	21.59	9656 (98.77)	23.83	8071 (109.79)	19.92	40512 (113.96)	100.00

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Figures in the bracket represent growth index.

Number of members having land holding above 2 hectares (rich farmers) decreased from 9,776 to 9,656. Consequently growth index declined slowly from 100 to 98.77. Owing to decline in growth index, their proportion to total membership went down from 27.5% to 23.83% during the period under review (Table 3.3).

Therefore, it may be concluded that marginal and small farmers and landless labourers together accounted for from 75% to 80% of the total membership of the PACCS in Walwa Tahsil, while big farmers having land holding above 2 hectares accounted for only less than 25% of the total membership during the period under review.

SECTION-II

Supply of Short-term Loans

Primary Agricultural Credit Societies in Walwa Tahsil supply both short-term as well as medium term loans. Generally short-term loans are issued for a variety of purposes such as seasonal agricultural operations, purchase of agricultural implements, marketing of crops, processing of agricultural produce, industrial purpose, consumption and other purposes.¹

Total loans and advances made by PACCS in Walwa Tahsil increased from Rs. 172.45 lakhs to Rs. 411.58 lakhs

Table No. 3.4Supply of Total Loans by All PACCS in
Walwa Tahsil

Year	Short-term Loans		Medium-term Loans		Total
	Amount in Rs. lakhs	% of Total	Amount in Rs. lakhs	% to Total	Amount in Rs. lakhs
1979	144.86 (100)*	84.00	27.59 (100)*	16.00	172.45 (100)*
1980	161.52 (115.5)*	82.87	33.39 (121.02)*	17.13	194.91 (113.02)*
1981	194.29 (134.12)*	63.97	109.41 (396.56)*	36.03	303.7 (176.11)*
1982	283.18 (195.48)*	68.80	128.4 (465.38)*	31.20	411.58 (238.66)*
1983	281.97 (194.65)*	87.66	39.69 (143.85)*	12.34	321.66 (186.52)*

*Figures in parentheses denote growth index.

during the period from 1979 to 1982. As a result, growth index of total loans increased from 100 to 238.66 during the same period (Table 3.4). However, during 1983 total loans and advances issued by PACCS and growth index perceptibly declined respectively from Rs. 411.58 lakhs to Rs. 321.66 lakhs and from 238.66 to 186.52 owing to decrease in both short-term as well as medium term loans. during 1983, medium term loans rapidly declined as compared to short-term loans.

Total loans consist of short-term loans and medium term loans. Supply of short-term loans by PACCS in Walwa Tahsil showed an upward trend during the period from 1979 to 1982 in that short-term loans and its growth index continuously increased respectively from Rs. 144.86 lakhs to Rs. 283.18 lakhs and from 100 to 195.48. However, during 1983, both short-term loans and its growth index slightly declined. The former and the latter declined respectively to Rs. 281.97 lakhs to 194.65 (Table 3.4).

Supply of medium term loans increased more rapidly as compared to short-term loans during the period from 1979 to 1982 in that amount of medium term loans and its growth index rapidly increased respectively from Rs. 27.59 lakhs to Rs. 128.4 lakhs and from 100 to 465.38 (Table 3.4). Moreover, during 1983, ^{the} supply of medium term loans declined more rapidly as compared to short-term loans.

Generally, ^{the} magnitudes of short-term loans and medium-term loans determine the level of total supply of loans. The composition of total loans supplied by PACSS in Walwa Tahsil showed ^{the} following features.

First, amount of short-term loans continued to form a large part of ^{the} total supply of loans; while that of medium term loans formed a small part of ^{the} total loans (Table 3.4).

Second, during the period of 3 years from 1979 to 1981, the proportion of short-term loans to total loans continuously declined from 84% to 64%. On the contrary, the proportion of medium term loans to total loans continuously increased from 27.59% to 36.03% during the same period (Table 3.4).

Moreover, during the subsequent period of two years (from 1982 to 1983) ^a reverse trend took place in that ^{the} proportion of short-term loans to ^{the} total loans increased from 64% to 87.66%; while the proportion of medium term loans to total loans perceptibly declined from 36.03% to merely 12.34% during the same period (Table 3.4).

Third, during the entire period under review, the proportion of short-term loans to total remained between 64% and 87%; while the proportion of medium term loans to total remained in the range from 12.34% to 36%.

Total Members and Borrowing Members
of PACCS in Walwa Tahsil :

All members did not borrow from PACCS in Walwa Tahsil. Though the total members of PACCS exhibited an upward trend, ^{the} borrowing members showed a fluctuating trend. Consequently, the proportion of borrowing members to total members remained less than 32.82% (Table 3.5) during ^{the} entire period under review. The proportion of borrowing members to total members declined from 31.71% in 1979 to 28.14% in

Table No. 3.5

Proportion of borrowing Members to
Total Members in Walwa Tahsil

Year	Number of borrowing members	Number of total members	Percentage of borrowing members to total
1979	11,273	35,547	31.71
1980	10,107	35,919	28.14
1981	11,979	36,499	32.82
1982	11,836	39,205	30.19
1983	12,120	40,512	29.92



1980. However, during 1981, it perceptibly increased to 32.82% owing to ^a large increase in borrowing members in relation to total members. The proportion of borrowing members to total members slowly declined from 32.82% to 29.92% during the period since 1981 due to ¹¹ rapid increase in membership of these societies (Table 3.5).

Forms of Short-term Loans :

Primary Agricultural Credit Societies made loans and advances in two forms :

- i) In cash form to meet expenses of seasonal agricultural operations.
- ii) In kind form such as fertilizers, pesticides etc.

During the year 1979, of the total short-term loans of Rs. 144.86 lakhs, an amount of Rs. 76.42 lakhs was made in cash and an amount of Rs. 68.44 lakhs was made in kind (Table 3.6). ~~The~~ Table 3.6 reveals that cash component formed 52.75% of the total short-term loans and kind component accounted for 47.25% of the total short-term loans during 1979.

The proportion of loans made in cash component to total short-term loans continuously declined from 52.57% in 1979 to 40.54% in 1982. While during 1983, it slightly increased to 43.45% (Table 3.6).

On the contrary, the proportion of loans made in kind component to total short-term loans persistently went up from 47.25% in 1979 to 59.46% in 1982. While during 1983, this proportion appeared to ^{have} be declined to 56.55% (Table 3.6).

The proportion of cash component to total short-term loans exceeded that of kind component during the period from 1979 to 1980; while during the subsequent period since 1981, composition of short-term loans underwent a change in that the proportion of kind component to total short-term loans remained above that of cash component (Table 3.6).

Financing for Weaker Sections :

Following the recommendation made by the National Commission on Agriculture, a shift in emphasis in respect of distribution of the fruits of the cooperative movement in favour of small and marginal farmers has become a feature of considerable interest in recent period. The small farmers continued to be defined in terms of land holding of 5 acres or less of dry land or 2.5 acres of Class I irrigated land as specified in the land ceiling legislation. Marginal farmers in terms of land holding were defined as those having 2.5 acres or less of dry land or 1.25 acres of class I irrigated land.²

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TABLE 3.6

COMPONENTS OF SHORT-TERM LOANS
ISSUED BY ALL PACCS IN WALWA TAHSIL

(Amount in Rs. lakhs)

Year	Cash	Kind	Total
1979	76.42 (52.75)	68.44 (47.25)	144.86 (100.00)
1980	84.28 (52.18)	77.25 (47.82)	161.53 (100.00)
1981	85.85 (44.18)	108.45 955.82)	194.30 (100.00)
1982	114.81 (40.54)	168.37 (59.46)	283.18 (100.00)
1983	122.35 (43.45)	159.22 (56.55)	281.97 (100.00)

*Figures in parentheses denote percentage.

In order to ascertain ^{the} share of weaker sections of farming community in total short-term loans, it is pertinent to take into consideration the classification of short-term loans issued by PACCS according to the size of land holding.

Short-term loans issued according to the size of holding showed that out of the total loans issued at Rs. 144.86 lakhs during 1979, loans to landholders upto 1 hectare (marginal farmers) accounted for Rs. 7.02 lakhs or 4.85% of the total loans issued during 1979 (Table 3.7). Though the proportion of borrowing farmers having holding upto 1 hectare to total borrowing members was perceptible accounting for 28.2% during 1979, the share of this category of members in total short-term loans accounted for only 4.85% during the same year.

As far as small farmers are concerned, their share in total short-term loans accounted for 6.38% during 1979 (Table 3.7). This category of farmers obtained a higher share as compared to marginal farmers. However, the proportion of borrowing small farmers to total borrowing members stood at 16.45% during the same year.

The proportion of borrowing farmers having holding from 2 hectares to 4 hectares to total borrowing members stood at 23.62% during 1979. However, this category secured

Table No. 3.7Short-term Loan Disbursement to
Different Categories of Members

Particular	(Rupees in Lakhs)				
	1979	1980	1981	1982	1983
A) <u>Farmers upto 1 hectare</u>					
1) No. of Farmers	3179	1485	3687	3662	3536
2) % of Members to total	28.2	14.69	30.78	30.94	29.17
3) Amount of loan disbursed	7.02	9.25	31.70	38.06	63.96
4) % of loan to total	4.85	5.73	16.32	13.44	22.68
B) <u>Farmers from 1 hectare to 2 hectares</u>					
1) No. of Farmers	1855	1672	3635	3138	3732
2) % of Members to Total	16.45	16.54	30.34	26.51	30.79
3) Amount of loan disbursed	9.25	13.45	56.93	80.32	65.48
4) % of loan to total	6.38	8.33	29.40	28.36	23.22

Table No. 3.7 (Contd...)

Particular	1979	1980	1981	1982	1983
D) Farmers from 2 hectares to 4 hectares					
1) No. of Farmers	2663	4376	2729	3638	3256
2) % of Members to total	23.62	43.30	22.78	30.74	26.86
3) Amount of loan disbursed	24.36	35.99	56.99	102.42	99.06
4) % of loan to total	16.82	22.28	29.33	36.17	35.13
D) Farmers from 4 hectares to 8 hectares					
1) No. of Farmers	3211	2159	1819	1231	1214
2) % of members to total	28.48	21.36	15.18	10.40	10.02
3) Amount of loan disbursed	72.70	71.09	43.09	47.81	40.02
4) % of loan to total	50.19	44.01	22.18	16.88	14.19
E) Farmers above 8 hectares					
1) No. of Farmers	365	415	109	167	382
2) % of Members to total	3.24	4.11	0.91	1.41	3.15
3) Amount to loan disbursed	31.53	31.74	5.58	14.57	13.45
4) % of loan to total	21.76	19.65	2.87	5.15	4.77
F) <u>All</u>					
1) No. of Farmers	11273	10107	11979	11836	12120
2) Amount of loan disbursed	144.86	161.52	194.29	283.18	281.97

a perceptible share in total short-term loans which accounted for 16.82% during the same year (Table 3.7).

The farmers having holding from 4 hectares to 8 hectares claimed a largest share as much as 50.19% in total short-term loans during 1979. However, their proportion to total borrowing members formed 28.48% during the same year.

Borrowing farmers above 8 hectares were small in number amounting to 365. As a result, their proportion to total borrowing members accounted for only 3.24%. However, the share of this category in total short-term loans was about 21.76% during 1979.

The table 3.7 reveals that sharp changes took place in short-term loan disbursement to different categories of members during the subsequent period since 1980.

First, though the proportion of borrowing farmers having holding upto 1 hectare to total borrowing members exhibited a fluctuating trend, the share of this category of farmers (i.e. marginal farmers) in total short-term loans continuously increased to the extent of 22.68% from merely 4.85% during the period under review mainly owing to increased efforts of PACCS in Walwa to the financing of weaker sections of the farming community. However, during 1982, the share of marginal farmers slightly declined to 13.44% (Table 3.7).

Second, the share of small farmers having holding from 1 hectare to 2 hectares rapidly increased from 6.38% in 1979 to 29.33% in 1981. However, during subsequent period, their share in total short-term loans slowly went down to 23.22% (Table 3.7). Though, the share of this category declined, it remained at an adequate level.

Third, the share of rich farmers in total short-term loans continuously declined during the period under review in that the shares of borrowing farmers having holding from 4 hectares to 8 hectares and above 8 hectares persistently declined steeply respectively from 50.19% to 14.19% and from 21.76% to merely 4.77% during the period under review (Table 3.7).

Thus, more than 40% of the short-term loans issued by PACCS in Walwa Tahsil went to weaker sections of the farming community consisting of small and marginal farmers during the period since 1981 consequent upon concentration of efforts on the part of societies to financing of weaker sections. On the contrary, rich farmers' share in short term loans issued gradually went down. It implies that during the period since 1981, the proportion of loans flowing to weaker sections of farming community remained more than two-fifth of the total quantum of short-term loans issued in Walwa Tahsil.

In order to ascertain the degree of favourable (or unfavourable) position of different categories of members, the concept of Index of Inequality³ has been made use of. Indices of inequality were worked out for loans as follows :

Index of Inequality (Loan) =

$$\frac{\text{Percentage share of } i\text{th category in total loan}}{\text{Percentage share of } i\text{th category in total membership.}}$$

If distribution or allocation is perfectly equal, each category will have index equal to 100. Deviation from 100 will indicate its degree of favourable (or unfavourable) position. Table 3.8 reveals that during 1979, the indices of inequality for marginal and small farmers remained at very low level, while indices of inequality for rich farmers remained at a higher level. Consequently, distribution of credit was more uneven during 1979 in that large farmers (rich farmers) secured more loans than their share in total membership; while small and marginal farmers got less loans than their share in total membership.

Table No. 3.8

Indices of Inequality of short-term
Loan Distribution in different
Categories of Members of PACCS in
Walwa Tahsil

Particulars	1979	1980	1981	1982	1983
A) Farmers upto 1 hectare	17.19	39.00	53.02	43.44	77.75
B) Farmers from 1 hectare to 2 hectares	38.78	50.36	96.57	106.98	75.41
C) Farmers from 2 hectares to 4 hectares	71.21	51.45	128.75	117.66	130.79
D) Farmers from 4 hectares to 8 hectares	176.23	206.03	146.11	162.31	141.61
E) Farmers above 8 hectares	671.60	478.10	315.38	365.25	151.43

Indices of inequality for marginal farmers (i.e. farmers having land holding upto 1 hectare) continued to remain below 100 throughout ^{the} entire period (Table 3.8). Therefore, marginal farmers obtained lesser loans than their share in total membership. However, indices of inequality for marginal farmers showed an upward trend as it continuously improved from 17.19% to 77.75% during the period under review with the exception of the year 1982.

During 1982, indices of inequality for marginal farmers substantially declined 53% to 43% (Table 3.8).

Indices of inequality for small farmers having land holding from 1 hectare to 2 hectares continuously improved from 38.78% to 106.98% during the period of four years from 1979 to 1982. While during 1983, indices of inequality substantially went down to 75.41% (Table 3.8). Therefore, only during 1982, small farmers acquired more loans than their share in total membership. On the contrary, during all four years, they were able to get lesser loans than their share in total membership.

Indices of inequality for farmers having land holding from 2 hectares to 4 hectares exhibited a fluctuating trend in that it declined during the years 1980 and 1982 and increased during the years 1981 and 1983. During the period of two years from 1979 to 1980, this category of farmers obtained very lesser loans than their share in total membership in as much as indices of inequality for this category remained far below 100% (Table 3.8), while during *the* subsequent period of three years since 1981, indices of inequality remained above 100% indicating that this category of farmers secured more loans than their share in total membership.

The last two categories consisting of the farmers having land holding from 4 hectares to 8 hectares and the farmers having land holding above 8 hectares were getting more loans than their share in total membership during the period under review in as much as their indices of inequality continued to remain above 100% during entire period of five years. Though indices of inequality for farmers from 4 hectares to 8 hectares and farmers above 8 hectares declined respectively from 176.23% to 141.61% and from 671.60% to 151.43% during the period, indices of inequality still exceeded 100% which indicated their strong position in getting more loans than their share in total membership.

Amountwise Distribution of Short-term Loans :

Loans for amount Rs. 500 or less formed less than 5% of the total loans during 1980 (Table 3.9). The proportion of loans for amount Rs. 500 or less to total short-term loans remained more or less at 5% during entire period under review with the exception of the year 1981 in which proportion of such loans went up to 6.33% (Table 3.9).

Loans between Rs. 501 and Rs. 1,000 formed 11.33% of the total short-term loans during 1980. The proportion of such loans to total enhanced to 12.05% during 1981. However, the proportion of such loans showed a downward

Table No. 3.9

Short-term Loans Issued According to Amount

Loans issued	(Amount in Rs. Lakhs)							
	1980		1981		1982		1983	
	Amount	Percentage to Total	Amount	Percentage to Total	Amount	Percentage to Total	Amount	Percentage to Total
Rs. 500 and less	6.56	4.06	12.29	6.33	13.58	4.80	12.53	4.44
Between Rs. 501 and Rs. 1,000	18.30	11.33	23.41	12.05	23.43	8.27	19.41	6.88
Between Rs. 1,001 and Rs. 3,000	37.45	23.18	55.24	28.43	60.82	21.48	50.33	17.85
Between Rs. 3,001 and Rs. 5,000	41.10	25.44	46.59	23.98	67.97	24.00	65.37	23.18
Above Rs. 5,000	58.12	35.98	56.87	29.27	117.38	41.45	134.33	47.64
Total :	161.53	100.00	194.30	100.00	283.18	100.00	281.97	100.00

trend during subsequent period, of two years in as much as it continuously declined to 6.88% in 1983 (Table 3.9).

The proportion of loans between Rs. 1,001 and Rs. 3,000 to total loans accounted for 23.18% during 1980. The proportion of this category of loans to total also first increased to 28.43% in 1981 and then continuously declined to 17.85% during the period from 1982 to 1983.

The loans between Rs. 3,001 and Rs. 5,000 formed 25.44% of the total loans during 1980. The proportion of such loans to total loans remained in the range from 24% to 25% during entire period under review (Table 3.9).

The loans for an amount above Rs. 5,000 constituted about 35.98% of total loans during 1980. The proportion of such loans to total perceptibly declined to 29.27% in 1981. However, it persistently escalated to 47.64% in 1981.

Cropwise Short-term Loans :

PACCS in Walwa Tahsil make loans and advances for such crops as sugarcane, paddy, wheat, millets, pulses, oil seeds etc. Loans for sugarcane crop stood at a highest level accounting for 61.32% of total loans during 1978-79. Moreover, proportion of loans for sugarcane crop to total short-term loans remained above 60% during the period under review (Table 3.10). Loans for millets crop were also

Table No. 3310

Cropwise Short-term Loans issued by PACCS
in Malwa Tahsil (Disbursements)

Crop	(Amount in lakhs)											
	1978-79		1979-80		1980-81		1981-82		1982-83		1982-83	
	Amount	Per-centage to Total	Amount	Per-centage to Total	Amount	Per-centage to Total	Amount	Per-centage to Total	Amount	Per-centage to Total	Amount	Per-centage to Total
Paddy	1.9	1.31	-	-	0.30	0.15	1.24	0.44	0.58	0.20	-	-
Wheat	-	-	-	-	0.26	0.13	0.15	0.05	-	-	-	-
Millets	33.79	23.32	41.14	25.47	45.51	23.42	67.97	24.00	83.5	29.61	-	-
Pulses	1.05	0.72	-	-	-	-	0.30	0.11	0.54	0.19	-	-
Cotton	-	-	-	-	-	-	-	-	-	-	-	-
Sugarcane	88.83	61.32	98.59	61.03	133.76	68.84	192.05	67.82	185.83	65.90	-	-
Oil seeds	9.44	6.52	21.61	13.38	13.35	6.87	16.4	5.79	10.87	3.85	-	-
All others	9.85	6.70	0.19	0.12	0.58	5.07	1.79	1.79	0.65	0.23	-	-
All Crops	144.86	100	161.53	100	194.30	100	283.18	100	281.97	100	-	-

significant. Amount of loans for millet crop formed 23.32% of total loans issued during 1978-79. The proportion of loans for millet crop to total loans remained above 23% during the period of reference (Table 3.10).

Loans for oil seeds increased rapidly from Rs. 9.44 lakhs in 1978-79 to Rs. 21.6 lakhs in 1979-80. As a result, the proportion of loans for oil seeds to total loans increased from 6.52% to 21.61%. However, since 1980-81, loans for oil seeds exhibited a downward trend in as much as ^{the} proportion of loans for oil seeds continuously declined to merely 3.85% during 1982-83.

Loans for paddy and wheat issued by PACCS in Walwa were insignificant in as much as their proportion to total loans remained below 1% during the period under review (Table 3.10). ^A Similar trend is witnessed in the case of loans for pulses. PACCS in Walwa Tahsil did not issue any amount of loans for cotton crop during the period (Table No. 3.10).

SECTION-III

Supply of Medium-term Loans

During the period under study, PACCS in Walwa Tahsil issued medium-term loans to different categories of member farmers. The medium term loans were made for ^{the} following purposes :

- i) Sinking of/repairs of wells.
- ii) Purchase of Agricultural Machinery
(Pump Sets, Oil Engines etc.)
- iii) Purchase of Cattle.
- iv) Land Improvement.
- v) Conversion/Rephasement/Reschedulment
loans and
- vi) Other agricultural purposes.

Medium term loans issued continuously went up to the level of Rs. 128.4 lakhs from Rs. 27.59 lakhs during the period of 4 years from 1979 to 1982. However, during 1983, medium term loans rapidly declined to Rs. 39.69 lakhs. Consequently, growth index persistently increased from 100 to 465.68 during the period from 1979-82 and then it steeply declined to only 143.85 in 1983.

Medium term loans issued by PACCS in Walwa Tahsil for^h aforesaid purposes formed only 16% of ^{16%} total loans during 1979. The proportion of such loans to total loans continuously went on increasing upto 36.03% during 1979-81. However, during ^{to} subsequent period, it showed a downward trend in that it declined rapidly to merely 12.34%.

Medium-term Loan Disbursement to
Different Categories of Members :

Analysis of medium term loans disbursed by PACCS in Walwa Tahsil during 1979 indicated that out of total medium term loans issued at Rs. 27.59 lakhs loans to land holders upto 1 hectare (marginal farmers) accounted for only 0.21 lakhs or 0.76% of the total loans (Table 3.11). Though the proportion of borrowing members having holding upto 1 hectare to total borrowing members was perceptible accounting for 10.83%, the share of marginal farmers in ^{the} total medium term loans was negligible.

In the case of small farmers, their share in total medium term loans formed only 1.27% during 1979, it appeared that this category of farmers obtained a slightly higher share as compared to that of marginal farmers (Table 3.11).

The farmers having land holding from 2 hectares to 4 hectares also had a small share to the extent of 2.5% in total medium term loans during 1979. However, the proportion of borrowing farmers having holding from 2 hectares to 4 hectares to total borrowing members formed about 6.01%.

As far as farmers having holding from 4 hectares to 8 hectares are concerned, it appeared that this category of rich farmers claimed a largest share accounting for 87.78% of total medium term loans issued during 1979 (Table 3.11).

Table No. 3.11Medium-term Loan Disbursement to
Different Categories of Members

Particular	(Rupees in lakhs)				
	1979	1980	1981	1982	1983
A) <u>Farmers upto 1 hectare</u>					
1) Number of farmers	146	59	614	948	851
2) Percentage of members to Total	10.83	8.05	29.18	28.07	25.81
3) Amount of loan disbursed	0.21	0.43	12.49	17.41	14.42
4) Percentage of loan to Total	0.76	1.28	11.41	13.56	36.33
B) <u>Farmers from 1 hectare to 2 hectares</u>					
1) Number of farmers	82	123	752	1455	904
2) Percentage of members to Total	6.03	16.78	35.74	43.08	27.42
3) Amount of loan disbursed	0.35	0.98	25.60	35.08	11.84
4) Percentage of loan to Total	1.27	2.93	23.40	27.32	29.83
C) <u>Farmers from 2 hectares to 4 hectares</u>					
1) Number of farmers	81	293	424	747	1209

Table No. 3.11 (Contd...)

Particular	1979	1980	1981	1982	1983
2) Percentage of Members to Total	6.01	39.97	20.15	22.12	36.57
3) Amount of loan disbursed	0.69	15.59	33.14	36.15	5.38
4) Percentage of loan to Total	2.5	46.55	30.29	28.15	13.55
D) <u>Farmers from 4 hectares to 8 hectares</u>					
1) No. of Farmers	1008	207	279	204	148
2) Percentage of members to total	74.78	28.24	13.26	6.04	4.49
3) Amount of loan disbursed	24.22	12.43	34.05	33.40	6.63
4) Percentage of loans to Total	87.78	37.11	31.12	26.01	16.70
E) <u>Farmers above 8 hectares</u>					
1) No. of Farmers	31	51	35	23	195
2) Percentage of members to total	2.29	6.96	1.66	0.68	5.61
3) Amount of loan disbursed	2.12	4.06	4.13	6.36	1.42
4) Percentage of loan to Total	7.68	12.12	3.77	4.95	3.58
F) <u>All</u>					
1) No. of Farmers	1348	733	2104	3377	3297
2) Amount of loan disbursed	27.59	33.49	109.41	128.4	39.69

The proportion of borrowing members from this category to total borrowing members was also large accounting for 74.78% (Table 3.11).

The last category of borrowing farmers having holding above 8 hectares obtained 7.68% of total medium term loans during 1979, though their proportion to total borrowing members was very low at merely 2.29% during that year.

The following significant changes took place in medium term loan disbursement to different categories of members during the period under review.

First, the share of marginal farmers in total medium term loans continuously stepped-up steeply from merely 0.76% to the highest level of 36.33% during the period under review owing to rapid increase in medium term loans issued to marginal farmers from RS. 0.21 lakhs to RS. 14.42 lakhs (Table 3.11). However, the proportion of borrowing members of this category to total borrowing members increased rapidly during 1981 and then slightly declined during subsequent period of two years since 1982.

Second, the share of small farmers having holding from 1 hectare to 2 hectares exhibited an upward trend throughout the entire period under review in that it continuously increased from 1.27% in 1979 to 29.83% in 1983 (Table 3.11).

The proportion of borrowing members of this category to total borrowing members also showed an upward trend in as much as it continuously increased from 6.03% in 1979 to 43.08% in 1982. However, only during 1983, it declined rapidly to 27.42%.

Third, the share of borrowing farmers having holding from 2 hectares to 4 hectares increased rapidly from 2.5% in 1979 to highest level of 46.55% in 1980. However, during the period since 1980, it continuously declined to 13.55% during 1983.

Fourth, the share of rich farmers in medium term loans exhibited a continuous downward trend during the period under review in that the shares of borrowing farmers having holding from 4 hectares to 8 hectares and the borrowing farmers having holding above 8 hectares persistently declined respectively from 87.78% to 16.70% and from 7.68% to merely 3.58% during the period under review (Table 3.11).

Thus, the share of weaker sections of farming community in total medium term loans continuously increased. In fact, during 1983, more than 60% of medium term loans flowed to small and marginal farmers. On the contrary, rich farmers' share gradually went down particularly since 1981.

Indices of inequality have been used to find out the degree of favourable (or unfavourable) position of different categories of members in the case of medium term loans.

Table 3.12 reveals that during the period from 1979-1982, the indices of inequality for marginal and small farmers remained at low level below 100%; while indices of inequality for rich farmers remained at higher level above 100%. Therefore, distribution of medium term loans remained more uneven in that rich farmers continued to obtain more and more loans than their share in total membership, while small and marginal farmers obtained lesser loans and advances than their share in total membership. However, it was only during 1983 that distribution of medium term loans became to some extent, even in as much as weaker sections of farming community comprising small and marginal farmers started getting more loans and advances than their share in total membership.

Though indices of inequality for marginal and small farmers improved respectively from 7.02% to 48.3% and from 21.06% to 63.42% during the period from 1979 to 1982, the indices of inequality for the former and the latter continued to remain below 100%. Therefore, small and marginal farmers could be able to obtain only lesser loans than their membership during the period from 1979 to 1982. However, position of weaker sections of farming community appeared to be quite improved during 1983 in as much as indices of inequality for both small and marginal farmers went up above 100% (Table No.3.12).

Table No. 3.12

Indices of inequality of Medium-term Loan
Distribution in Different Categories of
Members of PACCS in Walwa Tahsil

Particular	1979	1980	1981	1982	1983
A) Farmers upto 1 hectare	7.02	15.90	39.10	48.31	140.76
B) Farmers from 1 hectare to 2 hectares	21.06	17.46	65.47	63.42	108.79
C) Farmers from 2 hectares to 4 hectares	41.59	116.46	150.32	127.26	36.95
D) Farmers from 4 hectares to 8 hectares	117.38	131.41	234.69	430.62	371.93
E) Farmers above 8 hectares	335.37	174.14	227.11	727.94	63.81

Indices of inequality for farmers having holding from 2 hectares to 4 hectares rapidly increased from 41.59% in 1979 to 150.32% in 1981. However, it exhibited a declining trend since 1982. During the period from 1980 to 1982, farmers of this category obtained more and more medium term loans than their share in total membership as indices of inequality remained above 100%.

Indices of inequality for farmers having land holding from 4 hectares to 8 hectares not only remained above 100% during entire period under review but also continuously went on improving during the period from 1979 to 1982 (Table 3.12). Therefore, farmers of this category continued to obtain far more loans than their share in total membership during ^{the} entire period.

Indices of inequality for farmers having holding above 8 hectares remained above 100% during the period from 1979 to 1982. Therefore, farmers of this category also could be able to get more loans. However, indices of inequality for this category of farmers rapidly declined to 63.81% during 1983.

Thus, rich farmers position, by and large, continued to remain strong in getting medium term loans.

Purposewise Distribution of
Medium Term Loans :

Medium term loans issued by purpose is shown in table 3.13. The table reveals that medium term loans issued for purchase of cattle formed 90.79% of total medium term loans during 1979. Moreover, loans for sinking/repairs of well and for purchase of agricultural machinery (pump sets and oil engines etc.) accounted for respectively 2.5% and 3.26% of total medium term loans during 1979 (Table 3.13). Similarly loans for other agricultural purposes⁴ formed only 3.44% of total medium term loans.

Table No. 3.13

Medium-term loans issued by Purpose

(Rs. in lakhs)

Purpose	1979		1980		1981		1982		1983	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Sinking of/ Repairs of well	0.69	2.5	-	-	1.43	1.31	1.43	1.11	0.92	2.32
Purchase of Agricultural machinery (Pump sets, oil engines etc.)	0.90	3.26	1.74	5.2	51.12	46.72	66.41	51.74	12.99	32.73
Purchase of cattle	25.05	90.79	31.75	94.8	56.82	51.93	30.66	23.87	14.98	37.74
Land Improvement	-	-	-	-	-	-	3.04	2.37	-	-
Conversion/Rephasing/ Rescheduling loans	-	-	-	-	-	-	-	-	-	-
Other agricultural purposes and other purposes	0.95	3.44	0.00	-	0.04	0.04	26.88	20.90	10.8	27.21
Total :	27.59	100	33.49	100	109.41	100	128.42	100	39.69	100

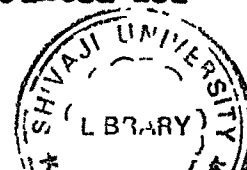
Analysis of medium term loans issued by purpose revealed following trends :

1) Loans for sinking of/repairs of well remained at very low level during the period under study. Consequently the proportion of such loans to total continued to remain less than merely 3% during the entire period under review (Table 3.13).

2) Medium term loans for purchase of agricultural machinery showed an upward trend in that an amount of such loans increased rapidly from Rs. 0.90 lakhs in 1979 to Rs. 66.41 lakhs in 1982; while during 1983, such loans declined to Rs. 12.99 lakhs. As a result, proportion of such loans to total continuously went up from 3.26% in 1979 to 51.74% in 1982. However, only during 1983, proportion declined to 32.73% (Table 3.13).

3) The proportion of loans for purchase of cattles to total medium term loans remained highest accounting for more than 90% during first two years; while during the period since 1981, it declined to 23.8% in 1982. During 1983, proportion of such loans to total again increased to 37.74% (Table 3.13).

4) Medium term loans for land improvement were issued only during 1982. Their proportion to total accounted for only 2.37%.



Moreover, PACCS in Walwa Tahsil did not issue any significant amount of loans for conversion/rephasing/rescheduling of loans during the period under study.

5) Medium term loans for other agricultural purposes and other purposes exhibited a fluctuating trend during the period. Loans for aforementioned purposes rapidly increased from Rs. 0.04 lakhs in 1981 to Rs. 26.88 lakhs in 1982. Consequently, proportion of such loans to total rapidly increased to 26.88% during 1982. Following factors brought a rapid increase in these loans.

i) Large amount of loans to the extent of Rs.18.66 lakhs was issued for construction of gohar gas plants.

ii) Amount of loans issued for industrial purposes also amounted to Rs. 4.21 lakhs during 1982.

During 1983, though amount of loans for such purposes declined, it was still as large as Rs. 10.8 lakhs owing to the large amount of loans worth of Rs. 9.64 lakhs issued by PACCS for purchase of shares of processing and industrial units.

SECTION IV

Trends in Overdues

Magnitude of total overdues (in the case of both short-term as well as medium term loans) exhibited a downward trend in that it continuously fell from Rs. 86.2 lakhs to Rs. 52.31 lakhs during the period from 1979 to 1982 owing to comfortable recovery position of all PACCS in Walwa Tahsil. As a result, growth index of total overdues continuously declined from 100 to 60.68 during 1979 to 1982 (Table 3.14). However, during 1983, total amount of overdues and its growth index increased respectively to Rs. 74.72 lakhs and 86.68.

Amount of overdues in the case of short-term loans declined more rapidly than amount of overdues in the case of medium term loans in that growth index of overdues persistently declined from 100 to 55.22 and from 100 to 86.16 respectively in the case of the former and the latter during the period of four years since 1979. However, growth index of overdues in the case of both short-term as well as medium term loans increased respectively to 79.73 and 121 during 1983 (Table No. 3.14).

Method of showing overdues as a percentage to total demand for loans has been used. In order to estimate total demand for loans⁵ following formula⁵ has been made use of :

Table No. 3.14Trends in Overdues of PACCS in
Walwa Tahsil

(Figures in Rs. lakhs)

Year	Amount of Overdues in case of short-term loans	Amount of Overdues in case of medium term loans	Amount of Total Overdues
1979	71.68 (100.00)	14.52 (100.00)	86.20 (100.00)
1980	61.10 (85.24)	13.94 (96.00)	75.04 (87.05)
1981	46.62 (65.04)	10.40 (71.62)	57.02 (66.15)
1982	39.80 (55.22)	12.51 (86.16)	52.31 (60.68)
1983	57.15 (79.73)	17.57 (121.00)	74.72 (86.68)

Figures in brackets denote growth index .

Total short-term demand = Short-term overdues +
Short term recovery.

Moreover, side by side, the conventional method of showing overdues as a percentage loans outstandings has also been taken into consideration. Table 3.15 reveals that the proportion of overdues to total outstandings of short-term loans continuously and rapidly declined to its lowest level of 14.42% during 1982 from 38.38 in 1979. However, since then it started rising to 20.14% during 1983. Moreover, the proportion of overdues to total demand for short term loans exhibited ^a similar downward trend in that it rapidly declined from 29.82% in 1979 to 15.37% in 1982 and then it slowly increased to the level of 17.04% (Table 3.15).

Overdues in the case of medium term loans also behaved more or less in the same fashion. The proportion of overdues to total outstandings of medium term loans persistently declined from 30.20% in 1979 to lowest level of 6.28% in 1982 (Table 3.16). However, during 1983 it slightly rose to 9.74%.

Likewise, overdues as a percentage of total demand for medium term loans continuously declined from 54.90% in 1979 to 16.95% in 1982. But during 1983 it rapidly increased to 23.02 (Table 3.16).

Table No. 3.15Proportion of Overdues to Outstanding
Loans and Total Demand - Short-term
Loans

(Figures are in Rs. lakhs)

Particular	1979	1980	1981	1982	1983
A) Total outstandings of short term loans	186.75	194.18	211.91	276.02	283.78
B) Overdues (Short-term)	71.68	61.10	46.62	39.80	57.15
C) Total demand for short term loans	240.35	215.19	223.19	258.88	335.36
Percentage of (b) to (a)	38.38	31.47	22.00	14.42	20.14
Percentage of (b) to (c)	29.82	28.39	20.89	15.37	17.04

Table No. 3.16Proportion of Overdues to Outstanding
Loans and Total Demand - Medium term
Loans

(Figures in Rs. lakhs)

Particular	1979	1980	1981	1982	1983
A) Total outstandings of medium term loans	48.08	58.37	132.15	199.26	180.42
B) Overdues (Medium term)	14.52	13.94	10.40	12.51	17.57
C) Total demand (Medium term)	26.45	37.15	46.03	73.82	76.10
Percentage of (B) to (A)	30.20	23.88	7.87	6.28	9.74
Percentage of (B) to (C)	54.90	37.52	22.59	16.95	23.02

Aforesaid analysis implies that overdues in the case of either short-term loans or medium term loans did not pose any serious problem (or concern) for Primary Agricultural Co-operative Credit Societies in Walwa Tahsil during the period under review.

In order to ascertain basic nature of magnitude of overdues, it is pertinent to take into consideration period-wise classification of overdues in the case of both short-term as well as medium term loans.

Period-wise Classification
of Overdues :

Periodwise classification of overdues (in the case of short-term loans) is presented in Table No. 3.17. Amount of overdues upto 1 year or less formed about 17.55% of total overdues during 1979. Amount of overdues upto 1 year continuously reduced from Rs. 12.58 lakhs to Rs. 6.43 lakhs during the period from 1979 to 1981. Consequently proportion of this category of overdues to total overdues continuously declined from 17.55 to 13.79% during the same period. However, during subsequent period reverse trend was set in motion in the overdues upto 1 year in that amount of overdues upto 1 year and its proportion to total overdues continuously went-up respectively from Rs. 6.43 lakhs to Rs. 24.66 lakhs and from 13.79% to 43.16% (Table No. 3.17).

Table No. 3.17

Periodwise Classification of Overdues (Short term Loans)

(Figures are in Rs. lakhs)

Period	1979		1980		1981		1982		1983	
	Amount	Percentage to Total	Amount	Percentage to Total	Amount	Percentage to Total	Amount	Percentage to Total	Amount	Percentage to Total
Upto 1 year	12.58	17.55	8.98	14.70	6.43	13.79	8.29	20.83	24.66	43.16
Between 1 year and 2 years	5.81	8.11	5.28	8.64	2.81	6.03	1.49	3.74	5.69	9.96
Between 2 years and 3 years	8.66	12.08	5.14	8.41	2.98	6.39	2.09	5.25	2.11	3.69
Over 3 years	44.62	62.26	41.70	68.25	34.40	73.79	27.93	70.18	24.68	43.19
Total :	71.67	100	61.10	100	46.62	100	39.80	100	57.14	100

Amount of overdues between 1 year and 2 years accounted for 8.11% of total overdues during 1979. Overdues of this category and its proportion to total overdues showed a fluctuating trend throughout the entire period.

Amount of overdues between 2 years and 3 years formed 12.08% of total overdues during 1981. Amount of this category of overdues and its proportion to total overdues exhibited a downward trend during entire period in that the former declined from Rs. 8.66 lakhs in 1979 to Rs. 2.11 lakhs in 1983 and the latter went down from 12.08% in 1979 to 3.69% in 1983 (Table No. 3.17).

Overdues over 3 years accounted for 62.26% of total overdues during 1979. This is really a discomfortable position. The poor repayment rates coupled with poor internal resources can erode the volume of loanable funds of PACCS. Therefore, this category of overdues was serious. Moreover, proportion of overdues over 3 years to total overdues stepped up continuously from 62.26% in 1979 to 73.79% in 1981. During subsequent period since 1981, though proportion of such overdues showed a declining trend, it still remained above 43% causing a serious problem for PACCS in Walwa Tahsil.

Periodwise classification of overdues in the case of medium term loans is presented in table 3.18. Amounts of overdues upto 1 year and overdues between 1 year and 2 years

Table No. 3.18

Periodwise Classification of Overdues
(Medium term loans)

(Figures in Rs. lakhs)

Period	1979		1980		1981		1982		1983	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Upto 1 year	0.62	4.27	1.76	12.62	1.68	16.15	4.65	37.17	10.26	58.43
Between 1 year and 2 years	0.28	1.93	1.71	12.27	1.26	12.11	1.60	12.79	2.66	15.15
Between 2 years and 3 years	2.77	19.08	3.14	22.52	0.24	2.31	0.83	6.63	1.18	6.72
Over 3 years	10.85	74.72	7.33	52.58	7.22	69.42	5.43	43.41	3.46	19.70
Total :	14.52	100	13.94	100	10.40	100	12.51	100	17.56	100

accounted for 4.27% and 1.93% of total overdues respectively during 1979. The proportion of overdues upto 1 year to total overdues rapidly increased from 4.27% to 58.43% during the period under review. Similarly proportion of overdues between 1 year and 2 years to total overdues continuously went up from 1.93% to 15.15% during the period. Therefore, proportions of first two categories to total overdues showed an upward trend throughout entire period under study.

Overdues between 2 years and 3 years and overdues over 3 years formed highest percentage of total overdues during 1979 in that the former accounted for 19.08% and the latter accounted for highest level of 74.72% proportions of overdues of last two categories to total overdues showed a fluctuating trend. However, overdues of last two categories with ups and downs slowly declined during the period under review.

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