

CHAPTER-IV

PERFORMANCE OF SELECTED PACCS AT
INDIVIDUAL LEVEL IN WALWA TAHSIL

CHAPTER-IVPERFORMANCE OF SELECTED PRIMARY AGRICULTURAL
CO-OPERATIVE CREDIT SOCIETIES AT INDIVIDUAL
LEVEL IN WALWA TAHSIL

In order to evaluate the working of Primary Agricultural Co-operative Credit Societies at individual level and to compare their performance in respect of growth, financial soundness, financing of weaker sections and level of overdues etc., *the* following four societies so as to represent Walwa Tahsil have been selected for ^{the} present study.

- 1) Primary Agricultural Co-operative Credit Society, Bhawaninagar.
- 2) Primary Agricultural Co-operative Credit Society, Yedemachindra (Southern Part).
- 3) Primary Agricultural Co-operative Credit Society, Yetawade.
- 4) Primary Agricultural Co-operative Credit Society, Ladegaon.

The area of operation of the first two societies is comparatively more irrigated; while that of last two societies is relatively less irrigated.

PROFILE OF AREA AND SOCIETY :

1) Bhawaninagar Village :

Bhawaninagar is about 18 kilometres away from taluka place Islampur and only 3 kilometres away from Krishna river. The population of village amounted to 3,587 according to *the* Census of 1981.


Bhawaninagar village has total area of 488.28 hectares. A large part of the total area is under cultivation as proportion of cultivable area to total area accounts for 95%.

This village has comparatively more irrigated area of 366 hectares. The proportion of irrigated area to total cultivable area is also perceptibly higher accounting for 78.70%.

Owing to large irrigated area, sugarcane, pulses, wheat and rice are the main crops.

Bhawaninagar society is very old one as it was established on 14-2-1928.

2) Yedemachindra Village :

This village has population of 4,004 as per Census of 1981. The total households amount to 713. Land holderer amounting to 653 form 91.58% of total households and labourers 

amounting 130 from 18.23 percent of total households of the village.

Total area and cultivable area amount to respectively 700.47 hectares and 624.71 hectares at present. The proportion of area under cultivation and total area accounts for 89.18%.

Area under permanent irrigation and area under seasonal irrigation amount to respectively 206 hectares and 400 hectares in that the proportion of the former to total cultivable area accounts for 33% and the proportion of latter to total cultivable area works out to be 64%.

Main crops of the village are sugarcane, rice and wheat.

Yedemachindra society is also very old as it was registered on 16-10-1928.

3) Yetawade Village :

Yetawade village is about 17 kilometres away from taluka place Islampur. It has population of 5,286 as per 1981 census.

Total cultivable area of 803 hectares accounts for about 76.4% of the total area of 1051 hectares. Total irrigated area of 321 hectares under permanent and seasonal

irrigation facilities forms about 39.97% of the total cultivable area.

Main crops of village are millets, sugarcane and oilseeds. The Primary Agricultural Credit Society of the village was established on 20-6-1913.

4) Ladegaon Village :

Ladegaon is about 10 kilometres away from Islampur which is Taluka place of Walwa Tahsil. It has population of 1,412 as per Census of 1981.

This village has total area of 328.34 hectares and area under cultivation of 262.32 hectares. The latter forms about 79.89% of the former.

The proportion of irrigated area of 40 hectares to area under cultivation accounts for very low level of only 15.25%.

Main crops of the village are millets, sugarcane, oil seeds and wheat.

The society of the village was set-up on 14-8-1920 with registration number 3051.

There are various available criteria of evaluating the working of Primary Agricultural Credit Societies. However,

the working of PACCS at individual level is evaluated on the basis of :

- i) Growth performance of PACCS based on some selected indicators.
- ii) Financial soundness of PACCS based on ^{the} proportion of owned funds to ^{the} working capital.
- iii) Financing of weaker sections of farming community mainly of marginal and small farmers.
- iv) Level of overdues and trends in it.

SECTION-I

Growth Performance of PACCS in Irrigated and Dry Areas

In order to compare growth performance of selected societies, ^{the} following indicators have been made use of :

1. Membership
2. Share capital
3. Deposits
4. Working capital
5. Level of advances
6. Recovery.

Membership :

Membership of Bhawaninagar and Yedemachindra societies showed an upward trend throughout ^{the} entire period under review

in that membership of the former increased from 423 in 1973-74 to 1021 in 1982-83 and membership of the latter went up from 298 in 1973-74 to 443 in 1982-83. As a result, growth indices of membership of Bhawaninagar and Yedemachindra societies continuously increased respectively from 100 to 241.37 and from 100 to 146.66 during the same period (Table No. 4.1).

On the contrary, the membership of Yetawade and Ladegaon societies (in less irrigated or dry areas) exhibited a fluctuating trend during the period. However, the membership of the former rose from 581 to 625 and that of the latter declined from 244 to 230 during the period under review (Table No. 4.2). Consequently, growth index of membership of Yetawade society rose from 100 to 107.57; while growth index of membership of Ladegaon deteriorated from 100 to 94.26 during the same period.

Therefore, PACCS in irrigated areas showed a better performance in respect of coverage as compared to those in less irrigated or dry areas on following grounds :

First, growth indices of membership of PACCS in irrigated area rapidly increased; while growth indices of membership of PACCS in dry areas either slowly increased or infact declined during the period.

TABLE 4.1

GROWTH PERFORMANCE OF PACCS IN IRRIGATED AREA

Name of the Society	Indicator	(Figures in Rs. thousand)										
		1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	
Bhawani Nagar	Membership	N.A.	423 (100.00)	501 (118.54)	500 (118.20)	1010 (238.20)	1010 (238.77)	1014 (239.72)	1020 (241.13)	1021 (241.37)		
	Share Capital	N.A.	175.22 (100.00)	181.92 (103.82)	182.35 (104.07)	197.52 (112.73)	190.65 (108.81)	223.88 (127.77)	251.71 (143.65)	314.79 (179.65)		
	Reserve Funds	N.A.	21.13 (100.00)	26.30 (124.47)	30.79 (145.72)	31.75 (150.26)	36.04 (170.56)	41.72 (197.44)	46.03 (217.84)	51.20 (252.31)		
	Deposits	N.A.	0.39 (100.00)	4.09 (1058.72)	0.21 (53.85)	0.21 (53.85)	0.21 (53.85)	0.21 (53.85)	0.21 (53.85)	0.21 (53.85)		
	Working Capital	N.A.	763.00 (100.00)	532.62 (69.81)	553.40 (72.53)	552.29 (72.38)	487.59 (63.90)	892.08 (116.92)	1204.10 (157.81)	1319.08 (172.88)		
Yedemachi-ndra	Advances	N.A.	528.34 (100.00)	234.42 (44.37)	339.14 (64.19)	282.27 (53.53)	255.22 (48.31)	620.02 (117.35)	803.58 (152.10)	817.31 (154.69)		
	Recovery	N.A.	381.22 (100.00)	461.78 (121.13)	299.08 (78.45)	335.83 (88.09)	307.18 (80.58)	357.53 (93.79)	547.55 (91.17)	820.63 (215.26)		
	Membership	298 (100.00)	298 (120.81)	360 (127.18)	379 (139.93)	417 (140.60)	419 (141.61)	422 (141.61)	429 (142.95)	426 (148.66)		
	Share Capital	122.15 (100.00)	130.60 (106.92)	134.29 (109.94)	131.85 (107.94)	138.24 (113.17)	140.66 (115.15)	163.56 (133.90)	191.71 (156.95)	216.46 (177.21)		
	Reserve Funds	22.84 (100.00)	27.09 (118.61)	28.29 (123.86)	28.20 (123.47)	28.25 (123.69)	32.51 (142.39)	39.60 (173.38)	44.05 (192.86)	51.07 (223.60)		

Deposits	Nil	Nil	332.45 (75.76)	395.28 (90.08)	400.37 (91.24)	396.49 (90.36)	790.35 (180.11)	1049.29 (239.12)	1036.69 (236.25)
Working Capital	438.81 (100.00)	502.34 (114.48)	410.34 (93.51)	124.98 (44.69)	121.11 (43.31)	195.37 (69.86)	604.74 (216.24)	662.47 (237.05)	613.42 (219.34)
Advances	279.66 (100.00)	318.66 (113.95)	234.93 (125.31)	208.67 (111.31)	166.63 (88.88)	201.32 (107.38)	264.32 (140.99)	438.43 (233.87)	613.41 (327.20)
Recovery	187.47 (100.00)	245.83 (131.13)							

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THE ABOVE STATEMENTS SHOW THE BALANCE SHEET OF THE COMPANY AS AT THE END OF THE YEAR 1963 AND THE BALANCE SHEET AS AT THE END OF THE YEAR 1964. THE BALANCE SHEET AS AT THE END OF THE YEAR 1964 IS THE RESULT OF THE REVISIONS MADE TO THE BALANCE SHEET AS AT THE END OF THE YEAR 1963 IN ORDER TO BRING IT INTO ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956. THE REVISIONS MADE TO THE BALANCE SHEET AS AT THE END OF THE YEAR 1963 ARE SET OUT IN THE NOTES TO THE ACCOUNTS. THE BALANCE SHEET AS AT THE END OF THE YEAR 1964 IS THE RESULT OF THE REVISIONS MADE TO THE BALANCE SHEET AS AT THE END OF THE YEAR 1963 IN ORDER TO BRING IT INTO ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956. THE REVISIONS MADE TO THE BALANCE SHEET AS AT THE END OF THE YEAR 1963 ARE SET OUT IN THE NOTES TO THE ACCOUNTS.

Ladegaon	Membership	244	235	231	213	214	220	226	226	230
		(100.00)	(96.31)	(94.67)	(87.30)	(87.70)	(90.16)	(92.62)	(92.62)	(94.26)
Share Capital		36.41 (100.00)	35.62 (97.83)	34.74 (95.41)	27.92 (76.68)	28.30 (77.73)	35.01 (96.15)	44.13 (121.20)	46.21 (126.92)	47.44 (130.29)
Reserve Funds		9.44 (100.00)	9.44 (100.00)	9.45 (100.11)	12.11 (128.28)	12.11 (128.11)	12.28 (130.08)	12.29 (130.19)	12.29 (130.19)	12.30 (130.29)
Deposits		-	5.33 (100.00)	4.63 (86.86)	0.11 (2.06)	1.05 (19.70)	0.97 (18.20)	-	-	0.55 (10.32)
Working Capital		170.78 (100.00)	183.33 (107.35)	146.67 (85.88)	116.20 (68.04)	107.63 (63.02)	192.58 (112.76)	342.74 (200.69)	319.20 (186.91)	241.19 (141.23)
Advances		70.60 (100.00)	109.26 (154.76)	44.60 (63.17)	39.00 (55.24)	44.23 (62.65)	148.07 (209.73)	230.43 (326.39)	90.12 (127.65)	54.67 (77.44)
Recovery		59.63 (100.00)	107.99 (191.10)	95.66 (160.42)	38.48 (64.53)	53.49 (89.70)	72.69 (121.90)	93.08 (156.10)	121.25 (203.34)	123.70 (207.45)

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FOR THE YEAR 1953-54

1953-54

TABLE 4.2

GROWTH PERFORMANCE OF PACCS IN DRY AREA

(Figures in Rs. thousand)

Name of the Society	Indicator	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83
Yetawade	Membership	581 (100.00)	586 (100.86)	574 (98.79)	575 (98.97)	576 (99.14)	N.A.	603 (103.78)	616 (106.02)	615 (105.85)	625 (107.57)
	Share Capital	348.78 (100.00)	348.96 (100.05)	327.11 (93.78)	316.20 (90.65)	305.54 (87.60)	N.A.	354.44 (101.62)	403.15 (115.59)	420.16 (120.47)	421.76 (120.92)
	Reserve Funds	143.82 (100.00)	154.47 (107.51)	179.32 (124.68)	195.03 (135.60)	215.80 (150.07)	N.A.	259.67 (180.55)	246.20 (171.18)	298.31 (207.52)	320.21 (222.66)
	Deposits	-	23.85 (100.00)	10.81 (45.32)	13.22 (55.52)	13.67 (57.32)	N.A.	25.54 (107.09)	-	-	-
	Working Capital	1346.77 (100.00)	1260.69 (93.61)	1133.04 (85.13)	1296.98 (96.30)	1498.42 (111.26)	N.A.	1556.43 (115.56)	2202.18 (163.52)	2581.85 (191.71)	2311.65 (171.66)
	Advances	734.84 (100.00)	805.86 (109.61)	409.68 (55.75)	701.21 (95.52)	849.65 (115.62)	N.A.	664.57 (90.44)	1136.45 (154.65)	1228.88 (167.23)	729.74 (99.31)
	Recovery	483.82 (100.00)	856.38 (177.00)	581.64 (120.22)	685.72 (141.73)	701.66 (145.02)	N.A.	723.55 (149.55)	688.10 (142.22)	876.55 (181.17)	1012.74 (209.32)

Second, growth indices of membership of PACCS in irrigated areas exhibited an upward trend throughout entire period; while growth indices of membership of PACCS in dry areas showed a fluctuating trend.

Share Capital :

The share capital of Bhawaninagar society and its growth index showed an upward trend during the period under review except in 1978-79 in that the former and the latter respectively rose from Rs. 175.22 thousands to Rs. 314.79 thousands and from 100 to 179.65 (Table No. 4.1). Similarly, growth index of share capital of Yedemachindra society increased from 100 to 177.21 during the same period.

On the contrary, growth indices of share capital in the case of Yetawade and Ladegaon societies showed a fluctuating trend. Moreover, growth indices of share capital less rapidly went up in that growth index of share capital of Yetawade society increased from 100 to 120.92 and that of Ladegaon society rose from 100 to 130.29 during the period under review (Table No.4.2).

Therefore, PACCS in irrigated areas represented relatively better performance in respect of share capital as compared to PACCS in less irrigated or dry areas mainly owing to relatively stable and rapid increase in the index of growth of share capital in the case of the former.

Deposits :

An important indicator of the success and efficiency of a cooperative society is the extent to which it is able to mobilize savings of the community in the form of deposits. PACCS in both irrigated and dry areas showed a very poor performance in respect of deposits. Bhawaninagar society could not be able to mobilize deposits more than Rs. 5,000 during any year of the period under study. In fact, in some years deposits of Bhawaninagar society were either negligible or even nil. (Table No. 4.1).

Moreover, Yedemachindra society could not be able to mobilize any amount of deposits throughout entire period under review.

Deposits of Yetawade society continued to remain in the range of between Rs. 10.81 thousands and Rs. 25.84 thousands during the period of reference (Table No. 4.2). In fact, growth index of deposits of this society remained more or less stagnant at 100.

Amount of deposits with Ladegaon society was negligible in that it amounted to in the range of between Rs. 0.11 thousands and Rs. 5.33 thousands (Table No. 4.2).

Aforesaid analysis of deposits reveals that PACCS in irrigated as well as less irrigated or dry areas exhibited

very poor performance in respect of deposits. Societies ^{should} would be able to stimulate thrift and mobilize household savings from rural areas.

Working Capital :

Growth index of working capital of all societies exhibited a fluctuating trend owing to the fact that an amount of borrowings a major component of working capital itself remained unstable in its growth during the period. However, PACCS in irrigated areas showed a satisfactory performance in respect of working capital in comparison with the societies in less irrigated areas due to following reasons :

1) Index of growth of working capital of PACCS in irrigated areas showed an upward trend during the period since 1980-81; while growth trend of working capital continuously fluctuated in the case of societies in dry or less irrigated areas during ^{the} entire period.

2) During entire period, growth index of working capital of Bhawaninagar and Yedemachindra societies, to some extent, rapidly increased respectively from 100 to 172 and from 100 to 236.35, while growth index of working capital of Yetawade and Ladegaon societies rose respectively from 100 to 171.66 and from 100 to 141.23 during the same period (Table Nos. 4.1 and 4.2).

Advances :

The performance in respect of advances was exclusively better in the case of societies in irrigated areas; while societies in dry areas showed poor performance in respect of advances during the period under review.

The growth index of advances of Bhawaninagar and Yedemachindra societies with ups and downs rose respectively from 100 to 154.69 and from 100 to 219.34 during the period from 1973-74 to 1982-83. On the contrary, the growth index of advances of Yetawade and Ladegaon societies deteriorated respectively from 100 to 99.31 and from 100 to 77.74 during the same period.

Recovery :

The growth index of recovery of Bhawaninagar and Yedemachindra societies enhanced respectively from 100 to 215.26 and from 100 to 327.20 during the period; while growth index of recovery in the case of Yetawade and Ladegaon societies went-up respectively from 100 to 209.32 and from 100 to 207 during the same period.

Therefore, PACCS in irrigated areas showed relatively better performance in respect of recovery in comparison with societies in dry areas during the period under review.

Aforesaid analysis of indicators of growth performance reveals that PACCS in irrigated areas showed a better performance in respects of coverage, share capital, working capital, advances and recovery in comparison with societies in dry areas during the period under review. However, PACCS in both irrigated as well as dry areas showed very poor performance in respect of deposits.

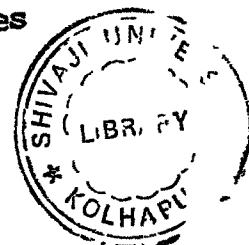
SECTION-II

Financial Soundness of PACCS in Irrigated and Dry Areas

In this Section an attempt is made to evaluate the working of PACCS in respect of financial position in as much as for a sound financial strength of a society, it is necessary to have a larger proportion of owned funds to working capital.

Close observation of figures reveals that working capital consisted more of borrowings than owned funds and deposits. The proportion of borrowings to working capital in the case of Bhawaninagar and Yedemachindra societies continued to remain respectively in the ranges of between 40% and 70% and between 41% and 70% during the period under reference.

Similarly, the proportion of borrowings to working capital in the case of Yetawade and Ladegaon societies



continued to remain respectively in the ranges between 36.61% and 56% and between 57.6% and 80% during the same period (Table Nos. 4.5 and 4.6).

Moreover, amount of deposits was relatively much lower in comparison to working capital. Not only this the deposits as a percentage of working capital in some societies deteriorated during the reference period.

Deposits continued to form less than 1% of working capital in the case of Bhawaninagar society during the period (Table 4.3). In fact, Yedemachindra society did not have any amount of deposits during the period under review (Table 4.4). Moreover, the proportion of deposits to working capital in the case of Yetawade and Ladegaon societies continued to remain respectively below 1.89% and below 3.16% during the period of reference (Table Nos. 4.5 and 4.6).

There are three components of owned funds such as share capital, reserves and bad debts and other funds. It is, therefore, pertinent to highlight componentwise analysis to evaluate working of PACCS.

The PACCS in irrigated areas continued to be financially ~~were~~ stronger in respect of share capital than PACCS in less irrigated/dry areas. The proportion of share capital to working capital in the case of Bhawaninagar and Yedemachindra societies continued to remain respectively in the ranges of

TABLE 4.3

COMPOSITION OF WORKING CAPITAL OF BHAWANINAGAR SOCIETY

(Figures in Rs. thousand)

Particulars of	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83
Working Capital										
I) Share Capital	N.A.	175.22 (22.96)	181.92 (34.16)	182.35 (32.95)	197.52 (35.76)	190.65 (39.10)	203.12 (32.82)	223.88 (25.10)	251.71 (20.90)	314.79 (23.86)
II) Reserves	N.A.	21.13 (2.77)	26.30 (4.94)	30.79 (5.56)	31.75 (5.75)	36.04 (7.39)	38.96 (6.30)	41.72 (4.67)	46.03 (3.82)	51.20 (3.88)
III) Bad debts and other funds	N.A.	13.32 (1.76)	19.81 (3.72)	13.09 (2.25)	14.46 (2.62)	16.28 (3.34)	16.59 (2.68)	30.29 (3.40)	26.25 (2.18)	21.41 (1.62)
IV) Deposits	N.A.	0.39 (0.05)	4.09 (0.77)	0.21 (0.04)	0.21 (0.04)	0.21 (0.05)	2.50 (0.04)	-	-	-
V) Borrowings	N.A.	493.90 (64.73)	286.29 (53.75)	294.15 (53.15)	250.02 (45.27)	194.57 (39.90)	325.10 (52.54)	582.76 (65.33)	848.48 (70.47)	851.41 (64.55)
VI) All other liabilities	N.A.	59.04 (7.74)	14.21 (2.67)	31.81 (5.75)	58.33 (10.56)	49.84 (10.22)	32.53 (5.26)	13.43 (1.51)	31.63 (2.63)	80.27 (6.09)
Total : (I+II+III+IV+V+VI)		763.00 (100.00)	532.62 (100.00)	553.40 (100.00)	552.29 (100.00)	487.59 (100.00)	618.80 (100.00)	892.08 (100.00)	1204.10 (100.00)	1319.08 (100.00)

TABLE 4.4

COMPOSITION OF WORKING CAPITAL OF YEDEMACHINDRA
(SOUTHERN PART) SOCIETY

(Figures in Rs. thousand)

Particulars of	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83
Working Capital										
I) Share Capital	122.15 (27.84)	130.60 (25.98)	134.29 (32.73)	131.85 (39.66)	138.24 (34.97)	140.66 (35.13)	148.13 (37.36)	163.56 (20.69)	191.71 (18.27)	216.46 (20.88)
II) Reserves	22.84 (5.20)	27.09 (5.39)	28.29 (6.89)	28.20 (8.48)	28.25 (7.15)	32.51 (8.12)	35.30 (8.90)	39.60 (5.01)	44.05 (4.20)	51.07 (4.92)
III) Bad debts and other funds	13.32 (3.04)	18.26 (3.63)	13.15 (3.52)	19.15 (5.76)	20.38 (5.16)	24.44 (6.10)	27.66 (6.98)	36.26 (4.59)	38.16 (3.64)	41.09 (3.96)
IV) Deposits	-	-	-	-	-	-	-	-	-	-
V) Borrowings	268.84 (61.27)	322.99 (64.26)	223.16 (54.38)	143.63 (43.20)	165.39 (41.84)	172.98 (43.21)	163.43 (41.22)	530.32 (67.10)	739.28 (70.46)	678.33 (65.43)
VI) All other liabilities	11.66 (2.66)	3.7 (0.74)	22.45 (5.47)	9.62 (2.89)	43.02 (10.88)	29.78 (7.44)	21.97 (5.54)	20.61 (2.60)	36.09 (3.44)	49.74 (4.80)
Total (I+II+III+IV+V+VI)	438.81 (100.00)	502.64 (100.00)	410.34 (100.00)	332.45 (100.00)	395.28 (100.00)	400.37 (100.00)	396.49 (100.00)	790.35 (100.00)	1049.29 (100.00)	1036.69 (100.00)

Figures in brackets are percentages of total.

TABLE 4.5

COMPOSITION OF WORKING CAPITAL OF YETAWADE SOCIETY

(Figures in Rs. thousand)

Particulars of	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83
Working Capital										
I) Share Capital	348.78 (25.90)	348.96 (27.68)	327.11 (28.87)	316.20 (24.38)	305.54 (20.39)	N.A.	454.44 (22.77)	403.15 (18.31)	420.16 (16.27)	421.76 (18.24)
II) Reserves	143.82 (10.68)	154.46 (12.25)	179.32 (15.83)	195.01 (15.03)	215.80 (14.40)	N.A.	259.67 (16.68)	246.20 (11.18)	298.36 (11.56)	320.26 (13.85)
III) Bad debts and other funds	68.47 (5.08)	72.18 (5.72)	81.46 (7.19)	88.08 (6.79)	101.69 (6.79)	N.A.	139.14 (8.94)	165.44 (7.51)	206.02 (7.98)	252.71 (10.93)
IV) Deposits	-	23.84 (1.89)	10.80 (0.95)	13.22 (1.02)	13.67 (0.91)	N.A.	25.53 (1.64)	-	-	24.52 (1.06)
V) Borrowings	733.51 (54.46)	620.47 (49.22)	414.83 (36.61)	543.19 (41.88)	759.26 (50.67)	N.A.	606.78 (38.99)	1107.32 (50.28)	1445.21 (55.98)	1083.53 (46.87)
VI) All other Liabilities	52.19 (3.87)	40.78 (3.23)	119.52 (10.55)	141.28 (10.89)	102.46 (6.84)	N.A.	170.87 (10.98)	280.07 (12.72)	212.1 (8.22)	208.87 (9.04)
Total	1346.77 (100.00)	1260.69 (100.00)	1133.04 (100.00)	1296.98 (100.00)	1498.42 (100.00)	N.A.	1556.43 (100.00)	2202.18 (100.00)	2581.85 (100.00)	2311.65 (100.00)

between 20.90% and 39.10% and between 18.17% and 39.66% during the period of reference (Table Nos. 4.3 and 4.4).

On the contrary, the proportion of share capital to working capital in the case of Yetawade and Ladegaon societies remained respectively in the lower ranges of between 16.27% and 28.87% and between 12.88% and 26.29% during the same period (Table Nos. 4.5 and 4.6).

As far as amount of reserves as a percentage of working capital is concerned, Yetawade society in less irrigated or dry areas showed relatively better performance. The performance of the other three societies was more or less similar in nature during the period under study. The proportion of reserves to working capital in the case of Yetawade society continued to remain in relatively higher range of between 10.68% and 16.68% during the period (Table No.4.5).

On the contrary, the proportion of reserves to working capital in the case of Ladegaon society remained in the lower range of between 3.85% and 11.25% during the same period (Table No.4.6). Similarly, the proportion of serves to working capital in the case of Bhawaninagar and Yedemachindra societies continued to remain respectively in the lower ranges between 2.27% and 7.39% and between 4.20% and 8.90% during the same period (Table Nos. 4.3 and 4.4).

So far as bad debts and other funds are concerned, one society in irrigated area and one society in dry area exhibited relatively better performance in comparison to other two societies during the period under review.

The proportion of bad debts and other funds to working capital in the case of Yetawade and Yedemachindra societies continued to remain respectively in the ranges of between 5.08% and 10.93% and between 3.04% and 6.8% during the period under review (Table Nos. 4.5 and 4.4).

On the contrary, the proportion of bad debts and other funds to working capital in the case of Bhawaninagar and Ladegaon societies remained respectively in the lower ranges of between 1.62% and 3.72% and between 0.80% and 3.50% during the same period (Table Nos. 4.3 and 4.6).

SECTION-III

Financing of Weaker Sections

Distribution of short-term loans according to the size of land holding reveals that the share of marginal farmers (having holding upto 1 hectare) in total loans in the case of Bhawaninagar and Yedemachindra societies, with ups and downs in it, increased respectively from 21.34% to 24.86% and from 9.19% to 18% during the period from 1978-79 to 1982-83 (Table Nos. 4.8 and 4.9). However, the proportion

of this category of borrowing members to total borrowing members increased from 21.76% to 23.26% in the case of Yedemachindra society and in the case of Bhawaninagar it declined from 42.31% to 37.50% during the same period.

The share of marginal farmers in total loans in the case of Yetawade society also increased from 11.46% to 20.62% though their proportion to total borrowing members slightly deteriorated from 45.90% to 44.36% during the same period (Table No.4.10). On the other hand, the share of marginal farmers in total loans in the case of Ladegaon society declined from 23.58% to 13.16% eventhough their proportion to total borrowing members rose from 48.57% to 50.00% during the period of reference (Table No.4.11).

The share of small farmers (having holding from 1 hectare to 2 hectares) in total loans and their proportion to total borrowing members in the case of Bhawaninagar society rose respectively from 17.08% to 27.58% and from 23.08% to 38.26% during the period under review. However, the share of small farmers in total loans in the case of Yedemachindra society slightly deteriorated from 21.70% to 21.41% though the proportion of small farmers to total borrowing members rapidly increased from 29.25% to 47.67% during the period under study (Table No.4.9).

On the contrary, the share of small farmers in total loans as well as their proportion to total borrowing members

TABLE 4.7

AVERAGE SHARE OF DIFFERENT CATEGORIES
OF BORROWING MEMBERS IN TOTAL SHORT-
TERM LOANS DURING THE PERIOD FROM
1978-79 TO 1982-83

Particular	Bhawani- nagar society	Yedemach- indra society	Yetawade society	Ladegaon society
A) Farmers upto 1 hectare	21.12%	14.51%	16.68%	20.03%
B) Farmers from 1 hectare to 2 hectares	27.26%	27.42%	26.12%	26.33%
Total (A+B)	48.38%	41.93%	43.30%	46.36%
C) Farmers from 2 hectares to 4 hectares	35.71%	35.28%	38.34%	53.64%
D) Farmers from 4 hectares to 8 hectares	15.91%	20.32%	15.03%	Nil
E) Farmers above 8 hectares	-	2.46%	3.32%	Nil
Total (A+B+C+D+E)	100.00%	100.00%	100.00%	100.00%

Source : Based on Tables 4.8, 4.9 4.10
and 4.11

TABLE 4.8

SHORT-TERM LOAN DISBURSEMENT TO DIFFERENT CATEGORIES OF MEMBERS : BHAWANINAGAR SOCIETY

(Figures in Rs. thousand)

Particular	1978-79	1979-80	1980-81	1981-82	1982-83
D) <u>Farmers from 4 hectares to 8 hectares :</u>					
No. of farmers	8	4	12	12	16
Percentage of members to total	6.15	2.11	5.58	4.86	6.06
Amount of loan disbursed	45.20	44.50	75.47	99.61	126.52
Percentage of loan to total	17.71	14.95	16.37	12.80	17.71
E) <u>Farmers above 8 hectares :</u>					
No. of farmers	-	-	-	-	-
Percentage of members to total	-	-	-	-	-
Amount of loan disbursed	-	-	-	-	-
Percentage of loan to total	-	-	-	-	-
F) <u>All Farmers :</u>					
No. of farmers	130	190	215	247	264
Amount of loan disbursed	255.22	297.72	461.05	778.11	714.40

TABLE 4.9

SHORT-TERM LOAN DISBURSEMENT TO DIFFERENT CATEGORIES OF MEMBERS : YEDE MACHINDRA (DECAN PART) SOCIETY

(Figures in Rs. thousand)

Particular	1978-79	1979-80	1980-81	1981-82	1982-83
E) Farmers above 8 hectares :					
No. of farmers	2	2	-	-	1
Percentage of members to total	1.36	1.32	-	-	0.58
Amount of loan disbursed	10.20	9.80	-	-	9.00
Percentage of loan to total	5.74	5.03	-	-	1.54
F) All Farmers :					
No. of members	147	152	148	156	172
Amount of loan disbursed.	177.81	194.68	315.63	499.58	585.23

TABLE 4.10

SHORT-TERM LOAN DISBURSEMENT TO DIFFERENT CATEGORIES OF MEMBERS : YETAWADE SOCIETY

(Figures in Rs. thousand)

Particular	1978-79	1979-80	1980-81	1981-82	1982-83
E) Farmers above 8 hectares :					
No. of farmers	1	8	N.A.	N.A.	-
Percentage of members to total	0.26	2.76	-	-	-
Amount of loan disbursed	8.45	90.70	N.A.	N.A.	-
Percentage of loan to total	1.20	15.42	-	-	-
F) All Farmers :					
No. of members	390	290	401	311	293
Amount of loan disbursed	706.26	588.17	579.88	710.99	630.84

TABLE 4.11

SHORT-TERM LOAN DISBURSEMENT TO DIFFERENT
CATEGORIES OF MEMBERS : LADEGAON SOCIETY

(Figures in Rs. thousand)

Particular	1978-79	1989-80	1980-81	1981-82	1982-83
Percentage of loan to total	-	-	-	-	-
E) Farmers above 8 hectares :					
No. of farmers	-	-	-	-	-
Percentage of members of total	-	-	-	-	-
Amount of loan disbursed	-	-	-	-	-
Percentage of loan to total	-	-	-	-	-
F) All Farmers :					
No. of farmers	70	64	56	49	52
Amount of loan disbursed	32.33	38.20	42.98	57.7	20.8



in the case of Ladegaon society deteriorated respectively from 45.49% to 38.84% and from 42.86% to 20.41% during the period from 1978-79 to 1981-82 (Table No.4.11). However, the share of small farmers and their proportion to total borrowing members in the case of Yetawade society slightly rose respectively from 28.06% to 29.02 and from 29.23% to 29.35% during the period under review (Table No.4.10).

The shares of farmers having holding from 2 hectares to 4 hectares and the farmers having holding from 4 hectares to 8 hectares in the case of Bhawaninagar society respectively declined from 43.88% to 29.85% and remained stagnant at 17.71% during the same period. Moreover, farmers having holding above 8 hectares did not take any amount of loan from Bhawaninagar society during the period of reference (Table No.4.8).

In the case of Yedemachindra society, the share of farmers having holding from 2 hectares to 4 hectares stepped up from 24.50% to 41.96%; while the share of farmers having holding from 4 hectares to 8 hectares rapidly declined from 38.87% to 17.09% during the period under review. The share of farmers above 8 hectares continuously deteriorated from 5.74% to 1.54% (Table No. 4.9).

In the case of Yetawade society, the shares of the farmers having holding from 2 hectares to 4 hectares and the farmers having holding from 4 hectares to 8 hectares deterio-

rated respectively from 45.71% to 39.19% and from 13.57% to 11.16% during the period. Yetawade society did not issue any amount of loans to farmers above 8 hectares during the period since 1980-81 (Table No. 4.10).

In the case of Ladegaon society, the share of farmers having holding from 2 hectares to 4 hectares rapidly rose from 30.93% to 86.54% during the same period. However, the last two categories of farmers did not borrow any amount of loan from Ladegaon society during entire period under review (Table No.4.11).

All selected Primary Agricultural Co-operative Credit Societies in both irrigated as well as dry areas showed equally better performance in respect of financing of weaker sections of farming community in as much as the average share of weaker sections in total short-term loans in the case of Bhawaninagar, Yedemachindra, Yetawade and Ladegaon societies accounted for respectively 48.38%, 41.93%, 43.30% and 46.36% during the period under review (Table No.4.7). All selected PACCS issued on an average more than 40% of total loans to weaker sections of farming community during the period under review.

TABLE 4.12

AVERAGE INDEX OF INEQUALITY FOR DIFFERENT
CATEGORIES OF MEMBER DURING THE PERIOD FROM
1978-79 TO 1982-83

Particular	Bhawani- nagar society	Yedemachi- ndra society	Yetawade society	Ladegaon society
A) Farmers upto 1 hectare	57.8	75.36	38.90	43.81
B) Farmers from 1 hectare to 2 hectares	73.85	70.15	83.01	116.67
C) Farmers from 2 hectares to 4 hectares	181.29	124.96	253.88	226.61
D) Farmers from 4 hectares to 8 hectares	369.10	265.50	314.48	-
E) Farmers above 8 hectares	-	356.21	510.12	-

Source : Based on Tables 4.13, 4.14, 4.15
and 4.16.

TABLE 4.13

INDICES OF INEQUALITY OF SHORT-TERM
LOAN DISTRIBUTION FOR DIFFERENT
CATEGORIES OF MEMBERS OF BHAWANINAGAR
SOCIETY

Particular	1978-79	1979-80	1980-81	1981-82	1982-83
A) Farmers upto 1 hectare	50.44	81.38	52.42	38.87	66.29
B) Farmers from 1 hectare to 2 hectares	74.00	49.70	72.63	100.84	72.08
C) Farmers from 2 hectares to 4 hectares	154.18	185.21	202.45	200.40	164.19
D) Farmers from 4 hectares to 8 hectares	287.97	708.53	293.37	263.37	292.24
E) Farmers above 8 hectares	-	-	-	-	-

TABLE 4.14

INDICES OF INEQUALITY OF SHORT-TERM LOAN
DISTRIBUTION FOR DIFFERENT CATEGORIES OF
MEMBERS OF YEDEMACHINDRA (DECAN PART)
SOCIETY

Particular	1978-79	1979-80	1980-81	1981-82	1982-83
A) Farmers upto 1 hectare	42.23	47.85	133.90	74.57	78.26
B) Farmers from 1 hectare to 2 hectares	74.19	78.05	81.64	71.98	44.91
C) Farmers from 2 hectares to 4 hectares	92.35	83.39	107.54	156.42	185.09
D) Farmers from 4 hectares to 8 hectares	184.31	169.22	298.52	381.25	294.15
E) Farmers above 8 hectares	422.06	381.06	-	-	265.52

TABLE 4.15

INDICES OF INEQUALITY OF SHORT-TERM LOAN
DISTRIBUTION FOR DIFFERENT CATEGORIES OF
MEMBERS OF YETAWADE SOCIETY

Particular	1978-79	1979-80	1980-81	1981-82	1982-83
A) Farmers upto 1 hectare	24.97	54.70	15.83	52.55	46.48
B) Farmers from 1 hectare to 2 hectares	95.99	37.70	84.03	98.47	98.88
C) Farmers from 2 hectares to 4 hectares	231.56	150.86	550.70	167.45	168.85
D) Farmers from 4 hectares to 8 hectares	278.64	218.79	366.30	345.18	363.52
E) Farmers above 8 hectares	461.54	558.70	N.A.	N.A.	N.A.

TABLE 4.16

INDICES OF INEQUALITY OF SHORT-TERM
LOAN DISTRIBUTION FOR DIFFERENT
CATEGORIES OF MEMBERS OF LADEGAON
SOCIETY

Particular	1978-79	1979-80	1980-81	1981-82	1982-83
A) Farmers upto 1 hectare	48.55	50.27	48.99	44.31	26.92
B) Farmers from 1 hectare to 2 hectares	106.13	101.31	68.96	190.30	-
C) Farmers from 2 hectares to 4 hectares	360.91	166.72	200.55	123.61	281.25
D) Farmers from 4 hectares to 8 hectares	-	-	-	-	-
E) Farmers above 8 hectares	-	-	-	-	-

Index of inequality for marginal as well as small farmers in the case of Bhawaninagar and Yedemachindra societies showed a fluctuating trend during the period under review. Moreover, it remained, by and large, below 100 throughout entire period. Therefore, weaker sections continued to obtain lesser loans than their proportion in total membership (Table Nos. 4.13 and 4.14).

Similarly, index of inequality for marginal and small farmers in the case of Yetawade society remained less than 100 throughout entire period (Table No.4.15).

On the contrary, index of inequality for small farmers in the case of Ladegaon society, by and large, remained above 100. Therefore, small farmers could be able to obtain more loans than their proportion in total membership. However, marginal farmers continued to obtain lesser loans than their proportion in total membership as index of inequality for them remained below 100 (Table No.4.16).

Big farmers of all societies, by and large showed their strong position in getting more and more loans than their proportion in total membership as index of inequality for them remained above 100 throughout the entire period under study.

All PACCS other than Ladegaon, by and large showed a poor performance in issuing short-term loans to weaker sections

of farming community according to their proportion to total borrowing members in as much as average index of inequality for both marginal and small farmers continued to remain below 100.

Only in the case of Ladegaon society, average index of inequality for small farmers remained above 100 during the period under review (Table No.4.12).

SECTION-IV

Level of Overdues and Trends in it

Amounts of overdues of Bhawaninagar and Ladegaon societies deteriorated respectively from Rs. 79.79 thousands to Rs. 55.31 thousands and from Rs. 8.69 thousands to Rs.2.81 thousands during the period from 1978-79 to 1982-83 (Table No.4.17). Consequently, the growth index of overdues in the case of the former and the latter declined respectively from 100 to 69.62 and from 100 to 32.34 during the same period.

On the contrary, amounts of overdues of Yedemachindra and Yetawade societies rapidly rose respectively from Rs. 27.93 thousands to Rs. 49.55 thousands and from Rs.54.41 thousands to Rs. 102.09 thousands during the period under reference. Moreover, the growth index of overdues increased from 100 to 177.41 in the case of the former and from 100 to

TABLE 4.17

POSITION OF OVERDUES OF INDIVIDUAL SOCIETIES

(Figures in Rs. thousands)

Year	Bhawaninagar society	Yedemachindra society	Yetawade society	Ladegaon society
1978-79	79.79 (100.00)	27.93 (100.00)	54.41 (100.00)	8.69 (100.00)
1979-80	61.90 (77.58)	22.71 (81.31)	75.53 (138.45)	3.51 (40.39)
1980-81	40.84 (51.18)	16.74 (59.94)	42.00 (77.19)	2.32 (26.70)
1981-82	42.33 (53.05)	10.54 (37.74)	29.49 (54.20)	2.40 (27.62)
1982-83	55.31 (69.62)	49.55 (177.41)	102.09 (187.63)	2.81 (32.34)

(Figures in parenthesis denote growth index)

TABLE 4.18

OVERDUES AS A PERCENTAGE OF LOANS OUTSTANDING

Year	Bhawani nagar society	Yedemachindra society	Yetawade society	Iadegon society
1978-79	28.17	18.32	8.37	19.80
1979-80	19.33 (-) 31.38*	13.96 (-) 23.80*	14.69 + 75.51*	7.97 (-) 59.75*
1980-81	8.69 (-) 55.04*	6.37 (-) 54.37*	7.54 (-) 50.03*	4.85 (-) 39.15*
1981-82	5.46 (-) 37.17*	2.59 (-) 59.34*	4.07 (-) 46.02*	4.25 (-) 12.37*
1982-83	7.59 + 39.00*	9.01 + 247.87*	28.53 + 600.98*	7.93 + 86.58*

*Indicates the annual growth rate in percent over the previous year.

187.63 in the case of the latter during the same period (Table No. 4.17).

Table No. 4.18 reveals that annual growth rates of overdues as a percentage of loans outstanding showed a very wide amplitude of fluctuations during the period under study.

Annual growth rates of proportion of overdues to loans outstanding in the case of Bhawaninagar and Yedemachindra societies widely fluctuated respectively between minus 55.04% and plus 39% and between minus 54.37% and plus 247.87% during the same period.

Similarly, annual growth rates of overdues as a percentage of loans outstanding in the case of Yetaw ade and Ladegaon societies fluctuated respectively between minus 46.02% and plus 66.98% and between minus 59.75% and plus 86.58% during the period under study (Table No. 4.18).

The proportion of overdues to loans outstanding in the case of Bhawaninagar and Yedemachindra societies continuously deteriorated respectively from 28.17% to 5.46% and from 18.32% to 2.59 during the period of four years from 1978-79 to 1981-82; while during 1982-83, it rapidly rose to 7.59% in the case of the former and to 9.01% in the case of the latter (Table No. 4.18).

The proportion of overdues to loans outstanding in the case of Yetawade society declined from 14.69% to 4.07% during the period from 1979-80 to 1981-82. However, during 1983, it rapidly stepped up to the level of 28.53%.

In the case of Ladegaon society, the proportion of overdues to loans outstanding persistently deteriorated from 19.80% in 1978-79 to 4.25% in 1981-82. However, it rapidly rose to 7.93% during 1982-83 (Table No. 4.18).

Thus, position of all PACCS was not really comfortable in respect of overdues in as much as annual growth rates of proportion of overdues to loans outstanding showed a very wide amplitude of fluctuations during the period under study eventhough proportion of overdues to loans outstanding in the case of all societies deteriorated during the period of first four years.