



A study on role of primary agricultural credit societies (PACS) in financial assistance to rural people of India

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Abstract

Cooperative banks are one of the major banking agencies of our country and are playing very important role in the rural economy since long before independence. These financial institutions work on the principle of cooperation, self-help and mutual help. Primary Agricultural Credit Societies (PACS), as the basic unit of cooperative banks at village level, provide small and medium-term loans to small and marginal farmers and rural artisans for agricultural, non-agricultural and other purposes. About 96000 PACS with around 13.20 crore members are operating in India at present. The main objective of the present paper is to study the status of agricultural loan disbursed by the PACS of different states and UTs of our country and share of it on total loan disbursement during the study period of 2012-13 to 2018-19. The study reveals that the share of agricultural loan on total loan disbursed by PACS is not at satisfactory level. It is only 50% of the total loan disbursed at the end of the study period and has been increased only by 4% during the study period. The share of agricultural loan is below 70% of total loan disbursed in 12 states and UTs including some states where PACS are playing dominating role in terms of number, membership and amount of total loan disbursement. The study concludes that the issue of low share of agricultural loan to total loan disbursement should be considered seriously. The PACS of states where share of agricultural loan and coverage of village is low, should take proper measures to improve the status for overall improvement of the rural as well as national economy.

Keywords: cooperative banks, PACS, agricultural loan, total loan disbursement, national economy

Introduction

India, the second largest populated country in the world, is an agriculture-based country. The overall development of the country largely depends on the affluence of the agricultural sector. This sector supplies food for the nation, basic materials for different industries, helps in creation of employment opportunities and is one of the sources of foreign earnings. A large section of its workforce depends on agriculture either directly or indirectly. Previously the farmers and other allied persons engaged with agriculture were largely dependent on informal sources to meet their financial needs and often used to fall in 'debt trap' due to high rate of interest and other abnormal conditions. One of the major objectives of nationalization of banks were to provide financial assistance to every section of the society specially the bottom section. But this objective was not satisfied fully. The formal banking sector failed to reach to bottom level section of the rural society and a large portion of it remained under the grip of informal financial sector. In this context, the cooperative banks have played an important role to provide financial support to the farmers and weaker section of the society.

A co-operative bank is a government backed financial entity which belongs to its members, who are at the same time the owners and the customers of their bank. It is often established by people belonging to the same local or professional community having a common interest. It is formed to promote the upliftment of financially weaker sections of the society and to protect them from the clutches of money lenders who

provide loans at an unreasonably high-interest rate to the needy. The co-operative structure is designed on the principles of cooperation, mutual help, democratic decision making and open membership. It follows the principle of 'one shareholder, one vote' and 'no profit, no loss'. Cooperatives Banks are registered under the Cooperative Societies Act, 1912. These are regulated by the Reserve Bank of India and National Bank for Agriculture and Rural Development (NABARD) under the Banking Regulation Act, 1949 and Banking Laws (Application to Cooperative Societies) Act, 1965.

There are mainly two broad categories of cooperative credit institutions working in India- Agricultural Credit Institutions and Non-Agricultural Credit Institutions. Agricultural Credit Institutions are by far the dominant part of the entire co-operative credit structure. Agricultural Credit Institutions are of two types- Short-Term Agricultural Credit Institutions and Long-Term Agricultural Credit Institutions. The Short-Term Agricultural Credit Institutions have three-tier structure-

- a. At the apex, there is the State Cooperative Bank (SCB) in each state,
- b. At the intermediate (district) level, there are Central Cooperative Banks (DCCBs) and
- c. At the village level, there are Primary Agricultural Credit Societies (PACS).

At present in 20 states, three-tier structure namely SCB, DCCB and PACS is found and in 13 states two-tier structure, namely SCB and PACS is found. As on 31.03.2029, there are

33 SCBs, 363 DCCBs and 95995 PACS are operating in India. PACS is at the bottom of cooperative credit structure and is the village level institution which deals directly with the rural people. It encourages the village people to save money, collects deposits from them and lends money to them when needed. It creates a relationship between the ultimate borrowers i.e. the villagers and the higher institutions like DCCBs, STBs, RBI and NABARD.

Review of Literature

P. A. Venkatchalapathy (2016), in his paper entitled "A Study on Members' Awareness And Satisfaction of Services Provided By PACCS (Primary Agricultural Co-operative Credit Societies)" found that lack of supervision and inspection by the registrar of cooperative societies leads to financial misuse and disproportionate institutional development. Poor recovery of loans due to persuasive policy, differential rates of interest compared to commercial and private banks, no customer friendly technological solution, restricted area of operation, high transaction cost and traditional policy of undiversified lending are some of the main problems and constraints of cooperative sector. He suggested that cooperative institutions need to be member-driven and stakeholders should have a command over its affairs and activities. He also opined that aggressive marketing strategy should be adopted for sensitizing members and general people about the services rendered by the societies. Dr. Yashoda (2017) ^[1], in the paper entitled "Role of Primary Agricultural Co-Operative Society (PACS) in Agricultural Development in India" examined the role and performance of PACS in respect of agricultural credit and rural development. The study revealed that poor management information system, improper identification of borrower, poor industrial relations climate, failure to ensure rapport with government agencies, delay in loan sanctioning, lack of borrower contact and poor understanding of rural clientele, willful default and diversification of funds are some of the internal reasons of poor recovery of loan in PACS. The author concluded that to increase the efficiency of the society and to serve the agricultural people in a better perspective, the cooperative banking should be strong and efficient to face the challenges in competitive environment and it needs to take necessary measures. M. Kumar and V. P. Mehta (2018) ^[3], in their paper entitled "Performance and Prospects of Primary Agricultural Credit Societies (PACS) in Haryana during 2000-01 to 2014-15" analyzed the trend and growth of PACS in Haryana. They found that number of viable PACS decreased during the study period but it has been increased as a percentage in total. Every district of Haryana showed a negative percentage as far as number of PACS is concerned. The share of owned fund to total working capital was very small. Deposits have increased significantly over the study period but share of deposits in working capital was small. The number of PACS making profit were decreased during the study period. R. Sreedevi and S. Murugan (2018) ^[5], in their paper entitled "Role of Primary Agricultural Co-operative Credit Societies in Agricultural Services (A Case Study of Kanyakumari District, Tamilnadu)" made a study on the structural composition and working of the PACS in some selected areas of Kanyakumari District of Tamil Nadu.

They observed that majority of the members borrowed from the PACS due to easiness in obtaining credit but the agricultural credit disbursed by the PACS are not sufficient for their agricultural activities. They opined that the management and staff of the PACS must create awareness among the members about the different types of services provided by the PACS and help to avail the same.

Shailaja N. R. and C. K. Hebbar (2018)[6], in their paper entitled "Role of Primary Agricultural Cooperative Societies in Rural Financing" examined the role of PACS in rural financing and analyzed the significance of PACS in rural development. They opined that various incentive schemes introduced by the Government for rural development can be implemented successfully through PACS. These can play very constructive role in meeting the objectives of greater degree of financial inclusion in rural areas. There has been a massive expansion of institutional credit to agriculture over the years. By providing greater access to agricultural loans, PACS play a vital role in the progress of financial inclusion in India by increasing accessibility of goods and services in the rural areas and providing opportunities for employment and income generation in the rural areas. This will lead to inclusive development of rural areas in the country.

Present Scenario of PACS in India

As per the data available from the annual report of 2018-19 of National Federation of State Cooperative Banks Limited (NFSCOB) relating to performance of PACS, as on 31st March, 2019, 95995 PACS were operating in India consisting of 13386 in Central Zone (13.94%), 18569 in Eastern Zone (19.34%), 3570 in North-Eastern Zone (3.72%), 15888 in Northern Zone (16.56%), 14738 in Southern Zone (15.35%) and 29844 in Western Zone (31.09%).

Out of these, 65691 were viable, 17904 were potentially viable, 2650 were dormant and 1512 were defunct PACS. Total members of PACS as on that date were 13.20 crore, of which 3.75 crore were small farmers and 6.74 were marginal farmers.

Total number of borrowers as on that date were 5.10 crore, of which 1.39 crore were small farmers and 2.88 crore were marginal farmers. A total amount of Rs 205894.84 crore were issued by PACS as loans and advances to its members out of which Rs 5535.13 crore were issued in Central Zone, Rs 8658.86 crore were issued in Eastern Zone, Rs 30.27 crore were issued in North-Eastern Zone, Rs 40298.65 crore were issued in Northern Zone and 28169.86 crore were issued in Western Zone. The report further states that 644089 villages were covered by PACS as on that date.

Objectives

The objectives of the present paper are to-

1. Observe the status of PACSs in different states and UTs of our country in terms of number, its membership and percentage of villages covered by them during the study period.
2. Observe the amount of total loans disbursed by PACSs in different states and UTs and share of agricultural loan on them during the study period and
3. Observe any significant change took place during the same period.

Methodology

The National Federation of State Cooperative Banks Limited (NFSCOB) was established in 1964 to develop cooperative credit and to facilitate the operations of State and Central Cooperative Banks. It provides a common forum to the member banks to examine and resolve different banking related issues, promote and protect the interest of the member banks. NASCOB publishes basic data on performance of SCBs, DCCBs and PACS separately in each year. The present

paper is done mainly on the basis of annual data published by NFSCOB relating to performance of PACS. The study period is taken from the financial year 2011-12 to 2018-19 and data of the same period is used for presentation and analysis purpose. It is to be further mentioned that data in respect of Telangana has been available from the year 2015-16 and in respect of Jharkhand it is available only for the year 2011-12.

Data Presentation and its Analysis

Table 1: Total number of PACS functioning in different States and UTs during the study period

State & UT	31/03/ 2012	31/03/ 2013	31/03/ 2014	31/03/ 2015	31/03/ 2016	31/03/ 2017	31/03/ 2018	31/03/ 2019	Increase/ Decrease	% Change
Andaman & Nikobar	46	46	46	46	46	51	51	51	5	10.87
Andhra Pradesh	2807	2807	2807	2807	2050	2051	1818	1992	-815	-29.03
Arunachal Pradesh	34	34	34	34	34	34	34	34	0	0.00
Assam	766	766	766	766	766	766	766	766	0	0.00
Bihar	8463	8463	8463	8463	8463	8463	8463	8463	0	0.00
Chandigarh	16	17	17	17	17	17	17	17	1	6.25
Delhi	0	0	0	0	0	0	0	0	0	0.00
Goa	77	100	79	79	79	81	81	81	4	5.19
Gujarat	8154	8810	8313	8605	8804	8484	8535	8613	459	5.63
Haryana	640	656	657	663	711	711	613	728	88	13.75
Himachal Pradesh	2117	2135	2135	2135	2135	2127	2166	2132	15	0.71
Jammu & Kashmir	765	765	765	765	643	643	620	620	-145	-18.95
Karnataka	4739	4789	4915	5625	5337	5679	5679	5679	940	19.84
Kerala	1566	2915	2909	1642	1647	1647	1647	1643	77	4.92
Madhya Pradesh	4457	4457	4457	4457	4457	4457	4457	4457	0	0.00
Maharashtra	21402	21394	21268	21199	21094	21217	21181	21150	-252	-1.18
Manipur	232	223	223	223	223	223	90	261	29	12.50
Meghalaya	179	179	179	179	179	179	179	179	0	0.00
Mizoram	133	133	133	136	136	159	164	167	34	25.56
Nagaland	1719	1719	1719	1719	1719	1719	1719	1719	0	0.00
Orisha	2452	2701	2701	2701	2701	2701	2701	2701	249	10.15
Pondicherry	53	53	53	53	53	53	53	53	0	0.00
Punjab	1609	1609	1609	1609	1609	3543	3543	3543	1934	120.20
Rajasthan	5671	5671	5671	5671	6365	6411	6472	6472	801	14.12
Sikkim	169	169	169	170	174	176	176	176	7	4.14
Tamil Nadu	4538	4307	4310	4490	4436	4511	4520	4521	-17	-0.37
Telangana					798	798	799	799	1	0.13
Tripura	268	268	268	268	268	268	268	268	0	0.00
Uttar Pradesh	8929	8929	8929	8929	8929	8929	8929	8929	0	0.00
West Bengal	7962	7402	7402	7402	7402	7405	7405	7405	-557	-7.00
Chhattisgarh	1213	1213	1287	1177	1333	1333	1333	1617	404	33.31
Jharkhand	498	-	-	-	-	-	-	-	-	-
Uttarakhand	758	758	758	759	759	759	759	759	1	0.13
All India	92432	93488	93042	92789	93367	95595	95238	95995	3563	3.85

(Data Source: Report of NAFSCOB 2011-12 to 2018-19)

The above table represents the number of PACS operating in different states and UTs in India during the study period. From the table it is found that at the end of the study period, the highest number of PACS is operating in Maharashtra (21150) followed by Uttar Pradesh (8929) and Gujarat (8613). The total number of PACS has been increased from 92432 to 95995 resulting an increment of 3563 (3.85%) during the

study period. Highest increment in number of PACS is observed in case of Punjab (1934, 120.20%) followed by Karnataka (940, 19.84%).

and Rajasthan (801, 14.12%). On the other hand, highest decline in number of PACS is observed in case of Andhra Pradesh (815, 29.03%) followed by West Bengal (557, 7.00%) and Maharashtra (252, 1.18%).

Table 2: Total Membership of PACS in different States and UTs during the study period: (Figures in Lakh)

State & UT	31/03/ 2012	31/03/ 2013	31/03/ 2014	31/03/ 2015	31/03/ 2016	31/03/ 2017	31/03/ 2018	31/03/ 2019	Increase/ Decrease	% Change
Andaman & Nikobar	0.10	0.10	0.10	0.11	0.12	0.12	0.13	0.13	0.03	30.00
Andhra Pradesh	120.56	120.56	120.56	120.56	88.75	52.70	76.36	79.33	-41.23	-34.20
Arunachal Pradesh	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.00	0.00
Assam	30.34	30.34	30.34	30.34	30.34	30.34	30.34	30.34	0.00	0.00
Bihar	97.65	97.65	97.65	97.65	97.65	97.65	97.65	97.65	0.00	0.00

Chandigarh	0.03	37.52	0.04	0.04	0.02	0.02	0.02	0.02	-0.01	-33.33
Delhi	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Goa	0.85	0.79	0.85	0.74	0.92	0.96	0.96	0.71	-0.14	-16.47
Gujarat	27.77	29.37	29.82	30.33	30.32	27.96	26.85	26.89	-0.88	-3.17
Haryana	30.15	36.12	36.05	37.10	36.95	36.95	32.68	31.96	1.81	6.00
Himachal Pradesh	13.50	14.47	14.47	14.47	14.47	14.81	15.25	12.71	-0.79	-5.85
Jammu & Kashmir	1.44	1.44	1.44	1.44	3.96	3.78	3.72	3.72	2.28	158.33
Karnataka	54.59	61.28	59.30	51.92	88.46	66.97	66.97	66.97	12.38	22.68
Kerala	155.22	241.44	251.50	207.97	186.01	229.73	229.73	262.00	106.78	68.79
Madhya Pradesh	52.49	52.49	52.49	52.49	52.49	52.49	52.49	52.49	0.00	0.00
Maharashtra	142.30	149.44	149.49	139.33	144.15	152.36	147.13	147.49	5.19	3.65
Manipur	1.28	1.28	1.28	1.28	1.28	1.28	10.47	0.67	-0.61	-47.66
Meghalaya	0.89	0.89	0.91	0.95	0.96	1.06	1.06	1.04	0.15	16.85
Mizoram	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.07	-100.00
Nagaland	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.00	0.00
Orisha	43.16	52.82	52.82	52.82	65.62	65.65	65.02	63.98	20.82	48.24
Pondicherry	1.60	1.62	1.46	1.77	1.67	1.72	1.37	1.79	0.19	11.88
Punjab	7.19	7.19	7.19	7.19	7.19	25.19	25.19	25.19	18.00	250.35
Rajasthan	47.43	47.43	47.43	47.43	55.88	55.68	56.46	56.46	9.03	19.04
Sikkim	0.29	2.99	0.30	0.31	0.32	0.33	0.31	0.32	0.03	10.34
Tamil Nadu	114.26	104.20	151.76	116.96	125.27	132.01	122.88	112.70	-1.56	-1.37
Telangana					35.99	48.43	39.71	45.75	45.75	27.12
Tripura	3.72	3.72	3.72	2.25	3.58	3.53	3.69	3.91	0.19	5.11
Uttar Pradesh	27.48	27.48	27.48	27.48	27.48	27.48	27.48	27.48	0.00	0.00
West Bengal	121.72	121.91	121.93	121.93	121.93	121.57	121.72	121.72	0.00	0.00
Chhattisgarh	17.80	17.80	28.50	32.82	38.23	48.38	38.10	35.14	17.34	97.42
Jharkhand	12.52	-	-	-	-	-	-	-	-	-
Uttarakhand	9.19	11.95	11.95	12.85	12.85	12.85	11.39	11.39	2.20	23.94
All India	1135.95	1274.66	1301.19	1210.88	1273.22	1312.35	1305.47	1320.29	184.34	16.23

(Data Source: Report of NAFSCOB 2011-12 to 2018-19)

The above table represents the membership under PACS in different states and UTs during the study period. The table depicts that at the end of the study period, the highest membership under PACS is found in Kerala (262.00 lakhs) followed by Maharashtra (147.49 lakhs) and West Bengal (121.72 lakhs).

The total membership in overall country have been increased from 1135.95 lakhs to 1320.29 lakhs resulting an increment of

184.34 lakhs (16.23%) during the study period. The highest increment in membership number have been observed in Kerala (106.78 lakhs, 68.79%) followed by Telangana (45.75 lakhs, 27.12%) and Orisha (20.82 lakhs, 48.24%). On the other hand, highest fall in membership number have been observed in Andhra Pradesh (41.23 lakhs, 34.20%) followed by Tamil Nadu (1.56 lakhs, 1.37%) and Gujarat (0.88 lakhs, 3.17%).

Table 3: Amount of Total Loans Disbursed by PACS to its Members during the Study Period (Figures in Rs Crore)

State & UT	31/03/ 2012	31/03/ 2013	31/03/ 2014	31/03/ 2015	31/03/ 2016	31/03/ 2017	31/03/ 2018	31/03/ 2019	Increase/ Decrease	% Change
Andaman & Nikobar	2.02	6.08	3.84	5.84	7.20	6.28	7.79	7.23	5.21	257.92
Andhra Pradesh	4003.50	4003.50	4003.50	4003.50	5339.29	8775.28	10580.26	11865.02	7861.52	196.37
Arunachal Pradesh	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00
Assam	7.94	7.94	7.94	7.94	7.94	7.94	7.94	7.94	0	0.00
Bihar	421.89	421.89	421.89	421.89	421.89	421.89	421.89	421.89	0	0.00
Chandigarh	0.14	3560.90	0.36	0.36	0.01	0.02	0.01	0.01	-0.13	-92.86
Delhi	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00
Goa	19.08	16.54	20.46	38.40	30.35	35.18	15.18	19.74	0.66	3.46
Gujarat	5802.50	7134.57	9047.28	11258.56	10821.00	11323.04	11828.24	12755.68	6953.18	119.83
Haryana	6083.33	7022.68	7483.46	8075.92	8890.57	8890.57	9277.83	9213.82	3130.49	51.46
Himachal Pradesh	384.32	462.79	462.79	462.79	462.79	756.74	795.27	818.01	433.69	112.85
Jammu & Kashmir	12.88	12.88	12.88	12.88	16.16	16.31	16.23	16.23	3.35	26.01
Karnataka	5756.83	6117.19	6848.26	16884.57	13272.30	16617.04	16617.04	16617.04	10860.21	188.65
Kerala	38406.83	84685.97	93125.65	62494.26	69418.33	76941.14	76941.14	70030.62	31623.79	82.34
Madhya Pradesh	4737.66	4737.66	4737.66	4737.66	4737.66	4737.66	4737.66	4737.66	0	0.00
Maharashtra	8057.62	11408.12	8390.96	12612.56	13544.25	14374.58	14981.73	15394.45	7336.83	91.05
Manipur	0.07	0.07	0.07	0.07	0.07	0.07	1.01	1.16	1.09	1557.14
Meghalaya	4.71	4.71	6.13	10.85	11.34	5.47	5.47	6.27	1.56	33.12
Mizoram	0.11	0.34	0.34	2.47	2.47	1.83	2.30	4.50	4.39	3990.91
Nagaland	2.05	2.05	2.05	2.05	2.05	2.05	2.05	2.05	0	0.00
Orisha	2967.30	3215.89	3215.89	3215.89	5696.88	6025.64	6183.43	6360.71	3393.41	114.36
Pondicherry	51.50	54.71	80.66	33.93	26.66	15.59	26.47	37.29	-14.21	-27.59
Punjab	1675.54	1675.54	1675.54	1675.54	1675.54	11246.31	11246.31	11246.31	9570.77	571.21

Rajasthan	7284.29	7284.29	7284.29	7284.29	15208.78	13658.05	14037.76	14037.76	6753.47	92.71
Sikkim	4.77	6.38	8.83	7.41	17.13	8.61	3.79	4.31	-0.46	-9.64
Tamil Nadu	17755.31	16185.64	19347.63	19618.19	19133.39	15035.74	17420.05	19228.50	1473.19	8.30
Telangana					5326.04	4797.68	4870.58	5416.38	90.34	1.70
Tripura	5.77	5.77	5.77	7.45	8.51	6.08	44.85	4.04	-1.73	-29.98
Uttar Pradesh	797.47	797.47	797.47	797.47	797.47	797.47	797.47	797.47	0	0.00
West Bengal	1673.01	1681.57	1681.57	1681.57	1681.57	1844.01	1876.26	1876.26	203.25	12.15
Chhattisgarh	673.96	673.96	2024.32	2646.73	3216.62	3281.89	3537.81	3928.56	3254.6	482.91
Jharkhand	187.91									
Uttarakhand	519.92	722.05	722.05	1049.25	1049.25	1049.25	1037.94	1037.94	518.02	99.63
All India	107300.23	161909.15	171419.54	159050.29	180823.51	200679.41	207321.76	205894.85	98594.62	91.89

(Data Source: Report of NAFSCOB 2011-12 to 2018-19)

The above table represents the amount of total loan disbursed by PACS to its members in different states and UTs during the study period. From the table it is found that at the end of the study period, highest amount of total loan was disbursed by PACS of Kerala (Rs 70030.62 Crore) followed by Tamil Nadu (Rs 19228.50 Crore) and Karnataka (Rs 16617.04 Crore). The table further shows that total amount of loan disbursement has been increased from Rs 107300.23 Crore to Rs 205894.85 Crore resulting an increment of Rs 98594.62 Crore (91.89%)

during the study period.

Highest increment in disbursement of total loan during the period is found in Kerala (Rs 31623.79 Crore, 82.34%) followed by Karnataka (Rs 10860.21 Crore, 188.21%) and Punjab (9570.77 Crore, 571.21%). On the other hand, highest reduction in disbursement of total loan is observed in case of Pondicherry (Rs 14.73 Crore, 27.59%) followed by Tripura (Rs 1.73 Crore, 29.08%) and Sikkim (Rs 0.46 Core, 9.64%) during the same period.

Table 4: Amount of Agricultural Loans Disbursed by PACS to its Members during the Study Period (Figures in Rs Crore)

State & UT	31/03/ 2012	31/03/ 2013	31/03/ 2014	31/03/ 2015	31/03/ 2016	31/03/ 2017	31/03/ 2018	31/03/ 2019	Increase/ Decrease	% Change
Andaman & Nikobar	2.02	6.08	3.84	5.84	7.20	6.28	7.21	0.35	-1.67	-82.67
Andhra Pradesh	3350.28	3350.28	3350.28	3350.28	4774.58	7778.81	9070.91	11273.92	7923.64	236.51
Arunachal Pradesh	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00
Assam	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	0	0.00
Bihar	421.89	421.89	421.89	421.89	421.89	421.89	421.89	421.89	0	0.00
Chandigarh	0.00	3560.90	0.04	0.36	0.00	0.00	0.00	0.00	0	0.00
Delhi	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00
Goa	4.60	2.52	3.35	3.40	6.53	11.96	11.96	7.60	3.00	65.22
Gujarat	5519.28	6855.61	8760.83	10903.88	10490.50	10525.37	11253.33	12113.83	6594.55	119.48
Haryana	5987.51	6911.82	7393.42	7990.04	8760.02	8760.02	8648.06	7513.30	1525.79	25.48
Himachal Pradesh	384.32	454.74	454.74	454.74	454.74	756.74	795.27	818.01	433.69	112.85
Jammu & Kashmir	12.00	12.00	12.00	12.00	15.71	15.84	12.47	12.47	0.47	3.92
Karnataka	4102.73	4428.98	5074.95	11247.65	9579.22	9370.32	9370.32	9370.32	5267.59	128.39
Kerala	2464.52	8493.38	16426.94	6934.96	7703.48	7245.32	7245.32	10347.63	7883.11	319.86
Madhya Pradesh	4620.75	4620.75	4620.75	4620.75	4620.75	4620.75	4620.75	4620.75	0.00	0.00
Maharashtra	7013.94	9756.83	7389.44	10918.89	404.36	146.61	13013.92	9571.44	2557.5	36.46
Manipur	0.07	0.07	0.07	0.07	0.07	0.07	0.70	0.78	0.71	1014.29
Meghalaya	4.27	4.27	5.99	10.72	10.88	4.81	4.81	6.08	1.81	42.39
Mizoram	0.11	0.34	0.34	1.85	1.85	1.06	1.18	2.91	2.80	2545.45
Nagaland	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.00	0.00
Orisha	2864.47	3090.17	3090.17	3090.17	5157.44	5391.72	5536.42	5714.60	2850.13	99.50
Pondicherry	38.62	12.21	10.92	10.35	25.17	3.53	3.42	8.66	-29.96	-77.58
Punjab	1664.95	1664.95	1664.95	1664.95	1664.95	11246.31	11246.31	11246.31	9581.36	575.47
Rajasthan	3850.04	3850.04	3850.04	3850.04	0.00	0.00	0.00	0.00	-3850.04	-100.00
Sikkim	4.77	6.38	8.80	7.41	17.13	8.06	3.64	3.99	-0.78	-16.35
Tamil Nadu	3483.10	3708.22	4902.51	5330.23	5805.29	4553.57	6060.27	8086.05	4602.95	132.15
Telangana	0.00	0.00	0.00	0.00	340.19	3390.64	4708.65	5234.57	4894.38	1438.72
Tripura	4.38	4.38	4.38	5.43	8.51	5.48	29.90	2.83	-1.55	-35.39
Uttar Pradesh	642.68	642.68	642.68	642.68	642.68	642.68	642.68	642.68	0.00	0.00
West Bengal	1349.05	1340.16	1340.16	1340.16	1340.16	1429.78	1443.95	1443.95	94.9	7.03
Chhattisgarh	666.76	666.76	1977.10	2452.29	3192.49	3270.34	3524.72	3524.72	2857.96	428.63
Jharkhand	187.91									
Uttarakhand	476.37	626.98	626.98	1005.41	1005.41	1005.41	986.79	986.79	510.42	107.15
All India	49127.21	64499.20	72043.35	76282.25	66457.03	80619.19	98670.68	102982.24	53855.03	109.62

(Data Source: Report of NAFSCOB 2011-12 to 2018-19)

The above table represents the amount of agricultural loan disbursed by PACS to its members in different states and UTs during the study period. From the table it is found that at the

end of the study period, highest amount of agricultural loan was disbursed by PACS of Gujarat (Rs 12113.83 Crore) followed by Andhra Pradesh (Rs 11273.92 Crore) and Punjab

(Rs 11246.31 Crore).

The table further shows that total amount of agricultural loan disbursement has been increased from Rs 49127.21 Crore to Rs 102982.24 Crore resulting an increment of Rs 53855.03 Crore (109.62%) during the study period. Highest increment in disbursement of agricultural loan during the study period is found in Punjab (Rs 9581.36 Crore, 575.47%) followed by

Andhra Pradesh (Rs 7923.64 Crore, 236.51%) and Kerala (7883.11 Crore, 319.86%). On the other hand, highest reduction in disbursement of agricultural loan is observed in case of Rajasthan (Rs 3850.04 Crore, 100%) followed by Pondicherry (Rs 29.96 Crore, 77.58%) and Andaman & Nikobar Island (Rs 1.67 Core, 82.67%) during the same period.

Table 5: Share of Agricultural Loan on Total Loan disbursed by PACS to its Members during the Study Period

State & UT	31/03/ 2012	31/03/ 2013	31/03/ 2014	31/03/ 2015	31/03/ 2016	31/03/ 2017	31/03/ 2018	31/03/ 2019	Increase/ Decrease
Andaman & Nikobar	100.00	100.00	100.00	100.00	100.00	100.00	92.55	4.81	-95.19
Andhra Pradesh	83.68	83.68	83.68	83.68	89.42	88.64	85.73	95.02	11.33
Arunachal Pradesh	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Assam	72.38	72.38	72.38	72.38	72.38	72.38	72.38	72.38	0.00
Bihar	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	0.00
Chandigarh	0.00	100.00	9.85	100.00	31.97	16.67	16.30	19.15	19.15
Delhi	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Goa	24.12	15.27	16.37	8.85	21.52	34.00	78.82	38.49	14.36
Gujarat	95.12	96.09	96.83	96.85	96.95	92.96	95.14	94.97	-0.15
Haryana	98.42	98.42	98.80	98.94	98.53	98.53	93.21	81.54	-16.88
Himachal Pradesh	100.00	98.26	98.26	98.26	98.26	100.00	100.00	100.00	0.00
Jammu & Kashmir	93.10	93.10	93.10	93.10	97.22	97.13	76.86	76.86	-16.25
Karnataka	71.27	72.40	74.11	66.61	72.17	56.39	56.39	56.39	-14.88
Kerala	6.42	10.03	17.64	11.10	11.10	9.42	9.42	14.78	8.36
Madhya Pradesh	97.53	97.53	97.53	97.53	97.53	97.53	97.53	97.53	0.00
Maharashtra	87.05	85.53	88.06	86.57	2.99	1.02	86.87	62.17	-24.87
Manipur	100.00	100.00	100.00	100.00	100.00	100.00	69.31	67.32	-32.68
Meghalaya	90.68	90.68	97.64	98.78	95.99	88.00	88.00	97.00	6.32
Mizoram	97.42	100.00	100.00	75.00	75.00	57.76	51.41	64.56	-32.86
Nagaland	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	0.00
Orisha	96.53	96.09	96.09	96.09	90.53	89.48	89.54	89.84	-6.69
Pondicherry	75.00	22.32	13.53	30.49	94.42	22.63	12.94	23.23	-51.77
Punjab	99.37	99.37	99.37	99.37	99.37	100.00	100.00	100.00	0.63
Rajasthan	52.85	52.85	52.85	52.85	0.00	0.00	0.00	0.00	-52.85
Sikkim	100.00	100.00	99.59	100.00	100.00	93.58	96.04	92.62	-7.38
Tamil Nadu	19.62	22.91	25.34	27.17	30.34	30.28	34.79	42.05	22.44
Telangana					6.39	70.67	96.68	96.64	90.26
Tripura	75.88	75.88	75.88	73.00	100.00	90.13	66.67	70.00	-5.88
Uttar Pradesh	80.59	80.59	80.59	80.59	80.59	80.59	80.59	80.59	0.00
West Bengal	80.64	79.70	79.70	79.70	79.70	77.54	76.96	76.96	-3.68
Chhattisgarh	98.93	98.93	97.67	92.65	99.25	99.65	99.63	89.72	-9.21
Jharkhand	100.00								
Uttarakhand	91.62	86.83	86.83	95.82	95.82	95.82	95.07	95.07	3.45
All India	45.78	39.84	42.03	47.96	36.75	40.17	47.59	50.02	4.23

(Data Source: Report of NAFSCOB 2011-12 to 2018-19)

The above table represents the share of agricultural loan on total loan disbursed by the PACS of different states and UTs during the study period. From the table it is found that at the end of the study period there are three states namely Bihar, Himachal Pradesh and Punjab where entire loan (100%) and seven more states namely Andhra Pradesh, Gujarat, Madhya Pradesh, Meghalaya, Sikkim, Telangana and Uttarakhand where more than 90% loan has been disbursed for agricultural purpose. The table further shows that share of loan disbursed

for agricultural purpose in different states and UTs has been increased from 45.78% to 50.02%, resulting a net increment of 4.23% during the study period. Highest increment in share of agricultural loan has been observed in Telangana (90.26%) followed by Tamil Nadu (22.44%) and Chandigarh (19.15%). On the other hand, highest decline in share of agricultural loan has been observed in Andaman & Nikobar Island (95.19%) followed by Rajasthan (52.85%) and Orisha (51.77%) during the same period.

Table 6: Percentage of Villages covered by PACS in different States and UTs during the Study Period

State & UT	2012	2013	2014	2015	2016	2017	2018	2019	Increase/ Decrease
Andaman & Nikobar	17.45	23.02	23.02	23.02	23.02	23.02	23.02	23.02	5.57
Andhra Pradesh	91.4	91.4	91.4	91.4	100	100	41.71	97.46	6.06
Arunachal Pradesh	12.94	12.94	12.94	12.94	12.94	12.94	12.94	12.94	0

Assam	95.25	95.25	95.25	95.25	95.25	95.25	95.25	95.25	0
Bihar	100	100	100	100	100	100	100	100	0
Chandigarh	59.09	66.67	66.67	66.67	55.56	55.56	100	100	40.91
Delhi	0	0	0	0	0	0	0	0	0
Goa	92.2	89.63	37.78	30.37	51.3	51.3	51.87	51.87	-40.33
Gujarat	88.88	88.87	85.55	76.15	77.08	78.91	77.55	76.75	-12.13
Haryana	99.83	100	100	100	100	100	100	99.89	0.06
Himachal Pradesh	100	100	100	100	100	100	100	100	0
Jammu & Kashmir	98.11	98.11	98.11	98.11	86.71	73.56	91.87	91.87	-6.24
Karnataka	96.35	97.71	97.74	100	98.26	45.68	45.68	45.68	-50.67
Kerala	99.44	100	100	100	100	100	100	100	0.56
Madhya Pradesh	96.08	96.08	96.08	96.08	96.08	96.08	96.08	96.08	0
Maharashtra	87.55	84.83	85.02	81.44	19.56	61.64	61.99	64.4	-23.15
Manipur	100	100	100	100	100	100	65.53	70.1	-29.9
Meghalaya	51.94	51.94	55.1	55.1	61.19	48.56	48.56	45.47	-6.47
Mizoram	16.02	100	100	100	100	100	42.2	42.2	26.18
Nagaland	100	100	100	100	100	100	100	100	0
Orisha	95.52	96.03	96.03	96.03	95.51	95.51	95.51	95.9	0.38
Pondicherry	100	100	100	100	100	100	100	100	0
Punjab	88.18	88.18	88.18	88.18	88.18	100	100	100	11.82
Rajasthan	95.69	95.69	95.69	95.69	0	0	100	100	4.31
Sikkim	100	100	100	100	100	17.83	91.79	91.79	-8.21
Tamil Nadu	100	94.42	91.08	93.44	96.98	89.93	90.34	88.23	-11.77
Telangana						31.35	63.3	77.46	23.89
Tripura	97.5	97.5	97.5	87.88	87.88	87.88	100	100	2.5
Uttar Pradesh	100	100	100	100	100	100	100	100	0
West Bengal	100	97.44	97.44	97.44	97.44	97.57	97.57	97.57	-2.43
Chhattisgarh	100	100	99.56	79.19	89.06	100	100	100	0
Jharkhand	49.33								
Uttarakhand	100	100	100	100	100	100	100	100	0
All India	96.08	95.5	95.33	94.32	73.66	79.74	85.06	87.43	-8.65

(Data Source: Report of NAFSCOB 2011-12 to 2018-19)

The above table represents the percentage of villages covered by PACS in different states and UTs during the study period. The table reveals that there are twelve states and UTs namely Bihar, Chandigarh, Chhattisgarh Himachal Pradesh, Kerala, Nagaland, Pondicherry, Punjab, Rajasthan, Tripura, Uttar Pradesh, and Uttarakhand where PACS have covered 100% villages of the respective states and UTs at the end of the study period. Again, there are seven states namely Andhra Pradesh, Assam, Haryana, Jammu & Kashmir, Madhya Pradesh, Orisha, Sikkim and West Bengal where PACS have covered more than 90% of the villages of the respective states during the same period of time. The table further shows that % of villages covered by PACS of different states and UTs decreased from 96.08% to 87.43% resulting an overall reduction of 8.65% in all over India during the study period. Highest increment in respect of coverage of villages by PACS has been observed in Chandigarh (40.91%), followed by Mizoram (26.18%) and Telangana (23.89%) during the study period. On the other hand, highest reduction is found in Karnataka (50.67%) followed by Goa (40.33%) and Maharashtra (29.90%).

Major Findings

The statistics of the present paper reveals that PACS of thirteen states are playing major role in our country. These states are Andhra Pradesh, Gujarat, Haryana, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orisha, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal. Out

of these, data of Madhya Pradesh and Uttar Pradesh remained unchanged during the entire study period in all focus areas of the study, namely no. of PACS and its membership, disbursement of total as well as agricultural loan and percentage of villages covered by PACS in respective states during the study period. The data further reveals that the performance of Punjab was excellent all areas during the study period and has registered high growth in each area under study. Rajasthan, Kerala and Karnataka have also registered satisfactory growth in each area under study. Andhra Pradesh has registered high growth in disbursement of total as well as agricultural loan though it has faced high reduction in no. of PACS and its membership. Gujarat has registered high growth in no of PACS and disbursement of both total and agricultural loan but has faced high reduction on no. of membership. Maharashtra has registered moderate growth in no. of membership, disbursement of total as well as agricultural loan but faced high deduction in number of PACS during the study period. The performance of Orisha and Haryana is also satisfactory in all respect compared to Tamil Nadu and West Bengal.

The statistics also reveals that the share of agricultural loan on total loan disbursement is not at satisfactory level. It is only 50% of the total loan disbursed at the end of the study period and has been increased only 4% during the study period. This performance is not satisfactory also in some of the thirteen states mentioned above which are playing major role in our country. Share of agricultural loan is nil in Rajasthan and only

14.78% in Kerala. The share is not satisfactory in Tamil Nadu, Karnataka, Maharashtra and West Bengal also.

Conclusion

Our economy is primarily based on agriculture and as a basic unit at village level to provide small and medium-term loans to small and marginal farmers and rural artisans for agricultural, non-agricultural and other purposes, PACS plays a major role in rural economic development. PACS also provides input facilities in form of cash or kind component, agriculture implements on hiring basis and storage facility to their members. The present study reveals that there has been lots of improvement in different financial areas of PACS in all over India during the study period, but this improvement is not uniform throughout the country. The improvement in Southern region is much better than the rest of the country. The issue of low share of agricultural loan to total loan disbursement should be considered seriously. The PACS of states where share of agricultural loan and coverage of village is low, should take proper measures to improve the status. Higher disbursement of both agricultural and total loan will lead to higher agricultural and other production and overall improvement of the rural as well as national economy.

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