

Performance Of Primary Agricultural Credit Societies (Pacs) In India And Andhra Pradesh

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ABSTRACT

Agricultural credit is one of the most crucial inputs in all agricultural development programmes. For a long time, the major source of agricultural credit was private moneylenders. But this source of credit was inadequate, highly expensive and exploitative. To curtail this, a multi-agency approach consisting of co-operatives, commercial banks and regional rural banks credit has been adopted to provide cheaper, timely and adequate credit to farmers. The source of agriculture finance can be divided into two categories Institutional finance and non-institutional finance. Institutional finance consists of co-operatives, scheduled commercial banks and regional rural banks, among co-operatives Primary Agriculture Credit Societies (PACS) provide mainly short and medium term loans; whereas Primary Co-operative Agricultural and Rural Development Banks (PCARDBs) provide long-term loans for the agriculture. The non-institutional finance consists of money lenders, land lords and others. The present study was a fact finding study and comparative study aimed at analyzing the performance of PACS in India and Andhra Pradesh with the help of select indicators like Number of PACS, membership, working capital, loans and advances, overdues, etc.

Keywords: Co-operative, PACS, Working Capital, Overdue

INTRODUCTION

‘Co-operation’ as is understood today, as an economic system, was born as a peaceful reaction against the mercantile economy and industrial revolution which had resulted in the concentration of wealth, mass poverty and degradation, in a word ‘decay of men’. Edwin G. Nourse has stated: “The movement grew out of the circumstances of the industrial revolution and was a reaction against early abuses, or, at least, vigours of the capitalistic industrial system”. Although, the ideas of the co-operative movement are basically the same all over the world, its form and content varied from country to country. Co-operation took birth in different countries among people with different economic interests and for performing different economic functions. Everywhere, however, it originated as a defensive bulwark against exploitation of the weak by those in a stronger economic position.

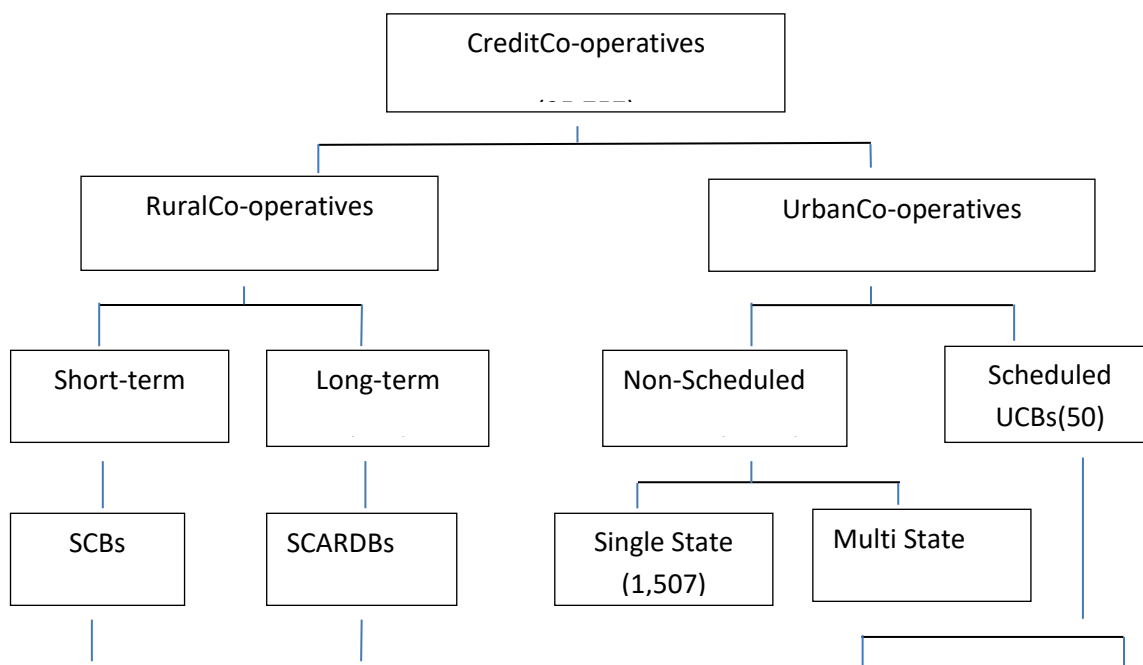
Co-operation now occupies a position of cardinal importance as a form of business organization in almost all the countries of the world. The working of the co-operative movement all over the world clearly demonstrates that there is hardly any economic need that cannot be met by organizing co-operative societies and hardly any form of social or political organization with which they cannot be reconciled or integrated.

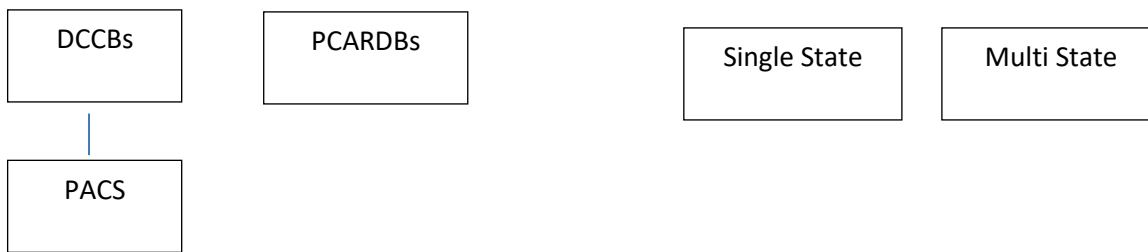
CO-OPERATIVE CREDIT STRUCTURE IN INDIA

The co-operative credit structure in India can be broadly classified as agricultural credit and non-agricultural credit. The credit structure is both pyramidal and federal in character. As far as agricultural credit is concerned, there are two streams one for short and medium term credit and another for long-term credit. The short and medium term agricultural credit follows a three-tier structure with the primary agricultural credit societies (also multi-purpose co-operative societies and farmer’s services societies) at the village level, Central Co-operative Bank at the district level and the State Co-operative Bank at the apex level. Regarding long-term credit, there is a two tier structure with Primary Land Development Banks at the village level and Central Land Development Bank at the state level. In some states in the country, the Central Land Development Banks operate through their branches.

At the end of March 2015, India’s co-operative banking sector comprised of 94,178 rural co-operative credit institutions including short-term and long-term credit institutions and 1,579 urban co-operative banks (UCBs).

Chart - 1
Structure of Co-operative Credit Institutions in India
Position as on March 31, 2015





Note: 1. Figures in parentheses indicate the number of institutions at end-March 2015 for UCBs and at end- March 2014 for rural co-operatives.

2. For rural co-operatives, the number of co-operatives refers to reporting co-operatives.

Source: RBI, Report on Trend and Progress of Banking in India 2014-15.

PRIMARY AGRICULTURAL CREDIT SOCIETIES (PACS)

Primary Agricultural Credit Societies (PACS) are the foundation of the co-operative credit structure and form the largest number of co-operative institutions in India. Most of these societies have been organized mainly to provide credit facilities and to inculcate the habit of thrift and economy among their members. The share capital of a society is divided into units, called shares, contributed by the members. The most important source of finance of PACS is members' deposits. Borrowings constitute the most important element of their working capital. The criteria for borrowings differ from state to state according to their liability. Punctuality in the repayment of loans has hardly been observed by the members with the result that there has been a steep rise in the amount of overdues all over the country.

SELECT REVIEW OF LITERATURE

Several studies – both individual and institutional – have been carried out on co-operation in general and PACS in particular.

The literature on agricultural credit in the context of developing economies may be broadly grouped into two categories. The first set consists of international status, writings mostly from the World Bank and its affiliates which are based on the efficacy of market mechanism in the allocation of credit to the different sectors, classes and regions of the economy. These writings draw their inspiration from the traditional neo-classical model. Government intervention, according to this line of thinking, tends to misallocate credit and contribute adversely to income distribution as it leads to inefficiency of resource allocation from the social point of view.

The second set consists of National status mostly from Government of India as well as Reserve Bank of India(RBI), which is often described as conventional, is guided by the market failure argument and cannot serve the interests of the economically weaker organisms and hence, the need to regulate credit market in their interests. A brief review of select literature is presented hereunder.

Bagchi (2006) in his study titled “Agriculture and Rural Development are Synonymous in Reality: Suggested Role of CAs in Accelerating Process” analysed the performance of Primary Agriculture Credit Societies, and observed that PACS could not match up to the increasing requirements of growth dimensions in the Agriculture/Rural development in the Post-independence period, although till the late 50s, they were the only available source of institutional rural finance.

Chalam and Prasad (2007) in their study entitled “An evaluation of financial performance of co-operative societies in Andhra Pradesh” (A study of selected PACSs in West Godavari District) have analysed the financial performance of nine selected primary agricultural co-operative societies and suggested that the co-operative societies should strike a balance between liquidity and profitability.

Paramasivan (2008) in his article “Lending and repayment performance of primary agriculture co-operative banks” focused on the primary agricultural co-operative societies in Mallasamudram block in Namakkal District of Tamil Nadu. He suggested that the restructuring of co-operative societies is unavoidable in the present day situation and the primary agricultural co-operative banks should change their structure and programmes in accordance with modern development.

OBJECTIVES OF THE STUDY

The specific objectives of the present study are:

- i. to study the progress of PACS in India and Andhra Pradesh;
- ii. to analyse the working capital structure of PACS;
- iii. to study the pattern of loans and advances of PACS in India and Andhra Pradesh; and
- iv. to examine the Demand, Collection and Overdues of PACS

PERFORMANCE OF PACS IN INDIA

Based on the recommendations of a committee appointed by the Government of India under the chairmanship of Edward Law, the Cooperative Credit Societies Act took its birth on 25th March 1904 in response to eliminate the exploitation of moneylenders. This Act permitted only to form PACS, which laid more emphasis on the promotion of agricultural credit. The Cooperative Credit Societies Act of 1912 removed the defects of 1904 Act and was made applicable to both credit and non-credit cooperative societies. With the introduction of Reforms Act of 1919, the transfer of Cooperation to Provincial Governments was the primary step. Henceforth, the Provincial Governments were empowered to have their own Cooperative Societies Act to make the path of credit movement smooth and sound⁷. As a result, some Provinces passed their own 'Cooperative Societies Acts.

Primary Agricultural Credit Societies (PACS) have played crucial role in the development and evolution of co-operative societies and overall agricultural development in India since 1904 when the first Co-operative Law was enacted. The performance of PACS has been analyzed with various components in the following tables.

i. Number of PACS

The progress of number of PACS is shown in Table 1. The number of PACS in India in 2009-10 was 94,647 and it decreased to 93,042 in 2013-14. It is observed that the Western region has been maximum number of PACS. More than 50 percent of total PACS are from Eastern and Western regions. Whereas, the PACS in North Eastern region has been lowest number of PACS.

Central: Madhya Pradesh, Chhattisgarh, Uttar Pradesh and Uttarakhand.
Eastern: Bihar, Jharkhand, Orissa, West Bengal and A&N Islands.
Northern: Haryana, Himachal Pradesh, Punjab, Rajasthan, J&K, Delhi and Chandigarh.
North Eastern: Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura.

(In Number)

S.No.	Name of the Region	2009-10	2010-11	2011-12	2012-13	2013-14
1	Central Region	15454 (16.33)	15426 (16.51)	15357 (16.61)	13386 (14.32)	13386 (14.39)
2	Eastern Region	20262 (21.41)	18466 (19.77)	19421 (21.01)	18566 (19.86)	18566 (19.95)
3	North Eastern Region	3583 (3.79)	3472 (3.72)	3500 (3.79)	3491 (3.73)	3491 (3.75)
4	Northern Region	12623 (13.34)	12791 (13.69)	10818 (11.70)	12824 (13.72)	12899 (13.86)
5	Southern Region	13643 (14.41)	13717 (14.68)	13703 (14.82)	14917 (15.96)	15040 (16.16)
6	Western Region	29082 (30.73)	29541 (31.62)	29633 (32.06)	30304 (32.41)	29660 (31.88)
	Total	94647 (100)	93413 (100)	92432 (100)	93488 (100)	93042 (100)

Note: Figures in parenthesis represent percentage to column total.

Source: Performance of Primary Agricultural Cooperative Societies for various years, www.nafscob.org

ii. Membership

The membership of PACS in India in 2009-10 was 1264.19 lakh and it increased to 1301.20 lakh in 2013-14. It is observed that the southern region has been maximum membership. More than 65 percent of total membership is from Southern and Eastern

regions. Whereas in North Eastern region has been lowest membership as well as number of PACS also. It occupies less than 3 percent of the total membership at India level.

Table-2
Region-wise Total Membership of PACS
(Amount in Lakhs)

S.No.	Name of the Region	2009-10	2010-11	2011-12	2012-13	2013-14
1	Central Region	102.83 (8.13)	116.71 (9.63)	106.97 (9.42)	79.98 (6.27)	79.98 (6.15)
2	Eastern Region	431.53 (34.13)	268.52 (22.15)	275.15 (24.22)	272.40 (21.37)	272.40 (20.93)
3	North Eastern Region	36.95 (2.92)	36.88 (3.04)	36.94 (3.25)	39.57 (3.1)	36.90 (2.84)
4	Northern Region	108.77 (8.60)	108.96 (8.99)	99.74 (8.78)	173.93 (13.64)	147.07 (11.3)
5	Southern Region	418.00 (33.06)	513.66 (42.37)	446.23 (39.28)	529.21 (41.52)	584.69 (44.93)
6	Western Region	166.11 (13.14)	167.51 (13.82)	170.92 (15.05)	179.60 (14.09)	180.16 (13.85)
	Total	1264.19 (100)	1212.25 (100)	1135.96 (100)	1274.68 (100)	1301.20 (100)

Note: Figures in parenthesis represent percentage to column total.

Source: Performance of Primary Agricultural Cooperative Societies for various years, www.nafscob.org

iii. Working Capital

Among the six regions in India, the working capital of Southern region was higher than the other regions. All the components of working capital were very sound in this region particularly deposits are occupied 85.78 per cent in its total working capital. The Western region has strong share capital base which stood at Rs. 2780.34 crore (28.4 per cent) in the year 2013-14. The working capital of the Central, Eastern, North-Eastern, Northern and Western regions was low due to low quantum of deposits as against the huge quantum of borrowings. Except the reserves, the other constituents were not appreciable in eastern region and the working capital was just 4.57percent. The Central and North Eastern regions had lower participation in the augment of working capital of the PACS at all India level. In all regions borrowings are more than the deposits except in southern region.

Table- 3
Region-wise Performance Indicators of PACS in Indiaas on 31st March, 2014
(Amount in Crores)

S.No.	Name of the Region	Paid up Share Capital	Reserve	Deposits	Borrowings	Working Capital
1	Central Region	834.83 (8.53)	289.18 (3.17)	885.51 (1.08)	11494.86 (11.99)	7714.73 (3.63)
2	Eastern Region	776.02 (7.93)	977.18 (10.7)	3247.90 (3.97)	16958.04 (17.69)	9713.24 (4.57)
3	North Eastern Region	47.41 (0.48)	9.61 (0.11)	82.80 (0.1)	64.58 (0.07)	395.93 (0.19)
4	Northern Region	1775.40 (18.14)	1457.97 (15.96)	5637.29 (6.88)	15765.20 (16.45)	25333.02 (11.93)
5	Southern Region	3574.80 (36.52)	4634.07 (50.73)	70252.49 (85.78)	34320.21 (35.81)	141955.15 (66.82)
6	Western Region	2780.34 (28.40)	1767.49 (19.35)	1788.92 (2.18)	17232.91 (17.98)	27317.10 (12.86)
	Total	9788.8 (100)	9135.50 (100)	81894.91 (100)	95835.80 (100)	212429.18 (100)

Note: Figures in parenthesis represent percentage to column total.

Source: Performance of Primary Agricultural Cooperative Societies(April, 1st 2013 – March 31st 2014), 2013-14, www.nafscob.org

iv. Overdues

In India the problems of overdues becomes serious with the passage of time. A number of committees formed during 1980's and 1990's mention about this problem in their reports. The period of eighties, particularly the period starting with the sixth plan, has been characterized as an era of growing overdues in regard to repayment and loan write off resulting in non-viability and sickness of formal rural credit institutions. The amounts left with the borrowers for realisation on a particular date are called as outstanding loans. And a part of the outstanding loan becomes overdues if not realized within certain definite time limit. The overdues of PACS were Rs.29631.94 crore as on 31st March, 2014. The Southern, Western and Northern regions PACS have maximum overdues but in case of North Eastern region PACS it's percentage is less than one per cent to the total overdues at India level. The highest percentage of overdues are found in Southern region PACS. The number of societies is in profit/loss also seen in Table 4

Table- 4
Region-wise Details of Main Items of PACS in India as on 31st March, 2014
(Amount in Crore)

S.No.	Name of	Total Loans	Total Loans	Total	Number of
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	the Region	& Advances Issued	& Advances Outstandings	Overdues	Societies In	
					Profit	Loss
1	Central Region	5535.13 (3.23)	5513.79 (4.24)	2247.49 (7.58)	6689 (15.44)	4097 (10.88)
2	Eastern Region	5319.36 (3.1)	4928.39 (3.79)	2431.02 (8.2)	4169 (9.62)	10026 (26.62)
3	North Eastern Region	31.14 (0.02)	62.02 (0.05)	40.73 (0.14)	571 (1.32)	932 (2.47)
4	Northern Region	19665.69 (11.47)	16190.04 (12.45)	5517.20 (18.62)	8407 (19.4)	3539 (9.4)
5	Southern Region	123409.54 (71.99)	86859.84 (66.79)	13507.59 (45.58)	8207 (18.94)	5708 (15.16)
6	Western Region	17458.70 (10.18)	16499.78 (12.69)	5887.92 (19.87)	15284 (35.28)	13360 (35.47)
	Total	171419.56 (100)	130053.86 (100)	29631.94 (100)	43327 (100)	37662 (100)

Note: Figures in parenthesis represent percentage to column total.

Source: Performance of Primary Agricultural Cooperative Societies(April, 1st 2013-March 31st 2014), 2013-14,www.nafscob.org

PACS IN ANDHRA PRADESH

At the time of formation of the State of Andhra Pradesh in 1956, it may be pointed out that the stock of co-operation movement as it obtained was partly from the Andhra region of erstwhile Madras State and Princely State of Telangana regions. It was thus under Feudal and Princely impact and in Andhra region under the British Rule. Therefore, it is worthwhile to study the co-operative movement in Andhra and Telangana regions separately. Andhra Pradesh state was bifurcated into Andhra Pradesh and Telangana, so that, the researcher confined to the Andhra region only.

Before Andhra State was constituted in 1953, the eleven Telugu speaking districts of this region were a part of the erstwhile Madras State under the All India Co-operative Credit Societies Act, 1904. Even before passing of this Act, some voluntary and cooperative economic activities were undertaken by few individuals.

i. Number of PACS, Membership and Borrowers

PACS were registered under the respective State Co-operative Societies Act. The Society would be registered under the by-law of the society, which contained all the regulations relating to the working of the society. PACS were organized at the village level to

meet the short-term credit needs of the farmers. At present, 100 per cent villages are covered by PACS.

At all India level, the number of societies had increased from 39,053 in the year 2004-05 to 89,827 in the year 2005-06. But, in the subsequent years, there were more dormant societies. From the year 2008-09, though the number of societies had been increasing, the growth was uneven and there were only 93,042 societies found in the year 2013-14.

At Andhra Pradesh, the growth rate for the number of societies was negative except during the years 2010-11 and 2011-12. The CAGR was 10.13 at all India level and it stood at -5.04 in Andhra Pradesh.

The membership of PACS comprises of farmers residing in the area of operation. In other words, the co-operative credit institution is a voluntary association of farmers, who want to use the services of it. To become a member, a person should have attained the age of 18 years and must be competent to contract as per law. "In Cooperatives man remains master and organization is his servant."⁸ These unique features could not find in any other credit organizations.

Table - 5
No. of PACS, Membership and No. of Borrowers in India and Andhra Pradesh
(In Numbers)

Year	India			Andhra Pradesh		
	No. of PACS	Members hip (000)	Borrowers (000)	No. of PACS	Members hip (000)	Borrowers (000)
2004-05	39053	46544	13592	4512	21947	2830
2005-06	89827	93560	40922	4491	22010	2836
2006-07	53339	92018	34406	4064	22158	3082
2007-08	67146	62711	33859	4064	22000	3101
2008-09	46222	65821	27317	2748	13123	3754
2009-10	89523	122226	57802	2721	12405	4677
2010-11	90279	106136	47714	2792	12146	3464
2011-12	101297	127646	52374	2807	12056	3427
2012-13	90958	110068	42629	2807	12056	3427
2013-14	93042	130120	48081	2807	12056	3427
CAGR	10.13	12.10	15.07	-5.14	-6.44	2.15

Source: Performance of Primary Agricultural Cooperative Societies for various years, www.nafscob.org

The membership of PACS has been fluctuating both at all India and Andhra Pradesh level. The membership position at all India level has been more than 4 crores from the year 2004-05 onwards due to the expansion of banking services by PACS. At Andhra Pradesh level, the membership was more than 1 crore in all the years of the study period. But the growth rate of number of members in PACS was not satisfactory in the years 2006-07 and 2008-09 due to the closure of many dormant societies.

Borrowing membership has direct correlation with the development of the PACS. The study conducted by RBI (1980) found that the following were "reasons for low borrowing membership in cooperative institutions".

- i. Though a number of members of a family had been enrolled as members of PACS, only one of them was a borrowed member.
- ii. Several affluent members did not resort to borrowings
- iii. Tenant cultivators with no record rights in the land entitled by them, being ineligible to obtain credit on the normal scale, have to go to non-institutional sources for meeting their agricultural outlays.
- iv. Members with very small holding seldom obtain institutional finance due to the fear of their inability to repay within due dates.
- v. Lifting of fertilizers was a pre-condition for drawl of cash component of loan.
- vi. The loan was inadequate and its untimely disbursement.
- vii. Consumption credit was not available in adequate measures.

Besides the reasons stated above, defective loaning policies and procedures and ever-increasing number of defaulting members inhibited the growth of borrowing membership. Further, under the Multi Agency Approach, agricultural credit has been available from other institutional agencies like RRBs and CBs. So, many of the members of PACS have borrowed from other institutional agencies also. The number of borrowers both at all India and Andhra Pradesh level had registered fluctuating trend.

ii. Working Capital

The working capital gears up the concern for achieving the objectives. In other words, it refers to the readily available funds for business. The concept of working capital is defined as the funds consisting of owned funds, deposits and borrowings during the year. The sources of working capital of PACS consisted of share capital, entrance fees, reserves and other funds, deposits from individuals, local bodies and other institutions and borrowings from DCCB.

Table – 6
Working Capital of PACS

(Amount in Crores)

Year	India					Andhra Pradesh				
	Paid-up Capital	Reserves	Deposits	Borrowings	Working Capital	Paid-up Capital	Reserves	Deposits	Borrowings	Working Capital
2004-05	1756	624	4286	15815	23052	462	170	763	5522	5570
2005-06	4540	2950	17566	30667	59025	465	184	770	5659	5643
2006-07	3168	2598	16054	21070	42404	484	193	320	6385	5641
2007-08	4685	3101	10981	32564	57536	487	198	325	6534	5811
2008-09	2786	2252	13375	21375	41466	518	302	1106	4900	5911
2009-10	6828	5350	35680	49074	130314	505	461	1153	4790	34278
2010-11	7005	6417	37282	48226	109385	572	450	1209	5413	34840
2011-12	9467	8565	54763	97564	173564	605	471	1260	5491	35043
2012-13	8008	6668	37561	81385	148939	605	471	1260	5491	35043
2013-14	9789	9135	81895	95836	212429	605	471	1260	5491	35043
AGR	21.04	34.74	38.79	22.16	27.99	3.04	11.99	5.73	-0.06	22.67

Source: Performance of Primary Agricultural Co-operative Societies for various years, www.nafscob.org

Though the working capital of PACS has been increasing throughout the study period at all India level, the growth rate was uneven. The CAGR was 27.99. At the same time, the working capital was fluctuating at Andhra Pradesh level with heavy ups and downs. It was the fact that the announcement of loan waiving scheme has hit the financial resources of these PACS. PACS in Andhra Pradesh were not able to issue fresh loans to the member borrowers due to lack of funds. As a result, all the components of working capital were fluctuating year to year and lead to the instable working capital base.

iii. Loans Issued and Loans Outstanding of PACS

Normally the PACS provide short-term and medium-term. The short-term loan is also called crop loan. This loan is advanced for a period of 12 months for seasonal agricultural operations, such as purchase of seeds, fertilizers, pesticides, payment of wages to agricultural labourers, etc. Now the rate of interest charged is 4.00 per cent. In this loan 40 per cent is given as inputs such as seeds, plants, fertilizers, pesticides, etc. and the rest of the amount in cash.

The medium-term loan is advanced under ordinary circumstances for a period of 3 to 5 years. This loan is issued for the purchase of animals, goat rearing, purchase of cattle, repairing of wells, improvement of lands and for other agricultural purposes. The PACS are charging an interest of 7.00 per cent on medium-term loan.

It is evident from Tables 8 & 9 that the total loans issued by viable PACS had increased from Rs.14982 crore in 2004-05 to Rs.171420 crore in 2013-14 at all India level its CAGR was 31.10. CAGR of loans issued in Andhra Pradesh for the same period was 6.63. The loans outstanding of PACS had increased from Rs.17886 crore in 2004-05 to Rs.130054 crore in 2013-14 at India level, showing an increasing trend during the period of the study. PACS' outstanding in Andhra Pradesh with regard to the rate of growth over the previous year, it showed positive change every year.

Table – 7
Loans Issued and Loans Outstanding of PACS

(Amount in Crores)

Year	India		Andhra Pradesh	
	Loans Issued	Loans Outstanding	Loans Issued	Loans Outstanding
2004-05	14982	17886	2246	5112
2005-06	35552	41024	2404	5192
2006-07	25277	32773	2394	5449
2007-08	32932	40244	2705	5634
2008-09	27465	28515	2575	4489
2009-10	72882	80487	3339	4576
2010-11	85296	79504	3914	4890
2011-12	122826	103462	4004	5154
2012-13	98440	91171	4004	5154
2013-14	171420	130054	4004	5154
CAGR	31.10	24.66	6.63	0.09

Source: Performance of Primary Agricultural Cooperative Societies for various years, www.nafscob.org

iv. Demand, Collection and Overdues of PACS

Demand means the loan instalment with interest falling due for recovery on a particular date. The collection of loans and advances is of paramount importance in respect of any credit institution. The credit society collects the dues at the time of harvest. The primary responsibility of the credit society is both the issue as well as collection of loans. The loans are collected immediately after harvest. The failure on the part of the society to collect the overdues in time results in default to the DCCB. Unless the society pays the dues

to the higher financing agencies, it cannot get further finance from them and the society will also be put into hardship in managing the funds.

Table – 8
Demand, Collection and Overdues of PACS

(Amount in Crores)

Year	India			Andhra Pradesh		
	Demand	Collection	Overdues	Demand	Collection	Overdues
2004-05	18408	12239	6169 (33.51)	3508	1674	1834 (52.28)
2005-06	41821	30018	11803 (28.22)	3589	1793	1796 (50.04)
2006-07	26509	17724	8786 (33.14)	3160	1819	1342 (42.47)
2007-08	41300	25885	15415 (37.32)	3308	1818	1648 (49.82)
2008-09	31978	22760	9219 (28.83)	3540	1862	1678 (47.40)
2009-10	92557	54271	38282 (41.36)	3766	2308	1458 (38.71)
2010-11	85757	64490	21428 (24.99)	4482	3113	1369 (30.54)
2011-12	101782	76705	25234 (24.79)	4785	3503	1282 (26.79)
2012-13	95926	70346	25580 (26.67)	4785	3503	1282 (26.79)
2013-14	155853	126221	29632 (19.01)	4784	3502	1282 (26.80)
CAGR	26.79	29.60	19.05	3.51	8.55	-3.90

Note: In Parenthesespercentage of Overdues to Demand of PACS

Source: Performance of Primary Agricultural Cooperative Societies for various years,www.nafscob.org

Increase in the collection of dues resulted in corresponding increase in demand in all years. There was vast gap found between the quantum of demand and the collection of dues, called as overdues. At all India level, the overdues had increased from Rs.6,169 crore in 2004-05 to Rs.29,632 crore in 2013-14. CAGR was 19.05 per cent. The percentage of overdues to demand has come down from 33.51 per cent and 52.28 per cent in the year 2004-05 to 19.01 per cent and 26.80 percent respectively in the year 2013-14 at all India and Andhra Pradesh level.

At Andhra Pradesh level, the demand has increased from year to year and influenced the collection of dues also. As a result, the overdues have come down from Rs. 1834 crore in the year 2004-05 to Rs.1282 crore at the end of the study period.

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