

Demand and Recovery of Primary Co-operative Agriculture and Rural Development Banks with Reference to Ballari District in Karnataka

¹K.Sakrapp, ²Dr. N.Shanumugam & ³Dr. M.Narayana

¹Lecturer in Commerce, Veerashaiva College, Ballari, Karnataka (India)

²Assistant Professor in Commerce, Govt. Arts College, Karur, Tamil Nadu (India)

³Associate Professor in Commerce, Ochi Boriaiah College, Jagalur, Davanagere District, Karnataka (India)

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ABSTRACT

Primary Co-operative Agriculture and Rural Development Bank playing vital role in the development of rural economy. These banks are established in order to provide long term credit facilities to the farmers with the object of improving the agriculture and standard of living. The present study makes an attempt to analyse the progress of the these bank in Ballari district over a period five years i.e. 2012-2017. The study reveals with the demand, collection and balances and growth share capital in different agangle of working of PCARD Banks in Ballari districts.

1. Introduction

India is basically an agricultural country it plays a vital role in the overall development of the rural economy in particular and in the national economy in general. As per 2011 census 68.84% of a population are lived in country side, they are virtually cultivators, farm labours, rural artisans and petty business people. Agriculture provides employment to around 65% of the total work force in the country. Agriculture in India has been the major sources of rawmaterial to various leading industries and agro-based cottage industries are also regularly collecting their rawmaterials directly from agriculture. The share of agriculture to the total national income was 59% in 1950-51. And now it has been remarkable declined to 17.4% in 2015-16. Between 1950-51, 2015-16 during this 5 decades contribution of agriculture to the national income continously decresing trend inspite of with the growth of other sector. How ever agriculture continously play a dominant role in overall economic scenario of India.

The decline in the share of agriculture in a national income is caused by various factors, like changes in climatic condition, changes in government policies, untimely mansoon, changes in method of cultivation and market position and credit system etc., of which credit is the most crucial factor it plays a role of accelerator for the development of economy in the country. Any changes in the agriculture sector whether positive or negative as multiplier effect on the entire economy to maintain the ecological balance there is a need for sustainable and balanced development of agriculture and allied activities.

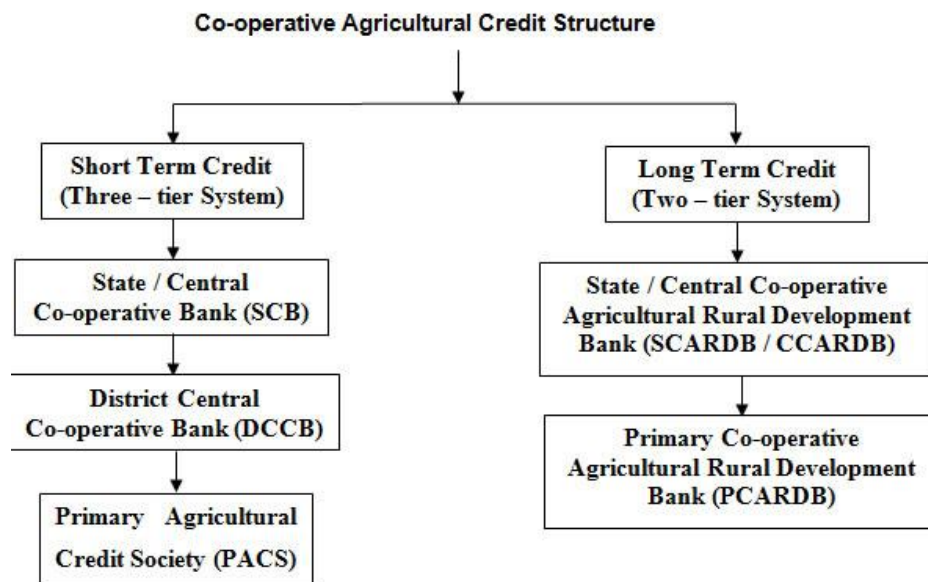
Majority of the Indian farmers are economically weak and they are completely failure in savings out of their agriculture revenue its not sufficient fully to meet the basic needs of the

farmers so in order to improve the productivity and production needs credit facility to purchase high yielding variety of seeds, adopting modern methods of technology scientific cultivation etc., needs credit facility. Credit also act as catalyst to move the agriculture from the traditional method to modern methods and to improve in the contibution of national income in the country.

2. Sources of credit

Broadly there are two sources of credit viz., private/non-institutional sources and institutional sources. Non-institutional sources of credit are private money lenders, friends and relatives or professoional money lenders. Institutional source of credit refers to the funds made available by co-operative, commercial banks and regional rural banks

In India agriculture credit scenario was largely dominated by non-institutional sources, they used to exploit the farmers by charging exhorbitant rate of interest on loan, forced the farmers to sell their produce at unremunarative price during the harvest season for recovering loan and forced the farmers to sell their properties at lower prices to recovering the loan the agriculture was not profitable and farmers are unable to pay the debts, the indebtedness of the farmers went on increasing and reached the alarming stage. So to avoid all these drawbacks the proper and timely credit facilities should offered by the institutional sources in order to make the farmers free from the clutches of the money lenders.



3. Objectives of the study

The following are the objectives

1. To know the number of Primary Co-operative Agriculture and Rural Development Banks (PCARD Banks) exist in Karnataka.
2. To know the demand recovery of Primary Co-operative Agriculture and Rural Development Banks of Ballari District (PCARD Banks)
3. To know the capital position of Primary Co-operative Agriculture and Rural Development Banks (PCARD Banks)
4. To make concluding the remarks and suggestions.

4. Methodology

The present study is an attempt to examine how PCARD Banks of Bellary district promote agriculture during the period of five years i.e. 2012-17. The study is based on secondary data which are collected from records, journals, annual reports of the PCARD Bank and progress at glance 2017-18.

5. Limitations

The study is restricted to Ballari district PCARD Banks branches only over a period of 5 years. 2012 to 2017.

6. Statement of the problem

PCARD Banks are facing many problems from inception period growing NPA, lack of funds falling deposits, competition from fellow banks and so on. So problems and risks faced by these banks are due to poor recovery, differential rate of interest, frequent changes in government policies, traditional system of granting credit etc., amidst all such types of hurdles PCARD Banks playing important role in promoting agriculture and allied activities by providing credit facilities. It has made strong linkage between rural based co-operative banks which do not have such link with money market. In this background the study has been taken up to assess the performance of PCARD banks in the rural economy.

7. Role of PCARD Banks

PCARD Banks Primarily called land development Banks under the co-operative field. These banks are individual autonomous bodies and affiliated to the SCARD Bank of respective state. The first PCARD Bank was came into force in Bheemnakone in Shimoga district in 10th July 1930. Later on these banks are spread all over the state at present, there are 177 PCARD banks are functioning all over in every taluk of the state. of which two PCARD Banks are under liquidations. PCARD banks borrow funds from KSCARD banks and lends directly to the farmers. The apex body of these banks is KSCARD Bank. These banks are working under the direction and control of district KSCARD branches. Which are established in district head quarters.

Agriculture needs short term, medium term and long term credit facilities. The short term and medium term credit requirement met by commercial banks and other agencies like co-operatives. In order to meet the long term credit facilities to the farmers, PCARD Banks are established these banks exclusively engaged in providing long term credit for productive and non-productive purposes, non-productive purposes includes repayment of old debts, marriage celebration, birth day celebration etc., productive purposes includes conversion of dry land into wetland digging of wells, repairs of wells includes of borewells, purchase of pumpsets tractors and their accessories, power tillers, sprayers and other machines construction of farm house, cattle shed, sericulture, horticulture, sheep rearing, piggeries etc., To bridge the gap between rich and poor it has been decided that 60% of total loan should be advanced to the small and economically weaker section farmers, of which 15% and 6% should invariably go to scheduled caste and scheduled tribes.

**TABLE NO.1
NUMBER OF PACARD BANKS IN KARNATAKA**

SL.NO.	NAME OF THE DISTRICT	NO. OF PCARD BANK BRANCHES
1	Bangalore Urban and	11

	Rural	
2	Kolara, Chikkaballapur	11
3	Tumkur	10
4	Chitradurga	06
5	Davangere	06
6	Shimoga	08
7	Mysore	07
8	Chamarajanagara	04
09	Madikeri	03
10	Mandya	07
11	Hasan	08
12	Chikkamagaluru	08
13	Mangalore	08
14	Udupi	03
15	Belgaum	10
16	Bijapur	05
17	Ballari	06
18	Bagalakote	06
19	Dharwar	05
20	Gadag	05
21	Haveri	07
22	Sirshi	11
23	Gulbarga and Yadgir	11
24	Raichur	05
25	Koppal	04

26	Bidar	05
	Total	177

Sources: KSCARD Bank: Progress at Glance 2017

8. Profile of PCARD banks of ballari district

In Ballari District there are six PCARD Banks are functioning. These banks were established in different years at Taluka place in Ballari District except Kottur PCARD Bank,(Hobli), now it declared as taluk, those PCARD Banks are as below :

1. The PCARD Bank of Ballari Taluk
2. The PCARD Bank Branch of Hosapete Taluk
3. PCARD Bank of Hagaribommanahalli Taluk
4. PCARD Bank of Siruguppa Taluk
5. The PCARD Bank of Hadagali Taluku
6. The PCARD Bank of Kudligi Taluk (Kotturu)

Recovery Performance of PCARD Bank of Ballari District. The comparison of recoveries with demand highlighted the problem of over dues the data on demand collection (Recovery) and balance of 6 PCARD Banks of Ballari District is presented in the table during the last 5 years, i.e., from 2012-13 to 2016-17.

TABLE NO.2
DEMAND, COLLECTION AND BALANCES DEMAND, COLLECTION AND BALANCE FOR THE LAST 5 YEARS

Year		Ballari	Hosapete	Hadagali	H.B.Halli	Kottur	Siruguppa	Total
2012-13	Demand	380.43	173.24	177.61	170.70	142.62	708.28	1752.88
	Collection	270.82	111.98	125.45	97.96	74.99	645.85	1327.05
	Balance	109.61	61.26	52.16	72.74	67.63	62.43	425.83
	Percentage	71.19	64.64	70.63	57.39	52.58	91.19	75.70
2013-14	Demand	354.82	185.18	190.47	189.46	154.80	629.39	1704.12
	Collection	290.47	147.41	159.83	150.81	116.08	611.16	1475.76
	Balance	64.35	37.77	30.64	38.65	38.72	18.23	228.6
	Percentage	81.86	79.60	83.91	79.44	74.99	97.12	86.59
2014-15	Demand	335.23	164.68	186.45	164.92	267.00	522.40	1640.68
	Collection	247.75	124.05	151.17	127.38	92.13	482.24	1224.72
	Balance	87.48	40.63	35.28	37.54	174.87	40.16	415.96
	Percentage	73.95	75.33	81.08	77.24	34.50	92.31	74.64
2015-16	Demand	366.63	147.32	200.83	156.07	201.34	646.18	1718.37
	Collection	305.66	108.73	174.14	134.02	154.79	592.66	1470
	Balance	60.97	38.59	26.69	22.05	46.55	53.52	248.37
	Percentage	83.37	73.81	86.71	85.87	76.88	91.72	85.56
2016-17	Demand	360.88	186.27	288.61	195.87	179.00	773.42	1984.05
	Collection	275.16	119.65	159.56	135.54	99.76	663.67	1453.34
	Balance	85.72	66.62	129.05	60.33	79.24	109.75	53.71
	Percentage	76.25	64.23	55.29	69.20	79.24	85.81	73.25

Sources: Annual Report of Concerned PCARD Banks 2012-17,

The Demand of PCARD Bank in Ballari District is increased from Rs.1752.88 lakhs in 2012-13 to Rs.1984.05 lakhs in 2016-17 which recorded the growth rate of (13.18) in the same period the demand of PCARD Banks in Karnataka

increased from Rs.60040.63 lakhs to 68322.16 which record the growth rate 13.79 it show that growth rate of PCARD Banks in Ballari District and PCARD Banks of Karnataka is more or less same. However in the district of Ballari in the year 2012-

13, Siruguppa Branch Registered a high recovery percentage i.e., (91.19) followed by Ballari Branch 71.19 and Hadagali (70.63) The Kotturu Branch Registered low percentage of recovery (52.58) and in the year 2013-14, again Siruguppa Branch made a remarkable achievement in recovery i.e., (97.12) followed by (83.91) of Hadagali and (81.86) of Ballari the least percentage of recovery made by Kottur Branch 74.99. During the year 2014-15, Siruguppa made land mark in the recovery i.e. (92.21) followed by Hadagali (81.08), H.B.Halli (77.24) and Hospet achieved (73.33) it is little less when compare to previous year and again Kottur branch registered a lower percentage (34.50).

In the year 2015-16 Siruguppa stood first in the district achieved (91.72) next by Hadagali (86.71), H.B.Halli Secured third place i.e. (85.87) and Kottur made a tremendous improvement i.e. (76.88) increased more than Half of the previous years achievements.

The achievement of the recovery in the year 2016-17 Siruguppa attained (85.81) and followed by Kottur i.e. (79.24) and Bellary (76.25) Hagaribommanahalli (69.20) Hospet (64.23) and atlast Hadagali (55.29)

TABLE NO.3
SHARE CAPITAL OF PCARD BANK BRANCHES OF BALLARI DISTRICT.

(in lakhs)

Name of the Branches	2012-13	2013-14	2014-15	2015-16	2016-17	Total
Bellari	81.51	97.88	111.40	119.97	147.59	558.35
H.B.Halli	54.95	58.48	66.28	80.12	90.84	350.67
Hadagali	63.77	70.36	75.95	81.10	91.09	382.19
Hospete	38.37	44.81	53.77	61.20	74.05	272.20
Kotturu	38.41	44.19	59.90	62.71	84.70	289.91
Siruguppa	195.33	198.61	206.76	225.97	222.04	1048.71

Sources: Annual Report of concerned PCARD Banks,

The Share capital of PCARD Banks in Ballari District is increased from Rs.472.34 lakhs in 2012-13 to Rs.710.31 lakhs in 2016-17. This recorded growth rate of (50.38) in the same period the share capital of PCARD Banks in Karanataka increased from Rs. 5531.88 lakhs to 7779.52 lakhs which recorded the growth rate (40.63) it shows that the growth rate of share capital in Bellary District is higher than the growth rate of share capital in the state. However in 2012-13 Siruguppa taluk registered a high growth rate i.e., (41.35) followed by Ballari Taluk (17.25) and Hadagali (13.50) The Kottur Branch Recorded only (8.13) the growth rate. In the year 2013-14 Siruguppa again increased (38.61) followed by Ballari Taluk (19.03) Hadagali (13.67) , again Kottur reached (8.59) is the lowest.

2014-15 Siruguppa reached (35.88), Ballari (19.40), Hagaribommanahalli (11.54), Hadagali stood second place in the district i.e. (30.65) , Hospet Secured last position i.e. 9.36 during 2015-16 Siruguppa (35.80), Ballari (19.01), Hadagali (12.85), Hospet again least in the district (9.69). during the year 2016-17 Siruguppa again achieved (31.27) in raising share capital Ballari (20.78) Hadagali raised (12.82) Hagaribommanahalli (12.79).

The increase in share capital of PCARD Banks in Ballari district over the years was due to rise in the face value of shares from Rs.100 to 250 or Rs 500. The share capital of PCARD Banks are fixed in the general body meeting. The factors like size of the taluk demographic features, initiation of management economic conditions of the taluk and geographical factors.

9. Conclusion

PCARD Banks played a commendable role in Ballari district particularly and in state in general in granting credit facilities to the farm community by observing the performance with respect of recovery to demand and rising of share capital the branches of suffering from drawback especial in collection (recovery) with over dues are mounting year by year except the Siruguppa taluk. Other branches are having poor recovery and accumulated losses so the need of hour is increase the recovery system and improve the financial conditions of the farm community and render good services to the development of rural economy of India.

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