

HARYANA STATE CO-OPERATIVE AGRICULTURE RURAL DEVELOPMENT BANK: ANALYSIS OF AGRICULTURAL LOAN AND PROFITABILITY

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Abstract: The present paper deals with the distribution of agriculture loan to various schemes of agriculture by HSCARDB and its profitability in Haryana. The main purpose of this study is to analyze variability of agri. loan distribution and profitability from year 2005 to 2015. In this study secondary data has been used from annual reports issued by the concerned bank. Collected data have been arranged in tabulation form with trend and percentage analysis.

Keywords: Agriculture, HSCARDB, Scheme, Profitability, Loan

1.0 Introduction

Haryana is one amongst the smallest States in Republic of India with 4.4 million hectares of land, forming 1.34 % of the entire geographical region of the country. Nearly 80% of the entire geographic area of the State is under cultivation out of which about 84% is irrigated with cropping intensity of 184 percent.

Based on cropping pattern, the State is divided into three agro-regions. Zone-I consists of eight districts, particularly Panchkula, Kurukshetra, Ambala, Yamunanagar, Kurukshetra, Karnal, panipat, Kaithal, and Sonipat. This Zone forms nearly thirty two percent of the entire space of the State. Zone-II consists of seven districts, specifically Sirsa, Fatehabad, Hisar, Rohtak, Jind, Faridabad and Palwal. This Zone accounts for nearly thirty-nine percent of the entire space of the State. Zone-II consists of six districts, specifically Mewat, Gurgaon, Mahendergarh, Rewari, Jhajjar, and Bhiwani. It covers nearly twenty nine percent of the entire area of the State.

Financial institutions seeking to work in rural areas face various constraints, like poor infrastructure, distributed demand, value and yield risks. Apart from this the demand for loan outweighs supply. Enhancements in technology are creating it progressively viable for suppliers to sustainably and effectively reach individuals in rural areas, although a much better understanding of potential customers and their monetary needs are necessary to form important improvements.

2.0 HSCARDB

The Haryana State Cooperative Agriculture and Rural Development Bank Ltd. (HSCARDB), was set up on 1st Nov.1966 under the Punjab Cooperative Societies Act, 1965(replaced by Haryana Cooperative Societies Act, 1984). At the time of establishment of the Bank, there were only 7 PCARDBs in the State, now this number has risen to 77 PCARDBs. These PCARDBs have now been amalgamated into 19 DPCARDBs and the existing PCARDBs at Tehsil and Sub Tehsil level act as branches of these District PCARDBs. The main objective of the Bank is purveyance of Long Term Credit to the agriculturists through District Primary Agriculture and Rural Development Banks (DPCARDBs) and their branches. HSCARDB acts as an Apex Institution both for providing long term finance and for coordinating the functions of DCARDBs and their branches.

3.0 Objective of the Study-

- i- To analyze scheme wise distribution of agricultural loan by HSCARDB.
- ii- To analyze profitability of HSCARDB in Haryana.

4.0 Methodology-

For this study **exploratory** research design is used. The study is **exploratory** because it explores the idea and insight about the said problem.

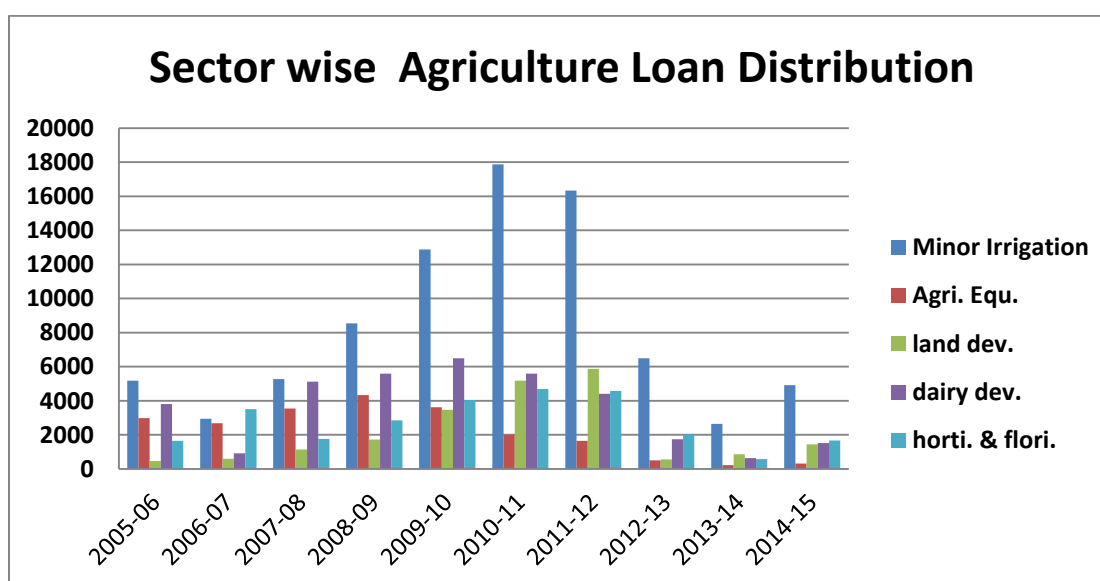
5.0 Data Collection-

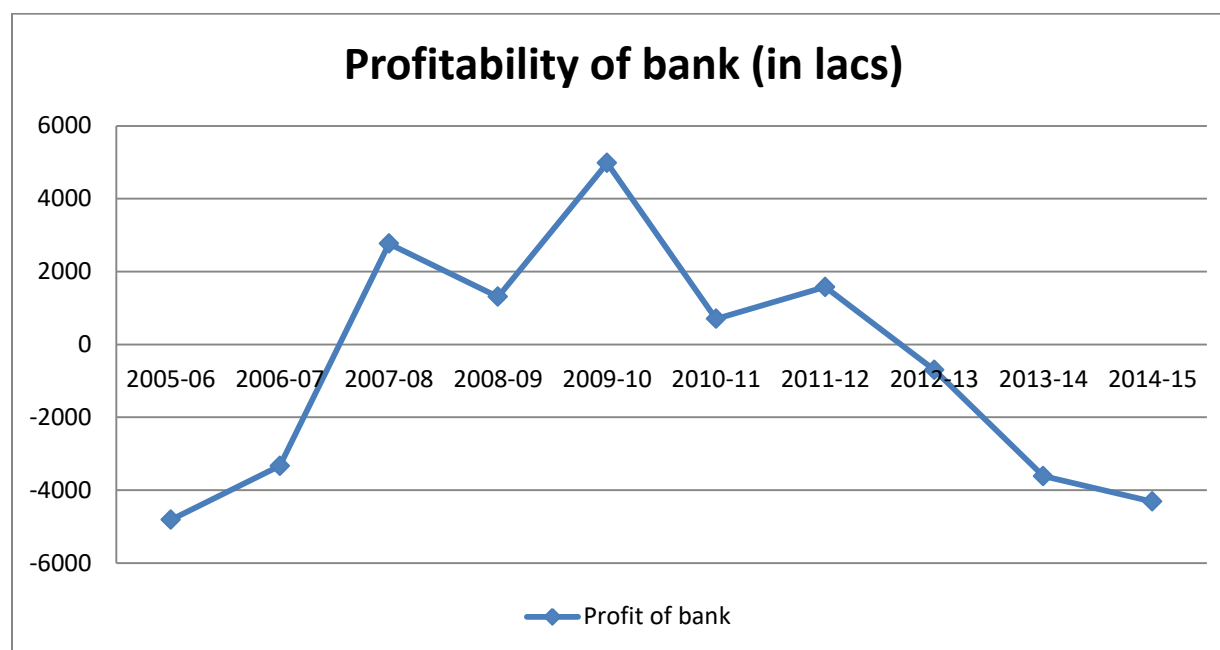
The Required data is collected from annual reports of HSCARDB during the period of 2005-06 to 2014-15 by researcher.

Table 1 Scheme Wise Distribution of Agriculture Loan And Profitability Of Bank (In Lacs)

Year	Minor Irrigation	Agri. Equipment	land devlop.	dairy devlop.	horti. & flori.	Total Agri. Loan	Profit of bank
2005-06	5180	2988	471	3809	1648	14096	-4815
2006-07	2947	2682	591	913	3516	10649	-3335
2007-08	5282	3546	1137	5124	1758	16847	2765
2008-09	8545	4342	1716	5594	2842	23039	1307
2009-10	12871	3621	3465	6489	4043	30489	4980
2010-11	17873	2007	5172	5588	4689	35329	704
2011-12	16330	1645	5870	4404	4571	32820	1575
2012-13	6502	513	569	1739	2032	11355	-699
2013-14	2637	225	863	641	588	4954	-3613
2014-15	4915	319	1442	1516	1677	9869	-4315
Percentage	43.86	11.55	11.24	18.91	14.44	100	
Total	83082	21888	21296	35817	27364	189447	

Source: Annual reports of HSCARDB



Graph 1**Graph 2**

6.0 Analysis and Interpretation:

The above table and graph 1 shows that among total agriculture loan the major share is occupied by minor irrigation (43.86%) followed by dairy development (18.91), horticulture and floriculture (14.44%), agriculture equipment (11.55%) and land development (11.24%). The study also revealed that the agriculture loan was highest in the year 2010-11 (35329 lacs) and lowest in the year 2013-14 (4954 lacs). Agriculture loan have declining trend in later years.

Graph 2 shows profitability performance of HSCARDB and indicate that as per profitability measure bank is not performing as good and it has unpredictable trend of profit. The bank had earn profit from 2007-08 to 2012-13 and loss in the year 2005-06, 2006-07 and 2012 to 2015.

7.0 Findings and Suggestions:

The main reason of declining agriculture loan is poor recovery performance that leads to increasing NPA's and also pushes the bank in to losses. It is suggested that to improve the performance of agriculture loan and profitability bank should restructure the recovery policies and take strict measure for recovery so that NPA's can be reduce and losses may be converted into profits.

8.0 References-

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