
**PERFORMANCE ANALYSIS OF PRIMARY AGRICULTURAL
COOPERATIVE CREDIT SOCIETIES IN TAMIL NADU**

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Gandhigram – 624302 Dindigul District, Tamil Nadu.**Article Received: 12 April 2026, Article Revised: 02 May 2026, Published on: 22 May 2026*****Corresponding Author: G. Vigneshwaran**PhD Research Scholar, Department of Cooperation, Gandhigram Rural Institute (Deemed to be University),
Gandhigram – 624302 Dindigul District, Tamil Nadu.DOI: <https://doi-org/101555/ijarp.6352>**ABSTRACT**

Primary Agricultural Cooperative Credit Societies play an important role in providing rural credit and supporting agricultural development in Tamil Nadu. The study examines the performance and viability status of PACCS during the period 2013-2014 to 2022-2023. The study is based on secondary data collected from the reports of the National Federation of State Cooperative Bank Ltd. Trend analysis and percentage analysis were used for the study. The findings show that fluctuations are a viable PACCS and that dormant Societies increase in certain years. The study concludes that PACCS continue to support the rural cooperative credit system in Tamil Nadu despite facing operational and financial challenges.

KEYWORDS: PACCS, Cooperative Credit, Viability, Rural Development, Agricultural Finance, Tamil Nadu, Performance Analysis.**1 INTRODUCTION**

The Primary Agricultural Cooperative Credit Societies are important institutions in the Cooperative Credit System of Tamil Nadu. These societies mainly provide Agricultural loans and other financial services to farmers and rural people. PACCS helps members meet cultivation expenses and supports rural economic activities. They also encourage savings and provide agricultural inputs to members. The functioning of PACCS differs from one period to another. Some societies perform well and remain viable, while others become dormant or defunct due to financial and operational problems. The status of PACCS reflects the strength

of the state's rural cooperative structure. Hence, it is necessary to examine the viability, position, and performance of PACCS in Tamil Nadu over the years. This study focuses on the year-wise performance of PACCS during the period from 2013-2014 to 2022-2023.

2 Objectives of the Study

1. To study the year-wise performance of PACCS in Tamil Nadu
2. To examine the viability status of PACCS during the study period.
3. To analyse the changes in viable, dormant, and defunct PACCS in Tamil Nadu

3 Statement of the Problem

Primary Agricultural Cooperative Credit Societies play a major role in providing rural credit and supporting Agricultural activities. Even though many societies function effectively, some PACCS face problems such as weak financial positions, poor loan recoveries, and operational difficulties. Because of these issues, certain societies become dormant or defunct. Fluctuations in the number of viable societies affect the overall Cooperative Credit system. Therefore, studying the performance and viability of PACCS is important to understand their present condition and growth trend in Tamil Nadu.

4 METHODOLOGY

The study is based on secondary data collected from the reports of the National Federation of State Cooperative Bank Ltd. The study covers the period from 2013-2014 to 2022-2023. Percentage and trend analyses were used to interpret data on the performance and viability of PACCS in Tamil Nadu.

5 Review of the Literature

1. T.N. Hajela (2000) Deep in rural areas, small farmers find help through community loan circles. Not long ago, T.N. Hajela pointed out their quiet power in everyday survival. Rather than trust back-alley lenders, families now seek funds from these shared systems. Numbers tell part of the story: farming life has shifted thanks to steady access to credit. Behind each figure lies a change far bigger than debt - it alters who grows food and how. Farms breathe easier when money moves without fear.

2. Bedi R.D (2005). At the front of the building, Bedi noted that smooth co-op operations often come down to clear supervision, consistent repayment habits, and members actively participating. When cash runs thin, regular tasks start failing - small issues stack fast, eventually threatening whether the group can keep going at all.

3. Kamat G.S.(2008). Away from cities, Kamat studied small lending circles in villages. Not just helpers but lifelines, these groups offer cash to farm households. When paybacks slip through - dates missed again and again - the rhythm stumbles. Trust frays slowly each time someone delays. When money guidelines blur, some teams struggle to keep moving. Where paperwork piles up or gets overlooked, shaky control becomes obvious. Missed check-ins on payments often drag down results. As cash fades, work slows - a chain that quietly unravels effort.

4. Ramesha K. (2015) Among the teams studied, the ones moving steadily kept loan processes simpler. Fast repayments came naturally to them, Ramesha noticed, along with better member support. Because care was taken with cash, stumbling was rare. Progress flowed where oversight improved. Weaker groups might rise when tracking tightens.

5. Vasanth Desai (2028) Out of nowhere, Vasanth Desai began talking from his spot by the table - village growth seems tangled up with cooperatives. It isn't only crops that improve; whole neighbourhoods grow sturdier if those collectives function properly. One thing jumped out in the findings: household finances rise noticeably among rural residents. Banking perks are now accessible to many who had none before, provided community credit systems operate without hiccups.

DISCUSSION AND ANALYSIS

6 Performance of PACCS and Rural Development in Tamil Nadu

Primary Agricultural Cooperative Credit Societies (PACCS) play an important role in the rural Economy of Tamil Nadu. These societies provide Agricultural loans and financial services to farmers, especially small and marginal farmers. PACCS help rural people meet cultivation expenses, purchase Agricultural inputs, and support rural development activities. The Performances of PACCS directly influence rural livelihood conditions. The effective functioning of PACCS improves access to institutional credit, reduces dependence on private moneylenders, and supports income-generating activities in rural areas. Better credit facilities and financial support help farmers improve their standard of living and economic stability. The Performance and viability of PACCS differ from year to year because of financial, managerial, and operational factors. Some societies function effectively and remain viable, while some become dormant or defunct. Therefore, analysing the performance of PACCS is important to understand their contribution to rural livelihood improvement and the overall development of the Cooperative Credit system in Tamil Nadu.

Performance of PACCS in Tamil Nadu

S. No	Year	Viable	Potentially Viable	Dormant	Defunct	Others	No. of PACCS
1	2013-2014	3012	1085	136	12	65	4310
2	2014-2015	3078	1136	112	78	86	4490
3	2015-2016	2907	1135	89	77	228	4436
4	2016-2017	2921	1214	111	77	188	4511
5	2017-2018	2688	1180	151	77	424	4520
6	2018-2019	2635	1220	149	11	506	4521
7	2019-2020	2618	1263	149	11	484	4525
8	2020-2021	2515	1186	205	0	596	4502
9	2021-2022	2497	1259	207	0	557	4520
10	2022-2023	2624	1243	123	1	522	4513

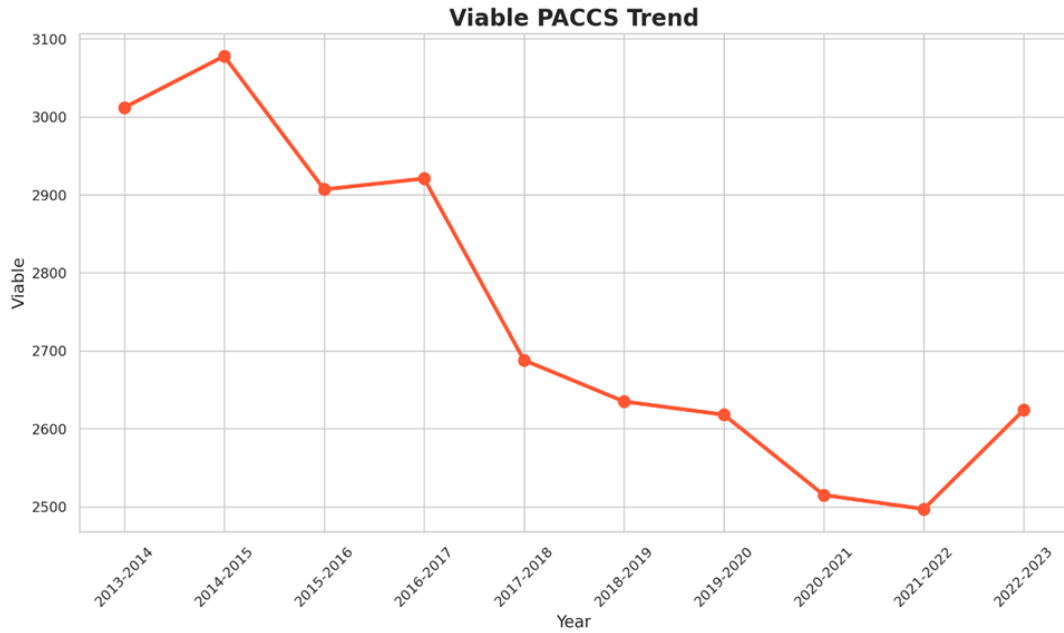
Source: National Federation of State Cooperative Banks Ltd

Note: Figures in the above table are for the Financial Year 2013 to 2023

The Table shows the Year-wise performance and viability status of Primary Agricultural Cooperative Credit Societies (PACCS) in Tamil Nadu from 2013-2024 to 2022 and from 2022 to 2023. The number of viable PACCS peaked at 3078 in 2014-2025, then gradually declined to 2497 in 2021-2022, before increasing slightly in 2022-2023. Potentially viable societies showed moderate growth during the study period. Dormant PACCS increased over the years, indicating operational difficulties in some societies. The total number of PACCS remained above 4300 throughout the study period, indicating the continued importance of PACCS in the rural Cooperative credit system of Tamil Nadu.

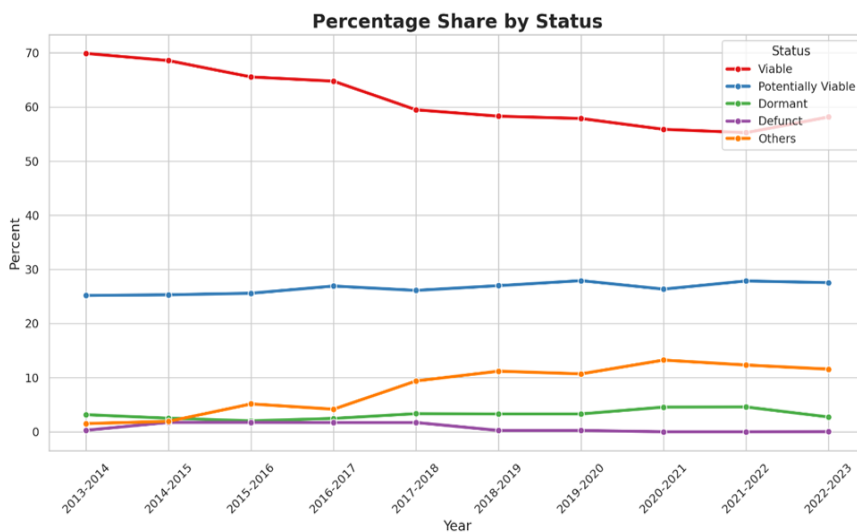
7 Trend Analysis of Viable PACCS in Tamil Nadu

The study is based on the Cooperative Credit theory, which explains the importance of Cooperative institutions in supporting rural development and Agricultural finance. Primary Agricultural Cooperative Credit Societies provide financial assistance to farmers and rural people through institutional credit. This study uses a trend analysis model to examine changes in the number of viable PACCS across years. The increase or decrease in viable societies reflects the operational and institutional conditions of cooperative institutions. Viable societies indicate better management, higher loan recovery rates, and greater member participation. The study helps to identify the growth trend and sustainability of PACCS in Tamil Nadu. The analysis is based on secondary data collected from 2013-2014 to 2022-2023. The study's findings explain the changing pattern of viable PACCS during the study period.



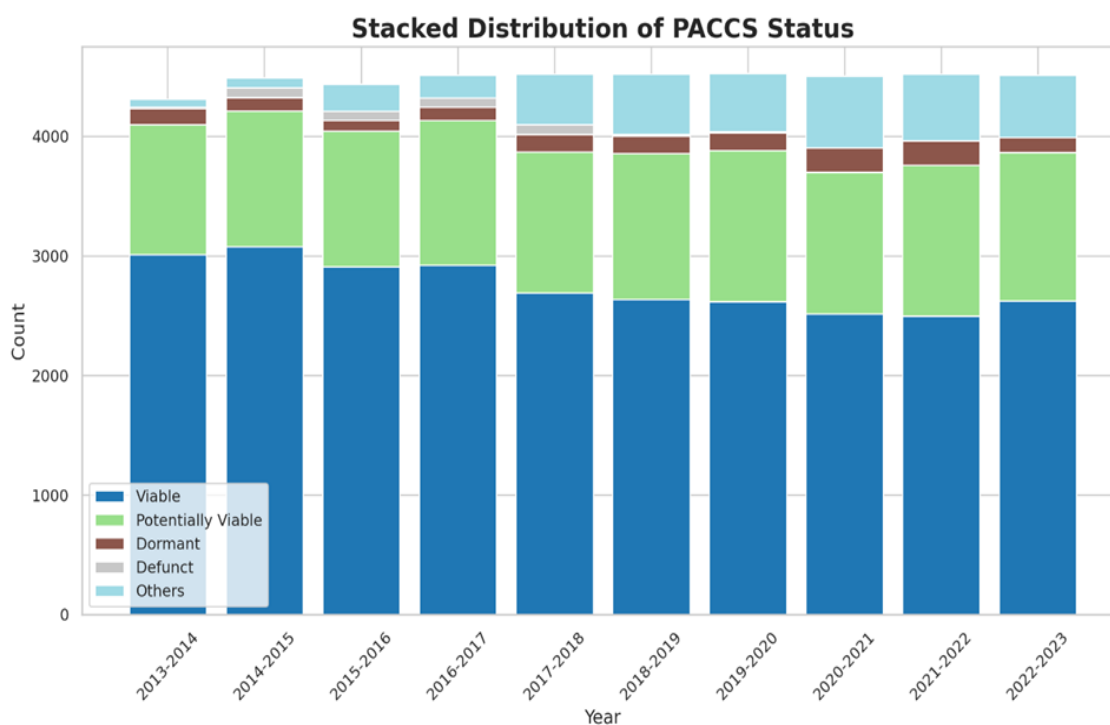
8 Year-wise performance of PACCS in Tamil Nadu

The year-wise performance model is used to examine PACCS's operational performance across different financial years. This model helps compare the functioning of societies on an annual basis. The study analyses the number of viable, potentially viable, dormant, defunct, and other PACCS in Tamil Nadu. Changes in these categories indicate the performance level and operational condition of societies. The year-wise analysis provides information about the progress and decline of PACCS over the study period. The model also helps to identify fluctuations in the Cooperative Credit Structure. Secondary data collected from 2013-2014 to 2022-2023 were used for the analysis. The study explains the year-wise performance trend of PACCS in Tamil Nadu.



9 Performance Indicators of PACCS in Tamil Nadu

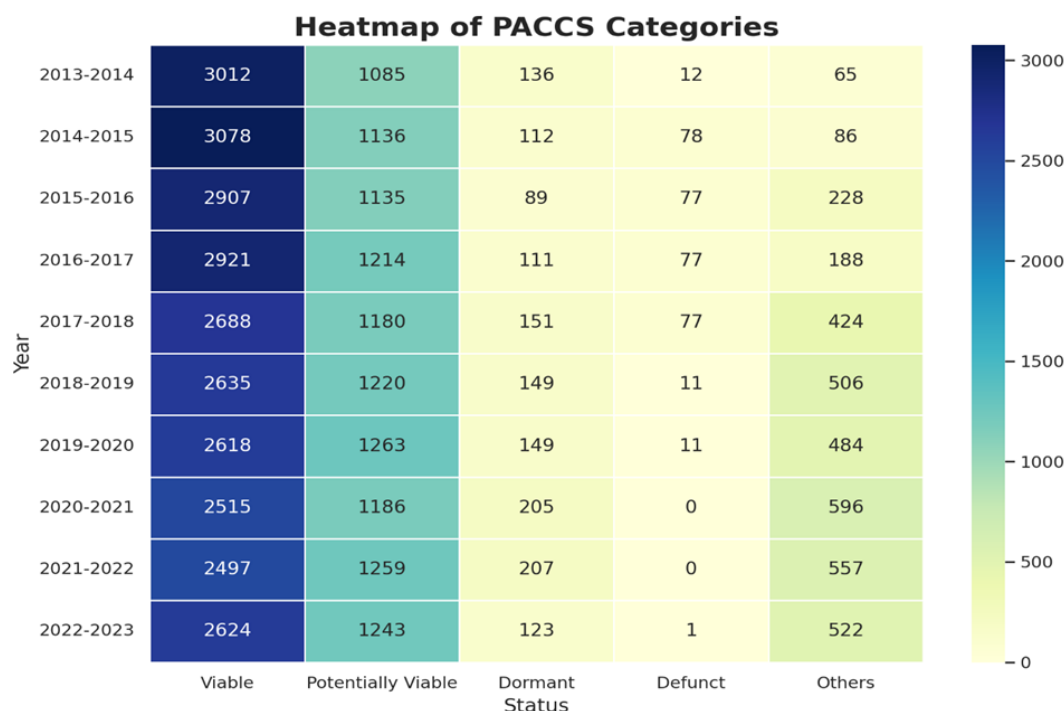
The study uses an indicator-based model to measure PACCS performance in Tamil Nadu. Performance indicators are important for understanding the operational and financial status of Cooperative societies, defunct societies, and total PACCS are used in the study. These indicators help to evaluate the strength and sustainability of PACCS. The increase in viable societies reflects better performance, while the increase in dormant societies indicates operational problems. The model helps to assess the overall condition of PACCS in Tamil Nadu. The study is based on secondary data collected from official cooperative reports for the period from 2013-2014 to 2022-2023. The analysis provides a clear understanding of the prominent status of PACCS in Tamil Nadu.



10 Viability Analysis of PACCS in Tamil Nadu

The viability model explains PACCS's ability to operate effectively and maintain long-term financial stability. Viable societies are considered financially and operationally strong institutions in the Cooperative Credit System. The study examines the viability of PACCS in Tamil Nadu during the study period. Factors such as loan recovery, management efficiency, financial resources, and member participation influence the viability of societies. Societies with weak financial and operational conditions become dormant or defunct. The viability analysis helps identify PACCS's operational strengths and sustainability. The study used

secondary data collected form 2023 2014 to 2022-2023 for the analysis. The findings explain the changing viability status of PACCS in Tamil Nadu.



11 Key findings

1. The number of viable PACCS was highest in 2014-2015 and showed fluctuations during the study period.
2. Potentially viable PACCS gradually increased in several years, indicating the possibility of operational improvement
3. Dormant PACCS increased during the study period, which reflects financial and operational difficulties in some societies.
4. The total number of PACCS in Tamil Nadu remained stable
5. The total number of PACCS in Tamil Nadu remained stable during the study period.
6. PACCS continue to play an important role in providing rural credit and supporting Agricultural activities in Tamil Nadu.

12 CONCLUSION

The Study concludes that Primary Agricultural Cooperative Credit Societies continue to play an important role in the rural Cooperative Credit system of Tamil Nadu. The analysis shows fluctuations in the number of viable societies during the study period. At the same time, the increase in dormant societies reflects operational and financial challenges faced by some

PACCS. Even though a few societies became weak or inactive, the total number of PACCS remained stable throughout the study period. This indicates the continuing importance of cooperative institutions in providing rural credit and supporting Agricultural activities. The study suggests that effective management, improved loan recovery, financial support, and active member participation are necessary to improve the viability and performance of PACCS in Tamil Nadu.

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