

Performance Appraisal of Primary Agricultural Credit Societies in Indian Economy

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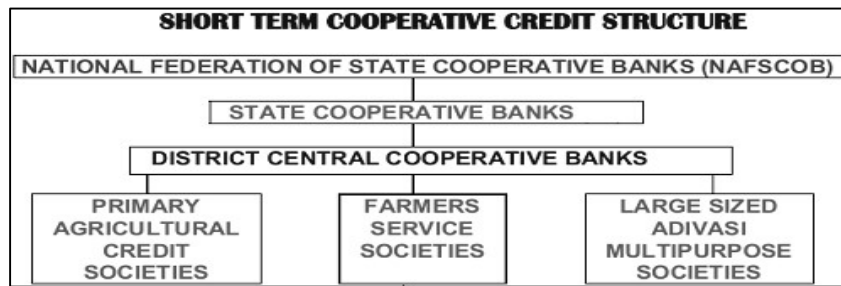
Abstract : This paper studies contribution of the primary agricultural credit societies in the rural economy of India. The study shows, that contrary to popular notions of a decline of cooperative sector, actually the rural primary agricultural credit sector is quite robust and is highly successful in providing rural credit to the farmers and artisans. It is fostering financial inclusivity and is bringing in economic benefits to the Scheduled Caste (S/C), Scheduled Tribes (S/T), Small Farmers (S/F), Rural Artisans, and other Marginal Farmers. The financial healths of the PACs are also quite good. PACs are not just financial Institutions. They are socio-economic enterprises and have corporate social responsibilities (CSR) to fulfill. They are playing a positive role in alleviating poverty in rural areas by providing easy credit to marginalized populations. The PACs are able to make substantial contribution both to its members as well as to the public in large and are not only providing monetary gain to its own members but also have achieved self-reliance in resources, as well as democracy in management, and efficiency of personnel.

Key Words : Scheduled Tribes, Small Farmers, Rural Artisans, Marginal Farmers, Financial Health, Agricultural Credit

Cooperative Credit structure

The short –term Cooperative Credit Movement in India has a pyramidal structure. At the national level is the National Federation of State Cooperative Banks Ltd (NAFSCOB) which oversees the State-level Apex Societies. At the state level, there are Apex Cooperative Societies, which are alliances of district level cooperative societies, whose area of membership extends to the whole of state concerned and the primary object of which is to promote and provide facilities for the operation of other Co-operative Societies which are its members. An example of apex society is the West Bengal State Co-operative Bank Ltd. At the District level are the Central Cooperative societies, which are federations of primary cooperative societies. Finally at ground level are the primary cooperative societies who work at the village or town-level comprising of member cooperators. This study aims to look at the performance of the primary agricultural credit societies (PACS) at the ground level.

The pyramidal structure can be diagrammatically represented below:



Literature Review.

A number of studies have been undertaken in the cooperative banking sector. Prakash Bakshi found that the share of short-term cooperative credit structure (ST CCS) (Bakshi, 2013) in providing agricultural credit has fallen to a mere 17% at the aggregate level although there are small pockets where its share is more than 50%. Singh and Singh found that a higher proportion of own funds and the recovery concerns have culminated in increased margins of the Central Co-operative Banks and this led to a higher provision for NPA's. (Singh & Singh, 2006) A study by Amit Basak established that primary cooperative banks, which are also called Urban co-operative banks (UCBs), has a significant role in fulfilling the credit needs of persons belonging to urban and semi-urban areas of India. (Basak, 2010) Mavaluri, Boppana and Nagarjuna found that public sector banks have greater efficiency compared to other banks and that profitability, productivity, and asset quality are the most important factors influencing financial management of banks. (Mavaluri, Boppana, & Nagarjuna, 2006) Studies by R. Thirunarayanan found that state cooperative banks have a multifaceted role and occupies a vital position in the cooperative structure having links with apex Banks on the one hand and PAC's on the other hand. (Thirunarayanan, 1996) Dutta and Basak (2008) have proposed that Co-operative banks ought to attempt improvement in their loan recovery rate, and start proper prudential norms besides adopting new system of computerized monitoring of loans in order to survive the competitive banking environment. (Dutta & Basak, 2008) G.M.Laud found that cooperative banks have played a significant role in the financial inclusion of unbanked rural masses. (Laud, 1956) Gupta and Jain studied cooperative banks in Delhi and suggested that the bank should adopt the latest technology of the banking like ATMs, internet / online banking, credit cards etc. so as to bring the bank at par with the private sector banks. (Jyoti & Jain, 2012). Bhaskaran and Josh found that the recovery rate of loans of co-operative credit institutions is still unsatisfactory. (Bhaskaran & Josh, 2000). Jain found that DCCBs of Rajasthan have greater profitability and liquidity in comparison to those of Gujarat and Maharashtra. (Jain, 2001)

Research Gap

A review of the available literature reveals that while a lot of studies have been undertaken regarding District Central Cooperative Banks, and state cooperative banks, it transpires that much less research has been undertaken for measuring the operational efficiency of PACS

(primary agricultural credit societies) in contemporary times. Literature shows the study of cooperative societies in earlier decades, but not based on recent data in the financial system. Hence there is a clear gap which need to be redressed and will be possible by undertaking different studies and reframing policies.

Relevance of the Study:

The short term cooperative credit sector in the rural areas comprises of mainly the primary agricultural credit societies. Both the District Central Banks and State cooperative banks are situated far away from the common villager. It is the PACS which are within his reach. The present study aims to study the operational efficiency of these primary agricultural credit societies which function at the ground level and assess their contribution to the timely disbursement of rural credit. The study will intend to discover comparative advantages, if any, of primary agricultural credit societies. The financial inclusivity of PACs are evaluated by this study in societal development in rural areas. The study aims to devise suggestions for future for enhancing income generation, improve investment opportunity and ameliorate the quality of life.

Objectives of the Study:

To incorporate proper directions and effectiveness of the present study, rational objectives are being framed below based on research question:

- I. To evaluate the operational efficiency of PACS (primary agricultural credit societies) in India
- II. To analyze the economic prospects of PACS (primary agricultural credit societies) in India
- III. To identify the economic significance of PACS (primary agricultural credit societies) in India

RESEARCH METHODOLOGY

This study proposes to use secondary data from public documents such as government publications, annual reports, Survey reports, census data, publication of statistics department, NABARD annual reports, statistical year books, NAFSCOB Annual reports, etc. It also proposes using verified web resources e-books, online journals, electronic newspapers, online government data and others reports, previous studies conducted on related field of present research, websites, virtual library etc.

The study proposes to use mixture of both the qualitative method as well as quantitative method for analyzing the data, which would be classified and presented in a meaningful form to have a better insight of the research objectives. It is proposed to use analytical method and conceptual method to critically appraise the data and arrive at the findings.

SAMPLE

This paper studies the annual statistics and annual reports, and economic surveys of the government cooperative department, and national-level census data, for the past ten years on a national level, as well as Reserve Bank reports and NAFSCOB basic data on a state-wide level.

SECONDARY DATA USED :

1. NAFSCOB's Yearly Report On "Performance Of Primary Agricultural Credit Societies"
2. NABARD Annual Report For Past 10 Years

3. RBI's Yearly "Report On Trend And Progress Of Banking In India" For Past 10 Years
4. Cooperative Movement In India—A Statistical Profile, 2012,2016 And 2018 By NCUI
5. Economic Survey Of Government Of India
6. Annual Statistical Year Book Of Government Of India

Variables used

For analyzing the performance of the Primary agricultural credit societies, the following parameters are being evaluated in this study: (1)No. Of PACS & Their Viability, (2)PACS Membership (3)No. Of Borrowers, (4)Paid Up Capital (5)Total Reserves (6)Total Deposits (7).Total Borrowings (8)Total Working Capital (9)Total Loans Issued (10)Total Loans Outstanding (11)Total Demand (12)Total Collection (13)Total Overdues.

Ratio analysis has been done using modified ratios derived from the six financial CAMELS ratios of "capital adequacy, asset quality, management, earnings, liquidity, and sensitivity."

Analysis and Results

This study analyzes the data emanating from NABARD's annual report , Reserve Bank's yearly "Report on Trend and Progress of Banking in India" and NAFSCOB's yearly report on "Performance Of Primary Agricultural Credit Societies" for past 5 years. The analysis is given below.

A study of the report entitled "Performance Of Primary Agricultural Credit Societies" (2014 TO 2020) of NAFSCOB reveals the following data:

<u>Years ==></u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
No.Of PACS,	93042	92789	93367	95595	95238	95995
Viable,	66577	67016	62050	64438	64382	65691
Potentially Viable,	20367	19929	18615	18101	17965	17904
Not active	6098 (6.5%)	5844 (6.2%)	12702 (13.6%)	13056 (13.65%)	12891 (13.53%)	12400 (12.91%)
(i) <i>Dormant,</i>	3118	2821	2638	2681	2709	2650
(ii) <i>Defunct,</i>	1474	1590	1478	1526	1542	1512
(iii) <i>Others,</i>	1506	1433	8586	8849	8640	8238
Total Membership (In 000),	130119.64	121087.81	127321.84	131235.4	130547.38	132029.47
Scheduled Caste (S/C),	18232.52	16715.63	14941.91	14998.21	14883.12	14732.25
Scheduled Tribes (S/T),	9324.45	9300.97	8986.26	9316.48	9442.64	9080.38
Small Farmers (S/F)	40181.07	40401.53	44901.7	40245.62	43698.45	37490.90
Rural Artisans,	7147.66	6649.04	5512.61	7599.75	7254.66	3355.42
Others & Marginal Farmers,	55233.94	48020.64	52979.36	59075.34	55268.51	67370.52

On the other hand, a study of the “Indian Cooperative Movement, a statistical profile,” by NCUI, for the years 2012, 2016 and 2018 reveals the following data:

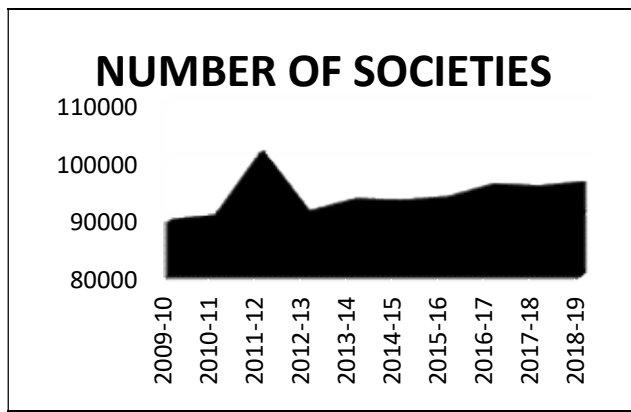
PRIMARY AGRICULTURAL CREDIT SOCIETIES (PACS) AT A GLANCE (2012-13 TO 2016-17)

<u>Sl No.</u>	<u>Performance Indicator</u>	<u>2012-13</u>	<u>2012-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
1	No. of PACS	93488	93042	92789	93367	97961
2	Membership (000)	127468	130120	121088	127322	131235.4
3	Paid up Capital	986831	978880	1106829	1228111	1412155.4
3a	Govt. contribution	76677	74370	83406	79820	82924.30
4	Reserves	864795	913550	1060659	1216207	1886031.24
5	Owned Funds (3+4)	1851626	1892430	2167487	2444318	3298187
6	Deposits	6711310	8189491	8461633	10106548	11588420.43
7	Borrowings	9335916	9583580	9998011	11269029	12483095.2
8	Resources (5+6+7)	17898852	19665501	20627131	23819895	27369702.63
9	Working Capital	28081643	21242917	22371057	20130441	23996699.25
10	Borrowers (000):	49533	48081	49858	46214	52017.15
a.	S.C. Members	7519	5920	6357	5348	5413.4
b.	S.T. Members	3832	3404	3404	3238	3452.75
11	Loans Issued:	16190916	17141956	15905029	18082350	20067839
a.	Short Term	12519726	14204370	12856151	14889199	15738899.18
b.	Medium Term	3671190	2937586	3048879	3193152	4328939.94
12	Loans Outstanding:	13939871	13005386	14722557	15848725	17045925.25
a.	Short Term	10315580	9650397	10356117	11705672	12219391
b.	Medium Term	3624291	3354989	4366441	4143054	4826534.25
13	Demand:	15538525	15585309	15962581	16978314	20046383.16
b.	Medium Term	2914870	3081309	3246188	2982766	3190468.81
14	Collection:	11708975	12622126	12383523	13989401	14717084.98
a.	Short Term	9385541	10201278	10207739	11330985	11992583.14
b.	Medium Term	2323434	2420848	2175783	2658416	2724501.84
15	Balance (Overdue):	3829550	2963184	3579059	2988913	5329298.18
a.	Short Term	3238113	2302722	2508654	2664563	4863331.21
b.	Medium Term	591449	660472	1070405	324350	465966.97
16	Overdue to Demand (%)	24.65	19.01	22.42	17.6	26.58

ANALYSIS OF DATA

In this part of the study, we have tried to classify , analyze and interpret the above data scientifically in order to arrive at empirical findings, which, it is hoped, will give valuable insights for devising future strategies. For this purpose, we examined the following parameters:

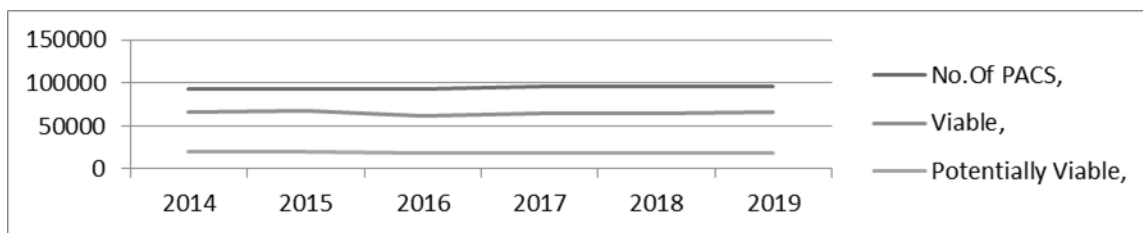
1. No. of PACS



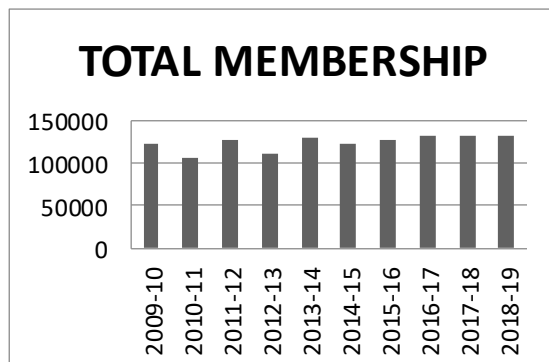
YEARS	No. of societies
2009-10	89523
2010-11	90279
2011-12	101297
2012-13	90958
2013-14	93042
2014-15	92789
2015-16	93367
2016-17	95595
2017-18	95238
2018-19	95995
Average	93808.3

The above data reveals that the number of total PACS for the past decade has shown gradual increase and held steady at over 90,000. Although it had taken a spike in 2011-12, when the figure jumped to 101297, it stabilized over the next few years and has been steadily increasing. This is a healthy sign and shows robustness of the sector. Contrary to popular beliefs that the cooperative sector is in decline, the actual data shows ascendency.

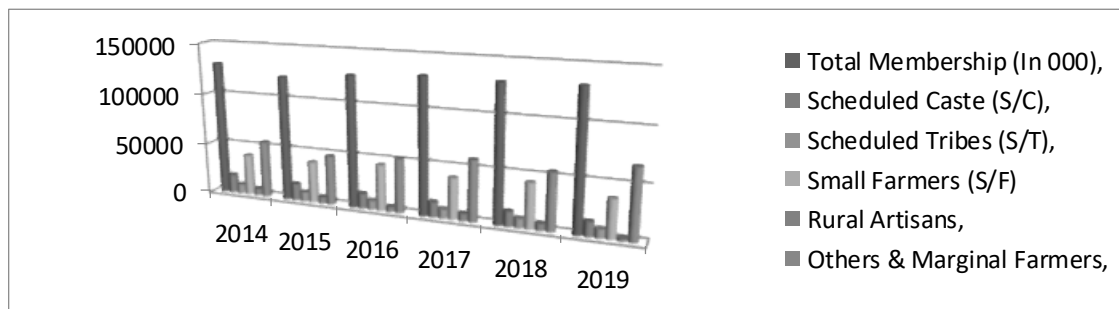
<u>Years</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
No.Of PACS,	93042	92789	93367	95595	95238	95995
(A) Viable,	66577 (71.5%)	67016 (72.2%)	62050 (66.4%)	64438 (67.4%)	64382 (67.6%)	65691 (68.4%)
(B) Potentially Viable,	20367 (21.9%)	19929 (21.4%)	18615 (19.9%)	18101 (18.9)	17965 (18.8%)	17904 (18.65)
VIABILITY (A+B)	86944 (93.4%)	86945 (93.7%)	80665 (86.4%)	82539 (86.3%)	82347 (86.46%)	83595 (87%)



2. PAC MEMBERSHIP



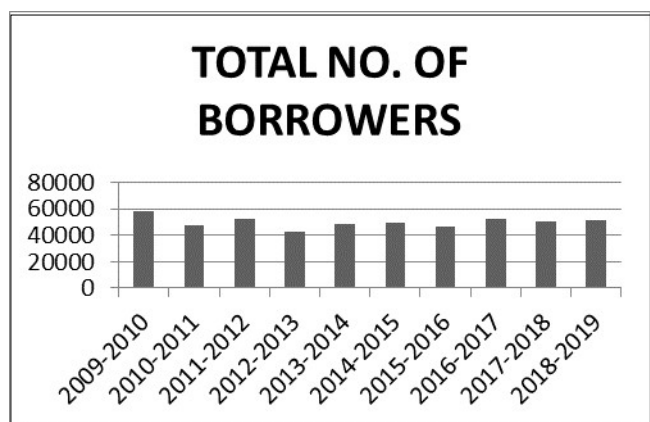
YEARS	Total Membership (In Thousand)
2009-10	122226
2010-11	106136
2011-12	127646
2012-13	110068
2013-14	130120
2014-15	121088
2015-16	127322
2016-17	131235
2017-18	130547
2018-19	132029
Average	123841.7



<u>Years</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Average</u>
Total Membership (In 000),	130119.64	121087.81	127321.84	131235.4	130547.38	132029.47	128723.59
Scheduled Caste (S/C),	14%	13%	11%	11%	11%	11%	11.8%
Scheduled Tribes (S/T),	7%	7%	7%	7%	7%	6%	6.8%
Small Farmers (S/F)	30%	33%	35%	30%	33%	28%	31.5%
Rural Artisans,	5%	5%	4%	5%	5%	2.5%	4.4%
Others & Marginal Farmers,	42%	39%	41%	45%	42%	51%	43.3%

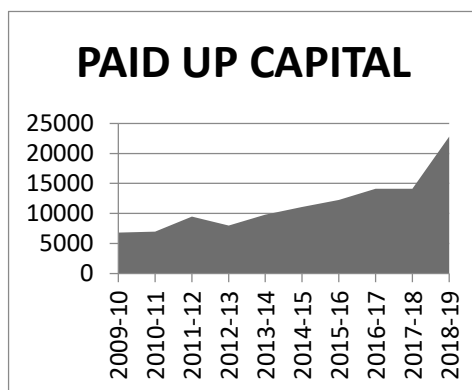
The above data reveals the financial inclusivity of the PACs. Of the total members of PACS, on average, scheduled castes comprise of 11.8%, while scheduled tribes comprise of 6.8%. The PACS cater to the economic needs of small farmers as well, and their members comprise as much as 31.5% or almost $\frac{1}{3}$ of total members. The PACS contribute to economic emancipation of marginal farmers too. The marginal famers comprise of almost half of their total members being almost 51% in 2019. The PACS also lead to economic empowerment of rural artisans, who comprised 4.4% on an average between 2014 and 2019.

3. No. Of Borrowers



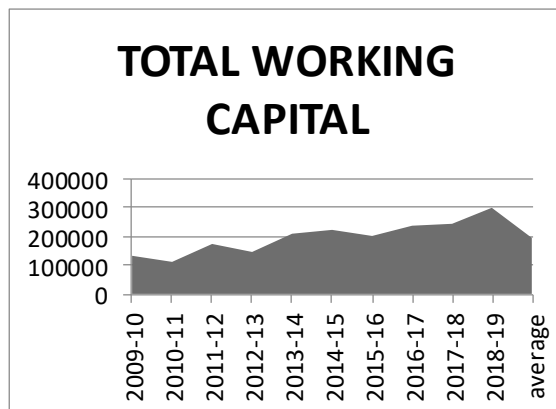
YEARS	Total No. Of Borrowers
2009-10	57802
2010-11	47714
2011-12	52374
2012-13	42629
2013-14	48081
2014-15	49858
2015-16	46214
2016-17	52017
2017-18	50690
2018-19	51058
Average	49843.7

4. PAID UP CAPITAL (IN CRORES)



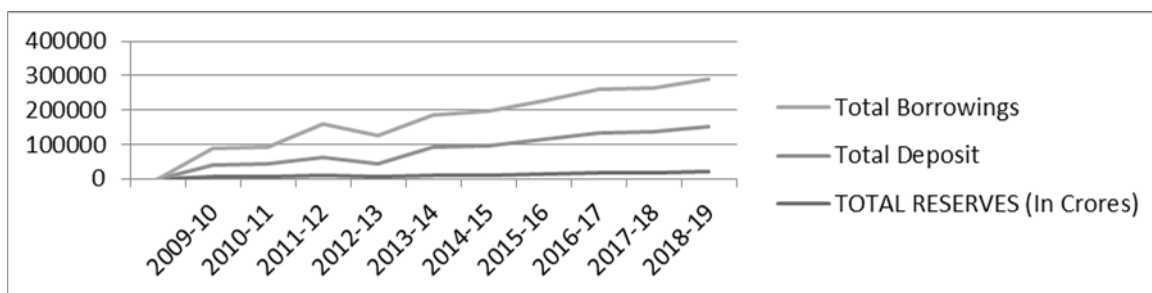
YEARS	PAID UP CAPITAL (Rs.in crores)
2009-10	6828
2010-11	7005
2011-12	9467
2012-13	8008
2013-14	9789
2014-15	11068
2015-16	12281
2016-17	14122
2017-18	14142
2018-19	22817
Average	11552.7

5. TOTAL WORKING CAPITAL (in crores)

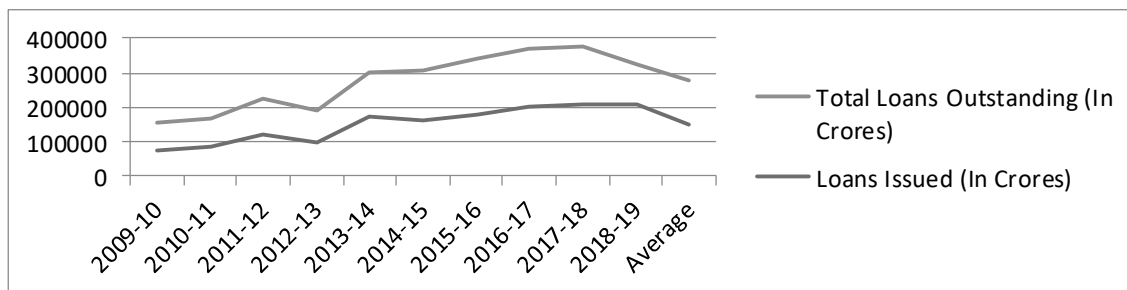


YEARS	Working capital (In Crores)
2009-10	130314
2010-11	109385
2011-12	173564
2012-13	148939
2013-14	212429
2014-15	223711
2015-16	201304
2016-17	239967
2017-18	243563
2018-19	296554
Average	197973

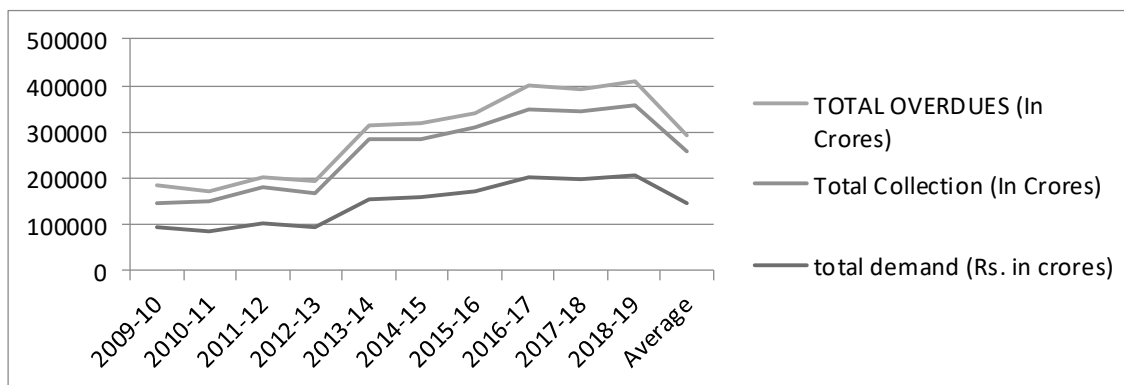
6.BORROWINGS, DEPOSITS & RESERVES



YEARS	TOTAL RESERVES (In Crores)	Total Deposit (In Crores)	Total Borrowings (In Crores)
2009-10	5350	35680	49074
2010-11	6417	37282	48226
2011-12	8565	54763	97564
2012-13	6668	37561	81385
2013-14	9135	81895	95836
2014-15	10607	84616	99980
2015-16	12162	101065	112690
2016-17	18860	115884	124831
2017-18	16800	119632	128333
2018-19	19379	133010	138922
Average	11394.3	80138.8	97684.1

7.TOTAL LOANS ISSUED & LOANS OUTSTANDING (in crores)

YEARS	Loans Issued (In Crores)	Total Loans Outstanding (In Crores)
2009-10	72882	80487
2010-11	85296	79504
2011-12	122826	103462
2012-13	98440	91171
2013-14	171420	130054
2014-15	159050	147226
2015-16	180824	158487
2016-17	200678	170459
2017-18	207322	169630
2018-19	205895	115048
Average	150463	124552.8

8.TOTAL DEMAND, COLLECTION & OVERDUES (in crores)

YEARS	total demand (Rs. in crores)	Total Collection (In Crores)	TOTAL OVERDUES (In Crores)
2009-10	92557	54271	38282
2010-11	85757	64490	21428
2011-12	101782	76705	25234
2012-13	95926	70346	25580
2013-14	155853	126221	29632
2014-15	159626	123835	35791
2015-16	169783	139894	29889
2016-17	200464	147171	53293
2017-18	196750	148834	47915
2018-19	203903	151951	51953
Average	146240.1	110371.8	35899.7

OBSERVATIONS :

It is observed that between 2009—2019:

- 1) Average no. of societies is 93808.3, and the average total membership is 123841 (in thousands)
- 2) Average total no. of borrowers is Rs. 49843.7 crore, Average total paid up capital is 11552.7 Rs.crore
- 3) Average total reserves is Rs.11394.3 crore and Average total deposits is Rs.80138.8 crore
- 4) Average total borrowings is Rs.97684.1 crore and Average total working capital is Rs.197973 crore
- 5) Average total loan issued is Rs.150463.3 crore & Average total loan outstanding is Rs. 124552.8 crore
- 6) Average total demand is Rs.146240.1 crore,& Average total collection is Rs.110371.8 crore
- 7) Average over due is Rs.35899.7crore

Derived Ratio Analysis Following The Camel Model :

As is well known, CAMELS is a global rating system used by governments to evaluate credit institutions following the six financial ratios of "capital adequacy, asset quality, management, earnings, liquidity, and sensitivity." For the purpose of this study, the six parameters are suitably modified to suit the cooperative sector, and the following alternative derived ratios are used instead:

1. To measure Capital adequacy, the ratio of Average total PAID UP CAPITAL to Average Total Deposit is used.
2. To measure asset quality, the ratio of Average TOTAL LOAN OUTSTANDING TO THE Average TOTAL LOAN ISSUED is used.
3. To measure management quality, the ratio of total Non-performing assets To Total working capital is used.
4. To measure earnings, the ratio of Average Total Collections to Average total Resources is used.
5. To measure liquidity, the ratio of Average Total Demand to Average Total Deposits is used.
6. To measure sensitivity, the ratio of Average total owned Funds (capital and reserves) of PACS to the Average total owned Funds of cooperative sector is used.

1) Derived Capital adequacy Ratio

$$\text{Capital Adequacy} = \frac{\text{average Paid up capital}}{\text{Average total Deposits}} = \frac{\text{Rs.11552.70 crore}}{\text{Rs.80138.8 crore}} = 0.14$$

This derived capital adequacy score of 0.14 is a comfortable score for PACS in cooperative sector. It shows that the PACS in cooperative sector has adequate capital.

2) Derived Asset quality Ratio

$$\text{Asset quality} = \frac{\text{Average total loan outstanding}}{\text{Average Total Loan Issued}} = \frac{\text{Rs. 124552.8 crore}}{\text{Rs. 150463.3 crore}} = 0.82$$

This derived asset quality score of 0.82 is a cause for concern for the PACS in cooperative sector. It shows that 82% of loans are outstanding.

3) Derived Management quality Ratio

$$\text{Management quality} = \frac{\text{NPA}}{\text{TOTAL NET ASSETS}} = \frac{\text{Rs.533 BILLION}}{\text{Rs.2400 billion}} = 0.22$$

The derived Management quality score of 0.22 for PACS in cooperative sector is good score, and shows that NPA's are under acceptable limits.

(Figures taken from A statistical profile , 2018 of NCUI)

4) Derived Earnings ratio,

$$\text{Earnings ability} = \frac{\text{Average Total Collections}}{\text{average total resources}} = \frac{\text{Rs. 13084222}}{\text{Rs. 21876216}} = 0.598$$

The derived earnings score of 0.598 is excellent for PACS in cooperative sector, and shows a regular healthy flow of earnings .

(Figures taken from A statistical profile , 2018 of NCUI)

5) **Derived Liquidity Ratio**

$$\text{Liquidity} = \frac{\text{Average Total overdues}}{\text{Average Total Deposits}} = \frac{\text{Rs. 35899.7 crore}}{\text{Rs. 80138.8 crore}} = 0.45$$

The derived liquidity score of 0.45 is quite good for PACS in cooperative sector. It shows that PACS have sufficient liquidity to a large extent.

6) **Derived Sensitivity Ratio**

$$\text{Sensitivity} = \frac{\text{Average total owned Funds (capital and reserves) of PACS}}{\text{Average total owned Funds of entire cooperative sector}} = \frac{\text{Rs. 330 billion}}{\text{Rs. 938 billion}} = 0.35$$

The derived sensitivity score of 0.35 is a good score for PACs vis a vis the entire cooperative sector, and demonstrates their relative strength within the cooperative sector.

Therefore the cumulative derived CAMEL score is 2.58, which is considered a satisfactory score for organizations in cooperative sector. It shows the robustness of PACS and their strong finances.

Findings

From a study of the reports of RBI, NABARD, NCUI and NAFSCOB, it is found that as on 31st -March 2017 the Number of PACS stood at 97961. The combined financial status of PACS are as follows:

<u>A). Balance Sheet Indicators :</u>	
i. Owned Funds (Capital + Reserves)	- Rs. 330 billion
ii. Deposits	- Rs. 1159 billion
iii. Borrowings	-Rs. 1248 billion
iv. Loans and Advances	-Rs.2009 billion
v. Net Assets(Assets—Liabilities)	-Rs.2400 billion
<u>B.The financial Performance of the total number of PACS are as follows:</u>	
<u>i. Institutions in Profits</u>	
a. No. of Institutions in Profits	- 46586
b. Total Amount of Profit	Rs. 64.70 billion
<u>ii. Institutions in Loss</u>	
a. No.of Institutions in loss	-- 38036
b. Amount of Loss	- Rs 32.10 billion
iii. Overall Net Profits-(Profit --Loss)	---+
	Rs. 33.60 billion
<u>C. Non-performing Assets</u>	
i. Amount of NPA	-Rs.533 billion
ii. As percentage of Loans Outstanding	26.6%
E. Recovery of Loans to Demand Ratio (Per cent)	73.4%

Conclusions:

The above study reveals the socio-economic inclusivity of the PACs. The above study shows, that contrary to popular notions of a decline of cooperative sector, actually the rural primary agricultural credit sector is quite robust and is highly successful in providing rural credit to the farmers and artisans. It is fostering financial inclusivity and is bringing in economic benefits to the Scheduled Caste (S/C), Scheduled Tribes (S/T), Small Farmers (S/F), Rural Artisans, and other Marginal Farmers. Of the total members of PACS, on average, scheduled castes comprise of 11.8%, while scheduled tribes comprise of 6.8%. The PACS cater to the economic needs of small farmers as well, and their members comprise as much as 31.5% or almost 1/3 of total members. The PACS contribute to economic emancipation of marginal farmers too. The marginal farmers comprise of almost half of their total members being almost 51% in 2019. The PACS also lead to economic empowerment of rural artisans, who comprised 4.4% on an average between 2014 and 2019.

On financial parameters too, the primary agricultural credit societies have good success ratings in ratios derived CAMEL financial parameters. The derived capital adequacy score of 0.14 is a comfortable score for PACS in cooperative sector. It shows that the PACS in cooperative sector have adequate capital. The only cause for concern is the derived asset quality score of 0.82, which shows that 82% of loans are outstanding. But this is offset by the derived Management quality score of 0.22 for PACS which shows that NPA's are under control. On the other hand, the derived earnings score of 0.598 shows a regular healthy flow of earnings. Moreover, the derived liquidity score of 0.45 is quite good for PACS in cooperative sector, and shows that PACS have sufficient liquidity to a large extent. Furthermore, the derived sensitivity score of 0.35 for PACs demonstrates their relative strength within the entire cooperative sector. Overall, the cumulative derived CAMEL score is 2.58, which is considered a satisfactory score for organizations in cooperative sector. It shows the robustness of PACS and their strong finances.

PACs are not just financial Institutions. They are socio-economic enterprises and have corporate social responsibilities (CSR) to fulfill. They are playing a positive role in alleviating poverty in rural areas by providing easy credit to marginalized populations. The PACs are able to make substantial contribution both to its members as well as to the public in large and are not only providing monetary gain to its own members but also have achieved self-reliance in resources, as well as democracy in management, and efficiency of personnel. On an individual level as well as societal level, cooperatives has as much, if not greater, economic force in the development process than only the competition of free market economy.

Limitations of the Study and Scope for Further Research

This study studies the all India figures. It does not look into global figures. Situation in other countries might be different. It does not also look at state-level figures, which might vary from state to state.

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