

## Chapter -3

### Impact of ICDP on the Business Turnover of Cooperatives

#### 3.1 Introduction

The cooperative network in Theni District has deeply penetrated into the socio-economic life of the people. However, owing to several reasons its performance was weak during the past. The DPR for the implementation of ICDP in Theni District reported that though the performance of cooperatives was relatively better,... they (cooperatives) had to reinvent themselves to achieve significant turnaround in the years ahead (*DPR: p-42*). In this context, the implementation of ICDP has been viewed as a tool for the cooperatives in Theni District to reinvent themselves in the changed environment. This chapter presents the sector wise performance of cooperative societies in Theni District and the impact created by the interventions of ICDP on the performance of cooperative societies.

#### 3.2 PACS and ICDP

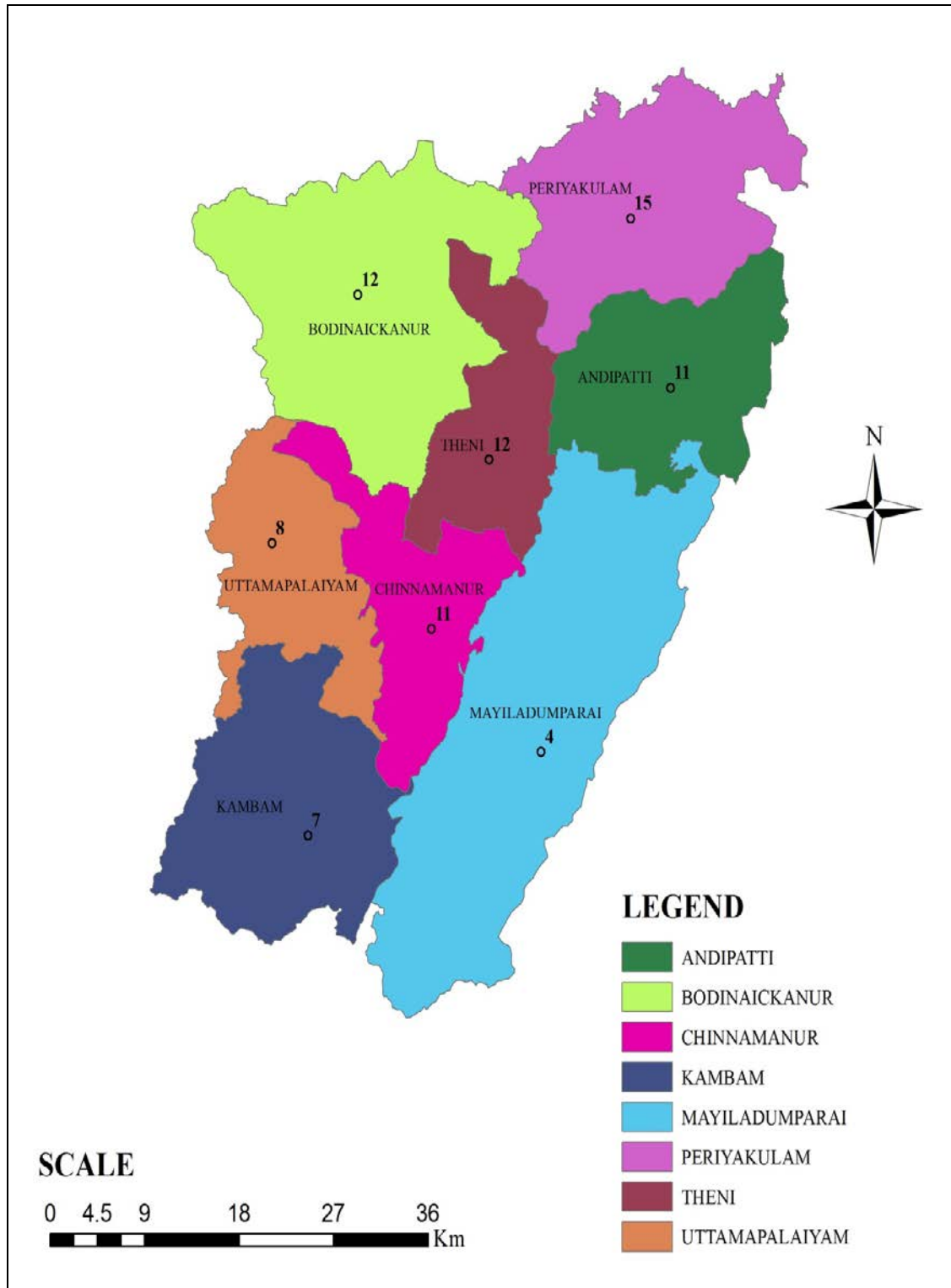
In Theni District Cooperative movement started its journey by registering PACS during 1946. As on 31<sup>st</sup> March, 2013 there were 80 PACS functioning in this district. The Block wise distribution of the PACS is given in Table 3.1 and Map 3.1.

Table 3.1  
**Block wise presence of PACS in Theni District**

<b>Name of the Block</b>	<b>PACS</b>
Aundipatty Block	11
Bodinayakanur Block	12
Chinnamanur Block	11
Cumbum Block	7
Myladumparai	4
Periyakulam Block	15
Theni Block	12
Uthamapalayam	8
<b>Total</b>	<b>80</b>

*Source:* Compiled from Interview Schedule

Map - 3.1  
Block Wise Number of PACS in Theni District



The first PACS registered in this District was A 737 Upparpatti PACS and the latest being MP 101 Chinnamanur BGCS. PACSs were organized during the period between 1961 and 1970. Both in Theni and Aundipatti Blocks, all the existing PACS were established before 1970. Further it is to be noted that 17 PACS were established even before Independence. The list of such PACSs is given in table 3.2.

Table-3.2  
**List of PACS which were Registered before Independence**

<b>S. No</b>	<b>Name of the PACS</b>	<b>Year of Registration</b>	<b>Year of starting</b>
1	A 1814 Ambasamudram PACS	19.11.1946	22.11.1946
2	A 1582 Seelayampatti PACS	28.04.1941	13.08.1941
3	A 737 Upparpatti PACS	15.03.1923	19.06.1923
4	A 425 Kamayagoundanpatty PACS	04.09.1919	09.09.1919
5	A 1187 C. Pudupatti PACS	29.06.1930	30.06.1930
6	A 1872 Erasakanayakanur PACS	11.04.1947	14.10.1947
7	A 1757 Kamatchipuram PACS	06.04.1946	16.04.1946
8	A 1271 Odaipatty PACS	01.05.1937	24.06.1937
9	A 1759 Seepalakottai PACS	06.04.1946	15.06.1946
10	A,858/9726 Bodinaickanur C&CPCS	18.03.1924	18.03.1924
11	A .1807 Silamalai PACS	15.11.1946	17.01.1947
12	A .967 Kombai pacs	07.10.1925	27.01.1926
13	A .1817 Mallingapuram	16.04.1947	28.01.1948
14	A.1616 Periyachinthalachery	30.08.1942	19.10.1942
15	A.888 Thevaram	20.06.1924	11.11.1924
16	A. 1170 Kuchanur	10.11.1929	20.11.1929
17	A .915 Govindanagaram	24.01.1925	23.03.1925

*Source:* As in Table 3.1

While the average number of villages served by PACS at all India level is 6, in Tamilnadu it is 4. In the case of Theni, for about 3 revenue village, there are

2 PACSs functioning. Such wide coverage facilitates the farming community to avail the services of PACS on time.

### **3.2.1 Membership and Share Capital**

As there was a ban on admitting new members, the average number of members per PACS remained at 2661 per society at District level during the year 2011-2012. Average number of member per PACS was high in Myladumparai Block (5563) and low in Uthamapalayam Block (2068) during the same year. New members were admitted as Associate Members, without having voting rights and they were allowed to avail all the services from PACS (*Table 3.3*).

Regarding the share capital position of PACS, it was found that average per society was high in Cumbum Block and low in Periyakulam Block. Overall position showed that average position of share capital per society has increased from Rs.8.20 lakhs to 13.10 lakhs during the period of study. As share capital contribution was linked with loan operation, the increase in share capital position was in accordance with increase in loan operation. An amount of Rs.5,34,700 has been assisted by ICDP towards share capital contribution in PACSs (*Table 3.4*). Due to this intervention of ICDP, some of the PACSs came to the comfort zone for:

- Accepting deposits from public
- Increasing the borrowing power and developing their business turnover.

### **3.2.2 Borrowings and Deposits**

Borrowings from DCCB constitute the major source of working capital of majority of PACS. It was found that on an average the borrowing position of per PACS was Rs.101.39 lakhs in 2004-05, which increased to Rs.160.03 lakhs in the year 2011-12. The average position of borrowings per PACS was high in Mayiladumparai Block, while it was low in Uthamapalayam Block during the year 2004-05. The scenario has not changed during 2011-12 also (*Table 3.5*).

Table 3.3  
Block wise Position of Members of PACS

(Figures in Numbers)

S. No	Blocks	No of PACS	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010 - 11	2011-12
1	Aundipatty	11	23244 (2113)	23206 (2109)	23200 (2109)	23205 (2109)	23279 (2116)	23279 (2116)	23279 (2116)	23266 (2115)
2	Bodinayakanur	12	39470 (3289)	39558 (3297)	35742 (2979)	37707 (3142)	37810 (3151)	37485 (3124)	37481 (3123)	36306 (3026)
3	Chinnamanur	11	24002 (2182)	24479 (2225)	24479 (2225)	24479 (2225)	24479 (2225)	22963 (2088)	22968 (2088)	22968 (2088)
4	Cumbum	7	26330 (3761)	26432 (3776)	26390 (3770)	26365 (3766)	26309 (3758)	25766 (3681)	25736 (3677)	25762 (3680)
5	Myladumparai	4	21678 (5420)	21583 (5396)	21601 (5400)	21852 (5463)	21861 (5465)	21910 (5478)	22250 (5563)	22250 (5563)
6	Periyakulam	15	36104 (2407)	36256 (2417)	36365 (2424)	36542 (2436)	36606 (2440)	34102 (2273)	34215 (2281)	34279 (2285)
7	Theni	12	34112 (2843)	33912 (2826)	33934 (2828)	33833 (2819)	32830 (2736)	32560 (2713)	32542 (2712)	31504 (2625)
8	Uthamapalayam	8	16255 (2032)	16371 (2046)	16486 (2061)	16502 (2063)	16529 (2066)	16552 (2069)	16550 (2069)	16550 (2068)
<b>Total</b>		<b>80</b>	<b>221195 (2765)</b>	<b>221797 (2772)</b>	<b>218197 (2727)</b>	<b>220485 (2756)</b>	<b>219703 (2746)</b>	<b>214617 (2683)</b>	<b>215021 (2688)</b>	<b>212885 (2661)</b>

Source: As in Table 3.1

Note : Figures in the parenthesis are average per society

Table 3.4  
Block wise Share Capital Position of PACS

*(Rs. in Lakhs)*

S. No	Blocks	No of PACS	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
1	Aundipatty	11	75.24 (6.84)	77.75 (7.07)	103.25 (9.39)	109.13 (9.92)	114.11 (10.37)	122.43 (11.13)	128.50 (11.68)	123.7 (11.24)
2	Bodinayakanur	12	110.34 (9.20)	111.17 (9.26)	124.29 (10.36)	132.59 (11.05)	141.46 (11.79)	142.78 (11.90)	149.71 (12.48)	145.49 (12.12)
3	Chinnamanur	11	101.39 (9.22)	102.85 (9.35)	115.70 (10.52)	122.75 (11.16)	127.07 (11.55)	140.75 (12.80)	172.45 (15.68)	152.13 (13.83)
4	Cumbum	7	104.63 (14.95)	111.40 (15.91)	137.49 (19.64)	146.90 (20.99)	145.77 (20.82)	151.33 (21.62)	155.20 (22.17)	151.87 (21.69)
5	Myladumparai	4	44.53 (11.13)	45.83 (11.46)	66.58 (16.65)	74.29 (18.57)	75.05 (18.76)	77.27 (19.32)	81.56 (20.39)	82.43 (20.60)
6	Periyakulam	15	91.35 (6.09)	97.67 (6.51)	104.97 (7.00)	111.73 (7.45)	121.82 (8.12)	125.67 (8.38)	137.37 (9.16)	140.08 (9.33)
7	Theni	12	81.57 (6.80)	83.75 (6.98)	102.71 (8.56)	116.43 (9.70)	120.32 (10.03)	128.30 (10.69)	134.24 (11.19)	139.08 (11.59)
8	Uthamapalayam	8	46.58 (5.82)	50.43 (6.30)	63.04 (7.88)	67.65 (8.46)	73.01 (9.13)	81.57 (10.20)	89.87 (11.23)	93.8 (11.72)
<b>Total</b>		<b>80</b>	<b>655.63 (8.20)</b>	<b>680.85 (8.51)</b>	<b>818.03 (10.23)</b>	<b>881.47 (11.02)</b>	<b>918.61 (11.48)</b>	<b>970.10 (12.13)</b>	<b>1048.90 (13.11)</b>	<b>1028.58 (13.00)</b>

Source: As in Table 3.1

Note: Figures in the Parenthesis are average per society

In the case of deposits, as some of the PACS could not honor their deposit liabilities on time, the Cooperation Department, Government of Tamil Nadu imposed restrictions for accepting deposits by PACSs. As such, during the year 2004-05 only 9 PACSs were eligible to accept deposits. The scenario during the year 2011-12 has changed and 34 PACSs have become eligible for accepting deposits from the members and the customers. One of the reasons for this trend was the contribution of share capital assistance from ICDP which increased the owned fund position of PACS. Further the infrastructure assistance from ICDP for improved banking facilities enhanced the ambience of the PACS and attracted more deposits. Meanwhile the Cooperation Department, Government of Tamil Nadu relaxed the norms for accepting the deposits by PACS. Consequent to this, the total deposit mobilized by PACS increased from Rs.4708.82 lakhs to Rs.7444.14 lakhs during the period. The average deposit mobilized by per PACS also increased from Rs.58.86 lakhs in 2004-05 to Rs.93.05 lakhs in 2011-12. The region wise analysis showed that the average amount of deposit mobilized by per PACS was high in Cumbum Block during the period to the level of Rs.137.73 lakhs in 2004-05 and Rs.319.01 lakhs in 2010-12 (*Table 3.6*).

### **3.2.3 Loan Portfolio of PACS**

PACS in Theni District provides following ST & MT loan facilities to members.

- Crop loan
- Agri Jewel loan
- General Jewel loan
- TAMCO TABCEDCO assisted subsidy-linked loan.
- Micro Credit
- Loan to SHGs, Women, Women Entrepreneurs and
- Others

Table 3.5  
Block wise Position of Borrowings of PACS

(Rs. in Lakhs)

S. No	Blocks	No of PACS	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
1	Aundipatty	11	1182.12 (107.47)	1262.46 (114.77)	1023.18 (93.02)	1220.12 (110.92)	1438.24 (130.75)	1509.37 (137.22)	1979.25 (179.93)	1891.78 (172.00)
2	Bodinayakanur	12	1395.10 (116.26)	1604.20 (133.68)	1546.26 (128.86)	1851.14 (154.26)	2221.20 (185.10)	1440.30 (120.03)	1778.90 (148.24)	1808.22 (151.00)
3	Chinnamanur	11	953.69 (86.70)	737.16 (67.01)	719.05 (65.37)	1031.71 (93.79)	1115.18 (101.38)	1168.38 (106.22)	1486.83 (135.17)	1509.81 (137.25)
4	Cumbum	7	727.46 (103.92)	860.69 (122.96)	866.98 (123.85)	971.81 (138.83)	1024.04 (146.29)	1027.54 (146.79)	1306.81 (186.69)	1414.84 (202.12)
5	Myladumparai	4	810.58 (202.65)	823.87 (205.97)	704.28 (176.07)	718.17 (179.54)	783.09 (195.77)	871.60 (217.90)	1144.67 (286.17)	1155.35 (289.00)
6	Periyakulam	15	1771.24 (118.08)	1917.39 (127.83)	1464.40 (97.63)	1395.98 (93.07)	1543.96 (102.93)	2103.67 (140.24)	2806.87 (187.12)	3199.25 (213.00)
7	Theni	12	818.34 (68.20)	819.49 (68.29)	907.87 (75.66)	1082.08 (90.17)	1277.46 (106.46)	1165.87 (97.16)	1394.22 (116.19)	1150.49 (96.00)
8	Uthamapalayam	8	452.86 (56.61)	458.31 (57.29)	420.03 (52.50)	514.43 (64.30)	546.92 (68.37)	588.15 (73.52)	693.23 (86.65)	673.06 (84.12)
<b>Total</b>		<b>80</b>	<b>8111.39</b> <b>(101.39)</b>	<b>8483.57</b> <b>(106.04)</b>	<b>7652.05</b> <b>(95.65)</b>	<b>8785.44</b> <b>(109.82)</b>	<b>9950.09</b> <b>(124.38)</b>	<b>9874.88</b> <b>(123.44)</b>	<b>12590.78</b> <b>(157.38)</b>	<b>12802.8</b> <b>(160.03)</b>

Source: As in Table 3.1

Note: Figures in the parenthesis are average per society



Table 3.6  
Block wise Position of Deposits of PACS

(Rs. in Lakhs)

S. No	Blocks	No of PACS	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
1	Aundipatty	11	322.66 (29.33)	287.86 (26.17)	321.87 (29.26)	345.10 (31.37)	367.34 (33.39)	397.82 (36.17)	478.01 (43.46)	472.34 (43.00)
2	Bodinayakanur	12	1509.80 (125.82)	1328.39 (110.70)	1340.29 (111.69)	1500.99 (125.08)	1667.19 (138.93)	1752.75 (146.06)	1910.49 (159.21)	2115.49 (176.29)
3	Chinnamanur	11	546.28 (49.66)	456.55 (41.50)	467.99 (42.54)	406.74 (36.98)	346.92 (31.54)	384.86 (34.99)	393.71 (35.79)	445.7 (41.00)
4	Cumbum	7	964.12 (137.73)	989.99 (141.43)	1199.23 (171.32)	1413.33 (201.90)	1846.32 (263.76)	1991.88 (284.55)	2233.08 (319.01)	2313.18 (330.45)
5	Myladumparai	4	90.78 (22.70)	78.38 (19.60)	72.17 (18.04)	64.78 (16.20)	62.70 (15.68)	53.89 (13.47)	65.60 (16.40)	68.75 (17.18)
6	Periyakulam	15	331.98 (22.13)	284.87 (18.99)	322.58 (21.51)	315.57 (21.04)	334.32 (22.29)	377.85 (25.19)	493.71 (32.91)	514.81 (34.32)
7	Theni	12	747.88 (62.32)	564.06 (47.01)	612.38 (51.03)	678.17 (56.51)	791.23 (65.94)	923.24 (76.94)	1173.05 (97.75)	1310.47 (109.10)
8	Uthamapalayam	8	195.32 (24.42)	157.86 (19.73)	153.20 (19.15)	147.10 (18.39)	156.09 (19.51)	141.35 (17.67)	180.61 (22.58)	203.4 (25.42)
<b>Total</b>		<b>80</b>	<b>4708.82</b> <b>(58.86)</b>	<b>4147.96</b> <b>(51.85)</b>	<b>4489.71</b> <b>(56.12)</b>	<b>4871.78</b> <b>(60.90)</b>	<b>5572.11</b> <b>(69.65)</b>	<b>6023.64</b> <b>(75.30)</b>	<b>6928.26</b> <b>(86.60)</b>	<b>7444.14</b> <b>(93.05)</b>

Source: As in Table 3.1

Note: Figures in the parenthesis are average per society

The total outstanding loan of the PACS in the District has grown from Rs.8734.03 to Rs.21089 lakhs from 2004-05 to 2010-12. On an average Rs.109.18 lakhs was the outstanding loan per PACS during the year 2004-05, which increased to Rs.264.00 lakhs during 2011-12. The region wise analysis showed that on an average the outstanding loan per PACS was high (Rs.198.50 lakhs) in 2004-05 in Cumbum Block and low (Rs.65.62 lakhs) in Uthamapalayam Block. The trend has not changed at the end of the period (*Table 3.7*). One of the recent developments is the growth in the outstanding Jewel loan. There are two types of Jewel loans advanced by PACS. They are viz.

- ✓ Jewel loan issued for agricultural purposes.
- ✓ Jewel loan issued for general consumption purposes.

Both types of loans are considered to be safe and secure loans by PACS. From ICDP an amount of Rs.17.462 lakhs has been advanced to PACS to purchase Iron Safes for 25 PACS and construction of Strong Rooms with Defender Doors in 13 PACS and the budget outlay was Rs.31.272 lakhs. Due to these enhanced facilities, total outstanding jewel loan at District level has increased from Rs.3653.91 lakhs to Rs.14943.20 lakhs during the study period. The average outstanding jewel loan per PACS was high in Cumbum Block and low in Uthamapalayam Block. Both are neighboring Blocks. There are 7 PACS in Cumbum Block, while there are 8 in Uthmapalayam Block (*Table 3.8*). The causes for this regional variation need further analysis.

### **3.2.4 Financial Viability**

The Department of Cooperation, Government of Tamil Nadu took several measures to make the PACSs as viable entities. However, some of the PACSs could not function as financially viable units, as they were suffering from the problem of accumulated losses. In Theni District, during the pre-project period out of 82 PACS, only 20 PACS were functioning with profit. In the current year the number has increased to 61 at the end of the period. Also the number of viable PACSs has increased from 16 to 54 and to 70 (*Table 3.9*). The assistance extended by the ICDP had significantly contributed for this performance.

Table 3.7  
Block wise Position of Total Loan Outstanding of PACS

(Rs. in Lakhs)

S. No	Blocks	No of PACS	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
1	Aundipatty	11	1005.96 (91.45)	1172.44 (106.59)	751.32 (68.30)	989.42 (89.95)	1179.56 (107.23)	1589.15 (144.47)	2361.10 (214.65)	2346.79 (213.34)
2	Bodinayakanur	12	1748.14 (145.68)	1684.70 (140.39)	1552.41 (129.37)	1848.00 (154.00)	2276.80 (189.73)	2938.23 (244.85)	3655.58 (304.63)	4004.24 (334.00)
3	Chinnamanur	11	1242.72 (112.97)	980.15 (89.10)	845.91 (76.90)	1105.12 (100.47)	1144.84 (104.08)	1659.79 (150.89)	2003.25 (182.11)	2457.4 (223.4)
4	Cumbum	7	1389.47 (198.50)	1625.29 (232.18)	1778.17 (254.02)	1918.08 (274.01)	2125.13 (303.59)	2545.82 (363.69)	3210.78 (458.68)	3578.97 (511.28)
5	Myladumparai	4	594.92 (148.73)	528.70 (132.18)	487.54 (121.89)	592.63 (148.16)	654.00 (163.50)	977.22 (244.31)	1393.63 (348.41)	1478.67 (370.00)
6	Periyakulam	15	1029.41 (68.63)	1192.96 (79.53)	758.00 (50.53)	989.65 (65.98)	1133.68 (75.58)	1960.76 (130.72)	2626.31 (175.09)	2804.09 (187.00)
7	Theni	12	1198.45 (99.87)	1294.24 (107.85)	1130.53 (94.21)	1309.14 (109.10)	1601.99 (133.50)	2142.51 (178.54)	2692.69 (224.39)	3016.04 (251.33)
8	Uthamapalayam	8	524.96 (65.62)	556.03 (69.50)	370.17 (46.27)	479.67 (59.96)	626.80 (78.35)	950.21 (118.78)	1139.05 (142.38)	1402.88 (175.36)
	<b>Total</b>	<b>80</b>	<b>8734.03</b> <b>(109.18)</b>	<b>9034.51</b> <b>(112.93)</b>	<b>7674.05</b> <b>(95.93)</b>	<b>9231.71</b> <b>(115.40)</b>	<b>10742.8</b> <b>(134.29)</b>	<b>14763.7</b> <b>(184.55)</b>	<b>19082.4</b> <b>(238.53)</b>	<b>21089.1</b> <b>(264.00)</b>

Source: As in Table 3.1

Note: Figures in the parenthesis are average per society

Table 3.8  
**Block wise Position of Jewel Loan of PACS**

(Rs. in Lakhs)

S. No	Blocks	No of PACS	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
1	Aundipatty	11	302.06 (27.46)	328.7 (29.88)	457.17 (41.56)	633.69 (57.61)	745.34 (67.76)	1158.85 (105.35)	1759.17 (159.92)	1709.32 (155.39)
2	Bodinayakanur	12	922.75 (76.90)	849.67 (70.81)	1086 (90.50)	1302.78 (108.57)	1541.85 (128.49)	2186.7 (182.23)	2778.96 (231.58)	3110.65 (259.22)
3	Chinnamanur	11	528.81 (48.07)	449.8 (40.89)	447.02 (40.64)	643.52 (58.50)	678.74 (61.70)	999.62 (90.87)	1169.85 (106.35)	1502.13 (136.55)
4	Cumbum	7	674.93 (96.42)	771.04 (110.15)	1091.44 (155.92)	1236.62 (176.66)	1341.99 (191.71)	1623.17 (231.88)	2065.97 (295.14)	2642.39 (377.48)
5	Myladumparai	4	178.86 (44.72)	167.42 (41.86)	230.56 (57.64)	281.16 (70.29)	331.3 (82.83)	568.53 (142.13)	921.17 (230.29)	960.72 (240.18)
6	Periyakulam	15	389.58 (25.97)	407.79 (27.19)	466.32 (31.09)	661.88 (44.13)	794.19 (52.95)	1400.48 (93.37)	1882.08 (125.47)	1982.38 (132.15)
7	Theni	12	472.52 (39.38)	516.13 (43.01)	665.93 (55.49)	814.69 (67.89)	1052.18 (87.68)	1416.6 (118.05)	1983.77 (165.31)	2233.23 (186.10)
8	Uthamapalayam	8	184.4 (23.05)	164.37 (20.55)	175.81 (21.98)	216.86 (27.11)	318.74 (39.84)	569.97 (71.25)	739.32 (92.42)	802.33 (100.29)
	<b>Total</b>	<b>80</b>	<b>3653.91 (45.67)</b>	<b>3654.92 (45.69)</b>	<b>4620.25 (57.75)</b>	<b>5791.2 (72.39)</b>	<b>6804.33 (85.05)</b>	<b>9923.92 (124.05)</b>	<b>13300.29 (166.25)</b>	<b>14943.2 (187.00)</b>

Source: As in Table 3.1

Note: Figures in the Parenthesis are average per society

Table 3.9  
Viability Status of PACS

Viability Status	As on 31.3.2002 (As per DPR)	As on 31.3.2010	As on 31.3.2012
Viable	16	54	70
Potentially Viable	39	3	2
Unviable	27	23	8
Total	82	80	80

*Source:* As in table 3.1

### 3.2.5 ICDP interventions

When the concept of ICDP emerged as an integrated package, PACSs were the only institutions targeted by ICDP. Even today in the total outlay lion's share is for the development of PACS. For the development of PACS in Theni District, the DPR suggested an outlay of Rs.557.32 lakhs and the amount earmarked by G.O was Rs.446.03 lakhs. Against this outlay, the actual expenditure was Rs.477.445 lakhs (*Table 3.10*). Hence a detailed analysis is made on the functioning of PACSs.

Rs.477.445 lakhs was spent for developing infrastructural facilities for the development of PACS business in Theni District (*Anexure-2*). All the sub-projects suggested in the G.O. were covered by the Project. Though the certain sub-projects viz., purchasing of counterfeit detecting machines, tractors with accessories, Harvester and Power Sprayers were recommended, as there was no demand, these sub-projects were not covered in the project.

Among the sub-projects given in table 3.10, projects related to permanent assets need special mention here. New Office Buildings, Godowns, Compound walls and renovation works on the existing Godowns and Office have created a strong and direct impact on the business of PACS. An amount of Rs.64.80 lakhs was spent to create 1800 MTS capacity of New Godowns in the District with 18 PACS. The number of PACS, which availed these assistances, is given in table 3.11. Also by investing Rs.10 lakhs, 2000 MTS capacity of godowns in 20 PACS has been renovated having completed repairs and made available for the use of

members. The list of such PACSs is given in table 3.12. All these sub projects have increased the business turnover especially in the areas of Produce Pledge loans, Fertilizer sales, and Jewel loan business. The interiors of some of the PACSs have been developed on par with Commercial Banks.

Table 3.10  
**Budget Outlay for PACS**

(Rs. in Lakhs)

S. No	Activity	Proposed in the DPR		Total outlay for five years mentioned in G.O		Actual Expenditure	
		Phy	Fin	Phy	Fin	Phy	Fin
1	Iron safe	19	14.25	19	13.300	25	17.462
2	Strong Room	13	17.94	13	15.600	13	15.900
3	Steel Door	15	17.25	15	15.000	13	15.372
4	Alarm Bell	14	12.6	14	1.400	10	1.220
5	Generator	20	5.00	20	5.000	21	4.948
6	Electric Weighing Machine	42	4.20	42	4.200	71	5.286
7	Cash Box	14	0.56	14	0.560	14	0.560
8	Safe Dep. Locker	8	8.80	8	8.000	11	11.025
9	Note Counting Machine	6	3.66	6	1.800	26	4.760
10	Counterfeit Detecting Machine	6	0.08	6	0.120	0	0
11	Computer with furniture	75	93.75	40	40.000	30	40.00
12	Furniture & Fixtures	21	5.31	21	5.250	20	7.080
13	Tractor with accessories	3	13.29	3	13.500	0	0
14	Harvester	2	0.58	2	0.600	0	0
15	Power Sprayer	1	0.06	20	1.200	0	0
16	Office cum Godown (100MT)	11	55.66	11	48.400	2	8.800
17	Additional Godown (100MT)	16	66.24	8	28.800	16	57.600
18	Repairs to Godown	25	21.56	25	12.500	38	19.772
19	Office Building	21	48.30	21	42.000	8	18.000
20	Repairs to Office Building	22	9.46	22	8.800	15	13.934
21	Compound wall	41	20.50	20	10.000	15	29.700
22	Margin money	0	138.27	0	170.000	0	206.026
	<b>Total</b>	<b>395</b>	<b>557.32</b>	<b>350</b>	<b>446.030</b>	<b>348</b>	<b>477.445</b>

Source: As in Table 3.1

Note: Phy – Physical, Fin - Financial

Table 3.11  
Construction of New / Additional Godown

(Rs. in Lakhs)

S. No	Name of the PACS	Assistance Sanctioned by PIT / PIA			Date of Completion	Capacity of Godown (in MT)	Floor area (in Sq. Mtrs)	Height (in Mtrs.)	Cost Incurred
		Date	Loan	Share					
1	Nagalapuram (I Phase)	18.03.06	1.80	1.80	02.12.06	100	99.8	3.45	3.60
2	Nagalapuram (II Phase)	21.11.06	1.80	1.80	22.03.07	100	99.8	3.45	3.60
3	Koduvilarpatti (I Phase)	18.03.06	1.80	1.80	31.12.06	100	99.8	3.45	3.60
4	Koduvilarpatty (II Phase)	20.04.07	1.80	1.80	21.01.08	100	99.8	3.45	3.60
5	Govindanagarm (I Phase)	18.03.06	1.80	1.80	04.01.07	100	99.8	3.45	3.60
6	Govindanagaram (II Phase)	21.11.06	1.80	1.80	14.03.07	100	99.8	3.45	3.60
7	Veerapandi (I Phase)	18.03.06	1.80	1.80	04.01.07	100	99.8	3.45	3.60
8	Veerapandi (II Phase)	20.04.07	1.80	1.80	21.01.08	100	99.8	3.45	3.60
9	Venkatachalapuram (I Phase)	21.11.06	1.80	1.80	11.04.07	100	99.8	3.45	3.60
10	Venkatachalapuram (II Phase)	20.04.07	1.80	1.80	29.08.07	100	99.8	3.45	3.60
11	Seelaiyampatti (I Phase)	18.03.06	2.20	2.20	31.12.06	100	99.8	3.45	3.60
12	Seelayampatti (I Phase)	21.11.06	1.80	1.80	11.04.07	100	99.8	3.45	3.60
13	Melachockanathapuram	18.03.06	1.80	1.80	31.12.06	100	99.8	3.45	3.60
14	Sri Rengapuram	21.11.06	1.80	1.80	11.04.07	100	99.8	3.45	3.60
15	Ambasamuthiram	21.11.06	1.80	1.80	13.07.07	100	99.8	3.45	3.60
16	Kamayagoundanpatty	21.11.06	2.20	2.20	08.03.07	100	99.8	3.45	3.60
17	C. Pudupatty	20.04.07	2.20	2.20	11.04.07	100	99.8	3.45	3.60
18	M.Subbulapuram	18.03.06	2.20	2.20	05.01.07	100	99.8	3.45	3.60
	<b>Total</b>					<b>1800</b>			<b>64.80</b>

Source: As in Table 3.1

Table 3.12  
Repairs / Renovation of Godown

(Rs. in Lakhs)

S. No	Name of the PACS	Assistance Sanctioned by PIT / PIA			Date of Completion	Capacity of Godown (in MTs)	Floor area (in Sq. Mtrs.)	Height (in Mtrs.)	Cost Incurred
		Date	Loan	Share					
1	Nagalapuram ( I Phase )	18.03.06	0.25	0.25	05.01.07	100	99.8	3.45	0.50
2	Nagalapuram ( II Phase )	20.04.07	0.25	0.25	30.05.07	100	99.8	3.45	0.50
3	Nagalapuram (III Phase )	21.11.06	0.25	0.25	08.01.07	100	99.8	3.45	0.50
4	Koduvilarpatty	18.03.06	0.25	0.25	26.03.07	100	99.8	3.45	0.50
5	Vadapudupatty	18.03.06	0.25	0.25	11.12.06	100	99.8	3.45	0.50
6	Ambasamuthiram	18.03.06	0.25	0.25	05.01.07	100	99.8	3.45	0.50
7	Jangalpatty	18.03.06	0.25	0.25	11.12.06	100	99.8	3.45	0.50
8	Veerapandi	18.03.06	0.25	0.25	19.12.06	100	99.8	3.45	0.50
9	Aundipatty	18.03.06	0.25	0.25	20.12.06	100	99.8	3.45	0.50
10	Palacombai	18.03.06	0.25	0.25	11.04.07	100	99.8	3.45	0.50
11	Thamaraikulam	18.03.06	0.25	0.25	11.04.07	100	99.8	3.45	0.50
12	Melachokkanathapuram	18.03.06	0.25	0.25	15.03.07	100	99.8	3.45	0.50
13	Dombucherry	18.03.06	0.25	0.25	12.09.06	100	99.8	3.45	0.50
14	Sri Rengapuram	21.11.06	0.25	0.25	29.01.07	100	99.8	3.45	0.50
15	Boothipuram	21.11.06	0.25	0.25	12.09.07	100	99.8	3.45	0.50
16	Kodangipatty	21.11.06	0.25	0.25	12.09.07	100	99.8	3.45	0.50
17	Kothapatty	21.11.06	0.25	0.25	29.11.07	100	99.8	3.45	0.50
18	Vaithiyanathapuram	20.04.07	0.25	0.25	10.08.07	100	99.8	3.45	0.50
19	Seepalakottai	21.11.06	0.25	0.25	15.11.07	100	99.8	3.45	0.50
20	Kamatchipuram	21.11.06	0.25	0.25	29.11.07	100	99.8	3.45	0.50
	<b>Total</b>					<b>2000</b>			<b>1000</b>

Source: As in Table 3.1



These godowns were having the capacity of 100 MT each and they were located in rural areas of Theni District. Hence, totally about 3800 MT capacity of Godown was brought to the use of members and for the business of the PACS. These facilities brought both interest income and non-interest income to PACS. A *Focus Group Discussion* (FGD) was conducted among selected customers and the employees of PACS to identify the impact created by such assets. The result of FGD is given in table 3.13. It was found that the new constructions / renovations emerged as strategic tool to retain the customers at PACS level.

Table 3.13  
**Permanent Assets Created in PACS**

S. No	Type of Sub Projects	No. of PACS	Impact
1	Strong Room	13	<ul style="list-style-type: none"> <li>✓ Increased Jewel Loan business, &amp; ISDL Locker business</li> <li>✓ Reinforced confidence of members on PACS.</li> </ul>
2	Office Building	8	<ul style="list-style-type: none"> <li>✓ Own building ensures safety and security</li> <li>✓ New Identity</li> </ul>
3	Repairs to Office Building	15	<ul style="list-style-type: none"> <li>✓ Ambience has been improved</li> </ul>
4	Office-cum-Godown	2	<ul style="list-style-type: none"> <li>✓ Increased the pledge loan business and fertilizer sales and jewel loan business</li> </ul>
5	Additional Godown	16	<ul style="list-style-type: none"> <li>✓ Both interest and non interest income increased</li> </ul>
6	Repairs to Godown	20	
7	Compound Wall	15	<ul style="list-style-type: none"> <li>✓ Protected the land assets from the encroachments of anti social elements</li> <li>✓ Eliminated entry of strangers within the premises</li> <li>✓ Given new face lift to PACS</li> <li>✓ Improved the cost of nearby lands</li> </ul>

*Source:* Compiled from the responses of members during the FGD held with the members and employees of PACS.

### 3.2.6 Revival of Dormant PACS

In Tamil Nadu 199 PACS were issued with liquidation notices till 2005-06, as they were financially weak. The Government of Tamil Nadu considered that the cooperative credit structure is the single largest credit delivery system in the State

(*Government of Tamil Nadu: 2012-17, p.4*). Hence, as matter of policy, Government took efforts to revive the functioning of all these dormant PACS from the year 2006-07. As far as Theni District was concerned, 7 PACS were served with liquidation notices during 2003. These PACS were financially weak, due to negative net worth and accumulated losses. Now the functioning of these PACS has been revived, wherein the assistance provided by ICDP served as trigger. Financial assistance was provided for development of infrastructural facilities. Alarm Bell, Generator, Jewel weighing machine, and note counting machine were purchased out of this assistance. Also in Kodangipatti and B.Meenachipuram PACS repair works for three existing godowns with ICDP assistance were completed. Repair works in office Buildings of B.Meenachipuram and Mullaiyampatty PACS were also completed. These infrastructure facilities created new ambience for these PACS. Rs.20.70 lakhs was provided as margin money assistance to these 7 PACS so as to strengthen their working capital position. The total assistance provided to these PACS was Rs.30.06 lakhs, which was more than 6 per cent of the total assistance provided to PACS sector (*Table 3.14*).

Further, out of the total assistance provided, interest-free margin money assistance constituted more than 68 per cent. Hanumanthanpatti, Kodangipatti and Mullayampatti PACS have also been provided with soft loans for providing credit facilities to weaker sections, including members belong to SC and ST communities and members of women SHGs. This facilitated these PACS to earn interest margin and meet their establishment costs. Now all these PACS have become functional units. They issue all sorts of short term loans and distribute fertilizers to their members. The position of outstanding loan has shown significant progress during the study period (*Table 3.14*). Coupled with ICDP assistance the financial assistance, received from PCD Fund and Task Force Revival Package supported these PACS to rejuvenate their functions during the period. However, Kodangipatty PACS, B.Meenatchipuram PACS, Melmangalam BGCS, and Upparpatti PACS were suffering from the burden of heavy accumulated losses. It is to be noted that among these PACS, Upparpatti PACS was the first PACS established in the District.

Table 3.14  
Dormant PACS Revived

(Amount in Rs)

S. No	Name of the Society	Type of Assistance Provided								Total
		Alarm Bell	Generator	JLWM	NCM	Repair to Godown	Repair to Office Building	Margin Money	Assistance to Weaker Sections	
1	Hanumanthanpatti PACS	-	-	7400	-	-	-	400000		407400
2	Jeyamangalam BGCS	10000	-	7350	-	-	-	100000	-	117350
3	Kodangipatti PACS	-	-	7500	-	110000	-	500000	200000	817500
4	B.Meenatchipuram PACS	-	-	-	-	60000	60000	500000	-	620000
5	Melmangalam BGCs	-	-	7400	-	-	-	100000	-	107400
6	Mullayampatti PACS	11300	23462	7400	18250	-	56000	370000	150000	636412
7	Upparpatty PACS	-	-	-	-	-	-	100000	-	100000
<b>Total</b>		21300	23462	37050	18250	170000	60000	2070000	350000	2806062

Source: As in table 3.1

Table 3.15  
**Performance in Loan Issued in Revived PACS**

*(Rs. In Lakhs)*

S. No	Name of the PACS	2006-07	2007-08	2008-09	2009-10	2010-11
1	Hanumanthan Patty PACS	26.86	30.42	65.30	118.13	133.87
2	Jeyamangalam BGCS	20.30	13.16	12.97	24.48	66.53
3	Kodangipatty PACS	22.06	47.61	76.64	128.55	186.80
4	Meenatchipuram PACS	34.60	59.50	72.85	124.22	166.16
5	Melmangalam BGCS	21.78	22.92	34.16	88.52	129.27
6	Mullayampatti PACS	43.00	47.26	63.46	106.76	195.88
7	Upparpatti PACS	14.58	13.99	37.94	144.06	185.65

*Source:* As in table 3.1

Compared to others, Hanumanthanpatty PACS had been able to reduce the problem of accumulated losses from Rs.103.89 lakhs in 2006-07 to 16.58 lakhs in 2011-12. This was due to the fact that during the year 2009-10 an amount of Rs.1.14 crores was the cover deficit. Out of which, the DCCB converted Rs.53 lakhs as soft loan. The balance was made as miscellaneous income of PACS.

### **3.3 Contribution of ICDP for the development of Weaker Sections**

Despite the vast expansion of the formal credit delivery system in the country, the dependence of the rural poor on money lenders continues in many areas especially in rural areas. Such dependence is more pronounced in the case of marginal farmers, landless labourers, rural artisans, etc., belonging to socially and economically backward classes and tribes. For various reasons, a credit need of this section of the population has not been fully met. Non Government organisations (NGOs) have actively promoted informal groups of the rural poor to encourage thrift with a view to help them in meeting their emergent money needs. It is in this backdrop, NABARD observed that Self Help Groups – savings and credit groups have the potential to bring together the formal banking structure and the rural poor for mutual benefit.

The credit needs of the rural poor are determined in complex socio-economic circumstances, wherein it is difficult to adopt project-lending approach

as followed by banks and where the demarcation between credit for “consumption” and “productive” purpose is blurred. Under the circumstances, a non-formal agency of credit supply to the poor in the form of Self Help Group (SHG) of the poor could emerge as appreciating partner of the formal agencies. In many cases, the poor have demonstrated their potential for Self Help to secure greater economic and financial strength and many such SHGs have come into existence spontaneously or with the active involvement of NGOs, voluntary agencies and Government Agencies.

During late nineties SHG – Bank Linkage Programme (SHG-BLP) has emerged as the major strategy for delivering financial services to the poor in a sustainable manner (*GoI: 2008, p-77*). NABARD launched a nationwide pilot projects to link the SHGs to the banks. In 1998, NABARD tied up with GTZ Rural Finance Programme to support this programme. According to NABARD, a SHG consists of an ‘average size’ of 15 people from a homogeneous social or economic class, all of them come together for addressing their common problems. The SHGs meet regularly and save small sums of money. They rotate these small-pooled savings as loans within the SHG. They maintain records of such financial transactions and slowly learn the basic aspects of financial management. They then approach a bank and leverage their accumulated savings for higher loans which they intermediate within the SHG. The groups are promoted either by banks or non – governmental organizations (NGOs) and are credit-linked to various models developed by banks (*NCEAR: 2008, p.1*). Now Cooperatives, Commercial Banks and RRBs have been involved in the promotion of SHG linkage.

Forming SHG through thrift and finance-related instruments and thereby strengthening their livelihood system has been a multi-layered task. The formation of group is led by the felt need of the members. Inculcating savings habit among members, providing access to institutional credit to groups, monitoring the financial transaction between members and their group, promoting entrepreneurial culture among the members based on the potential of the area, recovery of loans in

time, relending, making the members to obtain loan individually from banks, issuing insurance cover to members and their cattle and rendering other services so as to develop the livelihood of the members is a complete package in SHG - BLP.

In India, there are a wide range of rural financial institutions for SHGs to link with, but linkage with PACS enables the members of SHGs in rural areas to access financial services from what they perceived as a local community-based source and the best option in limited circumstances. From the PACS perspective, SHGs offer a viable membership base and a cheap and growing source of funds. SHG savings comprise considerable portion of the deposit mobilised. SHGs also showed much higher repayment rates than individual members of the PACS. In short, SHG linkage as a new business line is both attractive and financially feasible for PACS. It is the PACS financial viability that limits the linkages.

Table - 3.16  
ICDP and SHGs

Block	Name of the Society	Amount disbursed	Total per Block
Theni block	DD.125.Venkatachalapuram PACB	100000	
Theni block	DD.147 Jangalpatti PACB	150000	250000
Periyakulam	MD.Spl.14 Melmangalam PACB	100000	100000
Andipatti	M.D.Spl.102 M.Subbulapuram PACB	200000	
Andipatti	M.D.Spl.81 Mullayampatti PACB	150000	350000
Mayiladumparai	M.D.Spl.105 Vallalnathi PACB	100000	100000
Bodinayakanur	MD.Spl.30 Boothipuram PACB	100000	
Bodinayakanur	MD.Spl.23 Kodangipatti PACB	200000	300000
Chinnamanur	MD.Spl.84 Sankarapuram PACB	200000	200000
Uthamapalayam	MD.Spl.96, Uthamapalayam PACB	100000	
Uthamapalayam	A.1616, Periyasinthalachery PACB	100000	200000
<b>Total</b>			1500000

Source: As in Table 3.1

In the DPR, an amount of Rs 15 lakhs had been earmarked for providing margin money assistance to PACS so to provide loan assistance to SHGs. It was found that 11 PACS had been assisted by ICDP (*Table 3.16*), while the minimum

amount provided was Rs.1 lakhs and the maximum amount provided was Rs.2 lakhs. It was found that Melmagalam, Mulaiyampatty and Kodangipatti PACS were dormant PACS, and they were revived after getting financial aid from ICDP as well as Revival package, 2004.

### **3.4 Comparison of performance of PACS**

In this study, it was found that seven PACSs were continuously making loss, while other 10 PACS were continuously making profit during the period (*Map 3.2*). An analysis was made to compare these two segments to find out the conditioning factors. The results are present in table 3.17.

#### **3.4.1 Performance of continuous loss making PACS**

In the case of Number of Members, all the societies, except Melmangalam BGCS, had either a negative growth or a zero growth for the past seven years; however Melmangalam has a positive growth rate of 0.40 which is significantly different from zero.

In the case of the Share Capital position, the growth rate was the highest for Melmangalam BGCS (15.64) and Mulliampatti alone had zero growth rate here.

Regarding borrowings, majority of PACS had negative growth rate, while it was the highest 39.71 for Jeyamangalam BGCS.

Regarding Deposits, there were no zero growth rates. About 50 percent of PACS had negative growth rate and among the positive growth rates, Jeyamangalam BGCS has recorded the highest rate (32.21).

Regarding outstanding Crop Loan outstanding, five PACS had positive growth rates while two PACS had negative growth rates. The highest was 37.20 for Melmangalam BGCS and the lowest was -14.81 for Mulliampatti PACS.

In Medium term outstanding Loan only one society had positive growth rate of 15.09, while all the others had either 0.0 or negative and the worst was Melmangalam BGCS (-100.00) growth rate.

In outstanding Jewel Loan three PACS had zero growth rate, while only one had negative growth rate (-29.93).

Map – 3.2  
**Continuous Profit Making and Loss Making PACS**





In Other Loans three PACS had recorded zero growth, while other three PACS had recorded negative growth.

In outstanding Total Loan, there was no negative growth, at aggregate level, while two PACS had recorded zero growth rate and 4 had positive growth rates with the highest (42.64) for Jeyamangalam BGCS.

In the case of Distribution of fertilizers, majority (5 PACS) had zero growth rate, the remaining two had positive growth at the rates of 30.87 and 29.25, respectively for Hanumanthampatty and Meenakshipuram PACS.

In the case of supply of inputs, all are identical in getting zero growth rates.

In the case of Consumer Goods, three PACS had zero growth rates and the remaining had positive growth rate with 8.15 maximum for Kodangipatti PACS.

Regarding Agricultural Produce Marketing, except Melmangalam PACS which got a growth rate of 5.20, all other PACS had zero growth rate.

In recovery percentage, there was only one PACS which had negative growth of -7.56 (Meenakshipuram PACS) and it was either zero or positive for all the others with a highest rate of 113.99 for Kodnagipatti PACS

In the case of profit and loss, five PACS got zero percentage; one PACS got -20.30 negative growth and only one viz., Hanumanthampatty PACS had a positive growth rate of 5.50

In the case of Cumulative Loss, three PACS got zero, one PACS got -22.87 (Hanumanthampatty) and all the other PACS got only marginal growth rate.

In the case of the Number of Employees, two PACS got zero, one PACS got negative growth rate; all other PACS got growth rate of less than 590.

In the case of Total Establishment Cost, 4 PACS had negative growth, one PACS had zero growth and on the positive side Hanumanthampatty PACS had 27.181 as growth rate and Meenakshipuram PACS had 2.38 as growth rate.  
(Annexure – 3 to 9)

### **3.4.2 Continuous Profit Making PACS**

In the Number of Members, there were negative growth rates at 6 PACS, while one had zero and in the remaining three PACS, there was the highest growth rate and it was 1.33 for Periasinthalachery PACS.

Regarding Share Capital, two PACS had negative growths, one PACS had zero, while all others had positive growth and the maximum was 12.0 for Periasinthalachery PACS.

In the case of Borrowings, negative growth was there in one PACS and another one PACS had zero growth rate. All other PACS had positive growth with a maximum of 28.15 for the Kamayagoundapatti PACS.

In the case of Deposits, none of the PACS got negative growth, while only one PACS got zero and all other PACS got positive scores. The highest was 14.84 for Kamayagoundapatti PACS.

In the case of Short term outstanding Loan, only one PACS alone got a negative growth, while all other PACS got good growth rates. The maximum was 31.87 for the Sillamarathupatty PACS.

In the case of Medium term outstanding Loan, majority of the PACS (8) got negative growth rate and two PACS got zero growth rate, while the negative (-38.76) was maximum for Vadapudupatty PACS.

In the case of outstanding Jewel Loan, all the PACS got positive growth rates and the highest was for Sillamarathuparry PACS with value 24.05.

In the case of other outstanding Loans, 3 PACS got negative growth, one PACS got zero and all the other 6 PACS got positive growth rates. The maximum was 51.97 for the Bodinayakanur BGCS.

All the PACS got positive growth rate in Total outstanding Loan. The maximum was 19.84 for the Sillamarathupatty PACS.

In the case of Distribution of Fertilizers, only one PACS got zero as growth rate and all the other PACS had positive growth rates. The maximum was 33.68 for Periyasinthalachery PACS.

In the case of supply of Other Inputs, all got zero growth rates.

In the case of Consumer Goods sale, one PACS got negative growth, one PACS got zero and all the remaining PACS got positive growth rate with the maximum of 9.69 in the Sillamarathupatty PACS.

In the case of Agricultural Produce Marketing, all PACS got zero growth.

In the case of Recovery percentage, one PACS got zero percent and all the other PACSs got positive growth rate with maximum of 23.39 for Vadapudupatty PACS.

In the case of Profit and Loss position, two PACS got zero, one PACS got -100 and the remaining PACS had positive growth rate with a maximum of 38.21 for the Sillamarathupatty PACS.

Regarding the Number of Employees, zero growth on three PACS, negative for 4 PACS and the remaining five PACS had positive growth rates with a maximum of 3.66 for Periyasinthalacherry PACS.

In the case of Total Establishment Cost, all of them got positive growth rates with Vadapudupatty getting the maximum of 14.03 as the growth rate. (Annexure – 10 to 19).

The Growth indicators viz., Share Capital, Deposits, ST loan outstanding, Jewel loan outstanding, Total loan outstanding, Sale of Consumer Goods and Recovery percentage are the indicators common for loss making as well as profit making PACS. Apart from there fertilize distribution plays a major role in the case of profit making PACS. This might, probably be due to the fact that in the case of fertilizer distribution, there is no chance of loss, since the demand is uniformly high. Hence, the loss making PACS, should concentrate on these factors to revive their functioning pattern.

Table 3.17

**Analysis of the Performance of Continuously Loss Making and Profit Making PACS**

S. No	Growth Indicators	Continuously Loss Making			Continuously Profit Making		
		Zero	Negative	Positive	Zero	Negative	Positive
1	No. of Members	2	2	3	1	6	3
2	Share Capital position	1	0	6	1	2	7
3	Borrowings	1	3	3	1	1	8
4	Deposits	0	2	5	0	0	10
5	ST loan outstanding	0	2	5	0	1	9
6	MT loan outstanding	2	4	1	2	8	0
7	Jewel loan outstanding (Both agri and general JL)	3	1	3	0	0	10
8	Other loan outstanding	4	2	1	1	3	6
9	Total loan outstanding (5+6+7+8)	1	1	5	0	0	10
10	Distribution of Fertilizer (Value)	5	0	2	1	0	9
11	Supply of other inputs (Including Agricultural implements in value)	7	0	0	10	0	0
12	Consumer goods	3	0	4	1	2	7
13	Agricultural Produce marketed	7	0	0	10	0	0
14	Recovery % (at PACS level from members)	1	1	5	1	0	9
15	Profit / Loss	5	1	1	2	1	7
16	Cumulative Loss	3	1	3	10	0	0
17	No. of Employees	2	1	4	3	4	3
18	Total establishment cost	1	4	2	1	0	9

Source: As in Table 3.1

### 3.4.3 Discriminant function analysis

In order to find the factors which can discriminate the continuous profit making and continuous loss making PACS, the data sets on the two groups were rearranged. For this, reference was made on similar studies and also expert consultations were also made and identified variables which were mostly responsible for judging the performance.

They are viz.,

	<u>Symbols used</u>
1) Deposits	$x_1$
2) Jewel Loan outstanding	$x_2$
3) Short term Loan outstanding	$x_3$
4) Recovery percentage	$x_4$
5) Profit / Loss	$x_5$
6) Total Loan outstanding	$x_6$
7) Medium term Loan outstanding	$x_7$

The fitted Discriminating equation is

$$Z = 13.4 x_1 + 10.7 x_2 - 6.4 x_3 - 5.6 x_4 + 0.98 x_5 - 0.82 x_6 + 0.52 x_7$$

$D^2 = 167.58^{**}$  which is significant at one percent level of probability.

This shows the high discrimination between the two groups.

The discriminating power is the highest for the first 4 variables and less for the last four.

In order to allocate weights for the first four highly discriminating factors, three top PACSs of equal importance were requested individually to give their relative preferences in the Satty's preference scale in the methodology under AHP:

We denote the three experts as  $A_1, A_2, A_3$  and the 4 factors are  $F_1, F_2, F_3, F_4$ .

The pair wise comparisons of the 4 factors by the three experts are presented in Table 3.18 & 3.19. Here, if all the three have common view, there

will be only one entry, if two persons agree in view and the third is different then there will be two entries.

Table 3.18  
**The Matrix R, Pair Wise Comparison of Factors**

	<b>F<sub>1</sub></b>	<b>F<sub>2</sub></b>	<b>F<sub>3</sub></b>	<b>F<sub>4</sub></b>
<b>F<sub>1</sub></b>	(1,1,1)	$\begin{pmatrix} 2 & 1 & 2 \\ 3 & 1 & 2 \\ 5 & 2 & 3 \\ 3 & 2 & 5 \\ 2 & 2 & 2 \end{pmatrix}$	$\begin{pmatrix} 2 & 3 \\ 3 & 2 \end{pmatrix}$	$\begin{pmatrix} 2 & 1 & 2 \\ 7 & 3 & 5 \\ 2 & 1 & 2 \\ 7 & 3 & 5 \\ 2 & 1 & 2 \\ 5 & 2 & 3 \end{pmatrix}$
<b>F<sub>2</sub></b>	$\begin{pmatrix} 3 & 3 \\ 2 & 2 \\ 3 & 5 \\ 2 & 2 \\ 5 & 3 \end{pmatrix}$	(1,1,1)	$\begin{pmatrix} 5 & 7 \\ 2 & 2 \\ 5 & 7 \\ 2 & 2 \end{pmatrix}$	$\begin{pmatrix} 2 & 3 \\ 5 & 2 \\ 2 & 3 \\ 2 & 5 \\ 3 & 2 \end{pmatrix}$
<b>F<sub>3</sub></b>	$\begin{pmatrix} 2 & 3 \\ 3 & 2 \end{pmatrix}$	$\begin{pmatrix} 2 & 1 & 2 \\ 7 & 3 & 5 \\ 2 & 1 & 2 \\ 7 & 3 & 5 \end{pmatrix}$	(1,1,1)	$\begin{pmatrix} 2 & 1 & 2 \\ 5 & 2 & 3 \end{pmatrix}$
<b>F<sub>4</sub></b>	$\begin{pmatrix} 5 & 7 \\ 2 & 2 \\ 5 & 7 \\ 3 & 5 \\ 2 & 2 \end{pmatrix}$	$\begin{pmatrix} 2 & 3 \\ 3 & 2 \\ 2 & 3 \\ 2 & 1 & 2 \\ 5 & 2 & 3 \end{pmatrix}$	$\begin{pmatrix} 3 & 5 \\ 2 & 2 \end{pmatrix}$	(1,1,1)

Now, by using the Fuzzy additions and taking the average value in Table 3.18. We obtain Table 3.19.

Table 3.19  
**The Overall Fuzzy Ratings of the 4 Factors**

	<b>F<sub>1</sub></b>	<b>F<sub>2</sub></b>	<b>F<sub>3</sub></b>	<b>F<sub>4</sub></b>
<b>F<sub>1</sub></b>	(1, 1, 1)	(0.86, 1.17, 1.56)	(0.67, 1, 1.5)	(0.33, 0.34, 0.49)
<b>F<sub>2</sub></b>	(0.64, 0.85, 1.16)	(1, 1, 1)	(2.5, 3, 3.5)	(0.95, 1.33, 1.83)
<b>F<sub>3</sub></b>	(0.87, 1, 1.49)	(0.29, 0.33, 0.40)	(1, 1, 1)	(0.4, 0.5, 0.67)
<b>F<sub>4</sub></b>	(2.04, 2.56, 3.03)	(0.55, 0.75, 1.05)	(1.49, 2, 2.5)	(1, 1, 1)

Now applying Fuzzy synthetic extent analysis, ( ), we have

$$\begin{aligned}
 S_1 &= (2.86, 3.56, 4.55) \odot \left( \frac{1}{23.18}, \frac{1}{18.88}, \frac{1}{15.59} \right) \\
 &= (0.12, 0.19, 0.29) \\
 S_2 &= (5.09, 6.18, 7.49) \odot \left( \frac{1}{23.18}, \frac{1}{18.88}, \frac{1}{15.59} \right) \\
 &= (0.22, 0.32, 0.48) \\
 S_3 &= (2.56, 2.83, 3.56) \odot \left( \frac{1}{23.18}, \frac{1}{18.88}, \frac{1}{15.59} \right) \\
 &= (0.11, 0.15, 0.23) \\
 S_4 &= (5.08, 6.31, 7.58) \odot \left( \frac{1}{23.18}, \frac{1}{18.88}, \frac{1}{15.59} \right) \\
 &= (0.21, 0.33, 0.49)
 \end{aligned}$$

Now the formula for the degree of possibility of  $M_1 \geq M_2$ , we have

$$\begin{aligned}
 V(S_1 \geq S_2) &= \frac{0.22-0.29}{(0.19-0.29)-(0.32-0.22)} = 0.35 \\
 V(S_1 \geq S_3) &= 1 \\
 V(S_1 \geq S_4) &= 1 \\
 V(S_2 \geq S_1) &= \frac{0.21-0.29}{(0.19-0.29)-(0.33-0.21)} = 0.32 \\
 V(S_2 \geq S_3) &= 1 \\
 V(S_2 \geq S_4) &= \frac{0.21-0.48}{(0.32-0.48)-(0.33-0.21)} = 0.96 \\
 V(S_3 \geq S_1) &= 0.73 \\
 V(S_3 \geq S_2) &= 0.06 \\
 V(S_3 \geq S_4) &= 0.10 \\
 V(S_4 \geq S_1) &= 1 \\
 V(S_4 \geq S_2) &= 1 \\
 V(S_4 \geq S_3) &= 1
 \end{aligned}$$

Finally by using the formula for  $d^1(A_i)$ , we have

$$d^1(F_1) = V(S_1 \geq S_2, S_3, S_4) = \min(0.35, 1, 0.32) = 0.32$$

$$d^1(F_2) = V(S_2 \geq S_1, S_3, S_4) = \min(1, 1, 0.96) = 0.96$$

$$d^1(F_3) = V(S_3 \geq S_1, S_2, S_4) = \min(0.73, 0.06, 0.10) = 0.06$$

$$d^1(F_4) = V(S_4 \geq S_1, S_2, S_3) = \min(1, 1, 1) = 1$$

Hence,

$$W^1 = (0.32, 0.96, 0.06, 1)^T$$

Via normalization, we obtain the weight vectors with respect to  $F_1, F_2, F_3, F_4$  as:

We compare the

$$W = \begin{bmatrix} 0.13 \\ 0.41 \\ 0.03 \\ 0.43 \end{bmatrix}$$

Using the above weights for four criterions, a weighted average is obtained for each PACS in each Block and the weighed criterion values are presented.

This is again classified in to Low; Medium and high on PI values by using the one sigma limit ( $m-\sigma, m, m+\sigma$ )

It example:

- Societies below  $m-\sigma$  are low (Poorly performed PACS (23))
- Between  $m-\sigma$  and  $m+\sigma$  as medium (Average performed PACS(54))
- Above  $m+\sigma$  as high. (Good performed PACS(3))

Each category is presented in table 3.20 to 3.27.

If the  $\sigma$  is very high expressing high variability among the PACS the  $\sigma$  is greater than the mean and in such cases, the classification is as high and medium only.



Table 3.20  
**Performance Index for PACS in Aundipatti Block**

S. No	Society Name	High level	Medium level	Low level
1	DD 109 Aundipatti PACS	✓		
2	MD Spl. 67 Aunppapatty PACS	✓		
3	MD Spl 79 Rengasamudram PACS		✓	
4	MD Spl 127 T. Subbulapuram PACS		✓	
5	MD Spl 81, Mullaiampatti PACS		✓	
6	MD Spl 65 Kathinarasingapuram PACS		✓	
7	M. Subbulapuram		✓	
8	DD 304 Ramalingapuram PACS		✓	
9	MD Spl 111 Balacombai PACS		✓	
10	MD Spl 66 Kothapatty PACS		✓	
11	DD 221 Kanniappapillaipatti PACS		✓	

Source: As in Table 3.1

Table 3.21  
**Performance Index for PACS in Bodinayakanur Block**

S. No	Society Name	High level	Medium level	Low level
1	A 858/9726 Bodinaickanur C&CPCS	✓		
2	DD 107 Sillamarathupatty PACS	✓		
3	MD Spl 11 Bodi BGCS	✓		
4	MD Spl 6 Kottakudi PACS		✓	
5	MD Spl 30 Boothipuram PACS		✓	
6	DD 136 Dombuchery PACS		✓	
7	M.D.Spl. 23 Kodangipatty PACS		✓	
8	M.D.Spl. 52 Melachokkanathapuram PACS		✓	
9	A 1807 Silamalai PACS		✓	
10	DD 134 Rasingapuram PACS		✓	
11	M.D.Spl. 22 B Meenatchipuram PACS		✓	
12	DD 158 Bodi FSCS, Bodinayakanur		✓	

Source: As in Table 3.1

Table 3.22  
**Performance Index for PACS in Chinnamanur Block**

S. No	Society Name	High level	Medium level	Low level
1	A 1757 Kamatchipuram PACS	✓		
2	A 1759 Seepalakottai PACS	✓		
3	A 1872 Erasakanayakanur PACS	✓		
4	DD 128 Chinnamanur Growers PCCS	✓		
5	A 1271 Odaipatty PACS		✓	
6	MP 101 Chinnamanur BGCS		✓	
7	MD Spl 84 Sankarapuram PACS		✓	
8	MP 80 Gopalnayakanpatty PACS		✓	
9	MD Spl 123 Kanniservaipatti PACS		✓	
10	MD Spl 188 Ramakrishnapuram PACS			✓
11	A 1170 Kuchanur PACS			✓

Source: As in Table 3.1

Table 3.23  
**Performance Index for PACS in Cumbum Block**

S. No	Society Name	High level	Medium level	Low level
1	A 425 Kamayagoundanpatty PACS	✓		
2	MD Spl 108 Cumbum PACS	✓		
3	A 1187 C. Pudupatti PACS	✓		
4	MD Spl 181 Uthamapuram PACS	✓		
5	DD 127 Gudalur FSCS	✓		
6	MD Spl 180 Surilipatty PACS		✓	
7	MD Spl 53 Hanumanthan Patty PACS		✓	

Source: As in Table 3.1

Table 3.24  
**Performance Index for PACS in Mayiladumparai Block**

S. No	Society Name	High level	Medium level	Low level
1.	MD Spl 105 Vallalnathi PACS	✓		
2.	MP 92 Varusanadu PACS		✓	
3.	MP 93 Mayiladumparai PACS		✓	
4.	DD 249 Kadamalaikundu PACS		✓	

Source: As in Table 3.1

Table 3.25  
Performance Index for PACS in Periyakulam Block

S. No	Society Name	High level	Medium level	Low level
1.	DD 270 Vadapudupatty PACS	✓		
2.	DD 137 Lakshmipuram PACS	✓		
3.	MD Spl 77 Vadugapatti PACS		✓	
4.	DD 124 Genguvarpatty PACS		✓	
5.	MD Spl 83 Devathanapatti PACS		✓	
6.	MD Spl 38 Gullapuram PACS		✓	
7.	DD 384 Vaithianathapuram PACS		✓	
8.	MD Spl 50 Silvarpatti PACS		✓	
9.	DD 14 Melmangalam PACS		✓	
10.	MD Spl 82 Endapuli PACS		✓	
11.	DD 417 Thamaraikulam PACS		✓	
12.	MD Spl 114 Melmangalam BGCS		✓	
13.	A 2199 Erumalainayakkenpatti PACS		✓	
14.	MD Spl 113 Jeyamangalam BGCS		✓	
15.	MD Spl 95 Jeyamangalam PACS		✓	

Source: As in Table 3.1

Table 3.26  
Performance Index for PACS in Theni Block

S. No	Society Name	High level	Medium level	Low level
1.	A 915 Govindanagaram PACS	✓		
2.	DD 110 Veerapandi PACS	✓		
3.	MD Spl 49 Koduvilarpatty PACS	✓		
4.	DD 125 Venkatachalapuram PACS	✓		
5.	A 1582 Seelayampatti PACS		✓	
6.	DD 106 Nagalapuram PACS		✓	
7.	A 1814 Ambasamudram PACS		✓	
8.	DD 147 Jangalpatti PACS		✓	
9.	MD Spl 31 Srirengapuram PACS		✓	
10.	MD Spl 71 Aranmanaipudur PACS		✓	
11.	A 737 Upparpatti PACS		✓	
12.	A 1171 Allinagaram PACS		✓	

Source: As in Table 3.1

Table 3.27  
**Performance Index for PACS in Uthamapalayam Block**

<b>S. No</b>	<b>Society Name</b>	<b>High level</b>	<b>Medium level</b>	<b>Low level</b>
1	A 967 Kombai PACS	✓		
2	A 1616 Periyasinthalaichery PACS	✓		
3	MD Spl 97 Royappanpatty PACS		✓	
4	A 1873, Mallingapuram PACS		✓	
5	MD Spl 96 Uthamapalayam PACS		✓	
6	MD Spl 190 LakshminayackanPatty PACS		✓	
7	MD Spl. 85 Melachinthalaichery PACS		✓	
8	A 888 Thevaram PACS			✓

*Source:* As in Table 3.1

On the whole as indicated in the table only 3 PACS have outperformed where as 23 have low performed and the remaining (54) have only average performance.

### **3.5. Success Stories – Case Analysis**

#### **3.5.1 Protecting the Farmers from Distress Sale**

Distress sales have been a major problem in agriculture. Due to lack of sufficient storage and godown facilities and withholding capacity, the farmers are forced to dispose their marketable surplus on the farmyard itself.

The condition was aggravated, when this phenomenon was compounded by lack of access to post-harvesting technologies for processing and value addition. Farmers were the losers of this default. Due to proximity, PACSs were the suitable agencies, not only for input marketing but also for storage and output marketing.

Koduvilarpatti PACS, which was established in the year 1968, has become a model by enlisting financial support from ICDP, Theni in protecting the farmers from distress sale. The area of operation of the society covers 6 villages. Paddy, maize, and cumbu are the principle crops grown in this area.

This PACS got assistance from ICDP for repairing of existing godown, construction of a new godown, and development of other infrastructural facilities

to satisfy the banking needs of the customers. The total assistance availed was Rs. 1224750 (Table 3.28)

Table 3.28  
Assistance Availed from ICDP

Sub Projects	Loan	Share Capital	Total
JLWM	3750	3750	7500
Cash Box	0	4000	4000
NCM	9150	9100	18250
Additional Godown	360000	360000	720000
Repairing existing Godown	25000	25000	50000
Compound Wall	175000	150000	325000
Margin Money	0	100000	100000
Total	572900	651850	1224750

Source: As in table 3.1

The existing 150 MT capacity godown was renovated and two new 150 MT capacity godowns were constructed. Hence, in total, 350 MT capacity of goods could be stored in all these three godowns. Now, the society provides storage facilities for its members to store their produce. Produce pledge loan is also provided to members, as and when they need. Because of these services, the society could get non-interest income by way of rent, commission and excess insurance premium. Interest income is available for the produce pledge loan issued (Table 3.29).

Table 3.29  
Pattern of Income earned through Godown

Rent	1.50 per bag per month
Commission	Re. 1 per bag
Insurance	Rs. 1.50 per bag
Rate of Interest for Pledge Loan	13.5 %
Loan Amount per member	70-75 per cent of prevailing market rate for the goods pledged subject to the maximum ceiling of Rs. 1.50 lakhs per member.

Source: As in table 3.1

The year wise and godown wise income generated through this business is given in table 3.30.

Table 3.30  
**Income Generated in Godowns**

<b>Godown</b>	<b>Old Godown</b>	<b>New Godown I</b>	<b>New Godown II</b>	<b>Total</b>	<b>% of Change</b>
Capacity	150	100	100	350	-
Utilization commenced from	20.3.2007	12.2.2007	18.02.2009	-	-
2006-07	9787	4513	0	14300 (1.4)	-
2007-08	20307	9457	0	29764 (2.9)	108.1
2008-09	15597	8829	2317	26743 (1.6)	- 10.1
2009-10	25392	14561	1052	41005 (3.4)	53.3
2010-11	115341	79308	12867	207516 (12.8)	406.1

*Source:* As in table 3.1

*Note:* Figures in the brackets are percentage to total establishment cost of the year.

From the figures given in table 3.30, it is found that though the growth of income is uneven, the total income earned by the society is at an increasing level during the period. Also, the income earned through this business has considerably contributed to the total establishment cost of the society. During the year 2010-11, the contribution of income earned through godown business to total establishment cost was 12.8 per cent. It shows that the members have increasingly started to utilize the godown facilities available with the societies, which in turn, yields multiple benefits to the members also. A FGD was conducted among the members and employees of this society to understand the benefits realized by the stakeholders. The result of the FGD is given in table 3.31.

Table 3.31  
**Benefits accrued through Godown**

<b>Members</b>	<b>Society</b>
1) Distress sale is averted	1) New Non-Interest Income through rent and commission
2) Produce Pledge loan is available when there is a need	2) Additional Interest Income through produce pledge loan
3) When produce is available in bulk at one place, the traders are ready to pay premium price	3) Sufficient amount of fertilizers could be stored and distributed to farmers, as and when they need.
	4) Serves as a strategy for retaining existing customers and attracting new customers
	5) The Image of the society is boosted

*Source:* Compiled from the results obtained in the FGD

### **3.5.2 Success Stories - Case Analysis -2: Financial Inclusion: ICDP Way**

ICDP Theni supported Veerapandi PACS to venture into SHG linkage and make the downtrodden credit-worthy through regular savings, self-employment and improved livelihood. Veerapandi PACS was established in the year 1956. It covers two revenue villages in its area of operation. An amount of Rs.1,00,000 was sanctioned as margin money by ICDP Theni on 15.10.2007 with 7 per cent interest rate. The PACS sanctioned loan to four SHGs with 12 per cent rate of interest for relending amongst their members for undertaking self-employment. The interest margin available to the PACS was 3 per cent. As on 31.3.2011, the total interest earned by the society was Rs.22952 by rotating the loan amount for about six times and the total outstanding loan as on date was Rs.64405 (*Table 3.32*).

In the FGD held with the members of all these four SHGs it was found that:

- SHGs lend to their members only for self-employment activities such as tailoring, retail saree sales and retail stores.
- All the borrowers were first generation entrepreneurs, who have been traditionally dependent on employment through seasonal agriculture and allied activities for their livelihood.

- Financial support from PACS unleashed the members from the clutches of village money lenders.
- Some of the members have been able to graduate themselves to have access to regular banking services with their own PACS.

Table 3.32

**SHG wise Loan Outstanding**

S. No	Name of the SHG	Loan Amount in Rupees (As on 31.3.2011)		
		Ist Phase	IInd Phase	Outstanding
1	Annai Theresa SHG	25000	50000	11289
2	Kurunji SHG	50000	Nil	44178
3	Sellayamman SHG	25000	50000	8938
4	Gowreeshwari SHG	22000	Nil	Nil
	<b>Total</b>			<b>64405</b>

*Source:* As in table 3.1

### 3.6 PCARDB and ICDP

In Theni District there are four PCARDBs functioning and they are located at Bodinayakanur, Cumbum, Periyakulam and Uthamapalayam (*Map 3.3*). Among these Periyakulam PCARDB is the oldest bank established during the year 1936. As the demand for long-term loan has come to standstill, PCARDBs, in general, are targeting on the MT loans for non-form sector and jewel loans. However, during the recent past, they met business failures and consequently the position of cumulative loss at each PCARDB level was alarming. On the part of ICDP, an amount of Rs.2.638 lakhs was expended for creating infrastructure at PCARDBs' level in the form of iron safe, computers and electronic jewel-weighing machines. This was only half of the budget earmarked in the G.O for the development of this sector in the district (*Table 3.33*). ICDP's interventions coupled with Government schemes enabled these PCARDBs to increase their outstanding loan but miles to go.



Map - 3.3  
Location of PCARDBs

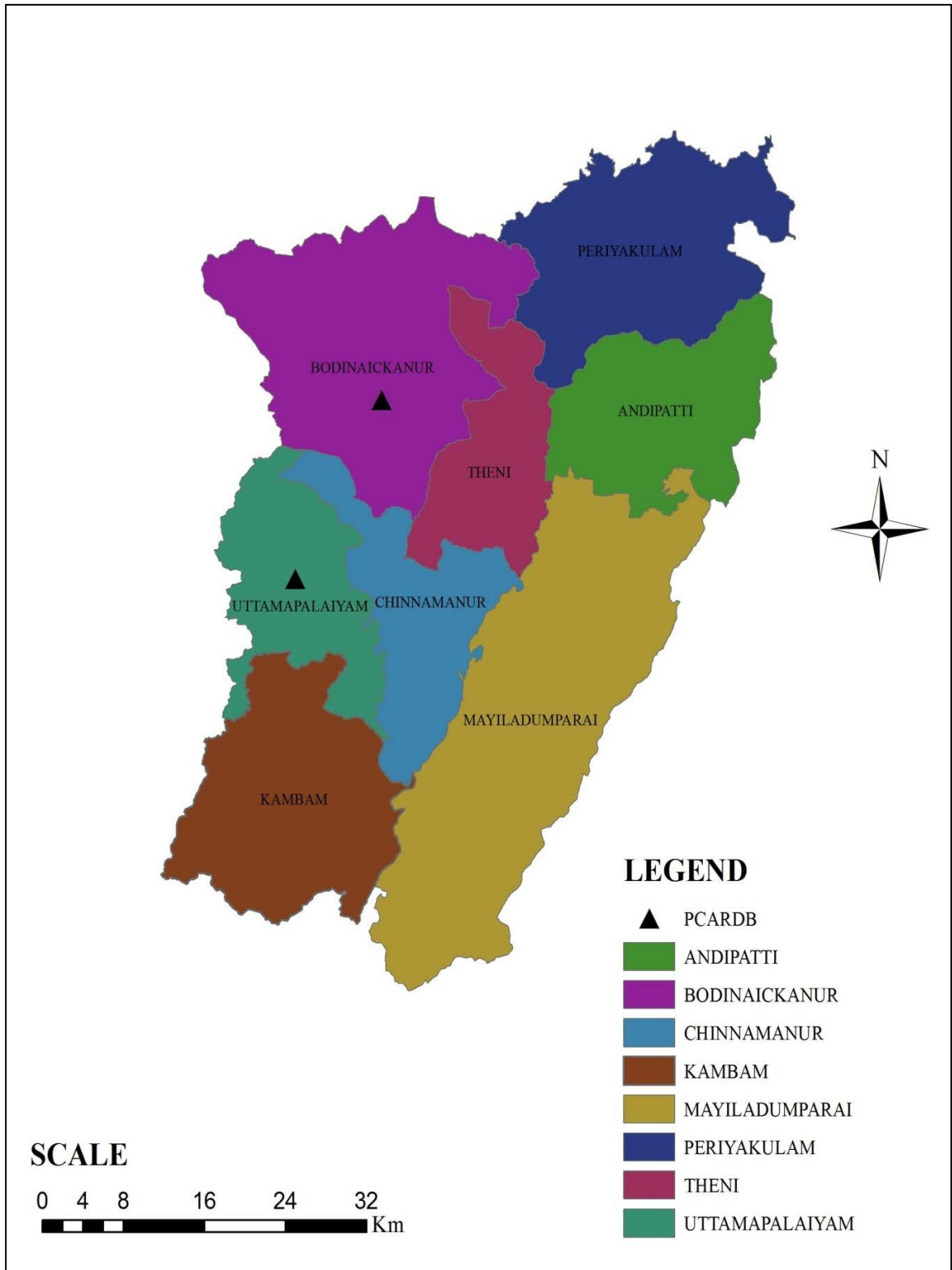


Table 3.33  
**Primary Cooperative Agricultural and Rural Development Banks**  
*(Rs. in Lakhs)*

S. No	Activity	Proposed in the DPR		Total outlay for five years mentioned in G.O		Actual Expenditure	
		Phy	Fin	Phy	Fin	Phy	Fin
1	Iron Safe	1	0.75	1	0.700	1	0.690
2	Strong Room	2	2.76	2	2.400	0	0
3	New Office Building	2	20.00	0	0	0	0
4	Computer	2	2.00	2	2.000	4	1.874
5	Electrical jewel weighing machine	0	0	0	0	1	0.074
<b>Total</b>		7	25.51	5	5.100	6	2.638

*Source:* As in table 3.2

### 3.7 MDCCB and ICDP

In India, from the beginning of the cooperative movement, the debate on agricultural crisis includes the topic on the poor performance of cooperative credit delivery system. The failure of the cooperative credit delivery system is due to the fact that they have been unable to raise their own resources through share capital and deposits. The PACSs have been agencies for credit dispensation at village level. Because of these characteristics of the institutions at base level, the upper tier has been constructed to ensure that the lower tiers get refinance. Cooperative Credit structure is, therefore, driven by borrowers at all levels. Hence, the functions of PACS have direct impact on the functions of DCCB and vice versa. Also the functions of DCCB decide the image of cooperative sector in a district among the public. Though Theni District is carved out from Madurai District there is no separate DCCB for this District. The Madurai DCCB serves as Central Cooperative Bank for this District with its 10 branches located at strategic points (*Table 3.34 & Map 3.4*). It is found that, as early as 1951, MDCCB's branch was started at Theni. Now, all the eight blocks have MDCCB's branches.

Map – 3.4  
Location of MDCC Bank Branches

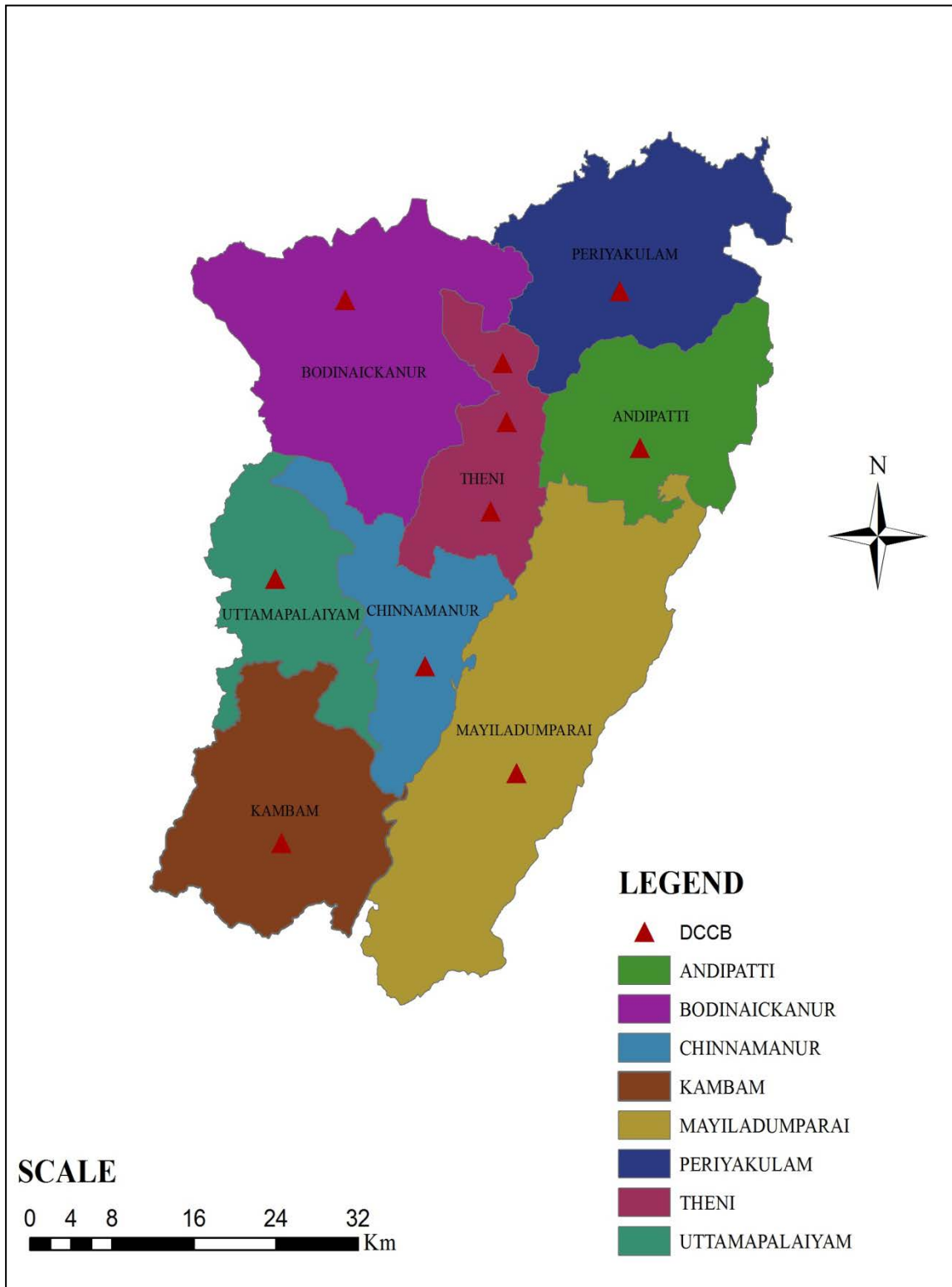


Table 3.34

**Location of Branches of MDCC Bank at Theni District**

<b>S. No</b>	<b>Location of Branches</b>	<b>Date of Starting</b>
1	Theni	12.05.1951
2	Cumbum	07.12.1962
3	Periyakulam	23.03.1967
4	Chinnamanur	23.04.1969
5	Bodinayakanur	29.08.1969
6	Aundipatty	13.11.1969
7	Uthamapalayam	13.11.1969
8	Allinagaram	17.08.1993
9	Myladumparai	06.01.1996
10	Vaigai Dam (Sugar)	20.06.1996

*Source:* As in table 3.1

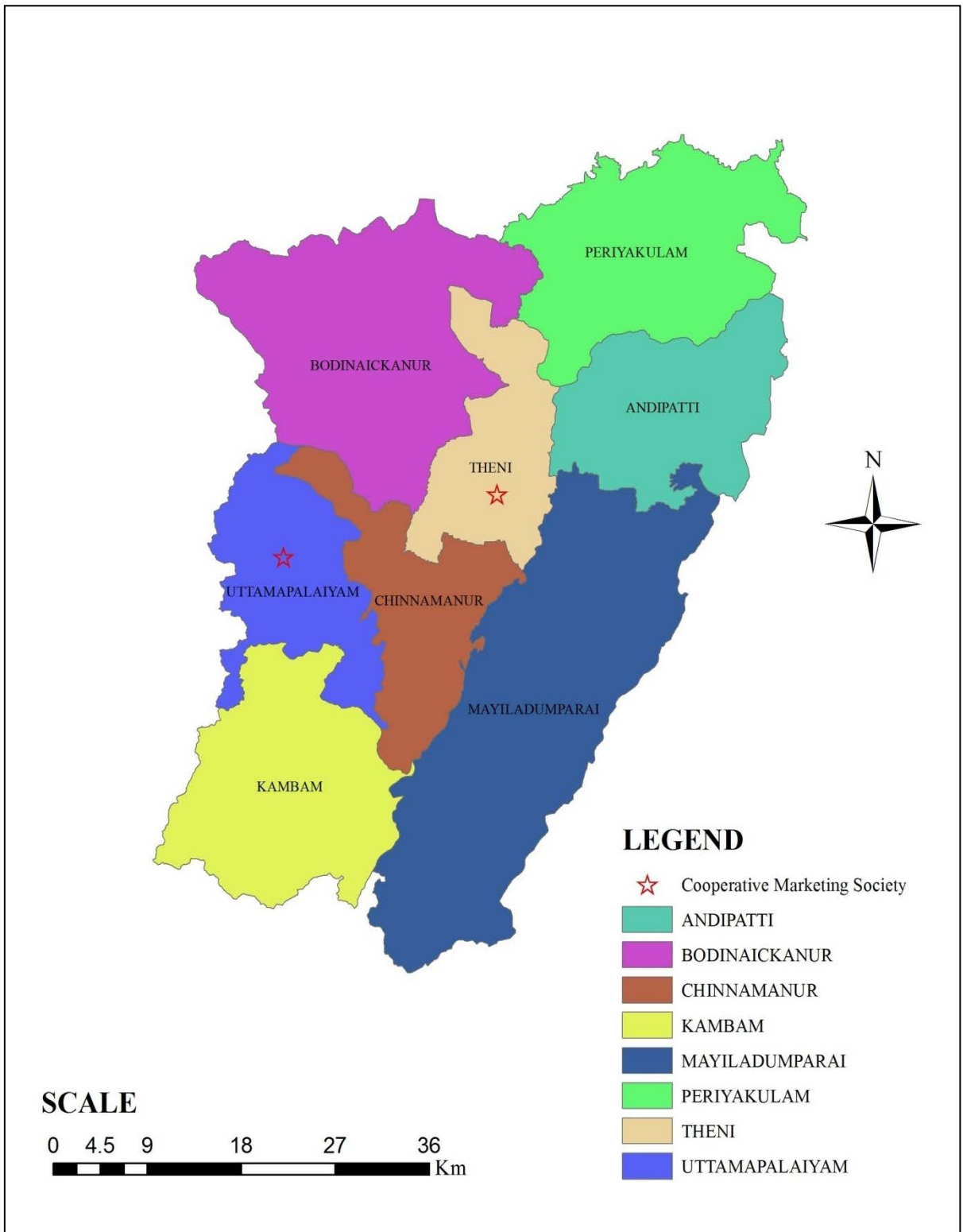
However, the business failure of majority of PACS during recent past affected the profitability of these 10 branches. Due to this, the bank had to face the problem of negative net worth during 2007-08 and 2008-09. Consequent on the interventions of Government schemes and ICDP, the total outstanding loans and advances of these 10 branches increased from Rs.48471 lakhs to Rs.78890.17 lakhs and the bank could recoup its position. The position of profit increased from Rs.724.68 lakhs to Rs.1878.25 lakhs during the period between 2008-09 and 2010-11 (*Table 3.35*).

MDCCB served as the PIA for the implementation of ICDP in Theni District. To develop infrastructural facilities of PIA, an amount of Rs.214.05 lakhs was recommended by the DPR. However, the total outlay approved by G.O was Rs.121.040 lakhs, out of which the actual expenditure was only Rs.96.851 lakhs for 49 sub projects (*Table 3.36*). Out of the total amount expended, Rs.50.820 lakhs was towards share capital for strengthening the working capital base of DCCB. New branch building constructed to house Allinagaram branch is on par with any other commercial bank with modern banking counters and ambience.

### **3.8 CMS and ICDP**

In Theni District, there are 2 PCMS located at Theni and Uthamapalayam (*Map 3.5*).

Map – 3.5  
Location of Cooperative Marketing Societies



Theni PCMS was established during the year 1936, whereas Uthamapalayam PCMS was established during the year 1974. Agricultural marketing and input sales are the traditional business for both these two societies. However, acting as Lead Society under PDS has become life line for these CMS. It was found that the total business turnover of Theni PCMS increased from Rs.2805.46 lakhs to Rs.4734.28 during the period (*Table 3.37*). In the case of Uthamapalayam PCMS, the total business turnover increased from Rs.237.34 lakhs to Rs.269.01 lakhs during the study period. In both, the cases, the business turnover due to PDS was significant (*Table 3.38*). The Theni PCMS realized the potential for Medical Shop and started the business recently. This study found that other forms of business diversification are needed for the sustenance of financial soundness.

ICDP's intervention played a significant role in accelerating the business turnover of these societies, by providing required infrastructural facilities. An amount of Rs.127.19 lakhs was recommended by the DPR for about 11 sub-projects for the infrastructure development in PCMS.

The G.O recommended for Rs.61.650 lakhs; however, the actual expenditure was Rs.68.814 lakhs for 13 sub projects. The list of activities for which the amount was spent is given in table 3.39. Among these activities, purchase of Heavy Trucks assumed greater significance. Because of lack of own lorries, these two societies were depending on the services of private lorry operators for transporting PDS commodities to the FPS. Not only the increased financial commitment, but also the practical difficulties, affected the movement of essential commodities several times. Now the societies are relieved of the problems related to the transport of PDS commodities. An attempt was made to quantify the impact of lorries purchased out of ICDP assistance. It was found that the Uthamapalayam CMS, not only came out of the clutches of private lorry operations, but also earned Rs.37620 as income. Also, it has generated employment opportunity directly to 10 persons and indirectly to 22 persons (*Table 3.40*).

Table 3.35  
**Business Performance of MDCC Bank (Theni District)**

(Rs. in Lakhs)

S. No	Description	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
1	Share Capital (A)	1683.15	1686.34	2251.58	2380.63	2771.19	3659.56	3997.60	4112.32
2	Free Reserves (B)	940.50	867.29	978.09	1049.98	1093.06	1299.14	1299.14	1299.14
3	Other Reserves	11173.35	14392.59	18025.16	22659.16	25540.81	16780.15	16780.15	18765.65
4	Accumulated Loss (C)	1818.21	2037.09	3090.86	7133.09	6408.42	0.00	0.00	0.00
5	Owned Funds (A+B+C)	805.44	516.54	138.81	-3702.48	-2544.17	4958.70	5170.10	5654.12
6	Borrowings	15413.97	19510.61	9409.18	10591.14	11006.57	9625.50	23376.11	98765.09
7	Investments	10764.40	9752.30	9456.97	10399.27	11822.99	14261.10	15149.21	17653.03
8	Loan Issued	43602.15	36756.29	26905.27	54141.00	61474.65	85003.61	70031.70	89734.17
9	Loan and Advances outstanding	48471.00	47894.41	45511.17	53096.76	54671.60	62348.75	78890.17	84635.90
10	NPA	19966.62	21010.08	23432.66	24812.26	19400.97	13408.61	12307.20	11654.23
11	NPA %	41.19	43.93	51.49	46.73	35.48	21.51	15.60	12.10
12	Provision for NPA	7609.30	8359.40	10638.36	13266.98	15695.45	11884.15	11770.00	11670.00
13	Net NPA%	25.49	26.41	28.11	21.32	6.78	2.45	0.88	0.76
	a) Demand	12166.26	14422.04	20396.58	15976.58	18303.83	26798.06	28290.11	30564.00
	b) Collection	6336.54	10821.52	17603.22	12120.14	15106.76	24555.96	24371.40	24487.80
	c) % of Recovery	52.08	75.03	86.31	76.82	82.05	91.63	86.14	92.23
14	Profit (+)	67	0	0	0	724.68	6579.62	1878.25	1956.32
14	Loss (-)	0	-218.88	-1053.77	-4042.24	0	0	0	0

Source: As in Table 3.2

Table 3.36  
Budget Outlay for DCC Bank

(Rs. in Lakhs)

S. No	Sub Projects	Proposed in the DPR		Total outlay for five years mentioned in G.O		Actual Expenditure	
		Phy	Fin	Phy	Fin	Phy	Fin
1	Main Building	1	9.00	2	14.000	2	13.600
2	Building (branches) Repair Work	2	10.00	2	10.000	3	9.832
3	Deposit / Cash Counter	2	0.60	4	1.200	4	1.200
4	Strong Room	3	4.14	2	2.400	2	2.400
5	Iron Safe	6	4.5	8	5.600	7	5.583
6	Safe Deposit Lockers	10	11.00	12	12.000	7	8.936
7	Note Counting Machine	10	6.10	12	3.600	14	3.740
8	Counter feit Detecting machine	10	0.14	12	0.240	0	0
9	Computers	30	37.50	22	22.000	0	0
10	Main Branch Computer Server	1	1.50	0	0	0	0
11	New Branches	25	24.57	0	0	0	0
12	Head Office – Computerization	0	5.00	0	0	0	0
13	Share Capital	0	0	0	50.000	0	50.820
14	Repairs to Branch Buildings	0	0	0	0	0	0
15	Electronic Jewel Weighing Machine	0	0	0	0	10	0.740
16	Margin Money	0	100.00	0	0	0	0
	<b>Total</b>	<b>100</b>	<b>214.05</b>	<b>76</b>	<b>121.040</b>	<b>49</b>	<b>96.851</b>

Source: As in Table 3.2



Table 3.37  
**Business Profile of Theni Cooperative Marketing Society**

*(Rs. in Lakhs)*

S. No	Description	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
		Theni	Theni	Theni	Theni	Theni	Theni	Theni	Theni
1	No. of Members	47589	45087	45127	45234	45180	45167	45167	45167
2	Share Capital	7.53	7.53	7.53	15.53	19.32	21.27	21.27	21.27
3	Borrowings	NA	NA	20	25	25	200	225	225
4	Working Capital	19	17.4	23.01	17.49	18.4	26.35	28.45	32.02
5	Business Turnover	2805.46	3428.16	2630.27	2604.07	3442.72	4372.08	4734.28	3238.56
6	Total Income	31	60	19.48	20.21	22.36	25.82	27.3	1794
7	Total Expenditure	180	210	11.9	13.43	18.57	25.97	23.79	297
8	Profit / Loss	44.33	11.58	8.92	8.51	9.52	10.25	11.03	149.52
9	No of employees in the society	72	72	72	72	85	85	92	92
10	Total establishment cost	2.75	2.75	3.00	3.75	3.75	3.9	4.1	4.25

Source: As in Table 3.1

Table 3.38  
**Business Profile of Uthamapalayam Cooperative Marketing Society**

*(Rs. in Lakhs)*

S. No.	Description	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
1	No. of Members	3706	3702	3703	3703	3703	3703	3703	3703
2	Share Capital	1.01	1.01	10.93	10.93	10.93	18.97	18.97	18.97
3	Borrowings	21	21	20	25	25	200	225	225
4	Working Capital	15.93	14.87	23.01	17.49	18.4	26.35	28.45	29.35
5	Business Turnover	237.34	274.94	229.28	170.20	181.68	223.56	269.01	293.86
6	Total Income	13.54	15.4	19.48	20.21	22.36	25.82	27.3	29.40
7	Total Expenditure	8.96	10.59	11.9	13.43	18.57	25.97	23.79	27.85
8	Profit / Loss	-2.19	8.67	8.92	8.51	9.52	10.25	11.03	12.45
9	No of employees in the society	18	18	18	21	22	22	22	22
10	Total establishment cost	0.8	0.88	11.82	12.04	10.53	13.33	13.02	13.65

Source: As in Table 3.1

### 3.9 Primary Consumer Cooperative Stores and ICDP

Out of 11 Primary Cooperative Consumer Stores functioning in this district, only 5 stores were covered under the ICDP. These stores were located at Gudalur, Jakkampatti, Aundipatti, Periyakulam and Bodinayakanur (*Map 3.6*). All these stores are run with profit. Though all these stores were running FPS, in the total business turnover, the place for non – controlled articles was significant (*Table 3.41*).

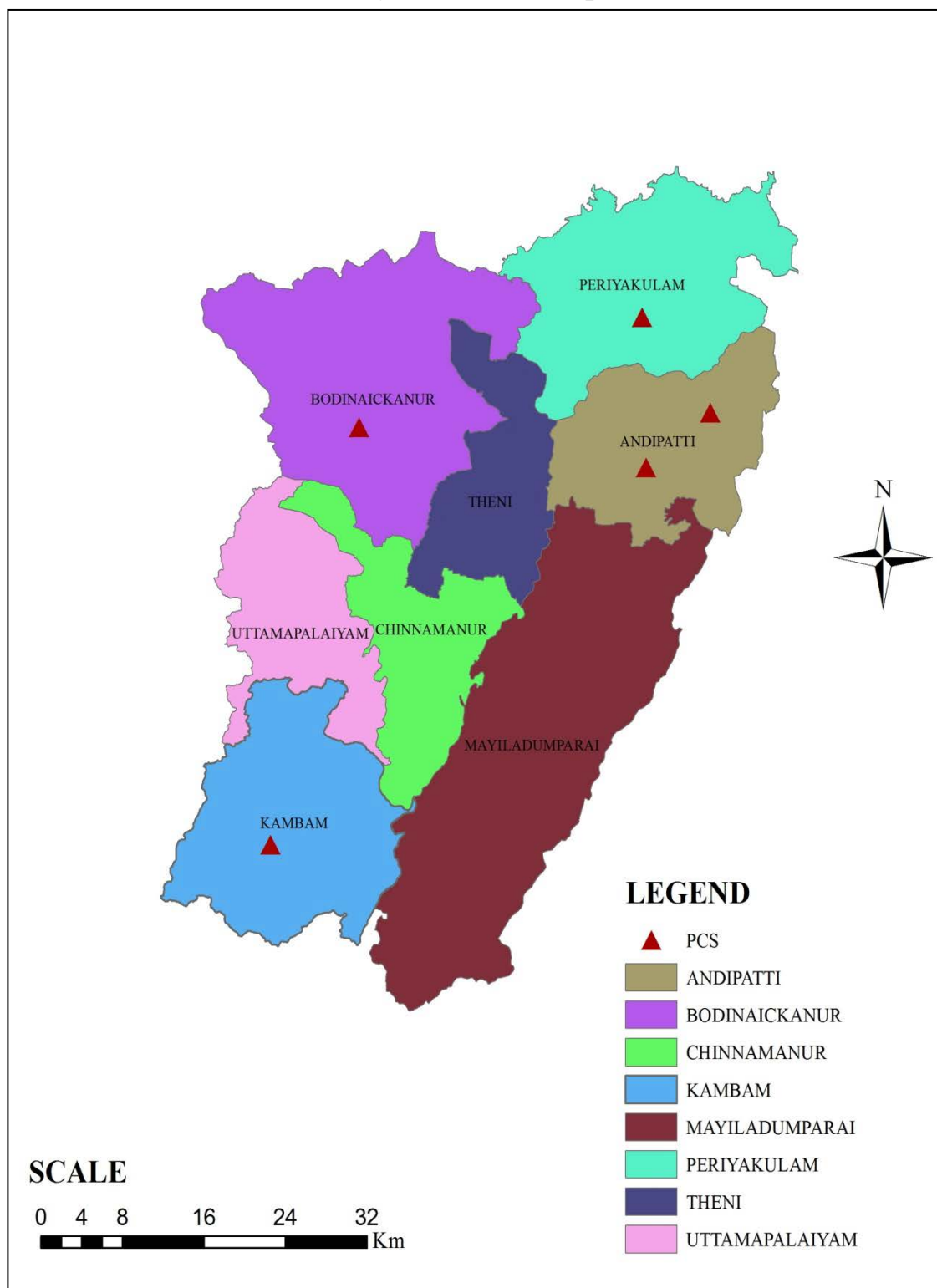
Table 3.39  
**Budget Outlay for Primary Agricultural Cooperative Marketing Societies**  
(*Rs. in Lakhs*)

S. No	Activity	Proposed in the DPR		Total outlay for five years mentioned in G.O		Actual Expenditure	
		Phy	Fin	Phy	Fin	Phy	Fin
1.	Marketing yard	1	1.50	-	-	-	-
2.	Furniture & Fixtures	1	0.29	1	0.300	3	4.521
3.	Electronic weighing Machines	2	0.78	1	0.400	1	0.074
4.	Vehicle, Heavy Truck (10Mt.)	1	7.70	1	7.700	4	34.508
5.	Vehicle Van Replacement	1	3.75	1	3.750	0	0
6.	Computer	2	2.00	2	2.000	0	0
7.	Building (H.O.) Repair	1	3.00	1	2.000	1	2.000
8.	Godown	2	8.28	-	-	-	0
9.	Margin Money	0	39.68	0	40.000	0	24.000
10.	Processing Activity	0	60.21	0	0	0	0
11.	Repair of Ginning Mill	0	0	1	0.500	1	0.500
12.	Repair / Modernization of Rice Mill	0	0	1	5.000	0	0
13.	Repair of office building	0	0	0	0	2	2.761
14.	Generator	0	0	0	0	1	0.450
	Total	11	127.19	9	61.650	13	68.814

Source: As in Table 3.2

This is due to improvement in the store's ambience and facilities provided to customers in the stores. In tune to market demand, both Bodinayakanur and Aundipatti stores have opened Medical Shops.

Map – 3.6  
Location of Primary Consumer Cooperative Stores



ICDP's intervention for the business promotion of these stores assumed greater importance in breaking the role of middlemen in the business of stores. As in the case of PCMS, Bodinayakanur Store was also depended on the services of private lorry operators for transporting PDS commodities to FPS. A new vehicle was purchased out of ICDP's budget and the problem of private lorry contractors was overcome. The total outlay recommended by DPR for all these stores was Rs.48.49 lakhs. The total outlay approved in the G.O was Rs.32.40 lakhs. However, the actual expenditure was Rs.40.360 for 8 sub projects (*Table 3.42*).

Table 3.40  
**Impact of the Heavy Truck Supplied to Uthamapalayam CMS**  
(As on 31.3.2011)

S. No	Expenses	Amount in RS.	Receipts	Amount in RS.
1.	Diesel	82739.00	PDS Liftment	329000.00
2.	Salary	37500.00	Non PDS Liftment	11840.00
3.	Maintenance	13993.00		
4.	Recoupment Reserve	50105.00		
5.	Interest	117233.00		
6.	Total	303220.00		
7.	Income	37620.00		
<b>Gross Total</b>		340840.00		340840.00

*Source:* As in Table 3.1

### **3.10 ICDP and other Cooperative Societies**

In Theni District, there were about 591 primary cooperative milk producers' societies, of which 85 were dormant. The Madurai District Milk Producers Cooperative Union operated 13 routes to procure milk from the primaries. It was found that as there were several other development schemes for the dairy sector, assistance sought from ICDP was limited to Rs.12.80 lakhs against the recommended in the G.O. i.e., Rs.21.60 lakhs. Purchase of 250 Milk cans for Rs.5 lakhs was the major sub project, which was followed by construction of Office Building for Avvaipuram MPCS (*Table 3.43*).

Table 3.41  
**Business Profile of Cooperative Consumer Store in Theni District**  
*(Rs. in Lakhs)*

Name of the Store	Year	No. of Members	Working Capital	Sales Turnover			Profit	Establishment cost
				a) Controlled	b) Non – Controlled	c) Total(a + b)		
<b>Gudalur</b>	2006-07	4920	1.3	84.55	7.78	92.33	6.74	0.32
	2007-08	4920	1.3	67.75	23.35	91.1	4.3	0.39
	2008-09	4920	2.3	61.92	49.02	110.93	3.21	0.5
	2009-10	4920	2.3	55.34	84.8	140.14	5.38	0.97
	2010-11	4920	2.1	57.5	97.73	155.23	3.94	1.9
	2011-12	4920	2.2	59.48	112.15	171.63	4.15	2.12
<b>Jakkampatti</b>	2006-07	877	11.06	21.9	365.9	387.8	NA	9.13
	2007-08	877	8.41	23.82	345.9	369.72	NA	10.9
	2008-09	877	9.97	19.47	337.51	356.98	2.4	9.33
	2009-10	877	7.16	18.56	334.28	352.84	2.65	8.62
	2010-11	877	12.49	18.99	474.76	493.75	2.9	8.87
	2011-12	877	15.50	19.12	484.10	503.22	2.95	8.92
<b>Aundipatty</b>	2006-07	6129	20.84	121.42	29.69	151.11	10.47	3.48
	2007-08	6129	26.22	122.38	59.11	182.49	3.86	3.93
	2008-09	6130	31.75	123.26	92.1	215.36	2.86	4.28
	2009-10	5372	40.92	99.97	149.09	249.06	5	4.5
	2010-11	5372	45	122.43	212.4	334.83	6	4.75
	2011-12	5372	47.10	124.15	220.70	344.85	6.75	4.85
<b>Periyakulam</b>	2006-07	5079	10.73	127.37	14.46	141.84	9.38	5.4
	2007-08	5079	15.29	97.48	38.2	135.69	7.67	3.26
	2008-09	5079	8.2	102.08	78.04	180.12	1.62	4.24
	2009-10	5079	9.82	96.14	139.45	235.6	2.53	5.22
	2010-11	5079	10.83	91.96	109.89	201.85	2.75	6.2
	2011-12	5079	12.16	91.97	112.46	204.48	2.95	6.9
<b>Bodinayakanur</b>	2006-07	4920	1.3	84.55	7.78	92.33	6.74	0.32
	2007-08	4920	1.3	67.75	23.35	91.1	4.3	0.39
	2008-09	4920	2.3	61.92	49.02	110.94	3.21	0.5
	2009-10	4920	2.3	55.34	84.8	140.14	5.38	0.97
	2010-11	4920	2.1	57.5	97.73	155.23	3.94	1.9
	2011-12	4468	39.19	245.20	397.70	642.90	13.12	9.16

Source: As in Table 3.1

Table 3.42  
**Budget Outlay for Primary Consumer Cooperative Stores**  
*(Rs. in Lakhs)*

S. No	Activity	Proposed in the DPR		Total outlay for five years mentioned in G.O		Actual Expenditure	
		Phy	Fin	Phy	Fin	Phy	Fin
1	Furniture & Fixture	1	0.29	1	0.200	5	7.930
2	Tempo (Vehicle)	1	4.70	1	4.700	1	4.700
3	Office Building	3	9.00	3	6.000	0	0
4	Renovation of Office building	0	0	0	0	1	7.082
5	Retail outlet	1	1.50	1	1.500	0	0
6	Margin Money	0	33.00	0	0.200	0	13.648
7	Godown	-	-	0	0	1	7.000
	Total	6	48.49	6	32.400	8	40.360

Source: As in Table 3.2

Table 3.43  
**Budget Outlay for Primary Milk Producers Cooperative Societies**  
*(Rs. in Lakhs)*

S. No	Activity	Proposed in the DPR		Total outlay for five years mentioned in G.O		Actual Expenditure	
		Phy	Fin	Phy	Fin	Phy	Fin
1	Milk Can	250	5.00	250	5.00	250	5.000
2	Computer	3	3.00	3	3.00	2	1.000
3	Bulk Cooler	1	3.25	1	3.30	0	0
4	Office Building	1	3.00	1	3.00	1	3.000
5	Milk Collection Centre	1	3.00	3	3.00	0	0
6	Compound Wall	2	0.80	2	0.80	1	0.800
7	Sales Outlet	1	2.00	1	2.00	1	1.500
8	Margin Money	0	1.00	0	1.50	0	1.500
	Total	259	21.05	261	21.600	255	12.80

Source: As in Table 3.2

There were 11 handloom and power loom weavers cooperative societies in the Theni District. The total amount recommended by DPR for handloom sector was Rs.81.50 lakhs and the total outlay spent as approved was Rs.48 lakhs. Out of the total budget, Rs.40 lakhs was given to societies as margin money to increase their working capital. Two societies (Jakkampatti PWCS and Jakkampatti HWCS) were having own lands but could not construct own Office Buildings due to financial crisis. They were suffering from the problem of increased rent from building owners. Now these two societies got the assistance from the ICDP and constructed Office-cum-godowns. Those WCSs which got margin money assistance, have got relief from the interest burden in Cash Credit borrowings from DCCB (*Table 3.44*).

Two weaker sections' cooperatives got the ICDP assistance in the form of margin money and the total amount spent was Rs.15.50 lakhs (*Table 3.45*). They were coming under the administrative control of Social Welfare Department. Three other Industrial Cooperative Societies got margin money and assistance for the purchase of Plant and Machinery. The total amount spent for this sector was Rs.15.650 lakhs (*Table 3.46*). Rs.2.50 lakhs was released to primary sheep breeding cooperative societies for purchase of office furniture and margin money for working capital (*Table 3.47*). Though Rs.5.090 lakhs was earmarked for fisheries sector, funds were not released due to lack of proposal from this sector. The annual business turnover of these cooperatives was limited and as such, it was found that majority of them were suffering from the problem of cumulative losses. Hence the likely impact of ICDP's assistance was only limited on this sector.

### **3.11 Conclusion**

Dynamic and vibrant agricultural sector alone will effectively address the problems of rural populace. This, in turn, calls for strengthening the facilitating agents. Credit is the important facilitating agent. Theni District is endowed with a network of 91 branches of commercial banks, 3 branches of RRBs, 80 PACS, 4 PCARDBs, and 10 branches of MDCCB for dispensing rural credit. On an



average, there are 2 PACSs for every three revenue villages. Majority of the PACS have been tuned to function as multipurpose entities to meet the credit and others needs of rural populace, especially the small and marginal farmers and other weaker sections. Further, 63 PACS have been actively engaged in PDS also and they run 226 FPS. The total Godown capacity available with PACS has increased to 3800 MT. Apart from traditional banking services, running of Agro Service Centres, Agri Clinics, Common Service Centres, etc., are the new business initiatives at PACS level, which is in tune with the trends at State level.

ICDP's financial support for strengthening the capital base and infrastructure development of Cooperative Credit Delivery System, in general and PACS, in particular was considered as timely intervention. Because, owing to several reasons, during recent years majority of PACS were financially weak. The pre-project period witnessed that majority of the PACS were suffering from the problem of cover deficit, and imbalances. Loan overdue was a serious issue, as these cooperatives were functioning purely as credit societies having target and achievement mode as the business model.

Table 3.44  
**Budget Outlay for Weavers Cooperative Societies**

*(Rs. in Lakhs)*

S. No	Activity	Proposed in the DPR		Total outlay for five years mentioned in G.O		Actual Expenditure	
		Phy	Fin	Phy	Fin	Phy	Fin
1	Tools (Loom) & Accessories	12	11.50	8	4.000	8	4.000
2	Office cum Godown	3	13.00	1	4.000	1	4.000
3	Margin Money	12	57.00	0	40.000	0	40.000
	Total	27	81.50	9	48.000	9	48.000

Source: As in Table 3.2

Table 3.45  
**Budget Outlay for Weaker Section Cooperative Societies**  
(Rs. in Lakhs)

S. No	Activity	Proposed in the DPR		Total outlay for five years mentioned in G.O		Actual Expenditure	
		Phy	Fin	Phy	Fin	Phy	Fin
1.	Herbal powder/ Medicine Women Tailoring Industrial Coop. Society	0	0.50	0	0	0	0
2.	Coop. (Women SC, ST) Lump sum	0	15.00	0	0	0	0
3	Women Garment Making Co.op Margin Money	-	0	0	0.500	0	0.500
4	Weaker Section Co- op. Margin Money	-	0	0	15.000	0	15.000
	Total	-	15.50	0	15.500	0	15.500

Source: As in Table 3.2

Table 3.46  
**Budget Outlay for Industrial Cooperative Societies**  
(Rs. in Lakhs)

S. No	Activity	Proposed in the DPR		Total outlay as per G.O		Actual Expenditure	
		Phy	Fin	Phy	Fin	Phy	Fin
1	Silk Cotton-Ginning Blower	0	14.50	1	2.000	0	0
2	Silk Cotton-Margin Money	0	0	0	5.000	0	5.000
3	Minority Women –Margin Money	0	2.25	0	2.225	0	2.250
4	Ladies Polythene-Plant & Machinery	0	0	1	2.400	0	5.360
5	Ladies Polythene-Office cum Work Shed	0	12.40	1	2.000	0	0
6	Ladies Polythene-Margin Money	0	0	0	2.000	0	2.648
7	Working Capital Loan to Ladies Polythene Society	0	0	0	0	0	0.392
	Total	0	29.15	3	15.650	0	15.650

Source: As in Table 3.2

Table 3.47  
**Budget Outlay for Primary Sheep Breeding Cooperative Societies**  
*(Rs. in Lakhs)*

S. No	Activity	Total outlay for five years mentioned in G.O		Funds Released	
		Phy	Fin	Phy	Fin
1	Furniture Fixture	2	0.50	1	0.50
2	Margin Money	0	2.00	0	2.00
	Total	2	2.50	1	2.50

*Source:* As in Table 3.2

The post-project period witnessed massive change and majority of the cooperatives could come out of the setback and now they have become multi-functional entities driven by society-specific Business Development Plans. The performance of PACS in respect of deposit mobilization, lending, business diversification, and financial viability has been strengthened during the project period. The business performances of PCS and CMS have also been improved during project period. Office buildings constructed out of ICDP's assistance remained as model for the societies covered by ICDPs in other Districts to visit and emulate. In a nutshell ICDP's intervention has accelerated the business performance of cooperatives in this region as listed below.

- Increased the business turnover of all the credit cooperatives covered under the project and the 7 dormant PACS were revived.
- PACS which were having land but could not construct either office building or godown due to want of funds have been assisted to develop their infrastructure.
- By providing compound walls to 16 PACS, their assets have been protected from the encroachments of anti social elements
- The Storage capacity of the PACS has been increased by 3800 tons due to the construction 16 New godowns, 2 Office-cum-godowns and repairing of 20 old godowns.

- Construction of such buildings now reinforces confidence and faith among members on their PACS.
- Pledge loan business started to increase in 46 PACS. Annual pledge loan business has increased to more than Rs.1 crore.
- As per the Detailed Project Report, out of 82 PACS in the District, 75 were functional and of these only 16 were viable units. However, now out of 80 functional PACS, 56 have become viable units, 73 PACS were having more than Rs.1 crore as members' level outstanding loan.
- ISDL facilities provided to 11 PACS in Rural areas, facilitated the rural populace to avail improved banking services from their PACS.
- Two CMSs and one PCS have come out of the clutches of Private Lorry contractors in PDS.
- Also, the functioning of PDS has been strengthened by providing necessary infrastructure to both the lead societies and link societies.

From the above analysis, it is found that interventions of ICDP have created impact on the business performance of cooperatives, in general and PACS, in particular, in Theni District.

### **3.12 References**

- 1) Canara Bank (2007-08), *Annual Credit Plan*, Theni p-34.
- 2) Government of Tamil Nadu (2012-17), *Approach Paper for Twelfth Five Year Plan*, State Planning Commission, p-4 <http://www.tn.gov.in/spc/pdfs/Draft Approach %20Paper TN ver1.pdf> / accessed on 22.1.2013.
- 3) GoI (2008), *Report of the Committee on Financial Inclusion*, January, p-77
- 4) NCEAR (2008), *Report on the Impact and Sustainability of SHG Bank Linkage Programme*, March, p-1.

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