

# **“Financial Performance of Primary Credit Cooperative Societies and Souharda Credit Cooperative Societies - A Comparative Study”**

**Thesis submitted to Kuvempu University  
For the Award of the Degree of**

**DOCTOR OF PHILOSOPHY  
IN  
COMMERCE**



**Submitted by:**

**M.B. Srinidhi**

M.Com., M.A.

**Assistant Professor,**  
Dept. of Commerce and Management,  
Sahyadri Commerce and Management College,  
Shivamogga - 577203

**Under the Supervision of:**

**Dr. Giridhar K.V.**

M.B.A., M.Com., M.A., Ph.D.

**Assistant Professor and Research Supervisor,**  
Dept. of Commerce and Management,  
Sahyadri Commerce and Management College,  
Shivamogga - 577203

**September – 2017**

R/t  
380  
SRI

67(a)

t-3792

Kuvempu University Library  
Jnanasahyadri, Shankaraghatta

**KUVEMPU**



**UNIVERSITY**

**Dr. Giridhar K.V.** M.B.A., M.Com., M.A., Ph.D.,

Assistant Professor and Research Supervisor,  
Dept. of Commerce and Management,  
Sahyadri Commerce and Management College,  
Shivamogga - 577203

Phone: Off: (08182) 240084

+91 9980647833

E-mail: giridhar.malnad@gmail.com

## **CERTIFICATE**

This is to certify that the thesis entitled **“Financial Performance of Primary Credit Cooperative Societies and Souharda Credit Cooperative Societies - A Comparative Study”** submitted to the Kuvempu University for the award of Doctor of Philosophy in Commerce by **M.B. Srinidhi M.Com. M.A. (Sam.)**, is the result of research work carried out by him in the Post Graduate Department of Studies and Research in Commerce, Sahyadri Commerce and Management College, Kuvempu University, Shivamogga, under my guidance during the period 2012- 2017.

I further certify that, this or part of this has not been previously formed the basis of the award of any Degree, Associateship, Fellowship *etc.* of any other University or Institution.

Date: 25.09.2017

Place: Shivamogga

Dr. Giridhar K. V.

(Guide)

## DECLARATION

I hereby declare that the Ph.D. thesis entitled **“Financial Performance of Primary Credit Cooperative Societies and Souharda Credit Cooperative Societies - A Comparative Study”** submitted herewith to the Kuvempu University for the award of the Degree of Doctor of Philosophy in Commerce, is the result of the research work carried out by me in the Post Graduate Department of Studies and Research in Commerce, Sahyadri Commerce and Management College, Kuvempu University, Shivamogga, under the supervision of **Dr. Giridhar K.V.**, Assistant Professor, Sahyadri Commerce and Management College, Shivamogga during the period 2012 to 2017.

I further declare that the results contained in this thesis have not been previously submitted for the award of any other Degree or Fellowship.

Date: 25.09.2017

Place: Shivamogga



M.B. Srinidhi

Research Scholar

## Urkund Analysis Result



**Analysed Document:** KU-TH-COM-SCM-SRINIDI-17.pdf (D30589163)  
**Submitted:** 2017-09-17 09:21:00  
**Submitted By:** walmiki\_rh@rediffmail.com  
**Significance:** 8 %

Sources included in the report:

Dyavappa Hambalappa.Economics.doc (D22478261)  
Dyavappa Hambalappa.Economics.docx (D22492549)  
RCU-TH-COM-PATIL-17.pdf (D26811454)

Instances where selected sources appear:

29

  
LIBRARIAN  
KUVEMPUR UNIVERSITY  
Jnana Sahyadri  
Shenkaragatta-577 451  


*Affectionately Dedicated to*  
*My Beloved Parents*  
*Sri T Bhaskara Avadhani and*  
*Smt. Prasanna Lakshmi*  
*And my family*



## ACKNOWLEDGEMENT

*This Research is the outcome of guide and support of my beloved and respected guide Dr. Giridhar K.V. I am very grateful to his support and guidance.*

*I deeply express my sincere gratitude to my beloved Teacher, Prof. J. Madegowda, Dean and Chairman, Post Graduate Department of Studies and Research in Commerce, Kuvempu University, Shankaraghatta for his moral support and timely guidance.*

*I acknowledge my gratitude to the officials and staff of District Cooperative Audit Office – Sri. Maheshwarappa, Deputy Registrar, Sri Shiva Kumar and Sri Nirvanappa – who were extended their cooperation to provide the essential data related to Primary Credit Cooperative Societies in Shivamogga District.*

*I am very thankful to the Sri Sharana Gowda Patil, Managing Director. Dr. Srikanth Baruve, Assistant General Manager, and the Staff member Sri Shivaprasad, Karnataka State Souharda Federal Cooperative Ltd, Bengaluru, for their help and cooperation to provide the data related to Souharda Credit Cooperative Societies in Shivamogga District. I am also thankful to Sri. H.V. Ravikumar, Ex-Director KSSFCL, from Shivamogga District, for his guidance.*

*I am very much thankful to Dr. Ravish. N.S. who assisted and cooperated with me in analyzing the data. I tender my thanks to Sri Shivakumar B D who aligned and printed my thesis. I am very much thankful to my colleagues and friends who inspired and motivated me to do this study.*

*I am very much grateful to my family cooperated utmost in this task. I am thankful to one and all, who extended their cooperation and help for my research.*

**M. B. Srinidhi**

## CONTENTS

---

Certificate	i
Declaration	ii
Plagiarism Report	iii
Acknowledgement	v
Contents	vi
List of Tables	xiv
List of Graphs	xviii
Abbreviations	xx
<b>CHAPTER – I : INTRODUCTION AND RESEARCH DESIGN</b>	<b>01-48</b>
1.1 Introduction	01
1.2 Conceptual Definitions	02
1.2.1 Cooperation	02
1.2.2 Cooperative	04
1.2.3 Cooperative Society	05
1.2.4 Credit Cooperative Society	05
1.2.5 Primary Credit Cooperative Society	05
1.2.6 Souharda Credit Cooperative Societies	06
1.2.7 Financial Performance	06
1.2.8 Comparative Analysis	06
1.3 Cooperative Movement	06
1.4 Review of Literature	07
1.4.1 Cooperative Societies	08
1.4.2 Performance of Cooperatives	14
1.4.3 Financial Performance	15
1.4.4 Cooperative Banks	17
1.4.5 Other Credit Institutions and Banks	25
1.4.6 Self Reliant Cooperative Societies	31
1.5 Statement of the Problems	31
1.6 Need for the study	32



1.7. Significance of the Study	33
1.8. Objectives of the Study	34
1.9. Hypothesis of the Study	34
1.10. Scope of the Study	36
1.11. Research Methodology	36
1.11.1 Description of the Study Area	36
1.11.2 Sample Size	37
1.11.3 Nature and Sources of Data	37
1.11.4 Techniques and Tools of Data Analysis	38
1.11.5 Statistical Methods Employed	39
1.12. Chapter Scheme	40
1.12.1 Brief Summary of each Chapter	40
1.13. Limitations of the Study	41
References	42
<b>CHAPTER –II: COOPERATIVE MOVEMENT – A REVIEW</b>	<b>49-64</b>
2.1 Cooperative Movement in the World	49
2.1.1 Cooperative Movement in England	49
2.1.2 Cooperative Movement in Germany	50
2.1.3 Cooperative Movement in Ireland	50
2.1.4 Cooperative Movement in Israel	51
2.1.5 Cooperative Movement in Italy	51
2.1.6 Cooperative Movement in France	51
2.1.7 Cooperative Movement in Sweden	51
2.1.8 Cooperative Movement in Canada	52
2.1.9 Cooperative Movement in Denmark	52
2.1.10 Cooperative Movement in Russia	53
2.1.11 Cooperative Movement in China	53
2.1.12 Cooperative Movement in Japan	54
2.1.13 Cooperative Movement in U S A	55
2.2 Cooperative Movement in India	55
2.3 Conclusion	64

<b>CHAPTER – III : A CONCEPTUAL FRAMEWORK</b>	<b>65-94</b>
3.1 History and Development of Primary Cooperative Societies in Karnataka	65
3.1.1 Physical Features	66
3.1.2 Demographic Features	66
3.1.3 Development Indicators	66
3.1.4 Development of Cooperatives in Karnataka State	68
3.2. History and Development of Souharda Credit Cooperative Societies in Karnataka	77
3.2.1 Karnataka Souharda Sahakari Act, 1997	79
3.2.2 Types of Souharda Sahakari Societies	80
3.2.3 Karnataka State Souharda Federal Cooperative	81
3.2.4 Special Features of Karnataka State Souharda Federal Cooperative Ltd. (KSSFCL).	81
3.3 Special Achievements of Souharda Federal	84
3.3.1 E-Stamping Services through Souharda Member Cooperatives	84
3.3.2 Training and Development (T and D) initiatives: Backbone for robust progress of KSSFCL	88
3.3.3 Public relations and media communications with Member cooperatives	88
3.3.4 Constitutional Amendments to Cooperative Acts and their implications	89
3.3.5 Future prospects and Conclusions for Souharda Cooperative movement in Karnataka	90
3.3.6 Unique Features of Souharda Cooperative Movement in Karnataka (India)	90
3.4 Conclusion	93
References	94



4.5.4.2. Society Wise Analysis of Advances through Mean, SD, CV and Ranks	121
4.5.4.3 Comparative Analysis of Advances of SCCS and PCCS	125
4.5.5 Net Profit	126
4.5.5.1 Year Wise Analysis of Net Profit through Mean and SD Values	126
4.5.5.2 Society Wise Analysis of Net Profit through Mean, SD, CV and Ranks	127
4.5.6 Interest Received	131
4.5.6.1 Year Wise Analysis of Interest Received through Mean and SD Values	131
4.5.6.2 Society Wise Analysis of Interest Received through Mean, SD, CV and Ranks	132
4.5.6.3 Comparative Analysis of Interest Received of SCCS and PCCS	135
4.5.7 Other Income	137
4.5.7.1 Year Wise Analysis of Other Income through Mean and SD Values	137
4.5.7.2 Society Wise Analysis of Other Income through Mean Values, SD, CV and Ranks	138
4.5.7.3 Comparative Analysis of Other Income of SCCS and PCCS	141
4.5.8 Fixed Assets	
4.5.8.1 Year Wise Analysis of Fixed Asset through Mean and SD Values	142
4.5.8.2 Society Wise Analysis Fixed Assets through Mean, SD, CV and Ranks	142
4.5.8.3 Comparative Analysis of Fixed Asset of SCCS and PCCS	144
4.5.9 Total Expenses	147
	148

4.5.9.1 Year Wise Analysis of Total Expenses through Mean and SD Values	148
4.5.9.2 Society Wise Analysis of Total Expenses through Mean, SD, CV and Ranks	149
4.5.9.3. Comparative Analysis of Total Expenses of SCCS and PCCS	152
4.5.10 Interest on Investment	154
4.5.10.1 Year Wise Analysis of Interest on Investment through Mean and SD Values	154
4.5.10.2 Society Wise Analysis of Interest on Investment through Mean, SD, CV and Ranks	155
4.5.10.3. Comparative Analysis of Interest on Investment of SCCS and PCCS	158
4.6 CAGR Analysis	159
4.7 Correlation Analysis	161
4.8 Ratio Analysis	166
4.8.1 Return On Equity (ROE)	166
4.8.2 Return on Assets (ROA)	167
4.8.3 Credit-Deposit Ratio	169
4.8.4 Diversification Ratio:	170
4.8.5 Interest Income to Total Income Ratio	172
4.9 Altman Z -Score	173
4.10 Analysis of SCCS and PCCS registered after KSSA, 1997	176
4.10.1 Share Capital	176
4.10.1.1 Year wise Analysis of Share Capital through Mean Values	176
4.10.2 Fixed Deposit	177
4.10.2.1 Year Wise Analysis of Fixed Deposits through Mean Values	177
4.10.3 Saving Deposit	178

4.10.3.1 Year Wise Analysis of Saving Deposit Mean Values	178
4.10. 4 Advances	179
4.10.4.1 Year Wise Analysis of Advances through Mean Values	179
4.10.5 Net Profit	180
4.10.5.1 Year Wise Analysis of Net Profit through Mean Values	180
4.10.6 Interest Received	181
4.10.6.1 Year Wise analysis of Interest Received through Mean Values	181
4.10.7 Other Income	182
4.10.7.1 Year Wise Analysis of Other Income through Mean Values	182
4.10.8 Fixed Assets	183
4.10.8.1 Year Wise Analysis of Fixed Assets through Mean Values	183
4.10.9 Total Expenses	184
4.10.9.1 Year Wise Analysis of Total Expenses through Mean Values	184
4.10. 10 Interest on Investment	185
4.10.10.1 Year Wise Analysis of Interest on Investment through Mean Values	185
4.11 Comparative Overall Performance of PCCS and SCCS Registered after KSSA 1997	186
<b>CHAPTER – V: FINDINGS, SUGGESTION AND CONCLUSION</b>	<b>188-198</b>
5.1 Summary of Major Findings of the study	188
5.2 Findings on financial performance on the basis of CAGR analysis	188
5.3 Findings on the basis of Correlation Coefficient	190

5.4 Findings of Financial Performance on the basis of Coefficient of Variability	190
5.5 Findings on the basis of Altman Z score modeling results of overall Financial performance	193
5.6 Suggestions	194
5.6.1 Suggestions to Board of Directors of both PCCS and SCCS	194
5.6.2 Suggestions for Modus Operandi	195
5.6.3 General Suggestions to stake holders	195
5.6.4 Suggestions to the PCCS	196
5.6.5 Suggestions for the SCCS	197
5.7 Conclusion	197
5.8 Scope for Further Research (Gap)	198
<b>BIBILOGRAPHY</b>	<b>199</b>
<b>ANNEXURES</b>	<b>205</b>

## LIST OF TABLES

Table No	Table title	Page No
Table 1.1	Showing the procedure adopted for consideration of PCCS and SCCS	37
Table 1.2	Showing Financial Performance categorization zone for banking Sector by Altman Z -Score	40
Table 2.1	Growth of General Cooperative Societies in India	62
Table 2.2	Growth of Women Cooperative Societies in India	63
Table 3.1	Growth of General Cooperative Societies in Karnataka	76
Table 3.2	Showing the States adopted Liberal State Cooperative Laws	79
Table 3.3	Growth trends of KSSFCL and its constituent member Souharda Cooperatives in Karnataka during 2001 and 2016	83
Table 3.4	Unique and innovative business practices of some Souharda Cooperatives in Karnataka	86
Table 4.1	Showing Mean and SD Values of Share Capital of SCCS and PCCS from 2010-11 to 2014-15	102
Table 4.2	Showing Mean, SD, CV and Ranks of Share capital of SCCS	104
Table 4.3	Showing Mean, SD, CV and Ranks of Share capital of PCCS	105
Table 4.4	Showing results of one way Annova between Shares Capital of SCCS and PCCS	107
Table 4.5	Showing Mean and SD Values of Fixed Deposit of SCCS and PCCS from 2010-11 to 2014-15	108
Table 4.6	Showing Mean, SD, CV and Ranks of Fixed Deposit of SCCS	109
Table 4.7	Showing Mean, SD, CV and Ranks of Fixed Deposit of PCCS	111
Table 4.8	Showing results of one way Annova between Fixed Deposit of SCCS and PCCS	113
Table 4.9	Showing Mean and SD Values of Saving Deposit of SCCS and PCCS from 2010-11 to 2014-15	114



Table 4.10	Showing Mean, SD, CV and Ranks of Saving Deposit of SCCS	115
Table 4.11	Showing Mean, SD, CV and Ranks of Saving Deposit of PCCS	117
Table 4.12	Showing results of One way Annova between Savings Deposit of SCCS and PCCS	119
Table 4.13	Showing Mean and SD Values of Advances of SCCS and PCCS from 2010-11 to 2014-15	120
Table 4.14	Showing Mean, SD, CV and Ranks of Advances of SCCS	121
Table 4.15	Showing Mean, SD, CV and Ranks of Advances of PCCS	123
Table 4.16	Showing results of One way Annova between Advances of Souharda SCCS and PCCS	125
Table 4.17	Showing Mean and SD Values of Net Profit of SCCS and PCCS from 2010-11 to 2014-15	126
Table 4.18	Showing Mean, SD, CV and Ranks of Net Profit of SCCS	127
Table 4.19	Showing Mean, SD, CV and Ranks of Net Profit of PCCS	128
Table 4.20	Showing results of One way Annova between Net Profit of SCCS and PCCS	130
Table 4.21	Showing Mean and SD Values of Interest Received of SCCS and PCCS from 2010-11 to 2014-15	131
Table 4.22	Showing Mean, SD, CV and Ranks of Interest Received of SCCS	132
Table 4.23	Showing Mean, SD, CV and Ranks of Interest Received of PCCS	134
Table 4.24	Showing results of One way Annova between Interest Received of SCCS and PCCS	136
Table 4.25	Showing Mean and SD Values of Other Income of SCCS and PCCS from 2010-11 to 2014-15	137
Table 4.26	Showing Mean, SD, CV and Ranks of Other Income of SCCS	138
Table 4.27	Showing Mean, SD, CV and Ranks of Other Income of PCCS	139

Table 4.28	Showing results of one way Annova between Other Income of SCCS and PCCS	142
Table 4.29	Showing Mean and SD Values of Fixed Asset of SCCS and PCCS from 2010-11 to 2014-15	142
Table 4.30	Showing Mean, SD, CV and Ranks of Fixed Asset of SCCS	144
Table 4.31	Showing Mean, SD, CV and Ranks of Fixed Asset of PCCS	145
Table 4.32	Showing results of One way Annova between Fixed Asset of SCCS and PCCS	147
Table 4.33	Showing Mean and SD Values of Total Expenses of SCCS and PCCS from 2010-11 to 2014-15	148
Table 4.34	Showing Mean, SD, CV and Ranks of Total Expenses of SCCS	149
Table 4.35	Showing Mean, SD, CV and Ranks of Total Expenses of PCCS	151
Table 4.36	Showing results of One way Annova between Total Expenses of SCCS and PCCS	153
Table 4.37	Showing Mean and SD Values of Interest on Investment of SCCS and PCCS from 2010-11 to 2014-15	154
Table 4.38	Showing Mean, SD, CV and Ranks of Interest on Investment of SCCS	155
Table 4.39	Showing Mean, SD, CV and Ranks of Interest on Investment of PCCS	156
Table 4.40	Showing results of One way Annova between Interest on Investment of SCCS and PCCS	159
Table 4.41	Calculation of Compounded Annual Growth Rate For SCCS	160
Table 4.42	Calculation of Compounded Annual Growth Rate for PCCS	160
Table 4.43	Showing CAGR of SCCS and PCCS for variables	161
Table 4.44	Showing correlation coefficient between PCCS and SCCS	162
Table 4.45	Showing the Rank Correlation Coefficient values for variables among PCCS and SCCS	164
Table 4.46	Showing Return on Equity of PCCS and SCCS for the five years 2010-11 to 2014-15	166

Table 4.47	Showing Return on Assets of PCCS and SCCS for the five years 2010-11 to 2014-15	168
Table 4.48	Showing Credit Deposit ratio of PCCS and SCCS for the five years 2010-11 to 2014-15	169
Table 4.49	Showing the Diversification ratio of PCCS and SCCS for the five years 2010-11 to 2014-15	171
Table 4.50	Showing Interest income to total income ratio of PCCS and SCCS for the five years 2010-11 to 2014-15	172
Table 4.51	Showing Financial Performance categorization zone for banking Sector by Altman	173
Table 4.52	Showing Altman Z Scores of PCCS	174
Table 4.53	The analysis of Altman Z sores of SCCS	175
Table 4.54	Showing mean and standard deviation of values of Share Capital	176
Table 4.55	Showing mean and Standard deviation values of Fixed Deposits	177
Table 4.56	Showing mean and standard deviation of values of Saving Deposit	178
Table 4.57	Showing mean and Standard deviation values of Advances	179
Table 4.58	Showing mean and Standard deviation values of Net Profit	180
Table 4.59	Showing mean and Standard deviation values of Interest Received	181
Table 4.60	Showing mean and Standard deviation values of Other Income	182
Table 4.61	Showing mean and Standard deviation values of Fixed Asset	183
Table 4.62	Showing mean and Standard deviation values of Total Expenses	184
Table 4.63	Showing mean and Standard deviation values of Interest on Investment	185
Table 4.64	Showing year wise Comparative Highest Values Among PCCS and SCCS for ten variables.	187

## LIST OF GRAPHS

<b>Figure No</b>	<b>Figure title</b>	<b>Page No</b>
Graph 4.1	Showing Mean Values of Share Capital of SCCS and PCCS from 2010-11 to 2014-15	103
Graph 4.2	Showing Mean Values of Fixed Deposit of SCCS and PCCS from 2010-11 to 2014-15	109
Graph 4.3	Showing Mean Values of Savings Deposits of SCCS and PCCS from 2010-11 to 2014-15	115
Graph 4.4	Showing Mean Values of Advances of SCCS and PCCS from 2010-11 to 2014-15	121
Graph 4.4	Showing Mean Values of Net Profit of SCCS and PCCS from 2010-11 to 2014-15	127
Graph 4.6	Showing Mean Values of Interest Received of SCCS and PCCS from 2010-11 to 2014-15	132
Graph 4.7	Showing Mean Values of Other Income of SCCS and PCCS from 2010-11 to 2014-15	138
Graph 4.8	Showing Mean Values of Fixed Assets of SCCS and PCCS from 2010-11 to 2014-15	143
Graph 4.9	Showing Mean Values of Total Expenses of SCCS and PCCS from 2010-11 to 2014-15	149
Graph 4.10	Showing Mean Values of Interest of Investment of SCCS and PCCS from 2010-11 to 2014-15	155
Graph 4.11	Showing coefficient of correlation between PCCS and SCCS	163
Graph 4.12	Showing Rank Correlation co efficient values for PCCS and SCCS	165
Graph 4.13	Showing Return on Equity of PCCS and SCCS for the five years 2010-11 to 2014-15	167
Graph 4.14	Showing Return on Asset of PCCS and SCCS for the five years 2010-11 to 2014-15	168
Graph 4.15	Showing Credit-Deposit Ratio of PCCS and SCCS for the five years 2010-11 to 2014-15	170

Graph 4.16	Showing Diversification ratio of PCCS and SCCS for the five years 2010-11 to 2014-15	171
Graph 4.17	Showing Interest Income to Total Income of PCCS and SCCS for the five years 2010-11 to 2014-15	172
Graph 4.18	Showing Share capital of SCCS and PCCS after KSSA 1997	177
Graph 4.19	Showing Fixed Deposits of SCCS and PCCS after KSSA 1997	178
Graph 4.20	Showing Saving Deposit of SCCS and PCCS after KSSA 1997	179
Graph 4.21	Showing Advances of SCCS and PCCS after KSSA 1997	180
Graph 4.22	Showing Net Profit of SCCS and PCCS after KSSA 1997	181
Graph 4.23	Showing Interest Received of SCCS and PCCS after KSSA 1997	182
Graph 4.24	Showing Other Income of SCCS and PCCS after KSSA 1997	183
Graph 4.25	Showing Fixed Asset of SCCS and PCCS after KSSA 1997	184
Graph 4.26	Showing Total Expenses of SCCS and PCCS after KSSA 1997	185
Graph 4.27	Showing Interest on Investment of SCCS and PCCS after KSSA 1997	186

## ABRIVIATIONS

ACCs	Authorized Collection Centres
AGM	Annual General Body Meeting
B I F R	Bank for Industrial and Financial Reconstruction
C As	Chartered Accountants
C D Ratio	Credit Deposit Ratio
CAGR	Compound Annual Growth Rate
CEOs	Chief Executive Officers
CRR	Cash Reserve Ratio
CV	Coefficient of Variation
D C C Bs	District Central Cooperative Banks
D R T	Debt Recovery Tribunals
H P	Himachala Pradesh
I O A S	Irish Agricultural Organisation Society
ICA	International Cooperative Alliance
ICICI	Industrial Credit Investment Corporation of India
IT	Information Technology
K F	Cooperative Farbundet
K S S A	Karnataka State Souharda Act
K S S A	Karnataka Souharda Sahakari Act, 1997
KSSFCL	Karnataka State Souharda Federal Cooperative Limited
Ltd.	Limited
MoU	Memorandum of Understanding
N P A	Non-performing Accounts
NABARD	National Bank For Agriculture and Rural Development
Ni.	Niyamitha
O T S	One Time Settlement Scheme
OECD	Organisation of Economic Corporation and Development
P A C	Primary Agricultural Cooperative Societies
P C C S	Primary Credit Cooperative Society
PCARDBS	Primary Cooperative Agriculture and Rural Development
PLDBs	Primary Land Development Banks

R B I	Reserve Bank of India
R C S	Registrar of Cooperative Societies
RB	Rural Banks
S C B	State Cooperative Banks
S C C S	Souharda Credit Cooperative Society
S H C I L	Stock Holding Corporation of India Limited
SCARDBS	State Co-Operative Agriculture and Rural Development Banks
SD	Standard Deviation
SEBIs	Security Exchange Board of India
SHGs	Self-help Groups
SRR	Statutory Reserve Ratio
TAICO	Tamilnadu Industrial Cooperative Bank Limited
U C B	Urban Cooperative Banks

# **CHAPTER – I**



---

---

## CHAPTER - I

### INTRODUCTION AND RESEARCH DESIGN

#### 1.1 Introduction

India is the only country having a special concept of PURUSHARTHA i.e. Dharma, Artha, Kaama and Moksha. Dharma is the base and foundation. Artha and Kaama are like the building and moksha is the top of the building. If Artha and Kaama are achieved on the basis of dharma then gets Moksha. This study relates to 'Artha'. Kautilya says “अर्थमूलं हि जगत् सर्वम्” (Artha moolam hi jagath sarvam) economics is the base for all human activities. The Upanishath says that “यया कया च विधया बह्वन्नं प्राप्नुयात्” (Yaya kaya cha vidhaya bahwannam propnuyath) by one or the other way (on the basis of dharma) earn more.” Among different ways of earning, financial activities are one of the important way, which can be carry either by an individual or by a group. Studies and scholars opinions that the financial activity carried by Individuals lead to concentration of wealth and widens the economic gap in the society as rich and poor. To release the poor from the clutches of the rich the financial activities are started by the group. The 'Cooperative Society' in one important group among those. The Indian ancient scripture Rig Veda postulates that when the hearts of all the individuals unite together with a common mind and a common goal, any work can be carried out with a higher degree of efficiency. Essence of this spirit can be traced even in the meaning of cooperation which stresses on the principle “one for all and all for one”. When individuals get united together adopting these cooperative principles, they can help each other in obtaining the social and economic upliftment of their own lives in particular and that of the entire community in general.

Mahatma Gandhi had envisaged that the cooperative movement is a tool for eradication of poverty and Gandhiji had always strongly felt that his dream concept of “Gram Swaraj” will come true through the cooperative movement. Thus it is evident that cooperative movement has to be essentially a national movement, which is the only means to bring revolutionary changes in the social and economic structure of national life.

To guide and control, cooperative movement rules and regulations are inevitable and it is to be amended as and when necessary. At the same time, the regular performance evaluation of the institutions engaged in the cooperative movement is an integral obligation of the different stake holders with a view to ensure

---

---

that the financial performance associated with the better financial decisions which finally improve the welfare of all the members of the cooperative institutions i.e. cooperative societies. For this purpose, various important Acts have been come into force. The Karnataka Cooperative Act, 1959 is one such important and in existence till today. On the recommendation of a research to overcome the existed limitations of this Act, in Karnataka one more Act called “Karnataka Souharda Sahakari Act, 1997” has passed and implemented in 2001. Hence, two kinds of Cooperative Societies are functioning in Karnataka i.e. “Primary Credit Cooperative Societies” registered under “Karnataka Cooperative Act, 1959” and “Souharda Credit Cooperative Societies” registered under “Karnataka Souharda Sahakari Act, 1997”. Both the kinds of societies are carrying similar type of activities. This study compares and evaluates the financial performance of both the kinds of societies.

## 1.2 Conceptual Definitions

### 1.2.1 Cooperation

Cooperation means living, thinking and working together. The life of Aunts, Bees etc., are the best examples for cooperation. Right from the hunting stage, up to the present day, the progress and development of human beings, in all spheres, i.e. social, economic, religious and political is marked by the sense of thinking, working and living together<sup>1</sup>.

The cooperation is pillar to all kind of success. Number of examples are found in Indian History and Literature. Lord Rama’s success is because of the cooperation of Vanaras, the success of Pandava’s is the result of cooperation among brothers, and success of Shivaji Maharaj is the outcome of Movaligas cooperation.

In Bagavadgita, the Lord Krishna conveys both the Gods and Mankind that ‘enjoy the happiness by cooperation’.

सहयज्ञाः प्रजाः सृष्ट्वापुरोवाचप्रजापतिः।

अनेन प्रसविष्यध्वमेषवोस्विष्टकामधुक्॥

देवान्भावयतानेन ये देवाभावयन्तुवः।

परस्परं भावयन्तः श्रेयः परमवाप्स्यथ॥

इष्टान्भोगान्हि वो देवाः दास्यन्ते यज्ञभाविताः।

तैर्देतानप्रदायैभ्यो यो भुङ्क्तेस्तेन एव सः॥<sup>2</sup>

---

---

Lord of Creation ‘Brahma’ created the man with yagnas and instructed them to perform yagnas to get their needs and happiness, and also instructed them to satisfy the Gods through these yagnas and in return Gods do good for you. By this way of cooperation both of you do your duties and get happiness. Satisfied Gods through yagnas gives every thing to the mankind even though it may not be prayed. If the mankind enjoys the grants of gods without giving back anything through yagnas then they will become thieves.

The above sklokas of Bhagavadgita depict that the cooperation is only means to get satisfaction, happiness and piece which are the ultimate goal of human beings.

Man is a social animal with full of desires and aspirations, which can be fulfilled within the Society. Cooperation is the base to the development of human beings and ultimately to the progress and prosperity of the Society at large. Human body system is a good example of perfect cooperation among different organs. Similarly, human being have to cooperate for the happier and healthier life.<sup>3</sup>

The word ‘Cooperation’ is derived from the Latin word ‘cooperari’, which means working together with others for a common aim or purpose or an association of persons who unite to do some work together in order to achieve some purpose.

Cooperation is a Joint or Collective action of people directed towards some specific goal in which there is common interest or hope of getting some reward. Such cooperation may be voluntary or involuntary, direct or indirect, formal or informal, but there always a combination of efforts towards a specific end in which all participants have a stake, real or imagined.<sup>4</sup>

From the most primitive to the most sophisticated community throughout the world we come across some or the other form of cooperation among the people living in a particular area or region, be it for some agricultural operations or of social, economic or political activity. Cooperation is rightly been regarded as one of the least noticed economic miracles in the last century.<sup>5</sup>

Cooperation is as old as humanity and cooperation is older than cooperative movement. The cooperative movement is only one example of the human cooperation among others. The meaning of cooperation varied from thinker to thinker and one sphere of human activity to another. To the sociologist, it is a social economic movement. For the Socialist, it is a social order in which man is free from class struggle. The Economist believe that, it is a form of business organisation in which there is no scope of being exploited by middlemen. The Lawyers take it to be an

---

---

---

---

organisation in whose membership one enjoys the special privileges and concessions conferred by law.<sup>6</sup>

Cooperation Implies that a well differentiated and specialised society with differentiated human needs and activities may be so organised that “each may work for all and all for each”. Cooperation involves all aspects of human behavior – political, religion, economic and cultural. Cooperation is the very life and it is the foundation of all human conducts and it is mortar which cements various parts of the body that is Society.

“Cooperation is a way of life where by people unite democratically in the spirit of mutual aid to get the largest possible access to things and services they need”.<sup>7</sup>

### **1.2.2 Cooperative**

Cooperative is the meaning of cooperation in its technical sense. The cooperation has assumes different shapes in different countries and different circumstances. However, the following are the important definitions of cooperative

“Cooperative is a form of organization, where in persons voluntarily associate together as human being on the basis of equality, for the promotion of economic interest of themselves”.<sup>8</sup>

“Cooperative is a special form of economic organization in which people work together for definite business purpose under certain definite business rules”.<sup>9</sup>

W.P. Watkins, former director of the International Cooperative Alliance, defined cooperative as a “System of social organization based on the Principles of unity, economy, democracy, equality and liberty”.<sup>10</sup>

International Cooperative Alliance, Geneva (1995) has defined, “Cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. Cooperatives are expected to function based on the value of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative member believe in the ethical values of honesty, openness, social responsibility and caring others”.

The International Labour Organization defines, “An association of persons varying in number, who are grappling with the same economic difficulties and who voluntarily associate on a basis of equal rights and obligations, endeavor to solve

---

---

---

---

these difficulties, mainly by conducting at their own risk, an undertaking to which they have transferred one or more of such of their economic functions as correspond to their common needs and by utilizing this undertaking in joint cooperation for their common mental and moral benefits.”<sup>11</sup>

### **1.2.3 Cooperative Society**

Cooperative Society is voluntary associations started with the aim of serve to members. Hubert Calvert says, “Co-operation is a form of organization where in persons voluntarily associated together as human beings on the basis of equality for the promotion of the economic interest of themselves”.

### **1.2.4 Credit Cooperative Society**

Under the provisions of Section 5 of Banking Regulation Act of India, 1949, a cooperative credit society is defined as a cooperative society, "the primary object of which is to provide financial accommodation to its members and includes a cooperative land mortgage bank." These types of institutions are thrift societies. The distinction between a primary credit society and a cooperative credit society is with reference to their nature of business. The primary object or principal business of a primary credit society is the transaction of banking business. When it's paid up capital and reserves attain the level of Rs.1 lakh, a primary credit society automatically becomes a primary cooperative bank. However, even after a primary credit society becomes a cooperative bank; it has to apply to RBI for a license to carry on banking business. But it can carry on banking business until it is granted a license or notified that a license cannot be granted to it.

### **1.2.5 Primary Credit Cooperative Society**

A Primary Credit Cooperative Society (PCCS) refers to “any cooperative society other than a primary agricultural credit society. It is basically an association of members residing in a particular locality. The members can be borrowers or non-borrowers. The funds of this society are derived from the share capital, deposits and also loans from central cooperative banks”. According to the norms, the paid-up share capital and reserves of a Primary Credit Society should be less than Rs 1 lakh. Such a society can do banking business without being required to take a licence from the RBI. However, the Banking Laws (Amendment) Act, 2012 has permitted RBI to

---

---

---

---

assume additional regulatory powers over Cooperative banks. It also gives the regulator the power to withdraw freedom given to primary Cooperative credit societies to operate as banks without a licence from RBI. In the Primary Cooperative Credit Society, the borrowing powers of the members as well as of the society are limited. It generally gives small credit for members other than agriculture purpose.

#### **1.2.6 Souharda Credit Cooperative Societies**

Souharda Credit Cooperative Society (SCCS) refers to “a Cooperative including a cooperative bank, doing the business of banking registered or deemed to be registered under Section 5 of The Karnataka Souharda Sahakari Act, 1997 and which has the words ‘Souharda Sahakari’ in its name”. SCCS also provides small credit to its members for other than Agricultural purpose.

#### **1.2.7 Financial Performance**

Financial performance could be defined as a measure of how well a firm has used its assets from its primary mode of business to generate profits. This term is also used as a general measure of a firm's overall financial performance over a given period of time and can be used to compare with similar firms across the same industry or to compare with industries or sectors in aggregation. In other words “Financial Performance is a Measure of the Efficiency with Which the Firm Uses Various Funds to Generate a Return to Providers of the Funds”.

#### **1.2.8 Comparative Analysis**

Comparative analysis is item-by-item comparison of two or more comparable organizations, banks, firms, societies or the like. In accounting, for example, changes in a financial statement's items over several accounting periods may be presented together to trace the emerging trends in the societies, operations and results. This study intends to examine the comparative analysis of financial performances of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.

### **1.3 Cooperative Movement**

According to Q Finance Dictionary “Cooperative Movement is a movement that aims to share benefits and profits from jointly owned commercial enterprises

---

---

among members”. People learned ages ago that by working together they can accomplish more than the sum of each individual’s effort.

The Great Britain was the home land of Cooperative store movement, started in the later part of 18<sup>th</sup> century. Germany is the first country in the world which applied the principles of cooperation in the field of credit in the middle of 19<sup>th</sup> century. Denmark is the home land of Agricultural Cooperation in the world. Ireland is one of those countries which adopted cooperation for the amelioration of the economic condition of the agricultural masses. In Japan, the cooperative movement was started in the middle of 19<sup>th</sup> century. In U S A the cooperative movement is started by the first settlers in the country.

In India, commencement of Cooperative Movement can be traced in the last quarter of 19<sup>th</sup> century. Various legislative measures were adopted for granting credit. Among those, Deccan Agriculturists’ Relief Act, 1879, The Land Improvement Loans Act, 1883, The Agriculturists’ Loans Act, 1884 can be identified.

Karnataka State is in the forefront of cooperative movement in India. The State has also promptly implemented the rules, regulations and guidelines of Government of India with respect to the management of cooperatives in general and empowerment of women and weaker sections in particular. There are a sizeable number of women cooperatives and women constitute more than 50% of the membership of the cooperatives in the state of Karnataka. The Mysore State Government passed Mysore Cooperative Societies Act, 1959 and it is renamed as Karnataka Cooperative Societies Act, 1959 after the Mysore State is renamed as Karnataka State, and the Act is still in existence.

Souharda Cooperative movement is started in Karnataka by 2001. On the guide lines of the scholars and committees, model Act circulated by the Central Government, the Government of Karnataka passed one more Act, Karnataka Souharda Sahakari Act, 1997. This Act came in to force in 2001, to avoid the hightned intervention of the Government in the activities of Cooperative Societies.

#### **1.4 Review of Literature**

With the twin objectives of serving a comprehensive content cognition about theoretical frame work of the present topic and to identify the research gap that exist at present, an attempt is made in the following passages to review some important previous scholarly works. In order to review the existing literature which are available

---

---

---

---

in the form of different committees report on banking and cooperatives, selected doctoral works, Published research papers and Books are discussed below.

#### **1.4.1 Cooperative Societies**

**Dubhashi P.R. (1969)<sup>1</sup>** in his study “**Strategies of Cooperative Development**”, he focused on development process of Indian economy. The progress of the cooperative movement in India measured with the increasing number of cooperative societies. On the contrary, in Western countries the progress of cooperative movement is measured by the reduction in numbers of cooperative societies by consolidation into bigger units with greater strength.

**Datar D.R. (1969)<sup>2</sup>** in his paper “**Place of Cooperation in India’s Economy**”, opinioned that, Cooperative movement in India since independence has made a remarkable progress and it became the backbone of rural economic activities. The researcher also made available statistical information for different years and for some of the sectors of cooperative activities such as credit, marketing, processing, sugar production, consumer and industrial cooperation, etc.

**Batra M.L. (1972)<sup>3</sup>** in his study on “**Forms of Assistance to Cooperatives**” found that the Government has recognized cooperation as a better instrument for the social and economic improvement of the weaker section of the society. For this, the cooperatives deserves the Government assistance in the initial stage of its growth. He advocates this policy would help in the establishment of a genuine cooperative movement.

**Dubhashi P. R. (1972)<sup>4</sup>** in his study on “**State and Cooperative Development**” discussed the relationship between State and Cooperatives. He felt that it depends on the attitude of the State towards Cooperative movement and Cooperative movement towards State. While concluding he conveys the Cooperative movement should be strengthened and enriched to the extent of which both parties are able to promote and enrich a creative reciprocal collaboration.

**Fujisawa K. (1972)<sup>5</sup>** made a study on “**The concept of Autonomy as applied to the Cooperative Movement in Developing Countries**” says that, the idealistic conception of autonomy may not actually be effective. Governmental assistance is indispensable in initiating and developing the cooperative movement. The problem is how to change the relationship from dependent to independent. He suggest that the best policy for Government officials in assisting the development of cooperative



---

---

movement will be work in such a way as to make the quantum of their Direct Activities and participation smaller and smaller as they succeed in making cooperative movement more and more self-reliant.

**Deshpande S.H. (1977)<sup>6</sup>** in his study on “**Problems of Cooperative Forming**”, identified that cooperative forming generally failed to justify the faith reposed in them, they have universally failed to arouse a positive response from those to whom they were intended. He concluded that the experience has established that cooperative forming cannot be relied upon as a general program for development of Agriculture or even for a section for it such as that of the small forms.

**Geel S.L. and Goel B.B (1978)<sup>7</sup>** made a study entitled “**Cooperative Administration in India**”. They felt that the scope of cooperative Administration is very wide to embrace all human activities. But in a particular country, the extent of its scope would depend upon the economic, social, political, cultural, historical and other factors. Effective Administration is very essential for the success of cooperative. But this requires reorientation of existing structures and procedures to suit the individual cooperatives each in their own environment context. They concluded that future of cooperatives bound to be bright and encouraging if necessary changes are effected.

**Parthasarathi P.B. et al (1992)<sup>8</sup>** in their study “**Rural Development through Cooperation**” observed that the cooperative movement in India has not succeeded up to expectations. Yet everyone says that it should be succeed. The failure or success of the cooperative movement has to be judged in the way in which our cooperatives are organized and functioning. The societies which have achieved success are not too many in our country. Not yet much effort has been made to study such societies in depth to examine the factors which contributed such a success. One such successful society was a large sized cooperative credit society located in Guttududeenapalli, Karimnagar District of Andhra Pradesh. This Society has message to convey to the country that cooperatives will never fail if they are properly managed under the direction of dedicated, devoted and disciplined leadership.

**Murthi and Saraswati (1996)<sup>9</sup>** in their research paper titled, “**Reducing Over dues in Credit Co-operatives: Some Alternatives**” undertook a study to evaluate the Quantitative Progress made in respect of supply of Institutional Credit. Using the secondary data made available by RBI in Statistical Statements relating to Cooperative Movement in India for a period of 6 years from 1978 to 1983 and assessing the Loaning Policies of Girijan Cooperative Corporation, Visakhapatnam,

---

---

the study concluded that the progress in respect of supply of credit was phenomenal over the period of study but this progress pales into significance, if the magnitude of over dues was considered. It pointed out that the most unnerving aspect of institutional credit was the alarmingly high percentage of over dues, i.e., about 43% of loan recoverable in the second-half of the 80s in the case of co-operatives. The study was conducted to find out whether it was possible to reduce over dues by (1) making co-operatives the exclusive institutions of economically weaker sections-BY **RESTRUCTURING THEM**; and (2) by effective changes in the Loaning Policies-BY **REVAMPING THEM**. The study suggested that making co-operatives as exclusive institutions of weaker sections, i.e., making them homogeneous would not result in decline in over dues, as mere homogeneity was not a sufficient condition. Further, regarding the Revamping of Loaning Policies, the results were quite impressive as it resulted in significant improvement in the Recovery Performance. It was finally concluded that the change of Loaning Policies like Induction of Liaison Workers, efforts of Elders Committee, Motivated Management would not have helped recovery of loans in the absence of homogeneity.

**Satyasai and Badatya (2000)<sup>10</sup>** conducted a study entitled “**Restructuring Rural Credit Cooperative Institutions**”. They analyzed performance of rural cooperative credit institutions on the basis of borrowings and lending operations, cost structure, financial viability, etc. and found that cooperative system, in general, had failed to perform its functions properly. They advised the cooperative banks to diversify their business and also to overcome internal (rising transaction cost, declining business level, mismanagement of over dues) and external (excessive bureaucratization, politicization) weaknesses.

**Viswanath (2001)<sup>11</sup>** in his study entitled, “**An Analysis of Performance of Agricultural Credit Co-operatives and their Over dues Problems in India**” concluded that during the period 1950-51 to 1995-96, the total loans advanced by PACs increased from 24 crore to 14,201 crore i.e. 591 times, but unfortunately this increase was followed by a corresponding increase in overdues. The results of Development Index in PACs of 16 states indicated that the performance of only 5 states, i.e., Karnataka, Gujarat, Tripura, Orissa, and Maharashtra was above the National average, while that of the remaining 11 states including Punjab were below the average. Using correlation technique, the extent of relationship between over dues and four variables, i.e., number of societies, total membership, working capital and

---

---

---

---

total amount of loans advanced was studied. He concluded that there was a direct and positive link between overdues and membership on one hand, and over dues and working capital, amount of loans advanced on the other<sup>27</sup>.

**Amith Patel (2004)**<sup>12</sup> examines the achievements and challenges of cooperative banking in his study entitled “**Cooperative Banking Achievements and Challenges**”. He observes that during post-independence era rural cooperatives have indeed contributed quite significantly in achieving self-sufficiency in agriculture and making it rather explore oriented. He has concluded that cooperative institutions have been facing serious problems constraining their smooth operations in rural areas. They need to be recognized, restructured and revitalized so as to make them effective instruments of rural banking for rural development.

**Ashok Bandyopadhyaya (2004)**<sup>13</sup> in his research work entitled “**The Hundred Years of Cooperative Movement**”, is stated that cooperative movement with its tremendous strength and age-old weaknesses are in the cross-roads now in the present era of liberalization, privatization and globalization in the market oriented economy. He has concluded that all stake holders of the movement, including Cooperators, R B I, NABARD, Central and State Governments, Cooperative organizations, etc. shall have to play their respective roles in strengthen the Cooperative Movement.

**Nair (2004)**<sup>14</sup> in his paper titled, “**Village Co-operatives – A Century of Service to the Nation**” observed that by 2004, the formal institutionalized cooperative sector completed a century of its service to the nation. Analyzing the progress of Primary Agricultural Cooperative Societies, he observed that during the half century spread over 1951-2001, the PACs made rapid strides in membership, owned funds, deposits, and channelizing production credit for farmers. They were versatile in the sense; they can take up any type of rural financing and rural service activity at short notice and at lowest transaction cost. But besides excelling on all fronts, the cooperatives are feeling handicapped due to mounting NPAs. The overdue loans of PACs increased to 95,899.60 million in 2000-01 as compared to 63.79 million indicated in 1950-51, thereby subjecting them to a sustained and systematic process of reviews, reorganization and restructuring.

**Joel Edwinraj D (2004)**<sup>15</sup> in his research paper “**Challenges before Indian Cooperatives**” observed that cooperatives have to face competition from private and multinational sectors on one side and on the other side they have to rectify their losses. He

---

---

---

---

has suggested that Government helps and support should be continued until cooperatives can meet challenges and stand and survive by themselves.

**Jain N.K (2005)<sup>16</sup>** in his research paper titled **“Cooperatives at cross Roads”** observes that the new disciplines are imposed on cooperatives for the first time as they are required to be followed by all banking institutions. He concludes that the cooperatives will have to take conscious view of their own functioning to survive in the present context of competition by ensuring efficiency.

**Banashree Das et al (2006)<sup>17</sup>** in their study on the **“Problems and Prospects of Cooperative Movement in India under Globalisation regime”** observed that the cooperative system in India has the capacity and potentiality to neutralize the adverse effects emerging from the process of globalization. They have concluded that the cooperative system in India have immense potential to deliver goods and services in areas where both the state and private sector failed.

**Avinash V Raikar (2006)<sup>18</sup>** has analysed the issues, problems and prospects of Cooperative Credit Institutions in his research paper entitled **“Cooperative Credit Institutions in India – An over view”**. He has found that the major problem of the cooperative credit Institutions are dual control, high over dues and low resource base. He concludes that future survival of these institutions would be determined by its ability to technology modernize themselves, innovation of new products and its reach among to urban and rural population.

**Vinayagamurthy A. and Vijay Pithaia (2007)<sup>19</sup>** in their work entitled **“Globalisation and Cooperative sector in India”** - have observed that considerably the low living standard of common man, incomplete and imperfect markets and other socio political considerations is the primary duty of the Government to ensure that its citizens have easy access to cooperative credit. They have concluded that the future vision of cooperative movement will have to be based on efficiency parameters relating to promotion of excellence, improvement of operational efficiency and strengthening of financial resource base.

**Amin G.H. (2007)<sup>20</sup>** in his study on **“Current Cooperative Situation in India”**, observed that the cooperative movement in India is the largest in the world having more than half a million of cooperative societies with a membership of over 230 million. The cooperatives covers 100% villages. He opined that, ultimately under the globalized environment cooperatives have to transform the challenges of globalization in to opportunities through their dynamic and flexible strategy and

---

---

---

---

approached coupled with necessary structural and organizational adjustments. The future vision of cooperatives should be oriented towards labour intensive growth which would help in making available more employment opportunities and will thus promote equity, social justice and inclusive growth in the country in the coming years.

**Kavitha N. (2008)<sup>21</sup>** in her study on “**Cooperative Movement in India future perspective**”, observed that, the cooperative movement in India is passing through a different phase. Gone are the days when cooperative sugar mills, Banks and Supermarkets in Tamil Nadu was models to the entire country. Majority of the cooperative institutions, especially spinning mills, sugar mills and super markets are facing financial crises. The same situation prevails throughout the country. The advent of globalization and liberalization has forced cooperatives to face multiple challenges of a market oriented economy. Besides over a period of years, the movement has become politicalized with politicians replaced genuine people interested in the movement. Now wresting control of cooperative societies are become a political prestige.

**Vinayakamoorthy A. (2008)<sup>22</sup>** in his study on “**Globalization and Cooperative sector in India**” opines that cooperation is a worldwide movement. It was introduced in India in the early years of 19<sup>th</sup> century in the wake of families which has resulted in economic hardship and an alarming increase in the indebtedness of the farmers to the money lenders. The Cooperative Societies Act 1904, envisaged the formation of village credit societies. The Act also provided for the creation of federation of primary societies and for supervision, audit, mutual control and overall development of the cooperative movement. The need of the hour for the cooperative sector in the era of liberated environment is to seize every opportunity available to it. He concludes that the future vision of cooperative movement will have to be based on efficiency parameters relating to promotion of excellence, improvement of operational efficiency and strengthening the financial resource base.

**Report of the High powered committee on Cooperatives (2009)<sup>23</sup>** has pointed out that Indian cooperative movement is one of the largest movements in its kind in the world. Though we claim to have the world’s largest and most diverse cooperative in general, are fought with number of problems and challenges. Apart from certain inherent weaknesses, they are constrained by overwhelming role of the Government as well as prescriptive and restrictive legislation and have been unable to retain an autonomous and democratic character. The committee has envisioned

---

---

---

---

cooperatives as primarily autonomous economic institutions of the user members. It sees them as self-reliant and self-sustaining institution and values of the cooperative movement.

#### **1.4.2 Performance of Cooperatives**

**Kalyankar (1983)<sup>1</sup>** in his study titled “**Willful Default in Loans of Cooperatives**” examined the trends in Deposits, Share capital, Working capital, Loans outstanding, Advances, Over-dues and Recoveries at the district level financial institutions. Socio economic factors responsible in projecting and promoting future development in the operations and approaches of the cooperative credit Institutions were also considered to examine the specific progress made by central cooperative Bank of Parbhani District. The study revealed that the cropping intensity, irrigation facility and working capital of the societies were major factors for explaining over-dues at primary Agricultural Credit Society level. The socio economic factors were not responsible for increasing over-dues at the borrower’s level. But, over-dues were mainly mounted due to the non-economic factors in case of willful defaulters.

**Maruthi and Saraswathi (1996)<sup>2</sup>** in their paper titled “**Reducing over-dues in Credit Societies – some alternatives**” undertook a study to evaluate quantitative progress made in respect of supply of Institutional Credit. Using the secondary data made available by RBI in statistical statements relating to cooperative movement in India for a period of six years from 1978 to 1983 and assessing the loaning policies of Girijan Cooperative Corporation, Vishakapattanam. The study concluded that the progress in respect of supply of credit was phenomenal over the period of study but this progress pales into significance, if the magnitude of over-dues was considered. It pointed out that the most unnerving aspect of institutional credit was the alarming high percentage of over-dues i.e. about 48% of loan recoverable in the second half of the 80’s, in the case of cooperatives. The study was conducted to find out whether it was possible to reduce over dues by;

Making cooperatives the exclusive institutions of economically weaker section by restructuring them and by effective changes in the loaning policies by revamping them. The study suggested that making cooperative as exclusive institutions of weaker sections i.e. making them homogeneous would not result in decline in over dues, as mere homogeneity was not a sufficient condition. Further, reading of revamping of loan policies, the results were quite impressive as it resulted in

---

---

significant improvement in the recovery performance. It was finally concluded that the changing in loaning policies like induction of liaison workers, efforts of elder committee, motivated management would not have helped recovery of loans in the absence of homogeneity.

**Reddy and Reddy (1996)<sup>3</sup>** in their study titled “**Nature and Dimensions of willful and non-willful default and impact of cooperative credit policy with reference to Nellur District of Andhra Pradesh**” used multi stage sampling techniques and various statistical tools to examine the reasons for over dues. They concluded that land holding, cropping pattern, income from agriculture, number of dependent family members and political interference had direct influence on recovery position of cooperative Banks. They suggested that, management of these banks should adopt a cooperative friendly approach instead of market approach as self-help is the foundation stone of cooperative philosophy and peoples’ participation at all levels of management will improve working culture of the cooperatives.

**Satyasai and Badatya (2000)<sup>4</sup>** conducted a study regarding “**Restructuring Rural Credit Cooperative Institutions**” and analysed performance of rural cooperative credit institutions on the basis of borrowings and lending operations, cost structure, financial viability, etc., and found that cooperative system in general failed to perform its functions properly. They advised the Cooperative Banks to diversify their business and also to overcome internal weakness – raising transaction cost, declining business level mismanagement of over dues – and external weakness – excessive bureaucratisation, politicization.

#### **1.4.3 Financial Performance**

**Mandira Sarma and Rajiv Kumar (2008)<sup>1</sup>** carried out primary studies on the “**Rural short-term cooperative credit structure**”. They observed that the Non-performing Assets level in rural short term cooperative credit structure was very high compared to that in the commercial banking system In India. They concluded that in spite of significant development in India’s Financial Sector over the last decade, a large number of poor, particularly large and marginal communities remained “financially excluded” even today.

**Deepak Shah (2008)<sup>2</sup>** analyses the impact of financial sector reforms in case of Cooperative Credit Institutions in India in his research paper entitled “**Banking Sector Reforms and Cooperative Credit Institutions in India**”. He has observed

---

---

that credit flows through the cooperatives in rural India and their sustainability, viability and operation efficiency have become major focus of attention of various policy makers in the era of financial sector reforms. He concludes that financial sector reforms have accorded greater flexibility to the Cooperatives to invest in non-target avenues like shares and debentures of corporate, units of mutual funds, bonds of public sector undertakings etc.

**Jayalakshmi G and Sumathi M (2009)<sup>3</sup>** in their study on “**NPA’s Management in cooperative Banks in India**” viewed that a good management of NPA’s requires pro-active actions to be taken by banks at the time of taking decisions for granting advances by making proper assessment of risk involved and strict adherence to the prudential norms for NPA management is compulsory for survival of Cooperative Banks along with the confidence of the customer.

**Kulwanth Pathania and Sabine Batra (2009)<sup>4</sup>** examined the NPA management in Cooperative Banks in his research paper entitled “**NPA Management in Cooperative Banks**”. It was observed that the main factor responsible for NPA’s was willful default, i.e. able, but not willing to pay followed by inadequacy of loans, inactive management and supervision, utilization of loans for unproductive purposes, political support, redemption of post debts, inadequate infrastructure facilities and field staff for recoveries and poor socio economic conditions. They concluded that the poor recovery position of the Banks concerned has adversely affected the image of the Bank among other banks and also in the public.

**Dr. M. Dhanabhakym and M. Kavitha (2012)<sup>5</sup>** written an Article entitled “**Financial performance of selected Public Sector Banks in India**”. They focused on importance of Banking sector and achievement of public sector Banks in terms of profitability to measure financial performance. To analyse the financial performance they used ratios, correlation and regression. They considered the period from 2001-2010. The study considered Ratio of Advances to Assets, ratio of capital to deposits, ratio of capital to working fund, ratio of demand deposits to total deposits, credit deposit ratio, ratio of demand deposits to total deposits, credit deposit ratio, return on average networth ratios. In correlation and regression analysis, the correlation between independent variables such as credit deposit ratio, total investment to total deposits, interest income to working fund, spread to working fund, non-interest expenses to working fund as well as dependent variable- net profit to working fund, are considered. While concluding it is marked that the selected public sector Banks,

---

---



---

---

are following rules of the Government for the social and economic development of the country and performed well on growth rate and financial efficiency during the study period.

**Patel Dilipkumar (2014)<sup>6</sup>** in his Article “**An Empirical Study of Profitability analysis in Cooperative Societies in Kaprada Taluk**” focused on financial analysis for the period 2009-10 to 2013-14. The researcher considered different ratios for the analyzation like Gross Profit Ratio, Net Profit Ratio, Return on Investment Ratio, etc. The study was conducted to compare the financial performance of selected cooperatives. While concluding he said that the profitability ratio was standard hence, the financial position is good. But, the profit ratio is not maintained total return on assets ratio and returns on capital employed ratio is less than average ratio of cooperatives because of irregular Net profit.

#### **1.4.4 Cooperative Banks**

**Kurulkar (1983)<sup>1</sup>** in his book “**Agricultural Finance in Backward Region**”, reported glaring defects in the set-up of cooperative credit system. He pointed that out of the ten sample owners who obtained long- term credit from the cooperative banks, 30% could not secure short- term credit. Lack of short- term or production credit to the farmers who availed long-term credit resulted in lower output per acre, thereby resulting in overdue.

**Reddy (1985)<sup>2</sup>** in his study titled, “**Over dues Appraisal and Management in Banking**” analyzed the relationship between the lending and recovery of an apex bank. His findings suggested that the lending and recovery of the apex bank had not been proportionate, i.e., either the apex bank could not meet the entire credit needs of the primary banks or the latter could not borrow the funds from the apex bank. The primary banks were constituted by people not for cooperative services but for their vested interests. With the help of Coefficient of Variation technique, he proved that there was a wide dispersion in lending followed by recovery. He finally concluded with the help of t-test that the association between lending and recovery was not satisfactory.

**Devadas (1987)<sup>3</sup>** in his book titled, “**Cooperative Banking and Economic Development**” studied the role of Assam Cooperative Apex Bank Ltd. in economy of the State. He found that apart from working as a commercial bank it had to discharge three other functions, i.e., to finance primary credit societies, to act as banking centre

---

---

---

---

for primary societies, and to undertake supervision of primary societies. He found that bank had not been able to achieve much in these three fields due to lack of adequate support from government of the state.

**Reddy and Reddy (1996)<sup>4</sup>** in their study titled, “**Nature and Dimensions of Willful and non-Willful Default and Impact of Cooperative Credit Policy with reference to Nellore District of Andhra Pradesh**” used multi-stage sampling technique and various statistical tools to examine the reasons for over dues. They concluded that landholding, cropping pattern, income from agriculture, number of dependent family members and political interference had direct influence on recovery position of cooperative banks.

They suggested that management of these banks should adopt a cooperative friendly approach instead of market approach ‘as self-help is the foundation stone of cooperative philosophy and peoples’ participation at all levels of management will improve working culture of the co-operatives.

**Pathania and Singh (1998)<sup>5</sup>** in their study titled, “**A Study of Performance of HP State Cooperative Bank**” observed that the performance of the Himachal Pradesh State Cooperative Bank Ltd. in terms of membership drive, share capital, deposit mobilization, working capital and advances has improved over the period of five years, i.e., 1991-92 to 1995-96. However, recovery performance was unsatisfactory and overdues had increased sharply. This was due to the after effects of loan waiver scheme. Per member and per branch performance of the bank revealed that there is a significant growth in share capital, deposits, borrowings, advances and profits. They suggested that in the context of globalization and liberalization of economy, co- operative banks should ensure their business on healthy lines by having professional manpower, training and a sense of competition.

**Satyanarayane (1998)<sup>6</sup>** in his paper titled, “**Profitability and Productivity Analysis of Banks and Financial Institutions**” developed a programmed to measure the profitability of financial sector institutions. He presented a simple but comprehensive framework of profitability analysis of a bank. He had suggested a three-tier framework to analyze the profitability of a bank or zone of a bank. The first part of the framework emphasized the computation of the profit earned, the second indicated the cost and yield parameters of funds and the final part depicted the return and appreciation to the shareholders of a bank.

---

---

**Kapoor Jagadish (1999)<sup>7</sup>** in his report on “**Revival of Cooperative Banks**” recognized the relevance and catalytic role of Cooperative Banks in the development of agriculture and non-agriculture sector of Indian rural economy. Government of India on April 9<sup>th</sup>, 1999, appointed a task force under the chairmanship of Jagadish Kapoor for revival of Cooperative Banks. The main objective of the committee was to review the functioning of cooperative credit structure and suggest measures to make them member driven professional business enterprises. The committee suggested as under:

1. The licensing of DCCBs is brought under the provision of Banking Regulation Act, 1949.
2. Bifurcation of DCCBs should be on the sole criterion of viability (not on political considerations).
3. DCCBs should be included in schedule 2 of RBI Act.
4. Asset liability management should be implemented in the SCBs and DCCBs.
5. NABARD should establish a cooperative development fund.
6. RBI/NABARD should issue guidelines for a common accounting system in SCBs and DCCBs.

**Niranjanraj and Chitanbaram (2000)<sup>8</sup>** in their study titled, “**Measuring the Performance of DCCBs**” observed that suitable models should be developed to evaluate the performance of cooperative banks. They considered 23 parameters falling into four major groups for measuring the performance of District Central Cooperative Banks and assigned appropriate weights to each parameter. They ranked 14 District Central Cooperative Banks of Kerala based on composite marks. They suggested that performance of cooperative banks should not be measured in terms of financial/economic achievements only but their performance as cooperative organizations (social achievements) should also be evaluated.

**Verma and Reddy (2000)<sup>9</sup>** conducted a study on “**Analysis of Causes of Over dues in Cooperatives under SWOOD**”, to assess recovery and NPAs position in these banks. Policy distortions in liberalized economy and inefficient management were identified as main reasons for poor recovery. Mis-utilisation of credit, political interference at every level, successive crop failures, non-remunerative prices of agriculture produce, inadequate income and natural calamities, were some other factors, which affect the working culture of cooperative banks considerably. To improve the working of these banks, the study suggested that available credit size

---

---

should be need based and production-oriented. Effective supervision of loans to minimize misutilisation and close social relations with loanee members were two other suggestions to improve the profitability and productivity of these banks.

**Das and Debabrata (2001)<sup>10</sup>** in their study entitled, “**A Study on the Repayment Behaviour of Sample Borrowers of Arunachal Pradesh State Cooperative Apex Bank Limited**”, examined the repayment behavior of loaners, covering a period of 1994-95 to 1998-99. On the basis of primary data collected, researchers concluded that incidence of default was highest among borrowers for agriculture allied activities loans. Agriculture loaners, horticulture loaners, small business loaners and service sector loaners were ranked 2nd, 3rd, 4th and 5th in a descending order on the basis of percentage defaulters. Study further revealed that the number of defaulter loaners was highest in government sponsored schemes.

**Carlos et al (2005)<sup>11</sup>** in their research paper entitled “**Productivity Changes in European Cooperative Banks**”, concluded that an effective use of technology between 1996 and 2003 had increased productivity for majority of the European Cooperative Banks. An appropriate policy recommendation by the researchers was for larger or centralized cooperative banks to develop and franchise technology to smaller co-operatives.

**NABARD (2005)<sup>12</sup>** conducted a study “**Development in Cooperative Banking**”, to evaluate the financial performance of 1872 urban cooperative banks and 1,06,919 rural cooperative credit institutions. The findings of the study revealed that in all financial institutions in the rural sector (SCBs, DCCBs, SCARDBS, and PCARDBS), percentage of NPAs in the substandard category declined, while it had increased in doubtful category. NABARD was worried about deterioration in asset quality of these banks. However, all the institutions were able to meet the necessary provisioning requirements. It further highlighted that NPAs ratio in DCCBs varied significantly across the states from 5% to 68% at the end March 2004. Only in four states (Haryana, Himachal Pradesh, Punjab and Uttranchal), the NPA ratio was less than 10%. NABARD suggested that cooperative banks should implement *OneTime Settlementssystem (OTS)* and refer small value advances to *LokAdalats* and high value advances to *DebtRecovery Tribunals (DRTS)*. Further, State Governments were requested to help cooperative banks in reducing NPAs by taking special recovery drives.

---

---

**Prasad (2005)<sup>13</sup>** in his research paper entitled, “Cooperative Banking in a Competitive Business Environment” stated that the technology had made tremendous impact on entire banking sector, which had thrown new challenges, due to which cooperative banks were constantly exposed to competition and risk management. Therefore, they needed a combination of new technologies and better processes of credit and risk appraisal, treasury management, product diversification, internal control and external regulation along with infusion of professionalism. In the present business environment, the cooperative banks should be backed by democratization, depoliticisation and decentralization so as to make them competitive. He felt an urgent need for transformation in the mindset, identity, business operations, governance and systems and procedures, which will definitely boost the morale of cooperative banks to face environmental challenges.

**Suryan and Veluraj (2005)<sup>14</sup>** in their study entitled, “**Profitability Analysis of the Pondicherry State Cooperative Bank**”, analyzed the performance of the bank from 1998-99 to 2002-03. Various ratios, such as cost of management (total expenses) to working capital ratio, profit to working capital ratio, non-interest income to total income ratio, etc. were used to assess the general performance of the bank. Spread and burden positions of the bank were also analyzed. They concluded that the profitability performance of the bank was impressive and bank was able to meet its obligations and norms. The cost of management and establishment expenses got reduced during the period of study which further strengthened the profitability position of the bank.

**Singh and Singh (2006)<sup>15</sup>** in their study titled “**Funds Management in Central Cooperative Banks–Analysis of Financial Margin**”, attempted to estimate the impact of identified variables on the financial margin of the central cooperative banks in Punjab with the help of correlation and multiple step-wise regression approach. The ratio of own funds to working funds and the ratio of recovery to demand were observed to be having positive significant influence on financial margin, whereas over dues to total loans were found to be negatively associated with the concerned parameter. A high percentage of own funds and timely recovery of previous loans outstanding, as a source of funding new loans by the bank, increased the financial margin in these banks.

**Heiko and Martin (2007)<sup>16</sup>** conducted a study on “**Cooperative Banks and their Financial Stability**”. The study was based on individual bank data drawn from

---

---

---

---

the Bank Scope Database for 29 major advanced economies and emerging markets that were members of the Organization for Economic Co-operation and Development (OCED). They found that cooperative banks in advanced economies and emerging markets had higher scores than commercial banks, suggesting that cooperative banks were more stable. These findings, perhaps somewhat surprising at first, were due to much lower volatility of cooperative banks' returns, which offsets their relatively lower profitability and capitalization.

**Shah and Deepak (2007)<sup>17</sup>** conducted a study on **“Evaluating Financial Health of Credit Cooperatives in Maharashtra State”**. This study covered the Sangli and Buldana District Central Co-operative Banks regarding the financial health of credit co-operatives and found NPAs or over dues as the main factors for deterioration in health of these banks. The study revealed that both these banks showed a decline in their financial health and economic viability during the late nineties as against the early nineties period.

**Kumar (2008)<sup>18</sup>** in his thesis entitled **“Management of Non-Performing Advances: A Study of District Central Cooperative Banks of Punjab”**. A sample of ten DCCBs, i.e., five with high level of NPAs and five with low level of NPAs, was taken for the study. It was found that despite the best efforts, Central Cooperative banks had not succeeded in diversifying their business. The NPAs in crop loan were found to be the lowest, while these were the highest in non-farm sector loan. On the basis of step-wise multiple regressions, it was found that caste, education, amount and adequacy of loan were the main factors affecting repayment performance of the borrowers. He suggested that these banks should form a special cell to monitor NPAs and should take services of recovery agents.

**Rutamu and Ganesan (2008)<sup>19</sup>** in their research article entitled, **“Profit and Profitability of Cooperative Banks : The Case of Banques Popularizes (Peoples' Bank) of Rwanda”** stated that financial institutions in general and banking sector in particular play a strategic role in the financing stage of capital formation. In the banking sector, cooperative banks undertake the responsibility of mobilizing the scarce savings of the community and channelizing these savings for productive investment in the economy. They discussed the performance of Banques Popularizes and the determinants of its Profit and Profitability. It had been noted that the net profit was not distinguished from Gross Profit in the years 1994-2004. The empirical results from the six models of Profit and Profitability showed that total assets per branch,

---

---

---

---

other earnings and total deposits per branch were the determinants of profit in Banques Popularizes, while total assets per branch, and the number of branches were the determining variables of profitability of Banques Popularizes. The low return from investment of Banques Popularizes indicated a lack of cost control and unsatisfactory sources of income other than interest from advances. It was, therefore, crucial that Banques Popularizes should make further effort for the improvement of its efficiency in operations so that the low profitability might be uplifted.

**Dhanappa (2009)<sup>20</sup>** in his study entitled, **“Performance Evaluation of UCBs: A Case Study of Kallappa Anna Aware Ichalkaranji Janata Sahakari Bank Ltd. Ichalkaranji”** made an attempt to examine the working and financial performance of UCBs. The objective of the study was to examine and analyze the trend, progress and problems of this bank, and to offer some important suggestions for improving the competency and efficiency of the bank. The related data had been collected for the period from 1995-96 to 2007-08. He used various statistical tools such as ratios, percentages, averages, and chi-square test to analyze the data, to know the performance of the UCBs in respect of share capital, deposits, reserve funds, loans and advances, investment, profit, and NPAs. He observed that the bank had maintained NPAs under control at the best stipulated level of RBI norms. There was immense instability in net profit. The bank should focus on non- interest income sources (commission based services) to increase the profit level and reduce the NPAs. Credit-Deposit Ratio of the bank was declining continuously which was not a good signal. The economic health of the bank was sound and the Bank was able to compete with other banks. He further suggested that loans should be provided (at least to regular borrowers) on competitive rates of interest.

**The European Association of Cooperative Banks (2009)<sup>21</sup>** in its study entitled **"European Cooperative Banks in Financial and Economic Turmoil"** was of the view that despite extensive interest rate cuts, liquidity injections and support measures the financial markets were not stable. Figures showed that global economy will experience a deep recession in 2009 and perhaps also 2010. But as has been demonstrated, most cooperative bank groups had fortunately been able to weather the financial crisis relatively well so far without any state support. This was due to the fact that they generally had limited exposure to toxic assets, a predominant focus on domestic retail banking with stable results, strong capital buffers and principally conservative risk management. The cooperative banks that did report losses due to the

---

---

---

---

subprime crisis were affected primarily at the level of subsidiaries and at the level of Apex institutions. The local banks were not hit directly by the financial crisis. Moreover, they continue to lend money to SMEs and retail customers. Cooperative banks were consequently solid and robust at the local level and accordingly demonstrated stability of the retail banking industry in Europe.

**Rajamohan and Pasupathy (2009)<sup>22</sup>** in their study titled, **“Performance Evaluation of TAICO (Tamil Nadu Industrial Cooperative Bank Ltd.) – An Application of Structural and Growth Analysis”** stated that there were several factors that determined the operating efficiency and profitability of the bank. In this context, the general performance of a bank can be analyzed more meaningfully and objectively for a given period of time through structural and growth analysis. Through structural analysis the figures reported in the profit and loss account and balance sheet are converted into percentages for each period to ensure uniformity for the purpose of comparison with those of other periods. Macro mean had been used to exhibit the strength and weakness of each factor considered. The results were summarized in capsule form. Macro mean in respect of interest received constituted 96.8% of the total income; it was 81.2 % for interest paid, 18.8% for operating expenses, 91% in the case of spread and 83% for burden. It was found that the net profit recorded a negative growth of 27.8%. Growth rate of operating expenses was at 44%, spread at 15%, burden at 29% and advances at 49%. Therefore, it was recommended that the burden rate should be reduced by effecting cost control measures, and the spread rate be increased so that the profitability may be at a higher rate.

**Singh and Singh (2010)<sup>23</sup>** in their study titled, **“Technical and Scale Efficiency in District Central Cooperative Banks of Punjab—A Non-Parametric Analysis”** had attempted to investigate the extent of technical efficiency across 20 DCCBs of Punjab with the help of Data Envelopment Analysis. They brought out that size of DCCBs and profits had been affecting the measures of technical efficiency significantly. The study further revealed that DCCBs of Punjab were suffering from the problems of managerial irregularities and improper production scale. Appropriate policy interventions by state government, RBI and NABARD have been suggested by the authors.



---

---

#### 1.4.5 Other Credit Institutions and Banks

**Bhatia (1978)<sup>1</sup>** in his study entitled, “**Banking Structure and Performance – A Case Study of the Indian Banking System**” attempted to analyze the economic performance of Indian banking system as reflected by its output, price and profitability during the period 1950-1968. He found that profit of the Indian banking system during the said period had an upward trend. The study suggested deregulation of interest rates to enhance the profitability of financial institutions and to ensure a competitive banking environment which would ultimately result in better services.

**Kulkarni (1979)<sup>2</sup>** in his study entitled, “**Development Responsibility and Profitability of Banks**” stressed upon social responsibilities of banking sector. He was of the view that looking for profit maximization only was not true profitability of banks as social benefits arising out of bank operations cannot be ignored. He observed that while fulfilling the social responsibility, banks should try to make the basic banking business as successful as possible, reduce cost, improve banking system and increase the overall profitability.

**Markand (1979)<sup>3</sup>** in his book titled, “**Social Priority Index of Public Sector Banks**” evaluated the performance of public sector banks. With the help of performance index consisting quantitative indicators such as branch expansion, priority sector credit, and wage cost, he concluded that the priority sector financing was essential, and necessary. For better performance in this sector he suggested that lending power should be delegated to the branch managers.

**Chopra (1987)<sup>4</sup>** in his book entitled “**Managing Profits, Profitability and Productivity in Public Sector Banking**”, studied operational efficiency of some selected public sectors banks. He found the lack of professionalism in banking industry and stressed for the introduction of scientific management practices to enhance profits and profitability of public sector banks. He recommended comprehensive management of costs as well as earning of the banks.

**Ramachandaran (1992)<sup>5</sup>** in his paper titled, “**Profit Planning as a Management Tool for Profit Maximization**” tried to analyze profitability position of the banks. Increasing emphasis on goals, increase in establishment cost, NPAs, amount locked in sick units, unfavorable deposit mix, compliance to statutory requirements were some reasons, identified by him, for declining profitability. He suggested the following measures to redress the said problem:

- 
- 
- (I) Diversification of business,
  - (ii) Interest to be paid by RBI on CRR/SLR balances,
  - (iii) Opting utilization of scarce resources by asset management,
  - (iv) Management of funds in a better way,
  - (v) Management of non-performing advances,
  - (vi) Professionalization of bank management
  - (vii) Identification of loss centers,
  - (viii) Better role of government, and
  - (ix) Up gradation of skills and mechanism.

**Balister et al (1994)<sup>6</sup>** conducted a study on “**A Study of Overdues of Loans in Agriculture**” to examine the repayment performance of defaulters in three blocks of Agra district in Uttar Pradesh. They found that well-to-do agriculture families accounted for a large share of over dues. They accounted 37 per cent of total defaulters and 57 per cent of total over dues. Total amount of over dues and its relative share also increased during the period of study. Lack of proper supervision over end use of loan was identified a major reason for mis-utilisation of credit which leads to increase in overdue.

**Hundekar (1995)<sup>7</sup>** suggested following points in his study entitled “**Productivity in Banks**” to improve the productivity of RRBs:

- (a) Profit planning and cost control measures should be improved;
- (b) Labour productivity improvement measures to be taken;
- (c) To promote customer service by product development and diversification Strategies;
- (d) Market development strategies for mobilizing more savings to be initiated;
- (e) Management audit for controlling other administrative costs to be conducted;
- (f) Streamline the recovery process; and
- (g) The funds of banks should be effectively managed.

**Patel (1995)<sup>8</sup>** In his paper “**Viability of Rural Banking**”, inferred that low volume of business per branch and per employee and high level of credit deposit ratio were two major factors causing losses in rural banking system. He observed that relative share of non-farm sector loans in rural banks was going up.

---

---

**Satyanarayane (1996)<sup>9</sup>** in his research paper entitled **“Productivity Beyond per Employee Business”** suggested a model to measure overall efficiency of the banks. He emphasized that the size of the bank should be squared off while measuring efficiency of bank. According to him, Productivity of bank = (Average index market share of all the output factors/Average index market share of all the input factors) X 100 where, output factors were deposits, non-deposit working funds, loans and advances, investments, interest spread, non-interest income and the net profit. The input factors were network of branches, number of staff, wage bill, non-wage operating expenses, etc. In order to facilitate comparison of one bank with the other, irrespective of size, the market share of each factor in percentage terms has to be taken into account instead of absolute levels.

**Das (1997)<sup>10</sup>** in his research paper entitled **“Productivity in Nationalised Banks”** observed that labor productivity in nationalized banks, over the time, had not only remained low but also substantially declined. He advocated the restructuring of banks to improve productivity in Indian banks.

**Ramamoorthy (1997)<sup>11</sup>** in his paper titled, **“Profitability and Productivity in Indian Banking – International Comparisons and Implications for Indian Banking”** observed that the old order of regulated market banks were not conscious of their profitability and productivity levels. But new economic order has compelled these banks to shift towards market-oriented, commercially driven banking system. He also observed in his study that performance of banks operating in different economic systems with different levels of economic development and varying degrees of regulations were not comparable. The results further revealed that profitability of a bank was a function of allocation efficiency, volume of credit, provisioning for loan losses, interest rate movements and operating cost structure. He suggested that performance incentive plans, motivation, training and leadership of human resources and level of technology absorption can improve the productivity and profitability of the banks.

**Yaron et al (1997)<sup>12</sup>** in their study titled, **“Rural Finance: Issues, Design and Best Practices”** emphasized upon the performance evaluation of the rural financial institutions, to find out whether they have met their goal of expanding income and reducing poverty, and then to evaluate their opportunity cost. He studied two primary criteria, i.e., the level of outreach achieved among target clientele and self- sustainability of rural financial institutes.

---

---

**Deolalkar (1998)**<sup>13</sup> in his study titled, “**The Indian Banking Sector on Road to Progress**” observed that NPAs in Public Sector Banks were recorded at about 457 billion in 1998. About 70% of gross NPAs were locked up in “Hard Core” doubtful and loss assets, accumulated over years, pending either in courts or with Board for Industrial and Financial Reconstruction (BIFR). He further added that the main cause of NPAs in the banking sector was the DIRECTED LOANS SYSTEM, under which the commercial banks were required to supply a prescribed percentage of their credit (40%) to the Priority Sector. Such loans supplied to the micro sector were problematic of recoveries, especially when some of the units become sick or weak. These loans had led the borrowers to expect that like a non-refundable state subsidy, bank loans need not be repaid.

**Lodha (2002)**<sup>14</sup> in his study titled “**Social Lending – Its Relevance in Deregulated Economy**” studied how far the two extremities, viz. profit maximization and social lending will co-exist in the deregulated market, particularly in a developing economy like India. He concluded that

- (1) Social lending should continue despite reforms;
- (2) Economic reforms should continue;
- (3) Target lending should be abolished;
- (4) Social lending should be confined to weaker sections only;
- (5) Time bound lending with least formalities should be ensured;
- (6) Lending decision should be based on cost benefit analysis;
- (7) Subsidy in social lending should be scrapped;
- (8) Loss making rural branches should be converted into satellite offices;
- (9) Self- help groups should be encouraged; and
- (10) Business hours and days should be changed to face competition.

**Debasish (2003)**<sup>15</sup> in his research paper titled, “**Prime Discriminants of Profitability in the Indian Commercial Banks**” tried to develop a discriminate function for bank profitability using the most significant ratios/parameters. The validity of the model was assessed by calculating the analysis sample (78 banks). The hit ratio for analysis sample was  $49/78 = 62.82$  per cent. The efficiency was judged on four major parameters: Liquidity of the bank, Return performance, Expense parameters, and Operational efficiency. As per step-wise discriminate analysis, out of various measures, i.e., smallest F- Ratio, Mahalanobis Distance, and Wilk Lambda, the study employs Wilk Lambda with minimum value required for entry as 3.84 and

---

---

---

---

maximum value for removal of the independent variable as 2.71. At each step the variable that minimizes the overall Wilk Lambda is entered. The computation ends when any further entry of variables fails to minimize the Wilk Lambda.

**Krishana et al (2003)<sup>16</sup>** in their research paper, “**Performance of Regional Rural Banks in Karnataka – An Application of Principal Components and Discriminate Function Analysis**” tried to identify the important discriminating characteristics of the two identified groups of Regional Rural Banks in the state of Karnataka. They used the discriminate function approach and sought to obtain linear discriminate coefficient, such that the squared difference between the mean Z-score for the one group and the mean Z-score for the other group was as large as possible in relation to the variation of Z-scores within the groups. They concluded that the number of employees per branch had maximum discriminating power to the extent of 55%, followed by amount of borrowings (18%), credit deposit ratio (14%) and income to expenditure ratio (13%).

**Raul and Ahmed (2005)<sup>17</sup>** conducted an empirical analysis of different aspects of bank’s performance in the Barak Velly, southern part of Assam in the context of national level performance of PSBs in particular during two distinct time periods, pre- (1981-91) and post- (1992-2001) reform regimes, in their study entitled, “**Public Sectors Banks in India–Impact of Financial Sector Reforms**”. They concluded that profitability of banks had come under reverse pressure and PSBs had witnessed a low percentage of profits to total assets during the post-reform years due to lower interest spread and greater priority sector lending. They suggested that corporate governance should be implemented in these banks to encourage and pursue market discipline through transparency, consistency and accountability. They stressed greater autonomy for banks to lay down internal guidance and procedures for transparency, disclosures and risk management.

**Bagchi (2006)<sup>18</sup>** in his study titled “**Agriculture and Rural Development are Synonymous in Reality: Suggested Role of CAs in Accelerating Process**” analyzed the performance of Primary Agriculture Credit Societies, and observed that PACS could not match up to the increasing requirements of growth dimensions in the Agriculture /Rural development in the Post-independence period, although till the late 50s, they were the only available source of institutional rural finance.

**Murthy (2008)<sup>19</sup>** in his paper entitled, “**Rural Finance: A Remedial Measure for Rural Poor**” focused on the role of financial services as key to

---

---

enhancing economic development and reducing poverty in rural areas. Rural finance has often led the way in addressing social, gender and ethnic equity issues which hold families in poverty. He, however, observed that the access was limited for poor households and for micro, small and medium enterprises. Despite rapid economic development in India the number of people living below the poverty line has decreased only slightly. While there was a numerically strong infrastructure of formal financial institutions in rural India, they often lacked the capacity to provide adequate demand-oriented services. He recommended that the major constraint of such important rural finance agencies, i.e., lack of resources should be removed, by facilitating them to mobilize resources from capital market and other newer sources.

**Jayaraman and Srinivasan (2009)<sup>20</sup>** in their study titled “**Relative Efficiency of Scheduled Commercial Banks in India (2001-08): A DEA Approach**” attempted to measure the scale efficiency of scheduled commercial banks in India using Data Envelopment Analysis. The study listed out the number of efficient banks on the basis of relative performances using efficiency scores. It was found that the general performance of scheduled commercial banks under study was relatively high during the study period 2001-08 and the average efficiency score was ranging between 0.9195 and 1. More than 60 per cent of the scheduled commercial banks under study were above the average efficiency score for each study period except for the year 2006, where it was around 53 per cent. The results show that ICICI Bank, Indus Ind Bank, ABN Amro Bank, Calyon Bank and Citibank were efficient for all years during study period. In addition to above banks, efficiency scores of State Bank of Travancore, Vijaya Bank, Bank of Maharashtra, and Oriental Bank of Commerce, Axis Bank, Federal Bank and Yes Bank were above the average efficiency scores for all the years.

**Alamelu and Devamohan (2010)<sup>21</sup>** in their study entitled “**Efficiency of Commercial Banks in India**” calculated the business ratios, such as interest income to average working funds, non-interest income to average working funds, operating profit to average working funds, return on assets, business per employee and profit per employee for public sector banks, private sector banks and foreign banks for the period 2004-05 to 2008-09. It was observed that the foreign banks and new generation private banks have superior business ratios. They effectively leverage technology, outsourcing and workforce professionalism which helped them to protect their bottom line. On the other hand, the public sector banks are yet to exploit fully

---

---

---

---

the advantages of vast branch network and large workforce. That's why they have unimpressive business ratios. Old generation private banks do not have impressive business ratios, as they are constrained by small size and conservatism.

#### **1.4.6 Self Reliant Cooperative Societies**

Sreekanth (2011) in his study titled “**A Study on Self Reliant Cooperatives in India**”, he focused on the different States in India adopted the Self Reliant Act as per the model Law suggested by the Government of India, which is prepared by the expert committee headed by Choudhary Brahmaprakash. The study focused on how Act came in to force and functioning in nine states of India including Karnataka. It concludes that the cooperatives should attract the youths and the benefits should made available to special segment of the society like women, old age people, etc.

#### **Research Gap**

Undoubtedly, there have many studies been done on Cooperative Societies, District Cooperative Societies, Primary Cooperative Societies and their financial performance. But there is no evidence of any study is being made on Souharda Credit Cooperative Society and also literature review clearly reveals that no study has been made on the topic chosen for the present study topic entitled “Financial Performance of Primary Credit Cooperative Societies and Souharda Credit Cooperative Societies - A Comparative Study” and its object and scope. Hence, a humble attempt is made to fill the research gap existing at present.

#### **1.5 Statement of the Problems**

Even though the Cooperative Societies have completed more than 100 years of existence in India, they are facing with many problems since their inception. As per the earlier studies the financial and other help from the Government have not been supported the performance of the Cooperative Societies. The previous studies reveals that “the cooperation is failed and it must be succeeded.” As per the report of the study committee headed by Sri Ardhanareeshwaran, “Co-operatives have failed because of the heightened intervention of the Government”. On the basis of the model Act, recommended by Sri Choudhary Brahmaprakash committee, Karnataka Souharda Sahakari Act, 1997 was passed which came into force from 2001. Since 2001 the Souharda Credit Cooperative Societies are in operation, again it has its own pros and

---

---

cons. Souharda Credit Cooperative Societies are trying to improve the economy from grass root level. The major objectives of both the Primary Credit Cooperative Societies and Souharda Credit Cooperative Societies are similar. But, in style of operation and control they differ. Primary Credit Cooperative Societies function under the guidance, financial support, supervision and intervention of the Government, whereas the Souharda Credit Cooperative Societies enjoy freedom of operation, without financial support and intervention of Government. Hence, the financial and other operational efficiency of both especially Souharda Credit Cooperative Societies are to be analyzed and exposed. This study considered one aspect financial performance of both PCCS and SCCS to compare and analyze. Accordingly, the researcher has taken up this research work, entitled “Financial Performance of Primary Credit Cooperative Societies and Souharda Credit Cooperative Societies - A Comparative Study”. The present research comprises of the following questions which researcher needs to focus in the study.

- a. Whether financial performance of PCCS is better than SCCS as it is one of the oldest financial formats.
- b. Whether SCCS achieved the fundamental objective of formation.
- c. To verify the chances of absolute or comparative cost advantage benefits enjoyed by both SCCS and PCCS.

### **1.6 Need for the Study**

Cooperative Credit Institutions are an important part of Indian financial system and are engaged in different activities, namely, production, processing, marketing, distribution, servicing and banking with vast and powerful structure. The basic objectives of the Primary Credit Cooperative Society and Souharda Credit Cooperative Society is serving best to its members at cheapest cost. But both Cooperative Societies formulated under the different Act of Cooperative. The Primary Credit Cooperative Societies are formed under the Cooperative Act of 1959 and Souharda Credit Cooperative Societies are formed under Souharda Sahakari Act, 1997. But, the purpose and operational style of both the Cooperative Societies are little different. Therefore, a comparative study is needed to identify the common financial variables between Primary Credit Cooperative Society and Souharda Credit Cooperative Societies to evaluate the financial performance of chosen societies. Comparison of financial performance of both Primary Credit Cooperative Societies

---

---



---

---

and Souharda Credit Cooperative Societies is needed to analyze the financial performance and also there is a need to examine the usefulness of the Souharda Cooperative Act, 1997 and propose a guideline for both types of cooperative societies. The study addresses these problems to improve the financial performance of these two kinds of cooperative societies.

### **1.7. Significance of the Study**

The current study is primarily focused on identifying the common financial variables among Primary Credit Cooperative Society and Souharda Credit Cooperative Societies to evaluate the comparative financial performance of societies among the both category. Considerable effort has been made on analyzing the performance of Primary Credit Cooperative Societies. But, there is no concrete effort is found on performance analysis of Souharda Credit Cooperative Societies. Even a little effort have been made on performance analysis of both Primary Credit Cooperative Societies and Souharda Credit Cooperative Societies, not even a single effort is made to evaluate the Financial Performance Analysis and Comparison of the same. Hence, after 15 years of the enforcement of Karnataka Souharda Act, 1997, this is the right time to analyze the Financial Performance of Souharda Credit Cooperative Societies and compare with the financial performance of Primary Credit Cooperative Societies. Hence, the proposed study has its own importance.

Further, PCCS and SCCS have been playing an important role in providing financial assistance to non agricultural purposes in rural and urban areas of Karnataka. Over the years, the businesses of both the institutions are enlarging substantially. PCCS and SCCS are targeting to cater the needs of almost same segment of members, but their strength, weakness, business expansion opportunity and challenges are different. A comprehensive study of these Cooperative Societies enable to understand their operation, administration and financial performance. The comparative study of these two Cooperative Societies enable to understand areas of strengths and weaknesses, so that strengths can be used as a model performance for each Cooperative and suitable suggestion can be offered to overcome weaknesses. Hence, the study has its own significance.

---

---

### **1.8. Objectives of the Study**

The primary objective of the study is to compare and examine the financial performance of PCCS and SCCS. With the intention of achieving this primary objective, the following supporting objectives are also formulated for the present study.

1. To study the Cooperative movement in India and Karnataka.
2. To study the history and development of PCCS and SCCS in Karnataka.
3. To assess the trends and progress of Compounded Annual Growth Rates for PCCS and SCCS.
4. To examine the efficiency of PCCS and SCCS through stability coefficient.
5. To compare and analyse the overall financial performance of PCCS and SCCS using Z score method.

### **1.9. Hypothesis of the Study**

In order to test the statistical significance of the selected variables the following Hypothesis are formulated and tested by using alpha significance value of 0.05. The selected data are in repetitive pattern, Repeated ANNOVA test with multiple samples is used as statistical tool.

**H1o:** There is no significant difference associated between Share Capital of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.

**H1a:** There is a significant difference associated between Share Capital of Primary Credit Cooperative Society and Souharda Credit Cooperative Society

**H2o:** There is no significant difference associated between Fixed Deposit of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.

**H2a:** There is a significant difference associated between Fixed Deposit of Primary Credit Cooperative Society and Souharda Credit Cooperative Society

**H3o:** There is no significant difference associated between Saving Deposit of Primary Credit Cooperative Society and Souharda Credit Cooperative Society

**H3a:** There is a significant difference associated between Saving Deposit of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.

**H4o:** There is no significant difference associated between Advances of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.

- 
- 
- H4a:** There is a significant difference associated between Advances of Primary Credit Cooperative Society and Souharda Credit Cooperative Society
- H5o:** There is no significant difference associated between Net Profit of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.
- H5a:** There is a significant difference associated between Net Profit of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.
- H6o:** There is no significant difference associated between Interest Received of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.
- H6a:** There is a significant difference associated between Interest Received of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.
- H7o:** There is no significant difference associated between Other Income of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.
- H7a:** There is a significant difference associated between Other Income of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.
- H8o:** There is no significant difference associated between Fixed Assets of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.
- H8a:** There is a significant difference associated between Fixed Asset of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.
- H9o:** There is no significant difference associated between Total Expenses of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.
- H9a:** There is a significant difference associated between Total Expenses of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.
- H10o:** There is no significant difference associated between Interest on Investment of Primary Credit Cooperative Society and Souharda Credit Cooperative Society
- H10a:** There is a significant difference associated between Interest on Investment of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.
- 
-

---

---

### **1.10. Scope of the Study**

The scope of the present study is stated as under:

1. The study covers only the Primary Credit Cooperative Societies, registered under Karnataka Cooperative Societies Act, 1959 and Souharda Credit Cooperative Societies registered under Karnataka Souharda Sahakari Act, 1997.
2. The study compares only the Financial Performance of Primary Credit Cooperative Societies and Souharda Credit Cooperative Societies.
3. The study covers the Primary Credit Cooperative Societies and Souharda Credit Cooperative Societies in Shivamogga District only.
4. The study period confined to five years only from 2010-2011 to 2014-2015.

### **1.11. Research Methodology**

The study can be measured by a number of indicators. Profitability is the most important indicator because it gives an insight into the broad indication of the capability of a Cooperative Society to increase its earnings.

This section deals with the description of the study area, sampling procedure employed, the nature and sources of data, and various tools and techniques employed to accomplish the objectives of the study.

For measuring the financial performance of considered Cooperative Societies the present study employs the following methodology.

11.1 Description of the study area

11.2 Sample size

11.3 Nature and sources of the Data

11.4 Techniques and Tools for data analysis

11.5 Statistical Methods employed

#### **1.11.1 Description of the Study Area**

Shivamogga district of Karnataka state has been selected for the present study. Shivamogga district is situated in Southern transitional Agro Climatic Zone. The District lies between the latitudinal parallel of 13.27' north and the 39' north and longitudinal parallels of 74.38' East and 76.40' east. Shivamogga is bounded district on North West by Haveri and Davanagere on the North and North East, by Chikkamagalur on the South and Dakshina Kannada on the South West. The Western

---

parts of the district lying in the Malnad region (Western Ghats) are characterized by mountainous terrain and very high rainfall. The central belt is Semi Malnad while eastern part falls in plain region being very dry climate Zone.

### 1.11.2 Sample Size

The Census method is adopted to analyse the comparative financial performance of PCCS and SCCS in Shivamogga District of Karnataka State, during the five financial years 2010-11 to 2014-15. The study covers all the working PCCS and SCCS of Shivamogga District of Karnataka State. The researcher collected all required information for analysis. It is found that in the study few PCCS were liquidated, defunct and few are failed to provide the required data. As per rule of scaling, the researcher considered 31 PCCS and 16 SCCS which are surviving and able to provide all data which are required for the study. The following table shows the procedure adopted for consideration of PCCS and SCCS for the study.

**Table No 1.1: Showing the procedure adopted for consideration of PCCS and SCCS**

Particulars	PCCS	SCCS
Total Registered in Shivamogga District up to 2010	91	32
Liquidated	5	0
Defunct	1	1
Registered after 2010 (Not completed five years study period)	23	15
Insufficient data for study period	31	0
Sample size Total registered – (liquidated + defunct + registered after study period + insufficient data)	91-60	32-16
<b>Sample size</b>	31	16

### 1.11.3 Nature and Sources of Data

The important sources of data are presented as below:

- a. The present study is primarily based on the secondary data- the data collected from the records and reports of considered PCCS and SCCS. The required data are collected from published report of Cooperative Society and also from other sources such as books, journals, Government publication, news papers, websites etc.

- 
- 
- b. The present study also used primary data collected from the staff members and Board of Directors in the form of personal interview and discussion which supplemented the secondary data.

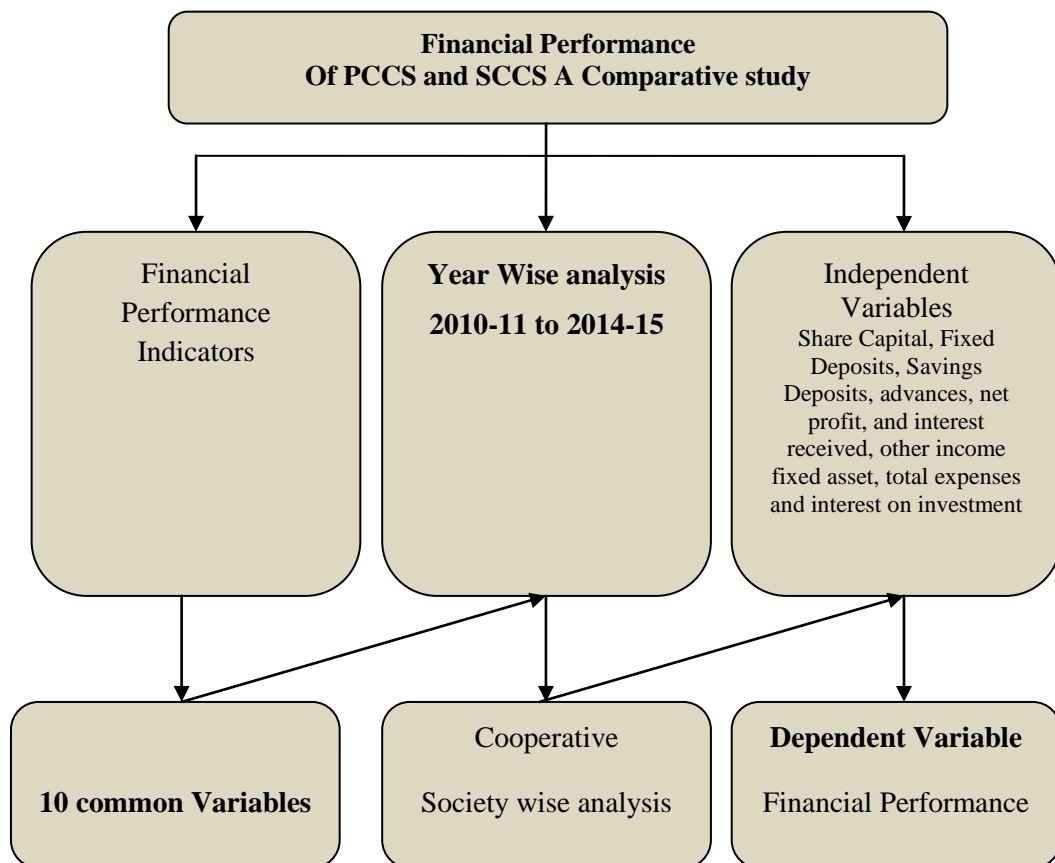
#### 1.11.4 Techniques and Tools of Data Analysis

On the basis of data collected, the performance of Cooperative Societies has been analysed by using certain statistical techniques. The objectively collected data have been suitably classified and arranged in tables and graphs in appropriate chapters. The following are the techniques adopted for the analysis of data.

##### a. Comparative Analysis of Financial Variables

In order to conduct the detailed analysis of financial stability, the following variables are selected for the study:

**Diagram 1.1: Showing Procedure of Analysis**



---

---

## **i. Procedure of Analysis**

Among the various financial parameters, above stated 10 Common variables are identified as important variables for assessing the comparative financial performance of Primary Credit Cooperative Society and Souharda Credit Cooperative Society for which collected data for all the five years of the study period.

### **b. Compound Annual Growth Rate – CAGR**

The year-on-year growth rate of a Variable during a specified period of time. The compound annual growth rate is calculated by taking the  $n^{\text{th}}$  root of the total percentage growth rate, where  $n$  is the number of years in the period being considered.

**This can be written as follows:**

$$CAGR(t_o, t_n) = (V(t_n) / V(t_o))^{\frac{1}{t_n - t_o}} - 1$$

## **1.11.5 Statistical Methods Employed**

### **a. Descriptive statistics**

The Descriptive procedure displays univariate summary statistics for several variables in a single table and calculates standardized values ( $z$  scores). Variables can be ordered by the size of their means (in ascending or descending order), alphabetically, or by the order in which the researcher select the variables (the default). In the present study measures both central tendency and variability which have been calculated for the dependent variables employed. Descriptive statistics are also used with other statistical methods.

### **b. Inferential statistics**

Repeated Measures analyze groups of related dependent variables that represent different measurements of the same attribute. Each variable is repeatedly measured for 5 years for 31 PCCS 16 SCCS. These values have been analyzed through this method by considered Cooperative Societies as well as yearly analysis to see variations in the values of specific variables measured.

### **c. Test of Solvency by Using Edward Altman Model Z Scores**

Professor Edward Altman has introduced new model in 1968 called Altman Z-score model. The Z-score formula is used for predicting performance of financial

concern. The Z-score is multivariate formulas that measures the financial performance of the company and predict the insolvency.

The model uses 10 input variables X1, X2, X3 X4, X5, X6.X7.X8.X9 and X10. The Z-score is composite score for measures of firm's financial performance including measures of profitability. Each measure is assigned, computes, determined weighting such, that when an analyst multiplies the weights lines the financial performance and sums up of this ten factors, the result is the overall Z-score. This can be applied for all financial institution including banking institution.

**Table No. 1.2 : Showing Financial Performance categorization zone for banking Sector by Altman Z score**

<b>Z- score Results</b>	<b>Performance indicator levels predicted by Prof. Altman</b>
0.80 or less	Highly positive sign
0.81 to 1.7	Positive sign
1.7 to 1.98	Negative
1.98 or higher	Highly Negative

## 1.12. Chapter Scheme

The research report is presented in five chapters as given below

<b>Chapter</b>	<b>Title of the Chapter</b>
I	Introduction and Research Design
II	Cooperative movement in India – A Review
III	A Conceptual Framework – a. History and development of PCCS in Karnataka b. History and development of SCCS in Karnataka
IV	Data Analysis and Interpretation
V	Summary of Major Findings, Suggestions and Conclusion

### 1.12.1 Brief Summary of each Chapter

- I. Introduction and Research Design:** This introductory chapter consists of introduction, review of earlier works, identification of research gap, statement of problems, need for the study, significance of the study, objectives of the study, scope of the study, hypothesis of the study, research methodology covering



---

---

sample design, sources and collection of data, method of analysis, tools for analysis, chapter scheme and limitations of the study.

**II. Cooperative movement in India – A Review:** This chapter deals Cooperative movement in the World in general and the development of Cooperative movements in India in particular.

**III. Conceptual framework:** This chapter studies the development of Cooperative and Cooperative movement in Karnataka State along with institutional support to Cooperative Societies and also covers a profile and development of PCCS and SCCS in Karnataka.

**IV. Data analysis and interpretation:** This chapter is completely devoted to analysis of collected data. The analyses are carried out by using SPSS version 20.1. The analysis are carried out by computing mean and SD values for all PCCS and SCCS for both year wise and society wise along with the separate calculation is conducted for CAGR, Ratio analysis and Correlation analysis. The Altman Z score model for banking is adopted and tested. Last part of this chapter dedicated to separate analysis of PCCS and SCCS after the incorporation of Souharda Sahakari Act of 1997

**V. Summary of the Major Findings, Suggestion and Conclusion:** The last chapter presents the summary of the entire study. It presents major findings of the study and suggestions offered for improvement of financial performance of the PCCS and SCCS followed by conclusion along with opportunities for future research.

### **1.13. Limitations of the Study**

Though adequate care has been taken to make the study as comprehensive as possible, it is subject to certain limitations:

- The study is restricted to co-operatives registered under Karnataka Cooperative Act, 1959 and Karnataka Souharda Sahakari Act, 1997
- The geographical spread of area of the study is limited to Shimoga district only.
- The study is limited for the period of five years from 2010-11 to 2014-15.
- Among the different types of Cooperative Societies, the present study is limited to Credit Cooperative Societies only.
- This study is limited to 10 variables only.

\*\*\*

---

---

## References

- <sup>1</sup>Cooperation Principles, Problems and Practices – T.N. Hajela p-1
- <sup>2</sup>Bhagavadgita Adhyaya 3 shloka 10, 11 and 12
- <sup>3</sup>Dr. Mathur cooeratopn India, pub by Sahitya Bhavan, Agra. 1990;p-1.
- <sup>4</sup>International Encyclopedia of Social Sciences, Vol. 3, 1972, p-384.
- <sup>5</sup>Smith and Louis. P F.--“The Evolution of Agricultural Cooperation” Oxford, Basic Blackwell, 1961, p xi
- <sup>6</sup>K.R.Kulkarni --Theory and Practice of Co operation in India and Abroad, Vol. 1, 1960, p 11
- <sup>7</sup>Warebasse. J.B.--The Cooperative 1946,p 8
- <sup>8</sup>Calvert.H.-“Law and Practice of Cooperation”-1915,p-12
- <sup>9</sup>Goralen and O’Brien. Co-operation in many Lands.
- <sup>10</sup>Quoted by Dr. B. B. Mathur, Co-operation in India, Sahitya Bhavan, 1990, p-8.
- <sup>11</sup>T.N. Hajela – Cooperation, p-5

## Reference for Review of Literature

### Cooperative Societies

- <sup>1</sup>Dubhashi P.R. (1969) – Cooperation – An Interdisciplinary Approach”. Edited by Dubhashi P.R., Director, Published by Vaikunta Meheta National Institute of Cooperative and Management (UMNICOM), Pune-1969.
- <sup>2</sup>Datar D.R. (1969) – Place of Cooperation in India’s Economy”. Paper presented at Vaikunta Meheta National Institute of Cooperative Management Approach”
- <sup>3</sup>Batra M.L. (1972) – “Forms of Assistance to Cooperative”. Bombay Allied Publications.
- <sup>4</sup>Dubhashi P.R, (1972) – “State and Cooperative Development An overview” – International Cooperative alliance. Bombay Allied Publishers.
- <sup>5</sup>Fujisawa K. (1972) – “The concept of Autonomy as applied to the Cooperative Movement in Developing Countries”- Bombay Allied Publications.
- <sup>6</sup>Deshpande S.H. (1977) – “Some Problems of Cooperative Forming” – Bombay Himalaya Publishing House.
- <sup>7</sup>Geel S.L. and Goel B.B. (1978) –“Principles, Problems and Prospects of Cooperative Administration”- New Delhi, Sterling Publications Pvt. Ltd.
- <sup>8</sup>Parthasarathi P.B., Raju D.S., Rammohan V. and Seema – 1982- “Rural Development Through Cooperation”- Kurukshetra, vol 44, No. 3, Jan 1992

- 
- 
- <sup>9</sup>Murthi and Saraswati (1996), “Reducing Overdues in Credit Co-operatives: Some Alternatives”, Indian Cooperative Review, Vol. XXVI No.1 (Jan.), New Delhi.
- <sup>10</sup>Satyasai and Badatya (2000), “Restructuring Rural Credit Cooperative Institutions”, Economic and Political Weekly, Volume 35 (5), Mumbai.
- <sup>11</sup>Viswanath (2001), “An Analysis of Performance of Agricultural Credit Co-operatives and their Overdues Problems in India”, Indian Cooperative Review, Vol. XXXI, No.3 (July), New Delhi.
- <sup>12</sup>Amith Patel – “Cooperative Banking Achievements and Challenges” – Kurukshetra –Vol.52 – No.12 – Oct, 2004 –PP 18-24.
- <sup>13</sup>Ashok Bandyopadhyaya (2004), Hundred Years of Cooperative Movement-Vision and Mission 2020” – Indian Cooperative Review – Vol.42 – No.1- July, 2004 –PP 1-25.
- <sup>14</sup> Nair, B.R (2004), “Village Co-operatives - A Century of Service to the Nation”, Yojana, (March), New Delhi.
- <sup>15</sup> Joel Edwinraj. D (2004), Challenges before Indian Cooperatives” – Kisan World – Vol.31 – No.10 – Oct, 2006 – PP 21-22.
- <sup>16</sup> Jain. N. K. (2005) Cooperatives at cross roads” – Indian Cooperative Review – Vol.42 – No 3 – Jan, 2005 – PP 272-279.
- <sup>17</sup>Banishree Das, Nirod Kumar Palai and Kumar Das – “Problems and Prospects of Cooperative Movement in India under globalization regime” – <http://www.helsiniki.fi/ichc2006/papers2/das72.pdf>.2006 pp 1-14.
- <sup>18</sup> Avinash V Raikar (2006), Cooperative Credit Institutions in India – An Over view”. Indian Cooperative Review – Vol.44 – No, 1 – July, 2006- PP 1-20.
- <sup>19</sup>Vinayagamurthy A and Vijay Pithadia – Globalisation and Cooperative sector in India”-<http://www.indiamba.com/facultycolumn/FC585.html>.May 2007, PP1-6.
- <sup>20</sup>Amin A.H. – “Current Cooperative Situation in India”- The Cooperator, Vol-44, No-6, Dec 2007, Pp 245-246.
- <sup>21</sup>Kavitha N. (2008) – “Cooperative Movement in India” – Future Perspective, Journal of Cooperative Management, Vaikunta Mehetha Institute of Cooperative Management – Pune – Vol-43, No. – 1. April-June 2008, Pp 1-6.
- <sup>22</sup>Vinayakamoorthy A. (2008) – “Globalization and Cooperative sector in India” – Indices Consumer cooperator – Vol. 46 – No. 3 –July/Sep Pp 1-4
- 
-

---

---

<sup>23</sup>Report of the high powered committee on cooperatives- executive summary – The Cooperator – vol. 46 –No. 1- July 2009 – Pp 518-521.

### **Performance of Cooperative Societies**

<sup>1</sup>Kalyankar (1983) - Willful Default in Loans of Cooperatives” – Indian Cooperative Review – Vol .XX – No. 22 – New-Delhi.

<sup>2</sup>Marithi and Saraswathi (1996) – Reduction over dues in credit cooperative societies –some alternatives” – Indian cooperative review – Vol, XXVI – No.1 – Jan – New Delhi.

<sup>3</sup>Reddy Ramachandra and Reddy Ramakrishna (1996) – “Nature and Dimensions of willful and non-willful default and impact of cooperative credit policy with reference to Nellur District of Andhra Pradesh” – Indian Cooperative Review –Vol. XXVIII- N0.2 – April – New Delhi.

<sup>4</sup>Satyasai and Badatya (2000) – “Restructuring Rural Credit Cooperative Institutions” - Economy and Political Weekly – Vol. 35(5) – Mumbai

### **Financial Performance of Cooperative Societies**

<sup>1</sup>Mandira Sarma and Rajive Kumar- “Rural short-term cooperative credit structure” – Economic and Political weekly-Vol.XLIII-No.9-March, 1-7-2008 – PP 13-18.

<sup>2</sup>Deepak Shah – “Banking Sector Reforms and Cooperative Credit Institutions in India”, [http://mpa.ub.uni-muenchen.de/7149/1/MPRA-paper\\_7149.pdf](http://mpa.ub.uni-muenchen.de/7149/1/MPRA-paper_7149.pdf) Feb 2008 PP-1-19.

<sup>3</sup>Jayalakshmi G and Sumathi M –“NPA Management in Cooperative Banks in India”- Tamil Nadu Journal of Cooperation-vol.9-No.2-Oct.2009-pp 41-4

<sup>4</sup>Kulwanth Pathania and Sabine Batra-“NPA Management in Cooperative Banks- Perception of Bank Officials”-Indian Cooperative Review-Vol.46-No.3-Jan2009-PP161-175.

<sup>5</sup> Dr. M. Dhanabhakyaam and M. Kavitha (2012),Zenith-International Journal of Multi-disciplinary Research-Vol.2-Issue-1-Jan 2012-PP 255-269 (Internet)

<sup>6</sup>Patal Dilipkumar (2014), Research Scholar – An International Peer Reviewed Scholarly Research Journal for Inter-disciplinary studies – July/Aug 2014 – Vol,11/X-11 – Pp 1666-67

---

---

## **Cooperative Banks**

- <sup>1</sup>Kurulkar (1983), Agriculture Finance in Backward Region, Himalaya Publishing House, Bombay.
- <sup>2</sup>Reddy, C.R. (1985), "Overdues Appraisal and Management in Banking", Indian Co-operative Review, Vol. XXIII, No.2, (April), New Delhi.
- <sup>3</sup>Devadas, Bhorali (1987), Cooperative Banking and Economic Development, Deep and Deep Publications, Delhi.
- <sup>4</sup>Reddy, Ramachandra; and Reddy, Ramakrishna (1996), "Nature and Dimensions of Wilful and Non-Wilful Default and Impact of Cooperative Credit Policy with reference to Nellore District of Andhra Pradesh", Indian Cooperative Review, Vol. XXVI No.-1,(Jan.), New Delhi.
- <sup>6</sup>Satyanarayane, K. (1998), "Profitability and Productivity in Banks and Financial Institutions", Pune.
- <sup>7</sup>Kapoor Jagdish (1999), "Revival of Cooperative Banks", Report of Task Force Constituted by Government of India.
- <sup>8</sup>Niranjanraj and Chitanbaram (2000), "Measuring the Performance of DCCBs", NAFSCOB Bulletin (Oct.-Dec.), Mumbai.
- <sup>9</sup>Verma, Ravi; and Reddy Bhagwan (2000), "Analysis of Causes of Overdues in Co-operatives under SWOOD", Cooperative Perspective, Vol.35, No.1 (April-June), Pune
- <sup>10</sup>Das, Debabrata (2001), "A Study on the Repayment Behavior of Sample Borrowers of Arunachal Pradesh State Cooperative Apex Bank Limited", Indian Cooperative Review, Vol. XXX No.2 (Oct.), New Delhi.
- <sup>11</sup>Carlos, Pestana Barros; Nicolas, Peypoch; and Jonathan, Williams (2005), Productivity Changes in European Cooperative Banks", Journal of Economic Literature, 2005 Classification G-21 and D-24, IDEAS.
- <sup>12</sup>NABARD (2005), A Report "Development in Cooperative Banking", [www.nabard.org](http://www.nabard.org), accessed on 14.05.09.
- <sup>13</sup>Prasad (2005), "Cooperative Banking in Competitive Business Environment", CAB Calling (Oct.-Dec.), Pune.
- <sup>14</sup>Suryan K.Uthaya, and Veluraj R. (2005), "Profitability Analysis of the Pondicherry State Cooperative Bank", NAFSCOB Bulletin, (April), Mumbai.

- 
- 
- <sup>15</sup> Singh Fulbagand Singh Balwinder (2006), "Funds Management in Central Cooperative Banks – Analysis of Financial Margin", ICFAI Journal of Bank Management, Volume 5, Issue 3, Hydrabad.
- <sup>16</sup>Heiko, Hesse; and Martin Cihak (2007), "Cooperative Banks and Financial Stability", IMF Working Paper (Jan.), Washington, DC
- <sup>17</sup>Shah, Deepak (2007), "Evaluating Financial Health of Credit Co-operatives in Maharashtra State of India", University Library of Munich, Germany, MPRA Paper-3949 (July).
- <sup>18</sup>Kumar, Sabina (2008), Management of Non-Performing Advances– A Study of District Central Cooperative Banks of Punjab, An Unpublished Ph.D Thesis, Submitted to HP University, Shimla.
- <sup>19</sup>Rutamu and Ganesan (2008), "Profit and Profitability of Cooperative Banks: The Case of Banques Popularizes (Peoples' Bank) of Rwanda", Indian Management Studies Journal, Volume 12, Patiala
- <sup>20</sup>Dhanappa (2009), "Performance Evaluation of UCBs: A Case Study of Kallappa Anna Awade Ichalkaranji Janata Sahakari Bank Ltd., Ichalkaranji", Indian Cooperative Review, Vol-XXXXVII, No-2, (Oct.), NCUI – New Delhi.
- <sup>21</sup>TheEuropeanAssociationofCooperativeBanks(2009)
- <sup>22</sup>Rajamohan and Pasupathy (2009), "Performance Evaluation of TAICO (Tamil Nadu Industrial Cooperative Bank Ltd.) – An Application of Structural and Growth Analysis", Indian Cooperative Review, Vol.XXXVII (Oct.), No.2, NewDelhi.
- <sup>23</sup>Singh, Amarjit; and Singh, Parminder (2010), "Technical and Scale Efficiency in District Central Cooperative Banks of Punjab - A Non Parametric Analysis", Indian Cooperative Review, Vol. XXXVII, No.1, (Jan.), New Delhi.

### **Other general financial Institutions and Banks**

- <sup>1</sup>Bhatia, R.C. (1978), Banking Structure and Performance– A Case Study of the Indian Banking System, An un published Ph.D. Thesis submitted to West Virginia University.
- <sup>2</sup>Kulkarni, L.G. (1979), "Development Responsibility and Profitability of Banks", Economic and Political Weekly (Aug.), Mumbai.

- 
- 
- <sup>3</sup>Markand (1979), Social Priority Index of Public Sector Banks, Allahabad Bank Publications, Calcutta.
- <sup>4</sup>Chopra, Kiran (1987), Managing Profits, Profitability and Productivity in Public Sector Banking, ABS Publications, Jalandhar.
- <sup>5</sup>Ramachandaran, N.(1992), “Profit Planning as a Management Tool for Profit Maximization”, Indian Banking: Today and Tomorrow, Volume 38 No. 11 (Jan.), New Delhi.
- <sup>6</sup>Balister Singh; and Vishwajit (1994), “A Study of Overdues of Loans in Agriculture”, Indian Cooperative Review (April), New Delhi.
- <sup>7</sup>Hundekar (1995), Productivity in Banks, Printwell Publishers, Jaipur. Jayaraman and Srinivasan (2009), “Relative Efficiency of Scheduled Commercial Banks in India (2001-08): A DEA Approach”, Prajnan, Vol. XXXVIII, No.2 (July-Sept.), Pune.
- <sup>8</sup>Patel (1995), “Viability of Rural Banking”, Prajnan, (Jan-Mar.), Pune. Pathania and Singh (1998), “A Study of Performance of HP State Cooperative Bank”, Indian Cooperative Review Vol. XXXIV, No.2 (April), New Delhi.
- <sup>9</sup>Satyanarayane K. (1996), “Productivity Beyond Per Employee Business”, IBABulletin (April), Mumbai.
- <sup>10</sup>Das, M.R. (1997), Productivity in Nationalized Banks, A Paper Presented in Bank Economists Conference, IBA- Bulletin (Oct.), Mumbai
- <sup>11</sup>Ramamoorthy. (1997), “Profitability and Productivity in Indian Banking- International Comparisons and implications for Indian Banking”, Paper Presented in Bank Economists Conference, IBA Bulletin, and Mumbai.
- <sup>12</sup>Yaron, J. Donald and Others (1997), Rural Finance: Issues, Design and Best Practices, World Bank Publication.
- <sup>13</sup>Deolalkar (1998), “The Indian Banking Sector on Road to Progress”, [www.abd.org](http://www.abd.org) [www.scribd.com](http://www.scribd.com) accessed on 07.03.09.
- <sup>14</sup>Lodha (2002), “Social Lending – It’s Relevance in Deregulated Economy”, IBA-Bulletin, (April), Mumbai.
- <sup>15</sup>Debasish Sathya Swaroop (2003), “Prime Discriminants of Profitability in the Indian Commercial Banks”, Prajnan, Vol. XXXI, No.4 (Jan.-June), NIBM, Pune.
- <sup>16</sup>Krishana; Hosamani; and Hiremath (2003), “Performance of Regional Rural banks in Karnataka-An Application of Principal Components and Discriminant
- 
-

---

---

Function Analysis”, *Artharvikas - Journal of Economic Development*, Vol. XXXIX. Jan.-June.

<sup>17</sup>Raul, R.K.; and Ahmed, J.U. (2005), *Public Sector Banks in India– Impact of Financial Sector Reforms*, Kalpak Publications, and Delhi.

<sup>18</sup>Bagchi (2006), “Agriculture and Rural Development are Synonymous in Reality: Suggested Role of CAs in Accelerating Process”, *The Chartered Accountant, Journal of Institution of Chartered Accountants of India*, Vol. 54, No. 08 (Feb), New Delhi.

<sup>19</sup>Murthy (2008), “Rural Finance: A Remedial Measure for Rural Poor”, *Vinimaya*, Vol.XXX, No.2 (July –Sept.), Pune.

<sup>20</sup>Jayaraman and Srinivasan (2009), “Relative Efficiency of Sheduled commercial Banks in India (2001-08): A DEA Approach”, *Prajnan*, Vol. XXXVIII, No.2 (July-Sep), Pune.

<sup>21</sup>Alamelu and Devamohan (2010), “Efficiency of Commercial Banks in India”, *Professional Banker*, (Jan.) ICFAI University Press, Hyderabad.

### **Self Reliant Cooperative Societies**

<sup>1</sup> Sreekanth (2011) “A Study on Self Reliant Cooperatives in India” – Desertation (DOC Ttinal) Submitted to The Directorate of Distance Education, Kuvempu University, for the partial fulfilment of LLM Course 2011.



## **CHAPTER – II**

---

---

## **CHAPTER –II**

### **COOPERATIVE MOVEMENT – A REVIEW**

#### **2.1 Cooperative Movement in the World**

It is very difficult to define the word ‘cooperation’ since its meaning has varied from thinker to thinker, from one sphere of human activity to other. The Cooperative activities have taken different forms at different countries and have been necessarily shaped according to local needs, motivated by a desire on the part of men to solve the problems. Cooperation is designed to play an effective role in the nations and world’s economy. The various cooperative movements have taken place at different parts of the world at various time period. These different activities are proved the dynamic character of the cooperatives. The cooperative activities suits for local and regional environment, social and economic situation.

It is estimated that the total number of cooperatives is 800 million worldwide with a further 100 million persons employed by cooperatives. Moreover, cooperative enterprise has economic significance not only for members and employees but also their families. The total of persons whose lively hoods are to be a significant extent made secure by cooperative enterprise is three million-half of the world’s population. Some of the cooperative movements taken at different periods and at different parts of the world are discussed as below.

##### **2.1.1 Cooperative Movement in England**

In England the beginning of the cooperatives can be traced to middle of the eighteenth century. As early as 1960 the corn mill is stated on cooperative basis as against the high prices charged by corn millers who held the local monopoly. Robert Owen (1771-1858) considered as founder of the modern cooperative movement. William King (1786-1865) was another pioneer who build the cooperative ideology. But these two are not become success. The modern movement can be identified from the foundation of the Rochdale equitable pioneers at the end of 1844. In England in connection with cooperation the first bill was passed in 1862. In 1863 cooperative wholesale societies came into existence. The British formers are not in debt and never find marketing difficulties, the Agricultural cooperative societies are recent growth.

---

---

### **2.1.2 Cooperative Movement in Germany**

Germany is the birth place of cooperative credit movement in the world. In the middle of 19<sup>th</sup> century the circumstances like-famine, poverty, exploitation and indebtness necessitated the introduction of a new cooperative idea in Germany. The most well-known personality Herr F.W. Raiffeisen and Herr Franz Schulze started to make experiments on cooperative basis to find the solution. In 1849 the first friendly shoe-makers society was established to provide raw-materials at low cost. In 1950, the first credit society was established. On an experiment, in 1856 they formulated some cooperative principles. The first cooperative law in 1867 made applicable to whole Germany in 1889. Raiffeisen who contributed a lot to the cooperative field, started Hedeferdorf Credit Union. In 1877, the General Union of Rural Cooperative Societies was setup which was known as Raiffeisen Union. Raiffeisen laid maximum attention to the moral aspects of working of the societies and the concept of Self-help, Mutual Help, Social equality, Non-profit motive and Joint responsibility. After Defeat in 1945, the country is divided into German Democratic Republic and the Federal Republic of Germany, the cooperative movement developed in four groups- Rural societies, urban societies, Housing societies and Consumer societies and governed by one cooperative Law.

In Germany, 5300 cooperative societies have 17 million members. Each out of four is member of cooperative and cooperative network is the largest economic organization in Germany.

### **2.1.3 Cooperative Movement in Ireland**

In Ireland, Horace Plunket, elected leader for parliament in 1892, started the cooperative movement in the field of business and forming with a slogan – better forming, better business and better living. He established Irish Agricultural Organization Societies (IAOS) in 1894. Plunket and his friends organized cooperative creamery in 1889 and other type of societies namely, Agricultural Manure Cooperative Stores and Credit societies. In 1921, the Ulster Agricultural Organization Societies, in 1927 Irish Agricultural Credit Corporation was setup. Recently cooperatives took three major forms – Cooperative Producing butter, Agricultural Societies and Cooperative credit societies. In 2008, there are 2.9 million members engaged with the cooperatives in Ireland.

---

---

#### **2.1.4 Cooperative Movement in Israel**

Cooperative Movement in Israel is a unique character. It was not just transforming in existing economy, but in creating the economy and the society from the beginning. The Jewish State was formed again on 15<sup>th</sup> May, 1948. Even before 70% of the agricultural output is from cooperative sector. The Marketing, Consumer, Credit, etc., cooperatives working in agricultural sector. The cooperatives also arranged to receive immigrants and settle them on agriculture. Israel has adopted the principle of the universal cooperative movement, and new forms of cooperatives was setup namely Kibbutz (collective village) Moshav Ovdim (working settlement) Moshav Shitufi (collective small-holders settlement) and Moshav olim (New immigrant's settlement).

#### **2.1.5 Cooperative Movement in Italy**

Middle of 19<sup>th</sup> century is the darkest period for Italy. On the line of Germany cooperative in Italy Lougi Luzzatti started first cooperative bank in 1866 at Milan with a capital of 70 lire and Dr. Leone Wolleunburg started rural cooperative banks in 1883, with 32 members. During last decade of 19<sup>th</sup> century large number of Catholic societies came in to existence. Due to politics and war after 1921 large number of societies liquidated. Again the cooperative movement reused and Act was passed in 1947.

#### **2.1.6 Coopertative Movement in France**

France has been the torch bearer in the field of producer cooperatives. France cooperative movement is essentially a worker movement. The cooperative movement started in the beginning of 19<sup>th</sup> century by Charles Fourier. The present form started after passing an Act in 1863. A new Act was also passed in 1867 to encourage these societies. Various workers societies are organized in France namely bakers, brewers printers, chemical producers, paper makers, shoe makers, carpentries, painters, cab-drivers, builders, etc., with the state help.

#### **2.1.7 Cooperative Movement in Sweden**

Sweden is an Agricultural based small country. But, after industrial revolution large scale industries started and industries took the supremacy. Gradually the employment shifted from agriculture to industry and hence, the district commodity

---

---

---

---

buying company i.e. cooperative enterprises established in 1850. The oldest cooperative society was commenced in 1867. In Sweden 75% of the households were the members of the consumer cooperatives and it is very strong force in Swedish economy. The Swedish cooperative union and wholesale societies known as K.F. (Cooperative Farbundet) was founded in 1899. KF started to supply goods to primary cooperatives in 1904, Insurance societies in 1914, Educational Centres in 1960. The Cooperative Dairy was established in 1970. The agricultural cooperatives grouped into 13 categories and are federated into Federation of Swedish Farmers Association (SL). In Sweden cooperatives expanded rapidly in first half of 20<sup>th</sup> century.

### **2.1.8 Cooperative Movement in Canada**

Canada is world's second largest country, has total area about 4 million sq. miles. The population is small and 1/6<sup>th</sup> of total land is suitable for Agriculture. 1/6<sup>th</sup> of population engaged in agriculture produces 1/3<sup>rd</sup> of total exported commodities. The Cooperatives helps the farmers, nearly 40% of rural population in marketing agricultural products and getting essential agricultural requirement. Canadian cooperative movement started in 1870, the coal miners started cooperative enterprise in 1861, the farmers' cooperative in 1877. In beginning of 1900 the marketing of agricultural products, transport, loading and export was in the hands of private companies and in 1900 farmers got the right to use the loading platforms. In 1906, they formed Grain Growers Association. In Canada, the cooperatives offer services as generation and distribution of electricity, medical assistance, housing, transport, telephone, seed cleaning, cold storage, etc.,

### **2.1.9 Cooperative Movement in Denmark**

Denmark is very small, having fertile soil and agriculture plays important role in economy. Denmark exports 50% of agricultural products. Since the land belongs to barons and cultivated by farmers, agriculture is not improved. Even after, tenancies converted into freeholds, due to small holding, poverty, lack of finance farmer not achieve up to the mark. The problem of credit was solved by Credit Associations under the supervision of Government in 1850 by a special law. The cooperative movement in Denmark started in 1886. The Danish cooperative movement is largely rural in nature and closely connected with agriculture. The first dairy cooperative established in 1882. In 1964 dairy Society Denmark was established which

---

---

---

---

coordinating production and marketing of whole cooperative dairy business. In 1895 cooperative egg export association was established.

#### **2.1.10 Cooperative Movement in Russia**

In Russia the cooperative movement was started in second half of the 19<sup>th</sup> century. Some of the cooperative stores and credit societies were commenced in 1864. Because of democratic principles of cooperatives, the Russian Government not supported the movement, instead suppressed till 1905. Till then some concessions are allowed and by 1914 the movement became stronger and progress till 1917 and it was seized. In 1918, Lenin declared that “The cooperatives are the only organization in capitalist system which is good. It must be preserved on its entirety at any cost”. (Website [www.co-opsocieties.russianhistoryencyclopedia.com/htm](http://www.co-opsocieties.russianhistoryencyclopedia.com/htm) 2004) The earliest form of cooperative movement in Russia is labour artels. The formers cooperatives established in last decade of the 19<sup>th</sup> century (1895). To fulfill financial need of farmers the credit societies set up, and in 1905 credit associations came in to existence with full support of the Government. The consumers societies started in second half of the 19<sup>th</sup> century and succeeded in stabilizing prices at the time of 1917 revolution, and there after used by the Government as an instrument to execute state policy by seizing democratic policy of cooperatives. In 1928 Government released the control, but in 1932 the private trade was completely abolished. The Government again tagged these stores for trading.

#### **2.1.11 Cooperative Movement in China**

The cooperative movement in China can be traced to the early 20<sup>th</sup> century. In 1912 Dr. Sun Yet Sen, the founder of Chinese Republic gave a lead to the cooperative movement. The Chinese cooperative movement can be divided in to seven parts. The first part 1912 to 1936, consists of development of credit cooperatives, establishment of cooperative savings banks (1919), Farmers cooperative societies. In 1931 and 1935 Act was passed to support cooperative movement. The second part 1937 to 1949, gives birth to consumers societies, Marketing societies, Agricultural societies and Industrial societies. The third part 1949 to 1955, set up a National Commission on cooperatives (1949) for promoting various types of cooperatives, mutual aid teams are very important among them. In the fourth part 1956 to 1959, the cooperative programme radically accelerated with a view to stimulate rural productivity through a

---

---

drive towards collectivization. In the fifth part 1960 to 1965, certain steps were taken to correct the dissatisfaction towards collectivization. The sixth part 1966 to 1976, moved towards more politicization in every aspect of life, and individual became subordinate to State, result in decline in productivity. The seventh part 1977 to 1987, after death of Mao (1976) started to decentralization of economic responsibility. The separation of political from economic organization started in 1979 and completed in 1985. In 1985 the State monopoly regarding purchase and supply of food grains ended and farmers were free to sell their excessive production in open market. After 1987, started to encourage more the cooperative movement.

### **2.1.12 Cooperative Movement in Japan**

In Japan quite a large population depended on agriculture, but cultivation area per house hold is small. In 14<sup>th</sup> century, the group of friends would contributed to a pool of savings, and used it as a loan fund. The members can barrow in time of need and pay back gradually by making deposits. This was called as 'kho' - a type of credit organization. The modern credit cooperatives was began in middle of 19<sup>th</sup> century. The first sericulture cooperative was established in 1878, consumer cooperatives in 1879. After Sino-Japanese war large scale industries established and in 1900 the Cooperative Law was passed, and named as Industrial Cooperative Law. This Law was used by Industrialists, Merchants, Fishermen and Consumer Cooperatives. Later, for merchants Commercial Cooperative Law, for industrialists Industrial Cooperative Law, for fishermen Fishing Cooperative Law was passed. The Form Act was passed in 1903, and cooperative union was established in 1905. In 1909 cooperatives increased enormously. In 1923 the Central Cooperative Bank was established. In 1931 National Marketing Federation was established. The Multi-purpose cooperatives started and their amalgamation also started in 1961. 12050 multi-purpose cooperatives at the end of March 1961 reduced to 3745 on 1<sup>st</sup> September, 1989 due to amalgamation. In 1943, for better control of cooperatives Government replaced the old Industrial and Commercial Laws by the new Law. The cooperatives are recognized as 'Control Cooperatives' and 'Facility Cooperatives'. Japanese women also contributed for the success of the Cooperatives. According to ICA, in 1993 there were 9688 cooperatives in Japan with the total membership of 5,75,27,085 which covers 45.9% of national population.

---

---

### **2.1.13 Cooperative Movement in U S A**

In USA cooperative movement is quite ancient, started by first settlers by mutual exchange of work for construction of bridges, drainages, clearing forest, harvesting crops etc., The first cooperatives are called 'bees'. Legally the modern cooperative movement started in 1865. By 1867, there were more than 400 dairy cooperatives in USA. The Marketing Cooperative Associations in USA attained considerable success, because they dealt with single commodity and tackled marketing problems in an efficient manner. The Purchase Associations, Rural Service Cooperatives, Agricultural Credit cooperatives are the other types of cooperatives in USA. In urban areas, the cooperatives has not made much success except by consumer cooperatives. The service cooperatives in urban area includes Housing Cooperatives, Insurance Societies, Cooperative Restaurants, Boarding Houses etc., The first Credit Union Act was passed in 1909 and the first Credit Union organized in 1910. The important features of USA cooperatives are formers movement achieved considerable success in rural areas, the colleges and universities promoted the development of movement and movement is fully supported by Government. The ICA records provides there are 27599 cooperatives with 15,06,92,000 members in 1995.

### **2.2 Cooperative Movement in India**

The cooperative movement in India has been passed through several stages. Scholars have noted that cooperatives in India have begun with the passing of the Cooperative Societies Act of 1904. In India the cooperative movement has completed 113 years, since its inception Frederick Nicholson has documented that the idea starting cooperative societies in India was motivated by the factor of combating rural poverty and indebtedness. The Madras Government gave a serious thought to the possibilities of starting a system of land banks in that state. The Famine Commission (1898) strongly advocated the idea of cooperation for Indian agriculturist. Lord Curzon examined this report and constituted a committee in 1901 under the chairmanship of Edward Law. The committee explored the possibilities of launching an organized cooperative movement in India and submitted meaningful recommendations. Hence, the first Cooperative Credit Societies Act, 1904 was enacted in India for the first time. The salient features of the Act are as follows:



- 
- 
- ❖ Any association of ten persons who were competent to enter into a contract could apply for registration and themselves into a cooperative society for the purpose of providing credit.
  - ❖ Credit societies were distinguished as rural and urban according as at least 4/5ths of the members were agriculturists or non-agriculturists.
  - ❖ In case of rural societies liability was unlimited, while option was given in case of urban societies.
  - ❖ In a rural society all profits were to be carried to a reserve fund and in case of urban only 1/4th of the profits were to be carried to it.
  - ❖ No member could hold more than 1/5th of the shares and to a maximum limit of Rs. 100 per share only.
  - ❖ Registrars were to be appointed in all the Provinces to exercise supervision over the organization and also to exercise overall control over the movement.
  - ❖ Every society was to be compulsory audited.

The government offered certain reasonable concessions such as exemption from income tax, stamp duty and registration fee in order to promote the cooperatives. Besides this, the government also granted loans to cooperative societies free of interest for a certain period. During this phase, cooperatives were established all over the country as a means of economic support to agriculture and rural development.

The Second phase of cooperative movement (1912-1929) witnessed rapid growth in the number of cooperatives in the country. The Act was not broad based enough to cover all dimensions of cooperative management in the country. It did not facilitate legal sanction and capital mobilization in a systematic way. The second Cooperative Societies Act was passed in 1912 in order to provide legal recognition to producers and distributive societies such as cooperative unions, central banks and provincial banks. The government also abolished the distinction between rural and urban cooperative societies and in its place added unlimited and limited liability classification. The societies having majority of members as cultivators were to be of unlimited liability while the central societies were required to adopt limited liability.

The new Act provided an impetus to the cooperative movement in the country and new types of societies came into existence in different sectors of economic main stream. The government also appointed Maclagan Committee in 1914 in order to promote the cooperative movement in the right direction. The committee made for

---

---

---

---

reaching proposals for the development of the cooperative movement including systematic audit, setting up of provincial banks, emphasis on teaching and steady progress of the cooperative movement. Under the Reform Act of 1919, cooperation became a provincial subject and various states passed independent Cooperative Acts in order to suit their environment and convenience. The Cooperative Societies Act of Bombay (1925), Madras (1932) and Orissa (1935) were passed with suitable changes and modification. These new initiatives paved the way for healthy and competitive cooperatives all over the country.

The Third phase of the cooperative movement in India occurred during 1929-1933. The Great Depression caused a setback to cooperative movement in the country. There was unexpected slump in agricultural prices and farmers experienced decline in the agricultural income. Consequently, the number of credit societies considerably decreased from 89 thousands in 1930 to 84 thousands in 1935, writes Madan (2007).

The Fourth phase of the cooperative movement occurred during 1934-1946 in the country after the Great Depression. Several provincial governments appointed committees before independence in order to look into the re-construction of cooperative movement in the country. During this period, the policy makers and officials concentrated on consolidation, rectification and rejuvenation of the cooperative movement in the country. There was rise in the prices of agricultural commodities and farmers were enabled to repay their loans regularly. The deposits also increased and there was considerable demand for financial assistance. The introduction of economic controls and rationing of food grains and other necessities gave impetus to the growth of non-credit forms of societies particularly consumer stores, marketing and industrial societies. The government also constituted Cooperative Reconstruction Committee in 1945 in order to strengthen the roots of cooperative movement in the country. The committee made the following recommendations:

- The State should end laissez-faire policy and should enlarge its functions in spheres like education, agriculture, industries etc.
- The distribution of improved agricultural implements, seeds, rationed goods etc., should be made through the cooperative societies.

- 
- 
- The credit cover only one aspect of the agriculturist's life and all village credit societies should be converted into multipurpose ones to cover all aspects and they should be properly coordinated with marketing societies.
  - 50% of the villages and 30% of the rural population should be brought into the cooperative fold within a period of ten years and there should be at least 50 members in a society to have adequate business.
  - All important types non-credit societies, such as fruit growing, consolidation of holdings, cooperative farming, industrial labour etc., with proper central organizations where ever necessary should be encouraged and 50% of the cost of management should be borne by Government during first five years.

The partition of the country caused serious setback to the cooperative movement especially in three provinces such as West Bengal, East Punjab and Assam where many members left the societies without paying their dues. The total number of cooperative societies also fell since some of the territories became part of Pakistan.

The Fifth phase of cooperative movement took place during 1947-1954. Mahatma Gandhi was a champion of cooperative movement. He called upon the national leaders to facilitate the development of cooperatives in the country as effective instrument of decentralized and localized economic development. His works inspired the policy makers to strengthen the foundation of cooperative movement in the country on the basis of sound principles and practices. The independent Indian government gave a serious thought to the advancement of cooperative movement in the country several types of cooperative societies and non-credit societies were encouraged by the government in the post-independence era.

The Sixth phase of cooperative movement in the country took place during 1954-1961. The Reserve Bank of India appointed a Committee of Direction in 1951 in order to carry out All India Rural Credit Survey. The committee submitted the report in 1954 and identified certain drawbacks to cooperative movement in India. Prominent among them were absence of no organic connection between credit, marketing and processing, prevalence of urban derived competition against cooperatives and weak rural based structure of the cooperatives. The committee also made certain recommendations to improve the state of affairs including state partnership, cooperative training and allocation of funds and so on. These recommendations were implemented by the central government during the second five year plan.

---

---

The government also constituted a committee on Cooperative law in 1956 under the chairmanship of T.S. Raja. The committee framed the model Cooperative Societies Bill, Rules and Bye-laws for various types of societies and strongly advocated that all the State Governments should adopt the model act in letter and spirit. The Planning Commission of India sent a delegation to China to study the cooperative movement including agrarian cooperatives. The committee submitted its reports in 1957 and laid emphasis on the formation of joint cooperative farming societies on a voluntary basis. The National Development Council reviewed the role of cooperative movement in 1958 and explored the possibilities of rebuilding rural economy on the basis of intensification of agricultural production, mobilization of financial resources and development of human resources. The Working Group on Cooperative Policy (1958) also recommended that village community should be the primary unit of development and fixed a target of 20 million members for service cooperatives at the end of second five year plan. The government also appointed a Committee on Cooperative Credit under the Chairmanship of V.L. Mehta which recommended increased credit for farmers and artisans across the country. The committee also suggested that liberalized credit facilities should be utilized for increasing agricultural production. The Government of India also set up a Study Team on Cooperative Training under the chairmanship of S.D. Misra which recommended that National Cooperative Union of India should be entrusted with the task of providing cooperative education and training in the country.

The Seventh phase of cooperative movement in India took place after 1961. The Government of India constituted a separate Ministry of Agriculture and a new department of cooperation was created under this Ministry. The National Cooperative Development Corporation came into existence in 1962 with a view to facilitate organized growth and development of cooperative movement in the country. The Agricultural Refinance Corporation was established in 1963 and it was renamed as Agricultural Refinance and Development Corporation in 1975. Special provisions were created for the expansion of primary cooperative societies, marketing societies, construction of godowns, and commencement of processing factories, organization of cooperative farming societies and establishment of non-credit societies in the country. The government also constituted several committees on cooperation subsequently namely Committee on Taccavi Loans and Cooperative Credit (1962), Committee on Cooperative Administration (1963), Committee on Cooperation (1964), Committee on

---

---

Cooperative Marketing (1964), All India Rural Credit Review Committee (1964) and so on. These committees extensively examined the systematic advancement of cooperative movement in the country. The Farmer's Service Cooperatives were established on the basis of the recommendation of National Commission on Agriculture (1970). The government also constituted another committee under the chairmanship of T.A. Pai to suggest appropriate institutional structure for expansion of cooperatives in the rural areas. The Fifth Five Year Plan contained several progressive measures for the advancement of cooperative sector in the country.

The 20 point economic programme emphasized the liquidation of rural indebtedness and created provision for institutional credit to farmers and artisans in the rural areas. The regional rural banks were established to cater to the credit needs of the people in the rural areas including marginal farmers, agricultural labourers, artisans and other weaker sections of the society. The institutional credit for agriculture and rural development was examined by the Sivaraman Commission (1979) which recommended the expansion of cooperative institutions, commercial banks, regional banks and other organizations.

The Sixth Five Year Plan (1980-85) pointed out that cooperatives have embraced a large amount of activities to serve the interest of the producers and consumers. There were 1.16 lakh Primary Agricultural Societies in the country with a membership of 5.18 crores. The cooperatives covered almost all the villages in the country and their working capital exceeded Rs.3000 crores. The decade of 1980s witnessed commendable expansion of cooperative sector in the country. A four tier system comprising the National Federation, State Federation, central society at the district and the primary societies at the base levels operated in the country. The government launched programme of reorganization of cooperative societies in the country.

The Seventh Five Year Plan (1985-90) witnessed all round progress in the field of credit by cooperatives. The emphasis in the Seventh Plan was laid on the development of primary agricultural credit society as multiple viable units. The Agricultural Credit Review Committee (1986) was constituted under the Chairmanship of A.M. Khusro which reviewed the rural financial system thoroughly and recommended that cooperative structure should be changed structurally and operationally.

---

---

The Eighth Five Year Plan (1992-97) has noted that cooperatives are expected to play a major role in the distribution of inputs and services to the farmers on the one hand and in assisting marketing and processing of agricultural produce on the other. The development of cooperatives has been envisaged as a significant strategy to empower the women and weaker section in the country. The government has resolved to enhance the capabilities of cooperatives and build cooperative movement on the basis of sound principles and practices. The central government also constituted another Committee on Organization of Cooperatives for Rural Poor (1990) under the Chairmanship of S.R. Sankam which noted that a bulk of the rural poor still depended on private money lenders for meeting their needs. It suggested that cooperatives should evolved a simple system of providing credit to the poor people basing on the repaying capacity.

The Kisan Credit Card was introduced in 1998-1999. The National Agricultural Policy (2000) primarily dealt with the role of cooperatives in the Ninth Five Year Plan (1997-2002). The Ninth Five Year Plan envisaged a growth of 4.5 percent per annum in the agricultural sector. The Tenth Five Year Plan (2002-2007) targeted healthy and competitive growth of agricultural sector. The cooperatives have grown up to the emerging challenges of the market oriented economy in the age of globalization. Greater emphasis has been laid on agro-processing units and increased value of agricultural commodities in the country. The National Policy on Cooperatives has underlined the all round development of cooperatives in the country.

The Multi State Cooperative Societies Act (2002) was enacted with a view to facilitate the organized development of cooperatives in general and empower the women and weaker sections in particular. The cooperatives have assumed an important role in the new millennium despite certain policy oriented and operations oriented constraints. However, the benefits of cooperative development programmes and projects have not percolated to large sections of the rural population including the women and weaker sections. There is a need for self-sustaining growth of cooperative management since cooperatives have assumed an important role in the socio-economic development of the rural areas. Scholars and specialists have suggested that meaningful initiatives are required to stream line the functioning of the cooperatives in the country. "The strategy of cooperative development in the country in the 21st century will have to aim at reaching out to those sections of society which have been by passed in the process of development" suggests Madan (2007).

**Table 2.1 Growth of General Cooperative Societies in India**

<b>Year</b>	<b>No. of Societies</b>	<b>Membership In '000s</b>	<b>Share Capital</b>	<b>Working Capital</b>
1993-94	91,592	88,989	1,90,222	15,57,889
1994-95	91,110	90,621	1,99,779	18,05,198
1995-96	92,327	90,472	2,10,421	20,19,119
1996-97	91,588	80,258	2,26,506	22,77,367
1997-98	92,838	80,205	2,50,357	24,19,700
1998-99	95,156	89,568	2,80,594	31,76,544
1999-00	1,01,546	1,08,627	3,63,324	42,71,013
2000-01	98,843	99,918	3,88,352	63,86,747
2001-02	98,247	1,02,141	4,38,953	51,90,470
2002-03	1,12,309	1,23,552	4,95,339	61,14,243
2003-04	1,05,735	1,35,411	5,16,642	62,04,685
2004-05	1,08,779	1,27,406	5,27,136	75,40,741
2005-06	1,06,384	1,25,197	5,64,425	73,38,667
2006-07	97,224	1,25,792	6,13,841	79,95,869
2007-08	94,950	1,31,530	6,59,665	88,10,685
2008-09	95,633	1,32,350	7,00,732	94,58,488
2009-10	94,647	1,26,419	7,14,842	1,35,19,512
2010-11	93,413	1,21,225	7,55,117	1,44,22,190
2011-12	92,432	1,13,596	8,28,014	1,60,50,800
<b>CGR</b>	<b>0.23</b>	<b>2.65</b>	<b>9.03</b>	<b>13.45</b>
<b>Average</b>	<b>97,618.58</b>	<b>1,10,172.47</b>	<b>4,69,697.95</b>	<b>66,61,048.79</b>
<b>SD</b>	<b>6398.77</b>	<b>19057.13</b>	<b>207552.34</b>	<b>4345345.70</b>

Source: www.nafscob.org (1993-2012)

Note: CGR –Compound Growth Rate, AVG -Average, SD-SD .

Table 2.1 indicates the performance of general cooperative societies in India relating to empowerment for the years between 1993-94 and 2011-12. The Compound Growth Rate for the general cooperatives was 0.23. Average and Standard Deviation values were 97,618.58 and 6,398.77 respectively.

The Compound Growth Rate for membership was 2.65. Average and SD values were 1, 10,172.47 and 19,057.13. The Share Capital Compound Growth Rate was 9.03. Average and SD values were 4, 69,697.95 and 2, 07,552.34 in that particular period of time. The Compound Growth Rate for working capital was 13.42.

Average and SD values were 66, 61,048.79 and 43, 45,345.70 respectively over a study period.

**Table 2.2 Growth of Women Cooperative Societies in India**

<b>Year</b>	<b>No. of Societies</b>	<b>Membership in '00s</b>	<b>Share Capital in '000s</b>	<b>Working Capital in '000s</b>
1993-94	3,926	5,785	1,11,886	16,31,159
1994-95	5,089	6,804	1,34,146	19,28,844
1995-96	8,171	6,927	1,79,300	14,08,100
1996-97	8,443	7,953	1,91,765	17,24,745
1997-98	8,714	8,978	2,04,230	20,41,390
1998-99	8,006	8,286	1,63,100	11,67,900
1999-00	8,393	8,423	1,60,419	11,60,386
2000-01	11,374	9,997	2,89,600	13,57,230
2001-02	12,150	9,962	2,99,520	10,83,810
2002-03	12,520	10,195	2,99,960	13,98,600
2003-04	12,421	12,573	2,20,601	12,72,000
2004-05	12,493	12,516	2,24,563	12,16,341
2005-06	12,508	12,526	2,29,600	12,17,229
2006-07	12,469	11,630	2,29,840	12,19,658
<b>CGR</b>	<b>7.95</b>	<b>5.81</b>	<b>5.09</b>	<b>-3.08</b>
<b>Average</b>	<b>9,762.64</b>	<b>9,468.21</b>	<b>2,09,895.00</b>	<b>14,16,242.00</b>
<b>SD</b>	<b>2929.00</b>	<b>2255.79</b>	<b>58763.71</b>	<b>300699.00</b>

**Source:** NABARD (1993-2007), Cooperative Movement in India National Bank For Agriculture and Rural Development, Mumbai, NCUI (2000-2007) Cooperative Movement in India–A Profile, NCUI, New Delhi and the Registrar of Co-operatives (2006-2007), Cooperative Movement at a Glance in Karnataka, Office of the Registrar Cooperative Societies, Bangalore.

Table 2.2 Examines the growth rate for women cooperatives in India. The Compound Growth Rate was found to be 7.95. Average and SD values were 9,762.64 and 2,929.00. The membership Compound Growth Rate was found to be 5.81. Average and SD values were 9,468.21 and 2,255.79 respectively.

Coming to the Share Capital, the Compound Growth Rate was found to be 5.09 Average and SD values were 2,09,895.00 and 58,763.71. For the total working capital the Compound Growth Rate was -3.08. Average and SD values were 14,16,242.00 and 3,00,699.00 respectively.

On the basis of the results obtained, the percent of women cooperative societies to general cooperative societies were calculated for No. of societies, membership, share capital, and working capital are respectively, 10.00, 8.59, 44.69,



---

---

21.26 percent. The result indicates that there is better representation for women in share capital and working capital in India. The No. of societies and membership of women have also grown over a period of time in India.

### **2.3 Conclusion**

Cooperative society has been playing an important role in providing finance to rural and urban development. These have expanded their activities and scope of their activities. There has been substantial increase in their size over the years. With the above mentioned theoretical frame work a comparative study of this society enables to understand the areas of their strength and weakness so that areas of strength can be used as benchmark performance for other cooperative societies and suitable suggestion can be offered to overcome their weakness.

\* \* \*

## **CHAPTER – III**

---

---

## **CHAPTER - III**

### **A CONCEPTUAL FRAMEWORK**

This Study is mainly focused on Primary Credit Cooperative Societies and Souharda Credit Cooperative Societies. Hence, history and development of Cooperative Act and Souharda Cooperative Act and other relevant issues are presented as below.

#### **3.1 History and Development of Primary Cooperative Societies in Karnataka**

The Karnataka State is the 7<sup>th</sup> largest state in the Republic of India in terms of geographical area 1,91,791 sq. kms. The state is situated in South West India and accounts for 6.3 percent of geographical area and 5.05 percent of the population in the country. The state is bounded by Maharashtra and Goa states in the north and northwest, by the Arabian Sea in the west, Kerala and Tamilnadu in the south and Andhra Pradesh in the east. The State is confined roughly within 11°.5' and 18°.5' North latitudes and 74° and 78°.5 East longitudes, situated on a table land, where the Western and Eastern Ghat ranges converge in the Nilgiri hill complex.

Karnataka State has various types of variations in topography - high mountains, plateaus, residual hills and coastal plains. It is enclosed by chain of mountains to its west and north. It consist mainly the plateau which has higher elevation of 600 to 900 meters above mean sea level. The entire landscape is undulating, broken up by mountains and deep ravines. Plain land of elevation less than 300 meters above mean sea level is found only in the narrow coastal belt facing the Arabian Sea.

Karnataka State extends to about 750 km. from north to south and about 400 km. from east to west. It covers an area of about 1,91,791 sq. km. Karnataka is one of the 30 states in India, emerging as an industrial super power of the country. The state has 30 districts and 220 taluks. There are 20 sea ports including Mangalore Port and Karwar Ports. Karnataka has four revenue divisions namely Gulbarga, Dharwad, Bangalore and Mysore. Karnataka also has four functional airports at Bangalore, Mangalore, Belgaum and Hubli. The International Airports was commissioned in 2008 at Bangalore. The railway network in the state covers a total length of 3,172 kms. The major cities like Bangalore, Mysore, Hubli-Dharwad, Belgaum, Gulbarga and Mangalore are well linked by rail to other parts of the country.

---

---

### **3.1.1 Physical Features**

The State has wide variation in climate, soil and topography. The soils vary from vast stretches of deep black soils to shallow red soils. Forests cover about 20% of the geographical area. There are Coastal Region, Northern Plateau Region, Central plateau and Southern Plateau Region. The State of Karnataka enjoys 3 main types of climate and the tropical climate covers the entire coastal belt and the adjoining areas. The coastal region receives excessive rainfall during June to September every year. The winter season exists during December to February while the summer season exists during March to May. The state also receives about 70% of normal annual rainfall during the south-west monsoon and north-east monsoon.

### **3.1.2 Demographic Features**

The State has the population of 6,11,30,704 according to Census, 2011. The rural population 3,75,52,529 constitutes 61.43% and urban population 2,35,78,175 constitutes 38.57%. The male population constitutes 50.90% while the female population constitutes 49.10%. The overall population growth of Karnataka has shown a decline compared with that of the previous decade. The State's population rose 15.7% in the past decade compared with the 17.5% increase in 1991-2001. The growth is also slower than the national increase of 17.6% in the last decade. Density of population in the state has at 319 persons per sq km. The state has about 25% of people who live below poverty line. The urban poor constitute about 25.25% while the rural poor constitute about 17.38%. The agriculturists and agricultural labourers together accounted for 67.7% of the main workers in the state about 55% of the work force is associated with the agriculture sector while the remaining the work force is associated with industry, business and other unorganized sector.

### **3.1.3 Development Indicators**

The infrastructure development index of the state was 106.12 as against 100 at all India level as per the estimates of CMIE (Centre for Monitoring Indian Economy),2000. The state has registered an impressive economic growth during 2001-10. The annual growth rate of GSDP for the state was at 8% as compared to 9% at all India level during the present decade. The sector wise shares in the income of the state stood at 20.9% for primary, 23% for secondary and 56.1% for tertiary sectors. The developmental expenditure stood at 63% while the non development to

---

---

the expenditure stood at 37% in the present decade. However, expenditure on agriculture and allied services formed 11% of the total development expenditure.

The State has a total road length of 2,09,014 km, which works out to 108.98 km of road length per 100 sq. km. About 70 percent of villages are connected with all weather roads and the rest are connected by fair weather, kutcha and non-motorable roads. The agriculture sector consists of about 55% of net containing area followed by 16% forest, and 29% of the land consisted of non agricultural, uncultivated and barren land. The small and marginal holdings accounted for 72.9% in the state and a large proportion of fanners in the state were small scale cultivators. The state also witnessed decline in the size of land holding mainly due to division of families, fragmentation of holdings and migration of cultivators to urban areas. The state has about 43.95% of irrigation resources. The major sources of irrigation were canals (33.7%), wells (15.1%), bore wells (31.3%), tanks (6.3%) and other sources (13.6%).

Food grain production in the State was estimated to be 97.90 lakh tones while production of oil seeds was estimated to be 13.49 lakh tones during 2006-07. Animal husbandry played an important complementary role in the rural economy. The state also achieved commendable progress in the field of dairying due to implementation of cross breeding programmed, disease diagnosis and control, adoption of new technology, improvement of infrastructural facilities and other developments. Small farmers and landless labourers accounted for about 53% of the animal husbandry and 51% of milk production in the country. The extent of awareness of modern aspects of forming, crop insurance, membership of registered farmer's organization and membership of Self Help Groups consistently grew in the state during the present decade.

The state as maintained about 18% of share of industrial sector and the average annual growth of industrial production stood at 6.39% during 2004-05. The growth of IT sector has been phenomenal. The state leads the IT revolution with software exports of over US\$ 1.6 billion. About 110 new IT companies were established in the state with an investment of Rs.2,000 crores during 2004-05. About 131 biotech companies have also invested about Rs.1,000 crores in the state during this period. About 12,780 small scale industries were also established in the state with Rs.433.47crores of investment.

---

---

The State has also registered satisfactory progress with respect to the indicators of health and quality of life as compared to all India levels. The birth rate (20.6%) and death rate (7.1%) were also lower as compared to the all India level. The infant mortality rate was also lower at 50 per 1,000 while life expectancy at birth was 62.8 years for males and 66.2 years for females. The literacy rate is (66.6%) in 2001 and the state occupied 8<sup>th</sup> rank in the country in this regard. Gross enrolment rate at the primary school level was (98.06%) for boys and (97.98%) for girls. The State has also implemented Vidya Vikasa, free uniforms and textbooks and mid-day meal programme in order to enhance the educational status of children.

### **3.1.4 Development of Cooperatives in Karnataka State**

The cooperatives have existed for more than 100 years in the country. There has been vertical and horizontal expansion of cooperatives in the country since then. The British Government enacted the Cooperative Credit Societies Act, 1904 in the country with a view to safeguard the interest of peasants and artisans from the exploitative tendencies of the traders who took things for granted. This Act facilitated the establishment and development of cooperatives in the country. According to the latest statistics, there are 175 million members, 3,53,000 cooperatives of various types, share capital of Rs.7,000 crore and working capital of Rs. 19,000 crore in India. The cooperative movement has covered almost all villages in the country by 95,200 primary agricultural cooperatives with about 67% of active involvement of rural households.

Karnataka State is in the forefront of cooperative movement in India. Krishnaraja Wodeyar-IV was highly instrumental in heralding a cooperative movement in the State. The State of Mysore formulated Mysore Cooperative Control Act in 1905 which was more progressive than the national Act. This Act facilitated the establishment of cooperatives in urban and rural areas. The cooperative movement in Mysore State began with the patronage of the government and gained strength over a period of time through active participation of people.

In North Karnataka, Siddanagowda Sannaramanagowda Patil established the first cooperative credit society in Kanaginahal, near Dharwad which was registered by the then Registrar of Bombay Province Robert Mack Nail. In Mysore region, the first cooperative society was established in Bangalore in the year 1905. The first urban cooperative bank was also established in 1907 in Bangalore under the banner of

---

---

Bangalore Central Cooperative Bank. The Mysore State Cooperative Bank was established in 1908 in Bangalore. In 1915, the first marketing cooperative society was established in Hubli. Subsequently, the first primary land development bank was established in Dharwad in the year 1929.

The early cooperative laws were made by the rulers to facilitate the growth and development of people-friendly and value-friendly cooperatives in the country. Prominent among them include-Cooperative Societies Act (1904), Cooperative Registration Act (1912), Constitutional Amendment (1919) and Cooperative Act (1959). These acts were also amended from time to time in order to improve the working conditions, operations management, credit services and allied nation building activities. The registration of cooperatives was mandatory and that cooperatives had to function in accordance with the well defined norms and guidelines of the government.

During 1920-30 the cooperative movement was strengthened in the Bombay-Karnataka province. Several conferences were held to take stock of the situation and improve the working conditions of cooperatives in the region. The decade of 1920s witnessed the establishment of several housing cooperative societies and urban cooperative banks. The World War - I brought about series of economic constraints such as shortage of food grains, black marketing of essential commodities, trade monopoly and so on. The people in general suffered seriously due to non-availability of food and civil supplies in the State. The State of Mysore established regulated markets, fair price depots and other agencies with a view to facilitate smooth distribution of food and civil supplies to the people.

In 1930s the Primary Land Development Banks (PLDBs) were established in the state of Mysore with a view to facilitate the growth and development of agriculture and cottage industrial sectors. There were about 3000 cooperative banks in the State of Mysore with a capital of Rs.3.60 crores. Several multi-purpose cooperatives were also established in the State during 1949-51 to facilitate the promotion of the economy of the State. The rulers of Mysore State and Dewans Sir.M.Vishweshwariah and Sir.Mirza Ismail were mainly responsible for the evolution of cooperative movement in Karnataka State. After independence, the government took active part in the cooperative movement by providing financial support, marketing assistance, benefit of auditing and allied supportive services.

---

---

The Primary Land Development Banks also played a major role in providing credit services, fertilizers, seeds, agricultural implements and allied facilities for the progress of the farmers in the State. Two cooperative commissions were established under the Chairmanship of Samal Das (1920) and Chandrasekhar Iyer (1935) to examine the issues concerning the growth and development of cooperative movement in the State. The Apex Bank, District Central Cooperative Banks and Block Level Primary Land Development Banks were also established on the basis of the recommendations of these commissions with a view to liberate the farmers and rural artisans from the draconian clutches of the money lenders. Since then, the Apex Bank is playing a major role in providing credit support through district level and blocks level cooperatives to the farmers, artisans and other weaker sections of the society to construct houses, develop agriculture, activate cottage industry and promote rural development.

The State Government has implemented the progressive directions and measures of the Government of India even though cooperation is the state subject from the point of view of governance. The Five Year Plans also provided adequate budgetary provisions for the development of cooperative sector in Karnataka and elsewhere. The recommendations of Gorwala committee were also implemented by the State Government. Reorganization of cooperatives, implementation of development programmes, promotion of agriculture and cottage industries, marketing of agricultural products, investment in infrastructure development and other progressive measures were implemented in the State of Mysore.

The Conference of Ministers of Cooperatives (1955) resolved to adopt certain progressive measures and promote cooperatives as effective instruments of social justice, economic equity, and collective welfare and decentralized development in the country. The Mysore States wholeheartedly implemented the progressive measures and prepared grounds for sound and stable cooperative movement in the state. About 400 credit societies, 300 agricultural marketing agencies and 81 marketing cooperative societies were reorganized and reconstructed by the state government. Expansion of cooperatives in rural areas and implementation of socio-economic programmes at the grassroots level were undertaken on a priority basis in the state.

The National Development Council (1958) adopted a new policy on cooperatives and facilitated the creation of umpteen numbers of cooperatives all over the country. It was decided to establish a cooperative in every village with a

---

---



---

---

population of 1000 and provide financial assistance to the farmers and artisans to undertake self-employment and income generating activities. The Mysore State also adopted these recommendations and enriched the process of cooperative management. The State Government provided share capital, subsidy and other facilities to the cooperatives in order to improve their financial status and working conditions. In 1961, the number of Primary Land Development Banks and Cooperatives increased to 118. The recommendations of Nateshan Committee (1961) and Dantewala Committee (1964) provided new dimension to the management of cooperatives in the country. The Five Year Plan also paved the way for greater development of cooperatives all over the country. The subsequent Five Year Plans also earmarked sizeable funds for the development of cooperative sector in the country. The cooperatives contributed significantly toward achieving the goal of green revolution in the country. Expansion of irrigation, electrification, infrastructural facilities, and adoption of agricultural technologies, availability of loan and subsidy and other progressive measures were supported by the cooperatives. About 8474 primary land development banks were established in Karnataka by the year 1972. About 46 crores of rupees were invested on cooperative credit management activities. Small farmers and artisans were the major beneficiaries of the cooperative movement in Mysore State. The nationalized banks also played a supportive role in the processes of agriculture development and promotion of small scale and cottage industries.

The decade of 1970s is known as the period of organized development of cooperatives in the State. By 1972, there were 650 milk producers cooperatives, 848 food grains cooperatives, 59 lift irrigation cooperatives, 125 fishermen's cooperatives, 144 labour contract cooperatives, 38 forest workers contract cooperatives, 29 transport cooperatives, 25 women's cooperatives in the state. The government also provided necessary infrastructural facilities, manpower, funds and provisions for the improvement of cooperative education and training in the state in accordance with the guidelines of Five Year Plan - V. A confederation of cooperatives was established in the state. The office-bearers, members, officials and other activists of cooperative movement were also given training facilities about the art and crafts of cooperative management.

The Government of India enacted a Mutely-State Cooperative Act, 1992 which is applicable to whole of India with a view to ensure meaningful governmental interaction, effective management of cooperatives and empower the women and

---

---

---

---

weaker sections of the society. Kurien, Dharia and L.C. Jain are regarded in the country as the trio of cooperative movement in the post-independence era. A separate Cooperative Initiative Panel was constituted by the government in order to facilitate the progress of cooperative movement in the era of economic liberalization. The Central Government also brought about several amendments to the existing Multi-State Cooperative Act, 1992 with a view to enlist active participation of various stakeholders in the process of cooperative movement in the country. The amalgamation of cooperatives was brought about by the Government of Karnataka and the number of cooperatives in the allied sector rose to 7703 in the year 1998.

The Government of Karnataka established a separate department to manage the affairs of cooperatives. The Registrar of Cooperatives is the bureaucratic head of the department who controls and guides the activities throughout the State. Each revenue division has a Joint Registrar who supervises the cooperative activities in the revenue division concerned. There are Deputy Registrars, Assistant Registrars, Cooperative Development Officers and Cooperative Extension Officers who work on day to day basis in accordance with the norms and guidelines of the Cooperation Department. There were three tier cooperative systems in Karnataka State namely, Primary Land Development Banks at the grassroots level, District Central Cooperative Banks at the district level and State Cooperative Bank at the state level. By 1998, about 4362 primary cooperatives, 19 district cooperatives and one central cooperative bank functioned actively in the state. Each cooperative society served about 6 villages in the rural areas and catered to the financial needs of the farmers, artisans and other weaker sections of the society. The Karnataka State Cooperative Agriculture and Rural Development Bank controlled and supervised the activities of about 177 cooperative societies at the grassroots level.

The share capital of cooperatives rose to 12.331 lakh in the state which comprised share capital, statutory reception and other reception. The own share capital of primary cooperatives rose to 34965 lakhs during 1997-98. The DCCBs were able to mobilize Rs.28763 lakh as the own share capital. The deposit mobilization also displayed considerable progress in respect of KSCB (100581 lakh), DCCBs (220212 lakh) and PACs (24568 lakh) in the state. The disbursement of loan also displayed considerable progress in respect of KSCB (50653 lakh), DCCBs (63054 lakh) and PACs (63341 lakh) in the state. The saving position also displayed

---

---

satisfactory progress in respect of KSCB (71759 lakh), DCCBs (84558 lakh) and PACs (12281 lakh) in the state.

There has been a spectacular expansion of cooperatives in the state during 1905-2005 in terms of number of societies, membership, share capital and working capital. The quantitative expansion of cooperative movement was brought about mainly due to the state patronage. According to Khusro Committee (1989), "The state has gained considerable financial stake in the higher level organizations through participation in the equity and in many other ways, hi turn, this has been made use of as an alibi for gaining control over the cooperatives. Irrespective of the political persuasions of the party in power, in the last two decades it has been a story of collective super sessions of co-operatives at all levels and in place of democratically, elected management, government officials, or non-officials nominated by the government are manning them".

The cooperatives have diversified their activities over the years in the state. At present, there are various types of cooperatives which function both in urban and rural areas. However, credit societies still dominate the cooperative scenario. During 1994-95, there were 4,350 Primary Agricultural Credit Societies, 7,081 Milk Consumers Societies and Unions, 1,768 Consumers Cooperatives, 1,734 Employees Credit Societies, 1,643 Housing Cooperatives, 1,401 Industrial Cooperatives in the State of Karnataka. Besides, there are cooperatives belonging to the areas of marketing (184), sugar factories (26), processing (41), farming (256), irrigation (628), live stock (74), forest labour (50), transport (29), women (660), students (310) and electricity (11). There are other types of cooperatives also like, industrial estates, spinning mills, non-credit, special commodity marketing etc. which are functioning in the state.

There is consistent growth in terms of cooperative societies, membership, share capital and working capital in Karnataka State since inception. The cooperatives have grown enormously in the State and provided constructive credit support to various developmental endeavors. The beneficiaries of these credit services primarily included the marginalized sections of the society in rural and urban areas.

There are considerable numbers of cooperatives in Karnataka State which have given credit services to large number of marginalized sections of the society. More than 2 crore people have enrolled themselves as the members of various cooperative societies. The working capital exceeds 27,000 crores which indicate the stable and sound financial status of the cooperatives. The deposit mobilization and

---

---

---

---

profit accrued by the societies are also commendable statistically and otherwise. There are few societies which are running under loss conditions mainly due to lack of enlightened leadership and committed members.

The women cooperatives have also grown over a period of time in Karnataka State. These cooperatives have facilitated the empowerment of women by providing credit services, self-employment opportunities, and income generating opportunities and so on. These societies have also enabled the women office bearers and members to gain leadership qualities and achieve better social status.

The women cooperatives have come into existence in large number in Karnataka State. There are a considerable number of women cooperative leaders, office bearers and functionaries who are playing a major role in the process of empowerment of women in Karnataka State. The members are also receiving credit support, skill development, professional training and leadership opportunities which have enhanced the status of women in the state socially, economically and politically.

There is Karnataka State Cooperative Apex Bank (KSCAB) 21 District Central Cooperative Banks (DCCBs) and 4400 Primary Agricultural Cooperative Societies (PCAS) in Karnataka State which are actively involved in extending credit support to various beneficiaries in the fields of agriculture, cottage industries and small business enterprises. These banks are providing short term and midterm credit facilities to the people who are not served by major commercial banks for obvious reasons. Even now, cooperatives are the main source of financial support to the farmers, artisans, women and weaker sections in the rural and urban areas. This sector as also offered employment opportunities and self-employment opportunities to lakhs of people. There is scope for diversification of loan portfolio under non-farm sector activities, increasing financial support to SHGs, mobilizing low cost deposits from government departments and increasing borrowing membership by adding new and non-defaulting members.

The Central and State Governments have constituted several task forces namely-G.N.L.Srivatsava Committee (1996), Jagadish Kapoor Task Force (2000), Y.K.Patil Committee (2001) and Vaidyanathan Committee (2005) to examine the merits and de-merits of cooperative movement and suggest appropriate measures for the rejuvenation of cooperatives in the country. Karnataka State has also implemented the progressive measures suggested by various committees from time to time in order to promote cooperative sector. The State has also enacted Cooperative Harmony Act,

---

---

---

---

2000 in order to facilitate the development of cooperative sector without any governmental pressures.

The Department of Cooperation is a vital department of the Government of Karnataka. The department functions in close cooperation and coordination with various other departments which are responsible for the implementation of social and economic development schemes. The department of cooperation is headed by a Minister of cabinet rank. The Secretary to government, department of cooperation supervises the works of cooperation department, cooperative audit, agricultural marketing and warehousing corporation. The department is responsible for policy making, planning, budgeting and implementation of programmes. There are several functionaries who work at state head quarters, regional offices, district offices, sub-divisional offices and other places.

The primary credit cooperative societies cater to the needs of fanners, artisans and other sections of society. The various cooperative institutions are categorized into five sectors namely - cooperative credit sector, cooperative marketing sector, cooperative processing sector, milk procuring processing and marketing institutions and cooperative service sector. The Integrated Cooperative Development Project is launched by the department of cooperation which is sponsored by the government of India. The government has implemented the scheme of providing agricultural loans to the farmers at the rate of 6% through 177 Primary Cooperative Agricultural and Rural Development Banks in the state.

Karnataka State has completed a fruitful century of cooperative movement in the year 2005. Statistics reveal that cooperative movement has achieved steady progress in Karnataka state. The growth rate of number of societies and membership is satisfactory. There is a positive growth rate for membership, share capital, government share capital and also the total working capital of cooperatives. Experts have also noted that the performance of cooperative movement in Karnataka is far better than the growth rate of all India level.

The Self-Help Groups of Karnataka are also marching towards progress on the well established principles and practices of cooperatives. The number of cooperatives is increasing everyday because of its power to sustain the progress of women and weaker sections of the societies. In reality, the cooperatives are actively involved in almost all areas of socio-economic activities which are contributing a lot to community development at grassroots level. The strategic advantages which

---

---

cooperatives enjoy as compared to other commercial organizations in understanding the dynamism and vibrancy of the movement can be fully utilized only if the cooperatives have strong management strategies and people-friendly delivery system which reflect the uniqueness of their culture.

The importance of the concept of empowerment of women and weaker sections in the case of membership-based organizations like cooperatives is immense in a developing State like Karnataka. Cooperatives are now considered strong vehicles for empowerment which is a big paradigm shift. The cooperatives have been undoubtedly empowering the people by eliminating poverty, generating self-employment opportunities, creating income generating opportunities and enrichment of social standards. The cooperatives are actively involved in the empowerment of marginalized sections of society by improving effectiveness of their intervention in the market economy. Creating an empowering community culture is the greatest contribution of the cooperatives of today as compared to other organizations.

**Table 3.1 Growth of General Cooperative Societies in Karnataka**

Year	No. of Societies	Membership	Share Capital	Working Capital
2000-01	29,930	1,61,67,000	1,47,316	21,19,868
2001-02	30,862	1,86,00,000	1,49,990	21,57,430
2002-03	31,908	1,95,21,567	1,62,740	22,65,420
2003-04	32,208	1,97,00,000	1,70,877	23,78,890
2004-05	32,502	2,01,00,000	1,74,295	25,21,411
2005-06	32,466	2,05,00,000	1,91,700	26,47,500
2006-07	32,898	2,08,00,000	1,95,300	26,98,000
2007-08	33,483	2,09,00,000	2,69,000	27,18,000
2008-09	34,025	1,87,88,741	2,78,600	32,69,300
2009-10	34,863	1,99,04,730	3,17,100	38,24,900
2010-11	35,502	2,15,33,651	3,47,900	41,35,500
2011-12	36,481	2,15,14,968	3,02,300	32,02,900
2012-13	37,468	2,18,11,687	3,12,900	33,17,200
2013-14	38,448	2,30,15,000	4,11,600	33,71,600
2014-15	39,627	2,23,99,000	4,02,500	34,66,400

**Source:** Office of the Registrar Cooperative Societies Bangalore Annual Reports 2000-2011, 2011-12, 2012-13, 2013-14 and 2014-15.

---

---

### **3.2. History and Development of Souharda Credit Cooperative Societies in**

#### **Karnataka**

Since the beginning of mankind the concept of ‘cooperation’ has been the foundation for harmonious existence. Mahatma Gandhi once said that “Cooperatives are the gateway for economical development”. By effectively implementing this philosophy Karnataka State Souharda Federal Cooperative Ltd (KSSFCL), has successfully achieved an environment that is conducive for the growth of Souharda Cooperatives in Karnataka.

In India, as early as 1st century, Shathavahanas adapted the concept of cooperation in the daily life of people. The great economic exponent Acharya Chanakya has propounded the necessity of the cooperative philosophy even in the delivery of justice. The ‘principle of cooperation’ has been the essence of human civilization and way of life through ages, especially in India.

In 1844, ‘Rockdale Society of Equitable Pioneers’ became the cooperative initiative formed under a cooperative law in the world. In India, it was on 25th March 1904 the Cooperative Credit Societies Act 1904, came into existence. On 8th May 1905, a 12-member society called ‘Agriculture Credit Cooperative Society’ that came into existence under the leadership of Shri Siddannagouda Sharanagowda Patil at Kanaginahala village in the present district of Gadag in Karnataka, the 1<sup>st</sup> cooperative society in the country. However, this Act was limited to agriculture credit cooperative societies. To overcome this limitation, The Cooperative Societies Act 1912 was formed to include other activities of cooperative, which became the model for the provincial governments to form their own cooperative Acts.

Post-Independence, various state governments framed their own independent Cooperative Acts and the Central Government its Multi-State Cooperative Act. Accordingly, Karnataka State Cooperative Societies Act, 1959 (KSCS Act, 1959) has been in practice.

A Panchayat, a Cooperative society and a School for every village were considered as the three pillars of the integrated community development. As time passed by, other aspects were included into the Cooperative Act thus heralding the resurgence of a new era in cooperative movement.

Majority trust, the concept of cooperation is the foundation for harmonious existence. Mahatma Gandhi said that “Cooperatives are the Gateway for economic

---

---

development”. The first Prime Minister of India Jawaharlal Nehru said that “The development of villages can be achieved through cooperative Institutions”.

Post Independence by the beginning of 1950's the absence of government active participation in cooperative movement was felt. Afterwards, the state government started investing crores of rupees in the form of shares, grants, subsidy, contribution and so-on. In spite of this, the cooperative movement did not yield expected results. This situation was continued for next two to three decades. By keeping in this mind, the Central Government constituted a committee under the chairmanship of Sri Ardhanareeshwaran, and this committee submitted its report in 1987. The report highlighted the point that “the failure of the cooperative movement to the excessive interference of the government”. The party politics is also a hindrance for the progress of the cooperative movement.

Realizing the important role of the cooperative movement, in the progress of the community, society and state, the central planning commission constituted a committee with a task of drafting a model liberal cooperative act, which will prevent interference of the government, under the leadership of Choudhary Brahmaprakash. The committee after a detail study of the cooperative Acts of various states, drafted a model cooperative Act in 1991. The central government sent this Model Act to all the States recommended to adopt.

Only nine States has been adopted this model Act under different names. The Andhra Pradesh is the first state adopted as The Andhra Pradesh Mutually Aided Cooperative Societies Act, 1995 followed by Self Supporting Cooperative Society Act, 1997 in Bihar, The Jharkhand Self Supporting Cooperative Society Act, 1997, The Jammu Kashmir Self Reliant Cooperative Act, 1999, The Madhya Pradesh Swayattha Sahakarika Adhiniyam, 1999, The Chethesgarh Swayattha Sahakarika Adhiniyam, 1999, The Karnataka Souharda Sahakari Act, 1997, The Orissa self Help Cooperative Act, 2001 and Uttharakhand Self Relian Cooperative Act, 2003.



---

---

**Table 3.2 Showing the States adopted Liberal State Cooperative Laws**

Sl. No	Liberal State Cooperative Laws	Effective from
1	The Andhra Pradesh Mutually Aided Cooperative Societies Act, 1995	1995
2	The Bihar Self-Supporting Cooperative Societies Act, 1996	1997
3	The Jharkhand Self-Supporting Cooperative Societies Act, 1996	1997
4	The Jammu and Kashmir Self-Reliant Cooperatives Act, 1999	1999
5	The Madhya Pradesh Swayatta Sahakarita Adhiniyam, 1999	1999
6	The Chhattisgarh Swayatta Sahakarita Adhiniyam, 1999	1999
7	The Karnataka Souharda Sahakari Act, 1997	2001
8	The Orissa Self-Help Cooperatives Act, 2001	2002
9	Uttaranchal Self Reliant Cooperatives Act, 2003	2003

### **3.2.1 Karnataka Souharda Sahakari Act, 1997**

In Karnataka during 1997 a bill on parallel Cooperative Act was tabled in the State Legislation of Karnataka, demanding an early approval of this bill by both the houses of Karnataka Legislature, a committee Souharda Samvardhana Samiti under the chairmanship of Justice Rama Jois, came in to existence. It was due to the combined effort of Sahakara Bharati Karnataka and Souharda Samvardhana Samiti, The Karnataka Souharda Act, 1997 was passed in the legislature and with the consent of President of India, and it was enforced from January 1<sup>st</sup>, 2001.

#### **The features of Karnataka Souharda Sahakari Act, 1997**

1. Societies are formed on the basis of Self-help and Mutual-help.
2. Guidance by Cooperative Principles.
3. Members are owners of the Society.
4. Management and Control vests with the Members only. (Self Control and Self Management)
5. More responsibility on Members.
6. Members have freedom of business.
7. More scope for cooperative to become complete self relevant and viable unit.
8. Cooperatives have been given the status of Economic Entity
9. Registration, Liquidation and arbitration (settlement of disputes) powers are with RCS. No restrictive provision.
10. Scope for starting supplementary units and partnership based cooperatives.

- 
- 
11. Five or more cooperatives can form an association.
  12. Supervisory powers are vested with Federal Cooperatives.
  13. Audit will be a Chartered Accountant list (panel) prepared by Federal Cooperatives
  14. The Auditor must compulsorily participate in the General Body Meeting of the Society and he is answerable to the questions raised by the members.
  15. Free to make banking transactions with any scheduled or commercial Banks.
  16. Every Member should make minimum business with cooperatives where he is a member. Then only he is eligible to participate in General Body Meeting.
  17. Appointment of staff, pay scale will be approved by the General Body Meeting. No RCS approval needed.
  18. General Body is the supreme authority for deciding membership cases of any individuals.
  19. 1/3 of Board of Directors or 1/10 of the Members enquiry will be initiated by RCS if requisition are submitted.
  20. Liquidation approved should be in General Body Meeting.

### **3.2.2 Types of Souharda Sahakari Societies**

There are more than 18 types of Cooperative Societies are registered and working under Karnataka Souharda Sahakari Act, 1997. Following are the few types of Souharda Societies

1. Souharda Credit Cooperative Societies
2. Souharda Cooperative Banks
3. Multipurpose Cooperative societies
4. Self-help Souharda cooperative societies
5. Housing Souharda Cooperatives
6. Consumers Cooperative Societies.
7. Educational Souharda Cooperative Societies.
8. Employees Souharda Cooperatives.
9. Dairy Souharda Cooperatives
10. Industrial Souharda Cooperatives
11. Unions of Souhardas (Okkuta)
12. Others

---

---

### **3.2.3 Karnataka State Souharda Federal Cooperative**

Heralding of new era with “The Karnataka Souharda Sahakari Act, 1997 (KSSA, 1997)” The state and the Central Governments were investing millions of rupees in the form of shares, grants, subsidy, contributions, Government support, etc but the expected results couldn’t be achieved in cooperative movements. This condition continued almost until early 1980s. Keeping this in mind, the Central Government set up a committee under the Chairmanship of Shri Ardhanarishwaran, which submitted its report in 1987. It attributed the failure of the cooperative movement to the excessive interference of the governments. It is also true that the unabated party politics in the cooperative movement is also a big hindrance to its progress. Realizing the vital role of the cooperative movement in the progress of the society, the Central Planning Commission set up a committee by appointing Shri Choudhary Brahmprakash as its head and with a task of drafting a ‘Model Cooperative Act’ which will prevent interference of the governments. This committee, after a detailed study of the Cooperative Acts of various states, drafted a ‘Model Cooperative Act’ in 1991 and Central Government recommended the State Governments to adopt this.

Accordingly, in 1997 a bill on parallel Cooperative Act was tabled in the state legislature of Karnataka. Demanding an early approval of this bill by both the houses of Karnataka Legislature, a committee ‘Souharda Samvardhana Samithi’ under the chairmanship of Justice Rama Jois came into existence. It was due to the combined efforts of Sahakara Bharathi Karnataka and Souharda Samvardhana Samithi, “The Karnataka Souharda Sahakari Act–1997 (KSSA, 1997)” was passed in the legislature. With the consent of The President of India, it was enforced from January 2001.

### **3.2.4 Special Features of Karnataka State Souharda Federal Cooperative Ltd. (KSSFCL).**

The formation of Karnataka State Souharda Federal Cooperative Ltd. (KSSFCL), under the aegis of The Karnataka Souharda Sahakari Act-1997, has been a unique structure in the Indian Cooperative movement, where in the statutory elected body for the Management of Federal. The KSSFCL has been formed as per provisions of the KSS Act, 1997 itself and it continues to strengthen the Souharda Cooperative movement in Karnataka.

---

---

When the Souharda cooperatives get registered, the Membership to this Federal is automatic along with registration and there is no need of separate application for membership to KSSFCL. The exiting 'Federation' concept of cooperatives becoming members has not been successful on many dimensions, whereas Souharda Cooperatives getting directly nurtured under 'Federal Structure' has been a successful experiment and it has been replicated already in 13 states of India.

The Souharda Cooperatives enjoy functional autonomy in design and implementation of their Business plans, customer service activities, etc based on the needs of their members. Unlike other forms of cooperatives in India, the interference of State / Central in day-to-day operations of Souharda Cooperatives is almost minimal. Along with this functional autonomy, the KSSFCL has many special features viz,

- (a) Provide customized legal assistance / advice to member cooperatives and formation of new type cooperatives,
- (b) Frames model byelaws and economic viability norms for the Souharda cooperatives,
- (c) Formulates code of conduct for the member cooperatives for professional management,
- (d) Constitutes and maintains cooperative education fund to provide continuous quality education and training to the member cooperatives,
- (e) Acts as a friend, philosopher and guide for all the Souharda cooperatives, encourages new types business and undertake innovative initiatives within specified time,
- (f) Inspects, guides and monitors the working of Souharda cooperatives to ensure their success,
- (g) Supervises proper conduct of Audit, General Body meetings and election for Board of Directors and Office bearers,
- (h) Undertakes all essential activities for promotion and development of Souharda cooperatives,
- (i) Conducting the State/National/International levels study tour for Cooperative Directors, Executives and Staff,
- (j) Conducts and/or participates in various State, National and International level workshops, seminars and symposia.

The KSSFCL has been successfully working through its one Head Office at Bangalore and four Divisional Offices at Belgaum, Gulbarga, Bangalore and Mysore for effective administration and professional management of its member cooperatives. Separate court sanctioned by State Government for Souharda Cooperatives for solution of disputes. The Head Office is having 33 trained and qualified staff at various levels, while Souharda court, Bangalore, Mysore, Belgaum and Gulbarga Divisional Offices have 7,8,6,9 and 7 staff, respectively who are working under the guidance and leadership of Managing Director.

### **Progressive Growth Trends of Karnataka State Souharda Federal Cooperative Ltd. (KSSFCL)**

An effort has been made here below to consolidate the growth of Souharda Cooperatives in Karnataka under the guidance of KSSFCL, Bangalore. Growth trends of KSSFCL and its constituent member Souharda Cooperatives during 2001 and 2016 The growth of Souharda Cooperatives have seen an impressive and fast-track growth in last 15 years, both in volume and variety, which can be seen from Table 1 below:

**Table 3.3 Growth trends of KSSFCL and its constituent member Souharda Cooperatives in Karnataka during 2001 to 2016**

<b>Growth trends, Year-wise</b>	<b>Types / Category of Souharda Cooperatives</b>						<b>Total Souharda Coops.</b>
	<b>Coop. Banks</b>	<b>Credit Coop.</b>	<b>Housing Coop.</b>	<b>Self Help Coop.</b>	<b>Coop. Unions (Okkuta)</b>	<b>Other Cooperatives*</b>	
31-3-2001	18	40	-	8	-	9	75
2001-02	17	43	-	8	-	8	76
2002-03	21	113	1	23	-	14	172
2003-04	22	200	3	56	-	28	309
2004-05	22	277	5	94	-	100	498
2005-06	21	357	5	111	-	128	622
2006-07	19	468	5	139	-	173	804
2007-08	19	574	5	145	-	214	957
2008-09	19	692	5	148	-	266	1,130
2009-10	19	826	5	149	-	348	1,347
2010-11	19	988	5	153	-	489	1,654
2011-12	18	1,165	5	156	1	663	2,008
2012-13	18	1,343	5	156	2	905	2,429
2013-14	18	1,471	4	156	2	1101	2,752
2014-15	18	1,701	3	154	2	1287	3,173
2015-16	18	2,002	3	154	4	1403	3,580
* <b>NOTE :</b>	Other Cooperatives includes Multipurpose, Consumer, Educational, Employees, Dairy, Industrial, Agricultural, Labour, etc types of Souharda						

Source: CD and Hand book published by KSSFCL, Bengaluru

---

---

It is clearly evident from the above Table 1 that the Souharda Cooperatives have witnessed significant growth from the financial year 2008-09, thereby indicating the maturity after stabilization and consolidation phase during 2001 and 2007.

### **Adoption of Information Technology (IT) to Enhance Services of (KSSFCL).**

The KSSFCL has been providing updated information through its website [www.souharda.coop](http://www.souharda.coop), apart from the traditional approach of circulars and notices to its member Souharda Cooperatives. The Souharda Cooperatives / members are given an exclusive e-mail IDs under the format of '....@souharda.coop' so that all the communications reach the members in fastest and cost-effective manner.

Similarly, the speed of decision making by President, Vice-President and Directors of KSSFCL with Managing Director for implementation has been enhanced by adoption of video-conferencing system, to avoid delay.

It has also been encouraging its constituent members to develop websites for their Souharda Cooperatives, so that the digital reach to the customers and wider presence is possible. Some of the progressive Souharda Cooperatives have already developed their individual websites and sharing updates to their members through adoption of Information Technology, like sms, email. However, there is a need for many more things to be done in this area, considering the profile of customers they will deal with (who are not-so-tech-savvy).

## **3.3 Special Achievements of Souharda Federal**

### **3.3.1 E-Stamping Services through Souharda Member Cooperatives**

The KSSFCL entered into a Memorandum of Understanding (MoU) with Stock Holding Corporation of India Ltd (SHCIL) for facilitation of e-stamping centers across Karnataka through identified locations/ outlets in the month of February 2010. The primary objective was to ensure timely and convenient method of supplying e-stamps for various purposes to the members and general public, who had extreme difficulty in getting genuine stamp papers, in the light of Stamp Paper scam that hit many states, including Karnataka.

As a result of this initiative, a total of 891 e-Stamping centers Authorized Collection Centers (ACCs) are working under the supervision and guidance of KSSFCL today. On an average, about 70,000 e-stamping papers issued per day, and almost over 40,000 (or more than 50%) e-stamping papers are issued through ACCs.

---

---

It may be noted that these 891 e-Stamping centers cover 30 Districts, 152 Taluks spread across 372 towns / Tehsils / places in Karnataka. As per average estimate, about INR 12.5 million of revenue is being collected everyday from these Authorized Collection Centers (ACCs) across the Karnataka state.

4.3.2 Souharda Federal Started Research and Evaluation Cell to enhance the quality of the activities and bring in new dimension to the functioning of Souharda Co-operatives. Main activities of the cell are - (a) To have the master data of the co operative movement in the country and state. (b) The cell has entrusted the evaluation of Souharda movement and KSSFCL right from its beginning. (c) Depositors Safety Scheme is being constituted for safeguarding the interest of the depositors. (d) Publishing the special and informative booklets regarding Taxes applicable to Cooperatives, High court judgments applicable to cooperatives, Cooperative Election manual etc.

- Souharda federal got ISO 9001:2008 Certification for quality management.
- Karnataka Government has sanctioned a special Cooperative Court for settlement of disputes in Souharda cooperatives.

Important Innovative Business Practice/Uniqueness of some Souharda Cooperatives of KSSFCL, Bangalore. The autonomy and flexibility entrusted with the Souharda Cooperatives, through The Karnataka Souharda Sahakari Act – 1997, and the strong enabling environment coupled with timely guidance provide by KSSFCL, Bangalore has made some of the progressive-thinking Souharda Cooperatives to conceive and effectively implement innovative / unique business practices, and to extend variety of benefits to their customers (which were unheard of in cooperative sector earlier).

Some of these unique and innovative business practices of some Souharda Cooperatives in Karnataka are enumerated and briefly presented in Table 4 here below. Most of these Souharda Cooperatives have carved a special image and exclusive brand for themselves, with their innovative yet locally relevant business practices, which have benefitted their members in particular and public in general. This trend is catching-up and growing faster with time.

**Table 3.4 Unique and innovative business practices of some Souharda Cooperatives in Karnataka**

<b>Sl. No.</b>	<b>Name of the Souharda Cooperative Institution, Place and District</b>	<b>New / Converted</b>	<b>Year of Regn.</b>	<b>Important Innovative Business Practice / Uniqueness of Souharda Cooperative</b>
1	SUCO Souharda Sahakari Bank Ltd. SUCO Bavan, Moca Road, Gandhi Nagar, Bellary, Dist. Bellary.	Converted from KSCS Act, 1959 to KSSA 1997	2001	1st ISO certified Souharda bank in South India. Core banking service with advanced up-to-date technologies since 16-March 2001
2.	Vikas Souharda Cooperative Bank Ltd., Hospet, Dist. Bellary.	Converted from KSCS Act, 1959 to KSSA 1997	2001	Leading Souharda Cooperative Bank with 365 days working from 8.a.m. to 8.p.m (12 hrs/day)
3.	Siddivinayaka Souharda Shakari Ni., Gulbarga, Dist. Gulbarga.	New	2006	Working on 365 days a year to provide Credit and variety of credit+ activities to members and public
4.	Kiran Swasahaya Souharda Sahakari Ni., Sindhanur, Dist. Raichur.	New	2001	Women Self Help Groups activities purchase of women home made products and marketing.
5.	Sri Arihant Credit Souharda Sahakari Ltd., Borgaon, Dist. Belgaum.	Converted from KSCS Act, 1959 to KSSA 1997	2002	Leading credit co-operative, crossing INR 2000 million deposits.
6.	Sri Saraswati Credit Souharda Sahakari Ni., Puttur, Dist. South Canara.	New	2001	Leading credit co-operative, serving members by many service oriented activities and non-fund based business income
7.	Kadamba Marketing Souharda Sahakari Ni., Sirsi, Dist. North Canara	New	2005	Purchase of agricultural products from the members farmers and their successful marketing.
8.	Yadagere Souharda Credit Cooperative Ltd., Koppa, Dist. Chickmagalur	New	2004	Leading credit cooperative and sale of agricultural inputs, godown facilities to agricultural products.



9.	Suvidha Vividoddesha Souharda Sahakari Ni., Sagar, Dist. Shimoga.	New	2011	“Supermarket in Souharda cooperative sector”, with all modern facilities like in Big shopping malls of private sector.
10.	Siddasiri Pattina Souharda Sahakari Ni., Bijapur, Dist. Bijapur.	New	2006	Leading credit co-operative, serving members by many service oriented activities and non-interest earning business.
11.	Hirekerur Talluka Vidyavardhak Souharda Sahakari Ni., Hirekerur, Dist. Haveri.	Converted from KSCS Act, 1959 to KSSA 1997	2004	Imparting quality and affordable Education from nursery to college.
12.	Spiceroute Souharda Sahakari Ni., Sirsi, Dist. North Canara.	New	2010	Undertaking Tourism Activities
13.	Swathi Jyothi Mahila Vividoddesha Souharda Sahakari Ni., Bangalore, Dist. Bangalore.	New	2007	Focusing on rehabilitation of women sex workers
14.	Samruddi Mahila Souharda Pattina Sahakari Ni., Gowribidanur, Dist. Chikkaballapur.	New	2009	Providing credit and support services for marketing of home made products by women
15.	Shakthi Mahila Swasahaya Souharda Sahakari Ni., Mandya, Dist. Mandya.	New	2006	Entrepreneur development programs and marketing of home made products for women
16.	Kavaledurga Bahu Uddeshi Souharda Sahakari Ni., Thirthahalli, Dist. Shimoga.	New	2010	Credit and special programs (like IAS Coaching), sales of battery operated two wheelers
17.	Surabhi Samskarana mattu Marata Souharda Sahakari Ni., Sagar, Shimoga.	New	2011	Processing and marketing activities
18.	Sri Jyoti Multipurpose Souharda Sahakari Ni., Examba, Dist. Belgaum	Converted from KSCS Act, 1959 to KSSA 1997	2003	Has been managing a Supermarket in rural area

19.	Sri Siddaganga Vidyasamsthe Employees Credit Souharda Sahakari Ni., Tumkur, Dist. Tumkur.	Converted from KSCS Act, 1959 to KSSA 1997	2003	A successful employees cooperative society, managed by employees of an Educational institute
20.	Taluk Savayava Krushi Souharda Sahakari Ni., Viraj pet, Dist. Kodagu.	New	2012	Undertaking and promoting organic farming (Savayav krashi) activities

### **3.3.2 Training and Development (T and D) initiatives: Backbone for robust progress of KSSFCL**

It is universally well known fact that people development initiatives play a crucial role in the success of any organization, more particularly to that of large organization like KSSFCL with 3580 member organizations (i.e. Souharda Cooperatives).

Having been aware of this challenge, KSSFCL has made conscious and comprehensive efforts in capacity building of their key executives and leaders, who in turn can make a significant impact on the growth of their Souharda Cooperatives. KSSFCL has been instrumental in planning, organizing and continuous improvement of variety of need-based training programs for various categories of leaders, executives and staff of Souharda Cooperatives, which include customized training and development programs like (a) Presidents, Vice-Presidents and Directors, (b) Chief Executives Officers (CEOs) / Employees, (c) Chartered Accountants, who undertake Audit and inspection and (d) Staff handling E-stamping Centers.

### **3.3.3 Public relations and media communications with Member cooperatives**

It has been the constant endeavor of KSSFCL to keep regular communication with its stakeholders, members, policy makers and public. In this regard, KSSFCL has been into publication of monthly magazine entitled “Swabhimani Sahakari” (in Kannada, the local language), which ahs all essential updates required for all parties concerned.

In addition, to understand the pulse of grass root level needs of members and public at large, KSSFCL is constantly organizing Directors Meetings, Member Meetings, Review Meetings, Annual General Body Meetings, Annual Meeting for

---

---

Women Cooperatives, etc. This has been one of the successful and member-driven participatory initiatives of KSSFCL.

### **3.3.4 Constitutional Amendments to Cooperative Acts and their implications**

Since the development of systematic and organized cooperative movement over decades, the Cooperative Acts have seen many amendments and recent constitutional amendments are no exception to this phenomenon.

- (a) The important provisions made under recent constitutional amendments include
- (b) Restriction on Nominal Membership,
- (c) Professional Directorship in Board and provisions for reservation for SC, ST, OBC and Women Members in the Board,
- (d) All facilities extended to the Directors should be mentioned in the byelaws only,
- (e) Separate Election authority for Election of Cooperatives, both for Board of Directors as well as Office Bearers and even for casual vacancy,
- (f) Audit Panel entrusted to Govt. Audit Department,
- (g) Audit to be completed before September 1,
- (h) Annual Returns to be submitted to Registrar and Federal Cooperative before 30 September,
- (i) Annual General Body Meeting (AGM) of all cooperatives to be complete within 25th September every year: no provision for postponement,
- (j) Monitoring of Education Fund and Managing of the fund utilization for the said purpose,
- (k) No supersession of Board, if there is no government assistance to the cooperatives,
- (l) Restriction on formation of Board on the basis of area of operation (minimum 11 and maximum
- (m) Apex institutions Audit Report should be placed in the Legislative assembly,
- (n) Surcharge provision introduced in case of misappropriation,
- (o) Additional Penalty clauses have been introduced.

It may be specifically noted that majority of these amendments have already been incorporated in Karnataka Souharda Sahakari Act–1997 (KSSA,1997) and have

---

---

been in practice for the last 15 years across all Souharda Cooperatives, hence ensuring people-connect and success.

### **3.3.5 Future prospects and Conclusions for Souharda Cooperative movement in Karnataka**

In the nutshell and from the foregoing discussion, it can be observed that Souharda Cooperative movement in Karnataka is here to stay and to make significant impact to lives of its members and public alike, though its more than 3300 member cooperatives, across the Karnataka State.

The Souharda Cooperative movement has bright prospects to serve the society better, since it is in the process of planning and implementing various ambitious plans like

- (a) Formulation of Federal Souharda Bank to augment members to overcome liquidity problems / sharing of financial resources,
- (b) Setting-up of ‘Union of 13 State Souharda Federals’ to strengthen its base,
- (c) Adoption of integrated MIS (Management Information System) for all member cooperatives,
- (d) 24/7 Helpline (Souharda Sahayvani) for enabling members with instant help,
- (e) Launching of Health Insurance Scheme to its 1.8 million members in Karnataka,
- (f) Establishment of Educational, Training, Research and Consultancy Institute for Souharda Cooperatives (including offering of Specialized Certificate and Diploma Programs)
- (g) Enhance higher social reach and wider impact by undertaking need-based programs and providing wide publicity / flat form for replication of successful Souharda models in Karnataka at State, Regional, National and International levels.
- (h) Empowering each cooperative work as a supermarket for financial products

### **3.3.6 Unique Features of Souharda Cooperative Movement in Karnataka (India)**

Since the beginning of mankind the concept of ‘co-operation’ has been the foundation for harmonious existence. Mahatma Gandhi once said that “Co-operatives are the gateway for economical development”. By effectively implementing this philosophy Karnataka State Souharda Federal Cooperative Ltd, has successfully

---

---

achieved an environment that is conducive for the growth Souharda Co-operatives in Karnataka.

**Some of the member Cooperatives of the Federal Cooperative have set an example by adapting innovative business practices.**

- Shri Arihanta Credit Souharda Sahakari Niyamita, Boregaon, Chikkodi, Known for its financial discipline and organized customer services, Arihanta Souharda Sahakari also provides opportunity, even to the economically weaker sections in the society to participate in financial transactions.
- Hirekerur Taluk Vidyavardhaka Souharda Sahakari Niyamita, Hirekerur. In addition to establishing institutions right from L.K.G to College level, this Vidyavardhaka Souharda Sahakari also run primary and high school teacher training colleges.
- Spice route Souharda Sahakari Niyamita, Sirsi. Established with the purpose of developing local tourism, it organizes stay for 6 months, mainly to foreign tourists. One of the objectives is to introduce Indian culinary and cultural traditions to such tourists.
- Nivedita Mahila Pattina Souharda Sahakari Niyamita, Gulbarga Started with an intention of economically empowering women in un-organised sector and small time vendors in and around Gulbarga, Nivedita Mahila Pattina Souharda Sahakari Niyamita lends loan in a very friendly atmosphere and thus has become a guiding light in their lives.
- Sri Siddaganga Vidya Samsthe Naukarara Souharda Pattina Sahakari Niyamita, Tumkur: This Cooperative disburses necessary, on-time loans, thus ensuring the wellbeing of all the staff members of over 130 educational institutions of Sri Siddaganga Trust.
- Kadamba Marketing Souharda Sahakari Niyamita, Sirsi : It has earned fame by facilitating and providing market place to every local product from the farmers of North Kanara district, be it honey, condiments or even to any edible fruit.
- Suvidha Vividoddesha Souharda Sahakari Niyamita, Sagara: This cooperative has the distinction of being the first cooperative supermarket in the rural

---

---

region serving consumers using state of the art technology. Swad Fast food is another attraction at this cooperative.

- Hamsa Chaitanya Souharda Credit Sahakari Niyamita, Udupi: The secret of success of this cooperative is the provision for Solar Light loans to migrant laborers. This loan has been disbursed to the migrant families who don't have access to electricity. It is a record that 100% loan repayment has been achieved as the loan amount is collected once week at their doorsteps of these labourers.
- Sri Jyothi Vividoddesha Souharda Sahakari Niyamita, Examba, Chikkodi. Known as Jyothi Bazaar, Sri Jyothi Vividoddesha Souharda Sahakari Niyamita provides people with good quality necessary products at low prices. This has gained the reputation of being the most prestigious cooperative of the region.

These are just examples. The Federal Cooperative is an inspiration to hundreds of such new co-operatives that have ventured for.

There are several special features of Souharda Co-operatives. They function only with contribution of the members without any financial assistance from the government. The audit of Souharda Co-operatives is done by professional auditors only. These auditors are liable to attend the general body meeting and reply to the queries of members, if any. It is necessary that members of Souharda Cooperative do a minimum transaction in their institution and attend general body meetings without fail. The ownership, management and control of the Souharda cooperative lie with the members. The co-operatives have more freedom, and given more responsibility and also the status of an economic entity. The powers of recruitment of necessary staff, wage revision, promotion, or all such decision in this regard are vested with the cooperative itself.

The fact that maximum Souharda Co-operatives are profitable, which by itself speaks of the success story of Souharda Act. It is evident that self-regulation brings in discipline, by the fact that maximum member cooperative have undergone audit within the stipulated time band. It is a matter of pride that more than 90% of newly registered cooperative societies opt for the Souharda Sahakari Act. Federal cooperative facilitates with training and guidance to the Co-operatives migrating from the old act to the new Souharda Sahakari Act. As there is no provision for government

---

---

nominees, intervention of political parties is minimum which has created an apolitical atmosphere in the functioning of co-operatives. This is one of the unique strengths of the Souharda Sahakari act.

The Federal Cooperative is planning to establish a State level Souharda Apex Bank to help the member cooperative to have re-finance opportunities and help them re-invest their surplus funds. Encouraging member co-operatives to start joint venture businesses, formation of cooperative unions, facilitating formation of new cooperative society with diverse innovative initiatives, empowering each cooperative work as a supermarket for financial products are few of the objects of Federal Co-operative. It has been planned to begin a Research and Evaluation Cell to enhance the quality of the activities and bring in new dimension to the functioning of Souharda Co-operatives.

Souharda cooperative have opened a new chapter in the country's cooperative history. The federal co-operatives are at this successful junction of a realization. By realizing the dream of many senior co-operatives activists of a complete autonomy in their functioning, Federal Cooperative has gained approval from both, the public and the Government and is marching ahead towards progress.

### **3.4 Conclusion**

Despite its numerous commendable achievements in a decade of its existence, the Federal Cooperative is aware of the fact that its achievements are negligible compared to the various possibilities in the cooperative movement. The member co-operatives who were responsible for this successful journey are the ones who would be shaping its prosperous future. Having celebrated a decade of its existence the Federal Cooperative is recommitting itself to achieve its stated goals, By imparting necessary motivation, guidance and training to co-operatives intending to embrace The Souharda Sahakari Act, Karnataka State Souharda Federal Cooperative is a shining star in the horizon of Souharda Co-operatives success. The Federal Cooperative is a guiding light in bringing a Souharda revolution in the Cooperative sector.

\* \* \*

---

---

## References

Books Published by KSSFCL

CD Published by KAAFCL

Cooperation Principles, Problems and Practices – T.N. Hajela Published by Ane Books Pvt. Ltd.

Karanth (1995), “Formal Cooperatives and Informal Cooperation in Karnataka, in B.S.Basivkar and Donald W Attawood (eds), Finding the Middle Path: The Political Economy of Cooperation in Rural India”, Sage Publications, New Delhi, India.

Madan, G.R. (2007), “Cooperative Movement in India”, Mittal Publications, New Delhi, India.

Rangaswamy (1994), “Career and Prospects of Cooperative Movement in Karnataka, in M.Mahadeva and Abdul Aziz, Cooperation at Cross Roads”, Chethana Book House and Publishers, Mysore, India.

Verma, Sanjay Kumar (2007), “Cooperatives and Community Culture – The Role of Media”, Paper presented in the regional seminar on 100 years cooperative movement – media role, organized by Karnataka State Cooperative Apex Bank Ltd, Manasagangotri, Mysore, India. July 21, 2007.



## **CHAPTER – IV**

---

---

## **CHAPTER - IV**

### **DATA ANALYSIS AND INTERPRETATION**

#### **4.1 Performance Evaluation**

Performance refers to the degree of accomplishment or the action or process of carrying out a task or function, measured against preset known standards of accuracy, completeness, cost and speed. It is synonymous with execution, discharge, recognized accomplishment, achievement, completion, fulfillment, dispatch and implementation. The word 'Performance' is derived from the word 'parfourmen', which means 'to do', 'to carry out' or 'to render'. Hence, it is the manner of functioning or operating or the act of performing something successfully, by utilizing knowledge and not merely possessing it.

According to Frich Kohlar "performance" is a general term applied to a part or to all the conducts of activities of an organization over a period of time often with reference to past or projected cost efficiency, management responsibility or accountability or the like. Performance is used to indicate firm's success, conditions, compliance and the quality of results achieved. Performance is understood to be the fulfillment of an obligation, in a manner that releases the performer from all liabilities under the contract.

Today, performance evaluation has paramount importance, as one faces stiff competition in every role and hence it enables to survive for a longer period of time by identifying and coordinating the weak area of activities and providing a sound foundation for growth, expansion and diversification. Performance has following important components:

- Efficiency
- Effectiveness
- Productivity

In this chapter an attempt is made to appraise the financial performance of both PCCS and SCCS for the purpose of the present study covering a period of five years from 2010-11 to 2014-15. For this purpose, the evaluation is made using year wise analysis, society wise analysis, Correlation analysis, CAGR analysis, Ratio analysis by using tools which are widely recognize for financial analysis of cooperative societies.

---

---

## **4.2 Performance Evaluation of PCCS and SCCS**

In order to conduct the detailed analysis of financial stability, the following variables are considered for the study:

1. Share Capital
2. Fixed Deposit
3. Saving Deposit
4. Advances
5. Net Profit
6. Interest Received
7. Other Income
8. Fixed Asset
9. Total Expenses
10. Interest on Investment

## **4.3 Procedure of Analysis**

Among the various financial parameters selected for study, the above stated ten parameters are identified as important variables for assessing the comparative financial performance of Primary Credit Cooperative Society and Souharda Credit Cooperative Society. Each selected variable is further assessed under the following parameters.

### **1. Share Capital**

- a. Year wise analysis of mean values of Share Capital of Primary Credit Cooperative Society.
- b. Year wise analysis of mean values of Share Capital for Souharda Credit Cooperative Society.
- c. Society wise analysis of mean values of Share Capital of Primary Credit Cooperative Society.
- d. Society wise analysis of mean values of Share Capital of Souharda Credit Cooperative Society
- e. Comparative analysis of mean values of Share Capital of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.
- f. Testing of hypothesis for Share Capital among Primary Credit Cooperative Society and Souharda Credit Cooperative Society.

---

---

## **2. Fixed Deposit**

- a. Year wise analysis of mean values of Fixed Deposit for Primary Credit Cooperative Society.
- b. Year wise analysis of mean values of Fixed Deposit for Souharda Credit Cooperative Society
- c. Society wise analysis of mean values of Fixed Deposit of Primary Credit Cooperative Society.
- d. Society wise analysis of mean values of Fixed Deposit of Souharda Credit Cooperative Society
- e. Comparative analysis of mean values of Fixed Deposit of Primary Credit Cooperative Society and Souharda credit cooperative society.
- f. Testing of hypothesis for Fixed Deposit among Primary Credit Cooperative Society and Souharda Credit Cooperative Society.

## **3. Saving Deposit**

- a. Year wise analysis of mean values of Saving Deposit for Primary Credit Cooperative Society
- b. Year wise analysis of mean values of Saving Deposit for Souharda Credit Cooperative Society
- c. Society wise analysis of mean values of Saving Deposit of Primary Credit Cooperative Society
- d. Society wise analysis of mean values of Saving Deposit of Souharda Credit Cooperative Society
- e. Comparative analysis of mean values of Saving Deposit of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.
- f. Testing of hypothesis for Saving Deposit among Primary Credit Cooperative Society and Souharda Credit Cooperative Society.

## **4. Advances**

- a. Year wise analysis of mean values of Advances for Primary Credit Cooperative Society
- b. Year wise analysis of mean values of Advances for Souharda Credit Cooperative Society

- 
- 
- c. Society wise analysis of mean values of Advances of Primary Credit Cooperative Society
  - d. Society wise analysis of mean values of Advances of Souharda Credit Cooperative Society
  - e. Comparative analysis of mean values of Advances of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.
  - f. Testing of hypothesis for Advances among Primary Credit Cooperative Society and Souharda Credit Cooperative Society.

#### **5. Net Profit**

- a. Year wise analysis of mean values of Net Profit for Primary Credit Cooperative Society
- b. Year wise analysis of mean values of Net Profit for Souharda Credit Cooperative society
- c. Society wise analysis of mean values of Net Profit of Primary Credit Cooperative Society
- d. Society wise analysis of mean values of Net Profit of Souharda Credit Cooperative Society
- e. Comparative analysis of mean values of Net Profit of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.
- f. Testing of hypothesis for Net Profit among Primary Credit Cooperative Society and Souharda Credit Cooperative Society.

#### **6. Interest Received**

- a. Year wise analysis of mean values of Interest Received for Primary Credit Cooperative Society
- b. Year wise analysis of mean values of Interest Received for Souharda Credit Cooperative Society
- c. Society wise analysis of mean values of Interest Received of Primary Credit Cooperative Society
- d. Society wise analysis of mean values of Interest Received of Souharda Credit Cooperative Society
- e. Comparative analysis of mean values of Interest Received of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.

- 
- 
- f. Testing of hypothesis for Interest Received among Primary Credit Cooperative Society and Souharda Credit Cooperative Society.

## **7. Other Income**

- a. Year wise analysis of mean values of Other Income for Primary Credit Cooperative Society
- b. Year wise analysis of mean values of Other Income for Souharda Credit Cooperative Society
- c. Society wise analysis of mean values of Other Income of Primary Credit Cooperative Society
- d. Society wise analysis of mean values of Other Income of Souharda Credit Cooperative Society
- e. Comparative analysis of mean values of Other Income of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.
- f. Testing of hypothesis for Other Income among Primary Credit Cooperative Society and Souharda Credit Cooperative Society.

## **8. Fixed Assets**

- a. Year wise analysis of mean values of Fixed Assets for Primary Credit Cooperative Society
- b. Year wise analysis of mean values of Fixed Assets for Souharda Credit Cooperative Society
- c. Society wise analysis of mean values of Fixed Assets of Primary Credit Cooperative Society
- d. Society wise analysis of mean values of Fixed Assets of Souharda Credit Cooperative Society
- e. Comparative analysis of mean values of Fixed Assets of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.
- f. Testing of hypothesis for Fixed Assets among Primary Credit Cooperative Society and Souharda Credit Cooperative Society.

## **9. Total Expenses**

- a. Year wise analysis of mean values of Total Expenses for Primary Credit Cooperative Society

- 
- 
- b. Year wise analysis of mean values of Total Expenses for Souharda Credit Cooperative Society
  - c. Society wise analysis of mean values of Total Expenses of Primary Credit Cooperative Society
  - d. Society wise analysis of mean values of Total Expenses of Souharda Credit Cooperative Society
  - e. Comparative analysis of mean values of Total Expenses of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.
  - f. Testing of hypothesis for Total Expenses among Primary Credit Cooperative Society and Souharda Credit Cooperative Society.

#### **10. Interest on Investment**

- a. Year wise analysis of mean values of Interest on Investment for Primary Credit Cooperative Society
- b. Year wise analysis of mean values of Interest on Investment for Souharda Credit Cooperative Society
- c. Society wise analysis of mean values of Interest on Investment of Primary Credit Cooperative Society
- d. Society wise analysis of mean values of Interest on Investment of Souharda Credit Cooperative Society
- e. Comparative analysis of mean values of Interest on Investment of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.
- f. Testing of hypothesis for Interest on Investment among Primary Credit Cooperative Society and Souharda Credit Cooperative Society.

#### **4.4 Hypothesis of the Study**

In order to test the statistical significance of the selected variables, the following Hypothesis are formulated and tested by using alpha significance value of 0.05. The selected data are in repetitive pattern, Repeated ANNOVA test with multiple samples is used as statistical tool.

**H1o:** There is no significant difference associated between Shares Capital of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.

- 
- 
- H1a:** There is a significant difference associated between Shares Capital of Primary Credit Cooperative Society and Souharda Credit Cooperative Society.
- H2o:** There is no significant difference associated between Fixed Deposit of Primary Credit Cooperative Society and Souharda Credit Cooperative Society
- H2a:** There is a significant difference associated between Fixed Deposit of Primary Credit Cooperative Society and Souharda Credit Cooperative Society
- H3o:** There is no significant difference associated between Saving Deposit of Primary Credit Cooperative Society and Souharda Credit Cooperative Society
- H3a:** There is a significant difference associated between Saving Deposit of Primary Credit Cooperative Society and Souharda Credit Cooperative Society
- H4o:** There is no significant difference associated between Advances of Primary Credit Cooperative Society and Souharda Credit Cooperative Society
- H4a:** There is a significant difference associated between Advances of Primary Credit Cooperative Society and Souharda Credit Cooperative Society
- H5o:** There is no significant difference associated between Net Profit of Primary Credit Cooperative Society and Souharda Credit Cooperative Society
- H5a:** There is a significant difference associated between Net Profit of Primary Credit Cooperative Society and Souharda Credit Cooperative Society
- H6o:** There is no significant difference associated between Interest Received of Primary Credit Cooperative Society and Souharda Credit Cooperative Society
- H6a:** There is a significant difference associated between Interest Received of Primary Credit Cooperative Society and Souharda Credit Cooperative Society
- H7o:** There is no significant difference associated between Other Income of Primary Credit Cooperative Society and Souharda Credit Cooperative Society
- H7a:** There is a significant difference associated between Other Income of Primary Credit Cooperative Society and Souharda Credit Cooperative Society
- 
-



---

---

**H8o:** There is no significant difference associated between Fixed Assets of Primary Credit Cooperative Society and Souharda Credit Cooperative Society

**H8a:** There is a significant difference associated between Fixed Asset of Primary Credit Cooperative Society and Souharda Credit Cooperative Society

**H9o:** There is no significant difference associated between Total Expenses of Primary Credit Cooperative Society and Souharda Credit Cooperative Society

**H9a:** There is a significant difference associated between Total Expenses of Primary Credit Cooperative Society and Souharda Credit Cooperative Society

**H10o:** There is no significant difference associated between Interest on Investment of Primary Credit Cooperative Society and Souharda Credit Cooperative Society

**H10a:** There is a significant difference associated between Interest on Investment of Primary Credit Cooperative Society and Souharda Credit Cooperative Society

#### **4.5 Variable wise Analysis**

##### **4.5.1 Share Capital**

##### **4.5.1.1 Year Wise Analysis of Share Capital through Mean and SD Values.**

**Table 4.1 Showing Mean and SD Values of Share Capital SCCS and PCCS from 2010-11 to 2014-15** (Amount in Rs.)

Years	SCCS		PCCS	
	Mean	Std. Deviation	Mean	Std. Deviation
2010-11	19,21,576.56	21,22,160.90	29,17,520	32,43,111
2011-12	24,81,437.50	29,48,964.24	32,84,075	41,79,065
2012-13	33,11,505.62	43,57,826.73	38,10,510	49,62,978
2013-14	39,44,556.25	49,24,597.67	43,35,165	5,79,025
2014-15	60,96,109.81	76,51,346.75	47,96,614	62,99,710
<b>Overall</b>	<b>35,51,037.15</b>	<b>48,94,587.17</b>	<b>38,31,142</b>	<b>50,02,133</b>

Source: Complied financial reports from 2010-2011 to 2014-15

#### **Observation and Analysis**

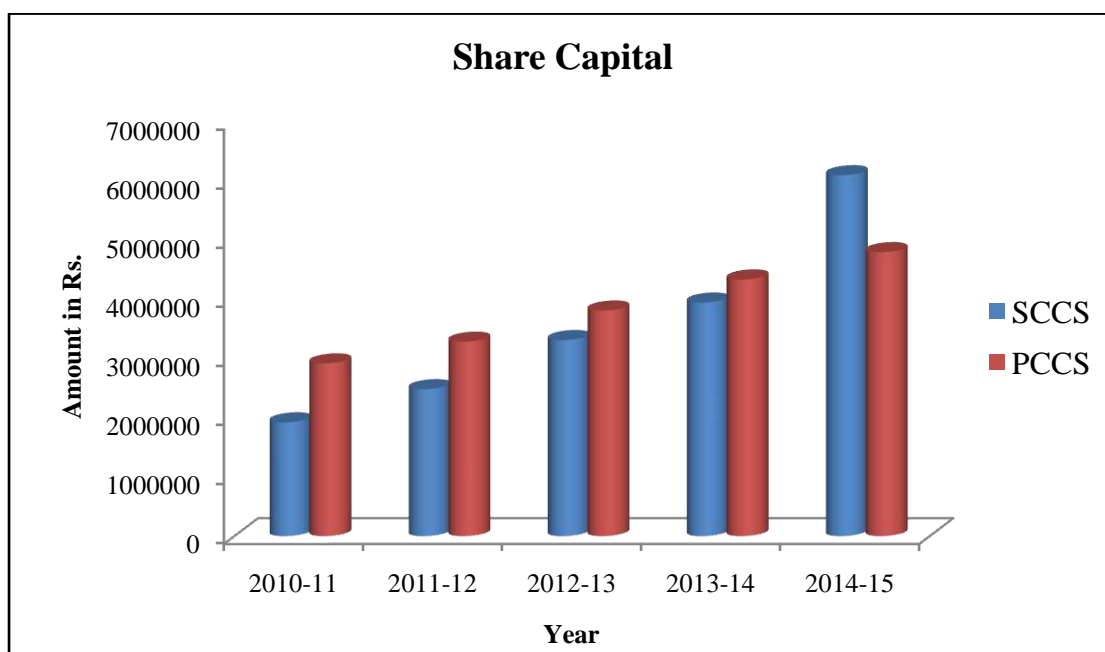
Share capital is a very important financial variable of the cooperative society. The amount of share capital collected by the organization emphasizes the economic efficiency of the firm. The above table is an indication of the collection of share capital among the SCCS and PCCS.

The mean value of Souharda Cooperative Societies was found to be 19,21,576.56, 24,81,437.50, 33,11,505.62, 39,44,556.25 and 60,96,109.81 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 35,51,037.15.

The mean value of Primary Credit Cooperative Societies was found to be 29,17,520, 32,84,075, 38,10,510, 43,35,165 and 47,96,614 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 38,31,142.

The comparative analysis of PCCS and SCCS shows that except 2014-15, in all the years the mean values of PCCS is higher which can be observed that the PCCS is having very strong grip on mobilization of share capital.

**Graph 4.1 Showing Mean Values of Share Capital of SCCS and PCCS from 2010-11 to 2014-15**



#### 4.5.1.2 Society Wise Analysis of Share Capital through Mean, SD, CV and Ranks

**Table 4.2 Showing Mean, SD, CV and Ranks of Share capital of SCCS**

(Amount in Rs)

<b>Souharda Credit Cooperative Societies</b>	<b>Mean</b>	<b>Rank</b>	<b>SD</b>	<b>CV</b>	<b>Rank</b>
Saraswat Souharda Credit Cooperative Society Limited.	13,26,471.8	11	4,10,166.12	30.92	9
Siri Souharda Credit Cooperative Limited.	24,92,925	8	9,10,401.94	36.52	12
Dharmanyasa Souharda Credit Cooperative Limited.	16,24,400	10	2,90,932.42	17.91	3
Sudarshana Souharda Credit Cooperative Limited.	4,71,560	15	8,246.39	1.75	1
Sri Ramanuja Souharda Credit Cooperative Limited.	7,48,720	13	2,63,648.57	35.21	10
Udaya Souharda Credit Cooperative Limited.	63,15,218	3	1,04,39,055.01	165.30	16
Jivan Vikas Souharda Credit Cooperative Limited.	141,28,300	1	57,85,909.69	40.95	13
Kodachadri Souharda Credit Cooperative Limited.	28,74,129.6	7	10,22,893.13	35.59	11
Krishik Souharda Credit Cooperative Limited.	3,929,710	4	19,68,029.25	50.08	14
Akshaya Souharda Credit Cooperative Limited.	12,068,220	2	36,70,894.38	30.42	8
Mayura Souharda Credit Cooperative Limited.	662,980	14	1,79,660.57	27.10	6
Srigandha Souharda Credit Cooperative Limited.	1,300,060	12	1,82,773.13	14.06	2
Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	3,167,620	6	9,32,312.83	29.43	7
Sagar Souharda Credit Cooperative Limited.	17,11,100	9	10,85,032.97	63.41	15
Ankita Souharda Credit Cooperative Limited.	35,75,680	5	9,32,840.08	26.09	4
Saraswati Souharda Credit Cooperative Limited.	4,19,500	16	1,12,519.44	26.82	5
<b>Overall</b>	<b>35,51,037.15</b>		<b>48,94,587.18</b>	<b>72.55</b>	

Source: Compiled financial reports from 2010-2011 to 2014-15

---

---

### Observation and Analysis

The coefficient of variation (CV) is a measure of the amount of variability related to the mean. Lower is the Coefficient of Variation, more is the stability and hence higher rank is assigned. A higher rank is indicative of a more stable (or lesser variable) Share Capital of the organization which in turn is suggestive of the stable financial health of the concern. From the above table, Sudarshana Souharda Credit Cooperative Limited has been assigned the highest rank owing to its lowest CV which reflects upon the stability of the organization in the time period considered for study.

Udaya Souharda Credit Cooperative Limited has been assigned the lowest rank as it shows the highest variability in share capital. The CV ranges from 1.75 to 165.30 which signifies that there exists a wide spread in data sets w.r.t the share capital of Souharda cooperative societies. ( $165.30/1.75 = 94.46$ )

**Table 4.3 Showing Mean, SD, CV and Ranks of Share capital of PCCS**

(Amount in Rs)

Primary Credit Cooperative Society	Mean	Rank	SD	CV	Rank
Arya Vaishya Sri Rama Credit Cooperative Society	2,23,31,940	1	67,08,643	30.04	30
Sri Kalikaparameshwari Credit Cooperative Society	1,09,51,795.6	4	16,22,131	14.81	14
Kshatriyamaratha Credit Cooperative Society	20,26,526	14	23,8,176	11.75	6
Malenadu Credit Cooperative Society	1,12,74,706	2	22,85,179	20.27	22
Brahmashri Narayanaguru Credit Cooperative Society	64,12,300	8	12,99,411	20.26	21
Sir M. Vishwesharaya Credit Cooperative Society	84,12,160	6	14,21,798	16.90	17
Goorabayi Credit Cooperative Society	7,57,500	27	54,801	7.23	3
Jai Bheem Credit Cooperative Society	2,18,200	31	671	0.31	1
Christian Credit Cooperative Society	12,38,420	21	34,277	2.77	2
Janashakthi Credit Cooperative Society	20,52,020	13	2,64,896	12.91	8
Sri Jagadguru Panchacharya Credit Cooperative Society	18,93,640	16	5,51,166	29.11	29
Daivagnya Credit Cooperative Society	24,57,210	10	4,10,856	16.72	16

Durgigudi Credit Cooperative Society	11,10,076.6	23	2,11,474	19.05	18
Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society	94,46,822.4	5	20,61,686	21.82	24
Urban Credit Cooperative Society	19,34,493	15	2,48,731	12.86	7
Barbar's Credit Cooperative Society	16,86,610	18	1,26,365	7.49	4
Kairali Credit Cooperative Society	13,41,220	20	1,76,807	13.18	9
Humdard Credit Cooperative Society	65,72,480	7	12,60,025	19.17	19
Goodwill Credit Cooperative Society	32,10,854	9	4,53,602	14.13	11
Gayatri Credit Cooperative Society	10,17,660	24	108550	10.67	5
Bhyraveshwara Credit Cooperative Society	17,71,400	17	4,65,881	26.30	28
Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society	21,25,738	11	3,24,686	15.27	15
Sharavati Credit Cooperative Society	1,10,20,384	3	22,73,487	20.63	23
Malenadu Mahila Credit Cooperative Society	11,11,700	22	1,59,109	14.31	13
Sri Varada Credit Cooperative Society	1541460	19	3,49,962	22.70	25
Sri Vasavi Credit Cooperative Society	21,13,346	12	4,84,193	22.91	26
Sri Mahalakshmi Mahila Credit Cooperative Society	3,85,358	29	52,250	13.56	10
Sri Shantheshwari Mahila Credit Cooperative Society	4,46,280	28	89,513	20.06	20
Sirigandha Mahila Credit Cooperative Society	8,62,340	25	2,21,613	25.70	27
Mahila Graduates Credit Cooperative Society	2,35,250	30	33,271	14.14	12
Taluk Graduates Credit Cooperative Society	8,05,500	26	3,02,875	37.60	31
<b>Overall</b>	<b>38,31,141.6</b>		<b>50,02,132.87</b>		

Source: Complied financial reports from 2010-2011 to 2014-15

### Observation and Analysis

Jai Bheem Credit Cooperative Society has been assigned the highest rank as it has the lowest CV of 0.31. On the other hand, Taluk Graduates Credit Cooperative Society has been assigned the lowest rank owing to greatest level of dispersion around

the mean. (CV=37.60). There is a large gap in CV between the highest and the lowest ranks which reflects the variability of share capital. ( $37.6/0.31= 121.29$ )

#### 4.5.1.3 Comparative Analysis of Share Capital of Souharda Credit Cooperative Societies and Primary Credit Cooperative Societies

On comparing SCCS and PCCS, it can be depicted that Primary Credit Cooperative Societies have lesser variability around the mean (CV=**0.31** for the highest rank and **37.6** for the lowest rank) as compared to Souharda Credit Cooperative Society (CV = **1.75** for the highest rank and **165.30** for the lowest rank) and hence PCCS have more stable share capital over the years. But within Primary Credit Cooperative Societies there is a huge variation in CV observed from the highest to lowest rank ( $37.6/0.31= 121.29$ ). On the other hand, within Souharda Credit Cooperative Societies, this variation is 94.46 ( $165.30/1.75= 94.46$ ) which is lower than 121.29. Hence it can be concluded that comparing various organizations within PCCS, the variability is more for the lowest ranking organization as compared to Rank 1 organization. But the highest rank in PCCS has much lesser CV and hence less variability than the organization in SCCS with Rank 1.

#### Testing of Hypothesis for Share Capital

**H1o:** There is no significant difference associated between Shares Capital of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

**H1a:** There is a significant difference associated between Shares Capital of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

**Table 4.4 Showing results of one way Anova between Shares Capital of Souharda Credit Cooperative Society and Primary Credit Cooperative Society**

ANNOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>Df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	1.93E+11	1	1.93E+11	0.120442	0.737508	5.317655
Within Groups	1.28E+13	8	1.6E+12			
Total	1.3E+13	9				

(SS= some of squares, Df = degree of freedom, MS = means square, F=Factor Calculated Value , F Crit = Critical value).

---

---

### Interpretation for Hypothesis Testing

From the above table it is evident that the calculated p value is 0.73 which is higher than the alpha p value of 0.05. Hence, the null hypothesis is accepted which can be concluded that there is no significant difference associated between Shares Capital of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

#### 4.4.2 Fixed Deposit

##### 4.4.2.1 Year Wise Analysis of Fixed Deposits through Mean and Standard Deviation.

**Table 4.5 Showing Mean and SD Values of Fixed Deposit of SCCS and PCCS from 2010-11 to 2014-15** (Amount in Rs)

Years	SCCS		PCCS	
	Mean	SD	Mean	SD
2010-11	81,79,934.63	1,19,02,042.59	93,99,604.19	1,84,83,864.46
2011-12	1,28,35,667.75	1,68,24,716.23	1,29,57,081.26	2,36,19,047.11
2012-13	1,70,65,287.69	2,07,49,021.19	1,49,12,646.81	2,64,49,887.99
2013-14	2,28,34,945.13	2,53,02,383.61	3,07,78,388.52	5,52,53,559.19
2014-15	2,61,23,419.19	2,73,47,375.53	1,98,28,988.60	3,67,83,038.81
<b>Overall</b>	<b>1,74,07,850.88</b>	<b>2,16,51,899.43</b>	<b>1,72,14,644.55</b>	<b>3,39,83,667.29</b>

Source: Complied financial reports from 2010-2011 to 2014-15

#### Observation and Analysis

Fixed Deposit indicates the funds available with the societies for a pre-determined period of time. Higher values of these long term deposits is indicative of the higher rate of interest earned by the depositors (as compared to Savings deposits) and more liquidity from Cooperative Society's perspective.

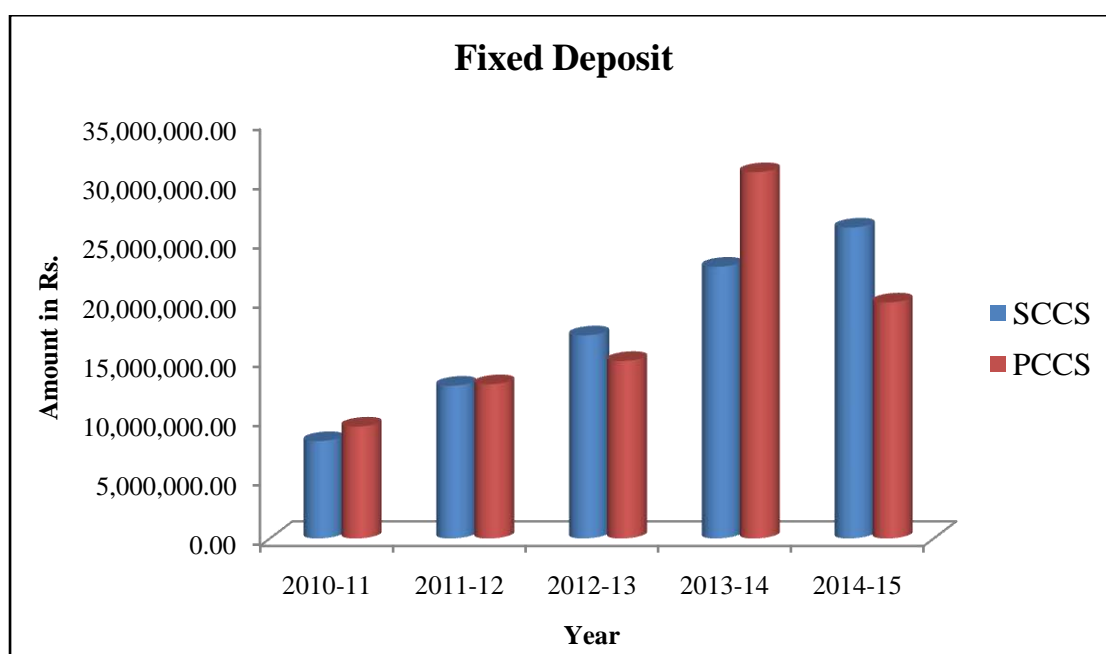
The mean value of SCCS is found to be 81,79,934.63, 1,28,35,667.75, 1,70,65,287.69, 2,28,34,945.13 and 2,61,23,419.19 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 1,74,07,850.88.

The mean value of PCCS is found to be 93,99,604.19, 1,29,57,081.26, 1,49,12,646.81, 3,07,78,388.52 and 1,98,28,988.60 in the year 2010-11, 2011-12,

2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 1,72,14,644.55.

The comparative analysis of PCCS and SCCS shows that except in 2012-13 and 2014-15, in all the years the mean values of PCCS is higher which signifies that the PCCS is having a stronger hold on Fixed Deposits.

**Graph 4.2 Showing Mean Values of Fixed Deposit of SCCS and PCCS from 2010-11 to 2014-15**



#### 4.5.2.2 Society Wise Analysis of Fixed Deposit through Mean, SD and Coefficient of Variation Values.

**Table 4.6 Showing Mean, SD, CV and Ranks of Fixed Deposit of SCCS**

(Amount in Rs)

Souharda Credit Cooperative Societies	Mean	Rank	SD	CV	Rank
Saraswat Souharda Credit Cooperative Society Limited.	20,000.00	16	44,721.36	223.61	16
Siri Souharda Credit Cooperative Limited.	41,25,390.40	12	24,40,561.57	59.16	11
Dharmanyasa Souharda Credit Cooperative Limited.	84,61,404.80	10	25,25,963.26	29.85	3



Sudarshana Souharda Credit Cooperative Limited.	1,92,228.80	15	41,896.23	21.79	1
Sri Ramanuja Souharda Credit Cooperative Limited.	1,23,16,691.80	8	1,05,21,522.61	85.42	14
Udaya Souharda Credit Cooperative Limited.	2,20,62,235.80	6	1,51,08,352.30	68.48	12
Jivan Vikas Souharda Credit Cooperative Limited.	7,59,78,331.80	1	2,10,76,297.64	27.74	2
Kodachadri Souharda Credit Cooperative Limited.	2,54,09,306.40	5	1,45,84,631.93	57.40	10
Krishik Souharda Credit Cooperative Limited.	4,02,37,344.20	2	1,82,90,195.26	45.46	8
Akshaya Souharda Credit Cooperative Limited.	2,86,20,226.60	4	99,87,191.40	34.90	4
Mayura Souharda Credit Cooperative Limited.	5,80,956.20	13	4,21,723.81	72.59	13
Srigandha Souharda Credit Cooperative Limited.	87,91,534.60	9	48,91,099.56	55.63	9
Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	1,38,58,789.60	7	61,93,998.07	44.69	7
Sagar Souharda Credit Cooperative Limited.	53,96,746.20	11	65,64,612.06	121.64	15
Ankita Souharda Credit Cooperative Limited.	3,20,53,782.80	3	1,15,72,335.62	36.10	5
Saraswati Souharda Credit Cooperative Limited.	4,20,644.00	14	1,76,100.80	41.86	6
<b>Overall</b>	<b>1,74,07,850.88</b>		<b>2,16,51,899.43</b>		

Source: Complied financial reports from 2010-2011 to 2014-15

### Observation and Analysis

During the Study period a higher rank is indicative of a more stable (or lesser variable) Fixed Deposits of the organization which indicates its higher liquidity and confidence of depositors. In the study period, Sudarshana Souharda Credit Cooperative Society Ltd. has been assigned the highest rank owing to its lowest CV of 21.79. This cooperative had the highest rank in case of Share Capital as well.

Saraswat Souharda Credit Cooperative Limited has been assigned the lowest rank as it shows the highest variability in fixed deposits. The CV ranges from 21.79 to

223.61 which signify that there exists a wide spread in data sets of Souharda Credit Cooperative Societies. ( $223.61 / 21.79 = 10.26$ ).

**Table 4.7 Showing Mean, SD, CV and Ranks of Fixed Deposit of PCCS**

(Amount in Rs)

<b>Primary Credit Cooperative Societies</b>	<b>Mean</b>	<b>Rank</b>	<b>SD</b>	<b>CV</b>	<b>Rank</b>
Arya Vaishya Sri Rama Credit Cooperative Society	5,54,63,346.80	3	7,53,15,663.69	135.79	28
Sri Kalikaparameshwari Credit Cooperative Society	12,75,27,671.00	1	4,34,80,049.73	34.09	11
Kshatriyamaratha Credit Cooperative Society	21,75,885.75	18	1,87,448.13	8.61	1
Malenadu Credit Cooperative Society	4,98,05,441.40	4	2,64,74,114.51	53.16	23
Brahmashri Narayanaguru Credit Cooperative Society	97,60,410.20	11	67,49,399.55	69.15	24
Sir M. Vishwesharaya Credit Cooperative Society	7,13,50,745.20	2	1,52,38,057.46	21.36	3
Goorabayi Credit Cooperative Society	6,68,550.50	25	2,69,949.10	40.38	17
Jai Bheem Credit Cooperative Society	20,262.00	31	27,744.89	136.93	29
Christian Credit Cooperative Society,	24,62,419.20	17	8,54,933.16	34.72	12
Janashakthi Credit Cooperative Society	6,95,632.00	24	1,80,235.78	25.91	6
Sri Jagadguru Panchacharya Credit Cooperative Society	42,80,481.80	13	32,12,732.56	75.06	25
Daivagnya Credit Cooperative Society	2,93,46,298.60	6	1,17,13,491.60	39.91	15
Durgigudi Credit Cooperative Society	41,35,071.33	14	37,27,358.18	90.14	26
Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society	2,76,92,987.50	7	94,30,150.69	34.05	10
Urban Credit Cooperative Society	46,06,173.00	12	13,30,366.50	28.88	8
Barbar's Credit Cooperative Society	11,76,926.00	20	3,69,857.77	31.43	9
Kairali credit cooperative society	9,08,391.50	22	2,16,815.20	23.87	4

Humdard Credit Cooperative Society	29,09,010.00	16	7,51,951.48	25.85	5
Goodwill Credit Cooperative Society	1,82,76,628.50	8	85,96,478.87	47.04	19
Gayatri Credit Cooperative Society	1,68,756.80	27	2,98,575.11	176.93	30
Bhyraveshwara Credit Cooperative Society	14,30,533.33	19	7,36,740.29	51.50	21
Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society	125,15,961.50	9	35,18,438.19	28.11	7
Sharavati Credit Cooperative Society	31,805,568.80	5	42,78,641.71	13.45	2
Malenadu mahila credit cooperative society	11,48,468.00	21	4,28,072.06	37.27	14
Sri varada credit cooperative society	39,28,062.80	15	14,17,258.76	36.08	13
Sri Vasavi Credit Cooperative Society	1,10,54,665.20	10	57,06,192.55	51.62	22
Sri Mahalakshmi mahila credit cooperative society	2,15,133.60	26	1,05,206.54	48.90	20
Sri Shantheshwari Mahila Credit Cooperative Society	61,250.00	29	25,940.64	42.35	18
Sirigandha Mahila Credit Cooperative Society	1,50,000.00	28	1,41,067.36	94.04	27
Mahila Graduates Credit Cooperative Society	25,000.00	30	10,000.00	40.00	16
<b>Overall</b>	<b>1,72,14,644.56</b>		<b>3,39,83,667.29</b>		

Source: Complied financial reports from 2010-2011 to 2014-15

### Observation and Analysis

Kshatriyamaratha Credit Cooperative Society has been assigned the highest rank as it has the lowest CV 8.61. On the other hand, Gayatri Credit Cooperative Society has been assigned the lowest rank owing to greatest level of dispersion around the mean (CV=176.93). There is a considerable gap in CVs between the highest and the lowest ranks which reflects the variability of fixed deposit. ( $176.93/8.61 = 20.55$ ).

#### 4.5.2.3 Comparative Analysis of Fixed Deposit of Souharda Credit Cooperative Societies and Primary Credit Cooperative Societies

On comparing SCCS and PCCS, it can be observed that Primary Credit Cooperative societies have lesser variability around the mean (CV=8.61 for the

highest rank and 176.93 for the lowest rank) as compared to Souharda Credit Cooperative Societies (CV = 21.79 for the highest rank and 223.61 for the lowest rank) and hence PCCS have more stable fixed deposits. But within Primary Credit Cooperative Societies there is a huge variation in CV observed from the highest to lowest rank ( $176.93/8.61= 20.55$ ). On the other hand, within Souharda Credit Cooperative Societies, this variation is 10.26 ( $223.61 / 21.79= 10.26$ ) which is lower than 20.55. Hence it can be concluded that comparing various organizations within PCCS, the variability is more for the lowest ranking organization as compared to the highest ranking organization. But the highest rank in PCCS has much lesser CV and hence less variability than the organization in SCCS with Rank 1.

The comparative analysis for the variable Fixed Deposit yield the same results as in the case of Share Capital.

### Testing of Hypothesis for Fixed Deposit

**H1o:** There is no significant difference between Fixed Deposit of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

**H1a:** There is a significant difference associated between Fixed Deposit of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

**Table 4.8 Showing results of one way Annova between Fixed Deposit of Souharda Credit Cooperative Society and Primary Credit Cooperative Society**

ANNOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>Df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	7013308854	1	7013308854	0.00115385	0.97373	5.317
Within Groups	4.86251E+1	8	6.07814E+13			
Total	4.86322E+1	9				

(SS= some of squares, DF = degree of freedom, MS = means square, F=Factor Calculated Value , F Crit = Critical value).

### Interpretation for Hypothesis Testing

From the above table it is evident that the calculated p value is 0.97 which is higher than the alpha p value of 0.05. Hence, the null hypothesis is accepted which can be concluded that there is no significant difference associated between Fixed

Deposit of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

### 4.5.3 Savings Deposit

#### 4.5.3.1 Year Wise Analysis of Savings Deposit through Mean and SD Values

**Table 4.9 Showing Mean and SD Values of Saving Deposit of SCCS and PCCS from 2010-11 to 2014-15** (Amount in Rs)

Years	SCCS		PCCS	
	Mean	SD	Mean	SD
2010-11	15,58,451.06	24,44,159.68	22,05,359.19	42,16,098.22
2011-12	19,87,264.44	28,37,172.51	29,72,406.57	51,23,332.14
2012-13	26,12,870.56	29,94,479.53	43,61,378.63	75,73,170.59
2013-14	27,78,373.19	33,46,011.23	43,41,508.38	86,07,042.63
2014-15	38,56,697.88	42,78,913.22	1,33,92,268.87	4,87,04,596.49
<b>Overall</b>	<b>25,58,731.43</b>	<b>32,53,892.19</b>	<b>57,98,438.23</b>	<b>2,44,19,664.92</b>

Source: Complied financial reports from 2010-2011 to 2014-15

### Observation and Analysis

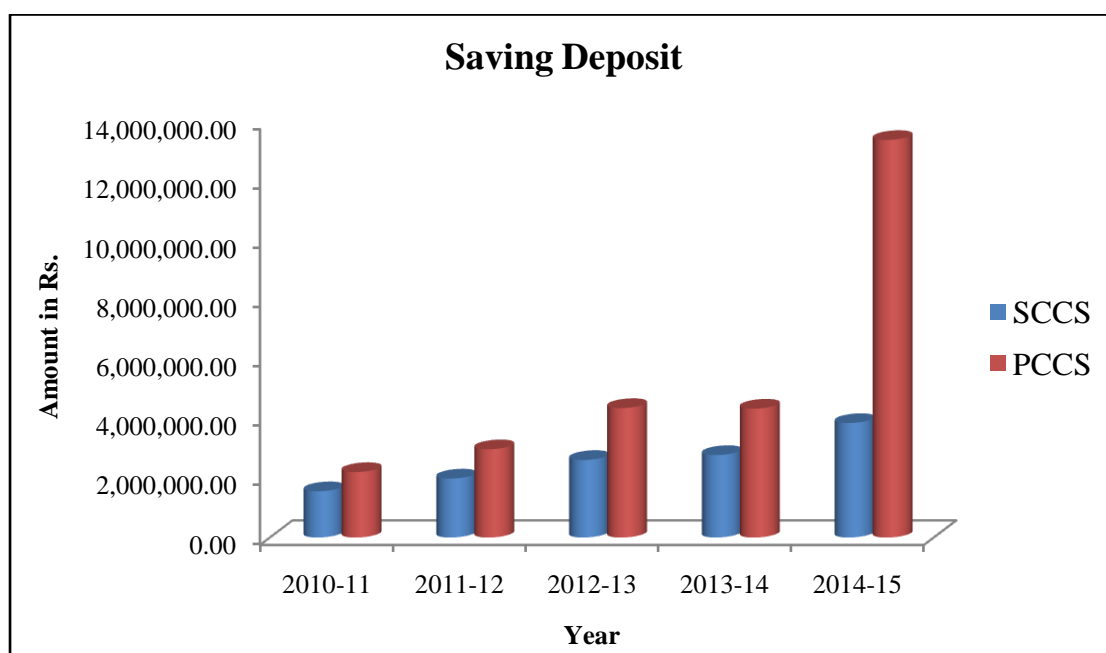
Savings Deposits are reflective of a major chunk of the total deposits of the Society. They indicate high liquidity for the depositors and major type of deposits for the Society, for which it is required to pay interest periodically. As these deposits have to be repaid on demand, the societies have to be cautious of having enough liquid funds to be able to repay the depositor at any given point of time. More are the Savings deposits, more would be the funds available with the society available for lending.

The mean values of SCCS is found to be 15,58,451.06, 19,87,264.44, 26,12,870.56, 27,78,373.19 and 38,56,697.88 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 25.58.731.43.

The mean values of PCCS is found to be 22,05,359.19, 29,72,406.57, 43,61,378.63, 43,41,508.38 and 1,33,92,268.87 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 57,98,438.23.

The comparative analysis of PCCS and SCCS shows that in all the years the mean values of PCCS is higher i.e. PCCS is having very strong foothold on Savings Deposits in the given time period.

**Graph 4.3 Showing Mean Values of Saving Deposit of SCCS and PCCS from 2010-11 to 2014-15**



#### 4.5.3.2 Society Wise Analysis of Savings Deposit through Mean, SD, CV and Ranks

**Table 4.10 Showing Mean, SD, CV and Ranks of Saving Deposit of SCCS**

(Amount in Rs)

<b>Souharda Credit Cooperative Societies</b>	<b>Mean</b>	<b>Rank</b>	<b>SD</b>	<b>CV</b>	<b>Rank</b>
Saraswat Souharda Credit Cooperative Society Limited.	8,37,025.80	10	8,99,152.90	107.42	14
Siri Souharda Credit Cooperative Limited.	10,87,485.20	9	2,73,843.15	25.18	3
Dharmanyasa Souharda pattina sahakari	2,30,723.20	15	98,587.57	42.73	6
Sudarshana Souharda Credit Cooperative Limited.	2,99,442.00	14	1,58,182.55	52.83	8
Sri Ramanuja Souharda Credit Cooperative Limited.	26,85,011.80	6	13,63,240.64	50.77	7
Udaya Souharda Credit Cooperative Limited.	41,61,393.20	5	30,79,961.23	74.01	12
Jivan Vikas Souharda Credit Cooperative Limited.	66,06,796.60	2	34,91,255.14	52.84	9

Kodachadri Souharda Credit Cooperative Limited.	13,49,834.60	8	7,68,837.54	56.96	11
Krishik Souharda Credit Cooperative Limited.	53,96,332.00	3	17,36,040.77	32.17	4
Akshaya Souharda Credit Cooperative Limited.	105,41,830.60	1	13,74,232.12	13.04	1
Mayura Souharda Credit Cooperative Limited.	3,91,355.60	13	1,37,105.76	35.03	5
Srigandha Souharda Credit Cooperative Limited.	46,33,964.20	4	24,74,908.35	53.41	10
Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	5,75,155.60	11	91,413.38	15.89	2
Sagar Souharda Credit Cooperative Limited.	21,28,816.40	7	23,44,780.35	110.14	15
Saraswati Souharda Credit Cooperative Limited.	14,536.00	16	13,175.70	90.64	13
<b>Overall</b>	<b>25,58,731.425</b>		<b>32,53,892.187</b>		

Source: Complied financial reports from 2010-2011 to 2014-15

### Observation and Analysis

A higher rank indicates a more stable (or lesser variable) Savings Deposits of the organization over the years, reflecting the stability of the funds available with the society for lending. In the present study, Akshaya Souharda Credit Cooperative Society Limited has been assigned the highest rank owing to its lowest CV of 13.04.

Sagar Souharda Credit Cooperative Limited has been assigned the lowest rank as it shows the highest variability in Fixed Deposits (110.14). The CV ranges from 13.04 to 110.14 which signifies that there exists a spread in data sets of Souharda Credit Cooperative Societies. ( $110.14 / 13.04 = 8.45$ ).

**Table 4.11 Showing Mean, SD, CV and Ranks of Saving Deposit of PCCS**

(Amount in Rs)

<b>Primary Credit Cooperative Society</b>	<b>Mean</b>	<b>Rank</b>	<b>SD</b>	<b>CV</b>	<b>Rank</b>
Arya Vaishya Sri Rama Credit coOerative society	1,08,54,664.60	5	23,62,535.31	21.77	8
Sri Kalikaparameshwari Credit Cooperative Society	87,29,955.00	6	17,26,332.35	19.77	7
Kshatriyamaratha Credit Cooperative Society	2,49,120.50	20	14,654.43	5.88	1
Malenadu Credit Cooperative Society	75,89,939.60	8	33,79,557.18	44.53	14
Brahmashri Narayanaguru Credit Cooperative Society	26,53,125.80	13	11,79,109.26	44.44	13
Sir M V Credit Cooperative society	2,83,13,157.60	2	78,82,279.71	27.84	10
Goorabayi Credit Cooperative Society	61,133.50	27	27,448.99	44.90	15
Janashakthi Credit Cooperative Society	202,131.40	23	93,136.66	46.08	17
Sri Jagadguru Panchacharya Credit Cooperative	250,114.20	19	2,39,103.58	95.60	20
Daivagnya Credit Cooperative Society	14,11,242.00	14	6,40,084.03	45.36	16
Durgigudi Credit Cooperative Society	27,13,934.33	12	24,10,733.08	88.83	18
Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society	2,67,49,368.00	3	44,56,691.81	16.66	4
Urban Credit Cooperative Society	13,93,516.20	15	2,51,857.24	18.07	6
Barbar's Credit Cooperative Society	1034,774.20	17	4,04,929.60	39.13	11
Humdard Credit Cooperative Society	8180,638.40	7	22,48,767.13	27.49	9
Goodwill Credit Cooperative Society	14,31,75,148.00	1	17,54,56,672.60	122.55	22
Gayatri Credit Cooperative Society	216.00	31	482.99	223.61	24
Bhyraveshwara Credit Cooperative Society	2,11,442.67	22	2,64,577.97	125.13	23
Bhadravathi Town Bahusara Kshatriya	38,07,699.00	10	5,46,282.41	14.35	2



Credit Cooperative Society					
Sharavati Credit Cooperative Society	37,29,889.00	11	16,49,045.64	44.21	12
Sri Vasavi Credit Cooperative Society	13,45,457.60	16	2,35,206.86	17.48	5
Sri Mahalakshmi Mahila Credit Cooperative Society	43,405.00	28	7,173.39	16.53	3
Sirigandha Mahila Credit Cooperative Society	72,783.33	25	64,752.15	88.97	19
Mahila Graduates Credit Cooperative Society	28,000.00	29	30,558.35	109.14	21
<b>Overall</b>	<b>57,98,438.23</b>		<b>2,44,19,664.92</b>		

Source: Complied financial reports from 2010-2011 to 2014-15

### Observation and Analysis

Kshatriyamaratha Credit Cooperative Society has been assigned the highest rank as it has the lowest CV 5.88. On the other hand, Gayatri Credit Cooperative Society has been assigned the lowest rank owing to greatest level of dispersion around the mean. (CV=223.61). There is a considerable gap in CVs between the highest and the lowest ranks which reflects the variability of Savings Deposit. (223.61/5.88= 38.03).

The same societies acquired the highest and the lowest ranks in Fixed Deposits as well.

#### 4.5.3.3 Comparative Analysis of Savings Deposit of SCCS and PCCS

On comparing Souharda Credit Cooperative Societies and Primary Credit Cooperative societies, it can be observed that the highest rank in Primary Credit Cooperative Societies has lesser variability around the mean (CV=5.88 for the highest rank) as compared to Souharda Credit Cooperative Societies (CV = 13.04 for the highest rank) and hence PCCS have more stable savings deposits. But within Primary Credit Cooperative Societies there is a huge variation in CV observed from the highest to lowest rank (223.61/5.88= 38.03). On the other hand, within Souharda Credit Cooperative Societies this variation is 8.45 (110.14 / 13.04 = 8.45) which is lower than 38.03. Hence it can be concluded that comparing various organizations within Primary, the variability is more for the lowest ranking organization as

compared to the highest ranking organization. But the highest rank in PCCS has much lesser CV and hence less variability than the organization in Souharda with Rank 1.

### Testing of Hypothesis for Savings Deposit

**H3o:** There is no significant difference between Saving Deposits of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

**H3a:** There is a significant difference associated between Savings Deposits of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

**Table 4.12 Showing results of One way Annova between Savings Deposit of Souharda Credit Cooperative Society and Primary Credit Cooperative Society**

ANOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>Df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	2.09649E+13	1	2.09649E+13	1.968	0.198256	5.31
Within Groups	8.52226E+13	8	1.06528E+13			
Total	1.06187E+14	9				

(SS= some of squares, DF = degree of freedom, MS = means square, F=Factor Calculated Value , F Crit = Critical value).

### Interpretation for Hypothesis Testing

From the above table it is evident that the calculated p value is 0.19 which is higher than the alpha p value of 0.05. Hence, the null hypothesis is accepted which can be concluded that there is no significant difference associated between Saving Deposit of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

---

#### 4.5.4 Advances

##### 4.5.4.1 Year Wise Analysis of Advances through Mean and Standard Values

**Table 4.13 Showing Mean and SD Values of Advances of SCCS and PCCS**

**from 2010-11 to 2014-15**

(Amount in Rs)

Years	SCCS		PCCS	
	Mean	SD	Mean	SD
2010-11	1,60,58,434.2	1,75,51,612	1,42,07,590.50	1,95,70,058.24
2011-12	2,36,55,646.3	2,57,72,205	2,62,55,224.00	4,76,41,319.67
2012-13	3,04,74,287.3	3,31,95,774	3,43,77,294.88	5,66,90,133.18
2013-14	3,78,40,578.6	3,67,61,209	4,20,54,436.66	6,72,37,865.93
2014-15	4,71,43,847.1	4,24,97,417	3,96,47,497.70	6,51,14,379.28
<b>Overall</b>	<b>3,10,34,558.7</b>	<b>3,33,43,755</b>	<b>3,12,91,516.28</b>	<b>5,41,45,409.59</b>

Source: Complied financial reports from 2010-2011 to 2014-15

#### Observation and Analysis

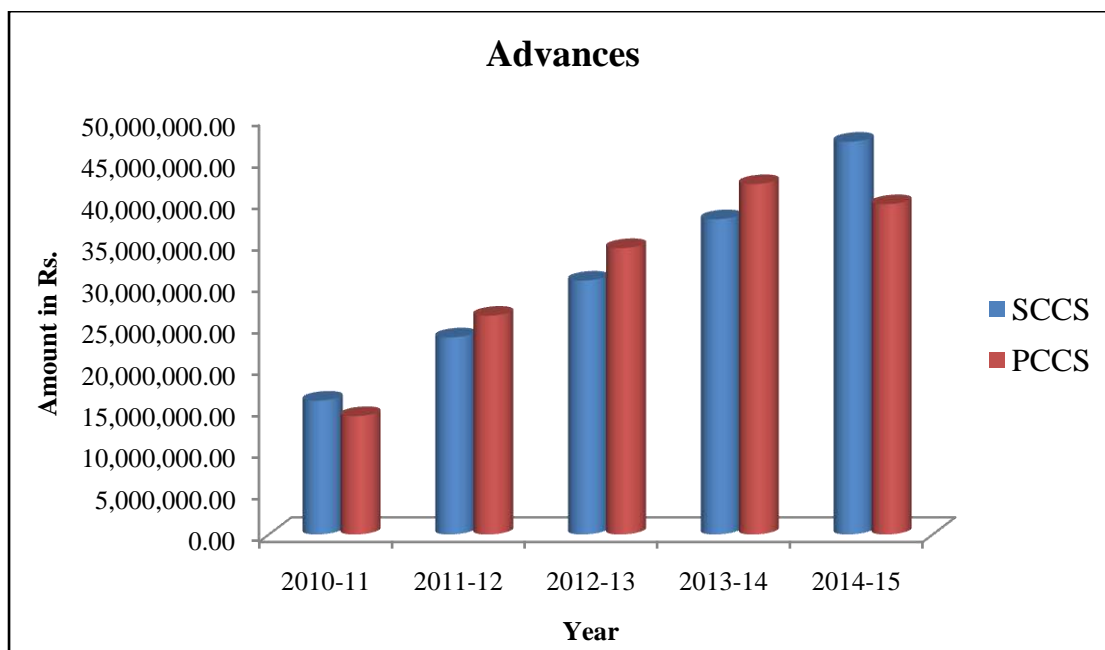
Advances is indicative of the business for the Societies for which it earns interest. Advances lent by the societies emphasizes the income generated and hence economic efficiency of the society. The above table is an indication of Advances among the Souharda Credit Cooperative Societies and Primary Credit Cooperative Societies.

The mean value of Souharda Credit Cooperative Society was found to be 1,60,58,434.2, 2,36,55,646.3, 3,04,74,287.3, 3,78,40,578.6 and 4,71,43,847.1 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 3,10,34,558.7.

The mean value of Primary Credit Cooperative Societies was found to be 1,42,07,590.5, 2,62,55,224, 3,43,77,294.88, 4,20,54,436.66 and 3,96,47,497.7 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 3,12,91,516.28.

The comparative analysis of PCCS and SCCS show that except 2010-11 and 2014-15 in all the years, the mean values of PCCS is higher which can be interpreted as PCCS having more capability to lend higher Advances.

**Graph 4.4: Showing Mean Values of Advances of SCCS and PCCS from 2010-11 to 2014-15**



#### 4.5.4.2. Society Wise Analysis of Advances through Mean, SD , Coefficient of Variation and Ranks

**Table No 4.14 Showing Mean, SD, CV and Ranks of Advances of SCCS**

(Amount in Rs)

Souharda Credit Cooperative Societies	Mean	Rank	SD	CV	Rank
Saraswat Souharda Credit Cooperative Society Limited.	1,32,63,313.20	11	80,74,316.86	60.88	13
Siri Souharda Credit Cooperative Limited.	97,64,330.80	13	44,93,215.79	46.02	10
Dharmanyasa Souharda Credit Cooperative Limited.	1,18,91,788.00	12	28,17,380.43	23.69	2
Sudarshana Souharda Credit Cooperative Limited.	67,96,753.20	14	31,36,647.55	46.15	11
Sri Ramanuja Souharda Credit Cooperative Limited.	6,12,02,486.60	3	2,34,53,313.73	38.32	7
Udaya Souharda Credit Cooperative Limited.	5,65,80,456.00	4	5,01,00,639.80	88.55	16

Jivan Vikas Souharda Credit Cooperative Limited.	11,11,34,472.20	1	3,17,28,641.77	28.55	4
Kodachadri Souharda Credit Cooperative Limited.	2,08,99,058.40	7	1,13,27,249.84	54.20	12
Krishik Souharda Credit Cooperative Limited.	6,14,67,524.20	2	1,53,07,960.08	24.90	3
Akshaya Souharda Credit Cooperative Limited.	5,40,27,168.60	5	1,18,86,514.28	22.00	1
Mayura Souharda Credit Cooperative Limited.	19,46,196.40	15	6,82,850.24	35.09	5
Srigandha Souharda Credit Cooperative Limited.	178,37,028.60	9	1,08,62,155.50	60.90	14
Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	200,99,850.60	8	77,99,452.62	38.80	8
Sagar Souharda Credit Cooperative Limited.	152,71,087.00	10	96,87,433.12	63.44	15
Ankita Souharda Credit Cooperative Limited.	324,64,555.20	6	1,17,88,293.23	36.31	6
Saraswati Souharda Credit Cooperative Limited.	19,06,870.00	16	7,77,296.28	40.76	9
Overall	3,10,34,558.69		3,33,43,754.54		

Source: Complied financial reports from 2010-2011 to 2014-15

### Observation and Analysis

A higher rank indicates a more stable (or lesser variable) Advances of the organization over the years, reflecting the stability of the funds lent by the Society. In the present study, Akshaya Souharda Credit Cooperative Limited has been assigned the highest rank owing to its lowest CV of 22.00.

Udaya Souharda Credit Cooperative Limited has been assigned the lowest rank as it shows the highest variability in Advances (88.55). The CV ranges from 22.00 to 88.55 which signify that there exists a smaller spread in data sets of Souharda Credit Cooperative Societies. ( $88.55 / 22.00 = 4.03$ ).

**Table No 4.15 Showing Mean, SD, CV and Ranks of Advances of PCCS**

(Amount in Rs)

<b>Primary Credit Cooperative Society</b>	<b>Mean</b>	<b>Rank</b>	<b>SD</b>	<b>CV</b>	<b>Rank</b>
Arya Vaishya Sri Rama Credit Cooperative Society	9,53,16,284.40	3	5,20,89,397.48	54.65	28
Sri Kalikaparameshwari Credit Cooperative Society	22,42,57,841.60	1	10,97,46,698.31	48.94	27
Kshatriyamaratha Credit Cooperative Society	70,76,957.50	17	47,30,445.72	66.84	29
Malenadu Credit Cooperative Society	6,62,67,893.40	5	2,67,16,656.29	40.32	25
Brahmashri Narayanaguru Credit Cooperative Society	3,11,53,756.40	9	95,74,948.21	30.73	17
Sir M.Vishwesharaya Credit Cooperative Society	8,69,25,895.80	4	2,60,92,577.94	30.02	14
Goorabayi Credit Cooperative Society	27,30,625.50	24	2,60,350.43	9.53	3
Jai Bheem Credit Cooperative Society	2,54,361.40	31	7,744.85	3.04	1
Christian Credit Cooperative Society	49,37,534.00	21	7,32,690.74	14.84	5
Janashakthi Credit Cooperative Society	56,44,086.80	18	12,10,496.59	21.45	8
Sri Jagadguru Panchacharya Credit Cooperative	84,67,671.40	15	32,84,121.13	38.78	24
Daivagnya Credit Cooperative Society	5,27,59,787.40	7	1,10,85,130.11	21.01	7
Durgigudi Credit Cooperative Society	48,60,652.00	22	17,86,053.28	36.75	23
Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society	10,97,24,377.00	2	2,36,43,545.00	21.55	9
Urban Credit Cooperative Society	1,11,98,368.00	13	25,98,165.01	23.20	11
Barbar's Credit Cooperative Society	79,90,022.60	16	3,81,512.77	4.77	2
Kairali Credit Cooperative Society	50,53,847.00	20	6,72,387.84	13.30	4
Humdard Credit Cooperative Society	3,81,69,087.20	8	83,47,136.02	21.87	10

Goodwill Credit Cooperative Society	2,02,91,483.50	11	48,75,012.65	24.02	12
Gayatri Credit Cooperative Society	24,38,976.80	25	8,20,056.12	33.62	20
Bhyraveshwara Credit Cooperative Society	43,94,669.33	23	13,52,717.69	30.78	18
Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society	2,31,12,459.50	10	71,01,032.88	30.72	16
Sharavati Credit Cooperative Society	5,33,98,084.20	6	1,51,72,203.05	28.41	13
Malenadu Mahila Credit Cooperative Society	53,05,947.00	19	16,97,141.67	31.99	19
Sri Varada Credit Cooperative Society	86,15,196.20	14	30,03,996.55	34.87	21
Sri Vasavi Credit Cooperative Society	1,18,63,307.60	12	42,08,786.42	35.48	22
Sri Mahalakshmi Mahila Credit Cooperative Society	5,86,382.20	29	1,77,909.96	30.34	15
Sri Shantheshwari Mahila Credit Cooperative Society	16,69,655.25	26	2,65,759.23	15.92	6
Sirigandha Mahila Credit Cooperative Society	16,12,175.00	27	16,38,728.42	101.65	30
Mahila Graduates Credit Cooperative Society	4,64,790.00	30	1,97,173.39	42.42	26
<b>Overall</b>	<b>3,12,91,516.28</b>		<b>5,41,45,409.60</b>		

Source: Compiled financial reports from 2010-2011 to 2014-15

### Observation and Analysis

Jai Bheem Credit Cooperative Society has been assigned the highest rank as it has the lowest CV of 3.04. On the other hand, Sirigandha Mahila Credit Cooperative Society has been assigned the lowest rank owing to greatest level of dispersion around the mean. (CV=101.65). There is a considerable gap in CVs between the highest and the lowest ranks which reflects the variability of Advances. (101.65/3.04= 33.44).

---

---

#### 4.5.4.3 Comparative Analysis of Advances of Souharda Credit Cooperative Societies and Primary Credit Cooperative Societies

On comparing Souharda Credit Cooperative Societies and Primary Credit Cooperative Societies, it can be observed that the highest rank among Primary Credit Cooperative Societies has lesser variability around the mean (CV=3.04 for the highest rank) as compared to Souharda Credit Cooperative Society (CV=22.00 for the highest rank) and hence PCCS have more stable Advances. Nevertheless, the variability within PCCS (33.44) is much larger than SCCS (4.03)

#### Testing of Hypothesis for Advances

**H4o:** There is no significant difference between Advances of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

**H4a:** There is a significant difference associated between Advances of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

**Table 4.16 Showing results of One way Annova between Advances of Souharda Credit Cooperative Society and Primary Credit Cooperative Society**

ANNOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>Df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	1.87E+11	1	1.87E+11	0.001367	0.971414	5.317655
Within Groups	1.1E+15	8	1.37E+14			
Total	1.1E+15	9				

(SS= some of squares, df = degree of freedom, MS = Means square, F=Factor Calculated Value , F Crit = Critical value).

#### Interpretation for Hypothesis Testing

From the above table it is evident that the calculated p value is 0.97 which is higher than the alpha p value of 0.05. Hence, the null hypothesis is accepted which can be concluded that there is no significant difference associated between advances of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.



---

#### 4.5.5 Net Profit

##### 4.5.5.1 Year Wise Analysis of Net Profit through Mean and SD Values

**Table 4.17 Showing Mean and SD Values of Net Profit of SCCS and PCCS from 2010-11 to 2014-15** (Amount in Rs)

Years	SCCS		PCCS	
	Mean	SD	Mean	SD
2010-11	6,67,083.19	11,85,535.70	8,09,973.11	16,68,132.06
2011-12	11,23,324.13	17,75,171.46	12,41,978.76	5,59,44,05.36
2012-13	15,66,179.63	27,21,790.11	11,21,334.44	16,98,143.68
2013-14	17,18,386.25	23,16,389.48	13,13,862.85	18,63,338.20
2014-15	21,62,837.38	33,27,871.21	12,49,961.20	18,66,993.35
<b>Overall</b>	<b>14,47,562.11</b>	<b>23,78,947.35</b>	<b>31,65,987.42</b>	<b>2,38,34,450.34</b>

Source: Complied financial reports from 2010-2011 to 2014-15

#### Observation and Analysis

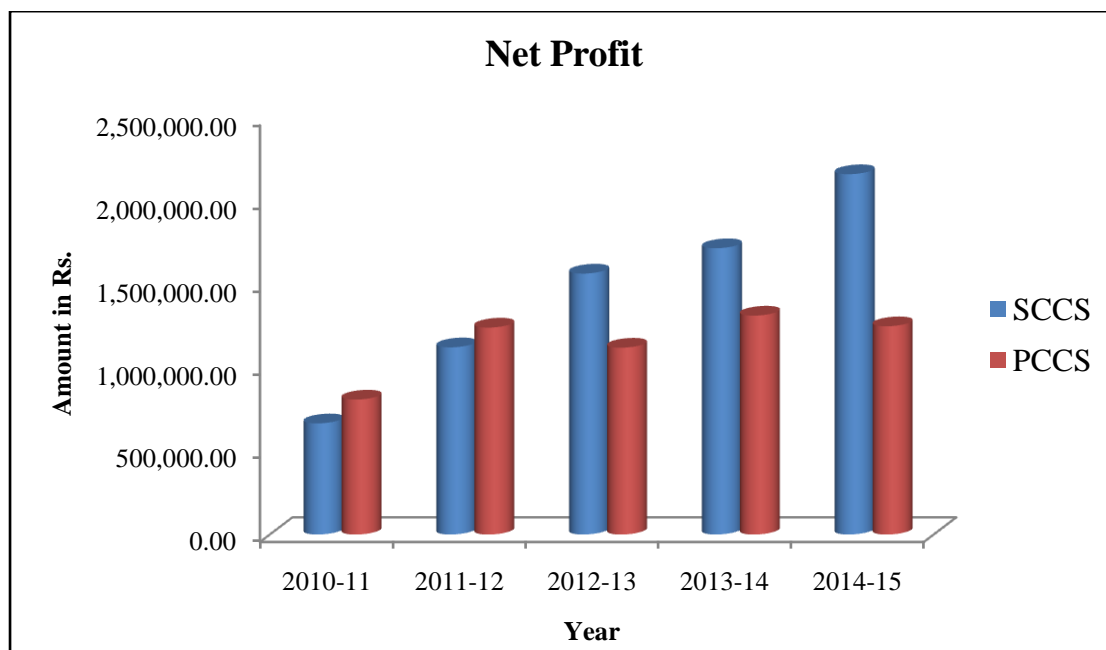
Net Profits reflect the economic health of the organization, without which no business can sustain. Higher profits indicate a healthy balance between the Deposits and the Advances. The above table is an indication of Net Profits among the Souharda Credit Cooperative Societies and Primary Credit Cooperative Society.

The mean values of Souharda Credit Cooperative Societies is found to be 6,67,083.19, 11,23,324.13, 15,66,179.63, 17,18,386.25 and 21,62,837.38 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 1447562.11.

The mean values of Primary Credit Cooperative Societies is found to be 8,09,973.11, 1,24,19,787.65, 11,21,334.44, 1,31,38,62.85, 12,49,961.20 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 31,65,987.42.

The comparative analysis of PCCS and SCCS show that except 2010-11 and 2011-12 in all the years the mean values of SCCS is higher which can be interpreted as SCCS enjoying higher profits.

**Graph 4.4 Showing Mean Values of Net profit of SCCS and PCCS from 2010-11 to 2014-15**



#### 4.5.5.2 Society Wise Analysis of Net Profit through Mean, SD, CV and Ranks

**Table No 4.18 Showing Mean, SD, CV and Ranks of Net Profit of SCCS**

(Amount in Rs)

Souharda Credit Cooperative Societies	Mean	Rank	SD	CV	Rank
Saraswat Souharda Credit Cooperative Society Limited.	4,11,849.2	11	18,18,75.97	44.16	7
Siri Souharda Credit Cooperative Limited.	8,98,736	8	5,51,853.98	61.40	13
Dharmanyasa Souharda Credit Cooperative Limited.	6,32,177	9	1,80,110.22	28.49	1
Sudarshana Souharda Credit Cooperative Limited.	1,02,536.8	16	6,22,49.08	60.71	12
Sri Ramanuja Souharda Credit Cooperative Limited.	11,29,267	5	51,81,53.82	45.88	9
Udaya Souharda Credit Cooperative Limited.	12,40,489.6	4	59,8,155.60	48.22	10
Jivan Vikas Souharda Credit Cooperative Limited.	87,51,608.2	1	32,49,093.06	37.13	2
Kodachadri Souharda Credit Cooperative Limited.	2,62,348	12	1,12,161.38	42.75	5
Krishik Souharda Credit Cooperative Limited.	19,14,005.8	3	8,51,417.71	44.48	8

Akshaya Souharda Credit Cooperative Limited.	47,25,075.8	2	19,42,226.75	41.10	4
Mayura Souharda Credit Cooperative Limited.	1,41,381.6	14	56,239.67	39.78	3
Srigandha Souharda Credit Cooperative Limited.	1,82,270.4	13	1,55,467.89	85.30	16
Sri Ambrini Vidyesh Souharda Credit	6,02,213.2	10	39,0,221.47	64.80	15
Sagar Souharda Credit Cooperative Limited.	10,07,589.2	7	6,35,163.05	63.04	14
Ankita Souharda Credit Cooperative Limited.	10,37,449.4	6	5,59,368.51	53.92	11
Saraswati Souharda Credit Cooperative Limited.	1,21,996.6	15	53,261.00	43.66	6
<b>Overall</b>	<b>14,47,562.11</b>		<b>23,78,947.35</b>		

Source: Complied financial reports from 2010-2011 to 2014-15

### Observation and Analysis

A higher rank indicates a more stable (or lesser variable) Net Profits of the organization over the years. In the present study, Dharmanyasa Souharda Credit Cooperative Limited has been assigned the highest rank owing to its lowest CV of 28.49.

Srigandha Souharda Credit Cooperative Limited has been assigned the lowest rank as it shows the highest variability in Advances (85.30). The CV ranges from 28.49 to 85.30 which signifies that there exists a smaller spread in data sets of Souharda Credit Cooperative Societies.  $(85.30 / 28.49 = 2.99)$ .

**Table No 4.19 Showing Mean, SD, CV and Ranks of Net Profit of PCCS**

(Amount in Rs)

<b>Primary Credit Cooperative Society</b>	<b>Mean</b>	<b>Rank</b>	<b>SD</b>	<b>CV</b>	<b>Rank</b>
Arya Vaishya Sri Rama Credit Cooperative society	67,54,325.60	2	12,30,034.63	549.12	27
Sri Kalikaparameshwari Credit Cooperative	5,77,94,759.20	1	11,80,72,871.46	48.95	6
Kshatriyamaratha Credit Cooperative Society	1,35,539.25	21	94,388.73	143.60	8
Malenadu Credit Cooperative Society	29,63,945.80	4	8,14,238.04	364.01	17

Brahmashri Narayanaguru Credit Cooperative	14,01,851.80	8	4,95,710.57	282.80	14
Sir M. Vishwesharaya Credit Cooperative Society	19,32,753.20	5	3,91,056.66	494.24	26
Goorabayi Credit Cooperative Society	94,636.75	23	8,442.41	1120.97	30
Jai Bheem Credit Cooperative Society	-2,586.60	27	6,050.33	-42.75	3
Christian Credit Cooperative Society	14,916.00	26	4,380.60	340.50	15
Janashakthi Credit Cooperative Society	5,33,450.00	13	1,45,826.01	365.81	18
Sri Jagadguru Panchacharya Credit Cooperative	2,10,171.20	18	1,05,880.80	198.50	11
Daivagnya Credit Cooperative Society	11,21,202.40	10	5,06,361.19	221.42	13
Durgigudi Credit Cooperative Society	-79,887.00	30	2,36,708.17	-33.75	4
Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society	36,87,421.50	3	19,73,267.03	186.87	10
Urban Credit Cooperative Society	3,11,773.60	16	82,978.49	375.73	19
Barbar's Credit Cooperative Society	1,10,611.80	22	26,262.96	421.17	22
Kairali Credit Cooperative Society	1,49,054.50	20	34,701.27	429.54	23
Humdard Credit Cooperative Society	14,02,623.80	7	2,42,855.12	577.56	28
Goodwill Credit Cooperative Society	11,35,852.00	9	42,358.52	2681.52	31
Gayatri Credit Cooperative Society	1,95,367.80	19	49,775.18	392.50	20
Bhyraveshwara Credit Cooperative Society	4,90,949.33	14	1,10,007.72	446.29	25
Bhadravathi Town Bahusara Kshatriya Credit	5,34,979.50	12	1,49,552.38	357.72	16
Sharavati Credit Cooperative Society	17,75,602.00	6	2,90,506.38	611.21	29
Malenadu Mahila Credit Cooperative Society	3,08,099.00	17	1,47,844.19	208.39	12
Sri Varada Credit Cooperative Society	3,45,942.80	15	79,504.41	435.12	24

Sri Vasavi Credit Cooperative Society	5,80,119.40	11	1,47,302.87	393.83	21
Sri Mahalakshmi Mahila Credit Cooperative	-34,051.20	29	69,007.04	-49.34	2
Sri Shanteshwari Mahila Credit Cooperative	61,435.50	24	42,333.70	145.12	9
Sirigandha Mahila Credit Cooperative Society	43,602.00	25	45,784.29	95.23	7
Mahila Graduates Credit Cooperative Society	-23,013.00	28	14,243.55	-161.57	1
<b>Overall</b>	<b>31,65,987.42</b>		<b>2,38,34,450.34</b>		

Source: Complied financial reports from 2010-2011 to 2014-15

### Observation and Analysis:

A higher rank indicates a more stable (or lesser variable) Net Profits of the organization over the years. In the present study, Mahila Graduates Credit Cooperative Society has been assigned the highest rank owing to its lowest CV of -161.57 and Goodwill Credit Cooperative Society has been assigned lowest rank 31 which is having 2681.52 per cent as Coefficient of Variation.

### Testing of Hypothesis for Net Profit

**H5o:** There is no significant difference between Net Profit of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

**H5a:** There is a significant difference associated between Net Profit of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

**Table 4.20 Showing results of One way Anova between Net Profit of Souharda Credit Cooperative Society and Primary Credit Cooperative Society**

ANNOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>Df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	9.36E+12	1	9.36E+12	0.723532	0.419716	5.317655
Within Groups	1.04E+14	8	1.29E+13			
Total	1.13E+14	9				

(SS= some of squares, DF = degree of freedom, MS = means square, F=Factor Calculated Value, F Crit = Critical value).

---

---

## Interpretation for Hypothesis Testing

From the above table it is evident that the calculated p value is 0.419 which is higher than the alpha p value of 0.05. Hence, the null hypothesis is accepted which can be concluded that there is no significant difference associated between Net Profit of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

### 4.5.6 Interest Received

#### 4.5.6.1 Year Wise Analysis of Interest Received through Mean and SD Values

**Table 4.21 Showing Mean and SD Values of Interest Received of SCCS and PCCS from 2010-11 to 2014-15** (Amount in Rs)

Years	SCCS		PCCS	
	Mean	SD	Mean	SD
2010-11	18,05,168.44	22,51,307.85	30,31,867.30	53,66,006.64
2011-12	30,11,750.88	37,16,709.42	39,61,124.60	65,42,642.56
2012-13	41,82,689.19	53,30,671.84	46,75,320.44	75,17,366.93
2013-14	48,75,421.31	53,82,055.18	54,34,179.47	82,69,683.42
2014-15	57,19,515.81	65,33,620.65	89,89,751.96	2,21,15,716.82
<b>Overall</b>	<b>39,18,909.13</b>	<b>49,51,124.00</b>	<b>53,54,160.59</b>	<b>1,23,68,873.48</b>

Source: Compiled financial reports from 2010-2011 to 2014-15

### Observation and Analysis

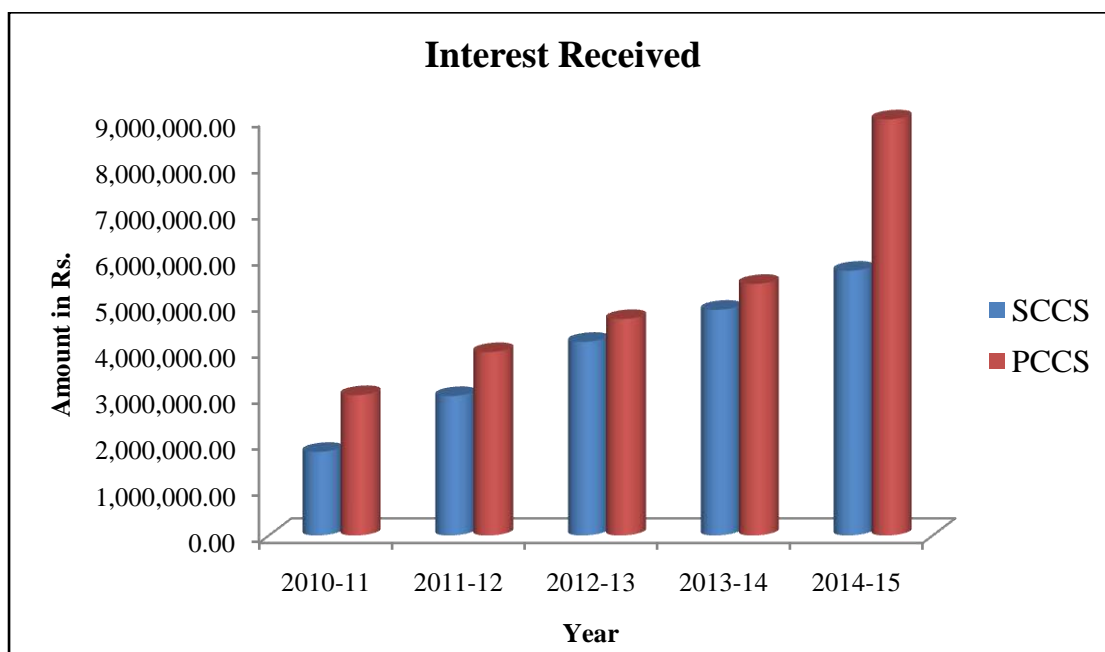
Interest Received is a measure of the income earned by the organization in lieu of Advances. Excess of Interest Received over interest given determines the net income for the organization. A stable trend in this variable signifies sound financial health for the concern. The above table is an indication of the interest received among Souharda Credit Cooperative Societies and Primary Credit Cooperative Societies.

The mean value of Interest Received of Souharda Credit Cooperative Societies was found to be 18,05,168.44, 30,11,750.88, 41,82,689.19, 48,75,421.31, 57,19,515.81 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 39,18,909.13.

The mean value of Interest Received of Primary Credit Cooperative Societies was found to be 30,31,867.30, 39,61,124.60, 46,75,320.44, 54,34,179.47, 89,89,751.96 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 53,54,160.59.

The comparative analysis of PCCS and SCCS shows that in all the years the mean value of PCCS is higher than SCCS which can be interpreted as the PCCS displaying a healthy financial trend with higher Interest Received.

**Graph 4.6 Showing Mean Values of Interest Received of SCCS and PCCS from 2010-11 to 2014-15**



#### 4.5.6.2 Society Wise Analysis of Interest Received through Mean, SD, CV and Ranks

**Table 4.22 Showing Mean, SD, CV and Ranks of Interest Received of SCCS**

(Amount in Rs)

Souharda Credit Cooperative Societies	Mean	Rank	SD	CV	Rank
Saraswat Souharda Credit Cooperative Society Limited.	12,95,489.60	13	3,74,760.26	28.93	2
Siri Souharda Credit Cooperative Limited.	13,98,481.00	11	8,11,716.53	58.04	15
Dharmanyasa Souharda Credit Cooperative Limited.	13,61,227.40	12	280,911.13	20.64	1
Sudarshana Souharda Credit Cooperative Limited.	2,20,445.80	16	67,797.58	30.75	3
Sri Ramanuja Souharda Credit Cooperative	65,47,660.00	4	29,15,520.06	44.53	9

Limited.					
Udaya Souharda Credit Cooperative Limited.	31,61,419.60	6	19,53,925.21	61.81	16
Jivan Vikas Souharda Credit Cooperative Limited.	1,84,08,964.00	1	67,48,073.06	36.66	7
Kodachadri Souharda Credit Cooperative Limited.	28,37,383.80	8	15,62,855.90	55.08	14
Krishik Souharda Credit Cooperative Limited.	72,11,301.40	3	32,50,697.85	45.08	10
Akshaya Souharda Credit Cooperative Limited.	85,35,871.20	2	30,21,363.34	35.40	6
Mayura Souharda Credit Cooperative Limited.	3,79,524.40	14	2,07,108.10	54.57	13
Srigandha Souharda Credit Cooperative Limited.	20,90,610.20	9	10,30,898.42	49.31	11
Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	31,29,697.00	7	10,37,879.79	33.16	4
Sagar Souharda Credit Cooperative Limited.	16,84,221.00	10	8,89,383.48	52.81	12
Ankita Souharda Credit Cooperative Limited.	41,13,070.20	5	14,00,747.15	34.06	5
Saraswati Souharda Credit Cooperative Limited.	3,27,179.40	15	1,33,835.59	40.91	8
<b>Overall</b>	<b>39,18,909.12</b>		<b>49,51,123.99</b>		

Source: Complied financial reports from 2010-2011 to 2014-15

### Observation and Analysis

A higher rank is indicative of a more stable (or lesser variable) Interest Received for the societies which in turn is suggestive of the stable financial health of the concern. This study, Dharmanyasa Souharda Credit Cooperative Limited has been assigned the highest rank owing to its lowest CV of 20.64 which reflects stability of the interest income of the organization.

Udaya Souharda Credit cooperative Limited has been assigned the lowest rank as it shows the highest variability with CV as 61.81. The CV ranges from 20.64 to 61.81 which signifies that there exists lesser variation in data sets w.r.t the Interest Received of Souharda Credit Cooperative Societies. ( $61.81/20.64 = 2.99$ )



**Table 4.23 Showing Mean, SD, CV and Ranks of Interest Received of PCCS**

(Amount in Rs)

<b>Primary Credit Cooperative Society</b>	<b>Mean</b>	<b>Rank</b>	<b>SD</b>	<b>CV</b>	<b>Rank</b>
Arya Vaishya Sri Rama Credit Cooperative Society	1,57,77,917	3	35,01,064.19	22.19	12
Sri Kalikaparameshwari Credit Cooperative	3,37,63,775	1	97,31,375.07	28.82	19
Kshatriyamaratha Credit Cooperative Society	8,96,729.25	17	6,03,371.35	67.29	27
Malenadu Credit Cooperative Society	2,95,00,643	2	4,72,66,311.65	160.22	29
Brahmashri Narayanaguru Credit Cooperative	41,99,401.8	9	11,48,762.10	27.36	18
Sir M.Vishwesharaya Credit Cooperative Society	95,07,397.8	6	23,52,226.77	24.74	17
Goorabayi Credit Cooperative Society	3,51,646.25	24	79,660.51	22.65	14
Jai Bheem Credit Cooperative Society	2,687.6	30	5,393.97	200.70	30
Christian Credit Cooperative Society	6,52,281.8	21	87,405.76	13.40	2
Janashakthi Credit Cooperative Society	7,79,441.8	19	1,39,891.51	17.95	6
Sri Jagadguru Panchacharya Credit Cooperative Society	9,60,732.6	16	3,76,128.31	39.15	24
Daivagnya Credit Cooperative Society	65,84,580.6	7	20,51,830.00	31.16	22
Durgigudi Credit Cooperative Society	696,489	20	3,15,781.13	45.34	25
Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society	12,019,409	5	37,23,106.70	30.98	21
Urban Credit Cooperative Society	14,32,531.6	12	2,44,375.36	17.06	5
Barbar's Credit Cooperative Society	9,73,518.8	15	91,982.38	9.45	1
Kairali Credit Cooperative Society	608,647	23	1,43,310.7456	23.55	16
Humdard Credit Cooperative Society	41,88,663.2	10	7,92,665.83	18.92	9
Goodwill Credit Cooperative Society	5,393,575	8	9,99,116.42	18.52	8

Gayatri Credit Cooperative Society	3,38,306.4	25	76,414.58	22.59	13
Bhyraveshwara Credit Cooperative Society	6,35,806.33	22	1,37,766.82	21.67	11
Bhadravathi Town Bahusara Kshatriya Credit	27,15,180.5	11	6,18,029.00	22.76	15
Sharavati Credit Cooperative Society	135,21,777.8	4	22,25,147.15	16.46	4
Malenadu Mahila Credit Cooperative Society	8,03,406.4	18	2,42,085.41	30.13	20
Sri Varada Credit Cooperative Society	11,64,966.4	14	2,22,841.28	19.13	10
Sri Vasavi Credit Cooperative Society	12,65,481.8	13	3,99,713.14	31.59	23
Sri Mahalakshmi Mahila Credit Cooperative Society	112,940	28	20,398.51	18.06	7
Sri Shantheshwari Mahila Credit Cooperative Society	2,40,756.25	26	34,149.93	14.18	3
Sirigandha Mahila Credit Cooperative Society	2,33,669.33	27	2,10,555.18	90.11	28
Mahila Graduates Credit Cooperative Society	66,031.66	29	38,529.89	58.35	26
<b>Overall</b>	<b>53,54,160.59</b>		<b>123,68,873.48</b>		

Source: Complied financial reports from 2010-2011 to 2014-15

### Observation and Analysis

Barbar's Credit Cooperative Society has been assigned the highest rank as it has the lowest CV of 9.45. On the other hand, Jai Bheem Credit Cooperative Society has been assigned the lowest rank owing to greatest level of dispersion around the mean. (CV=200.70). There is a large gap in CVs between the highest and the lowest ranks which reflects the variability of Interest Received. ( $200.70/9.45 = 21.24$ )

#### 4.5.6.3 Comparative Analysis of Interest Received of Souharda Credit Cooperative Societies and Primary Credit Cooperative Societies

On comparing Souharda Credit Cooperative Societies and Primary Credit Cooperative Societies, it can be observed that Primary Credit Cooperative Societies have lesser variability around the mean (CV=9.45 for the highest rank) as compared

to Souharda Credit Cooperative Societies ( $CV = 20.64$  for the highest rank) and hence, PCCS have more stable in interest received trends. But within Primary Credit Cooperative Societies there is a huge variation observed in CV from the highest to lowest rank ( $200.70/9.45 = 21.24$ ). On the other hand, within Souharda Credit Cooperative Societies, this variation is  $2.99$  ( $61.81/20.64 = 2.99$ ) which is lower than  $21.24$ . Hence it can be concluded that comparing various organizations within PCCS the variability is more for the lowest ranking societies as compared to Rank 1 organization. But the highest rank in PCCS has much lesser CV and hence less variability than the societies in SCCS with Rank 1.

### Testing of Hypothesis for Interest Received

**H6o:** There is no significant difference between Interest Received of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

**H6a:** There is a significant difference associated between Interest Received of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

**Table 4.24 Showing results of One way Anova between Interest Received of Souharda Credit Cooperative Society and Primary Credit Cooperative Society**

ANNOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>Df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	2.78E+13	4	6.96E+12	5.096	0.0517	5.192
Within Groups	6.83E+12	5	1.37E+12			
Total	3.47E+13	9				

(SS= some of squares, df = degree of freedom, MS = means square, F=Factor Calculated Value, F Crit = Critical value).

### Interpretation for Hypothesis Testing

From the above table it is evident that the calculated p value is  $0.051$  which is higher than the alpha p value of  $0.05$ . Hence, the null hypothesis is accepted which can be concluded that there is no significant difference associated between Interest Received of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

---

#### 4.5.7 Other Income

##### 4.5.7.1 Year Wise Analysis of Other Income through Mean and SD Values

**Table 4.25 Showing Mean and SD Values of Other Income of SCCS and PCCS from 2010-11 to 2014-15** (Amount in Rs)

	SCCS		PCCS	
Years	Mean	SD	Mean	SD
2010-11	3,78,613.25	6,54,598.12	2,11,572.76	3,66,670.32
2011-12	4,48,413.25	7,18,684.45	3,35,793.78	5,19,281.55
2012-13	5,46,945.94	7,58,240.06	3,38,797.96	5,69,183.29
2013-14	7,53,408.06	11,71,520.55	4,01,712.09	6,24,912.30
2014-15	6,16,215.44	5,41,008.18	3,50,886.10	5,25,965.56
<b>Overall</b>	<b>5,48,719.19</b>	<b>7,88,714.09</b>	<b>3,25,466.38</b>	<b>5,19,734.41</b>

Source: Complied financial reports from 2010-2011 to 2014-15

#### Observation and Analysis

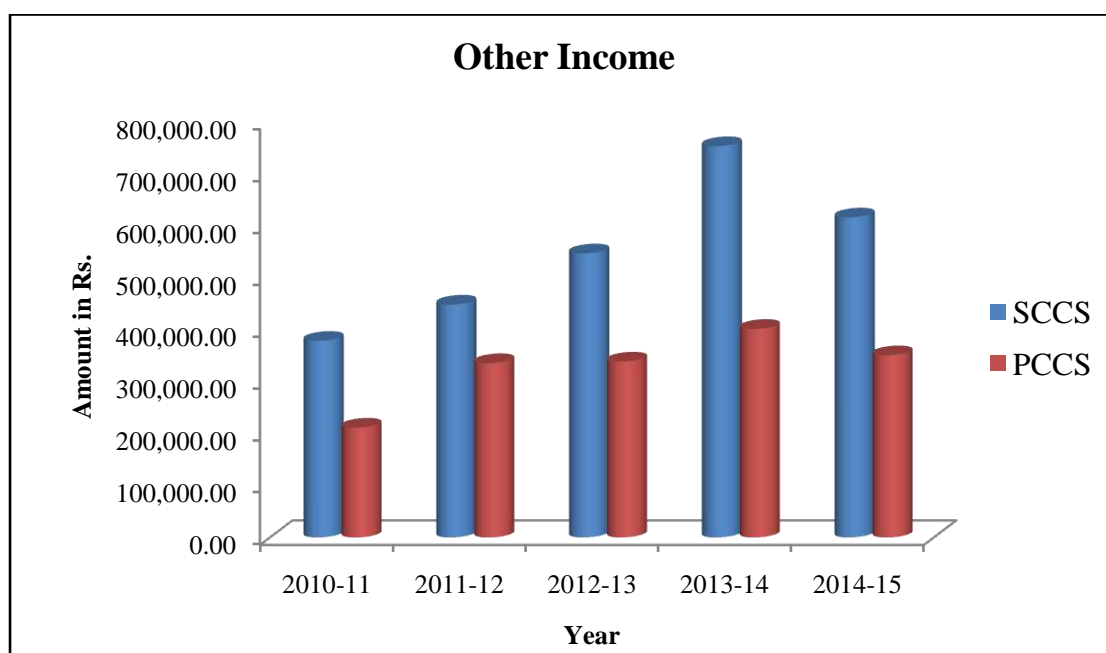
Other Income is constituted of income generated by the societies from sources other than interest income. An increasing stable trend in this variable reflects non-dependence of the concern on interest income alone. Every organization should make an effort to diversify its sources of income and hence the importance of this variable.

The mean value of Souharda Credit Cooperative Society is found to be 3,78,613.25, 4,48,413.25, 5,46,945.94, 7,53,408.06 and 6,16,215.4 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 548719.19.

The mean value of Primary Credit Cooperative Societies is found to be 2,11,572.76, 3,35,793.78, 3,38,797.96, 4,01,712.09, 3,50,886.10 and 3,25,466.38 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 3,25,466.38.

The comparative analysis of PCCS and SCCS shows that in all the years the mean values of SCCS is higher i.e. it has higher income (other than interest income) than PCCS in the time period considered for study.

**Graph 4.7 Showing Mean Values of Other Income of SCCS and PCCS from 2010-11 to 2014-15**



#### 4.5.7.2 Society Wise Analysis of Other Income through Mean Values, SD, CV and Ranks

**Table 4.26 Showing Mean, SD, CV and Ranks of Other Income of SCCS**

(Amount in Rs)

Souharda Credit Cooperative Societies	Mean	Rank	SD	CV	Rank
Saraswat Souharda Credit Cooperative Society Limited.	4,66,359	6	3,96,303.39	84.98	15
Siri Souharda Credit Cooperative Limited.	1,13,429.8	14	32,401.82	28.57	2
Dharmanyasa Souharda Credit Cooperative Limited.	12,460.6	16	8,538.34	68.52	12
Sudarshana Souharda Credit Cooperative Limited.	1,98,814.2	11	57,142.84	28.74	4
Sri Ramanuja Souharda Credit Cooperative Limited.	5,89,029.8	5	2,33,709.47	39.68	7
Udaya Souharda Credit Cooperative Limited.	20,07,267.8	2	16,42,649.42	81.84	14
Jivan Vikas Souharda Credit Cooperative Limited.	22,70,636.6	1	6,94,772.88	30.60	6

Kodachadri Souharda Credit Cooperative Limited.	3,52,575.6	8	1,43,355.23	40.66	8
Krishik Souharda Credit Cooperative Limited.	7,92,009.8	3	2,26,297.26	28.57	3
Akshaya Souharda Credit Cooperative Limited.	413,516.8	7	2,16,554.82	52.37	10
Mayura Souharda Credit Cooperative Limited.	1,56,557.8	12	26,983.48	17.24	1
Srigandha Souharda Credit Cooperative Limited.	3,18,600	9	1,63,239.40	51.24	9
Sri Ambrini Vidyesh Souharda Cooperative Limited.	2,33,942.8	10	70,421.49	30.10	5
Sagar Souharda Credit Cooperative Limited.	6,67,667.8	4	7,30,987.29	109.48	16
Ankita Souharda Credit Cooperative Limited.	1,28,438.6	13	1,03,777.07	80.80	13
Saraswati Souharda Credit Cooperative Limited.	58,200	15	30,496.96	52.40	11
<b>Overall</b>	<b>5,48,719.18</b>		<b>7,88,714.09</b>		

Source: Complied financial reports from 2010-2011 to 2014-15

### Observation and Analysis

A higher rank is indicative of a more stable (or lesser variable) Other Income of the society which in turn is suggestive of the sound financial health of the concern. In the present study Mayura Souharda Credit Cooperative Limited has been earned the highest rank owing to its lowest CV of 17.24 which reflects upon the stability of the organization w.r.t. this variable.

Saraswat Souharda Credit Cooperative Limited. has been assigned the lowest rank as it shows the highest variability in the variable considered. The CV ranges from 17.24 to 84.98 which signifies that there exists a smaller spread in data sets w.r.t other income of Souharda Credit Cooperative Societies. ( $84.98/17.24 = 4.93$ )

**Table No 4.27 Showing Mean, SD, CV and Ranks of Other Income of PCCS**

(Amount in Rs)

Primary Credit Cooperative Societies	Mean	Rank	SD	CV	Rank
Arya Vaishya Sri Rama Credit Cooperative Society	4,92,441.4	8	3,83,724.46	77.92	25
Sri Kalikaparameshwari Credit Cooperative Society	22,36,785.6	1	3,46,084.16	15.47	4

Kshatriyamaratha Credit Cooperative Society	67,540	15	46,358.28	68.64	23
Malenadu Credit Cooperative Society	7,45,874.8	4	1,07,152.91	14.37	3
Brahmashri Narayanaguru Credit Cooperative Society	3,94,740.8	10	69,303.39	17.56	6
Sir M Visveshwaraya Credit Cooperative Society	7,35,811	5	4,88,617.13	66.41	22
Goorabayi Credit Cooperative Society	12,175	27	5,777.81	47.46	17
Jai Bheem Credit Cooperative Society	756.4	30	1,691.36	223.61	30
Christian Credit Cooperative Society	59,375.4	17	11,471.35	19.32	7
Janashakthi Credit Cooperative Society	56,004.8	18	51,761.98	92.42	28
Sri Jagadguru Panchacharya Credit Cooperative Society	64,104.6	16	19,265.16	30.05	11
Daivagnya Credit Cooperative Society	530666.6	7	1,07,907.02	20.33	8
Durgigudi Credit Cooperative Society	7,92,536.66	3	501422.18	63.27	21
Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society	4,29,595.5	9	97232.13	22.63	10
Urban Credit Cooperative Society	1,45,078.4	12	29,723.34	20.49	9
Barbar's Credit Cooperative Society	1,44,008.2	13	47,069.53	32.69	12
Kairali credit cooperative society	39,242	21	3,053.28	7.78	1
Humdard Credit Cooperative Society	5,63,898.2	6	2,93,102.86	51.98	19
Goodwill Credit Cooperative Society	94,952.5	14	67,949.42	71.56	24
Gayatri Credit Cooperative Society	28,719.8	23	16,392.53	57.08	20
Bhyraveshwara Credit Cooperative Society	39609	20	15,707.37	39.66	14
Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society	162839.5	11	14,428.51	8.86	2
Sharavati Credit Cooperative Society	1058927.6	2	4,13,790.74	39.08	13
Malenadu Mahila Credit Cooperative Society	23327	25	9,832.75	42.15	16
Sri Varada Credit Cooperative Society	52653	19	77,226.17	146.67	29

Sri Vasavi Credit Cooperative Society	38064.8	22	18,969.81	49.84	18
Sri Mahalakshmi Mahila Credit Cooperative Society	8210	28	1,432.39	17.45	5
Sri Shantheshwari Mahila Credit Cooperative Society	28,444.75	24	24,105.56	84.75	26
Sirigandha Mahila Credit Cooperative Society	14,297	26	12,382.43	86.61	27
Mahila Graduates Credit Cooperative Society	3,921	29	1,613.07	41.14	15
<b>Overall</b>	<b>3,25,466.38</b>		<b>5,19,734.41</b>		

Source: Complied financial reports from 2010-2011 to 2014-15

### Observation and Analysis

Kairali Credit Cooperative Society has been assigned the highest rank as it has the lowest CV of 7.78. On the other hand, Jai Bheem Credit Cooperative Society has been assigned the lowest rank owing to greatest level of dispersion around the mean. (CV=223.61). There is a large gap in CVs between the highest and the lowest ranks which reflects the variability of Other Income. ( $223.61/7.78 = 28.74$ )

#### 5.5.7.3 Comparative Analysis of Other Income of Souharda Credit Cooperative Societies and Primary Credit Cooperative Societies

On comparing Souharda Credit Cooperative Societies and Primary Credit Cooperative Societies, it can be observed that Primary Credit Cooperative Societies have lesser variability around the mean (CV=7.78 for the highest rank) as compared to Souharda Credit Cooperative Societies (CV = 17.24 for the highest rank) and hence PCCS have more stable other income over the years. But within Primary Credit Cooperative Societies there is a huge variation in CV observed from the highest to lowest rank ( $223.61/7.78 = 28.74$ ). On the other hand, within Souharda Credit Cooperative Societies this variation is 4.93 ( $84.98/17.24 = 4.93$ ) which is lower than 28.74. Hence it can be concluded that comparing various organizations within Primary Credit Cooperative Societies the variability is more for the lowest ranking organization as compared to Rank 1 organization. But the highest rank in PCCS has much lesser CV and hence less variability than the organization in SCCS with Rank 1.



---

---

### Testing of Hypothesis for Other Income

**H7o:** There is no significant difference between Other Income of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

**H7a:** There is a significant difference associated between Other Income of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

**Table 4.28 Showing results of one way Anova between Other Income of Souharda Credit Cooperative Society and Primary Credit Cooperative Society**

ANNOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	8.82E+10	4	22052120	0.793	0.576	5.19
Within Groups	1.39E+11	5	27800096			
Overall	2.27E+11	9				

(SS= some of squares, df = degree of freedom, MS = means square, F=Factor Calculated Value , F Crit = Critical value).

### Interpretation for Hypothesis Testing

From the above table it is evident that the calculated p value is 0.57 which is higher than the alpha p value of 0.05. Hence, the null hypothesis is accepted which can be concluded that there is no significant difference associated between Other Income of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

## 4.5.8 Fixed Assets

### 4.5.8.1 Year Wise Analysis of Fixed Asset through Mean and SD Values

**Table 4.29 Showing Mean and SD Values of Fixed Asset of SCCS and PCCS from 2010-11 to 2014-15** (Amount in Rs)

Years	SCCS		PCCS	
	Mean	SD	Mean	SD
2010-11	4,81,700.50	6,62,666.81	19,95,632.23	38,39,252.25
2011-12	7,70,950.63	11,87,692.96	36,37,632.17	70,49,445.49
2012-13	10,32,791.00	18,08,141.54	44,58,220.62	1,26,30,739.25
2013-14	12,27,326.00	21,49,535.47	55,21,426.80	1,41,92,727.44
2014-15	13,16,731.38	22,60,239.12	43,33,070.43	1,21,29,846.85
Overall	9,65,899.90	17,07,089.46	39,51,700.87	1,05,67,253.35

Source: Complied financial reports from 2010-2011 to 2014-15

---

---

### Observation and Analysis

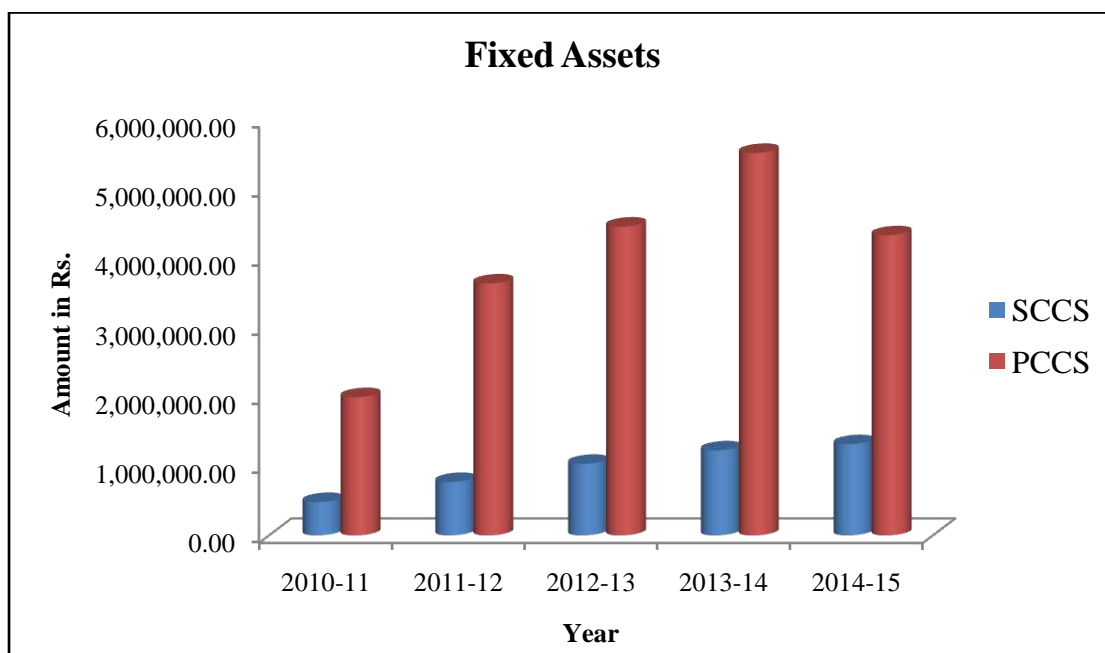
Fixed Assets are indispensable for a company's sound financial health as they are instrumental in generating income and profits. These are associated with fixed costs and hence have a bearing on the operating leverage of the company.

The mean value of Souharda Credit Cooperative Society is found to be 4,81,700.50, 7,70,950.63, 10,32,791.00, 12,27,326.00 and 13,16,731.38 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 9,65,899.90.

The mean value of Primary Credit Cooperative Societies is found to be 19,95,632.23, 36,37,632.17, 44,58,220.62, 55,21,426.80, 43,33,070.43 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 39,51,700.87.

The comparative analysis of PCCS and SCCS shows that in all the years the mean values of PCCS is higher which shows that it has a stronger Fixed Asset base than SCCS.

**Graph 4.8 Showing Mean Values of Fixed Assets of SCCS and PCCS from 2010-11 to 2014-15**



#### 4.5.8.2 Society Wise Analysis Fixed Assets through Mean, SD, CV and Ranks

**Table 4.30 Showing Mean, SD, CV and Ranks of Fixed Asset of SCCS**

(Amount in Rs)

<b>Souharda Credit Cooperative Societies</b>	<b>Mean</b>	<b>Rank</b>	<b>SD</b>	<b>CV</b>	<b>Rank</b>
Saraswat Souharda Credit Cooperative Society Limited.	2,37,959.6	8	2,02,550.06	85.12	15
Siri Souharda Credit Cooperative Limited.	1,50,803	11	42,286.66	28.04	5
Dharmanyasa Souharda Credit Cooperative Limited.	56,123	15	23,957.63	42.69	8
Sudarshana Souharda Credit Cooperative Limited.	1,26,791	12	17,583.60	13.87	3
Sri Ramanuja Souharda Credit Cooperative Limited.	2,23,481.2	9	1,06,873.39	47.82	10
Udaya Souharda Credit Cooperative Limited.	10,19,232.2	4	5,11,920.43	50.23	11
Jivan Vikas Souharda Credit Cooperative Limited.	26,98,345.6	3	8,48,119.53	31.43	6
Kodachadri Souharda Credit Cooperative Limited.	56,43,538.6	1	33,02,730.69	58.52	13
Krishik Souharda Credit Cooperative Limited.	4,02,678.8	7	1,72,151.30	42.75	9
Akshaya Souharda Credit Cooperative Limited.	7,19,199.2	6	5,42,812.81	75.47	14
Mayura Souharda Credit Cooperative Limited.	1,09,479	13	62,796.90	57.36	12
Srigandha Souharda Credit Cooperative Limited.	7,26,260	5	1,52,393.70	20.98	4
Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	63,138.4	14	21,999.28	34.84	7
Sagar Souharda Credit Cooperative Limited.	1,84,967.2	10	22,728.46	12.29	2
Ankita Souharda Credit Cooperative Limited.	30,77,950.6	2	3,24,951.57	10.56	1
Saraswati Souharda Credit Cooperative Limited.	14,451	16	0		
<b>Overall</b>	<b>9,65,899.90</b>		<b>17,07,089.46</b>		

Source: Complied financial reports from 2010-2011 to 2014-15

---

---

### Observation and Analysis

In the present study, Ankita Souharda Credit Cooperative Limited. has been assigned the highest rank owing to its lowest CV of 10.56 which reflects upon the stability of fixed assets in the concern.

Saraswat Souharda Credit Cooperative Limited has been assigned the lowest rank as it shows the highest variability in fixed assets of 85.12. The CV ranges from 10.56 to 85.12 which signifies that there exists a considerable spread in data sets of Souharda Credit Cooperative Societies. ( $85.12/10.56= 8.06$ )

**Table No 4.31 Showing Mean, SD, CV and Ranks of Fixed Asset of PCCS**

(Amount in Rs)

Primary Credit Cooperative Societies	Mean	Rank	SD	CV	Rank
Arya Vaishya Sri Rama Credit Cooperative Society	47,88,802	10	65,529.52	1.37	9
Sri Kalikaparameshwari Credit Cooperative Society	90,07,392.8	4	17,18,295.12	19.08	15
Kshatriyamaratha Credit Cooperative Society	53,33,181.8	8	13,188.77	0.25	1
Malenadu Credit Cooperative Society	2,47,886.2	27	1,49,901.08	60.47	22
Brahmashri Narayanaguru Credit Cooperative Society	1,98,77,474.8	2	75,00,271.08	37.73	19
Sir M. Vishwesharaya Credit Cooperative Society	15,158.25	29	10,105.5	66.67	24
Goorabayi Credit Cooperative Society	5,30,663	25	2,117.55	0.40	3
Jai Bheem Credit Cooperative Society	14,33,113.6	17	1,34,088.94	9.36	13
Christian Credit Cooperative Society	6,10,000	23			
Janashakthi Credit Cooperative Society	58,63,889.667	6	18,77,224.95	32.01	17
Sri Jagadguru Panchacharya Credit Cooperative Society	9,99,019.4	19	7,939.38	0.79	5
Daivagnya Credit Cooperative Society	6,25,680	21	8,56,747.62	136.93	26
Durgigudi Credit Cooperative Society	45,86,278	12	56,545.68	1.23	7

Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society	40,67,500	14	74,246.21	1.83	11
Urban Credit Cooperative Society	18,33,496	16	1,33,863.79	7.30	12
Barbar's Credit Cooperative Society	4,64,42,851.8	1	2,29,91,755.19	49.51	21
Kairali credit cooperative society	39,51,700.874	15	1,05,67,253.36	267.41	28
Humdard Credit Cooperative Society	47,88,802	10	65,529.52	1.37	9
Goodwill Credit Cooperative Society	90,07,392.8	4	17,18,295.12	19.08	15
Gayatri Credit Cooperative Society	53,33,181.8	8	13,188.77	0.25	1
Bhyraveswara Credit Cooperative Society	2,47,886.2	27	1,49,901.08	60.47	22
Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society	1,98,77,474.8	2	75,00,271.087	37.73	19
Sharavati Credit Cooperative Society	15,158.25	29	10,105.5	66.67	24
Malenadu Mahila Credit Cooperative Society	5,30,663	25	2,117.55	0.40	3
Sri Varada Credit cooperative society	14,33,113.6	17	1,34,088.94	9.36	13
Sri Vasavi Credit Cooperative Society	6,10,000	23	0.00		
Sri Mahalakshmi Mahila Credit Cooperative	58,63,889.66	6	18,77,224.95	32.01	17
Sri Shantheshwari Mahila Credit Cooperative Society	999019.4	19	7,939.38	0.79	5
Sirigandha Mahila Credit Cooperative Society	625680	21	8,56,747.62	136.93	26
Mahila Graduates Credit Cooperative Society	4586278	12	56,545.68	1.23	7
<b>Overall</b>	<b>40,67,500.00</b>		<b>74,246.21</b>		

Source: Complied financial reports from 2010-2011 to 2014-15

### Observation and Analysis

Gayatri Credit Cooperative Society has been assigned the highest rank as it has the lowest CV of 0.25. On the other hand, Kairali Credit Cooperative Society has been assigned the lowest rank owing to greatest level of dispersion around the mean.

(CV=267.41). There is a very large gap in CVs between the highest and the lowest ranks which reflects high variability of fixed assets. ( $267.41/0.25= 1069.64$ )

#### 4.5.8.3 Comparative Analysis of Fixed Asset of Souharda Credit Cooperative Societies and Primary Credit Cooperative Societies

On comparing Souharda Credit Cooperative Societies and Primary Credit Cooperative Societies, it can be observed that Primary Credit Cooperative Societies have lesser variability around the mean (CV=0.25 for the highest rank) as compared to Souharda Credit Cooperative Societies (CV = 10.56 for the highest rank) hence, PCCS have more stable fixed assets. But within Primary Credit Cooperative Societies there is a tremendous variation in CV observed from the highest to lowest rank ( $267.41/0.25= 1069.64$ ). On the other hand, within Souharda Credit Cooperative Societies this variation is only 8.06 ( $85.12/10.56= 8.06$ ) which is much lower than 1069.64. Hence it can be concluded that comparing various organizations within Primary Credit Cooperative Societies the variability is much more for the lowest ranking organization as compared to Rank 1 organization. But the highest rank in PCCS has much lesser CV and hence less variability than the organization in SCCS with Rank 1.

#### Testing of Hypothesis for Fixed Assets

**H8o:** There is no significant difference between Fixed Assets of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

**H8a:** There is a significant difference associated between Fixed Assets of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

**Table 4.32 Showing results of One way Anova between Fixed Asset of Souharda Credit Cooperative Society and Primary Credit Cooperative Society**

ANNOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>Df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	5.21251E+12	4	1.30313E+12	0.2617	0.890	5.19
Within Groups	2.48905E+13	5	4.9781E+12			
Total	3.0103E+13	9				

(SS= some of squares, df = degree of freedom, MS = means square, F=Factor Calculated Value , F Crit = Critical value).

---

---

### Interpretation for Hypothesis Testing

From the above table it is evident that the calculated p value is 0.89 which is higher than the alpha p value of 0.05. Hence, the null hypothesis is accepted which can be concluded that There is no significant difference associated between Fixed Asset of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

#### 4.5.9 Total Expenses

##### 4.5.9.1 Year Wise Analysis of Total Expenses through Mean and SD Values

**Table 4.33 Showing Mean and SD Values of Total Expenses of SCCS and PCCS from 2010-11 to 2014-15** (Amount in Rs)

Years	SCCS		PCCS	
	Mean	SD	Mean	SD
2010-11	498511.63	446868.27	461283.23	642370.01
2011-12	1159294.25	2091272.46	764871.04	907886.34
2012-13	1337823.13	2768250.47	1165423.00	1721098.16
2013-14	1038838.88	1154520.45	1307983.00	1613183.46
2014-15	1329408.19	1214009.65	1220762.66	1463773.76
<b>Overall</b>	<b>1072775.21</b>	<b>1718250.21</b>	<b>985372.77</b>	<b>1358783.17</b>

Source: Complied financial reports from 2010-2011 to 2014-15

### Observation and Analysis

Total Expenses reflect costs borne by the societies for their operations. A proper check on this parameter ensures higher profitability as expenses do not consume into the profits. The above table is an indication of Total Expenses of the Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

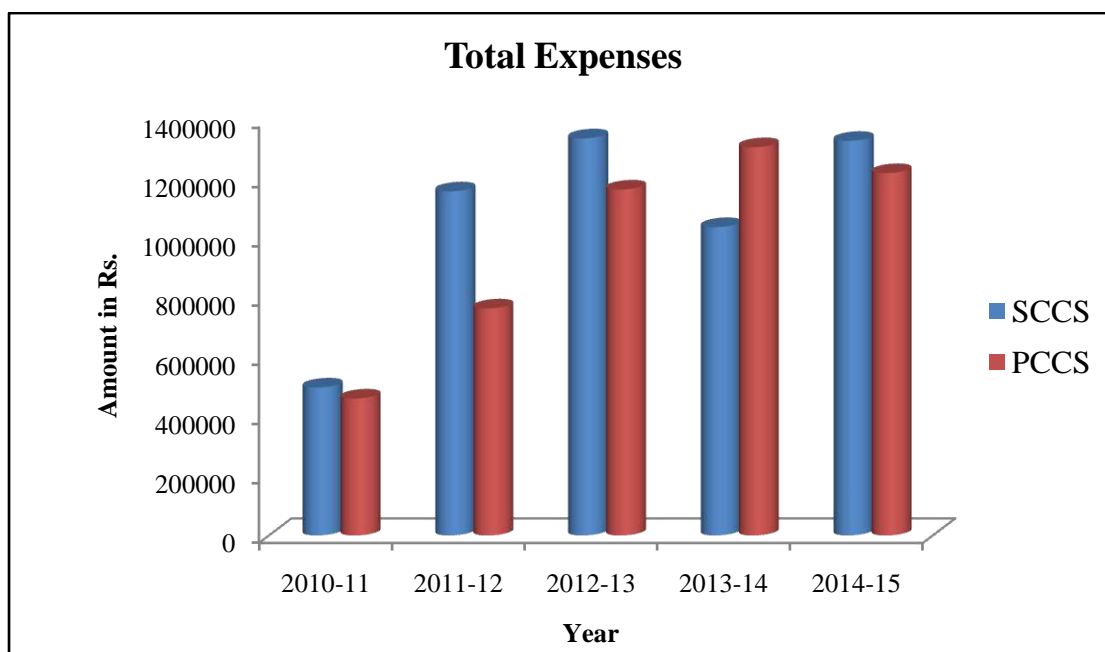
The mean value of Souharda Credit Cooperative Society is found to be 4,98,511.63, 11,59,294.25, 13,37,823.13, 10,38,838.88 and 13,29,408.19 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 10,72,775.21.

The mean value of Primary Credit Cooperative Societies is found to be 4,61,283.23, 7,64,871.04, 11,65,423.00, 13,07,983.00, 12,20,762.66 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 9,85,372.77.

The comparative analysis of PCCS and SCCS show that except in 2013-14, in all the years the mean values of SCCS is higher which points towards higher Total

Expenses and the immediate need to control them, lest they eat into the profits invariably.

**Graph 4.9 Showing Mean Values of Total Expenses of SCCS and PCCS from 2010-11 to 2014-15**



#### 4.5.9.2 Society Wise Analysis of Total Expenses through Mean, SD, CV and Ranks

**Table No 4.34 Showing Mean, SD, CV and Ranks of Total Expenses of SCCS**

(Amount in Rs)

<b>Souharda Credit Cooperative Societies</b>	<b>Mean</b>	<b>Rank</b>	<b>SD</b>	<b>CV</b>	<b>Rank</b>
Saraswat Souharda Credit Cooperative Society Limited.	7,18,781.60	10	3,45,114.44	208.27	8
Siri Souharda Credit Cooperative Limited.	4,61,727.00	4	2,10,800.86	219.03	9
Dharmanyasa Souharda Credit Cooperative Limited.	6,18,685.00	8	1,57,442.36	392.96	16
Sudarshana Souharda Credit Cooperative Limited.	36,331.20	27	12,162.26	298.72	13
Sri Ramanuja Souharda Credit Cooperative Limited.	37,53,329.40	2	24,37,411.04	153.99	3



Udaya Souharda Credit Cooperative Limited.	28,13,836.40	29	26,05,072.20	108.01	1
Jivan Vikas Souharda Credit Cooperative Limited.	87,75,919.60	25	28,67,195.55	306.08	14
Kodachadri Souharda Credit Cooperative Limited.	25,14,919.20	17	15,18,254.86	165.65	6
Krishik Souharda Credit Cooperative Limited.	37,17,470.80	23	22,53,836.07	164.94	5
Akshaya Souharda Credit Cooperative Limited.	30,80,290.40	6	10,48,209.07	293.86	12
Mayura Souharda Credit Cooperative Limited.	1,03,048.40	19	53,548.15	192.44	7
Sri Gandha Souharda Credit Cooperative Limited.	10,78,186.40	21	6,84,813.22	157.44	4
Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	17,37,382.60	12	5,12,960.85	338.70	15
Sagar Souharda Credit Cooperative Limited.	3,97,093.00	14	3,49,878.22	113.49	2
Ankita Souharda Credit Cooperative Limited.	28,55,681.80	16	11,13,746.13	256.40	10
Saraswati Souharda Credit Cooperative Limited.	21,085.20	1	7,272.45	289.93	11
<b>Overall</b>	<b>20,42,735.50</b>		<b>25,26,859.73</b>		

Source: Complied financial reports from 2010-2011 to 2014-15.

### Observation and Analysis

Udaya Souharda Credit Cooperative Limited has been assigned the highest rank owing to its lowest CV of 108.01 which reflects upon stable Total Expenses of the organization.

Dharmanyasa Souharda Credit Cooperative Limited has been assigned the lowest rank as it shows the highest variability in the variable considered (CV=392.96). The CV ranges from 108.01 to 392.96 which signifies that there exists a small spread in data sets w.r.t. Total Expenses of Souharda Credit Cooperative Societies. ( $392.96 / 108.01 = 3.64$ )

**Table No 4.35 Showing Mean, SD, CV and Ranks of Total Expenses of PCCS**

(Amount in Rs)

<b>Primary Credit Cooperative Society</b>	<b>Mean</b>	<b>Rank</b>	<b>SD</b>	<b>CV</b>	<b>Rank</b>
Arya Vaishya Sri Rama Credit Cooperative Society	35,33,613.60	2	8,52,754.12	24.13	7
Sri Kalikaparameshwari Credit Cooperative Society	47,37,630.20	1	26,39,725.87	55.72	20
Kshatriyamaratha Credit Cooperative Society	3,82,850.00	15	2,87,677.42	75.14	24
Malenadu Credit Cooperative Society	14,01,600.80	8	8,79,400.04	62.74	21
Brahmashri Narayanaguru Credit Cooperative Society	8,73,741.00	12	3,85,153.82	44.08	13
Sir M Vishveswaraya Credit Cooperative Society	21,44,923.40	5	7,72,558.10	36.02	11
Goorabayi Credit Cooperative Society	1,32,320.25	24	61,330.52	46.35	15
Jai Bheem Credit Cooperative Society	656.00	30	1,005.82	153.33	29
Christian Credit Cooperative Society	2,38,972.80	21	29,222.12		
Janashakthi Credit Cooperative Society	2,20,663.00	22	1,17,454.01	53.23	18
Sri Jagadguru Panchacharya Credit Cooperative Society	2,42,373.60	20	70,462.00	29.07	9
Daivagnya Credit Cooperative Society	10,73,884.00	10	5,77,099.55	53.74	19
Durgigudi Credit Cooperative Society	15,01,454.33	6	14,99,026.93	99.84	28
Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society	32,18,043.00	3	9,91,686.15	30.82	10
Urban Credit Cooperative Society	8,85,720.60	11	6,20,830.76	70.09	22
Barbar's Credit Cooperative Society	3,60,082.20	16	40,704.74	11.30	2
Kairali Credit Cooperative Society	2,52,055.00	19	94,731.10	37.58	12
Humdard Credit Cooperative Society	14,82,784.60	7	3,41,470.12	23.03	6
Goodwill Credit Cooperative Society	13,11,923.00	9	2,57,668.30	19.64	4
Gayatri Credit Cooperative Society	1,41,623.00	23	62,929.27	44.43	14
Bhyraveshwara Credit Cooperative Society	1,19,144.33	25	19,839.29	16.65	3

Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society	4,55,334.00	14	3,27,581.36	71.94	23
Sharavati Credit Cooperative Society	27,95,825.60	4	6,07,848.27	21.74	5
Malenadu Mahila Credit Cooperative Society	3,34,586.40	18	1,73,197.76	51.76	16
Sri Varada Credit Cooperative Society	4,95,235.60	13	4,05,210.93	81.82	26
Sri Vasavi Credit Cooperative Society	3,55,805.40	17	1,84,956.58	51.98	17
Sri Mahalakshmi Mahila Credit Cooperative Society	99,181.60	26	27,370.65	27.60	8
Sri Shantheshwari Mahila Credit Cooperative Society	97,686.75	27	74,995.00	76.77	25
Sirigandha Mahila Credit Cooperative Society	44,604.33	28	40,712.42	91.27	27
Mahila Graduates Credit Cooperative Society	42,026.00	29	3,335.77	7.94	1
<b>Overall</b>	<b>9,85,372.77</b>		<b>13,58,783.17</b>		

Source: Complied financial reports from 2010-2011 to 2014-15

#### **Observation and Analysis:**

Mahila Graduates Credit Cooperative Society has been assigned the highest rank as it has the lowest CV of 7.94. On the contrary, Jai Bheem Credit Cooperative Society has been assigned the lowest rank owing to greatest level of dispersion around the mean. (CV=153.33). There is a considerable gap in CVs between the highest and the lowest ranks which reflects the variability of Total Expenses. ( $153.33/7.94=19.31$ )

#### **4.5.9.3. Comparative Analysis of Total Expenses of Souharda Credit Cooperative Societies and Primary Credit Cooperative Societies**

On comparing Souharda Credit Cooperative Societies and Primary Credit Cooperative Societies, it can be observed that Primary Credit Cooperative Societies have lesser variability around the mean (CV=7.94 for the highest rank and 153.33 for the lowest rank) as compared to Souharda Credit Cooperative Societies (CV = 108.01 for the highest rank and 392.96 for the lowest rank) and hence PCCS have more stable Total Expenses over the years. But within Primary Credit Cooperative Societies there is a huge variation in CV observed from the highest to lowest rank ( $153.33/7.94=19.31$ ). On the other hand, within SCCS, this variation is 3.64 ( $392.96/108.01=3.64$ )

which is lower than 19.31. Hence it can be concluded that comparing various societies within PCCS, the variability is more for the lowest ranking organization as compared to Rank 1 societies. But the highest rank in PCCS has much lesser CV and hence less variability than the societies in SCCS with Rank 1.

### Testing of Hypothesis for Total Expenses

**H9o:** There is no significant difference between Total Expenses of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

**H9a:** There is a significant difference associated between Total expenses of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

**Table 4.36 Showing results of One way Anova between Total Expenses of Souharda Credit Cooperative Society and Primary Credit Cooperative Society**

ANNOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	8.73927E+11	4	2.18482E+11	8.0644	0.0208	5.19
Within Groups	1.3546E+11	5	27091983575			
Total	1.00939E+12	9				

(SS= some of squares, df = degree of freedom, MS = means square, F=Factor Calculated Value , F Crit = Critical value).

### Interpretation for Hypothesis Testing

From the above table it is evident that the calculated p value is 0.02 which is lesser than the alpha p value of 0.05. Hence, the null hypothesis is rejected which can be concluded that there is a significant difference associated between Total Expenses of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

---

---

#### 4.5.10 Interest on Investment

##### 4.5.10.1 Year Wise Analysis of Interest on Investment through Mean and SD Values

**Table 4.37 Showing Mean and SD Values of Interest on Investment of SCCS and PCCS from 2010-11 to 2014-15** (Amount in Rs)

Years	SCCS		PCCS	
	Mean	SD	Mean	SD
2010-11	102592.81	118488.40	405313.81	784772.15
2011-12	165490.06	181713.80	603955.78	1116713.39
2012-13	248003.63	255461.23	782747.93	1248293.31
2013-14	394972.75	402402.11	1211620.52	2158630.82
2014-15	792530.13	904026.67	1223755.47	1923500.19
<b>Overall</b>	<b>340717.88</b>	<b>518297.94</b>	<b>848189.22</b>	<b>1536404.24</b>

Source: Complied financial reports from 2010-2011 to 2014-15

#### Observation and Analysis

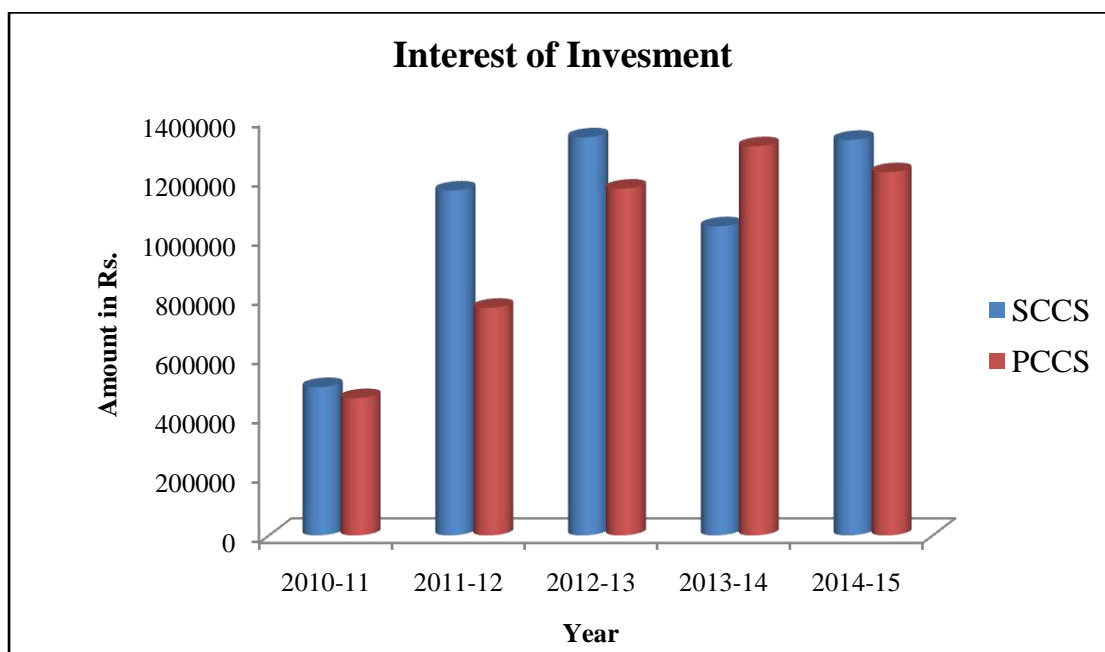
Interest on Investment reflects income earned by the societies on the investments made. It reflects on the type of investments made. Higher interest bearing investments will have a positive effect on the financial health of the organization.

The mean value of Souharda Credit Cooperative Society is found to be 1,02,592.81, 1,65,490.06, 2,48,003.63, 3,94,972.75 and 7,92,530.13 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 3,40,717.8.

The mean value of Primary Credit Cooperative Societies is found to be 4,05,313.81, 6,03,955.78, 7,82,747.93, 12,11,620.52 and 12,23,755.47 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 8,48,189.22.

The comparative analysis of PCCS and SCCS show that in all the years the mean values of PCCS is higher than SCCS which points to higher Interest from Investments.

**Graph 4.10 Showing Mean Values of Interest of Investment of SCCS and PCCS from 2010-11 to 2014-15**



#### 4.5.10.2 Society Wise Analysis of Interest on Investment through Mean, SD, CV and Ranks

**Table 4.38 Showing Mean, SD, CV and Ranks of Interest on Investment of SCCS**  
(Amount in Rs)

Souharda Credit Cooperative Societies	Mean	Rank	SD	CV	Rank
Saraswat Souharda Credit Cooperative Society Limited.	76,953.00	12	1,35,340.82	175.87	14.00
Siri Souharda Credit Cooperative Limited.	31,218.80	14	31,207.48	99.96	10.00
Dharmanyasa Souharda Credit Cooperative Limited.	2,87,512.00	8	88,695.28	30.85	1.00
Sudarshana Souharda Credit Cooperative Limited.	0.00	16	0.00		
Sri Ramanuja Souharda Credit Cooperative Limited.	1,53,700.60	11	1,62,472.96	105.71	11.00
Udaya Souharda Credit Cooperative Limited.	2,34,570.60	9	2,02,874.47	86.49	6.00
Jivan Vikas Souharda Credit Cooperative Limited.	13,14,639.00	1	12,23,800.94	93.09	8.00

Kodachadri Souharda Credit Cooperative Limited.	7,87,632.20	2	4,54,295.50	57.68	3.00
Krishik Souharda Credit Cooperative Limited.	5,91,373.60	4	7,54,855.48	127.64	13.00
Akshaya Souharda Credit Cooperative Limited.	6,33,019.40	3	5,91,131.59	93.38	9.00
Mayura Souharda Credit Cooperative Limited.	19,945.20	15	23,627.76	118.46	12.00
Srigandha Souharda Credit Cooperative Limited.	3,21,873.20	6	2,97,394.75	92.40	7.00
Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	3,06,503.40	7	2,45,396.47	80.06	5.00
Sagar Souharda Credit Cooperative Limited.	2,14,808.40	10	1,43,323.07	66.72	4.00
Ankita Souharda Credit Cooperative Limited.	4,74,069.00	5	2,63,276.21	55.54	2.00
Saraswati Souharda Credit Cooperative Limited.	76,953.00	12	1,35,340.82	175.87	14.00
<b>Overall</b>	<b>3,40,717.87</b>		<b>5,18,297.93</b>		

Source: Complied financial reports from 2010-2011 to 2014-15

### Observation and Analysis

Presently, Dharmanyasa Souharda Credit Cooperative Limited has been assigned the highest rank owing to its lowest CV of 30.85 which reflects upon the stability of interest from investment. Saraswat Souharda Credit Cooperative Limited and Saraswati Souharda Credit Cooperative Limited have been assigned the lowest rank as they show the highest variability with CV= 175.87. The CV ranges from 30.85 to 175.87 which signifies that there exists a wide spread in data sets of Souharda Credit Cooperative societies. ( $175.87 / 30.85 = 5.7$ )

**Table 4.39 Showing Mean, SD, CV and Ranks of Interest on Investment of PCCS**

(Amount in Rs)

<b>Primary Credit Cooperative Society</b>	<b>Mean</b>	<b>Rank</b>	<b>SD</b>	<b>CV</b>	<b>Rank</b>
Arya Vaishya Sri Rama Credit Cooperative Society	40,12,497	3	13,93,000.99	288.05	24
Sri Kalikaparameshwari Credit Cooperative Society	42,50,057.4	2	16,93,504.71	250.96	21
Kshatriyamaratha Credit Cooperative Society	1,13,903.5	17	79,266.70	143.7	11

Malenadu Credit Cooperative Society	22,53,481.6	5	19,66,582.49	114.59	10
Brahmashri Narayanaguru Credit Cooperative Society	2,98,523.2	12	1,98,144.58	150.66	13
Sir M Visveshwaraya Credit Cooperative Society	42,93,253.4	1	18,63,892.46	230.34	19
Goorabayi Credit Cooperative Society	42,239.75	21	42,489.29	99.41	7
Jai Bheem Credit Cooperative Society	1,763	26	1,982.97	88.91	6
Christian Credit Cooperative Society	39,541.8	23	14,045.76	281.52	22
Janashakthi Credit Cooperative Society	1,20,908.4	16	83,840.41	144.21	12
Sri Jagadguru Panchacharya Credit Cooperative Society	55,428.2	20	26,355.19	210.31	17
Daivagnya Credit Cooperative Society	2,24,130.4	14	4,36,244.99	51.38	2
Durgigudi Credit Cooperative Society	73,463.66	19	3,998.40	1837.32	29
Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society	37,87,992	4	8,29,321.70	456.76	27
Urban Credit Cooperative Society	9,21,678.4	8	3,00,259.45	306.96	25
Barbar's Credit Cooperative Society	3,98,016.6	11	1,94,388.40	204.75	16
Kairali Credit Cooperative Society	75,740.5	18	10,721.86	706.41	28
Humdard Credit Cooperative Society	2,49,469.4	13	2,26,705.14	110.04	9
Goodwill Credit Cooperative Society	13,39,066.5	7	4,71,862.96	283.78	23
Gayatri Credit Cooperative Society	29,127	24	27,118.68	107.41	8
Bhyraveshwara Credit Cooperative Society	1,60,186.66	15	74,528.08	214.93	18
Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society	14,34,537.5	6	7,05,517.91	203.33	15
Sharavati Credit Cooperative Society	40,471	22	63,608.44	63.63	5
Malenadu Mahila Credit Cooperative Society	5,56,847.2	10	1,31,670.22	422.91	26
Sri Varada Credit Cooperative Society	8,74,692.8	9	3,65,129.42	239.56	20
Sri Vasavi Credit Cooperative Society	2,933.8	25	1,875.20	156.45	14



Sri Mahalakshmi Mahila Credit Cooperative Society	776.4	27	1,736.08	44.72	1
Sri Shantheshwari Mahila Credit Cooperative Society	0		0		
Sirigandha Mahila Credit Cooperative Society	0		0		
Mahila Graduates Credit Cooperative Society	616.33	28	1067.52065	57.74	4
<b>Overall</b>	<b>8,48,189.22</b>		<b>15,36,404.23</b>		

Source: Complied financial reports from 2010-2011 to 2014-15

### Observation and Analysis

Sri Mahalakshmi Mahila Credit Cooperative Society has been assigned the highest rank as it has the lowest CV of 44.72. On the other hand, Durgigudi Credit Cooperative Society has been assigned the lowest rank owing to greatest level of dispersion around the mean. (CV=1837.32). There is a large gap in CVs between the highest and the lowest ranks which reflects the variability of interest from investment. (1837.32/44.72= 41.08)

#### 4.5.10.3. Comparative Analysis of Interest on Investment of Souharda Credit Cooperative Societies and Primary Credit Cooperative Societies

On comparing Souharda Credit Cooperative Societies and Primary Credit Cooperative Societies, it can be observed that Souharda Credit Cooperative Societies has lesser variability around the mean (CV=30.85 for the highest rank and 175.87 for the lowest rank) as compared to PCCS (CV = 44.72 for the highest rank and 1837.32 for the lowest rank) and hence Souharda Credit Cooperative Societies has more stable interest from investment over the years. Also within Primary Credit Cooperative Societies there is a huge variation in CV observed from the highest to lowest rank (1837.32/44.72= 41.08). On the other hand, within Souharda Credit Cooperative Societies, this variation is lesser i.e. 5.7 (175.87 /30.85 = 5.7) which is lower than 41.08. Hence it can be concluded that comparing various organizations within Primary, the variability is more for the lowest ranking organization as compared to Rank 1 organization. Also, the highest rank in PCCS has greater CV and hence more variability than the organization in SCCS with Rank 1.

---

---

### Testing of Hypothesis for Interest on Investment

**H10o:** There is no significant difference between Interest on Investment of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

**H10a:** There is a significant difference associated between Interest on Investment of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

**Table 4.40 Showing results of One way Annova between Interest on Investment of Souharda Credit Cooperative Society and Primary Credit Cooperative Society**

ANNOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>Df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	7.61851E+11	4	1.90463E+11	1.3387	0.3714	5.19
Within Groups	7.11356E+11	5	1.42271E+11			
Total	1.47321E+12	9				

(SS= some of squares, df = degree of freedom, MS = means square, F=Factor Calculated Value , F Crit = Critical value).

### Interpretation for Hypothesis Testing

From the above table it is evident that the calculated p value is 0.37 which is higher than the alpha p value of 0.05. Hence, the null hypothesis is accepted which can be concluded that There is no significant difference associated between Interest on Investment of Souharda Credit Cooperative Society and Primary Credit Cooperative Society.

## 4.6 CAGR Analysis

**Compounded Annual Growth Rate Analysis (CAGR)** frequently used to analyse the growth rate of variable on the basis of mathematical equation. The Compounded Annual Growth Rate Analysis is conducted to identify the growth rate of variables of both SCCS and PCCS during the study period. The Compounded Annual Growth Rate Analysis normally conducted to see the phase wise growth.

The following table indicates the CAGR of PCCS and SCCS among the selected parameters.

**Table 4.41 Calculation of Compounded Annual Growth Rate For SCCS**

Year	SC	FD	SD	AD	NP	INR	OI	FA	TE	Inr. Ivst
2010-11	1921576.56	8179934.63	1558451.06	16058434.2	667083.19	1805168.44	378613.25	481700.5	498511.63	102592.81
2011-12	2481437.5	12835667.75	1987264.44	23655646.3	1123324.13	3011750.88	448413.25	770950.63	1159294.3	165490.06
2012-13	3311505.62	17065287.69	2612870.56	30474287.3	1566179.63	4182689.19	546945.94	1032791	1337823.1	248003.63
2013-14	3944556.25	22834945.13	2778373.19	37840578.6	1718386.25	4875421.31	753408.06	1227326	1038838.9	394972.75
2014-15	6096109.81	26123419.19	3856697.88	47143847.1	2162837.38	5719515.81	616215.44	1316731.4	1329408.2	792530.13
Overall	3551037.15	17407850.88	2558731.43	31034558.7	1447562.11	3918909.13	548719.19	965899.9	1072775.2	340717.88
CAGR	33.459	33.681	25.424	30.897	34.187	33.417	12.949	28.582	27.79	66.715

**Table 4.42 Calculation of Compounded Annual Growth Rate for PCCS**

YEAR	SC	FD	SD	AD	NP	INR	OI	FA	TE	Inr. Ivst
2010-11	2917520	9399604.19	2205359.19	14207590.5	809973.11	3031867.3	211572.76	1995632.2	461283.23	405313.81
2011-12	3284075	12957081.26	2972406.57	26255224	12419787.65	3961124.6	335793.78	3637632.2	764871.04	603955.78
2012-13	3810510	14912646.81	4361378.63	34377294.88	1121334.44	4675320.44	338797.96	4458220.6	1165423	782747.93
2013-14	4335165	30778388.52	4341508.38	42054436.66	1313862.85	5434179.47	401712.09	5521426.8	1307983	1211620.5
2014-15	4796614	19828988.6	13392268.9	39647497.7	1249961.2	8989751.96	350886.1	4333070.4	1220762.7	1223755.5
Overall	3831142	17214644.55	5798438.23	31291516.28	3165987.42	5354160.59	325466.38	3951700.9	985372.77	848189.22
CAGR	13.23488	20.51684373	56.97977654	29.2480019	11.45677762	31.22282406	13.48190124	21.3888535	27.54572087	31.8183318

---

---

**Table 4.43 Showing CAGR of SCCS and PCCS for variables**

<b>Year</b>	<b>SCCS</b>	<b>PCCS</b>
Share Capital	33.46	13.23
Fixed Deposit	33.68	20.52
Savings Deposit	25.42	56.98
Advances	30.90	29.25
Net-Profit	34.19	11.46
Interest Received	33.42	31.22
Other Income	12.95	13.48
Fixed Assets	28.58	21.39
Total Expenses	27.79	27.55
Interest on Investment	66.72	31.82
<b>Overall CAGR</b>	<b>32.71</b>	<b>29.69</b>
<b>Correlation</b>	<b>0.117874595</b>	

### **Analysis**

The analysis of CAGR for all financial variables are calculated and it was found the overall CAGR of PCCS and SCCS is found to be 25.69 and 32.71 per cent respectively which indicate that the growth rate of SCCS for all selected financial variable is much more higher than the growth rate of PCCS.

Among the PCCS the CAGR of Saving deposit is high and followed by interest on investment, interest received, advances, total expenses, Fixed Asset, Fixed Deposit, Other Income, Share capital and net profit.

Among the SCCS the CAGR of interest on investment occupied the first position followed by Net Profit, Fixed Deposit, Share Capital, Interest Received, Advances, Fixed Asset, Total expenses, Saving Deposits and Other Income.

### **4.7 Correlation Analysis**

A study has been conducted to analyze the degree of association or relationship between the average values of both PCCS and SCCS during the selected financial years the results of correlation analysis are indicated in the following table. In correlation analysis, it is to estimate a sample correlation coefficient, more specifically the Pearson Product Moment correlation coefficient. The sample correlation coefficient, denoted  $r$ , ranges between -1 and +1 and quantifies the direction and strength of the linear association between the two variables. The correlation between two variables can be positive (i.e., higher levels of one variable

---

are associated with higher levels of the other) or negative (i.e., higher levels of one variable are associated with lower levels of the other).

The sign of the correlation coefficient indicates the direction of the association. The magnitude of the correlation coefficient indicates the strength of the association.

For example, a correlation of  $r = 0.9$  suggests a strong, positive association between two variables, whereas a correlation of  $r = -0.2$  suggest a weak, negative association. A correlation close to zero suggests no linear association between two continuous variables.

The correlation analysis are carried under two categories they are

1. Variable wise analysis
2. Society wise analysis using Rank Correlation

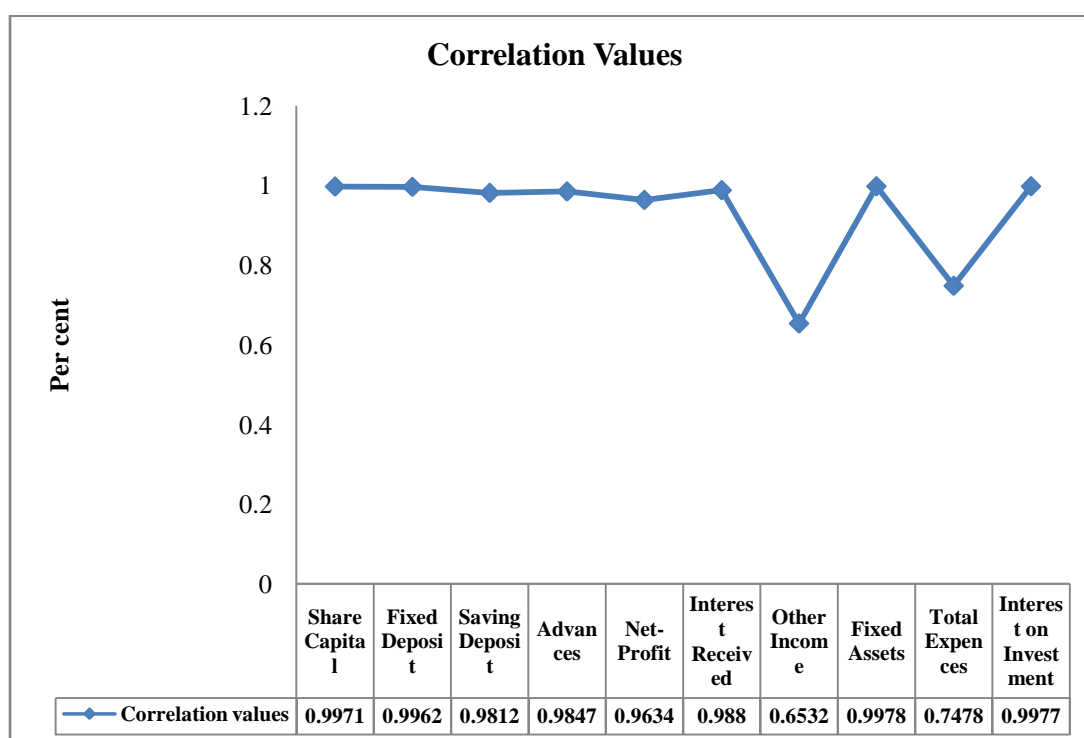
### 1. Variable Wise Anlaysis

The Karl person Coefficient of analysis is adopted to find the degree of correlation among the financial variable of PCCS and SCCS during the study period. All variables are tested to find out the overall financial health.

**Table 4.44 Showing correlation coefficient between PCCS and SCCS**

Variable	Correlation Values
Share Capital	0.9971
Fixed Deposit	0.9962
Saving Deposit	0.9812
Advances	0.9847
Net-Profit	0.9634
Interest Received	0.9880
Other Income	0.6532
Fixed Assets	0.9978
Total Expenses	0.7478
Interest on Investment	0.9977

**Graph No. 4.11: Showing Coefficient of Correlation between PCCS and SCCS**



The correlation coefficient values are calculated to identify the degree of association among the selected variables of both PCCS and SCCS. It is evident from the above table that all variables indicated positive correlation which can be concluded that the variables move in the same direction.

The correlation values among the PCCS and SCCS are witnessed that among ten variables of Fixed assets, Interest on Investment, Share Capital and Fixed deposit have resulted in perfect positive correlation followed by interest received, advances, saving deposit. But the correlation coefficient of Net Profit, Total Expenses and Other Income is less compared to all other variables.

### **Society wise analysis using Rank Correlation**

In order to identify the degree of association among the PCCS and SCCS the Spearman's rank correlation coefficient or Spearman's rho is adopted which is named after Charles Spearman and often denoted by the Greek letter ( $\rho$ ) or as  $\rho$ , is a nonparametric measure of rank correlation (statistical dependence between the ranking of two variables). It assesses how well the relationship between two variables can be described using a monotonic function.

---

The Spearman correlation between two variables is equal to the Pearson correlation between the rank values of those two variables; while Pearson's correlation assesses linear relationships, Spearman's correlation assesses monotonic relationships (whether linear or not). If there are no repeated data values, a perfect Spearman correlation of +1 or -1 occurs when each of the variables is a perfect monotone function of the other.

The Spearman correlation between two variables will be high when observations have a similar (or identical for a correlation of 1) rank (i.e. relative position label of the observations within the variable: 1st, 2nd, 3rd, etc.) between the two variables, and low when observations have a dissimilar (or fully opposed for a correlation of -1) rank between the two variables.

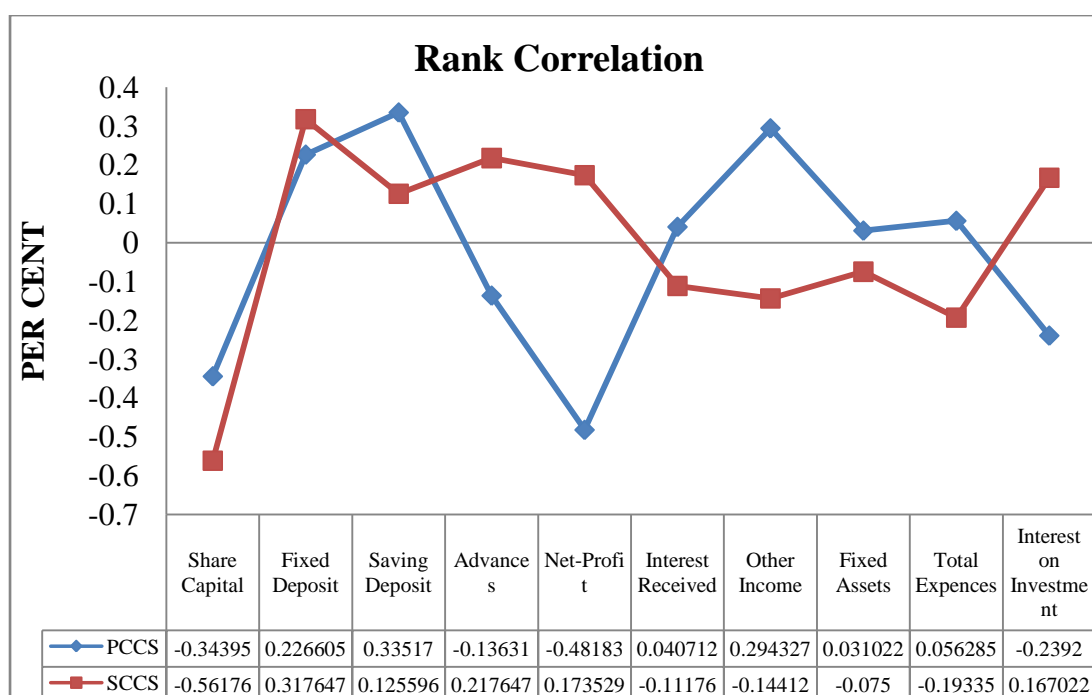
#### **Ranks are Assigned under the following Criteria**

- The mean values are considered as progressive performance indicator so ranks are assigned under Higher to Lower Method.
- The coefficients of variation are considered as stability variables so the ranking is done on the basis of Lower to Higher Method.
- The ranks correlation formula given is sperrman is used to calculate the rank correlation.

**Table 4.45: Showing the Rank Correlation Coefficient values for variables among PCCS and SCCS**

<b>Rank Correlation</b>	<b>PCCS</b>	<b>SCCS</b>
Share Capital	-0.34395	-0.56176
Fixed Deposit	0.226605	0.317647
Saving Deposit	0.33517	0.125596
Advances	-0.13631	0.217647
Net-Profit	-0.48183	0.173529
Interest Received	0.040712	-0.11176
Other Income	0.294327	-0.14412
Fixed Assets	0.031022	-0.075
Total Expenses	0.056285	-0.19335
Interest on Investment	-0.2392	0.167022

**Graph 4.12: Showing Rank Correlation Coefficient values for PCCS and SCCS**



### Observation and Analysis

The rank correlation is calculated to identify the degree of association among the mean values and coefficient of variation values. The correlation results are witnessed that the performance of both SCCS and PCCS are different and the association not uniform.

In PCCS it is witnessed that share capital, advances, net profit and interest on investment which are inflows for the society have resulted in negative correlation which means there exist inverse relation among the Mean ranks and CV ranks and other variables are resulted in positive correlation which signifies the direct relation among the mean ranks and CV ranks.

In SCCS share capital, interest received, other income, fixed assets, total expenses are indicated the negative correlation among Mean ranks and CV rank and other variables are resulted in positive correlation with direct relation.

It can be analysed from the above Share Capital for both PCCS and SCCS showing negative correlation which signifies that the inflow of share capital will not assure the stability. Fixed Deposit and Saving Deposit assures the positive correlation among the SCCS and PCCS but Advances, Net Profit, Interest Received, Other Income, Fixed Asset, Total Expenses and Interest on Investment resulted in inverse correlation.



---

---

## 4.8 Ratio Analysis

Ratio analysis is the relationship between two variables. It can be expressed as a percentage (Profit of 20%) or as a simple ratio (like 2:1). Whenever we recast the figures shown in the Balance Sheet or Profit and Loss Account, only the recasted figures should be taken into account for analysis.

Any number of ratios can be obtained from a Balance Sheet and Profit and Loss Account. However, a banker mainly focuses on key ratios falling under three main groups viz. Liquidity, Solvency and Efficiency.

### 4.8.1 Return On Equity (ROE)

ROE is considered to be the best measure of profitability in order to assess the overall performance of the business. It indicates how well the management has used the investment made by shareholders and creditors into the business. It is commonly used as a basis for various managerial decisions. As the primary objective of business is to earn profit, higher the return on capital employed, the more efficiency of the societies in using its funds. The ratio can be found for a number of years so as to find a trend as to whether the profitability of the company is improving or otherwise.

#### Formula

$$\text{Return on Equity} = (\text{Net Profit})/(\text{Share Capital})$$

**Table 4.46 Showing Return on Equity of PCCS and SCCS for the five years**

**2010-11 to 2014-15**

(Amount in Rs)

Years	PCCS			SCCS		
	Share Capital	N.P	ROE	Share Capital	N.P	ROE
2010-11	29,17,520	8,09,973.11	27.76	19,21,576.56	6,67,083	34.72
2011-12	32,84,075	14,19,787.65	43.23	24,81,437.5	11,23,324	45.27
2012-13	38,10,510	11,21,334.44	29.43	33,11,505.62	15,66,180	47.30
2013-14	43,35,165	13,13,862.85	30.31	39,44,556.25	17,18,386	43.56
2014-15	47,96,614	1,24,9961.2	26.06	60,96,109.81	21,62,837	35.48

Source: Complied financial reports from 2010-2011 to 2014-15

#### Observations and Analysis

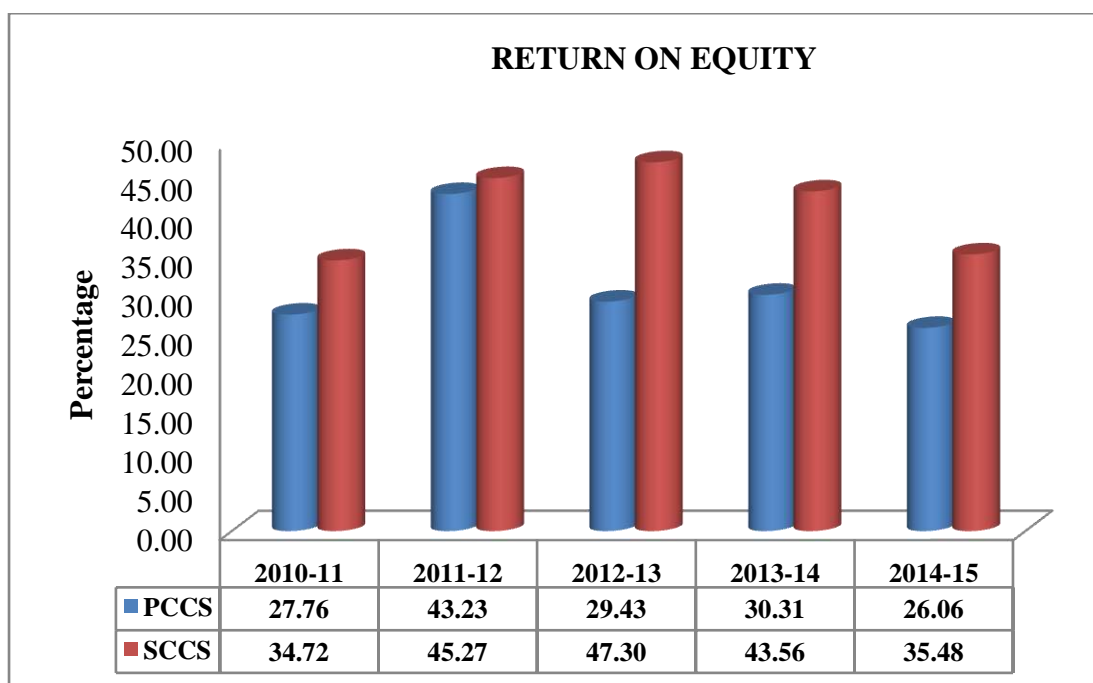
From the above table, it is evident that the calculated average Return on Equity of PCCS and SCCS for the study period both category of the cooperative societies are witnessed a positive growth in Return on Equity.

During the year 2010-11, the ROE of PCCS stood at 27.76 per cent which is increased to 43.23 in 2011-12 but the growth rate decreased in 2012-13 for 29.43 per cent but in 2013-14 PCCS marginally grown at the rate of 30.31 per cent, finally which in 2014-15 the growth rate pertained at 26.06 per cent.

The analysis of ROE for SCCS during the five years showcased good and positive results. In the year 2010-11, ROE of SCCS stands at 34.72 which increased to 45.72 per cent which is marginally increased to 47.30 but in the year 2012-13 the growth rate slipped down to 43.56 which is again drastically decreased to 35.48 per cent in 2014-15.

The comparative analysis of ROE for both PCCS and SCCS indicated that out of 5 years, the PCCS showcased low growth rate in all five financial years. The growth rate of SCCS is comparatively high during 2010-11 to 2014-15.

**Graph 4.13 Showing Return on Equity of PCCS and SCCS for the five years 2010-11 to 2014-15**



#### 4.8.2 Return on Assets (ROA)

ROA is considered to be the best measure of profitability in order to assess the overall performance of the business. It indicates how well the management has used the investment made by shareholders and creditors into the business. It is commonly used as a basis for various managerial decisions. As the primary objective of business

is to earn profit, higher the return on capital employed, the more efficient the bank is using its funds. The ratio can be found for a number of years so as to find a trend as to whether the profitability of the company is improving or otherwise.

#### Formula

$$\text{Return on Assets} = (\text{Net Profit})/(\text{Total Asset})$$

**Table 4.47 Showing Return on Assets of PCCS and SCCS for the five years**

**2010-11 to 2014-15**

(Amount in Rs)

Years	PCCS			SCCS		
	Net Profit	Total Asset	ROA	Net Profit	Total Asset	ROA
2010-11	8,09,973.11	2,02,56,635.9	0.04	6,67,083.19	1,93,90,999.6	0.03
2011-12	1,24,19,787.65	4,66,09,562.2	0.05	11,23,324.13	2,90,10,085.2	0.04
2012-13	11,21,334.44	4,49,70,968.34	0.02	15,66,179.63	3,78,02,893.1	0.04
2013-14	13,13,862.85	5,47,25,617.87	0.02	17,18,386.25	4,64,15,120.2	0.04
2014-15	1,24,9961.2	5,45,71,167.39	0.02	21,62,837.38	5,69,59,147.1	0.04

Source: Complied financial reports from 2010-2011 to 2014-15

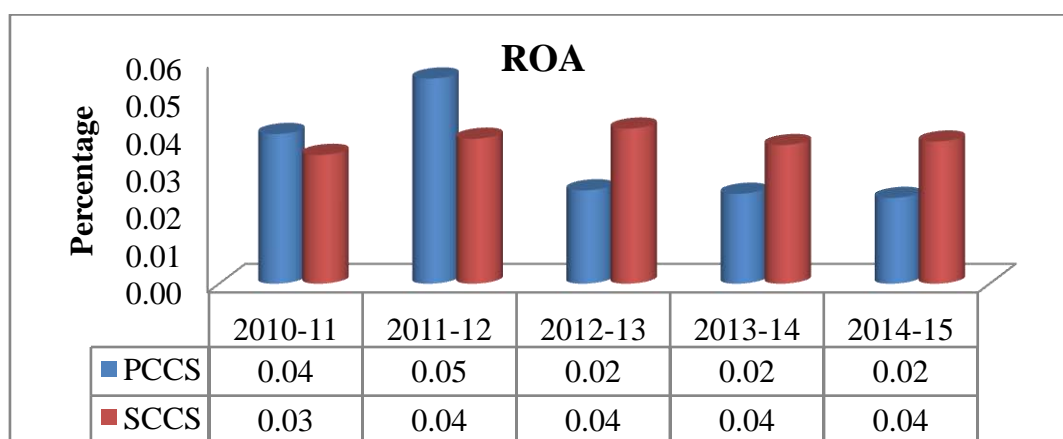
#### Observations and Analysis

The Return On Asset of both PCCS and SCCS are varied during the study period. The return on asset of PCCS was 4 per cent in 2010-11 which was increased to 5 per cent in 2011-12 and decreased to 2 per cent in remaining years.

The return on asset of SCCS was 3 per cent in 2010-11 and which increase to 4 per cent in 2011-12 and it can be analyzed that the return on asset of SCCS proved static rate of growth during the study period.

The comparative analysis of ROA during the study period indicated that the PCCS have obtained higher rate of return compare to SCCS and the marginal difference among the PCCS and SCCS is less than 1 per cent.

**Graph 4.14 Showing Return on Asset of PCCS and SCCS for the five years 2010-11 to 2014-15**



---

---

### 4.8.3 Credit-Deposit Ratio

Cooperative Societies play an important role in meeting the credit requirements of both the urban and rural India. Though the bank dominated financial system, these institutions account for a small share in the total credit they hold a significant position in credit delivery as they cater to different geographic locations and demographic categories. The wide network of cooperative banks, both rural and urban, supplements the commercial banking network for deepening financial intermediation by bringing a large number of depositors/borrowers under the formal banking network. Demographically, these institutions have enabled access to financial services to low and middle-income groups in both rural and urban areas.

$$\text{Credit Deposit Ratio} = (\text{Credit})/(\text{Deposit})$$

**Table 4.48 Showing Credit Deposit ratio of PCCS and SCCS for the five years  
2010-11 to 2014-15** (Amount in Rs)

Years	PCCS		Credit-deposit ratio	SCCS		CD ratio
	Advances	Deposit		Advances	Deposit	
2010-11	1,42,07,590.5	1,16,04,963.38	81.68	1,60,58,434.2	97,38,385.69	60.64
2011-12	2,62,55,224	1,59,29,487.83	60.67	2,36,55,646.3	1,48,22,932.19	62.66
2012-13	3,43,77,294.88	1,92,74,025.44	56.07	3,04,74,287.3	1,96,78,158.25	64.57
2013-14	42,054,436.66	3,51,19,896.9	83.51	3,78,40,578.6	2,56,13,318.32	67.69
2014-15	3,96,47,497.7	3,32,21,257.47	83.79	4,71,43,847.1	2,99,80,117.07	63.59

Source: Complied financial reports from 2010-2011 to 2014-15

### Observations and Analysis

Credit to deposit ratio considered as a key financial indicator for banking industry. The Credit-Deposit Ratio of PCCS and SCCS is calculated to identify the importance of lending activities of both cooperatives.

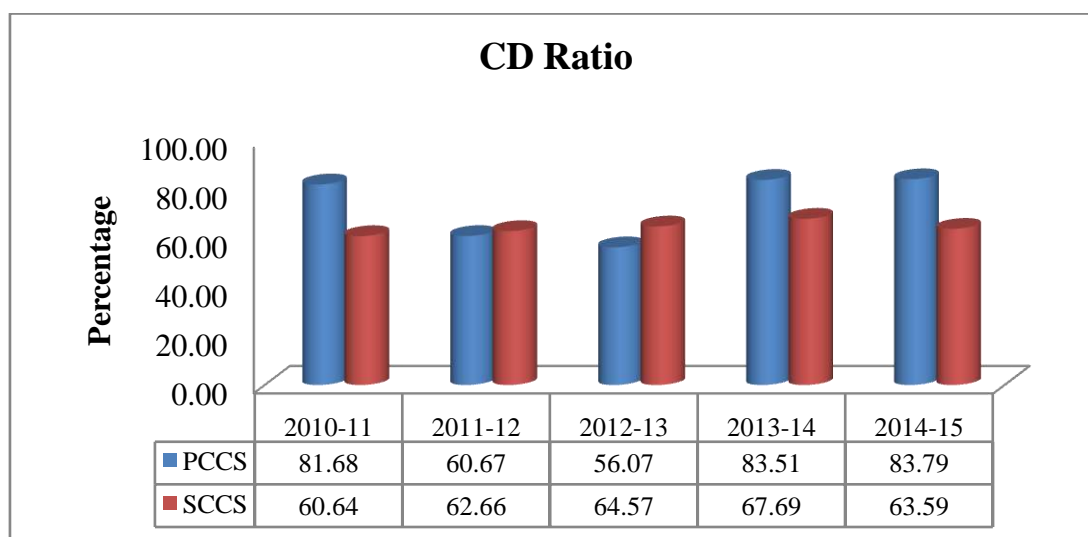
The Credit-Deposit Ratio of PCCS during the study period indicated the high degree of fluctuation. The Credit-Deposit Ratio was 81.68 in 2010-11 which decreased to 60.67 further it is decreased to 56.07 per cent, during the 2012-13. In 2013-14 the Credit-Deposit Ratio increased to 83.51 per cent and stabilize for 83.79 per cent in 2014-15.

The Credit-Deposit Ratio of SCCS witnessed marginal variations the Credit-Deposit Ratio i.e., 60.64 per cent in 2010-11 and which marginally increased to 62.66

per cent in 2011-12 and increased to 64.57 per cent in 2012-13 and finally stabilized at 63.59 per cent.

It can be analysed from the above table the Credit-Deposit Ratios of SCCS during the study period was low compare to PCCS.

**Graph 4.15 Showing Credit-Deposit Ratio of PCCS and SCCS for the five years 2010-11 to 2014-15**



#### 4.8.4 Diversification Ratio:

Fee based income accounts for a major portion of a bank's other income. A bank generates higher fee income through innovative products and adapting the technology for sustained service levels. This stream of revenue is not depended on the bank's capital adequacy and consequently, the potential to generate the income is immense. The higher ratio indicates increasing proportion of fee-based income. The ratio is also influenced by gains on government securities, which fluctuates depending on interest rate movement in the economy.

#### Formula

$$\text{Diversification Ratio} = (\text{Other Income}) / (\text{Total Income})$$

**Table 4.49 Showing the Diversification ratio of PCCS and SCCS for the five years 2010-11 to 2014-15** (Amount in Rs)

Years	PCCS			SCCS		
	Total	Other	Ratio	Total	Other	Ratio
2010-11	30,31,867.3	2,11,572.76	0.07	18,05,168.44	3,78,613.25	0.21
2011-12	39,61,124.6	3,35,793.78	0.08	30,11,750.88	4,48,413.25	0.15
2012-13	46,75,320.44	3,38,797.96	0.07	41,82,689.19	5,46,945.94	0.13
2013-14	54,34,179.47	4,01,712.09	0.07	48,75,421.31	7,53,408.06	0.15
2014-15	89,89,751.96	3,50,886.1	0.04	57,19,515.81	6,16,215.44	0.11

Source: Complied financial reports from 2010-2011 to 2014-15

### Observations and Analysis

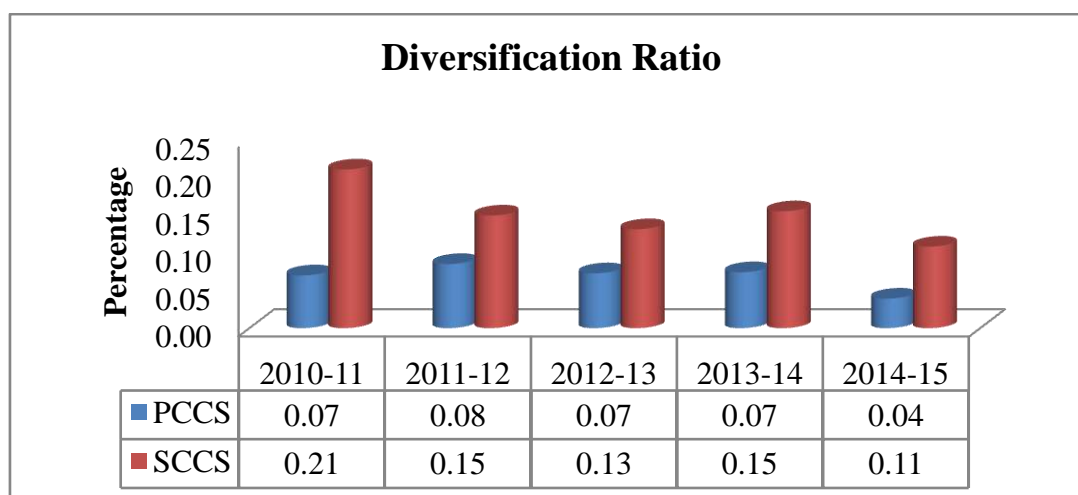
The category wise and year wise results presented above i.e. the Ratio of other income to total income clearly show the wide variation not only among societies but also form one year to another. Further there is no consistency in the performance of society as it moves in both directions during the study period.

The Diversification ratio of PCCS was 0.07 times which increased to 0.08 times in 2011-12 and which again decreased by 1 per cent in further two consecutive years but in 2014-15 the ratio declined to 0.04 per cent.

The diversification ratio of SCCS was 0.21 in 2010-11 which slipped down to 0.15 in 2011-12 which further declined to 0.13 in 2012-13 which marginally increased to 0.15 per cent in 2013-14 but in declined to 0.11 per cent in 2014.15.

The above analysis indicates that the diversification ratio of SCCS is comparatively higher than PCCS which can be concluded that the SCCS is enjoying higher amount of incomes from non banking activities.

**Graph 4.16 Showing Diversification ratio of PCCS and SCCS for the five years 2010-11 to 2014-15**



#### 4.8.5 Interest Income to Total Income Ratio

Interest income to total income ratio is another important earning ratio which shows the share of interest income of society from its lending activities in its total income.

##### Formula

$$\text{Interest on Total Income} = (\text{Interest Income})/(\text{Total Income})$$

**Table 4.50 Showing Interest income to total income ratio of PCCS and SCCS for the five years 2010-11 to 2014-15** (Amount in Rs)

Years	PCCS		RATIO	SCCS		RATIO
	INR	TOTAL		INR	TOTAL	
2010-11	30,31,867.3	32,43,440.06	0.93	18,05,168.44	21,83,781.69	0.83
2011-12	39,61,124.6	42,96,918.38	0.92	30,11,750.88	34,60,164.13	0.87
2012-13	46,75,320.44	50,14,118.4	0.93	41,82,689.19	47,29,635.13	0.88
2013-14	5,43,41,79.47	58,35,891.56	0.93	48,75,421.31	56,28,829.37	0.87
2014-15	89,89,751.96	93,40,638.06	0.96	57,19,515.81	63,35,731.25	0.90

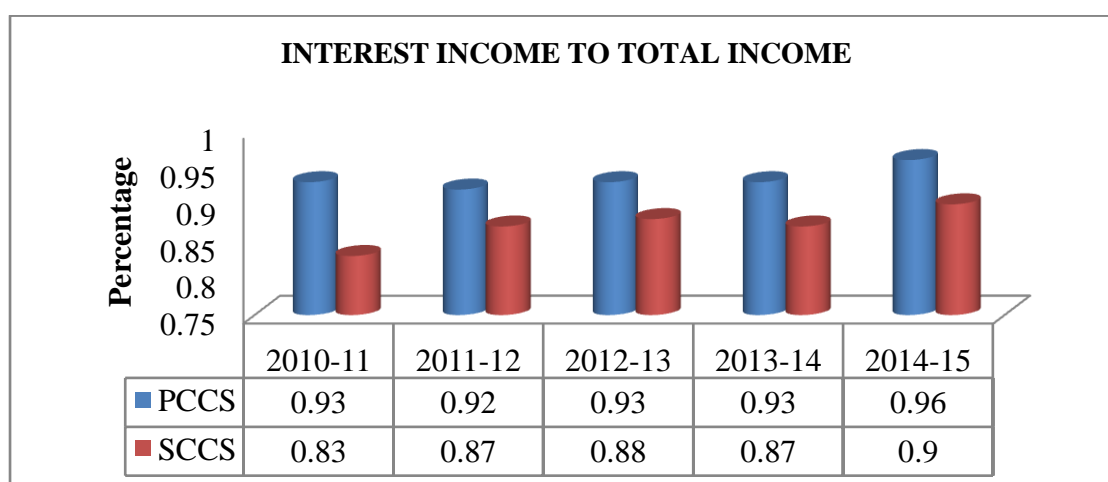
Source: Compiled financial reports from 2010-2011 to 2014-15

##### Observations and Analysis

It is obvious from the above that major portion of income comes from interest income and it is more so in the case of PCCS. Further there is no much variation in performance of society from one year to another. However, interest income to total income ratio varied in case of PCCS, between 0.92 times to 0.96 times which resulted low variation. The interest income to total income of SCCS varied from 0.83 times to 0.90 times which is also resulted in low variation.

The Interest Income to Total Income ratio of PCCS and SCCS indicated that the PCCS have higher values in comparison of SCCS.

**Graph 4.17 Showing Interest Income to Total Income of PCCS and SCCS for the five years 2010-11 to 2014-15**



---

---

#### 4.9 Altman Z - Score Analysis

The Altman Z-score is the output of a credit-strength test that gauges a publicly traded manufacturing company's likelihood of bankruptcy. The Altman Z-score is based on five financial ratios that can be calculated from data found on a company's annual 10K report. It uses profitability, leverage, liquidity, solvency and activity to predict whether a company has a high degree of probability of being insolvent.

If the financial position of a bank/company is analyzed using individual (single) ratios, such an analysis is not comprehensive. Thus, there is a need of using a multivariate statistical model through which we can not only assess the financial standing of a firm, but can also predict their bankruptcy. As such, the Altman Z – score formula, turns out to be a solution for such an analysis. The formula will also help in drawing useful inferences about the viability of Cooperative Banks. The Z-score formula is used for predicting the bankruptcy of a financial institution. It was published in 1968 by Edward I. Altman. He was, at that time, an Assistant Professor of Finance at New York University. The formula may be used to predict the probability that a firm will go into bankruptcy within a period of two years. The Z score model uses multiple variables from the cooperative income statements and balance sheets to measure the financial health of a company. For evolving this formula, Altman carried out a detailed study on various firms.

**Table 4.51 Showing Financial Performance categorization zone for banking Sector by Altman**

<b>Z- score Results</b>	<b>Performance indicator levels predicted by Prof.Altman</b>
0.80 or less	Highly positive sign
0.81 to 1.7	Positive sign
1.7 to 1.98	Negative
1.98 or higher	Highly Negative

They are most likely to survive Z-score between 0.81 and 1.99. The possibility of failure of such firms is not very high. Such firms should definitely survive. They border on a grey area, and certainly below the line for more definite chances of survival. Z-score above 1.99. The possibility of failure of such firms is very high. They could be heading for insolvency within two years. To be sure of survival a company with this score may well have to take serious action.



**Table 4.52: Showing Altman Z Scores of PCCS**

(Amount in Rs)

Year	2010-11	2011-12	2012-13	2013-14	2014-15
Share Capital	2917,520	3284075	38,10,510	43,35,165	47,96,614
Fixed Deposit	93,99,604.1	1,29,57,081.26	1,49,12,646.81	3,07,78,388.52	1,98,28,988.6
Saving Deposit	22,05,359.1	29,72,406.57	43,61,378.63	43,41,508.38	1,33,92,268.87
Advances	1,42,07,590.5	2,62,55,224	3,43,77,294.88	4,20,54,436.66	3,96,47,497.7
Net-Profit	8,09,973.11	1,24,19,787.65	11,21,334.44	13,13,862.85	12,49,961.2
Interest Received	30,31,867.3	39,61,124.6	46,75,320.44	54,34,179.47	89,89,751.96
Other Income	2,11,572.76	3,35,793.78	3,38,797.96	4,01,712.09	3,50,886.1
Fixed Assets	19,95,632.23	36,37,632.17	44,58,220.62	55,21,426.8	43,33,070.43
Total Expenses	4,61,283.23	7,64,871.04	11,65,423	13,07,983	12,20,762.66
Interest on Investment	4,05,313.81	6,03,955.78	7,82,747.93	12,11,620.52	12,23,755.47
z score	1.07	1.38	0.73	0.67	1.28

Source: Complied financial reports from 2010-2011 to 2014-15

Out of PCCS with duration of five financial years, the Altman Z score values indicate that the all PCCS are in safe zone there is no indication of financial illness. The analysis witnessed that the Altman Z score value is high in 2010-11, 2011-12 which falls under positive zone of financial health followed by 2014-15 which also falls in same zone. The years 2012-13 and 2013-14 falls under highly positive sign as per the predictive values of Altman Z scores.

**Table 4.53 The analysis of Altman Z scores of SCCS**

Year	2010-11	2011-12	2012-13	2013-14	2014-15
Share Capital	19,21,576.5	24,81,437.5	33,11,505.62	39,44,556.25	60,96,109.81
Fixed Deposit	81,79,934.6	1,28,35,667.75	170,65,287.69	22834945.13	2,61,23,419.19
Saving Deposit	15,58,451.0	19,87,264.44	26,12,870.56	27,78,373.19	38,56,697.88
Advances	1,60,58,434.	2,36,55,646.3	3,04,74,287.3	3,78,40,578.6	4,71,43,847.1
Net-Profit	6,67,083.19	11,23,324.13	15,66,179.63	17,18,386.25	21,62,837.38
Interest Received	18,05,168.4	30,11,750.88	41,82,689.19	48,75,421.31	57,19,515.81
Other Income	3,78,613.25	4,48,413.25	5,46,945.94	7,53,408.06	6,16,215.44
Fixed Assets	4,81,700.5	7,70,950.63	10,32,791	12,27,326	1316731.38
Total Expenses	4,98,511.63	11,59,294.25	1337823.13	10,38,838.88	1329408.19
Interest on Investment	1,02,592.81	1,65,490.06	2,48,003.63	3,94,972.75	7,92,530.13
Z score	1.05	0.99	0.99	0.98	0.87

Source: Complied financial reports from 2010-2011 to 2014-15

Out of SCCS with duration of five financial years the Altman Z score values indicates that the all SCCS are in safe zone there is no indication of financial illness. The analysis witnessed that the Altman Z score in all the years falls under positive area.

---

---

#### 4.10 Analysis of SCCS and PCCS registered after KSSA, 1997

Financial performance is dynamic component of the financial institution. The comparative financial performance of analysis of PCCS and SCCS are conducted rigorously. PCCS is being old and existing form of cooperative society and SCCS is nascent form. In order to provide actual and holistic view of comparative financial performance among PCCS and SCCS the researcher finds that the incorporation of KSSA 1997 provided new legal frame work for Souharda credit cooperative societies. These cooperatives can either adopt the PCCS form or SCCS form. Hence, this part of analysis is conducted to carry out the financial performance of PCCS and SCCS based on their year of incorporation i.e. after the establishment of KSSA 1997. Since data is common structure the researcher carried out performance analysis only on the basis of year wise average values and SD for the financial variables.

##### 4.10.1 Share Capital

##### 4.10.1.1 Year wise Analysis of Share Capital through Mean Values

**Table 4.54 : Showing mean and SD of values of Share Capital**

(Amount in Rs)

Years	SCCS		PCCS (After KSSA 1997)	
	Mean	Std. Deviation	Mean	Std. Deviation
2010-11	19,21,576.56	21,22,160.90	22,01,249.45	22,22,475.39
2011-12	24,81,437.50	29,48,964.24	25,89,167.63	28,26,490.49
2012-13	33,11,505.62	43,57,826.73	29,53,672.09	33,85,099.88
2013-14	39,44,556.25	49,24,597.67	32,85,448.36	36,11,083.42
2014-15	60,96,109.81	76,51,346.75	35,85,879.36	38,81,092.01
<b>Overall</b>	<b>35,51,037.15</b>		<b>29,23,083.38</b>	

Source: Compiled financial reports from 2010-2011 to 2014-15

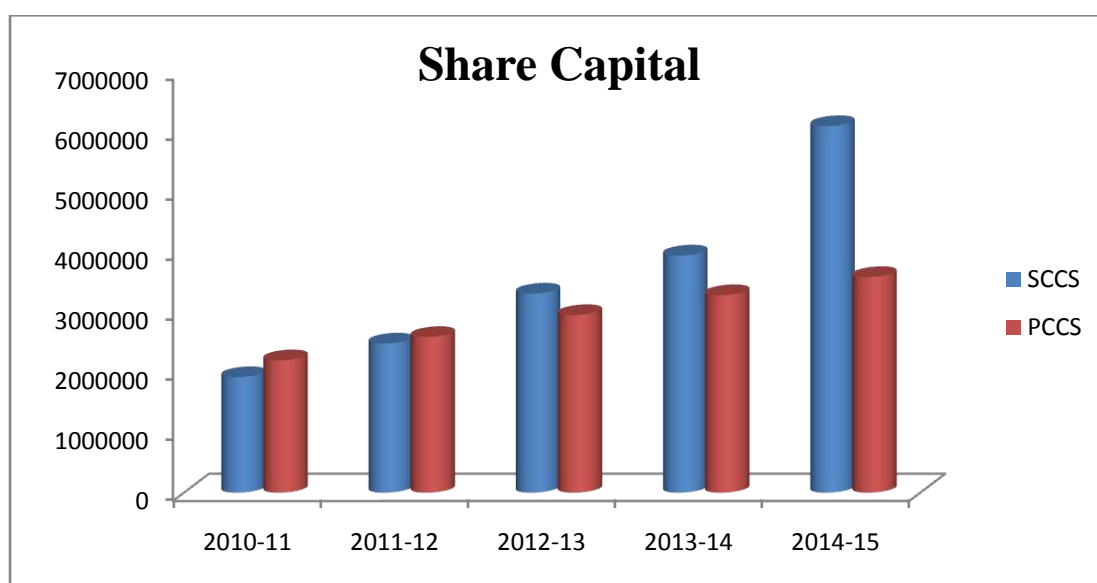
##### Observation and Analysis:

The mean value of SCCS was found to be 19,21,576.56, 24,81,437.50, 33,11,505.62, 39,44,556.25 and 60,96,109.81 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 35,51,037.15.

The mean value of PCCS was found to be 22,01,249.45, 25,89,167.63, 29,53,672.09, 32,85,448.36 and 35,85,879.36 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 29,23,083.38

The comparative analysis of PCCS and SCCS shows that except 2010-11 and 2011-12, in all the years the mean values of SCCS is higher which can be observed that the SCCS is having very strong grip on mobilization of share capital. In the year 2014-15 the difference is very high.

**Graph 4.18 Showing Share capital of SCCS and PCCS after KSSA 1997**



#### 4.10.2 Fixed Deposit

##### 4.10.2.1 Year Wise Analysis of Fixed Deposits through Mean Values

**Table 4.55 : Showing mean and SD values of Fixed Deposits**

(Amount in Rs)

YEARS	SCCS		PCCS	
	Mean	Std. Deviation	Mean	Std. Deviation
2010-11	81,79,934.62	1,19,02,042.58	62,26,316.18	84,08,200
2011-12	1,28,35,667.75	1,68,24,716.22	78,96,558.36	1,08,11,200
2012-13	1,70,65,287.68	2,07,49,021.19	77,51,821.63	1,08,33,285
2013-14	2,28,34,945.12	2,53,02,383.61	1,05,94,969.36	1,41,70,706
2014-15	2,61,23,419.18	2,73,47,375.52	1,17,02,973.64	1,35,89,719
<b>Overall</b>	<b>1,74,07,850.88</b>		<b>88,34,527.83</b>	

Source: Compiled financial reports from 2010-2011 to 2014-15

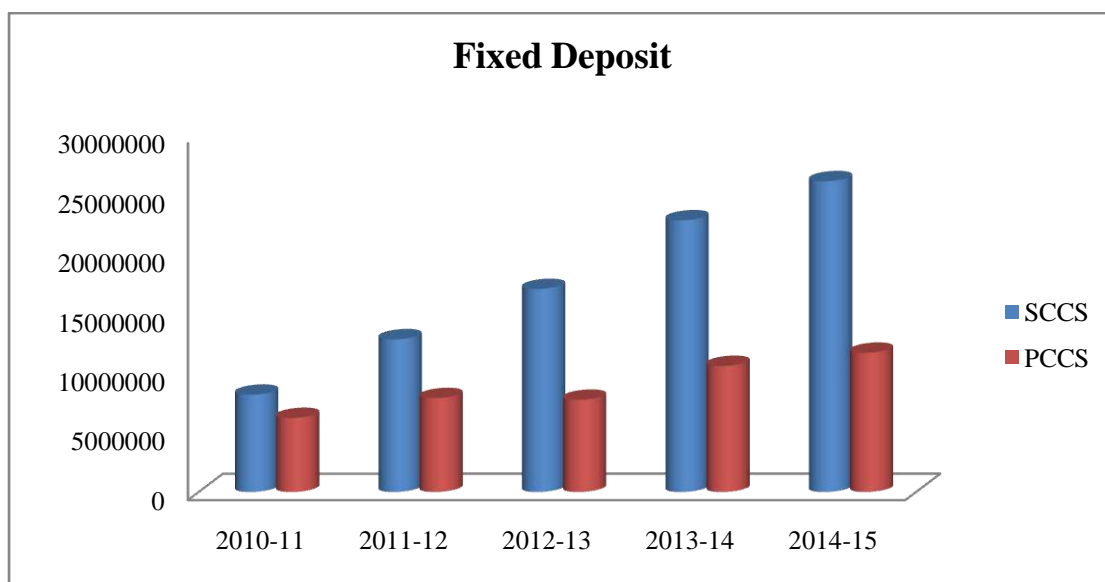
#### Observation and Analysis:

The mean value of SCCS is found to be 81,79,934.63, 1,28,35,667.75, 1,70,65,287.69, 2,28,34,945.13 and 2,61,23,419.19 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 1,74,07,850.88.

The mean value of PCCS is found to be 62,26,316.182, 78,96,558.364, 77,51,821.636, 1,05,94,969.36 and 1,17,02,973.64 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 88,34,527.83

The comparative analysis of PCCS and SCCS shows that in all the years the mean values of SCCS is higher which signifies that the SCCS is having a stronger hold on Fixed Deposits.

**Graph No 4.19: Showing Fixed Deposits of SCCS and PCCS after KSSA 1997**



#### 4.10.3 Saving Deposit

##### 4.10.3.1 Year Wise Analysis of Saving Deposit Mean Values

**Table 4.56 Showing mean and SD of values of Saving Deposit**

(Amount in Rs)

Years	SCCS		PCCS	
	Mean	Std. Deviation	Mean	Std. Deviation
2010-11	15,58,451.06	24,44,159.68	10,02,165.72	13,98,156
2011-12	19,87,264.43	28,37,172.51	12,08,721.81	16,87,588
2012-13	26,12,870.56	29,94,479.52	9,53,117.36	1,012,646
2013-14	27,78,373.18	33,46,011.22	10,55,074.09	9,68,737.3
2014-15	38,56,697.87	42,78,913.21	14,82,240.18	1,41,1745
<b>Overall</b>	<b>25,58,731.43</b>		<b>11,40,263.84</b>	

Source: Complied financial reports from 2010-2011 to 2014-15

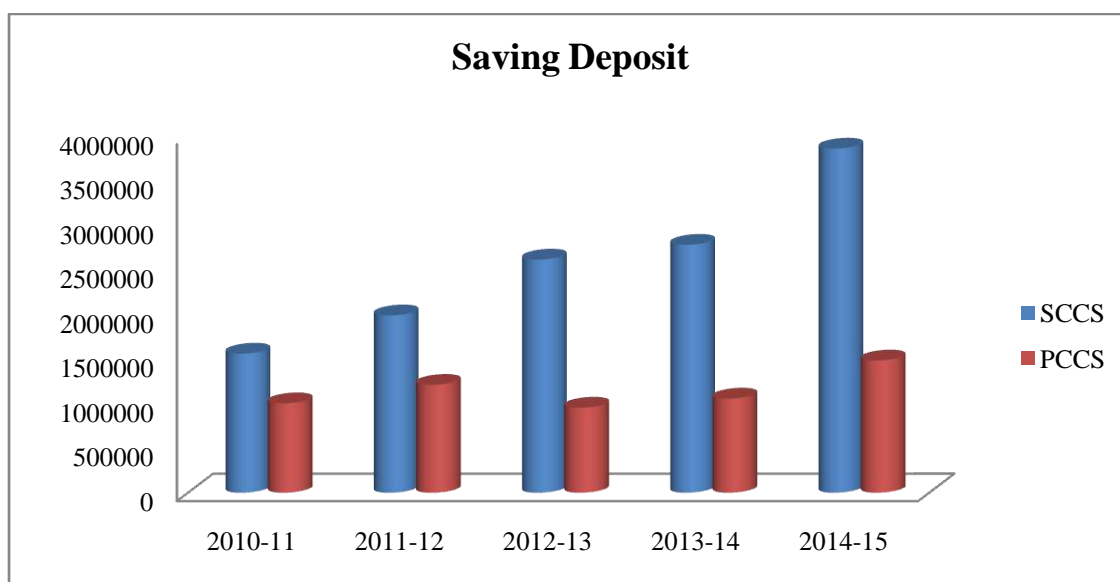
#### Observation and Analysis

The mean values of SCCS is found to be 15,58,451.06, 19,87,264.44, 26,12,870.56, 27,78,373.19 and 38,56,697.88 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 25,58,731.43.

The mean values of PCCS is found to be 10,02,165.727, 12,08,721.818, 9,53,117.3636, 10,55,074.09 and 14,82,240.182 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 1140263.84.

The comparative analysis of PCCS and SCCS shows that in all the years the mean values of SCCS is higher i.e. SCCS is having very strong foothold on Savings Deposits in the given time period.

**Graph 4.20 Showing Saving Deposit of SCCS and PCCS after KSSA 1997**



#### 4.10. 4 Advances

##### 4.10.4.1 Year Wise Analysis of Advances through Mean Values

**Table No. 4.57 Showing Mean and SD values of Advances (Amount in Rs)**

Years	SCCS		PCCS	
	Mean	Std. Deviation	Mean	Std. Deviation
2010-11	1,60,58,434.2	1,75,51,612	1,46,42,629.64	1,17,64,877
2011-12	2,36,55,646.3	2,57,72,205	1,98,23,253.55	1,72,10,598
2012-13	3,04,74,287.3	3,31,95,774	2,31,33,144.18	2,03,79,066
2013-14	3,78,40,578.6	3,67,61,209	2,53,91,340.55	1,99,66,594
2014-15	4,71,43,847.1	4,24,97,417	2,96,66,384.55	2,40,86,349
<b>Overall</b>	<b>3,10,34,558.7</b>		<b>2,25,31,350.49</b>	

Source: Complied financial reports from 2010-2011 to 2014-15

---

---

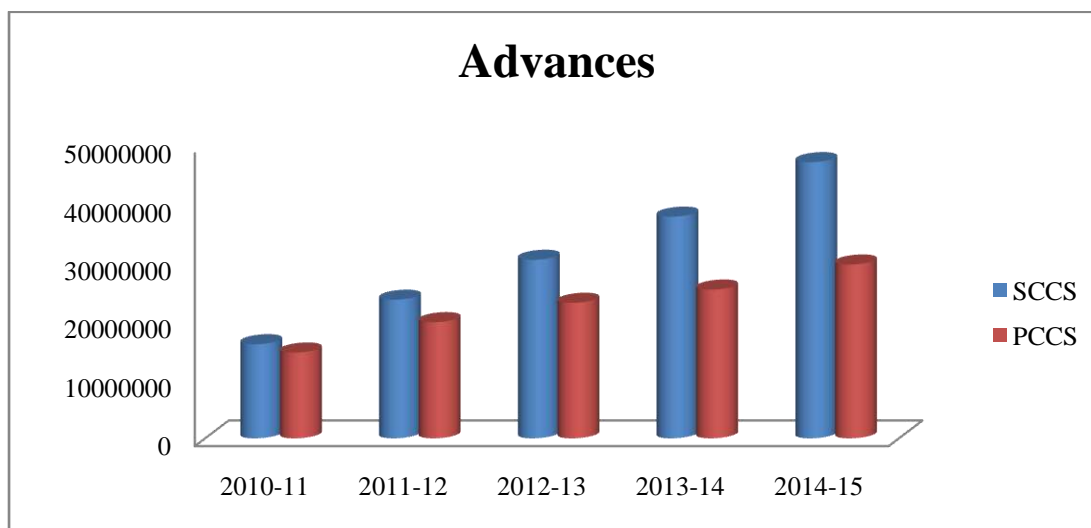
### Observation and Analysis

The mean value of SCCS is found to be 1,60,58,434.2, 2,36,55,646.3, 3,04,74,287.3, 3,78,40,578.6 and 4,71,43,847.1 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 3,10,34,558.7.

The mean value of PCCS was found to be 14,6,42,629, 1,98,23,253.55, 2,31,33,144.18, 2,53,91,340.55 and 2,96,66,384.55 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 2,25,31,350.49

The comparative analysis of PCCS and SCCS shows that in all the years the mean values of SCCS is higher which can be interpreted as SCCS having more capability to lend higher Advances.

**Graph 4.21 Showing Advances of SCCS and PCCS after KSSA 1997**



#### 4.10.5 Net Profit

##### 4.10.5.1 Year Wise Analysis of Net Profit through Mean Values

**Table No. 4.58: Showing mean and SD values of Net Profit** (Amount in Rs)

Years	SCCS		PCCS	
	Mean	Std. Deviation	Mean	Std. Deviation
2010-11	6,67,083.18	11,85,535.69	5,57,157.09	4,93,551.30
2011-12	11,23,324.12	17,75,171.46	6,31,292.91	5,65,999.90
2012-13	15,66,179.62	27,21,790.11	7,35,940.00	5,60,151.30
2013-14	17,18,386.25	23,16,389.47	8,73,233.73	7,08,572.60
2014-15	21,62,837.37	33,27,871.21	8,80,269.00	8,02,769.00
Overall	14,47,562.11		7,35,578.54	

Source: Compiled financial reports from 2010-2011 to 2014-15

---

---

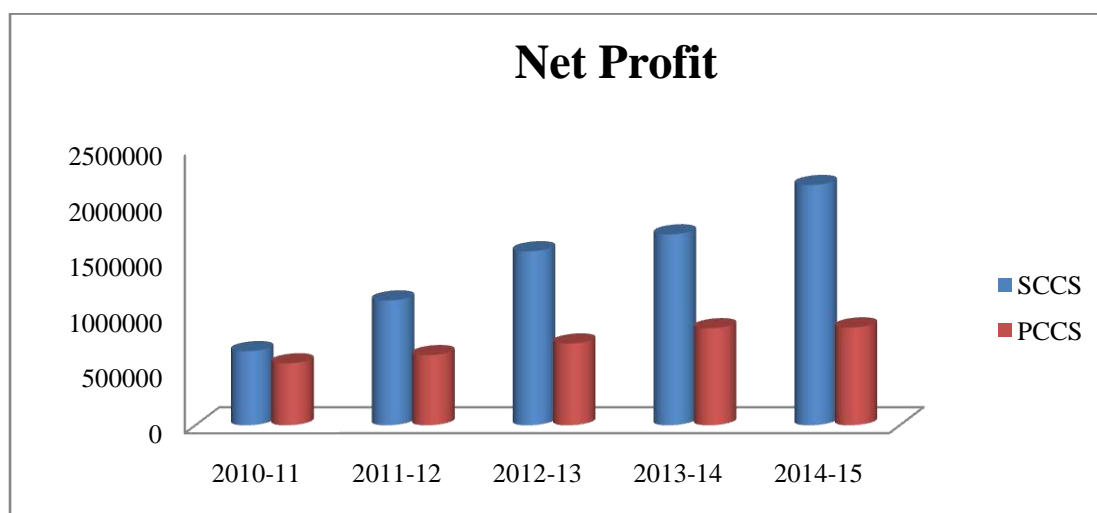
### Observation and Analysis

The mean values of SCCS is found to be 6,67,083.19, 11,23,324.13, 15,66,179.63, 17,18,386.25 and 21,62,837.38 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 14,47,562.11.

The mean values of PCCS is found to be 5,57,157.09, 6,31,292.91, 7,35,940, 8,73,233.73 and 8,02,769 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 7,35,578.54

The comparative analysis of PCCS and SCCS shows that in all the years the mean values of SCCS is higher which can be interpreted as SCCS enjoying higher profits.

**Graph 4.22 Showing Net Profit of SCCS and PCCS after KSSA 1997**



#### 4.10.6 Interest Received

##### 4.10.6.1 Year Wise analysis of Interest Received through Mean Values

**Table 4.59 : Showing Mean and SD values of Interest Received** (Amount in Rs)

Years	SCCS		PCCS	
	Mean	Std. Deviation	Mean	Std. Deviation
2010-11	18,05,168.43	22,51,307.85	25,41,741	32,02,216
2011-12	30,11,750.87	37,16,709.41	29,77,230	31,84,249
2012-13	41,82,689.18	53,30,671.84	35,41,694	39,06,675
2013-14	48,75,421.31	53,82,055.17	43,26,469	46,79,162
2014-15	57,19,515.81	65,33,620.64	44,64,385	45,12,924
Overall	39,18,909.13		35,70,303.8	

Source: Complied financial reports from 2010-2011 to 2014-15



---

---

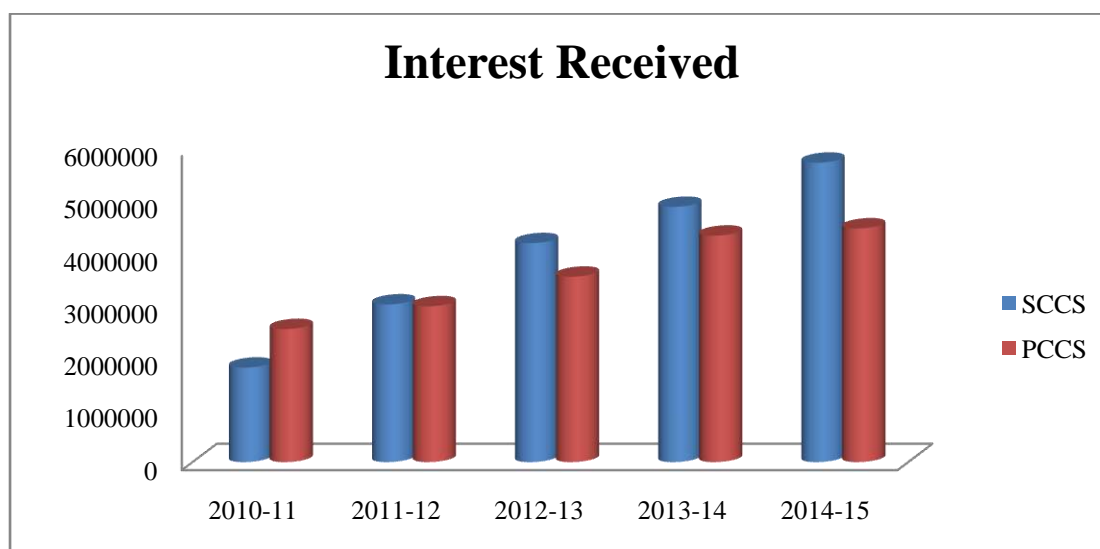
## Observation and Analysis

The mean value of SCCS is found to be 18,05,168.44, 30,11,750.88, 41,82,689.19, 48,75,421.31, 57,19,515.81 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 39,18,909.13.

The mean value of PCCS is found to be 2541741, 2977230, 3541694, 43,26,469 and 44,64,385 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 35,70,303.8

The comparative analysis of PCCS and SCCS shows that except 2010-11 in all the years the mean value of SCCS is higher which can be interpreted as the SCCS displaying a healthy financial trend with higher interest received

**Graph 4.23 Showing Interest Received of SCCS and PCCS after KSSA 1997**



### 4.10.7 Other Income

#### 4.10.7.1 Year Wise Analysis of Other Income through Mean Values

**Table 4.60 : Showing mean and SD values of Other Income**

(Amount in Rs)

Years	SCCS		PCCS	
	Mean	Std. Deviation	Mean	Std. Deviation
2010-11	3,78,613.25	6,54,598.12	1,80,291	1,94,062.3
2011-12	4,48,413.25	7,18,684.45	2,35,263	3,11,283.2
2012-13	5,46,945.93	7,58,240.05	2,30,568	2,79,794.5
2013-14	7,53,408.06	11,71,520.54	3,37,769	5,07,441
2014-15	6,16,215.43	5,41,008.18	2,55,727	2,86,371.8
Overall	5,48,719.19		2,47,973.60	

Source: Complied financial reports from 2010-2011 to 2014-15

---

---

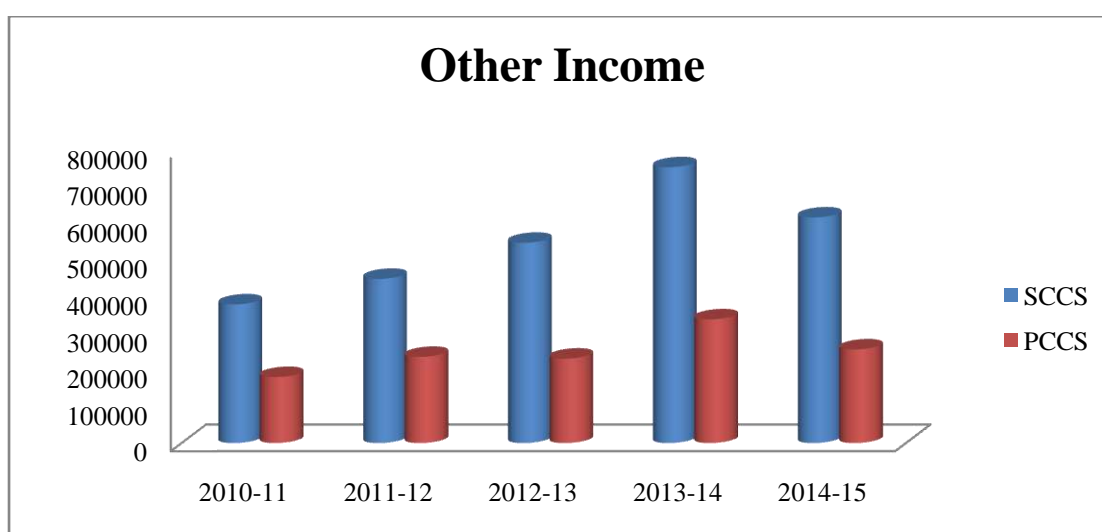
## Observation and Analysis

The mean value of SCCS is found to be 3,78,613.25, 4,48,413.25, 5,46,945.94, 7,53,408.06 and 6,16,215.4 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 5,48,719.19.

The mean value of PCCS is found to be 1,80,291, 2,35,263, 2,30,568, 3,37,769 and 2,55,727 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 2,47,973.60

The comparative analysis of PCCS and SCCS shows that in all the years the mean values of SCCS is higher i.e. it has higher income (other than interest income) than PCCS in the time period considered for study.

**Graph 4.24 Showing Other Income of SCCS and PCCS after KSSA 1997**



### 4.10.8 Fixed Assets

#### 4.10.8.1 Year Wise Analysis of Fixed Assets through Mean Values

**Table 4.61 : Showing mean and SD values of Fixed Asset** (Amount in Rs)

Years	SCCS		PCCS	
	Mean	Std. Deviation	Mean	Std. Deviation
2010-11	4,81,700.50	6,62,666.81	19,95,632.23	38,39,252.25
2011-12	7,70,950.62	11,87,692.95	36,37,632.17	70,49,445.49
2012-13	10,32,791.00	18,08,141.53	44,58,220.62	1,26,30,739.25
2013-14	12,27,326.00	21,49,535.46	55,21,426.80	1,41,92,727.44
2014-15	13,16,731.37	22,60,239.12	43,33,070.43	1,21,29,846.85
Overall	9,65,899.90		39,89,196.45	

Source: Complied financial reports from 2010-2011 to 2014-15

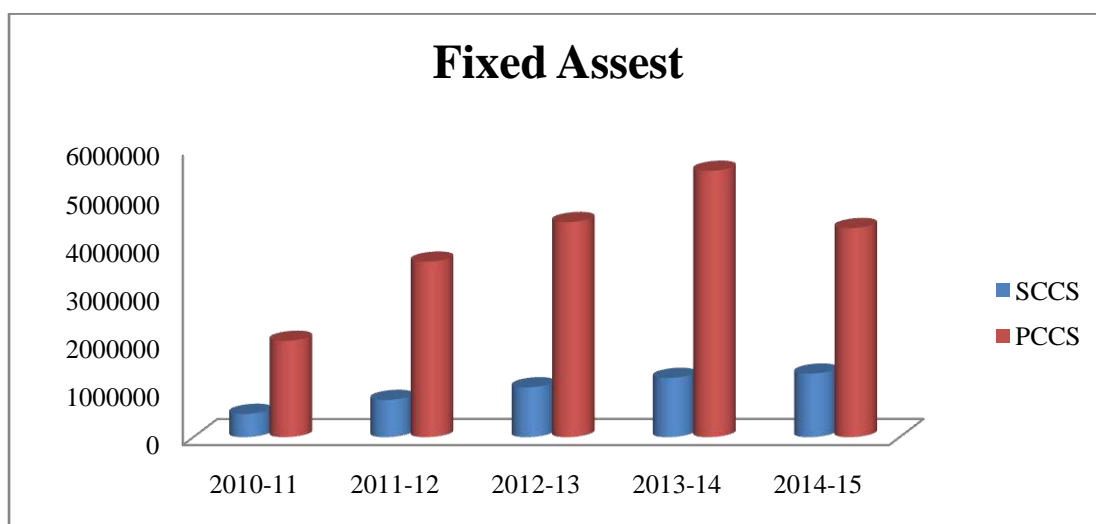
## Observation and Analysis

The mean value of SCCS is found to be 4,81,700.50, 7,70,950.63, 10,32,791.00, 12,27,326.00 and 13,16,731.38 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 9,65,899.90.

The mean value of PCCS is found to be 19,95,632.23, 36,37,632.17, 44,58,220.62, 55,21,426.80 and 43,33,070.43 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 39,89,196.45.

The comparative analysis of PCCS and SCCS shows that in all the years the mean values of PCCS is higher in all the years which show that it has a stronger Fixed Asset base than SCCS.

**Graph 4.25 Showing Fixed Asset of SCCS and PCCS after KSSA 1997**



### 4.10.9 Total Expenses

#### 4.10.9.1 Year Wise Analysis of Total Expenses through Mean Values

**Table 4.62 : Showing mean and SD values of Total Expenses**

(Amount in Rs)

Years	SCCS		PCCS	
	Mean	Std. Deviation	Mean	Std. Deviation
2010-11	4,98,511.62	4,46,868.26	4,81,062.45	6,11,951.3
2011-12	11,59,294.25	20,91,272.46	5,67,417.91	5,97,530.7
2012-13	13,37,823.12	27,68,250.46	8,40,732.73	8,94,607.2
2013-14	10,38,838.87	11,54,520.45	8,90,681.45	9,95,707.6
2014-15	13,29,408.18	12,14,009.65	9,27,294.45	8,32,991.4
Overall	10,72,775.21		7,41,437.79	

Source: Complied financial reports from 2010-2011 to 2014-15

---

---

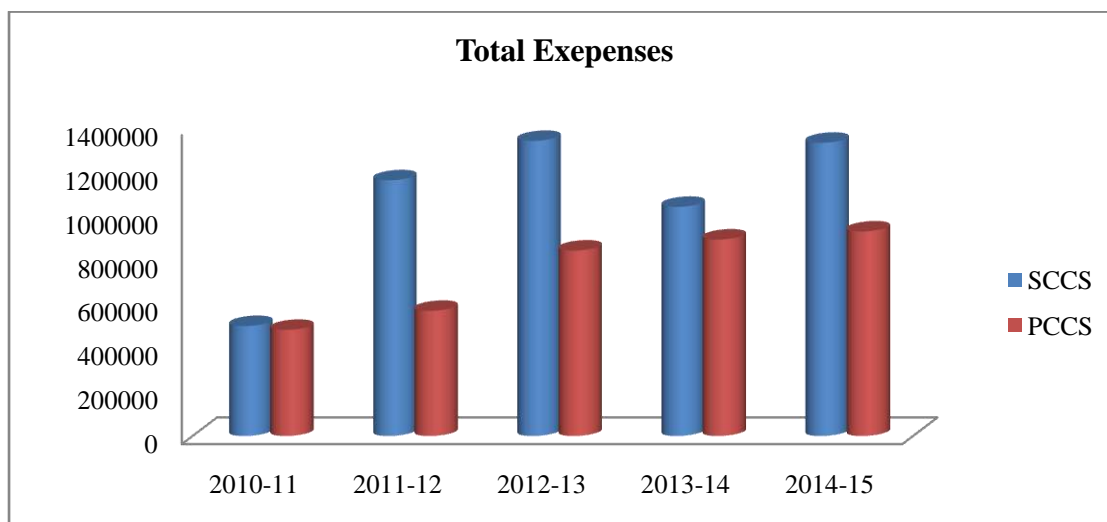
## Observation and Analysis

The mean value of SCCS is found to be 4,98,511.63, 1159294.25, 13,37,823.13, 10,38,838.88 and 13,29,408.19 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 10,72,775.21.

The mean value of PCCS is found to be 4,81,062.45, 567417.91, 8,40,732.73, 8,90,681.45 and 9,27,294.45 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 7,41,437.79

The comparative analysis of PCCS and SCCS shows that in all the years the mean values of SCCS is higher which points towards higher Total Expenses and the immediate need to control them, lest they eat into the profits invariably.

**Graph 4.26 Showing Total Expenses of SCCS and PCCS after KSSA 1997**



### 4.10. 10 Interest on Investment

#### 4.10.10.1 Year Wise Analysis of Interest on Investment through Mean Values

**Table 4.63 Showing mean and SD values of Interest on Investment**

(Amount in Rs)

Years	SCCS		PCCS	
	Mean	Std. Deviation	Mean	Std. Deviation
2010-11	1,02,592.81	1,18,488.40	45,925.09	61,713.09
2011-12	1,65,490.06	1,81,713.79	38,239.36	65,312.57
2012-13	2,48,003.62	2,55,461.23	80,440.27	77,724.16
2013-14	3,94,972.75	4,02,402.10	85,199.90	85,251.73
2014-15	7,92,530.12	9,04,026.66	2,97,134.72	3,36,751.7
<b>Total</b>	<b>3,40,717.87</b>		<b>1,09,387.87</b>	

Source: Complied financial reports from 2010-2011 to 2014-15

---

---

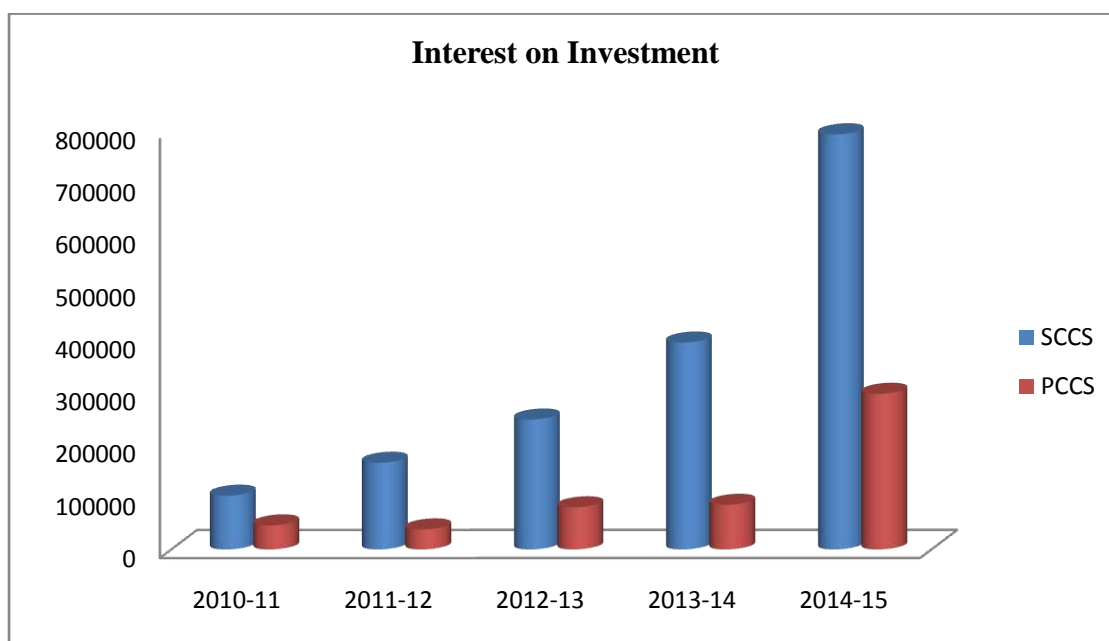
### Observation and Analysis

The mean value of SCCS is found to be 1,02,592.81, 1,65,490.06, 2,48,003.63, 3,94,972.75 and 7,92,530.13 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 340717.8.

The mean value of PCCS is found to be 45,925.09091, 3,82,39,36,364, 80,440.27273, 85,199.90909 and 2,97,134.7273 in the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively with the overall mean value of 109387.87

The comparative analysis of PCCS and SCCS shows that in all the years the mean values of SCCS is higher than PCCS which points to higher interest from investments.

**Graph 4.27 Showing Interest on Investment of SCCS and PCCS after KSSA 1997**



#### **4.11 Comparative Overall Performance of PCCS and SCCS after Registered Karnataka Souharda Sahakari Act, 1997**

In order to obtain the absolute comparison among PCCS and SCCS. The separate analysis is made which indicated that the since from the inception of KSSA, 1997 the monopoly of PCCS are diminishing. The comparative method of analysis is an outcome based techniques which is adopted by using high mean method. The following table shows the performance of SCCS and PCCS with special reference from the inception of KSSA 1997.

---

---

**Table 4.64 Showing year wise Comparative Highest Values Among PCCS and SCCS for ten variables.**

<b>YEARS</b>	<b>SC</b>	<b>FD</b>	<b>SD</b>	<b>ADV</b>	<b>PRO</b>	<b>IR</b>	<b>OI</b>	<b>FA</b>	<b>TE</b>	<b>ROI</b>
2010-11	<i>PCCS</i>	<b>SCCS</b>	<b>SCCS</b>	<b>SCCS</b>	<b>SCCS</b>	<i>PCCS</i>	<b>SCCS</b>	<i>PCCS</i>	<b>SCCS</b>	<b>SCCS</b>
2011-12	<i>PCCS</i>	<b>SCCS</b>	<b>SCCS</b>	<b>SCCS</b>	<b>SCCS</b>	<b>SCCS</b>	<b>SCCS</b>	<i>PCCS</i>	<b>SCCS</b>	<b>SCCS</b>
2012-13	<b>SCCS</b>	<b>SCCS</b>	<b>SCCS</b>	<b>SCCS</b>	<b>SCCS</b>	<b>SCCS</b>	<b>SCCS</b>	<i>PCCS</i>	<b>SCCS</b>	<b>SCCS</b>
2013-14	<b>SCCS</b>	<b>SCCS</b>	<b>SCCS</b>	<b>SCCS</b>	<b>SCCS</b>	<b>SCCS</b>	<b>SCCS</b>	<i>PCCS</i>	<b>SCCS</b>	<b>SCCS</b>
2014-15	<b>SCCS</b>	<b>SCCS</b>	<b>SCCS</b>	<b>SCCS</b>	<b>SCCS</b>	<b>SCCS</b>	<b>SCCS</b>	<i>PCCS</i>	<b>SCCS</b>	<b>SCCS</b>

The above table indicated that among the ten parameter over the five financial years the PCCS have done better performance in fixed asset values. The SCCS gained the root in fixed deposit, saving deposit, advances, profit, other income, interest on investment and total expenses. The share 2/5 position of share capital is captured by PCCS and remaining 3/5 position of share by SCCS. Interest received is spread around 20 per cent: 80 per cent ratio among PCCS and SCCS respectively.

# **CHAPTER – V**

---

---

## **CHAPTER - V**

### **FINDINGS, SUGGESTION AND CONCLUSION**

#### **5.1 Summary of Major Findings of the study**

A comprehensive analysis of comparative study on financial performance of PCCS and SCCS has been resulted in number of findings. The major findings of the study are presented as under based on:

- Compound Annual Growth Rate analysis
- Correlation analysis
- Coefficient of Variability
- Altman Z score modeling results of overall performance
- Ratio Analysis
- Comparative Performance of PCCS and SCCS registered after incorporation of KSSA 1997

#### **5.2 Findings on Financial Performance on the basis of CAGR analysis**

Based on the measurement and evaluation of financial performance of PCCS and SCCS, the following findings are drawn.

- a. PCCS and SCCS have achieved considerable progress in mobilizing of Share Capital. The average share capital of SCCS is Rs. 35,51,037.15 with a CAGR of 33.46%. Whereas the average shares capital of PCCS is Rs.38,31,142 with a CAGR 13.23%. This indicates that PCCS is more successful than SCCS in share capital mobilization. Arya Vaishya Sri Rama Credit Cooperative Society has mobilized highest share capital among PCCS and Jivan Vikas Souharda Sahakari Niyamitha mobilized highest share capital among SCCS as compared to other PCCS and SCCS with an average share capital of Rs.2,23,31,940 and Rs.1,41,28,300 respectively.
- b. From the point of view of Fixed Deposit, the growth in SCCS is high which resulted CAGR is 33.68 with mean value of Rs.1,74,07,851 with comparison of 20.52 per cent CAGR of PCCS with a mean fixed deposit of Rs.1,72,14,645. Under the PCCS category Sri Kalikaparameshwari Credit Cooperative Society has obtained highest amount of fixed deposit with a mean fixed deposit of Rs.12,75,27,671, Jivan Vikas Souharda Sahakari Niyamitha secured top position



- 
- 
- in mobilization of fixed deposit for under SCCS category with a mean fixed deposit of Rs.7,59,78,331.
- c. Out of Saving Deposit, the growth of saving deposit the CAGR growth rate of PCCS is higher than the CAGR growth rate of SCCS. Saving Deposit has grown at a rate of 56.98 per cent for PCCS and SCCS growth rate of CAGR is 25.42 per cent which indicates that the experience of PCCS through catering the financial needs has yielded them a good results. Sri Kalikaparameshwari Credit Cooperative Society falls among PCCS has obtained top position in saving deposit with a mean saving deposit of Rs.87,29,955. Akshaya Souharda Pattina Sahakari Niyamitha secured first position in mobilizing saving deposit among SCCS.
  - d. Advances being a prime Assets of both PCCS and SCCS. The lending of advances can be treated as very important variable for analyzing financial performance. During the study period the CAGR of Advances for both PCCS and SCCS resulted in positive rate. The CAGR of Advances of PCCS stood at 29.25 per cent with overall mean values of Rs.3,12,91,516.28. The CAGR of Advances of SCCS has grown at a rate of 30.90 with mean values of Rs.3.10,34,558.7, the CAGR for both PCCS and SCCS are growing at par. Under the PCCS category Sri Kalikaparameshwari Credit Cooperative Society has shown highest mean values for advances Rs.22,42,57,841.6 and among SCCS Jivan Vikas Souharda Credit Cooperative Limited has shown highest mean values of advance with an average mean of Rs.11,11,34,472.2.
  - e. The economic efficiency of the cooperative society may be evaluated by analyzing the Net profit. The calculated CAGR of PCCS and SCCS indicates that the CAGR of SCCS is higher than PCCS. The CAGR of Net profit of PCCS is 11.46 per cent whereas the CAGR of SCCS is 34.19 per cent. Out of PCCS Sri Kalikaparameshwari Credit Cooperative Society has witnessed highest average net profit of Rs.5,77,94,759.2 and Jivan Vikas Souharda Credit Cooperative Limited. has obtained highest Net Profit among the SCCS (87,51,608.2).
  - f. The Interest Income appears to be better in both PCCS and SCCS. The CAGR for interest income of SCCS is marginally higher than the CAGR of PCCS. The CAGR for interest income for PCCS is 31.22 per cent with an average interest income of Rs.53,54,160.59 and the CAGR for SCCS is 33.42 per cent with an average interest income of Rs.39,18,909.126. Sri Kalikaparameshwari Credit Cooperative Society under PCCS and Jivan Vikas Souharda Credit Cooperative
- 
-

---

---

Limited. Under SCCS have gained top position in interest income with average values of Rs.3,37,63,775 and Rs.1,84,08,964 respectively.

- g. PCCS have grown at higher rate of CAGR for Other Income than the SCCS. The CAGR for other income for PCCS is 13.48 per cent whereas the SCCS is 12.95 per cent. The mean values of other income in PCCS was Rs.3,25,466.38 and Rs.5,48,719.188 for SCCS. Sri Kalikaparameshwari Credit Cooperative Society and Jivan Vikas Souharda Credit Cooperative Limited. secured highest position in generating other income.

### 5.3 Findings on the basis of Correlation Coefficient

The following major findings emerged from the analysis of Karl Person coefficient of correlation for the mean values of considered PCCS and SCCS during the study period.

- a. The correlation coefficient value for PCCS and SCCS for Share Capital is found to be perfectly positive 1.
- b. The correlation coefficient value for PCCS and SCCS for Fixed Deposit is found to be 0.9962 which is very near to perfect positive value of 1.
- c. The correlation coefficient value for PCCS and SCCS for advances is found to be 0.984 which indicated that there is highly positive relationship between the lending of advances among the PCCS and SCCS.
- d. The correlation coefficient value among PCCS and SCCS for Net Profit, Total expenses during study period is found to be 0.98 and 0.74 respectively, both the variables are having high degree of positive correlation.
- e. The correlation coefficient value among PCCS and SCCS for Other Income is found to be negative -0.654 which indicates that there is negative correlation between PCCS and SCCS in generating other income.

### 5.4 Findings of Financial Performance on the basis of Coefficient of Variability

- a. **Share capital:** Sudarshana Souharda Credit Cooperative Limited. has secured the highest rank owing to its lowest Coefficient of Variance (CV) i.e. 1.75 where as Udaya Souharda Credit Cooperative Limited. has secured the lowest rank with CV= **165.30**. Jai Bheem Credit Cooperative Society has secured the highest rank as it has the lowest CV of 0.31; Taluk Graduates Credit Cooperative Society has

- 
- 
- secured the lowest rank owing to greatest level of dispersion around the mean. (CV=37.60).
- b. **Fixed deposit:** Sudarshana Souharda Credit Cooperative Limited. has secured the highest rank owing to its lowest CV of 21.79. This is a similar trend as shown in Share Capital. Saraswat Souharda Credit Cooperative Society Limited. has secured the lowest rank 223.61. Kshatriyamaratha Credit Cooperative Society has secured the highest rank as it has the lowest CV of 8.61, Gayatri Credit Cooperative Society has secured the lowest rank owing to greatest level of dispersion around the mean. (CV=176.93).
- c. **Savings deposit:** Akshaya Souharda Credit Cooperative Limited. has secured the highest rank owing to its lowest CV i.e. 13.04. Sagar Souharda Credit Cooperative Ltd. has been secured the lowest rank as it shows the highest variability in Savings Deposits (110.14). Kshatriyamaratha Credit Cooperative Society has secured the highest rank as it has the lowest CV of 5.88. On the other hand, Gayatri Credit Cooperative Society has secured the lowest rank owing to greatest level of dispersion around the mean. (CV=223.61). Both the organizations display similar trends for Fixed deposit. This shows that the trends replicate for fixed as well as Savings deposit.
- d. **Advances:** Akshaya Souharda Credit Cooperative Limited. has secured the highest rank owing to its lowest CV of 22.00. This is a similar trend as shown in Savings Deposit. Udaya Souharda Credit Cooperative Limited. has secured the lowest rank as it shows the highest variability in Advances (88.55). Similar trend was observed in Share capital and Interest received. Jai Bheem Credit Cooperative Society has secured the highest rank as it has the lowest CV of 3.04. Similar trend was observed in Share capital. On the other hand, Sirigandha Mahila Credit Cooperative Society has secured the lowest rank owing to greatest level of dispersion around the mean. (CV=101.65).
- e. **Net Profit:** Dharmanyasa Souharda Credit Cooperative Limited. Has secured the highest rank owing to its lowest CV of 28.49. Sri Gandha Souharda Credit Cooperative Ltd. has secured the lowest rank as it shows the highest variability (85.30).
- f. **Interest Received:** Dharmanyasa Souharda Credit Cooperative Limited. has secured the highest rank owing to its lowest CV of 20.64. Similar trend was observed in Profit. Udaya Souharda Credit Cooperative Limited. has been
- 
-

- 
- 
- secured the lowest rank as it shows the highest variability with CV as 61.81. Barbar's Credit Cooperative Society has secured the highest rank as it has the lowest CV of 9.45. On the other hand, Jai Bheem Credit Cooperative Society has secured the lowest rank owing to greatest level of dispersion around the mean. (CV=200.70). Similar trend was observed in other income.
- g. **Other Income:** Mayura Souharda Credit Cooperative Ltd. has secured the highest rank owing to its lowest CV of 17.24. Sagar Souharda Patina Sahakari Ni. has secured the lowest rank with CV = 109.48. Similar trend was observed in Fixed Deposit, Fixed asset and Interest on investment. Kairali credit cooperative society has secured the highest rank as it has the lowest CV of 7.78. On the other hand, Jai Bheem Credit Cooperative Society has secured the lowest rank owing to greatest level of dispersion around the mean. (CV=223.61).
  - h. **Fixed Asset:** Ankita Credit Souharda Sahakari Limited has secured the highest rank owing to its lowest CV of 10.56. Saraswat Souharda Credit Cooperative Society Limited. has secured the lowest rank as it shows the highest variability in fixed assets of 85.12. Gayatri Credit Cooperative Society been secured the highest rank as it has the lowest CV of 0.25. Kairali Credit Cooperative Society has secured the lowest rank owing to greatest level of dispersion around the mean. (CV=267.41).
  - i. **Total Expenses:** Udaya Souharda Credit Cooperative Limited. has secured the highest rank owing to its lowest CV of 108.01 Dharmanyasa Souharda Credit Cooperative Limited. has secured the lowest rank CV=392.96 Mahila Graduates Credit Cooperative Society has been secured the highest rank as it has the lowest CV of 7.94. On the contrary, Jai Bheem Credit Cooperative Society has secured the lowest rank owing to greatest level of dispersion around the mean. (CV=153.33).
  - j. **Interest on Investment:** Dharmanyasa Souharda Credit Cooperative Limited. has secured the highest rank owing to its lowest CV of 30.85 Saraswat Souharda Credit Cooperative Society Limited. and Saraswati Souharda Credit Cooperative Limited. have secured the lowest rank as they show the highest variability with CV= 175.87. Sri Mahalakshmi Mahila Credit Cooperative Society has secured the highest rank as it has the lowest CV of 44.72. On the other hand, Durgigudi Credit Cooperative Society has secured the lowest rank owing to greatest level of dispersion around the mean. (CV=1837.32).
- 
-

---

---

### **5.5 Findings on the basis of Altman Z score modeling results of overall Financial performance**

In order to evaluate the overall financial performance of PCCS and SCCS and to comparison of financial performance of SCCS with PCCS, an Altman Z score criterion is used. This analysis is resulted the following findings.

- a. The combined Z score for all variables of PCCS for the year 2010-11 is 1.07 and SCCS is 1.05. Both the PCCS and SCCS fall under relatively positive performance category
- b. The combined Z score for all variables of PCCS for the year 2011-12 is 1.38 and SCCS is 0.99. Both the PCCS and SCCS fall under relatively positive performance category
- c. The combined Z score for all variables of PCCS for the year 2012-13 is 0.73 and SCCS is 0.99. The PCCS comes under the category of relatively highly positive performance and the SCCS comes under the category of relatively positive performance.
- d. The combined z score for all variables of PCCS for the year 2013-14 is 0.67 and SCCS is 0.98. The PCCS comes under the category of highly positive performance and the SCCS comes under the category of relatively positive performance.
- e. The combined Z score for all variables of PCCS for the year 2014-15 is 1.28 and SCCS is 0.87. The SCCS comes under the category of relatively positive performance and the PCCS comes under the category of relatively positive performance.

---

---

## **5.6 Suggestions**

The aim of the study is to Compare the financial performance of PCCS and SCCS. The study is being analytical in character. In this regard, the following suggestions are drawn and presented as below.

### **5.6.1 Suggestions to Board of Directors of both PCCS and SCCS**

1. Adoption of prudent operating standard should be done strictly.
2. Reliable Valuation is required in liberal valuation assumptions.
3. In order to overcome problem of willful defaulter, full transparency is required.
4. Banking penetration should be increased. Banking penetration in India is very less. Around 40% of India's population is required to be covered under financial inclusion, which offers huge potential for the sector.
5. Latest information technology is essential for the success of the cooperative movement. The collection, reporting and analyzing of data relating to various functional aspects of the cooperative credit system is presently time consuming and also delayed.
6. An efficient Management Information System (MIS) along with computerization will adequately equip Cooperative Societies to face the competition from commercial banks.
7. Human Resource Management has been a neglected field in cooperative societies over a period of time. Effective organization depends on having the right system of HR policies and practices in place to recruit select train, appraise, compensate place and promote. Cooperative Societies should offer performance linked salary and incentives payment plans to attract the best human resources available in the market.
8. The Government again started to interfere more in the activities like appointment of auditors, election of directors, etc. of SCCS. It should be stopped and power be assigned to State Federal.

---

---

### **5.6.2 Suggestions for Modus Operandi**

1. Average Advances per Branch has shown highest increase in study period. This could be the result of year-end pressure, which may result in low quality of performance. Emphasis must be given for achieving consistent and sustainable performance in providing Advances.
2. Deposits have been increased among the PCCS as well as SCCS, indicating a general tendency to mobilize more and more deposits during the study period. This is very much required to support the higher level of advances to be made. Hence, it is suggested to mobilize the deposits keeping in pace with Credit-Deposit Ratio norms of Central Government.
3. Though, the net profit of societies has revealed a positive CAGR, it is suggested to take up a long term strategies to enhance the business performance of societies even at a micro-level.
4. An increase in generating of other income is noticed in SCCS. It is suggested that the PCCS requires more focus especially in case of other income.
5. The rate of interest should be reduced in proportion to Bank Interest Rate both on Deposits and Advances.
6. Interest free loans should be provided to the poorest of poor, as a CSR programme to reduce the economic gap in the society.
7. Redtops, political interference and administrative bottlenecks, etc., have to be done away with

### **5.6.3 General Suggestions to stakeholders**

1. The Government again started to interfere more in the activities like appointment of auditors, election of directors, etc. of SCCS. It should be stopped and power be assigned to State Federal.
2. Both the cooperative societies must work to fulfill the need of local borrowers.
3. Loan portfolio should be taken care to cater the need of individual requirements.
4. Mode of operation is limited to non-farm segment but Government should also allow these SCCS to work in farm segment.
5. The federal should be constituted by SCCS in district head-quarters to ensure the smooth flow of operation and decentralization of decision making in various levels.

- 
- 
6. The Government should implement the provision of The Karnataka Souharda Sahakari Act, 1997 in the syllabus of various studies relating to commerce, law and entrepreneurship.
  7. Inter borrowing of excess funds among the SCCS working in limited geographical region should be permitted by adding new provisions in the Act.
  8. Both PCCS and SCCS should improve their social responsibility through CSR funding, scholarships, free training for unemployed youths, financial literacy programmers.
  9. PCCS and SCCS should work for the betterment of society which is not happening in current scenario both PCCS and SCCS must come out of the clutches of political influence which is impacting directly or indirectly on the performance.
  10. Freedom must be given to SCCS to determine its modus-operand.
  11. More efforts should be made to create a cadre of trained dedicated and honest workers and cooperatives.
  12. The Weak and inefficient Cooperative Societies should either merged or wind-up One successful cooperative society should guide and help to start another society in that area for healthy competition.
  13. Both PCCS and SCCS should put more effort to involve the more women to the cooperative field and assist them to start their own cooperative societies.
  14. Media and Social Media should be utilised more to make the people conscious about the cooperative movement
  15. Like Public Sector and private sector. There should be cooperative sector. Cooperative societies should give more attention to Socio-Economic Development.
  16. Programmes and seminars should be conducted to educate members and public to set the knowledge of cooperative principles.
  17. Government should give tax relaxation to cooperative societies in all respect upto initial 15 years to extend their support.

#### **5.6.4 Suggestions to the PCCS:**

1. It should concentrate on enhancing their deposit (low cost) base in order to reduce the cost of funds.
  2. Recovery position in traditional area, i.e., loan system is to be realigned to the need of new generations
- 
-



- 
- 
3. In order to avoid NPA, proper documentation and follow up for the loan recovery must be ensured.
  4. To equip the employees with the latest technical skills, upgradation of their knowledge and to change their attitude to accept new challenges, Cooperative Societies should strengthen their training establishment and every employee should be exposed to intensive and extensive training.
  5. SCCS should be set up by taking the local conditions into considerations

#### **5.6.5 Suggestions to the SCCS:**

1. SCCS should educate the Semi-urban and rural area customers periodically to realize the importance of savings habit in the form of deposits.
2. Successful credit operations can be achieved with the cooperation of the customers. The SCCS should transparently express the availability of the loans and documents demanded.
3. The innovative operations like computerization, online banking and net banking must be adapted by all the SCCS immediately to pave the way for the customers for their easy dealing and this would help both customers and staff to avoid the loss of valuable time.
4. SCCS should maintain minimum academic standards in their staff recruitment policy.
5. SCCS should be set up by taking the local conditions into considerations

### **5.7 Conclusion**

Cooperative Banks are a part of vast and powerful structure of financial system of the country. The cooperative principles based on “one to many and many to one” policy witnessed the great positive impact in fulfilling the needs of large segment of society. Based on the study which is conducted to identify the comparative analysis of two major sub-categories of Cooperative Banking system i.e. Primary Credit Cooperative Societies and Souharda Credit Cooperative Societies for previous five years witnessed the satisfactory performance of selected financial variables. The Study is chosen after proper investigation of all relevant literatures and objectives are formulated to assess the comparative financial performance among PCCS and SCCS. The study comprises of appropriate methodology followed by standard statistical tools and technologies like mean, SD , coefficient of variation, compound annual growth

---

---

rate, correlation, ratio and rank correlation. Inferential statistical tool like Annova and Altman Z score helped to find out significance and financial health.

The study reveals the fact that PCCS are very old and existing form of Cooperative Society which is having some advantage in the market over SCCS in few areas like Brand-image, Quantum of funds, efficient financial management, etc. But the newly entered form of Cooperative Banking i.e. SCCS surprisingly performing very good in market by proving great degree of financial efficiency. The comparison among both form of Cooperatives reveals that fact that SCCS being good performer during study period in few financial variable and PCCS having grip in few financial variable. It can be concluded from the entire study that both Cooperatives are much needed to cater the financial needs of Mammoth sized population. But, if the regulator provides required support and guidance both will help the development of local economy in particular and Indian economy in general.

### **5.8 Scope of Further Research (Gap)**

This research on Financial Performance of Primary Credit Cooperative Societies and Souharda Credit Cooperative Societies - A Comparative Study has opened up new landscapes for future research.

- ❖ Since evaluation of comparative financial performance is very vital for assessment of overall efficiency. A lot of research may be undertaken on different aspects of financial performance of both type of cooperative society.
- ❖ The present study is confined to the comparison of financial performance of Primary Credit Cooperative Societies and Souharda Credit Cooperative Societies in Shivamogga District of Karnataka State. The same may be studied in detail especially taking in consideration different other geographical region and different types of Cooperative Societies.
- ❖ The study has considered comparative financial performance this may also be studied from technological, operational, socio-economic perspectives to obtain a wholesome picture of their performance.
- ❖ The study has covered the financial performance of PCCS and SCCS keeping certain stated variables this may also be studied by taking other possible variables available in financial statements.

---

---

## BIBLIOGRAPHY

### BOOKS REFERRED

- The Karnataka Sahakari Act, 1997 Published by Karnataka State Souharda Federal Cooperative Ltd., Bengaluru.
- Cooperative Movement in India, by Dr. Krishnaswamy and Kulandarswamy
- History of Cooperative Thought by A.K.Sexena
- Cooperative Principles, Problems and Practice – T.N.Hajela Published by Ane Books Pvt. Ltd.
- Rural Development and Cooperation- Dr.H.R.Krishnaiah Gowda Published by SpandanaPrakashana.
- Cooperation in India – Dr.B.B.Mathur, Published by SahityaBhawan, Agra
- Theory and Practice of Cooperation in India and Abroad Vol. 1- K.R.Kulkarni
- Evaluation of the Cooperative Thought – K.K.Sexena, Somaiya Publications Pvt. Ltd., New Delhi.
- Indian Economy -S.K.Misra, V.K.Puri – Himalaya Publication House, New Delhi.
- Theory Hiaroey and Practice of Cooperation – R.D.Bedi Published by Loyal Book Depot, Meerut.
- The Karnataka SouhardaSahakari Act 1997. Karnataka Act No. 17 of 2000 With all amendment upto2005. Published by; Karnataka State Souharda Federal Cooperative Ltd., Bangalore.
- Financial Performance Indicators for Primary Agricultural Credit Societies. Ph.D Thesis submitted by M.V.Narayanaswamy, under the guidance ofDr. YashavanthaDongre, Professor of Commerce, Mysore University and awarded by Mangalore University.(2002)
- Cooperative Institutions – Problems and Prospects: A Case Study of Udupi District Report of The UGCMinor Research Project by Sri S. Narayana Rao, Professor in Economics, Bhandarkar's College, Kundapur.
- Cooperative movement in India Dr. Krishnaswamy and Kulandarswamy
- History of Cooperative Thought A.K.Sexena 01 .Cooperation Principles, Problems and Practice T.N. Hajela Published by Ane Books Pvt. Ltd.
- Rural Development and Cooperation Dr.H.R.Krishnaiah Gowda Published by Spandana Prakashana
- Co-operation in India Dr. B.B.Mathur. Published by SahityaBhawan, Agra.

- 
- 
- Theory and Practice of Cooperation in India and Abroad Vol 1 K.R.Kulkarni
  - Evaluation of the Cooperative Thought K.K. Sexena Somaiya Publications Pvt. Ltd. New Delhi.
  - Indian Economy S.K. Misra, V.K. Puri Himalya Publishing House, New Delhi
  - Theory Hiaroey and Practice of Cooperation R.D.Bedi Published by Loyal Book Depot, Meerut
  - Cooperative Movement in India G.R. Magan. Mittal Publication 2007.
  - India's Rural Cooperative K.S.S. Uduman Mohipendeen03 Google Book Review Paranjyoti Committee and Commission on Cooperation , Rainbow publication koimattur(1984)
  - Report of Agricultural Review Committee A.M.Khusoro
  - Institutional Finance Agriculture ( a Monograph) Desai B.M. and M.V.Namboodri IBH publication
  - Cooperative Movement in India Shoja Khani. M. Remaisonals Publishing House, New Delhi
  - Cooperative Movement in India Rameshchandra Dwivedi, 200511
  - Banking Law and Practice in India M.L.Tannan Volume 1- India Law House
  - Cooperative Success Macalm Harper and A.K,Roy, Oxford and IBH publications, Bengaluru
  - Cooperative Banking Operations IIBandFMacmillan Publications
  - Reinvesting Cooperatives 21 century Vision - B.B.Goyal, Deep and Deep Publications Pvt.Ltd,. New Delhi
  - Cooperative Management and Development Texts and Cases Part I, II and III. RaisAhemad, Mittal Publications, New Delhi
  - Cooperative Legislation Trends and Dimentions B.B. Goyal, Deep and Deep Publications Pvt. Ltd,. New Delhi
  - Karnataka Cooperative Societies Act 1959, Edited by Sheethal and Pullani, Karnataka Law General Publications, Bangaluru- 560006
  - Cooperatives for Rural Development 1987 S.N. Tripathy, Discovery Publications House, New Delhi.
- 
-

---

---

## II Articles

- Swabhimani Sahakari (Monthly Magazine ) Published by, Karnataka Rajya Souharda Samyuktha Sahakari Niyamita, Rajkumar Road, Rajajinagar, Bangalore.
- Report Ardhanarishwaran Committee and Choudhary Bramaguptha committee
- Performance of cooperative banks. New Delhi: Serials Publications, 2010. Print. Bharathi, G., and P. Reddy.
- Study of Financial Performance of District Central Cooperative Banks An Attempt to Measure Financial Health of Central Cooperative Banks Shah, Hitesh Kumar. 1. Aufl. ed. Saarbrücken: LAP LAMBERT Academic Publishing, 2013. Print.
- Industrial cooperative banks in India ; proceedings of the All-India Seminar on Industrial Cooperative Banks held at Sholapur (Maharashtra) on 24th and 25th February, 1965.. New Delhi: National Cooperative Union of India, 1965. Print.
- Southern Economist Volume 49. No. 6 July 15, 2010. ISSN 0038-4046
- An Analysis of Performance of Karnataka State Cooperative Housing Federation Dr. Mohendrakumar.S.and Manjuprasad. C. International Journal of Scientific Research Vol 2, Issue II, Nov 2013, p.p 125-127
- Growth and Financial Performance of Urban Cooperative Banks in India Dr. B.S.Chandrashekhar. Indian Journal of Research, Vol.4, Issue 2, Feb 2015,p.p 19-21
- Financial Performance of State Cooperative Agriculture and Rural Development Bank in India Rajni and Dr.Navkiranjtkaur Dhaliwal, Abhinav-National Monthly Refereed Journal of Research in Commerce and Management, Vol 2, Issue 11, p.p 17-27
- A Critical Analysis of the Financial Performance of Employees' Credit Cooperative Societies Dr. Arun H Gaikwad, On line International Interdisciplinary Research Journal (Bi-Monthly) Vol 1, Issue 1, Sep-Oct 2011
- A Review of Cooperative Banking in India (2011-2012) R.K.Datirand B.D.Patil, On line International Interdisciplinary Research Journal vol 2, Issue VI, Nov-Dec 2012,p.p 153-158
- The Problems of Financing Cooperative Society Projects in a Competitive Economy-A Case Study of Cooperative Societies in MBANO Local Govt.

---

---

Area of Imo State, Nigeria Onyeze Clementina Ngozi et.al. Quest Journals- Journal of Research in Humanities and Social Sciences, vol 12, Issue 10 (2014) p.p 11-17

- Financial Performance Analysis Conceptual Framework Internet Source
- Review of Literature Chapters Internet Source
- An Empirical Study of Profitability Analysis of Cooperative Societies in Kaprada taluk Patel Dilipkumar, An International Peer Reviewed Scholarly Research Journal, Jul-Aug, 2014, Vol II/XIII, p.p 1666-1677
- Financial Performance of Selected Public Sector Banks in India Dr.M. Dhanabhakya and M. Kavitha, Zenith-International Journal of Multidisciplinary Research, Vol.2, Issue 1, Jan 2012, p.p 255-269
- Performance of Primary Agriculture Cooperative Societies during 2000-01 to 2009-10 in India Anil S Memane. On line International Inter disciplinary Research Journal (Bi-Monthly) Vol II, Issue II, Mar-Apr 2012 p.p 253-261
- Growth Rate Analysis of the Primary Cooperative Agriculture and Rural Development Bank (PCARDBS) in Karnataka (India) Raveesha.S. et.al. International Conference on Applied Economics-ICOAE-2010 p.p 662-668
- Performance of Public Sector Banks and Private Sector Banks- A Comparative Study Kajal Chaudhary and Monika Sharma. International Journal of Innovations, Management and Technology, Vol 2, No 3, June 2011, p.p 249-256
- Credit Cooperatives in Early Israeli Statehood, financial Institutions and Social Transformation Neta Ziv. Theoretical Inquiry in Law 11.1 (2010), p.p 209-246
- Cooperatives and Rural Development in India- Research Paper Katar Singh and R.S. Pundir, Institute of Rural Management, Anand. Aug 2000
- RBI Reports 2008-09, 2010-11 and 2011-12 Internet Source
- Reasons for Slow Progress of Cooperative Marketing Societies in Tamilnadu- Dr.S.Ranganathan. International Journal of World Research. Vol 1, Issue XI, Nov 2014, p.p 63-72
- Managerial Competency and Financial Performance of Savings, Credit and Cooperative Societies in Uganda Johnson Ssekakubo et.al. International Journal of Arts and Social Science, Vol 3(3), Aug 2014, p.p 66-74

- 
- 
- Comparative Performance of Formers' Cooperative Societies and Primary Agricultural Cooperative Credit Societies B.M.desai and N.V.Namboodiri Vol 16, No 4, Oct-Dev 1991, p.p 23-30
  - Assessment of Performance of Thrift and Credit Cooperative Societies in Keduru Local Government Area of Imostate, Nigeria Umebali E E et.al. Discourse Journal of Agriculture and Food Science, Vol 2(7), July 2014, p.p 203-216
  - Analysis of Cooperative Financial Performance of Ibadan Metropolis, Oyo State, Nigeria. R. Kassali et.al. International Journal of Cooperative Studies. Vol 2, No.1, 2013 p.p 10-15
  - The Role of Credit Cooperative in Agricultural Development of Andhra Pradesh- India R.Umadeve and S.R.K.Govt. International Journal of Cooperative Studies, Vol 01, No 2, p.p 55-64
  - Scenorio of Cooperative Movement in Himachala Pradesh Dineshkumar Sharma et.al. International Journal of Advanced Research (2015), Vol 3, Issue 1, p.p 307-323
  - Impact of Financial Instritutions on Cooperative Credit Movement in Karnataka – An AnalysisSheshagiri.B and L.D. Vaikunthe. Journa, of Economic and Social Development, Vol VII, No 1, 2011, p.p 17-31
  - Role of Cooperatives in Rural Development- A Case Study of Raichur District. Chandrashekharpatil.Golden Research Thoughts- International Multi-Disciplinay Research Journal, Vol 4, Issue 3, sep 2014 p.p 1-6
  - Financial Performance of Milk Producing Cooperative Societies in Valsad District ( With reference to Gujarat State in India) Patel Dilipkumar and Patel Alkabm. IMPACT-International Journal of Research in Business Management, Vol 2, Issue 4, April 2014, p.p 1-6
  - A Comparative Study on Financial Performance of Primary Agriculture Cooperative Societies for Pre-waiver and Post-waiver Period on 31-03-2006, in Mettur Taluk, Salem District, Tamilnadu State - Dr.Govindan. International Journal of Applied Research, Vol 4, Issue 1, Jan 2014, p.p 7-9
  - An Analysis of Financial Performance of Selected Primary Agriculture Cooperative Credit Societies in Mettur Taluk, Salem District. Dr. Tirupathi. Research Front, Vol 01, No 1, March 2013, p.p 19-24
- 
-

- 
- 
- Ratios Used to Measure the Financial Performance of Employees' Credit Cooperative Societies Sukumar Paitandi. International Journal of Scientific Research, Vol 3, Issue 12, Dec 2014, p.p 62-65
  - Performance of Primary Cooperatives in India: An Empirical Analysis Biswa Swarup Moshra, MPRA, Paper No. 21890, April 2010, p.p,1-32
  - Swabhimani Sahakari (Monthly Magazine) Published by Karnataka Rajya Souharda Samyukta Niyamita, Rajkumar Road, Bangalore
  - Report The Narasimhan Committee and Vaidyanathan Committee
  - General Rural Credit for the 21st Century Agarwal R.N, Puhazhendi V. and Satyasai K.J.S., Economic and Political Weekly, 32 (42), 2717-2728
  - Factors Influencing Viability of Primary Agricultural Cooperative Credit Societies Bhattarchajee, Souridra (1998) Prajnan, 27 (1). 29-35
  - Primary Agricultural Credit Societies: A Profitability Analysis Dongre Y and Narayanaswamy M.V. (1997) The Maharashtra Cooperative Quarterly, 80(3) 17-33.
  - Cooperative Principles Mac Pherson, Lan. (1995) Review of International Cooperation, 88(40), 13-25.
  - Agricultural Cooperatives as Institutions of Strength for Rural Population-An Evaluation Prakash. D. (1998) The Maharashtra Cooperative Quarterly, 82(3), 1-19.
  - Role of Cooperatives in Rural Economy Dwivedi R.C. (1995), Indian Journal of Agricultural Economics, S1 (4), 713-727.



## ANNEXURE

### SUMMARISED FINANCIAL STATEMENTS OF PCCS

#### 1. Share Capital

Sl. No	Name of SCCS	2010-11	2011-12	2012-13	2013-14	2014-15
1	Saraswat Souharda Credit Cooperative Society Limited.	879000	895000	1375500	1906000	3500000
2	Siri Souharda Credit Cooperative Limited.	1152800	1180000	1167500	1500000	1500000
3	Dharmanyasa Souharda Credit Cooperative Limited.	1241000	1482000	1570000	1917500	1911500
4	Sudarshana Souharda Credit Cooperative Limited.	2525000	2942000	3327000	4392000	4692400
5	Sri Ramanuja Souharda Credit Cooperative Limited.	1698100	2227800	2757900	3347500	4339348
6	Udaya Souharda Credit Cooperative Limited.	316500	340500	377000	473500	590000
7	Jivan Vikas Souharda Credit Cooperative Limited.	462500	465200	470200	478100	481800
8	Kodachadri Souharda Credit Cooperative Limited.	566800	566800	567000	899000	1144000
9	Krishik Souharda Credit Cooperative Limited.	1307000	1389000	1657490	2245000	24977600
10	Akshaya Souharda Credit Cooperative Limited.	918000	1077000	1183700	1500000	1953659
11	Mayura Souharda Credit Cooperative Limited.	6893500	9504200	15571500	17947600	20724700
12	Srigandha Souharda Credit Cooperative Limited.	2087100	2513500	3024700	3884600	4328200
13	Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	7342700	9936200	12259600	13856900	16945700
14	Sagar Souharda Credit Cooperative Limited.	481200	454500	762800	823400	793000
15	Ankita Souharda Credit Cooperative Limited.	1880025	1890300	1923200	2811800	3959300
16	Saraswati Souharda Credit Cooperative Limited.	994000	2839000	4989000	5130000	5696550

**2. Fixed Deposit**

Sl. No	Name of SCCS	2010-11	2011-12	2012-13	2013-14	2014-15
1	Saraswat Souharda Credit Cooperative Society Limited.	350555	654380	4556680	4913088	16509028
2	Siri Souharda Credit Cooperative Limited.	4053050	5101623	8262870	10169357	16370773
3	Dharmanyasa Souharda Credit Cooperative Limited.	6416727	6416864	7283253	10120290	12069890
4	Sudarshana Souharda Credit Cooperative Limited.	19394073	24852062	30329195	36228995	49464589
5	Sri Ramanuja Souharda Credit Cooperative Limited.	8385872	15627800	22300054	38332461	42400345
6	Udaya Souharda Credit Cooperative Limited.	254760	210360	487500	574200	576400
7	Jivan Vikas Souharda Credit Cooperative Limited.	249400	198048	158048	145148	210500
8	Kodachadri Souharda Credit Cooperative Limited.	750000	11886494	11548894	29347467	8050604
9	Krishik Souharda Credit Cooperative Limited.	3965824	10057569	23711136	32166736	40409914
10	Akshaya Souharda Credit Cooperative Limited.	100000	0	0	0	0
11	Mayura Souharda Credit Cooperative Limited.	45741631	64426908	80487936	91974937	97260247
12	Srigandha Souharda Credit Cooperative Limited.	6803563	9230283	14162069	16598270	22499763
13	Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	15338400	24628554	27776053	33107524	42250602
14	Sagar Souharda Credit Cooperative Limited.	304703	333582	421087	525998	1319411
15	Ankita Souharda Credit Cooperative Limited.	1487500	2391345	4224694	4725082	7798331
16	Saraswati Souharda Credit Cooperative Limited.	17282896	29354812	37335134	56429569	60784310

### 3. Advances

Sl. No	Name of SCCS	2010-11	2011-12	2012-13	2013-14	2014-15
1	Saraswat Souharda Credit Cooperative Society Limited.	5693670	7355583	13024196	21891015	28390971
2	Siri Souharda Credit Cooperative Limited.	8207413	10442701	14905684	20171356	35457989
3	Dharmanyasa Souharda Credit Cooperative Limited.	9063400	9784300	10969300	14015350	15626590
4	Sudarshana Souharda Credit Cooperative Limited.	21804365	24731881	27724218	37234899	50827413
5	Sri Ramanuja Souharda Credit Cooperative Limited.	9030915	13147644	18988696	25464386	37863651
6	Udaya Souharda Credit Cooperative Limited.	853438	1363882	2168533	2411541	2736956
7	Jivan Vikas Souharda Credit Cooperative Limited.	4204164	9371409	4822000	4621440	10964753
8	Kodachadri Souharda Credit Cooperative Limited.	22958468	59077836	63555997	78629332	81790800
9	Krishik Souharda Credit Cooperative Limited.	11968669	16709946	41887862	80412072	131923731
10	Akshaya Souharda Credit Cooperative Limited.	6191953	8388224	10366428	14834617	26535344
11	Mayura Souharda Credit Cooperative Limited.	66201489	90311936	126065937	131079099	142013900
12	Srigandha Souharda Credit Cooperative Limited.	11180414	14698591	19346647	24441699	30831902
13	Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	34608533	51395178	57815244	63292995	63023893
14	Sagar Souharda Credit Cooperative Limited.	1273715	1398813	1756125	2447215	2855114
15	Ankita Souharda Credit Cooperative Limited.	4250961	6606790	10144171	12196180	15623552
16	Saraswati Souharda Credit Cooperative Limited.	39443380	53705626	64047558	72306062	77834995

#### 4. Deposits

Sl. No	Name of SCCS	2010-11	2011-12	2012-13	2013-14	2014-15
1	Saraswat Souharda Credit Cooperative Society Limited.	5632299	6903597	13516996	19828958	34825794
2	Siri Souharda Credit Cooperative Limited.	9164106	12842957	19713674	25956327	45829496
3	Dharmanyasa Souharda Credit Cooperative Limited.	6522959	6788777	7551402	10446088	12451015
4	Sudarshana Souharda Credit Cooperative Limited.	21694207	26957914	32744653	38902683	53626764
5	Sri Ramanuja Souharda Credit Cooperative Limited.	11527384	20136596	27986670	42134244	46930373
6	Udaya Souharda Credit Cooperative Limited.	622115	1177435	1872050	2301220	2273380
7	Jivan Vikas Souharda Credit Cooperative Limited.	3147663	7496846	3261116	2244541	6357710
8	Kodachadri Souharda Credit Cooperative Limited.	23142782	53722550	57368341	68218060	67694896
9	Krishik Souharda Credit Cooperative Limited.	10505785	12773030	48848377	80149151	1.34e+08
10	Akshaya Souharda Credit Cooperative Limited.	5353996	7026381	8863104	13640393	18618107
11	Mayura Souharda Credit Cooperative Limited.	51917272	72603050	91784687	1.05e+08	1.14e+08
12	Srigandha Souharda Credit Cooperative Limited.	9233114	12835972	17905016	21384232	27135115
13	Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	24637502	36002843	37409743	44765565	54762973
14	Sagar Souharda Credit Cooperative Limited.	1321330	1765434	2148044	2454696	4089865
15	Ankita Souharda Credit Cooperative Limited.	2325011	3378545	5813546	6834363	9465337
16	Saraswati Souharda Credit Cooperative Limited.	29484022	38391597	51822401	74812835	88858454

### 5. Profit and Loss

Sl. No	Name of SCCS	2010-11	2011-12	2012-13	2013-14	2014-15
1	Saraswat Souharda Credit Cooperative Society Limited.	382293	547267	743809	1558155	1806422
2	Siri Souharda Credit Cooperative Limited.	73488	11689	181115	231969	413091
3	Dharmanyasa Souharda Credit Cooperative Limited.	378735	594114	614181	697883	875972
4	Sudarshana Souharda Credit Cooperative Limited.	465267	713683	1032268	1033421	1942608
5	Sri Ramanuja Souharda Credit Cooperative Limited.	127282	179196	257256	363903	384103
6	Udaya Souharda Credit Cooperative Limited.	70753	77032	105031	176682	180485
7	Jivan Vikas Souharda Credit Cooperative Limited.	38457	146587	78966	61301	187373
8	Kodachadri Souharda Credit Cooperative Limited.	260715	1039008	1483460	1471389	1391763
9	Krishik Souharda Credit Cooperative Limited.	519435	1028632	1117200	2151589	1385592
10	Akshaya Souharda Credit Cooperative Limited.	274286	227772	362869	532242	662077
11	Mayura Souharda Credit Cooperative Limited.	4647181	6942566	10461834	8578481	13127979
12	Srigandha Souharda Credit Cooperative Limited.	272497	304666	465784	758651	1209468
13	Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	2270304	3074474	5660556	5841326	6778719
14	Sagar Souharda Credit Cooperative Limited.	77161	106909	127709	177083	218046
15	Ankita Souharda Credit Cooperative Limited.	193290	527406	909582	1346818	1516584
16	Saraswati Souharda Credit Cooperative Limited.	622187	2452185	1457254	2513287	2525116

**6. Interest Received**

Sl. No	Name of SCCS	2010-11	2011-12	2012-13	2013-14	2014-15
1	Saraswat Souharda Credit Cooperative Society Limited.	879000	895000	1375500	1906000	3500000
2	Siri Souharda Credit Cooperative Limited.	1152800	1180000	1167500	1500000	1500000
3	Dharmanyasa Souharda Credit Cooperative Limited.	1241000	1482000	1570000	1917500	1911500
4	Sudarshana Souharda Credit Cooperative Limited.	2525000	2942000	3327000	4392000	4692400
5	Sri Ramanuja Souharda Credit Cooperative Limited.	1698100	2227800	2757900	3347500	4339348
6	Udaya Souharda Credit Cooperative Limited.	316500	340500	377000	473500	590000
7	Jivan Vikas Souharda Credit Cooperative Limited.	462500	465200	470200	478100	481800
8	Kodachadri Souharda Credit Cooperative Limited.	566800	566800	567000	899000	1144000
9	Krishik Souharda Credit Cooperative Limited.	1307000	1389000	1657490	2245000	24977600
10	Akshaya Souharda Credit Cooperative Limited.	918000	1077000	1183700	1500000	1953659
11	Mayura Souharda Credit Cooperative Limited.	6893500	9504200	15571500	17947600	20724700
12	Srigandha Souharda Credit Cooperative Limited.	2087100	2513500	3024700	3884600	4328200
13	Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	7342700	9936200	12259600	13856900	16945700
14	Sagar Souharda Credit Cooperative Limited.	481200	454500	762800	823400	793000
15	Ankita Souharda Credit Cooperative Limited.	1880025	1890300	1923200	2811800	3959300
16	Saraswati Souharda Credit Cooperative Limited.	994000	2839000	4989000	5130000	5696550

## 7. Interest on Investment

Sl. No	Name of SCCS	2010-11	2011-12	2012-13	2013-14	2014-15
1	Saraswat Souharda Credit Cooperative Society Limited.	700212	1108228	1500704	2162050	2949911
2	Siri Souharda Credit Cooperative Limited.	1291288	1212541	1895991	2301703	3751528
3	Dharmanyasa Souharda Credit Cooperative Limited.	1038246	1223950	1249610	1556329	1738002
4	Sudarshana Souharda Credit Cooperative Limited.	2502016	3186380	3992797	4791262	6092896
5	Sri Ramanuja Souharda Credit Cooperative Limited.	1044402	1638139	2646127	4347762	4510489
6	Udaya Souharda Credit Cooperative Limited.	167363	206686	360670	452383	448795
7	Jivan Vikas Souharda Credit Cooperative Limited.	169112	308285	218036	142373	264423
8	Kodachadri Souharda Credit Cooperative Limited.	1812952	5614842	8444132	8376665	8489709
9	Krishik Souharda Credit Cooperative Limited.	1078991	1763755	2527140	4978838	5458374
10	Akshaya Souharda Credit Cooperative Limited.	922323	1019027	1180731	1534886	1820481
11	Mayura Souharda Credit Cooperative Limited.	9070759	14469415	20872775	21088043	26543828
12	Srigandha Souharda Credit Cooperative Limited.	1731780	2428684	3419812	3766603	4301606
13	Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	4708019	5939778	9975397	10467751	11588411
14	Sagar Souharda Credit Cooperative Limited.	179520	194305	339178	541890	642729
15	Ankita Souharda Credit Cooperative Limited.	309865	944371	1401424	1996967	2339778
16	Saraswati Souharda Credit Cooperative Limited.	2155847	6929628	6898503	7023214	10571293

**8. Other Income**

Sl. No	Name of SCCS	2010-11	2011-12	2012-13	2013-14	2014-15
1	Saraswat Souharda Credit Cooperative Society Limited.	155643	90793	196603	1675432	1219868
2	Siri Souharda Credit Cooperative Limited.	257574	221209	231820	274184	608213
3	Dharmanyasa Souharda Credit Cooperative Limited.	3115	25523	7720	10665	15280
4	Sudarshana Souharda Credit Cooperative Limited.	37759	37196	194691	98377	274170
5	Sri Ramanuja Souharda Credit Cooperative Limited.	247598	323973	192778	469315	529214
6	Udaya Souharda Credit Cooperative Limited.	21038	40820	50180	86665	92297
7	Jivan Vikas Souharda Credit Cooperative Limited.	136920	232625	171006	173132	280388
8	Kodachadri Souharda Credit Cooperative Limited.	218797	771583	507615	672351	774803
9	Krishik Souharda Credit Cooperative Limited.	511567	768077	2104484	4655082	1997129
10	Akshaya Souharda Credit Cooperative Limited.	108327	128382	374693	676905	1043488
11	Mayura Souharda Credit Cooperative Limited.	2642569	2941335	2666548	1826338	1276393
12	Srigandha Souharda Credit Cooperative Limited.	181467	195427	347005	258775	187040
13	Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	260645	286417	547772	242020	730730
14	Sagar Souharda Credit Cooperative Limited.	144157	162880	135323	139435	200994
15	Ankita Souharda Credit Cooperative Limited.	73762	90016	116671	131585	155115
16	Saraswati Souharda Credit Cooperative Limited.	1056874	858356	906226	664268	474325



### 9. Fixed Assets

Sl. No	Name of SCCS	2010-11	2011-12	2012-13	2013-14	2014-15
1	Saraswat Souharda Credit Cooperative Society Limited.	168369	156802	186107	202049	211509
2	Siri Souharda Credit Cooperative Limited.	608526	630457	686661	718201	987455
3	Dharmanyasa Souharda Credit Cooperative Limited.	31769	91007	68255	51191	38393
4	Sudarshana Souharda Credit Cooperative Limited.	2503045	3303175	3204449	3200137	3178947
5	Sri Ramanuja Souharda Credit Cooperative Limited.	1242054	3201159	6638432	8252752	8883296
6	Udaya Souharda Credit Cooperative Limited.	14451	14451	14451	14451	14451
7	Jivan Vikas Souharda Credit Cooperative Limited.	153999	128165	124050	105119	122622
8	Kodachadri Souharda Credit Cooperative Limited.	35000	300000	270000	257196	255210
9	Krishik Souharda Credit Cooperative Limited.	464910	509073	1170037	1618496	1333645
10	Akshaya Souharda Credit Cooperative Limited.	88039	165184	168786	172998	594791
11	Mayura Souharda Credit Cooperative Limited.	1192230	2905800	3090860	3127058	3175780
12	Srigandha Souharda Credit Cooperative Limited.	95106	53085	37756	73889	55856
13	Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	351525	304886	317554	1381483	1240548
14	Sagar Souharda Credit Cooperative Limited.	56632	60666	113497	104378	212222
15	Ankita Souharda Credit Cooperative Limited.	210211	173767	144518	121756	103763
16	Saraswati Souharda Credit Cooperative Limited.	491342	337533	289243	236062	659214

**10. Total Expenses**

Sl. No	Name of SCCS	2010-11	2011-12	2012-13	2013-14	2014-15
1	Saraswat Souharda Credit Cooperative Society Limited.	249353	716736	418495	450029	1071762
2	Siri Souharda Credit Cooperative Limited.	648690	760705	1011569	964739	1405212
3	Dharmanyasa Souharda Credit Cooperative Limited.	114820	143377	115873	173920	232534
4	Sudarshana Souharda Credit Cooperative Limited.	129713	179949	210861	323574	528072
5	Sri Ramanuja Souharda Credit Cooperative Limited.	403772	2177512	400625	768236	1184878
6	Udaya Souharda Credit Cooperative Limited.	70350	83583	108855	161992	157279
7	Jivan Vikas Souharda Credit Cooperative Limited.	153138	252686	180035	137996	208012
8	Kodachadri Souharda Credit Cooperative Limited.	1026498	599245	434217	488497	470607
9	Krishik Souharda Credit Cooperative Limited.	384358	403669	1481261	1389869	3136947
10	Akshaya Souharda Credit Cooperative Limited.	215219	254562	299096	609945	853024
11	Mayura Souharda Credit Cooperative Limited.	1615342	8697645	11495529	4460503	4591868
12	Srigandha Souharda Credit Cooperative Limited.	806085	1029892	1073007	1236572	1786173
13	Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	791592	917585	1191392	1384412	1657909
14	Sagar Souharda Credit Cooperative Limited.	188048	197054	261894	311623	408016
15	Ankita Souharda Credit Cooperative Limited.	140674	479208	600027	805328	1056287
16	Saraswati Souharda Credit Cooperative Limited.	1038534	1655300	2122434	2954187	2521951

**Annexure-2**

**Summarised Financial Statements of PCCS**

**1. Share Capital**

Sl. No	Name of Primary Cooperative Society	2010-11	2011-12	2012-13	2013-14	2014-15
1	Arya Vaishya Sri Rama Credit Cooperative Society	12832775	18968725	22902250	27336600	29619350
2	Sri Kalikaparameshwari Credit Cooperative Society	9316550	9867150	10464550	11750850	13359878
3	Kshatriyammaratha Credit Cooperative Society	1798776	1884126	1975826	2058576	2415326
4	Malenadu Credit Cooperative Society	8442400	9763130	11153300	12960900	14053800
5	Brahmashri Narayanaguru Credit Cooperative Society	4488000	5903500	6568500	7254500	7847000
6	Sir M Visveshwaraiah Credit Cooperative Society	6674300	7512000	8294200	9319000	10261300
7	Goorabayi Credit Cooperative Society	712000	726500	725000	780500	843500
8	Jai Bheem Credit Cooperative Society	217000	218500	218500	218500	218500
9	Cristian Credit Cooperative Society	1192000	1260400	1239800	1220000	1279900
10	Janashakthi Credit Cooperative Society	1729700	1865100	2044300	2246600	2374400
11	Sri Jagadguru Panchacharya Credit Cooperative Society	1336700	1519200	1685200	2274200	2652900
12	Daivagnya Credit Cooperative Society	2003750	2175750	2400750	2660500	3045300
13	Durgigudi Credit Cooperative Society	856639	932068	1139018	1287615	1335043
14	Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society	6865920	8300320	9151740	10806380	12109752
15	Urban Credit Cooperative Society	1684400	1695850	1917900	2190175	2184140
16	Barbar's Credit Cooperative Society	1567950	1617350	1649050	1704050	1894650
17	Kairali Credit Cooperative Society	1086950	1277750	1347250	1434850	1559300
18	Humdard Credit Cooperative Society	5009900	5746500	6549900	7378400	8177700
19	Goodwill Credit Cooperative Society	2715800	3016600	3022820	3404590	3894460
20	Gayatri Credit Cooperative Society	879600	944300	1052100	1052100	1160200
21	Bhyraveshwara Credit Cooperative Society	1266000	1443000	1684000	2041000	2423000
22	Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society	1799170	1883720	2074120	2260520	2611160

23	Sharavati Credit Cooperative Society	7794870	9665450	11732100	12483000	13426500
24	Malenadu Mahila Credit Cooperative Society	960000	1004500	1047500	1201000	1345500
25	Sri Varada Credit Cooperative Society	1163600	1313000	1509600	1648100	2073000
26	Sri Vasavi Credit Cooperative Society	1686300	1854100	1913600	2198760	2913970
27	Sri Mahalakshmi Mahila Credit Cooperative Society	319250	355250	381100	418600	452590
28	Sri Shantheshwari Mahila Credit Cooperative Society	311600	413850	456150	510750	539050
29	Sirigandha Mahila Credit Cooperative Society	605500	716300	811700	1045800	1132400
30	Mahila Graduates Credit Cooperative Society	208200	209900	235000	232700	290450
31	Taluk Graduates Credit Cooperative Society	482500	554000	779000	1011000	1201000

## 2. Fixed Deposits

Sl. No	Name of Primary Cooperatives Society	2010-11	2011-12	2012-13	2013-14	2014-15
1	Arya Vaishya Sri Rama Credit Cooperative Society	17932715	21632679	27215010	190055328	20481002
2	Sri Kalikaparameshwari Credit Cooperative Society	78730925	95434020	1.18e+08	170485120	174655620
3	Kshatriyamaratha Credit Cooperative Society	2446071	2097507	1591644	2017244	2142721
4	Malenadu Credit Cooperative Society	18997206	28445586	49190679	74658779	77734957
5	Brahmashri Narayanaguru Credit Cooperative Society	4310360	3860360	7005235	14507235	19118861
6	Sir M Visveshwaraiah Credit Cooperative Society	53527700	63080741	66410980	82576430	91157875
7	Goorabayi Credit Cooperative Society	764500	604500	229691	332601	972601
8	Jai Bheem Credit Cooperative Society	0	50655	50655	0	0
9	Cristian Credit Cooperative Society	2632200	2870274	1897674	1358374	3553574
10	Janashakthi Credit Cooperative Society	381340	755000	751166	843667	746987
11	Sri Jagadguru Panchacharya Credit Cooperative Society	1754467	1629467	3188017	5540234	9290224
12	Daivagnya Credit Cooperative Society	13331765	23590175	30230911	44279829	35298813
13	Durgigudi Credit Cooperative Society	3323145	880600		6023769	8201469
14	Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society	840762	13990810	21024864	33557461	34361111
15	Urban Credit Cooperative Society	3172330	4613000	6579925	5032230	3633380
16	Barbar's Credit Cooperative Society	747800	1033075	1618460	1506035	979260
17	Kairali Credit Cooperative Society			755080		1061703
18	Humdard Credit Cooperative Society	2994750	3037750	1700750	3029000	3782800
19	Goodwill Credit Cooperative Society			12198000		24355257
20	Gayatri Credit Cooperative Society	0	0	0	154500	689284
21	Bhyraveshwara Credit Cooperative Society	1840600	1544000	1871000		580000
22	Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society	5702300	7954500	10028050	12262604	15003873
23	Sharavati Credit Cooperative Society	28427005	32841486	28300552	30769820	38688981
24	Malenadu Mahila Credit Cooperative Society	879500	668600	999840	1649900	1544500
25	Sri Varada Credit Cooperative Society	2600921	2708960	3655888	4728524	5946021
26	Sri Vasavi Credit Cooperative Society	5435859	7998681	9141552	12500198	20197036

27	Sri Mahalakshmi Mahila Credit Cooperative Society	78550	129753	259506	321111	286748
28	Sri Shantheshwari Mahila Credit Cooperative Society	45000	50000	50000	100000	100000
29	Sirigandha Mahila Credit Cooperative Society	0	170000	170000	280000	280000
30	Mahila Graduates Credit Cooperative Society	35000	15000	15000	15000	25000
31	Taluk Graduates Credit Cooperative Society	10890	692910	583735	1384875	3720381

### 3. Advances

Sl. No	Name Of Primary Cooperatives Society	2010-11	2011-12	2012-13	2013-14	2014-15
1	Arya Vaishya Sri Rama Credit Cooperative Society	80760952	10745033	119992437	125168536	139914464
2	Sri Kalikaparameshwari Credit Cooperative Society	37366211	220305885	263952572	289001953	310662587
3	Kshatriyamaratha Credit Cooperative Society		9250174	9019346	9140360	9917296
4	Malenadu Credit Cooperative Society	22351382	64394290	69514483	85611909	89467403
5	Brahmashri Narayanaguru Credit Cooperative Society	17582688	28004705	30368617	36840883	42971889
6	Sir M Visveshwaraiah Credit Cooperative Society	50269134	76040622	86880851	102693977	118744895
7	Goorabayi Credit Cooperative Society	3042023	2816421	2258569	2431688	2632370
8	Jai Bheem Credit Cooperative Society	240507	257825	257825	257825	257825
9	Cristian Credit Cooperative Society	4518790	5336150	4669750	4159550	6003430
10	Janashakthi Credit Cooperative Society	4342934	4643382	5566120	6428451	7239547
11	Sri Jagadguru Panchacharya Credit Cooperative Society	5251008	6148140	7103503	10983456	12852250
12	Daivagnya Credit Cooperative Society	36808049	45663346	60903491	62369731	58054320
13	Durgigudi Credit Cooperative Society	3681527	3984870	6554856	7692619	6915559
14	Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society			93005866	114520813	126442888
15	Urban Credit Cooperative Society	8619440	8586730	11428110	14444500	12913060
16	Barbar's Credit Cooperative Society	8432094	8220104	8101415	7513210	7683290
17	Kairali Credit Cooperative Society			4578397		5529297
18	Humdard Credit Cooperative Society	27906228	32757674	37990528	43062268	49128738
19	Goodwill Credit Cooperative Society			16844329		23738638
20	Gayatri Credit Cooperative Society	1428586	1860232	2492502	2930903	3482661
21	Bhyraveshwara Credit Cooperative Society	3217118	3589402	4094696	4518532	5872194
22	Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society	12315272	17356754	18091271	23355519	28133648
23	Sharavati Credit Cooperative Society	32562399	52775616	56064183	50493888	75094335
24	Malenadu Mahila Credit Cooperative Society	3487452	3962024	5014149	6610470	7455640
25	Sri Varada Credit Cooperative Society	6507684	6516287	6897532	9739960	13414518

26	Sri Vasavi Credit Cooperative Society	8347754	8736033	10816261	12703817	18712673
27	Sri Mahalakshmi Mahila Credit Cooperative Society	569252	821379	330529	555835	654916
28	Sri Shantheshwari Mahila Credit Cooperative Society	1552141	2043230	1428195	1509320	1655055
29	Sirigandha Mahila Credit Cooperative Society	0	1546554	1560300		3276225
30	Mahila Graduates Credit Cooperative Society	552000		239050	317595	603320
31	Taluk Graduates Credit Cooperative Society	189295	1918080	3249925	4957480	4236130



#### 4. Deposits

Sl. No	Name Of Primary Cooperative Society	2010-11	2011-12	2012-13	2013-14	2014-15
1	Arya Vaishya Sri Rama Credit Cooperative Society	76369380	95513467	124404889	116731882	103785574
2	Sri Kalikaparameshwari Credit Cooperative Society	133366994	175966296	224777383	310710062	347374652
3	Kshatriyamaraatha Credit Cooperative Society		5568309	5812885	5808847	6339062
4	Malenadu Credit Cooperative Society	43431497	52492250	76995316	111699939	120594082
5	Brahmashri Narayanaguru Credit Cooperative Society	12144247	13939427	19748577	29210662	35747669
6	Sir M Visveshwaraiah Credit Cooperative Society	84724652	98247130	110689806	137774732	147329186
7	Goorabayi Credit Cooperative Society	945096	790646	415087	558252	1041102
8	Jai Bheem Credit Cooperative Society	29943	99266	99266	48611	48611
9	Cristian Credit Cooperative Society	3468875	3804103	2621454	2055993	4496553
10	Janashakthi Credit Cooperative Society	1778106	2514472	3690097	3792043	4404753
11	Sri Jagadguru Panchacharya Credit Cooperative Society	3846601	3822949	4843533	10618414	12076095
12	Daivagnya Credit Cooperative Society	27574648	35160070	44733692	65339910	63940801
13	Durgigudi Credit Cooperative Society	4564518	8937308		10139998	16382894
14	Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society			114045008	140340375	130009274
15	Urban Credit Cooperative Society	11700566	9405553	33966378	16980515	16911332
16	Barbar's Credit Cooperative Society	7562237	8969747	10009368	9943882	10296971
17	Kairali Credit Cooperative Society			2736536		3932728
18	Humdard Credit Cooperative Society	21297488	22721451	26238434	31185480	35495880
19	Goodwill Credit Cooperative Society			52125958		55394657
20	Gayatri Credit Cooperative Society	256444	198471	760427	577185	1183395
21	Bhyraveshwara Credit Cooperative Society	1924254	1596439	1915558		2953668
22	Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society	15151657	20166033	26308651	32412283	40861357
23	Sharavati Credit Cooperative Society	49992789	56829988	51037065	55180442	63020425
24	Malenadu Mahila Credit Cooperative Society	1800005	2336920	3142113	4531018	4643883
25	Sri Varada Credit Cooperative Society	7103838	8165036	10784959	12823715	15514717

26	Sri Vasavi Credit Cooperative Society	8680989	10937749	12701854	20061375	23825503
27	Sri Mahalakshmi Mahila Credit Cooperative Society	684349	162153	301596	380221	295152
28	Sri Shantheshwari Mahila Credit Cooperative Society	656985	694050	708215	729245	477715
29	Sirigandha Mahila Credit Cooperative Society	0	253050	542350	439170	427600
30	Mahila Graduates Credit Cooperative Society	44000		26750	27500	88250
31	Taluk Graduates Credit Cooperative Society	37999	722260	632585	1449825	3882081

### 5. Profit And Loss

Sl. No	Name Of Primary Cooperatives Society	2010-11	2011-12	2012-13	2013-14	2014-15
1	Arya Vaishya Sri Rama Credit Cooperative Society	7941115	4967974	6037521	7222509	7602509
2	Sri Kalikaparameshwari Credit Cooperative Society	3428124	2.69e+08	6663396	4953063	4929213
3	Kshatriyamaratha Credit Cooperative Society		165851		218988	157318
4	Malenadu Credit Cooperative Society	2021440	2351598	2942403	3482264	4022024
5	Brahmashri Narayanaguru Credit Cooperative Society	578955	1370710	1568351	1602951	1888292
6	Sir M Visveshwaraiah Credit Cooperative Society	1474552	1691073	1951222	2038044	2508875
7	Goorabayi Credit Cooperative Society	99843	99893		82182	96629
8	Jai Bheem Credit Cooperative Society	0	-3908	-640	-12225	3840
9	Cristian Credit Cooperative Society	17659	13797	10022	20949	12153
10	Janashakthi Credit Cooperative Society	349107	401577	643949	623693	648924
11	Sri Jagadguru Panchacharya Credit Cooperative Society	65728	238704	140580	326551	279293
12	Daivagnya Credit Cooperative Society	670872	662001	951184	1648276	1673679
13	Durgigudi Credit Cooperative Society	-352840	44210		61971	68969
14	Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society			2292111		5082732
15	Urban Credit Cooperative Society	384641	311643	403344	216420	242820
16	Barbar's Credit Cooperative Society	122272	121268	116429	128793	64297
17	Kairali Credit Cooperative Society			124517		173592
18	Humdard Credit Cooperative Society	1221588	1521584	1201314	1295803	1772830
19	Goodwill Credit Cooperative Society			1105900		1165804
20	Gayatri Credit Cooperative Society	164001	171159	150952	271521	219206
21	Bhyraveshwara Credit Cooperative Society	405826		451858		615164
22	Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society			429230		640729
23	Sharavati Credit Cooperative Society	1517790	1580659	1596045	2069894	2113622
24	Malenadu Mahila Credit Cooperative Society	136847	220454	266030	417578	499586
25	Sri Varada Credit Cooperative Society	408612	270592	325649	276631	448230
26	Sri Vasavi Credit Cooperative Society	408609	488041	741894	724686	537367

27	Sri Mahalakshmi Mahila Credit Cooperative Society	9379	-143402	33692	-17451	-52474
28	Sri Shantheshwari Mahila Credit Cooperative Society	11410	109638	45783	46799	78911
29	Sirigandha Mahila Credit Cooperative Society	-500	34833	90901	61805	40405
30	Mahila Graduates Credit Cooperative Society	-25729	-19758	-7607		-35703
31	Taluk Graduates Credit Cooperative Society	-30892	35600	67173		295675

## 6. Other Income

Sl. No	Name Of Primary Cooperatives Society	2010-11	2011-12	2012-13	2013-14	2014-15
1	Arya Vaishya Sri Rama Credit Cooperative Society	2355978	3107155	4569315	5984029	4046008
2	Sri Kalikaparameshwari Credit Cooperative Society	2864419	3246999	2943168	6165209	6030492
3	Kshatriyamaraatha Credit Cooperative Society		128242		144799	182573
4	Malenadu Credit Cooperative Society	785019	539501	1244982	3812016	4885890
5	Brahmashri Narayanaguru Credit Cooperative Society	162733	220680	233201	226611	649391
6	Sir M Visveshwaraiah Credit Cooperative Society	2113813	3638522	3300167	5755455	6658310
7	Goorabayi Credit Cooperative Society	53492	18842		0	96625
8	Jai Bheem Credit Cooperative Society	0	0	4641	1373	2801
9	Cristian Credit Cooperative Society	29036	45958	46908	20904	54903
10	Janashakthi Credit Cooperative Society	22531	52189	141347	158570	229905
11	Sri Jagadguru Panchacharya Credit Cooperative Society	39968	43224	33691	61452	98806
12	Daivagnya Credit Cooperative Society	60478	11904	22767	21699	1003804
13	Durgigudi Credit Cooperative Society	76985	74289			69117
14	Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society			3201573		4374411
15	Urban Credit Cooperative Society	496596	1094844	1275246	970264	771442
16	Barbar's Credit Cooperative Society	161387	350890	329999	458938	688869
17	Kairali Credit Cooperative Society			68159		83322
18	Humdard Credit Cooperative Society	354621	173139	133829	0	585758
19	Goodwill Credit Cooperative Society			1005409		1672724
20	Gayatri Credit Cooperative Society	0	0	42394	46282	56959
21	Bhyraveshwara Credit Cooperative Society	93439		146518		240603
22	Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society			935661		1933414
23	Sharavati Credit Cooperative Society	0	0	32204	18514	151637
24	Malenadu Mahila Credit Cooperative Society	390811	486314	525718	692269	689124
25	Sri Varada Credit Cooperative Society	475610	656613	895500	900658	1445083
26	Sri Vasavi Credit Cooperative Society	1243	1678	1797	4989	4962

27	Sri Mahalakshmi Mahila Credit Cooperative Society	0	0	0	0	3882
28	Sri Shantheshwari Mahila Credit Cooperative Society	0	0	0		0
29	Sirigandha Mahila Credit Cooperative Society	0		0		0
30	Mahila Graduates Credit Cooperative Society	0		0		1849
31	Taluk Graduates Credit Cooperative Society					

### 7. Income- Interest On Loans And Advances

Sl. No	Name Of Primary Cooperatives Society	2010-11	2011-12	2012-13	2013-14	2014-15
1	Arya Vaishya Sri Rama Credit Cooperative Society	17932715	21632679	27215010	190055328	20481002
2	Sri Kalikaparameshwari Credit Cooperative Society	78730925	95434020	1.18e+08	170485120	174655620
3	Kshatriyamaratha Credit Cooperative Society	2446071	2097507	1591644	2017244	2142721
4	Malenadu Credit Cooperative Society	18997206	28445586	49190679	74658779	77734957
5	Brahmashri Narayanaguru Credit Cooperative Society	4310360	3860360	7005235	14507235	19118861
6	Sir M Visveshwaraiah Credit Cooperative Society	53527700	63080741	66410980	82576430	91157875
7	Goorabayi Credit Cooperative Society	764500	604500	229691	332601	972601
8	Jai Bheem Credit Cooperative Society	0	50655	50655	0	0
9	Cristian Credit Cooperative Society	2632200	2870274	1897674	1358374	3553574
10	Janashakthi Credit Cooperative Society	381340	755000	751166	843667	746987
11	Sri Jagadguru Panchacharya Credit Cooperative Society	1754467	1629467	3188017	5540234	9290224
12	Daivagnya Credit Cooperative Society	13331765	23590175	30230911	44279829	35298813
13	Durgigudi Credit Cooperative Society	3323145	880600		6023769	8201469
14	Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society	840762	13990810	21024864	33557461	34361111
15	Urban Credit Cooperative Society	3172330	4613000	6579925	5032230	3633380
16	Barbar's Credit Cooperative Society	747800	1033075	1618460	1506035	979260
17	Kairali Credit Cooperative Society			755080		1061703
18	Humdard Credit Cooperative Society	2994750	3037750	1700750	3029000	3782800
19	Goodwill Credit Cooperative Society			12198000		24355257
20	Gayatri Credit Cooperative Society	0	0	0	154500	689284
21	Bhyraveshwara Credit Cooperative Society	1840600	1544000	1871000		580000
22	Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society	5702300	7954500	10028050	12262604	15003873
23	Sharavati Credit Cooperative Society	28427005	32841486	28300552	30769820	38688981
24	Malenadu Mahila Credit Cooperative Society	879500	668600	999840	1649900	1544500

25	Sri Varada Credit Cooperative Society	2600921	2708960	3655888	4728524	5946021
26	Sri Vasavi Credit Cooperative Society	5435859	7998681	9141552	12500198	20197036
27	Sri Mahalakshmi Mahila Credit Cooperative Society	78550	129753	259506	321111	286748
28	Sri Shantheshwari Mahila Credit Cooperative Society	45000	50000	50000	100000	100000
29	Sirigandha Mahila Credit Cooperative Society	0	170000	170000	280000	280000
30	Mahila Graduates Credit Cooperative Society	35000	15000	15000	15000	25000
31	Taluk Graduates Credit Cooperative Society	10890	692910	583735	1384875	3720381



### 8. Interest On Investment

Sl. No	Name Of Primary Cooperatives Society	2010-11	2011-12	2012-13	2013-14	2014-15
1	Arya Vaishya Sri Rama Credit Cooperative Society	13800	38000	118900	9400	23000
2	Sri Kalikaparameshwari Credit Cooperative Society	2178050	2111350	2852500	3324050	4305250
3	Kshatriyamaraatha Credit Cooperative Society	0	0	0	0	0
4	Malenadu Credit Cooperative Society	717900	1256850	1744875	2333645	3550712
5	Brahmashri Narayanaguru Credit Cooperative Society	0	0	0	0	0
6	Sir M Visveshwaraiah Credit Cooperative Society	1301070	1995630	2483800	2973550	3616350
7	Goorabayi Credit Cooperative Society	29480	32180	32180	8935	8935
8	Jai Bheem Credit Cooperative Society	0	0	0	0	0
9	Cristian Credit Cooperative Society	273650	276150	306550	257150	383750
10	Janashakthi Credit Cooperative Society	0	0	0	0	0
11	Sri Jagadguru Panchacharya Credit Cooperative Society	0	0	0	0	0
12	Daivagnya Credit Cooperative Society	332050	473200	690150	594000	783210
13	Durgigudi Credit Cooperative Society	0	0		0	0
14	Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society	845210	976251	1048969	1330368	1194891
15	Urban Credit Cooperative Society	0	0	0	0	0
16	Barbar's Credit Cooperative Society	134500	101950	137950	74200	119900
17	Kairali Credit Cooperative Society			301200		1138100
18	Humdard Credit Cooperative Society	50370	58970	38670	82170	92670
19	Goodwill Credit Cooperative Society			2038293		1215762
20	Gayatri Credit Cooperative Society	0	0	0	0	0
21	Bhyraveshwara Credit Cooperative Society	0	0	0		0
22	Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society	0	0	0	0	0
23	Sharavati Credit Cooperative Society	0	0	0	0	0
24	Malenadu Mahila Credit Cooperative Society	0	0	0	0	0
25	Sri Varada Credit Cooperative Society	0	0	0	0	0
26	Sri Vasavi Credit Cooperative Society	0	0	0	0	0

27	Sri Mahalakshmi Mahila Credit Cooperative Society	0	0	0	8404	8404
28	Sri Shantheshwari Mahila Credit Cooperative Society	0	0	0	0	0
29	Sirigandha Mahila Credit Cooperative Society	0	0	36100	0	20000
30	Mahila Graduates Credit Cooperative Society	0	0	0		0
31	Taluk Graduates Credit Cooperative Society	2564	0	0	0	84000

### 9. Fixed Assets

Sl. No	Name Of Primary Cooperatives Society	2010-11	2011-12	2012-13	2013-14	2014-15
1	Arya Vaishya Sri Rama Credit Cooperative Society	4740946	4740946	4740946	4860586	4860586
2	Sri Kalikaparameshwari Credit Cooperative Society	5948241	9482664	9860724	9860724	9884611
3	Kshatriyamaratha Credit Cooperative Society		0		0	0
4	Malenadu Credit Cooperative Society	5309589	5339080	5339080	5339080	5339080
5	Brahmashri Narayanaguru Credit Cooperative Society	323535	328985	377205	5000	204706
6	Sir M Visveshwaraiah Credit Cooperative Society			0	0	0
7	Goorabayi Credit Cooperative Society	6460582	23231698	23231698	23231698	23231698
8	Jai Bheem Credit Cooperative Society	20211	20211		20211	0
9	Cristian Credit Cooperative Society	0	0	0	0	0
10	Janashakthi Credit Cooperative Society	0	0	0	0	0
11	Sri Jagadguru Panchacharya Credit Cooperative Society	526875	531610	531610	531610	531610
12	Daivagnya Credit Cooperative Society	1193248	1493080	1493080	1493080	1493080
13	Durgigudi Credit Cooperative Society	610000	610000	610000	610000	610000
14	Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society		0			0
15	Urban Credit Cooperative Society				0	
16	Barbar's Credit Cooperative Society	Na	Na	0	0	0
17	Kairali Credit Cooperative Society	Na	Na	Na	0	0
18	Humdard Credit Cooperative Society	3696257	6947706		6947706	6947706
19	Goodwill Credit Cooperative Society			0		0
20	Gayatri Credit Cooperative Society					
21	Bhyraveshwara Credit Cooperative Society			315461		369649
22	Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society			11352857		13369770
23	Sharavati Credit Cooperative Society	984817	1002570	1002570	1002570	1002570
24	Malenadu Mahila Credit Cooperative Society	0	0	0	1564200	1564200
25	Sri Varada Credit Cooperative Society	0	0	0	0	0
26	Sri Vasavi Credit Cooperative Society					0

27	Sri Mahalakshmi Mahila Credit Cooperative Society	0	0	0		
28	Sri Shantheshwari Mahila Credit Cooperative Society					
29	Sirigandha Mahila Credit Cooperative Society					0
30	Mahila Graduates Credit Cooperative Society			0		
31	Taluk Graduates Credit Cooperative Society			0		0

**10. Total Expenses**

Sl. No	Name Of Primary Cooperatives Society	2010-11	2011-12	2012-13	2013-14	2014-15
1	Arya Vaishya Sri Rama Credit Cooperative Society	2555094	2795324	3955666	3739483	4622501
2	Sri Kalikaparameshwari Credit Cooperative Society	1068038	2964975	7483042	6298945	5873151
3	Kshatriyamaraatha Credit Cooperative Society		362059		485158	684183
4	Malenadu Credit Cooperative Society	708074	1416082	1938004	2548628	397216
5	Brahmashri Narayanaguru Credit Cooperative Society	315874	689405	929214	1148907	1285305
6	Sir M Visveshwaraiah Credit Cooperative Society			136000	179074	253923
7	Goorabayi Credit Cooperative Society	875193	2126687	2496797	2286714	2939226
8	Jai Bheem Credit Cooperative Society	77479	83632		200623	167547
9	Cristian Credit Cooperative Society	0	2280	0	0	1000
10	Janashakthi Credit Cooperative Society	251006	190140	262317	256899	234502
11	Sri Jagadguru Panchacharya Credit Cooperative Society	153050	154941	167315	199944	428065
12	Daivagnya Credit Cooperative Society	164297	270897	212665	215198	348811
13	Durgigudi Credit Cooperative Society	384124	509657	1395741	1536107	1543791
14	Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society		2630			153260
15	Urban Credit Cooperative Society				315330	
16	Barbar's Credit Cooperative Society	Na	Na		81244	112499
17	Kairali Credit Cooperative Society	Na	Na	Na	560446	652384
18	Humdard Credit Cooperative Society	480124	801853		1027552	3222386
19	Goodwill Credit Cooperative Society			3919271		2516815
20	Gayatri Credit Cooperative Society					
21	Bhyraveshwara Credit Cooperative Society			1595654		1165880
22	Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society			2196962		3786860
23	Sharavati Credit Cooperative Society	394904	452992	466558	1422095	1692054
24	Malenadu Mahila Credit Cooperative Society	368270	334896	335145	334013	428087
25	Sri Varada Credit Cooperative Society		6300	0		19488
26	Sri Vasavi Credit Cooperative Society					1473

27	Sri Mahalakshmi Mahila Credit Cooperative Society		34335	34759		
28	Sri Shantheshwari Mahila Credit Cooperative Society					
29	Sirigandha Mahila Credit Cooperative Society					1228317
30	Mahila Graduates Credit Cooperative Society			84394		
31	Taluk Graduates Credit Cooperative Society			185070		319040

**ANNEXURE 2**  
**Rank Correlation Analysis for SCCS**

**1. Share Capital**

Sl . No.	Souhardha Credit Cooperative Societies	Share Capital	
		Mean Rank	CV Rank
1	Saraswat Souharda Credit Cooperative Society Limited.	11	9
2	Siri Souharda Credit Cooperative Limited.	8	12
3	Dharmanyasa Souharda Credit Cooperative Limited.	10	3
4	Sudarshana Souharda Credit Cooperative Limited.	15	1
5	Sri Ramanuja Souharda Credit Cooperative Limited.	13	10
6	Udaya Souharda Credit Cooperative Limited.	3	16
7	Jivan Vikas Souharda Credit Cooperative Limited.	1	13
8	Kodachadri Souharda Credit Cooperative Limited.	7	11
9	Krishik Souharda Credit Cooperative Limited.	4	14
10	Akshaya Souharda Credit Cooperative Limited.	2	8
11	Mayura Souharda Credit Cooperative Limited.	14	6
12	Srigandha Souharda Credit Cooperative Limited.	12	2
13	Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	6	7
14	Sagar Souharda Credit Cooperative Limited.	9	15
15	Ankita Souharda Credit Cooperative Limited.	5	4
16	Saraswati Souharda Credit Cooperative Limited.	16	5
	<b>RANK CORRELATION</b>	<b>0.56176</b>	

**2. Fixed Deposit**

Sl . No.	Souhardha Credit Cooperative Societies	Share Capital	
		Mean Rank	CV Rank
1	Saraswat Souharda Credit Cooperative Society Limited.	16	16
2	Siri Souharda Credit Cooperative Limited.	12	11
3	Dharmanyasa Souharda Credit Cooperative Limited.	10	3
4	Sudarshana Souharda Credit Cooperative Limited.	15	1
5	Sri Ramanuja Souharda Credit Cooperative Limited.	8	14
6	Udaya Souharda Credit Cooperative Limited.	6	12
7	Jivan Vikas Souharda Credit Cooperative Limited.	1	2
8	Kodachadri Souharda Credit Cooperative Limited.	5	10
9	Krishik Souharda Credit Cooperative Limited.	2	8
10	Akshaya Souharda Credit Cooperative Limited.	4	4
11	Mayura Souharda Credit Cooperative Limited.	13	13
12	Srigandha Souharda Credit Cooperative Limited.	9	9
13	Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	7	7
14	Sagar Souharda Credit Cooperative Limited.	11	15
15	Ankita Souharda Credit Cooperative Limited.	3	5
16	Saraswati Souharda Credit Cooperative Limited.	14	6
	<b>RANK CORRELATION</b>	0.317647	



### 3. Saving Deposit

Sl . No.	Souhardha Credit Cooperative Societies	Share Capital	
		Mean Rank	CV Rank
1	Saraswat Souharda Credit Cooperative Society Limited.	10	14
2	Siri Souharda Credit Cooperative Limited.	9	3
3	Dharmanyasa Souharda Credit Cooperative Limited.	15	6
4	Sudarshana Souharda Credit Cooperative Limited.	14	8
5	Sri Ramanuja Souharda Credit Cooperative Limited.	6	7
6	Udaya Souharda Credit Cooperative Limited.	5	12
7	Jivan Vikas Souharda Credit Cooperative Limited.	2	9
8	Kodachadri Souharda Credit Cooperative Limited.	8	11
9	Krishik Souharda Credit Cooperative Limited.	3	4
10	Akshaya Souharda Credit Cooperative Limited.	1	1
11	Mayura Souharda Credit Cooperative Limited.	13	5
12	Srigandha Souharda Credit Cooperative Limited.	4	10
13	Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	11	2
14	Sagar Souharda Credit Cooperative Limited.	7	15
15	Ankita Souharda Credit Cooperative Limited.	16	13
16	Saraswati Souharda Credit Cooperative Limited.	10	14
	<b>RANK CORRELATION</b>	0.125596	

#### 4. Advances

Sl . No.	Souhardha Credit Cooperative Societies	Share Capital	
		Mean Rank	CV Rank
1	Saraswat Souharda Credit Cooperative Society Limited.	11	13
2	Siri Souharda Credit Cooperative Limited.	13	10
3	Dharmanyasa Souharda Credit Cooperative Limited.	12	2
4	Sudarshana Souharda Credit Cooperative Limited.	14	11
5	Sri Ramanuja Souharda Credit Cooperative Limited.	3	7
6	Udaya Souharda Credit Cooperative Limited.	4	16
7	Jivan Vikas Souharda Credit Cooperative Limited.	1	4
8	Kodachadri Souharda Credit Cooperative Limited.	7	12
9	Krishik Souharda Credit Cooperative Limited.	2	3
10	Akshaya Souharda Credit Cooperative Limited.	5	1
11	Mayura Souharda Credit Cooperative Limited.	15	5
12	Srigandha Souharda Credit Cooperative Limited.	9	14
13	Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	8	8
14	Sagar Souharda Credit Cooperative Limited.	10	15
15	Ankita Souharda Credit Cooperative Limited.	6	6
16	Saraswati Souharda Credit Cooperative Limited.	16	9
	<b>RANK CORRELATION</b>	0.217647	

**5. Net Profit**

Sl . No.	Souhardha Credit Cooperative Societies	Share Capital	
		Mean Rank	CV Rank
1	Saraswat Souharda Credit Cooperative Society Limited.	11	7
2	Siri Souharda Credit Cooperative Limited.	8	13
3	Dharmanyasa Souharda Credit Cooperative Limited.	9	1
4	Sudarshana Souharda Credit Cooperative Limited.	16	12
5	Sri Ramanuja Souharda Credit Cooperative Limited.	5	9
6	Udaya Souharda Credit Cooperative Limited.	4	10
7	Jivan Vikas Souharda Credit Cooperative Limited.	1	2
8	Kodachadri Souharda Credit Cooperative Limited.	12	5
9	Krishik Souharda Credit Cooperative Limited.	3	8
10	Akshaya Souharda Credit Cooperative Limited.	2	4
11	Mayura Souharda Credit Cooperative Limited.	14	3
12	Srigandha Souharda Credit Cooperative Limited.	13	16
13	Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	10	15
14	Sagar Souharda Credit Cooperative Limited.	7	14
15	Ankita Souharda Credit Cooperative Limited.	6	11
16	Saraswati Souharda Credit Cooperative Limited.	15	6
	<b>RANK CORRELATION</b>	0.173529	

## 6. Interest Received

Sl . No.	Souhardha Credit Cooperative Societies	Share Capital	
		Mean Rank	CV Rank
1	Saraswat Souharda Credit Cooperative Society Limited.	13	2
2	Siri Souharda Credit Cooperative Limited.	11	15
3	Dharmanyasa Souharda Credit Cooperative Limited.	12	1
4	Sudarshana Souharda Credit Cooperative Limited.	16	3
5	Sri Ramanuja Souharda Credit Cooperative Limited.	4	9
6	Udaya Souharda Credit Cooperative Limited.	6	16
7	Jivan Vikas Souharda Credit Cooperative Limited.	1	7
8	Kodachadri Souharda Credit Cooperative Limited.	8	14
9	Krishik Souharda Credit Cooperative Limited.	3	10
10	Akshaya Souharda Credit Cooperative Limited.	2	6
11	Mayura Souharda Credit Cooperative Limited.	14	13
12	Srigandha Souharda Credit Cooperative Limited.	9	11
13	Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	7	4
14	Sagar Souharda Credit Cooperative Limited.	10	12
15	Ankita Souharda Credit Cooperative Limited.	5	5
16	Saraswati Souharda Credit Cooperative Limited.	15	8
	<b>RANK CORRELATION</b>	-0.11176	

## 7. Other Income

Sl . No.	Souhardha Credit Cooperative Societies	Share Capital	
		Mean Rank	CV Rank
1	Saraswat Souharda Credit Cooperative Society Limited.	6	15
2	Siri Souharda Credit Cooperative Limited.	14	2
3	Dharmanyasa Souharda Credit Cooperative Limited.	16	12
4	Sudarshana Souharda Credit Cooperative Limited.	11	4
5	Sri Ramanuja Souharda Credit Cooperative Limited.	5	7
6	Udaya Souharda Credit Cooperative Limited.	2	14
7	Jivan Vikas Souharda Credit Cooperative Limited.	1	6
8	Kodachadri Souharda Credit Cooperative Limited.	8	8
9	Krishik Souharda Credit Cooperative Limited.	3	3
10	Akshaya Souharda Credit Cooperative Limited.	7	10
11	Mayura Souharda Credit Cooperative Limited.	12	1
12	Srigandha Souharda Credit Cooperative Limited.	9	9
13	Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	10	5
14	Sagar Souharda Credit Cooperative Limited.	4	16
15	Ankita Souharda Credit Cooperative Limited.	13	13
16	Saraswati Souharda Credit Cooperative Limited.	15	11
	<b>RANK CORRELATION</b>	-0.14412	

## 8. Fixed Assets

Sl . No.	Souhardha Credit Cooperative Societies	Share Capital	
		Mean Rank	CV Rank
1	Saraswat Souharda Credit Cooperative Society Limited.	8	15
2	Siri Souharda Credit Cooperative Limited.	11	5
3	Dharmanyasa Souharda Credit Cooperative Limited.	15	8
4	Sudarshana Souharda Credit Cooperative Limited.	12	3
5	Sri Ramanuja Souharda Credit Cooperative Limited.	9	10
6	Udaya Souharda Credit Cooperative Limited.	4	11
7	Jivan Vikas Souharda Credit Cooperative Limited.	3	6
8	Kodachadri Souharda Credit Cooperative Limited.	1	13
9	Krishik Souharda Credit Cooperative Limited.	7	9
10	Akshaya Souharda Credit Cooperative Limited.	6	14
11	Mayura Souharda Credit Cooperative Limited.	13	12
12	Srigandha Souharda Credit Cooperative Limited.	5	4
13	Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	14	7
14	Sagar Souharda Credit Cooperative Limited.	10	2
15	Ankita Souharda Credit Cooperative Limited.	2	1
16	Saraswati Souharda Credit Cooperative Limited.	16	
	<b>RANK CORRELATION</b>	-0.075	

### 9. Total Expenses

Sl . No.	Souhardha Credit Cooperative Societies	Share Capital	
		Mean Rank	CV Rank
1	Saraswat Souharda Credit Cooperative Society Limited.	10	8
2	Siri Souharda Credit Cooperative Limited.	4	9
3	Dharmanyasa Souharda Credit Cooperative Limited.	8	16
4	Sudarshana Souharda Credit Cooperative Limited.	27	13
5	Sri Ramanuja Souharda Credit Cooperative Limited.	2	3
6	Udaya Souharda Credit Cooperative Limited.	29	1
7	Jivan Vikas Souharda Credit Cooperative Limited.	25	14
8	Kodachadri Souharda Credit Cooperative Limited.	17	6
9	Krishik Souharda Credit Cooperative Limited.	23	5
10	Akshaya Souharda Credit Cooperative Limited.	6	12
11	Mayura Souharda Credit Cooperative Limited.	19	7
12	Srigandha Souharda Credit Cooperative Limited.	21	4
13	Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	12	15
14	Sagar Souharda Credit Cooperative Limited.	14	2
15	Ankita Souharda Credit Cooperative Limited.	16	10
16	Saraswati Souharda Credit Cooperative Limited.	1	11
	<b>RANK CORRELATION</b>	-0.19335	

**10. Interest on Investment**

Sl . No.	Souhardha Credit Cooperative Societies	Share Capital	
		Mean Rank	CV Rank
1	Saraswat Souharda Credit Cooperative Society Limited.	12	14
2	Siri Souharda Credit Cooperative Limited.	14	10
3	Dharmanyasa Souharda Credit Cooperative Limited.	8	1
4	Sudarshana Souharda Credit Cooperative Limited.	16	0
5	Sri Ramanuja Souharda Credit Cooperative Limited.	11	11
6	Udaya Souharda Credit Cooperative Limited.	9	6
7	Jivan Vikas Souharda Credit Cooperative Limited.	1	8
8	Kodachadri Souharda Credit Cooperative Limited.	2	3
9	Krishik Souharda Credit Cooperative Limited.	4	13
10	Akshaya Souharda Credit Cooperative Limited.	3	9
11	Mayura Souharda Credit Cooperative Limited.	15	12
12	Srigandha Souharda Credit Cooperative Limited.	6	7
13	Sri Ambrini Vidyesh Souharda Credit Cooperative Limited.	7	5
14	Sagar Souharda Credit Cooperative Limited.	10	4
15	Ankita Souharda Credit Cooperative Limited.	5	2
16	Saraswati Souharda Credit Cooperative Limited.	12	14
	<b>RANK CORRELATION</b>	0.167022	



## Rank correlation Analysis calculation for PCCS

### 1. Share Capital

SI No.	Primary Credit Cooperative Society	Share Capital	
		Mean Rank	CV Rank
1	Arya Vaishya Sri Rama Credit Cooperative Society	1	30
2	Sri Kalikaparameshwari Credit Cooperative Society	4	14
3	Kshatriyamaratha Credit Cooperative Society	14	6
4	Malenadu Credit Cooperative Society	2	22
5	Brahmashri Narayanaguru Credit Cooperative Society	8	21
6	Sir M Visveshwaraiah Credit Cooperative Society	6	17
7	Goorabayi Credit Cooperative Society	27	3
8	Jai Bheem Credit Cooperative Society	31	1
9	Christian Credit Cooperative Society	21	2
10	Janashakthi Credit Cooperative Society	13	8
11	Sri Jagadguru Panchacharya Credit Cooperative Society	16	29
12	Daivagnya Credit Cooperative Society	10	16
13	Durgigudi Credit Cooperative Society	23	18
14	Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society	5	24
15	Urban Credit Cooperative Society	15	7
16	Barbar's Credit Cooperative Society	18	4
17	Kairali Credit Cooperative Society	20	9
18	Humdard Credit Cooperative Society	7	19
19	Goodwill Credit Cooperative Society	9	11
20	Gayatri Credit Cooperative Society	24	5
21	Bhyraveshwara Credit Cooperative Society	17	28
22	Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society	11	15
23	Sharavati Credit Cooperative Society	3	23
24	Malenadu Mahila Credit Cooperative Society	22	13
25	Sri Varada Credit Cooperative Society	19	25
26	Sri Vasavi Credit Cooperative Society	12	26
27	Sri Mahalakshmi Mahila Credit Cooperative Society	29	10
28	Sri Shantheshwari Mahila Credit Cooperative Society	28	20
29	Sirigandha Mahila Credit Cooperative Society	25	27
30	Mahila Graduates Credit Cooperative Society	30	12
31	Taluk Graduates Credit Cooperative Society	26	31
	<b>Rank Correlation Co efficient</b>	<b>-0.343951613</b>	

## 2. Fixed Deposit

Sl No.	Primary Credit Cooperative Society	Fixed Deposit	
		Mean Rank	CV Rank
1	Arya Vaishya Sri Rama Credit Cooperative Society	3	28
2	Sri Kalikaparameshwari Credit Cooperative Society	1	11
3	Kshatriyamaratha Credit Cooperative Society	18	1
4	Malenadu Credit Cooperative Society	4	23
5	Brahmashri Narayanaguru Credit Cooperative Society	11	24
6	Sir M Visveshwaraiah Credit Cooperative Society	2	3
7	Goorabayi Credit Cooperative Society	25	17
8	Jai Bheem Credit Cooperative Society	31	29
9	Cristian Credit Cooperative Society	17	12
10	Janashakthi Credit Cooperative Society	24	6
11	Sri Jagadguru Panchacharya Credit Cooperative Society	13	25
12	Daivagnya Credit Cooperative Society	6	15
13	Durgigudi Credit Cooperative Society	14	26
14	Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society	7	10
15	Urban Credit Cooperative Society	12	8
16	Barbar's Credit Cooperative Society	20	9
17	Kairali Credit Cooperative Society	22	4
18	Humdard Credit Cooperative Society	16	5
19	Goodwill Credit Cooperative Society	8	19
20	Gayatri Credit Cooperative Society	27	30
21	Bhyraveshwara Credit Cooperative Society	19	21
22	Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society	9	7
23	Sharavati Credit Cooperative Society	5	2
24	Malenadu Mahila Credit Cooperative Society	21	14
25	Sri Varada Credit Cooperative Society	15	13
26	Sri Vasavi Credit Cooperative Society	10	22
27	Sri Mahalakshmi Mahila Credit Cooperative Society	26	20
28	Sri Shantheshwari Mahila Credit Cooperative Society	29	18
29	Sirigandha Mahila Credit Cooperative Society	28	27
30	Mahila Graduates Credit Cooperative Society	30	16
31	Taluk Graduates Credit Cooperative Society	3	28
	<b>Rank Correlation Co efficient</b>	0.226605	

### 3. Savings Deposit

Sl No.	Primary Credit Cooperative Society	Savings Deposit	
		Mean Rank	CV Rank
1	Arya Vaishya Sri Rama Credit Cooperative Society	5	8
2	Sri Kalikaparameshwari Credit Cooperative Society	6	7
3	Kshatriyamaratha Credit Cooperative Society	20	1
4	Malenadu Credit Cooperative Society	8	14
5	Brahmashri Narayanaguru Credit Cooperative Society	13	13
6	Sir M Visveshwaraiah Credit Cooperative Society	2	10
7	Goorabayi Credit Cooperative Society	27	15
8	Jai Bheem Credit Cooperative Society	23	17
9	Cristian Credit Cooperative Society	19	20
10	Janashakthi Credit Cooperative Society	14	16
11	Sri Jagadguru Panchacharya Credit Cooperative Society	12	18
12	Daivagnya Credit Cooperative Society	3	4
13	Durgigudi Credit Cooperative Society	15	6
14	Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society	17	11
15	Urban Credit Cooperative Society	7	9
16	Barbar's Credit Cooperative Society	1	22
17	Kairali Credit Cooperative Society	31	24
18	Humdard Credit Cooperative Society	22	23
19	Goodwill Credit Cooperative Society	10	2
20	Gayatri Credit Cooperative Society	11	12
21	Bhyraveshwara Credit Cooperative Society	16	5
22	Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society	28	3
23	Sharavati Credit Cooperative Society	25	19
24	Malenadu Mahila Credit Cooperative Society	29	21
25	Sri Varada Credit Cooperative Society	5	8
26	Sri Vasavi Credit Cooperative Society	6	7
27	Sri Mahalakshmi Mahila Credit Cooperative Society	20	1
28	Sri Shantheshwari Mahila Credit Cooperative Society	8	14
29	Sirigandha Mahila Credit Cooperative Society	13	13
30	Mahila Graduates Credit Cooperative Society	2	10
31	Taluk Graduates Credit Cooperative Society	27	15
<b>Rank Correlation Co efficient</b>		<b>0.33517</b>	

#### 4. Advances

Sl No.	Primary Credit Cooperative Society	Advances	
		Mean Rank	CV Rank
1	Arya Vaishya Sri Rama Credit Cooperative Society	3	28
2	Sri Kalikaparameshwari Credit Cooperative Society	1	27
3	Kshatriyamaratha Credit Cooperative Society	17	29
4	Malenadu Credit Cooperative Society	5	25
5	Brahmashri Narayanaguru Credit Cooperative Society	9	17
6	Sir M Visveshwaraiah Credit Cooperative Society	4	14
7	Goorabayi Credit Cooperative Society	24	3
8	Jai Bheem Credit Cooperative Society	31	1
9	Cristian Credit Cooperative Society	21	5
10	Janashakthi Credit Cooperative Society	18	8
11	Sri Jagadguru Panchacharya Credit Cooperative Society	15	24
12	Daivagnya Credit Cooperative Society	7	7
13	Durgigudi Credit Cooperative Society	22	23
14	Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society	2	9
15	Urban Credit Cooperative Society	13	11
16	Barbar's Credit Cooperative Society	16	2
17	Kairali Credit Cooperative Society	20	4
18	Humdard Credit Cooperative Society	8	10
19	Goodwill Credit Cooperative Society	11	12
20	Gayatri Credit Cooperative Society	25	20
21	Bhyraveshwara Credit Cooperative Society	23	18
22	Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society	10	16
23	Sharavati Credit Cooperative Society	6	13
24	Malenadu Mahila Credit Cooperative Society	19	19
25	Sri Varada Credit Cooperative Society	14	21
26	Sri Vasavi Credit Cooperative Society	12	22
27	Sri Mahalakshmi Mahila Credit Cooperative Society	29	15
28	Sri Shantheshwari Mahila Credit Cooperative Society	26	6
29	Sirigandha Mahila Credit Cooperative Society	27	30
30	Mahila Graduates Credit Cooperative Society	30	26
31	Taluk Graduates Credit Cooperative Society	3	28
	<b>Rank Correlation Co efficient</b>	<b>-0.13631</b>	

## 5. Net Profit

Sl No.	Primary Credit Cooperative Society	Net Profit	
		Mean Rank	CV Rank
1	Arya Vaishya Sri Rama Credit Cooperative Society	2	27
2	Sri Kalikaparameshwari Credit Cooperative Society	1	6
3	Kshatriyamaratha Credit Cooperative Society	21	8
4	Malenadu Credit Cooperative Society	4	17
5	Brahmashri Narayanaguru Credit Cooperative Society	8	14
6	Sir M Visveshwaraiah Credit Cooperative Society	5	26
7	Goorabayi Credit Cooperative Society	23	30
8	Jai Bheem Credit Cooperative Society	27	3
9	Cristian Credit Cooperative Society	26	15
10	Janashakthi Credit Cooperative Society	13	18
11	Sri Jagadguru Panchacharya Credit Cooperative Society	18	11
12	Daivagnya Credit Cooperative Society	10	13
13	Durgigudi Credit Cooperative Society	30	4
14	Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society	3	10
15	Urban Credit Cooperative Society	16	19
16	Barbar's Credit Cooperative Society	22	22
17	Kairali Credit Cooperative Society	20	23
18	Humdard Credit Cooperative Society	7	28
19	Goodwill Credit Cooperative Society	9	31
20	Gayatri Credit Cooperative Society	19	20
21	Bhyraveshwara Credit Cooperative Society	14	25
22	Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society	12	16
23	Sharavati Credit Cooperative Society	6	29
24	Malenadu Mahila Credit Cooperative Society	17	12
25	Sri Varada Credit Cooperative Society	15	24
26	Sri Vasavi Credit Cooperative Society	11	21
27	Sri Mahalakshmi Mahila Credit Cooperative Society	29	2
28	Sri Shantheshwari Mahila Credit Cooperative Society	24	9
29	Sirigandha Mahila Credit Cooperative Society	25	7
30	Mahila Graduates Credit Cooperative Society	28	1
31	Taluk Graduates Credit Cooperative Society	2	27
Rank Correlation Co efficient		-0.48183	

## 6. Interest Received

Sl No.	Primary Credit Cooperative Society	Interest Received	
		Mean Rank	CV Rank
1	Arya Vaishya Sri Rama Credit Cooperative Society	3	12
2	Sri Kalikaparameshwari Credit Cooperative Society	1	19
3	Kshatriyamaratha Credit Cooperative Society	17	27
4	Malenadu Credit Cooperative Society	2	29
5	Brahmashri Narayanaguru Credit Cooperative Society	9	18
6	Sir M Visveshwaraiah Credit Cooperative Society	6	17
7	Goorabayi Credit Cooperative Society	24	14
8	Jai Bheem Credit Cooperative Society	30	30
9	Cristian Credit Cooperative Society	21	2
10	Janashakthi Credit Cooperative Society	19	6
11	Sri Jagadguru Panchacharya Credit Cooperative Society	16	24
12	Daivagnya Credit Cooperative Society	7	22
13	Durgigudi Credit Cooperative Society	20	25
14	Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society	5	21
15	Urban Credit Cooperative Society	12	5
16	Barbar's Credit Cooperative Society	15	1
17	Kairali Credit Cooperative Society	23	16
18	Humdard Credit Cooperative Society	10	9
19	Goodwill Credit Cooperative Society	8	8
20	Gayatri Credit Cooperative Society	25	13
21	Bhyraveshwara Credit Cooperative Society	22	11
22	Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society	11	15
23	Sharavati Credit Cooperative Society	4	4
24	Malenadu Mahila Credit Cooperative Society	18	20
25	Sri Varada Credit Cooperative Society	14	10
26	Sri Vasavi Credit Cooperative Society	13	23
27	Sri Mahalakshmi Mahila Credit Cooperative Society	28	7
28	Sri Shantheshwari Mahila Credit Cooperative Society	26	3
29	Sirigandha Mahila Credit Cooperative Society	27	28
30	Mahila Graduates Credit Cooperative Society	29	26
31	Taluk Graduates Credit Cooperative Society	3	12
<b>Rank Correlation Co efficient</b>		<b>0.040712</b>	

## 7. Other Income

Sl No.	Primary Credit Cooperative Society	Other Income	
		Mean Rank	CV Rank
1	Arya Vaishya Sri Rama Credit Cooperative Society	8	25
2	Sri Kalikaparameshwari Credit Cooperative Society	1	4
3	Kshatriyamaratha Credit Cooperative Society	15	23
4	Malenadu Credit Cooperative Society	4	3
5	Brahmashri Narayanaguru Credit Cooperative Society	10	6
6	Sir M Visveshwaraiah Credit Cooperative Society	5	22
7	Goorabayi Credit Cooperative Society	27	17
8	Jai Bheem Credit Cooperative Society	30	30
9	Cristian Credit Cooperative Society	17	7
10	Janashakthi Credit Cooperative Society	18	28
11	Sri Jagadguru Panchacharya Credit Cooperative Society	16	11
12	Daivagnya Credit Cooperative Society	7	8
13	Durgigudi Credit Cooperative Society	3	21
14	Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society	9	10
15	Urban Credit Cooperative Society	12	9
16	Barbar's Credit Cooperative Society	13	12
17	Kairali Credit Cooperative Society	21	1
18	Humdard Credit Cooperative Society	6	19
19	Goodwill Credit Cooperative Society	14	24
20	Gayatri Credit Cooperative Society	23	20
21	Bhyraveshwara Credit Cooperative Society	20	14
22	Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society	11	2
23	Sharavati Credit Cooperative Society	2	13
24	Malenadu Mahila Credit Cooperative Society	25	16
25	Sri Varada Credit Cooperative Society	19	29
26	Sri Vasavi Credit Cooperative Society	22	18
27	Sri Mahalakshmi Mahila Credit Cooperative Society	28	5
28	Sri Shantheshwari Mahila Credit Cooperative Society	24	26
29	Sirigandha Mahila Credit Cooperative Society	26	27
30	Mahila Graduates Credit Cooperative Society	29	15
31	Taluk Graduates Credit Cooperative Society	8	25
<b>Rank Correlation Co efficient</b>		<b>0.294327</b>	

## 8. Fixed Assets

Sl No.	Primary Credit Cooperative Society	Fixed Assets	
		Mean Rank	CV Rank
1	Arya Vaishya Sri Rama Credit Cooperative Society	10	9
2	Sri Kalikaparameshwari Credit Cooperative Society	4	15
3	Kshatriyamaratha Credit Cooperative Society	8	1
4	Malenadu Credit Cooperative Society	27	22
5	Brahmashri Narayanaguru Credit Cooperative Society	2	19
6	Sir M Visveshwaraiah Credit Cooperative Society	29	24
7	Goorabayi Credit Cooperative Society	25	3
8	Jai Bheem Credit Cooperative Society	17	13
9	Cristian Credit Cooperative Society	23	0
10	Janashakthi Credit Cooperative Society	6	17
11	Sri Jagadguru Panchacharya Credit Cooperative Society	19	5
12	Daivagnya Credit Cooperative Society	21	26
13	Durgigudi Credit Cooperative Society	12	7
14	Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society	14	11
15	Urban Credit Cooperative Society	16	12
16	Barbar's Credit Cooperative Society	1	21
17	Kairali Credit Cooperative Society	15	28
18	Humdard Credit Cooperative Society	10	9
19	Goodwill Credit Cooperative Society	4	15
20	Gayatri Credit Cooperative Society	8	1
21	Bhyraveshwara Credit Cooperative Society	27	22
22	Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society	2	19
23	Sharavati Credit Cooperative Society	29	24
24	Malenadu Mahila Credit Cooperative Society	25	3
25	Sri Varada Credit Cooperative Society	17	13
26	Sri Vasavi Credit Cooperative Society	23	0
27	Sri Mahalakshmi Mahila Credit Cooperative Society	6	17
28	Sri Shantheshwari Mahila Credit Cooperative Society	19	5
29	Sirigandha Mahila Credit Cooperative Society	21	26
30	Mahila Graduates Credit Cooperative Society	12	7
31	Taluk Graduates Credit Cooperative Society	10	9
	<b>Rank Correlation Co efficient</b>	<b>0.031022</b>	



## 9. Total Expenses

Sl No.	Primary Credit Cooperative Society	Total Expenses	
		Mean Rank	CV Rank
1	Arya Vaishya Sri Rama Credit Cooperative Society	2	7
2	Sri Kalikaparameshwari Credit Cooperative Society	1	20
3	Kshatriyamaratha Credit Cooperative Society	15	24
4	Malenadu Credit Cooperative Society	8	21
5	Brahmashri Narayanaguru Credit Cooperative Society	12	13
6	Sir M Visveshwaraiah Credit Cooperative Society	5	11
7	Goorabayi Credit Cooperative Society	24	15
8	Jai Bheem Credit Cooperative Society	30	29
9	Cristian Credit Cooperative Society	21	0
10	Janashakthi Credit Cooperative Society	22	18
11	Sri Jagadguru Panchacharya Credit Cooperative Society	20	9
12	Daivagnya Credit Cooperative Society	10	19
13	Durgigudi Credit Cooperative Society	6	28
14	Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society	3	10
15	Urban Credit Cooperative Society	11	22
16	Barbar's Credit Cooperative Society	16	2
17	Kairali Credit Cooperative Society	19	12
18	Humdard Credit Cooperative Society	7	6
19	Goodwill Credit Cooperative Society	9	4
20	Gayatri Credit Cooperative Society	23	14
21	Bhyraveshwara Credit Cooperative Society	25	3
22	Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society	14	23
23	Sharavati Credit Cooperative Society	4	5
24	Malenadu Mahila Credit Cooperative Society	18	16
25	Sri Varada Credit Cooperative Society	13	26
26	Sri Vasavi Credit Cooperative Society	17	17
27	Sri Mahalakshmi Mahila Credit Cooperative Society	26	8
28	Sri Shantheshwari Mahila Credit Cooperative Society	27	25
29	Sirigandha Mahila Credit Cooperative Society	28	27
30	Mahila Graduates Credit Cooperative Society	29	1
31	Taluk Graduates Credit Cooperative Society	2	7
<b>Rank Correlation Co efficient</b>		<b>0.056285</b>	

## 10. Interest on Investment

Sl No.	Primary Credit Cooperative Society	Interest on Investment	
		Mean Rank	CV Rank
1	Arya Vaishya Sri Rama Credit Cooperative Society	3	24
2	Sri Kalikaparameshwari Credit Cooperative Society	2	21
3	Kshatriyamaratha Credit Cooperative Society	17	11
4	Malenadu Credit Cooperative Society	5	10
5	Brahmashri Narayanaguru Credit Cooperative Society	12	13
6	Sir M Visveshwaraiah Credit Cooperative Society	1	19
7	Goorabayi Credit Cooperative Society	21	7
8	Jai Bheem Credit Cooperative Society	26	6
9	Cristian Credit Cooperative Society	23	22
10	Janashakthi Credit Cooperative Society	16	12
11	Sri Jagadguru Panchacharya Credit Cooperative Society	20	17
12	Daivagnya Credit Cooperative Society	14	2
13	Durgigudi Credit Cooperative Society	19	29
14	Sri Ramaseva Bahusara Kshatriya Credit Cooperative Society	4	27
15	Urban Credit Cooperative Society	8	25
16	Barbar's Credit Cooperative Society	11	16
17	Kairali Credit Cooperative Society	18	28
18	Humdard Credit Cooperative Society	13	9
19	Goodwill Credit Cooperative Society	7	23
20	Gayatri Credit Cooperative Society	24	8
21	Bhyraveshwara Credit Cooperative Society	15	18
22	Bhadravathi Town Bahusara Kshatriya Credit Cooperative Society	6	15
23	Sharavati Credit Cooperative Society	22	5
24	Malenadu Mahila Credit Cooperative Society	10	26
25	Sri Varada Credit Cooperative Society	9	20
26	Sri Vasavi Credit Cooperative Society	25	14
27	Sri Mahalakshmi Mahila Credit Cooperative Society	27	1
28	Sri Shantheshwari Mahila Credit Cooperative Society	0	0
29	Sirigandha Mahila Credit Cooperative Society	0	0
30	Mahila Graduates Credit Cooperative Society	28	4
31	Taluk Graduates Credit Cooperative Society	3	24
	<b>Rank Correlation Co efficient</b>	<b>-0.2392</b>	