



A Study on Performance of the Karnataka State Cooperative Agriculture & Rural Development Bank Ltd., Bangalore in women development cell to promote entrepreneurship

Vidya K¹, Ravi N. Kadam²

¹Department of Economics, Kuvempu University, Shankaraghatta, Shimoga, Karnataka, India

²Department of Economics, Karnatak University, Dharwad, Karnataka, India

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Abstract— *The Karnataka State Co-operative Agriculture and Rural Development Bank Limited is the apex bank of all the primary co-operative agriculture and rural development banks in the state. All the PCARD Banks in the state are affiliated to it. The KSCARD Bank provides financial accommodation to the PCARD Banks for their lending operations. In order to quick sanction and disbursement of loans and supervision over the PCARD Banks the KSCARD Bank has opened district level branches. Bank has established Women Development Cell to promote entrepreneurship among women in 2005. The Bank is identifying women borrowers in the rural areas by assigning suitable projects to motivate their self-confidence to lead independent life. Progress made in financing women entrepreneurs women.*

Keywords— *KSCARD Bank, NABARD, PCARD Bank, Women Development Cell, Women entrepreneurs.*

I. INTRODUCTION

India has witnessed a silent revolution evolving from food deficient and import dependent nation during the early nineteen sixties to a global agricultural powerhouse today. India has emerged as the world's largest producer of milk, pulses, jute and spices, and has the world's largest cattle herd (buffaloes). It is the second largest producer of rice, wheat, cotton, sugarcane, tea, groundnut, fruits, vegetables and goat meat. Although the share of agriculture has been declining in overall gross value added (GVA) of India, it continues to grow in absolute terms and employs almost 49 per - 3- 62nd Annual Report 2021-22 cent of the total households. The agriculture sector could withstand the COVID-19 shock and registered an above average real growth of 3.6 per cent in 2020-21, even as the overall economy (real GVA) contracted by 6.2 per cent. In view of concerns about successive waves of COVID-19, many countries have started stockpiling food grains acquired at higher prices, whereas India remains comfortable with

public stocks of cereals at 2.8 times the buffer norms, a record increase in agricultural export of 17.1 per cent in 2020-21 and large increase in procurement of marketed surplus in 2020-21 and 2021-22. For the new fiscal - Sops/allocations or incentives are expected in agri-infrastructure, exports, retail segment, storage facilities in addition to the credit related services and allocations for enhancing their social security conditions. The policy announcements should now be made, considering the need for demand-driven activities. Despite such gains, Indian agriculture faces issues associated with adaptation to climate change disturbances, fragmented landholdings, low farm productivity and high food price volatility, which call for next gene, ration reforms like adoption of environmentally sustainable and climate resistant new farm technology, development of market for land consolidation and improvement in postharvest practices.

Farmers in India are resource poor who depend heavily on borrowings to facilitate production and smoothening of

consumption pattern. With customary uncertainties of farming under rained conditions, increasing indebtedness of farmers at exploitative interest rates has been a continuous characteristic of Indian agriculture. Institutional credit was virtually absent till the end of 19th Century though farmers occasionally were given loans by the government, especially during drought years. The idea of forming Cooperative Societies to give loans to farmers came only in the beginning of 20th Century. This thinking finally resulted in the enactment of Cooperative Societies Act in 1904. Cooperatives gradually became an important source of agricultural credit throughout the country. Rural credit also received continuous attention of the Govt in the early part of 20th Century.

1.1 Co-Operative Long Term Credit Structure – an Overview

At present the structure comprises of 16 SCARDBs of which only 13 are fully functional with a network of 1,744 PCARDBs/branches of SCARDBs at ground level. These banks have a total membership of 1, 10, 84,964 rural households of which 65, 30,812 have outstanding loans. The Total Loans Outstanding and Borrowings Outstanding of these banks as on 31.03.2022 were ₹21341.06 crores and ₹13337.10 crores respectively. Fully functional SCARDBs have total deposits of ₹2257.67 crores as on 31.3.2022 as against ₹2395.51 crores as on 31.3.2021. Their total lending during 2021-22 stood at ₹5440.44 crores as against ₹4990.84 crores during the previous year. Aggregate recoveries were 36.67% (As on 31 March 2022) as against 40.88% last year.

1.3 Long-Term Cooperative Credit Structure

Issues and Challenges in the Long-Term Cooperative Credit Structure (LTCCS) the LTCCS is primarily designed as non-resource based specialized term lending agency. The structure consists of Agriculture and Rural Development institutions are not given license to function as Banks coming under the purview of Banking Regulations Act. Hence they are not allowed to take deposits from public like other Rural Financial Institutions (RFIs). As a result, they are dependent heavily on borrowed funds for advancing loans. Before Independence, Government was the main source of funds for their operations. In 1961, Agriculture Refinance Corporation (ARC) was established to mobilize Long Term resources for the operations of Land Development Banks (LDBs), Development Banks at State and Primary levels.

1.4 Karnataka State Cooperative Agriculture and Rural Development Bank

Karnataka State Cooperative Agriculture and Rural Development Bank was established during 1929. Exploitation of farmers by Private money Lenders was a

challenge at the beginning of the 20th century. The Birth of Mysore State Co-operative Land Mortgage Bank Ltd., in 1929 was one of the important steps in eradication of this social evil. Till 1965, this Bank continued to advance long term loans to Agriculturists for debt redemption and Land improvement. With the establishment of Agriculture Refinance and Development Corporation (ARDC) in 1963, the Bank started changing its policies and since 1965 the Bank has been advancing various types of developmental loans to agriculturists of the State. In conformity with the changed policies the name of the Bank was also changed as Co-op Land Development Bank Ltd. With the constitution of National Bank for Agriculture and Rural Development (NABARD) during 1982, by merging Agriculture Credit Department of RBI and entire undertaking of ARDC for extension of credit for Agricultural and Rural Development activities, the Bank has changed its name as Karnataka State Cooperative Agriculture and Rural Development Bank Ltd.

1.5 Organisational Structure:

There are 178 Taluk Level Primary Co-Operative Agriculture and Rural Development Banks (PCARD Banks) spread over all the 175 taluks in the State of which two PCARDBS are under liquidation. The 25 Branch Offices of the KSCA & RD Bank at District Level are supervising the activities of the PCARD Banks in their jurisdiction. Thus, the Bank is functioning in federal set-up where loaning is made in two tiers. The PCARD Banks are individual autonomous bodies and are members of the KSCARD Bank. The Bank has 5 Associated Members which are the semi State Govt institutions, viz., Karnataka Agro Industries Corporation, Ware Housing Corporation, Karnataka Electricity Board and Command Area Development Authorities of Major Irrigation Projects, Karnataka State Cooperative Marketing Federation Ltd., etc.,

PCARD Banks are Primary Co-operatives where the individuals are core members and the KSCARDB is a federal cooperative where the PCARD Banks are the core members The KSCARDB and each PCARDB are managed by their Board of management consisting of elected directors, Govt nominees and ex-officio directors.

1.6 The Functioning:

The main activity of the Bank is dispensation of Long-term Credit, (investment credit) for Agricultural and Rural Development under schematic lending approved by NABARD for leveling and bunding, fencing, and construction of cattle shed, farm house etc. The lending programmers cover productive purposes like Minor Irrigation, Horticulture and Plantation crops, Farm

Forestry, Waste Land Development, Dairy Development, Piggery, Gobar/Bio-Gas Plants, Sheep rearing, Fish

Culture, Prawn culture, poultry, Sericulture, Bullock and Bullock carts, Farm Mechanization, Integrated loans for Agriculture and Non-agriculture purposes and for the Development of lands under major and Medium Irrigation projects. Non-Farm Sector, Rural Housing, Small Rural Transport Operator (SRTO) Schemes and Mobilization of Deposits for advancing jewel pledge loans, salary loans, mortgage loans and vehicle loans are the new areas covered by the Bank. The Bank has facilitated 78 PCARDBS so far to undertake e-stamping business under a tie up with the Stock Holding Corporation of India Ltd.,

1.7 The Resources:

The main financial sources of the Bank are its Share Capital, Reserves, Deposits and borrowings in the form of refinance from NABARD, State Government and Government of India. The State Government Guarantees the refinance raised from NABARD for payment of principal and interest there on Government guarantee is extended for drawls of cash credit accommodation also for initial lending. During the year 2020-21, the Bank has borrowed Rs. 315.61 Crores under the direct loan system.

II. PERFORMANCE OF LONG-TERM CREDIT STRUCTURE IN THE KARNATAKA FROM 2016-17 TO 2018-19

2.1. Long-term loan:

177 primary Co-operative Agricultural land rural development banks at the taluk level cater to the long-term Credit need in the two tier credit delivery system. The National Bank for Agricultural and Rural Development (NABARD) provides refinance to the Apex bank and KASCARD Bank.

Table 1:

Year	Long-term Target	Achievement	Total Target	Achievement	%
2016-17	600.00	440.41	12600.00	11902.19	94.46
2017-18	500.00	198.27	13500.00	11618.88	86.06
2018-19	423.26	283.77	13423.26	11350.52	84.56

2.2. Recovery loans

The position of recovery long-term loans under the Cooperative credit system in the state for the years from 2016-17 to 2018-19 is presented in the following table

Table 2:

Years	Long-term loan (Rs. in crores)			
	Demand	Collection	Balance	Recovery
2016-17	638.07	258.41	379.66	37.00%
2017-18	852.33	429.71	422.62	50.42%
2018-19	843.28	326.36	516.92	38.70%

2.3. Women Development Cell:

Bank has established Women Development Cell to promote entrepreneurship among women. The Bank is identifying women borrowers in the rural areas by assigning suitable projects to motivate their self-confidence to lead independent life. Progress made in financing women entrepreneurs during the last fourteen years is as follows.

Table 3:

Year	No. of accounts	Amount Disbursed	Percentage to Total disbursement
2006-07	6907	37,59	14.98%
2007-08	4170	31.31	14.88%
2008-09	3988	27.21	15.32%
2009-10	3112	26.11	14.23%
2010-11	2994	29.81	13.94%
2011-12	2845	29.11	13.94%
2012-13	2927	29.81	13.69%

2013-14	3765	34.47	15.27%
2014-15	4558	52.16	15.67%
2015-16	2968	45.33	17.17%
2016-17	5216	76.16	26.19%
2017-18	1928	33.52	16.88%
2018-19	2658	37.96	16.24%
2019-20	2579	64.75	15.24%

2.4. Special Attention to Weaker -Section:

The Table-3 explains in 2006-07 number of accounts was 6907 and 37.59cr and its increases 2014-2015 and 2016-2017 but in 2017 to 2018-19 its decreases. In number of accounts constantly decreasing trend. Almost every scheme implemented by the Bank for the upliftment of vulnerable sections of the society, namely small holders, scheduled caste and scheduled tribe farmers, in particular. Many of the schemes like Dairy, Piggery, Bullock and Bullock-Carts, Sheep/goat rearing are beneficial for such farmers.

2.5. Significance of the study

The Karnataka state cooperative agriculture rural development bank ltd, Bangalore play an important role in development of agriculture sector of Karnataka. This study in mainly concentrated to role of KSCARDB in the development of agriculture sector in Karnataka and major past this article related to performance of loans, disbursement and specially women development cell in encourage the women entrepreneurship in Karnataka.

III. OBJECTIVES

The study has done with the following objectives,

- To study the origin of KASCARDB in Karnataka.
- The study the performance of the KASCARDB of the Karnataka.

- To study performance of Women Development Cell to promote entrepreneurship among women in KASCARD in Bangalore.

IV. LIMITATION OF THE STUDY

The area covered by the study is confined to Karnataka. KASCARD Bangalore, financial performance information is relevant for area alone.

V. METHODOLOGY

The geographical area of the present study is restricted to Bangalore KASCARD in Karnataka state. The study is mainly based in secondary data. Secondary data was collected from, Karnataka State Cooperative Agriculture and Rural Development bank (KASCARD) Bangalore and sources of secondary data are bank journals, annual reports, brochure and their online resources like web sites.

As a backdrop to the analysis of performance of PLD banks, an attempt also made to analyze status and performance of Karnataka Cooperative Agriculture Rural Development Bank. The following Table 4 and followed by analysis is related to Cooperative Agriculture Rural Development Bank and its performance in Karnataka.

Table 4 Performance of the Karnataka State Co-Operative Agriculture Rural Development Bank (Rs. in Lakhs)

Year	Demand	Recovery	Overdue	% Recovery	Loss	NPA
2002-03	50833.27	9291.41	41541.86	18.28	13.22	22.7
2003-04	53842.8	9335.36	44507.44	17.34	0	18.9
2004-05	81248.04	11750.91	69497.13	14.46	16.7	13.8
2005-06	105161.4	66717	38444.36	63.44	3.78	19.9
2006-07	64185.55	30215.42	33970.13	47.08	8.76	16.8
2007-08	62459.17	24029.3	38429.87	38.47	9.99	19.9
2008-09	68819.82	29934.19	38885.63	43.5	78.45	34.8

2009-10	67888.22	26765.68	41122.54	39.43	8.98	19.8
2010-11	72858.07	38248.5	34609.57	52.5	12.7	15.8
2011-12	64870.75	37108.04	27762.71	57.2	9.69	19.98
2012-13	60040.63	31364.25	28676.38	52.24	4.18	20.42
2013-14	68836.67	45114.79	23721.88	65.54	4.18	20.43
2014-15	65035.33	40321.99	24713.34	62	0	20.6
2015-16	62498.16	42206.2	20291.96	67.53	0	18.9
2016-17	68322.66	34791.08	34788.55	50.92	0	13.35
2017-18	86587.66	47654.76	38932.9	55.04	44.84	19.33
2018-19	87064.94	37786.73	49278.21	43.39	119.3	24.61
2019-20	99882.25	39994.2	29888.05	40.04	281.64	22.9
2020-21	114769.4	79869.39	34900.03	69.59	197.26	21.48
2021-22	75336.58	30431.98	44904.6	40.39	178.9	16.9
Average	74027.07	35646.56	36943.36	46.919	49.6285	20.065
CAGR	1.801	6.251	-1.48	4.450	17.217	0.12
SE	0.007	0.017	0.011	0.014	0.046	0.008
t-value	2.42	3.662	-1.398	3.013	3.738	0.146
P-value	0.026	0.002	0.179	0.008	0.002	0.885

Source: The performance of the Karnataka State Co-Operative Agriculture Rural Development Bank

The performance of the Karnataka State Co-Operative Agriculture Rural Development Bank has presented in the above table. It is found that during the period 2002-03 to 2021-22 the average demand for loan was 74027.07 lakh and it has been significantly increased by 1.80 percent as the t-test is significant at five percent level. The average recovery was Rs. 35646.56 lakh and it has been significantly increased by 6.25 percent as the t-test is significant at one percent level. The average overdue 36943.36 lakh percent and it has been randomly decreased by 1.48 percent as the t-test is not significant. The loan recovery was 46.91 average percent and it has been definitely increased by 4.45 percent as the t-test is significant at percent level. The average loss of asset was Rs. 49.62 lakh and it has been definitely increased by 17.21 percent as the t-test is significant at one percent level. The average N.P.A was Rs. 20.06 lakh and it has been randomly increased by 0.12 percent as the t-test is not significant.

It is found from the above analysis that the variables like, overdue has shown negative trend. Demand, recovery, percentage of recovery, loss of asset and N.P.A are shown growth. At the same time, Demand, recovery, percentage of recovery and loss asset are significantly increased.

The overall assessment indicated that, the financial performance of the Karnataka State Co-Operative Agriculture Rural Development Bank is impressive as demand and recovery and percentage of recovery are positively increasing and overdue are decreasing; at the same time, the loss of asset and N.P.A are also increasing is not healthy sign of the bank. The necessary financial measurements could improve the financial status of the Bank.

VI. FINDINGS

It is found from the above analysis that the variables like, overdue has shown negative trend. Demand, recovery, percentage of recovery, loss of asset and N.P.A are shown growth. At the same time, Demand, recovery, percentage of recovery and loss asset are significantly increased. Overall assessment the financial performance of the Karnataka State Co-Operative Agriculture Rural Development Bank is impressive as demand and recovery and percentage Bank has established Women Development Cell to promote entrepreneurship among women. The Bank is identifying women borrowers in the rural areas by assigning suitable projects to motivate their self-confidence to lead independent life. Progress made in financing women entrepreneurs during the last fourteen

years of recovery are positively increasing and overdue are decreasing.

VII. CONCLUSION

It is observed that, the overall assessment the financial performance of the Karnataka State Co-Operative Agriculture Rural Development Bank is impressive as demand and recovery and percentage of recovery are positively increasing and overdues are decreasing; at the same time, . The necessary financial measurements could improve the financial status of the Bank. Karnataka State Co-Operative Agriculture Rural Development Bank is impressive as demand and recovery and percentage Bank has established Women Development Cell to promote entrepreneurship among women and motivate their self-confidence to lead independent life.

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