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B.Com Honours | Semester V | Calicut University

COOPERATIVE THEORY AND PRACTICE

Course Code: COM5EJ305 • Module 3 Notes

Module III: Cooperative Credit Structure in India & NABARD

Covers Urban Cooperative Banks, 3-tier short-term rural credit architecture, long-term land development credit institutions, and NABARD refinancing support.

Unit 7: Urban Cooperative Banks (UCBs) – Role & Governance

Primary cooperative banks operating in urban/semi-urban areas. Dual control: Banking regulation by RBI & administrative governance by Registrar of Cooperative Societies (RCS).

Unit 8: Short-Term Rural Cooperative Credit System (PACS, CCB, StCB)

3-Tier Federated Pyramidal Structure:
1. Primary Tier: Primary Agricultural Credit Societies (PACS) at Village level (direct crop loan lending to farmers).
2. Intermediate Tier: Central Cooperative Banks (CCBs / DCCBs) at District level.
3. Apex Tier: State Cooperative Bank (StCB) at State level.

Unit 9: Long-Term Cooperative Credit Structure (PCARDBs & SCARDBs)

Provides medium and long-term agricultural loans for land development, tractor purchase, and farm machinery. Primary Agricultural & Rural Development Banks (PCARDBs) at block level & State (SCARDBs) at apex.

Unit 10: National Bank for Agriculture & Rural Development (NABARD)

Apex rural development bank established in 1982 (B. Sivaraman Committee). Functions: Institutional credit refinancing, Rural Infrastructure Development Fund (RIDF), supervision of RRBs and Cooperatives, and SHG-Bank Linkage Program.

Practical Case Framework (Short-Term Rural Cooperative Credit Structure Matrix): Map the 3 tier levels, target operational area, primary customer base, and refinancing links.

Short-Term Rural Cooperative Credit 3-Tier Structure Table:

Tier Level	Institutional Name	Operational Area & Target Members	Primary Credit Function
Primary Level (Village)	Primary Agricultural Credit Societies (PACS)	Individual Farmers & Village Artisans	Short-term crop loans & agricultural inputs supply
Central Level (District)	District Central Cooperative Banks (DCCBs)	PACS & Affiliated Co-ops in District	Financing PACS & accepting public deposits
Apex Level (State)	State Cooperative Bank (StCB / Apex Bank)	Entire State / District Central Co-op Banks	Channeling NABARD refinance funds to DCCBs