



**DRAFT MANUAL /GUIDELINES ON DEPOSIT TAKING
PRIMARY AGRICULTURAL CREDIT SOCIETIES (PACS)
IN THE STATE OF MIZORAM**

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Foreword

Cooperatives as an institution in India are more than a century old. With more than ninety thousand grass root level cooperatives and 12 crore members, their presence is substantial in terms of outreach. Notwithstanding, impressive gains made by cooperatives in terms of their rural outreach and coverage of farmers, their financial health has been a matter of concern. The co-operative movement started in the State of Mizoram, when Mizoram was a district of the state of Assam. Short term Cooperatives credit system in Mizoram follow a two tier structure with 'The Mizoram Cooperative Apex Bank (MCAB)' at the state level and 136 PACS operating in 830 villages in Mizoram. As the banking network is not very good, there are immense possibilities and scope for PACS acting as mini bank.

National Bank for Agriculture and Rural Development (NABARD) has launched Primary Agricultural Cooperative Societies (PACS) Development Cell (PDC) scheme to diversify the business portfolio of Cooperative Banks. In the coming days, the viable PACS would be computerized and linked to the Core Banking Solutions (CBS) of the Apex Cooperative Bank. In Mizoram, the Societies are mobilizing resources by way of deposits and using these deposits for Agri-lending and investments.

The contents of this Manual are designed to provide guidelines for regulation of deposits being taken by Primary Agricultural Credit Societies (PACS) in Mizoram. This Manual have taken into account the observations from the field and individual feedbacks from different stakeholders. The Manual has highlighted the issues related to deposit taking PACS in Mizoram based on socio geographical uniqueness of the State. The manual contains the draft guidelines which need to be accepted and formalised by the RCS in Mizoram to strengthen the PACS operations. This manual also provides a base to PACS for implementation of Structured Common Accounting System, Audit, Management Information System (MIS) and Supervision System in respect of deposits.

I hope the suggested systems in the Manual would be useful to strengthen PACS in Mizoram. This manual would also provide a base for users and policy makers for the overall development of PACS and Cooperatives in the state.

I do appreciate the efforts of NABARD, Mizoram Regional Office, for highlighting such important issue and sponsoring the study to C-PEC, BIRD and also congratulate the study team for designing the manual for 'Deposit taking PACS in the state of Mizoram'.

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General Disclaimer

The contents of this manual are designed to provide guidelines for regulation of deposit taking by Primary Agricultural Credit Societies [PACS] in Mizoram. The structure of the Manual consist of three parts mainly:

1. The status of deposit taking PACS in Mizoram and special Consideration based on socio geographical uniqueness of the State of Mizoram
2. The draft guidelines which need to be accepted and formalised by the RCS Office in Mizoram
3. Structured Common Accounting, Audit, Management Information System [MIS] and Supervision System in respect of the deposit accepting PACS. These are mandatory as per Relevant NABARD instructions issued from time to time.

Manual have taken into account the observations from the field and individual comments of the different stakeholders.

The readers are advised to learn and tailor the information contained herein to suit their individual needs based on the very specific and unique needs arising out of the cooperative legislation. Efforts have been made to make this manual as comprehensive and useful as it should be therefore, the readers of this manual are advised to use this manual as a tool for general guidance.

The teams associated with the production of this manual shall have neither liability nor responsibility to any person or entity with respect to any loss or damage caused, or alleged to have been caused, directly or indirectly, by the information contained

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