

CHAPTER III

Profile of Self Help Groups and Study area

3.1 Profile of SHGs

3.1.1 Introduction

Self help groups (SHGs) are small groups of poor people. The member of an SHG faces similar problems. They help each other, to solve their problem. SHGs promote small savings among their members. The savings are kept with the bank. This is the common fund in the name of the SHG.

The SHG give small loans to its members from its common fund. After six months, if the SHG satisfies the Bank as per the check list for quality, Bank can give loans to the SHG.

3.1.2 Specific information on SHGs

Type of families to be visited for forming SHGs

1. Does the family have only one earning member?
2. Does the family bring drinking water from far away place?
3. Are the women compelled to go far in the open in the absence of latrine?
4. Are there old illiterate members in the family?
5. Are there permanently ill members in the family?
6. Are there children in the family who do not go to school?
7. Is there a drug addict or a drunkard in the family?
8. Is their house made of kuccha material?
9. Do they regularly borrow from the money lender?
10. Do they eat less than two meals a day?
11. Do they belong to scheduled castes or scheduled tribes?

If YES is the answer for three or four of these questions, it is considered that the family is poor.

Reasons for mutual affinities among members are:

- ❖ Similar experience of poverty
- ❖ Similar living conditions
- ❖ Same kind of livelihood
- ❖ Same community or caste
- ❖ Some place of origin.

Parties helping to form SHGs

A reasonably educated and helpful local person has to initially help poor people to form groups. He or she tells them about the benefits of thrift and the advantages of forming groups. The person is called an 'animator' or 'facilitator'.

Usually, the animator is a person who is a well known person in a particular area.

Any of the following people can be a successful animator

- ❖ Retired school teacher or a retired government servant, who is well known locally.
- ❖ A health worker/ a field officer/staff of a development agency or department of a State Government.
- ❖ The field officer or a staff member of a commercial bank/RRB or a field staff from the local Co-operative bank or society can also help the poor in forming groups.
- ❖ A field level functionary of an NGO
- ❖ An unemployed educated local person, having an inclination to

help others.

- ❖ A member /participant in Vikas Volunteer Vahini (VVV) Program of NABARD.
- ❖ Women animators can play more effective role in organizing women SHGs.

The animator cannot organise the groups all alone. He or she will need guidance, training, reading material etc.

Usually, one of the following agencies help:

- a) A voluntary agency or Non Governmental Organisation (NGO)
- b) The development department of State Government.
- c) The local branch of a bank.

Functions of animator

- ❖ The animator talks to people in village or their homes.
- ❖ He or she explains the benefits of thrift and group formation
- ❖ No promise of bank loan is given to any one.
- ❖ He or she helps the group members to hold one or two initial meetings
- ❖ The group finds a group leader, for holding meetings, keeping books etc.
- ❖ The animator guides and encourages the leader and the group members.

Size of the SHG

- ❖ The ideal size of an SHG is 10 to 20 members (Advantage: In a bigger group, members cannot actively participate. Also legally it is required that an informal group should not have more than 20 members)
- ❖ The group need not be registered.

Membership

- ❖ From one family, only one person can become a member of an SHG. (more families can join SHGs this way)
- ❖ The group normally consists of either only men or only women. Mixed groups are generally not preferred.
- ❖ Women's groups are generally found to perform better. (They are better in savings and they usually ensure proper use of loans)
- ❖ Member should have the same social and financial background.
(Advantage: This makes it easier for the members to interact freely with each other. If members are both from rich as well as poor class, the poor may hardly get an opportunity to express themselves).

Some Common Factors for Membership in a SHG

- ❖ Women / men from very poor households.
- ❖ Those who depend on money lenders even for daily necessities.
- ❖ Those with a per capita income not exceeding Rs.250/- per month.
- ❖ Those having dry land holding not exceeding 2.5 acres.

Meetings

- ❖ The group should meet regularly. Ideally the meetings should be weekly or at least monthly. (Advantage: They become closer, if they meet regularly. This help them to understand each other's difficulties better)
- ❖ Full attendance in all the group meetings will make it easy for the SHG to stabilise and start working to the satisfaction of all.
- ❖ Membership register, minutes register etc., are to be kept upto date by the group by making the entries regularly. (Advantage: This helps to know about the SHG easily. It also helps to build trust among the SHG member)

Maintaining of Accounts by the SHG

- ❖ Simple and clear books for all transactions to be maintained.
- ❖ If no member is able to maintain the books, the SHG may take outside help. (It has been seen that a boy or girl from the village with some educational qualification does this job enthusiastically. After some months, the group can even consider giving him or her a small reward for his job)
- ❖ Animator can also help.
- ❖ All registers and account books should be written during the course of the meeting. (This creates confidence in the minds of member who are unable to read and write)

Books to be maintained by a SHG

i) Minutes Book

The proceeding of meetings, the rules of the group, names of the member etc., are recorded in this book.

ii) Savings and loan Register

- ❖ Shows the savings of members separately and of the group as a whole.
- ❖ Details of individual loans, repayments, interest collected, balance etc are entered here.

iii) Weekly/ fortnightly /monthly register

Summary of receipts and payments are updated in every meeting and are entered in Weekly/ Fortnightly /Monthly Register.

iv) Member's Pass book

Individual member's pass books in which individual's savings and loan balance outstanding is regularly entered (This encourages regular savings.)

Group Maintenance Fund

To supplement the group fund, an amount of Rs.15 per member is to be collected initially on group formation which will be in addition to the group savings. This will cover the cost of stationary, rubber stamp, register, postage etc. After six months another one time collection of Rs.10 is also to be made.

The members of the group also contribute a minimum of the group of rupees two per month per member as Group Maintenance Fund. This could be utilised for certain minor purpose like travel allowance for bank visits, purchase of stationary etc.

The amount collected for group maintenance may vary from group to group or from NGO to NGO. The amount is collected according to the instructions given by NGO's.

Major functions of a SHG

a) Savings and thrift:

- ❖ All SHG members regularly save a small amount. The amount may be small, but savings have to be a regular and continuous habit with all the members.
- ❖ ‘Savings first - credit later’ should be the motto of every SHG member.
- ❖ SHG members take a step towards self-dependence when they start small savings. They learn financial discipline through savings and internal lending (Advantage : This is useful when they use bank loans)

b) Internal lending

- ❖ The SHG should use the savings amount for giving loans to members.
- ❖ The purpose, amount, rate of interest, schedule of repayment etc, are to be decided by the group itself.
- ❖ Proper accounts to be kept by the SHG.

c) Discussing Problems

In every meeting, the SHG should be encouraged to discuss and try to find solutions to the problem faced by the members of the group. Individually, the poor people are weak and lack resources to solve their problems. When the group tries to help its members, it becomes easier for them to face the difficulties and come up with solutions.

d) Taking Bank Loan

The SHG takes loan from the bank and gives it as loan to its members.

3.1.3 Linking of SHG to Bank

Soon after an SHG is formed and one or two meetings held where the savings are collected, a savings bank account can be opened in the name of the SHG.

The following steps will explain how this can be done.

Step 1: Opening of SB account for the SHG

- ❖ The Reserve Bank of India has issued instructions, permitting banks to open SB account of SHGs.
- ❖ SB account in the name of SHG could be opened after obtaining from the group of the following documents.

a) Resolution from the SHG

The SHG has to pass resolution in the group meeting, signed by all members, indicating their decision to open SB account with the Bank. This resolution should be filed with the Bank.

b) Authorisation from the SHG

The SHG should authorise at least three members, any two of whom, to jointly operate upon their account. The resolution along with the filled in application form duly introduced by the promoter may be filed with the Bank Branch.

c) Copy of the rules and regulation of the SHG

This is not a must. If the group has not formulated any such rules or regulations loans can be sanctioned without them.

A savings bank account pass book may be issued to the SHG. This should be in the name of the SHG and not in the name of any individual / s.

Step 2: Conduct of internal lending by SHGs

- ❖ After savings for a minimum period of two and three months, the common savings fund should be used by the SHG for lending to its own members.
- ❖ The purpose, terms and conditions for lending to its members, rate of interest etc., may be decided by the group through discussion during its meeting. RBI and NABARD have permitted the members to decide on these aspects. The interest is usually kept as two or three rupees per hundred rupees per month. The interest per month is better understood in villages than annual interest.
- ❖ Simple and clear books of account of savings and lending should be kept by the SHG.

Step 3: Assessment of SHGs

Table No. 3.1

Assessing of Self Help Groups under SHG bank linkage programme

S.No.	Category	Indicators	Rating
1.	Number of members	Less than 10	02
		Between 10-15	03
		From 16 to 20	05
2.	Composition	Target group only	05
		Having 1 to 5 target group members	03
		Having more than 5 non - target group members	01
3.	Age of SHG	more than 2 years	10
		1 to 2 years	07
		6 months to 1 year	05
4.	Monthly meetings during last 6 months	Four and above	05
		Two to three	03
5.	Attendance of members in group meetings	more than 90%	10
		70 % to 90%	05
		less than 70%	02
6.	Participation of members at group meetings(Should be ascertained through interview)	High	05
		Medium	03
		Low	02

7.	Savings : a) Regularity	If default rate is upto 10% upto 25% upto 50% but default is met during succeeding months	10 07 05
	b) Quantum of savings (through members only)	More than Rs.5,000 Rs.2,000 to Rs.5000 Below Rs.2000	10 07 05
8	Group's Internal Loaning a) Utilisation of savings by internal loans	above 90% 51% to 90 % 30% to 50%	10 07 05
	b) Interest rate on group's internal loan	Depending upon purpose 18% to 30% Less than 18%	05 03 02
	c) Group's internal Loan recovery rate	100% Between 80 % to 95% Between 70% to 80%	10 07 05
	d) Members benefited out of group's internal loaning	More than 50% Between 25 % to 50% Less than 25 %	05 03 02
	9.	Awareness among members, knowledge of SHG rules, functions, procedure of meetings, maintenance of books and records etc.	Known to all known to 50% more Known to less than 50%

10.	Education Level	If 25% or more members read, write, speak and sign	05	
		Read and sign	03	
		Sign only	02	
11.	Rotation of group leaders	Once in 2 years	03	
		Between 1 to 2 years	04	
		Every year	05	
12.	Maintenance of books and records		without outside assistance	with outside assistance
		a) Attendance	1	1
		b) Minute Book	4	2
		c) Loan Ledger	4	2
		d) Savings Ledger	4	2
		e) Internal Pass book	2	1

Source: Banking with Self Help Groups, How and why? – NABARD.

Selection Criteria of SHG for Linkage

Scoring

Status for Selection

1. SHG scoring more than 90 points - Selection without any reservation
2. SHG scoring 60 - 89 points - Selection with caution
3. SHG scoring less than 60 points - Not suitable for linkage

The bank has to know whether the SHG has been functioning well. They need the information, before deciding on extending credit facilities to the SHG.

Step 4: Sanction of credit facility to the SHG

- ❖ The loan is always sanctioned and issued in the name of the group and not in the name of individual members.
- ❖ The amount of loan to the SHG can be to the tune of one to four times of its savings [The ratio depends upon the SHG's health]
- ❖ The savings of the group constitutes :
 - i) The group's balance in the SB Account
 - ii) Amount held as cash with the authorised persons
 - iii) Amount internally lent amongst the members.
 - iv) Amount received as interest on the loans
 - v) Any other contributions received by the group like grants, donation etc.
- ❖ Loans may be granted by the SHG for various purposes to its members. The bank does not decide the purposes for which the SHG gives loans to its members. The purpose can be emergency needs like illness in the family, marriage etc., or buying of assets for income generation, acquisition of asset. The group will discuss and decide about the purpose for which loans are to be given to its individual members by the SHG.
- ❖ The SHG makes the repayment to the bank for the loan borrowed from the bank. The group is collectively responsible for repayment of the loan.
- ❖ RBI / NABARD rules stipulates that no collateral security should be taken from SHGs. Collateral Security is not necessary for the loans sanctioned to SHGs because
 - i) The members of SHG know that the bank loan is their own money like savings.

- ii) They are aware that they are jointly responsible for the repayment
 - iii) Therefore they exert moral pressure on the borrowing members for repayment.
 - iv) Because of this, the bank gets a much better repayment from the SHG
- ❖ The bank cannot hold the SB account balance as a security because this will prevent the SHG from lending from its internal savings.
 - ❖ The RBI has allowed the banks freedom to decide on the interest rates to be charged to the SHGs. The bank will receive instruction from the controlling office in this regard.
 - ❖ The rate of interest to be charged by the group to its members should be left to the group. This is usually two or three rupees per hundred rupees per month.

List of Documents to be filed with the bank for lending to SHGs

1. Inter-se Agreement to be executed by all the members of the self help group. This is an agreement by the members with bank, authorising a minimum of three members to operate the group's account with the bank.
2. Application to be submitted by the SHG to bank branch while applying for loan assistance. This includes details of the purpose for which the SHG gives loan to its members.
3. Articles of Agreement for use by the bank while financing SHGs. This contains the duly stamped agreement between the bank and the SHG where in both the parties agree to abide by the terms and condition set thereon.

The authorised functionary of the SHG withdraws money from the bank by way of cash or cheque. The loan amount is handed over to the individual borrowers in the group's meeting.

Step 5: Repayment of loan by the SHG

A repayment schedule is drawn up with the SHG, and the loan is to be repaid regularly. Small and frequent instalments will be better than large instalments covering a long period.

Defaults

The group using their collective authority discourages defaults. Every member is made to realise that the money belongs not only to him/her, but also to the other members of the Group.

The group members are collectively responsible for the repayment of loans to the bank. It has been the experience of bankers who lend to SHGs that the repayments from SHGs are far better when compared to individual accounts.

3.1.4 Advantages of Banking with SHGs (to banks)

❖ Transaction costs are reduced

Only one SB account is required for a 20 member group. If 100 SHGs have SB accounts in the branch, the branch is servicing 2000 customers through just 100 accounts

❖ Increase in the deposit base

Though the amounts are very small, it pays to have such small savings with the bank. Over a period of time, the bank will find that SHG financing will become big business. Little drop of water makes the ocean.

❖ **Very little cost for appraisal and monitoring of the loan**

The moral authority of the group members on the borrowing member is an effective means of control over both proper utilisation and repayment of loan amount.

❖ **Increase in the social base in rural area**

Through banking with the SHG, the branch will get social recognition and command goodwill of people. This will also help in developing the business with development of the village

❖ **Simple documentation / procedure**

The procedure for lending to SHG is very simple. There is no need to collect lot of documents from the group.

❖ **Group (peer) pressure is effective**

Peer pressure makes the members of the group to repay the loan regularly. Naturally, the bank's NPA will be reduced.

❖ **High repayment rate**

The repayment rate is very high when the loan given to SHGs is compared with other loans lent. So, it is safe for the bank to provide loan to SHGs.

❖ **Easy credit delivery to poor**

Lending to SHGs helps the poor who are in need and the credit reaches them easily through NGOs who act as non - financial intermediary.

3.1.5 Lending Procedures

Fixing of Credit Limit and Lending Norms

Credit Limits

Based on the rating of group done jointly by NGOs, Project Implementation Unit (PIU) and Banks, the following credit limits may be sanctioned by the bank to the SHG.

1. The SHG will be sanctioned a term loan (direct linkage) or revolving credit to the tune of not less than 1: 4 savings: credit limit ratio.

2. To start with, the first loan may be given to an extent of not more than four times of savings. After evaluating the performance of group in the long run, subsequent credit limits may be given at more than 1:4 ratios also. It may be scaled up to 1:15 or even more in stages in subsequent loans. This is left to the discretion of the concerned Branch Manager whose decision is final.

3. The discretion of fixing a higher credit limit exceeding 4 times of savings to a group with outstanding performance is given to the joint appraisal committee, represented by Bank, NGO and PIU.

Lending Norms

1. Lending powers:

It is left to the discretion of individual Banks. This will facilitate quick processing of credit proposals.

2. Purpose of credit:

The purpose of loan is left to the discretion of group. Banker/ NGO/PIU shall not compel the group to utilise loan provided for any particular purpose. If the loan is obtained under direct linkage, it may be one for any consumption purpose of members. Number of members to whom the loan is to be distributed is also left to group's decision. Experience shows that, initially groups require more loans for consumption. As groups

grow, consumption needs decline and more credit will be required for productive purposes.

Loans obtained by the group for common economic activity of the group must be utilised for the joint economic activity carried by the group (Ex. To run STD Booths, Internet centers, to rear animals etc.,) for loans obtained for economic activity 50 percent subsidy is given by the Government.

Groups must be motivated to use credit mainly for productive purpose, as consumption loans do not generate any income to repay the loan due. Besides groups must be encouraged to issue loans to as many poorest and most needy members as possible, on priority basis.

Type of Loan

Term Loan:

Since most members will utilise the SHG loan for rural farm and non-farm activities, which generate income at regular intervals, loans can be sanctioned as term loans. Banks may consider sanction of a second or subsequent loan to SHGs in consultation with the NGO, PIU based on performance and prompt repayment of the earlier loan.

Revolving Credit:

SHG can receive revolving credit also from banks. Revolving credit is a running account like a cash credit. Revolving credit will avoid opening of many loan account in the name of same group in the long run. More the turnover (by way of larger and frequent credit) in the account, higher will be the total loans availed by SHG from the

account, by way of any number of withdrawals by the SHG to meet members loan needs up to the limit sanctioned. The limit will be reviewed, every year. Based on the performance of revolving credit account and functioning of SHG, renewal or enhancement of limit can be considered by bank, in consultation with NGO and PIU at the end of every year. For fixing enhanced limits at the beginning of the second year, the group savings, as on last day of first year, should be considered as the base. The option of sanctioning term loan or revolving credit is given to SHG and bank. Hence, revolving credit may be sanctioned to SHGs performing well, very selectively.

Margin:

No margin is necessary, irrespective of loan amount. Group savings should not be blocked for meeting the margin money.

Rate of Interest:

The Reserve Bank of India has allowed the banks freedom to decide on the interest rates to be charged to the SHGs. But for the internal lending (i.e. loan given to SHG members from their savings) the interest rate is fixed by the SHG itself.

Security:

All group members are jointly and severally responsible for prompt repayment of loans. No collateral security is considered upon. Under no circumstances, group savings should be blocked as security.

Mode of Disbursement:

Loan will be released in one lump sum or in stages, as requested by group to the credit of group's saving account. As per group's resolution, group will draw the amount and sanction loans to needy members.

Repayment Period

Term loan:

No fixed repayment period can be prescribed. Repayment period may be decided by and SHG jointly. The repayment schedule and installment sizes may preferably take into account the seasonality of earnings of SHG members and be reasonable.

Revolving Credit:

It will be allowed to continue as running account. However, the turnover in the account, (Credit summations during the year) should not be less than the limit sanctioned. At the end of every year, the account has to be reviewed and renewed by the bank after studying the group's performance and suitable limit sanctioned.

3.1.6 Non - Governmental Organisation

1. Non- Governmental organisation is an organisation which helps the people to form Self - Help Groups. They are to be registered under Public Trust Act or Co-Operative Societies Act. They approach the people and talk with them to form self - help Groups.

The affairs of the NGO must be submitted to the authority under which it is registered and its accounts are to be audited.

3.1.7 Micro - Finance Institutions

Micro Finance Institutions are institutions which provide credit directly to the SHG's. The difference between bank's and the MFI's is while bank accept deposits from general public, MFIs can accept deposits only from the SHGs they finance. Even an NGO can be a MFI. Any individual can also act as MFI. But the lending should be at micro level.

If an NGO is acting as MFI, it should get registered itself as MFI's also.

1. MFI's must be registered under Section 25 of the Companies Act.
2. NGO's acting as MFI's must be registered under Societies / Public trust Act as MFI's also.
3. Co- operative MFI's must be registered under Mutually Aided Societies Act.
4. Non- Banking MFI's under Companies Act 1956 and Section 45 of RBI ACT 1934.

3.1.8 Types of credit

Direct Credit (Consumption loan)

It is a consumption loan sanctioned to a SHG initially based on their savings. It is strictly a consumption loan sanctioned to a group and the group can share among them according to their members' priority. It can be shared by all or between some members on priority basis. It should not be utilised for common economic activity of the group.

Revolving Fund

Revolving fund is a type of loan where the members of a SHG can withdraw amount for their consumption purpose. The ceiling is 25,000 per group. If a group is

given assistance under revolving fund and at first if they withdraw Rs.25,000 and during the next month they can withdraw from the amount which the members would have paid as first installment for the withdraw amount (Rs.25,000). They need not wait until the entire Rs.25, 000 is paid back to the bank.

- ❖ Revolving credit is a running account like cash credit.
- ❖ Revolving fund is not sanctioned for all groups.
- ❖ For each district funds are allotted by the Government to provide assistance under revolving fund.
- ❖ Based on the amount allotted by the Government, Revolving Fund assistance is provided on performance basis to various groups.
- ❖ Mostly this type of assistance is granted to SHGs below poverty line.
- ❖ The group is also selected on the basis of their best performance and they must come under below poverty line group.
- ❖ The subsidy given to this is type of assistance is Rs.10,000
- ❖ The maximum amount of assistance provided to a group must not be more than Rs.25,000 initially.
- ❖ The limit will be reviewed every year. Based on the performance of revolving credit account and functioning of SHG, renewal/enhancement of limit can be considered by bank.
- ❖ The interest is charged for the amount outstanding less Rs.10,000 the Government subsidy.
- ❖ The sanctioned amount must be utilised only for consumption purpose not for any economic purpose of the group.
- ❖ The amount of installment is fixed by the group.
- ❖ The needs of the members are assessed according to the priority of their need.

Loan for Economic Activity

If the group has chosen to perform a common economic activity to generate income, this type of loan is granted. The quantum of loan depends upon the activity chosen. This type of loan should be utilised for the common economic activity of the group and not for any consumption purpose of the members.

3.2 Profile of Tirunelveli District

Tirunelveli, the name of the district has been composed from three Tamil words - TIRU-NEL-VELI meaning sacred paddy hedge. The district is situated in the Southern part of India and is surrounded by Virudhunagar District on the North, Tuticorin District on the East, Kanyakumari District on the south and Northern Ghats on the West. The total area of the district is 6816 square feet Kilometers with a population density of 367 per square Kilometers.

Administrative set up:

The district has three revenue divisions comprising of 11 Taluks, 19 Development blocks, 425 Village Panchayats and 628 Revenue Villages. The district Head Quarters is Tirunelveli and the revenue divisional Head quarters are in Tirunelveli, Cheranmahadevi and Thenkasi.

Population: (as on 31.3.2002)

Male	:	13,72,082
Female	:	14,29,112
Total	:	28,01,194
Below poverty line	:	9,80,400

Physiography:

The district has the ranges of Western Ghats bordering with Kerala State. From the crest of the mountains the level gradually drops towards the coast and the principal rivers originate from the water shades of the ghats. Along peaks the range average 5000 feet from the mean sea level. The surface water of the district is drained into five major river basin namely: a)Thamirabarani b)Vaippar c)Karamaniyar d)Nambiyar e) Manimunadi.

All these rivers originate from Western Ghats hills and flow in the South easterly direction and empty into Bay of Bengal. Thamirabarani ('The copper coloured river') is the major river basin in the District. Other streams which are seasonal in nature are Servalar, Manimuthar, Hanuman, Ramanathi Pachaiyar, Chittar and Uppodai rivers which drain into this basin.

Climate and Rainfall

The district has tropical climate with mean annual rainfall of 815 mm. The maximum rain is received during North East monsoon (60 percent). The minimum temperature of 20 degree Celsius is experienced during January and maximum during April- May. The humidity is as low a 39 percent in March and 90 percent during November.

Soils

The soil in the district is of two categories - Red soil and Black soil. These are further divided into subgroup like red sandy soils, red loam, river alluvial and black loam soil. The river loam soils along Tamiraparani are the most fertile soils.

Mineral Resources:

As per the estimate made by the Geology and mining department, there is lime stone deposit of 35 million tones. Besides granite garnet, granite and red clay suitable for tiles and bricks are also available in most of the Taluks in the district.

Industries:

The Tirunelveli district is industrially backward. Radhapuram and Tenkasi Taluk have been declared as most backward Taluks and Nanguneri, Sankaran Koil and Sengottai Taluks have been declared as backward Taluks for the purpose of financial incentives for industrials development. Beedi rolling, safety matches making, Mat weaving, Palamgur and fibre mating and handlooms are important household industries.

Tourism and Religious Places:

The famous Courtallam water fall near Tenkasi is a tourist resort for the rich as well on the poor. The wild life sanctuary at Mundanthurai, Kalakad is famous for spotted deer, lion, monkeys, elephants and Tigers. The Nellaippar temple at Tirunelveli, Kasi Vishwanath temple at Thenkasi, Gomathi Ambal temple at Sankaran koil are important Hindu religious temples. The Mohideen Abdul Khader Jilani Durgah at Pottalpudur and Attangarai Pallivasal are important religious centers for Muslims.

Geographical Area: 6823 square kilometers

No of blocks: 19

No of Taluks: 11

No of villages: 628

No of villages electrified: 628

No of villages connected by all weather roads: 568

No of villages having supply of potable water: 524

Pre- dominant economic activities in the district:

Dairy and poultry are the two major allied activities carried on in the district Pottery, Mat-weaving, Brass-Work, Palm leaf products and medicinal plant cultivation are some of the key economic activities carried on in the district.

Major food/Commercial and plantation/ horticulture crops

Paddy and millets are major food crops. Banana, Cotton, Chilies and sugarcane are the major cash crops. Mango, Guava, Cashew, Pomegranate and Coconut are some of the Horticulture crops grown in the District.

Important socio- economic developments in the district:

The linkage of Self Help Groups formed by NGOs has picked up momentum and the banks are looking forward to provide assistance to these groups. The District Potential Survey on Rural Non-Farm Sector has identified 41 activities which can create job opportunities for 56,000 people on a regular basis in the district.

Banking Network:	No. of Branches
Commercial Banks	176
RRBs	51
Co- operative Banks	44
Other Financial Institutions	02

Total	273

The district is having a well developed banking system with a network and 273 branches of various banks as detailed below as on 31.3.2008

Table No. 3.2

Banking sector in Tirunelveli

S. No	Banking Sector	No. of Banks	No. of Branches
1.	Public Sector	15	143
2.	Private Sector	9	33
3.	Pandian Grama Bank	1	51
4.	Central Co-operative Bank	1	26
5.	TamilNadu Co-operative State Agriculture and Rural Development Bank (TNCSARD)	1	8
6.	Urban Co-operative Bank	1	10
7.	Tamil Nadu Industrial Co-operative Bank	1	1
8.	Tamil Nadu Industrial Investment Corporation	1	1
	Total	30	273

Source: Lead Bank's Annual Credit Plan 2008-2009

Table No. 3.3
List of category wise Bank Branches as on 31.3.2008
In Tirunelveli District

S.No	Public Sector Banks	Rural	Semi Urban	Urban	Total
1	State Bank of India	5	8	6	19
2	State Bank of Travancore	-	3	2	5
3	Andhra Bank	-	-	1	1
4	Bank of Baraoda	-	-	2	2
5	Bank of India	-	-	1	1
6	Canara Bank	6	11	8	25
7	Central Bank of India	2	3	3	8
8	Corporation Bank	-	-	3	3
9	Indian Bank	2	7	6	15
10	Indian Overseas Bank	24	15	13	52
11	Punjab National Bank	1	2	1	4
12	Syndicate Bank	-	-	1	1
13	UCO Bank	1	-	1	2
14	Union Bank of India	-	2	2	4
15	Vijaya Bank	-	-	1	1
	Sub -Total	41	51	51	143
	Private Sector Banks				
1	ICICI	7	1	1	9
2	City Union Bank	-	-	1	1
3	Federal Bank	-	-	1	1
4	Karur Vysya Bank	-	2	1	3
5	Lakshmi Vilas Bank	-	1	1	2
6	South Indian Bank	-	-	1	1
7	Tamil Nadu Mercantile Bank	7	6	1	14

8	Axis bank	-	-	1	1
9	HDFC Bank	-	-	1	1
	Sub Total	14	10	9	33
	Regional Rural Bank				
1	Pandian Grama Bank	34	10	7	51
	Sub Total	34	10	7	51
	Co-operative Banks				
1	TNCSARD	2	5	1	8
2	Central Co-operative Bank	5	17	4	26
3	Urban Co-operative Bank	-	5	5	10
	Sub Total	7	27	10	44
	Other financial Institution				
1	Tamil Nadu Industrial Co-operative Bank	-	-	1	1
2	Tamil Nadu Industrial Investment Corporation	-	-	1	1
	Sub Total	-	-	2	2
	Grand Total	96	98	79	273

Source: Lead Bank's Annual Credit Plan 2008-2009