CHAPTER - III

PROFILE OF ERODE DISTRICT,
EDCCB & KPACB
CHAPTER – III

PROFILE OF ERODE DISTRICT,
DISTRICT CENTRAL CO-OPERATIVE BANK AND
KAVUNDAPADI PRIMARY AGRICULTURAL
CO-OPERATIVE BANK

I. PROFILE OF ERODE DISTRICT

LOCATION:-

The District is located between $10^0.36''$ and $11^0.58''$ of north latitude and between $76^0.49''$ and $77^0.58''$ of east longitude and above the mean sea level rural of 171.91 meters. Erode district is being surrounds by Karnataka State in North west, Coimbatore District in the west, Dindugal District in the South and Namakkal, Karur Districts in the North East and East respectively.

AREA AND POPULATION

The Districts records an area of 8162 Sq.km. According for about 6.3 percent of the total area of the State as per 2001 census the population. It has a population of 25,46,067 persons which constituted 4.1 percent in the total state population, as per 1991 census the population of Scheduled Caste and Scheduled Tribes constitutes 17.98% of the total population of the district. Its density is 314 persons per sq.km as against 478 in the state.

The Literacy of the district is 65.51 percent as against the 73.47 percent of the state according to 2001 census. It has 539 Revenue Villages spread over in 20 community development block located in 7 taluks.
CLIMATE AND SOIL

Dry climate prevails in the Eastern parts of this District and western part has semi dry climate. The soil vary from place to place. The soil found in this district is mostly which is favourable for the crops, like paddy, Groundnut, Sugarcane, Turmeric Tobacco etc., The ground water level in this district various from 15 feet to 50 feet in wet area, 50 feet to 110 feet in dry area.

AGRICULTURE

During the year 34.77 percent of the total geographical area was available for cultivator. Out of the total cropped area, Net area sown constitutes 92% and area shown more than once works out to 8.9 percent of the net area sown. Out of the total cropped area. Food grains claim 55 percent and non food crops claim 45 percent forest area covers 28% of the total geographical area of the district.

IRRIGATION

The major irrigation system in this District in Government canals constituting 45 percent of the total irrigated area and the remaining portion is being irrigated by wells. Tanks and other source.

All the 539 revenue villages in this district have been electrified. All most all the villages have been connected with surfaced roads.

MEDICAL AND HEALTH

Medical service to the people provided by a multiplicity of agencies like state Government, local bodies and voluntary organization.
EDUCATION

There are 1508 primary schools, 176 middle schools, 130 high schools, and 132 Higher secondary schools in the district jurisdiction. In addition there are 19 Arts and Science College in this district with the provision of post graduation courses. Besides there are 7 Engineering colleges, 1 medical colleges and 10 poly techniques which 16 Industrial Training Institutes in the district.

DISTRICT PROFILE 2002
ERODE DISTRICT
GEOGRAPHICAL POSITION

North Latitude Between $10^\circ 36''$ and $11^\circ 58''$.
East Longitude between $76^\circ 49''$ and $77^\circ 58''$.

AREA AND POPULATION-(2001 CENSUS)

(i) Area (sq.km) 8162
(ii) Population 25,74,067
   (a). Male population 13,06,039
   (b). Female population 12,68,028
   (c). Rural population 13,84,746
   (d). Urban population 11,89,321
(iii). Density (sq.km) 314
(iv). Literates 15,32,258
(v)Main workers:-
   (a). Total workers 14,31,276
   (b). Male workers 3,72,493
   (c). Female workers 5,58,783
   (d). Rural workers 8,49,788
   (e). Urban workers 5,81,488
   (f). Cultivators 3,00,443
(g). Agricultural Labourers 4,86,580  
(h). Household Industry 73,388  
(i). Other workers 5,70,865  
(j). Marginal workers 11,15,837  
(vi). Non-workers. 11,42,791  
(vii). Languages spoken in the District, Tamil, Telegu, Malayalam, Kannadam & Urudhu

VITAL STATISTICS:- (Revised)

(i). Birth 41,957  
(ii). Death 17,246  
(iii). Infant Deaths 1,552
(iv). Birth rate (per 1000 population)  
(a). Rural 16.50  
(b). Urban 15.50  
(c). Combined 16.30
(v). Dearth Rate (per 1000 population)  
(a). Rural 7.00  
(b). Urban 4.80  
(c). Combined 6.70
(vi). Infant mortality rate (per 1000 live Births)  
(a). Rural 39.00  
(b). Urban 26.00  
(c). Combined 37.00
(vii). Expectation of life at Birth  
(a). Male 64  
(b). Female 64
4. TEMPERATURE (IN DEGREE CENTIGRADE C°)

a. Plains
   a. Maximum 37.90°C
   b. Minimum 20°C

b. Hill Stations:-
   a. Maximum Nill
   b. Minimum Nill

5. Rain fall (in mm)

a. Normal 660.10
   i. North East monsoon 307.60
   ii. South west monsoon 183.40

b. Actuds 537.70
   i. North East monsoon 294.10
   ii. South west monsoon 160.30

c. Number of Rainy Days 35.80

6. AGRICULTURE

a. Total cultivated Area (hec) 3,09,175
b. Net Area sown (hec.) 2,83,854
c. Area Sown more than once(hec.) 25,321
d. Area and production of principal Crops

<table>
<thead>
<tr>
<th></th>
<th>Area (Hec.)</th>
<th>Production</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In ‘000’</td>
<td>‘000’(tones)</td>
</tr>
<tr>
<td>i. Paddy</td>
<td>50.474257.815</td>
<td></td>
</tr>
<tr>
<td>ii. Millets and other cereals</td>
<td>27.56023.672</td>
<td></td>
</tr>
<tr>
<td>iii. Pulses</td>
<td>26.072</td>
<td>8.862</td>
</tr>
<tr>
<td>iv. Sugarcane (Gur)</td>
<td>35.875</td>
<td>451.390</td>
</tr>
<tr>
<td>v. Groundnut</td>
<td>41.170</td>
<td>82.339</td>
</tr>
</tbody>
</table>
vi. Gingelly  
9.336 10.206

vii. Cotton (BL)  
9.738 22.176

e. Agriculture and land Holding (1995.96)
   a. Holdings  
   300764
   b. Area in (hec)  
   4,938,92,40
   Holdings in (hec)  
   1,640

f. (a). Important Food crops, paddy, Turmeric, Tapiaco, Sugarcane, Pulses,
(b). Important non-food crops:-
cotton, Groundnut, Gingerly, Sunflower, Tobbaco

7. IRRIGATION

i. Net Area Irrigated by (hec.)
   a. Government canals  
   65,809
   b. Private canals  
   ---
   c. Tanks  
   158
   d. Tube wells  
   75
   e. Other Wells  
   83,302
   f. Other sources  
   4,988
   Total net area irrigated  
   1,54,332

ii. Gross Area irrigated  
   1,77,875

iii. Name of the Rivers:- Bhavani, Cauvery, Amaravathi, Noyyal.

vi. Name of the caves:
   Odathurai, Appakudal,
   Chennampatti, Murals,
   Thanneerpallam, Karumparai pallam
   And Vellude.
8. ANIMAL HUSBANDRY

i. Veterinary institutions
   a. Veterinary Hospitals 10
   b. Veterinary dispensaries 50
   c. Clinician centers 2

ii. Poultry development as on.
   a. Chicks in hare produced hatcheries
   b. Birds sold for breeding 17.76
   c. Birds sold for table 3,210

iii. Live store and poultry population (as per 16th wide stock census)
   a. Cattle 3,32,083
   b. Buffalos 2,65,438
   c. Sheep 4,17,786
   d. Goat 3,87,096
   e. Poultry 23,18,631

9. DAIRY DEVELOPMENT

a. Dairies 1
b. Milk chilling plants 3
c. No. of milk co-op societies 743
d. Milk production (lakh liters)
   Flush season 386.58
   Leans season 410.66

10. FISHERIES

i. Length of Coastal line (Km) ----
ii. No. of Coastal Block Nil
iii. No. of Costal centres (landing) “
iv. Marine Fish production (Tonne) “
v. Inland Fish production (Tonne) 2,120
11. FOREST

a. Forest Area (Hec.)
   a. Reserved Forests  2,28,749
   b. Reserved Lands    3,41,635
   c. Unclasses Forests nil

b. Out-turn of Forest produce.
   a. Timber (cu.m)       24.066
   b. Fuel wood (mt)      23
   c. Pulp wood (mt)      ---
   d. Sandal wood (mt)    4584.19
   e. Rubber (mt)         --
   f. Bamboo (tonne)      --
   g. Tea green leavers (tonne) --
   h. Wattle Bark (mt)    --
   i. Cashew (tonne)      --

12. ELECTRICITY (in m.u)

i. Generation of Electricity
   a. Hydro                295,433
   b. Wind Mill Generation --
   c. Thermal              --
   d. Power purchased      181,58.538
   e. Gas Turbine          --

ii. Consumption of Electricity (k.w/h)
   a. Agriculture          Free supply
   b. Industry             532.02
   c. Commercial           228.52
   d. Domestic             667.38
e. Public lightings & water works 147,51
f. Sales to Licensees nil
g. Sales to other states nil
h. Miscellaneous 44.24

ii. Rural Electrification
a. Number of pumsets energized 428
b. Number of village electrified all villages are electrified 539
c. Number of Hamlers electrified 4658 harmless are electric

13. INDUSTRIES

i. No.of working factories (registered) 817
ii. No.of mandays worked (lakhs) 64.47
iii. No.of Trade unions 695
iv. No.of Strikes 4
v. No.of Lock outs 3
vi. Large scale inductions 10
vii. Medium scale Industries 120
viii. Small scale Industries 1816
ix. Cottage Industries 4368

x. Name of the important industry in the district.
   1. Sugar industries, Bannari, Sakthi
   2. SKM Poultry forms & Egg Powder units
   3. Ginning factories
   5. Leather Processing Industries.
   6. Handloom & power loom units.

xi. Name of the Industrial park SIPCOT, perundurai.
14. KHADI AND VILLAGE INDUSTRIES

<table>
<thead>
<tr>
<th></th>
<th>Production (Rs.in lakhs)</th>
<th>Sales (Rs.in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. KHADI</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Cotton</td>
<td>39</td>
<td>45.97</td>
</tr>
<tr>
<td>b. Woollen</td>
<td>-</td>
<td>0.93</td>
</tr>
<tr>
<td>c. Silk</td>
<td>-</td>
<td>63.41</td>
</tr>
<tr>
<td>d. Polyester</td>
<td>34.48</td>
<td>22.15</td>
</tr>
<tr>
<td>ii. VILLAGE INDUSTRIES</td>
<td>47.44</td>
<td>43.76</td>
</tr>
<tr>
<td>TOTAL(I &amp;II)</td>
<td>120.92</td>
<td>176.22</td>
</tr>
</tbody>
</table>

15. Medical and Health (Numbers)

i) Modern Medicine
   a. No. of Hospitals                        10
   b. Dispansaries                           1
   c. Primary Health Centres                 66
   d. Health sub centres                     412
   e. Other Medical institutions             91
   f. Beds in Hospitals and Dispensaries      1145
   g. Doctors                                258
   h. Nurses                                 242

ii) Indian medicine
   a. Hospitals                              10
   b. Dispensaries                           2
   c. Primary Health centre                  30
   d. Beds in Hospitals & Dispensaries        25
   e. Doctors                                30
   f. Nurses                                 3
iii) Homoeopathy

a. No. of Hospitals 1
b. Dispensaries -
c. Beds in hospitals are dispensaries 5
d. Doctors 1
e. Nurses Nil

16. EDUCATION

i. Universities Nil

ii. Arts and sciences college 19

iii. Medical colleges 1

   a. Medicine
      1. Allopathy Nil
      2. Indian Medicine Nil
      3. Homoeopathy Nil
      4. Engineering colleges 7
      5. Agricultural colleges Nil
      6. Veterinary colleges Nil
      7. Law colleges Nil

iv. college for special Education Nil

v. Pre-primary schools 106

vi. Primary schools 1508

vii. Middle schools 176

viii. High schools 130

ix. Higher secondary schools 132

x. Teacher training institute 1 (DIET)
17. TRANSPORT

i. Road Length (in km)
   a. National high ways 137,20
   b. State high ways 3,78,325
   c. Corporation & Municipalities Roads 4,31,80,95
   d. Panchayat union panchayat & Town sips Road 1,783,182
   f. Other (forest Roads) Nil

ii. Registered Motor Vehicles
   a. Commercial 4,24,290
   b. Non-commercial 4,68,406

iii. Railway Length (in km)
   a. Route length (km)
      1. Broad Gauge Nil
      2. Meter Gauge Nil
   b. Track Length (km)
      1. Broad Gauge Nil
      2. Meter Gauge Nil
   c. Number of Railway Stations 11

iv. Number of seaports Nil
v. Number of Airports Nil
vi. Name of the ports Nil
vii. Name of the airports Nil
viii. Name of the exports commodity Textiles, Turmeric, Sugar, & Edible oil.

ix. Name of the import commodity dyes & Chemicals

18. COMMUNICATION

i. Post & Telegraph (in numbers)
   a. Post offices doing postal burner alone 393
   b. Post offices doing post & Telegraph business 228
ii. Telephone:-
   a. No. of telephones in use 1,823,09
   b. No. of public call offices 4,147
   c. No. of telephone exchanges 116

19. CO-OPERATION

   i. Primary Land development banks 12
   ii. Co-operative apex bank (TNSC) 29
   iii. District central co-operative bank 1
   iv. Urban bank 6
   v. Primary agricultural credit societies 224
   vi. Housing co-operative societies 34
   vii. Employee co-operative societies 49
   viii. List Irrigations societies 1
   ix. Weaver co-operative societies 197
   x. Industrial co-operative societies 16
   xi. Khadi village industries societies 28
   xii. Primary co-operative societies 26
   xiii. Co-operative sugar mills --
   xiv. Co-operative meandering societies 50
   xv. Other Co-operative societies 43

20. REGISTRATIONS:-

   i. No. of Registration offices 25
   ii. Agricultural value of property transferred (Rs in crores) 524
   iii. Total Receipts (Rs. in. crores) Nil

21. HOUSING

   i. No. of tenements constructed by TNHB Nill
   ii. Deputy Registration Housing Nill
   iii. No. of tenements constructed by TNSCB Nill
iv. No. of tenements constructed by PHB
v. Deputy Registration housing rural
vi. Deputy Registration housing urban
vii. Samatuvapuram

22. SOCIAL WELFARE

i. Old age pensioners
   26,550
ii. Marriage Assistance for daughter for poor windows
   8
iii. Dr. Dharma bal Ammayar (Windows remarriage thittam)
   10
iv. Marriage Assistance to orphan girls
   3
v. Anjugam Ammaiyar Ninaivu Kalappu
   Thirumama Nidhi udhavi thittam
   24
vi. Aid for handicapped societies
   1816
vii. Woman welfare co-operative udhavi societies
    training centers
    3
    1
vii. Mahalir Mandram
    i. Group
    600
    ii. Member
    2,000
ix. Women development center
   2,948
x. Beneficiaries
   45,432
xi. Uzavar Chandhai
   4

(i). Name of the important pilgrims centre
   Magudeswaran Temple – Kodumudi
   Periya Mariamman Temple – Erode
   Mutugan Temple – Thindal
   Murugan Temple – Cheenni malai
   Sivanmalai Andavar Temple – Kangayam
   Sullikaradu Temple – Nambiyur
   Pachamalai Temple – Gobi
   Bharaneerwaran Temple – sathy
   Banaraiamman Temple – sathy
Sangameswaran Temple — Bhavani (Koodu Thurai)
Gurunatha sami Temple — Anthiyur
Kuppanna sami Temple — Ellumathur
Pariyur Kaliyamman Temple — Gobi

(ii). Name of the important tourist centres:

- T.N. palayam — Periya kodiveri Anai
- Bhavani — Kooduthurai
- Birds sanctuary — Vellodu
- Bhavani sagar — Bhavani sagar dam
- Erode — Periyar Memorical House
- Vijayamangalam — Vijiya puriamman Temple
- Govt Musium — Erode

24. REVENUE ADMINISTRATIVE DIVISION

i) Revenue Division 3
ii) Revenue Taluks 7
iii) Revenue Firkas 47
iv) Revenue Villages 539

25. LOCAL BODIES

i) Corporations Nil
ii) Municipalities 5
iii) Panchayat Unions 20
iv) Town Panchayats 59
v) Village Panchatats 343
26. COMMUNITY DEVELOPMENT

i) No. of Development division 3
ii) No. of Block covered 20
iii) Population covered (Lakhs) 13.84
iv) Area covered (Sq.km) rural 5343.206

30. BANKS/ INSURANCE

(i). Bank offices
   primary co-operative bank 258
   bank 226

(ii). Life Insurance
   (a). offices 9
   (b). policies issued 89,961
   (c). sum assured
       (Rs. in crores) 772.80

31. NATURAL RESOURCES:

(a) Quartz 12150
(b) Feldspar 3656
(c) Black granite 2621.74 cbm
(d) Colour granite 116,964 cbm
(e) Rough stone 37090 units
(f) sand 17700 units
The co-operative primary societies in a specified area are federated into a central societies which is called a "Central Bank" or a "Banking union". Historically speaking the term "Central Bank" is used when the central society admits as its members not only primary societies, but also individuals. The phrase "Banking Union" is used when membership to confined to society only, and individual members, are concluded. The present trend, however is to refer both these institutions as central banks.

The central co-operative bank occupy a position of cardinal importance in the co-operative credit structure. They form important link between the apex co-operative bank and the primary Agricultural Credit societies. The success of the co-operative credit movement largely depends on their financial strength.

The Erode District Central co-operative Bank Ltd., came into existence from 17.9.1979 after the bifurcation of Coimbatore District. The Central Co-operative bank Acts, as balancing centers between the state co-operative bank and the primary Agricultural co-operative bank. The Erode District Central Co-operative bank was registered on 11.07.1980 and it started its business from 03.02.1982.

At present this central co-operative bank has 30 branches out of them 10 branches once having their own building. The remaining 20 branches are functioning in rented building. The head office and 8 branches are having locker facilities to serve the members. There is one leading branch functioning one at Erode.
OBJECTS AND FUNCTIONS OF CENTRAL CO-OPERATIVE BANK

The following are the main objectives of the Erode District Central co-operative Bank and as follows:

1. Collection of funds for financing co-operative societies registered or deemed to have been registered under the Tamil Nadu co-operative societies act 1961.

2. To Organize, develop, assist, and co-operative the work of affiliated societies and secure for them financial help whenever necessary and to arrange for the supervision and inspection of all societies.

3. To arrange for holding periodical co-operative conferences and for taking necessary action on the resolution passed at such conferences.

4. To serve as the recognized exponent of non official co-operative opinion in the areas.

5. To arrange for the supply of things such as stationary books, forms, furniture etc., required by of affiliated societies of term.

6. To organize a co-operative service for the benefit of societies.

7. To arrange for the initial and the periodical training of persons in that service and also for the training of non-official workers, in the co-operative field.

8. To propagate the principles of co-operative by, publishing books, pamphlets, Leaflets, circulars and periodicals on the co-operative subjects from time to time and arranging propagandist tours by paid and honorary lecturers.

9. To arrange for exhibition of articles manufactures by co-operators.

10. To maintain a library of co-operative literature.

11. To start branches in the co-operative jurisdiction, of the bank. Wherever necessary and to appointment of necessary staff and incur other expenditure for conduct of business.

12. To promote cottage industries.
13. To undertake such other work as well as promote the cause of co-operation.

14. To carry in generals business of banking, not repugnant to the provision of the Tamil Nadu Co-operative Societies Act and the rules framed there under.

15. To promote family welfare schemes of the State Government among its members and employees.

16. To guarantee the loans advanced or credit granted to any society by government State Bank of India, or any other agency within such limits and such as might be agreed between the guarantor and the guarantee and the change commission there on.

AREA OF OPERATION

For the efficient functioning of a Central Co-operative Bank, it is imperative that its area of operation should be such that it may have sufficient business turnover so as to employee the necessary staff, meet the overheads and build up a strong reserve fund. At the same time, it is also necessary that its area of operation of the Erode District Central co-operative Bank is whole Erode Revenue District. The area covered by this bank is 7 taluks.

MANAGEMENT

The management of the Erode District Central Co-operative Bank shall vest in a Board of Management which shall be constituted in the manner specified in the Tamil Nadu Co-operative Societies Act 1961 and the Tamil Nadu co-operative societies Rules 1963.

Not, withstanding anything contained in these by laws the first board of management consisting of not exceeding is members and the executive
committee consists of not exceeding 5 members. The registrar shall nominate including the chairman and vice chairman of both the bodies for a period not less than one year time but not more than three years in the aggregate.

The Registrar shall also have the power to cancel as any time the nomination of any (or) all persons and nominate any other persons or to restrict the period of nomination.

The entire administration of Erode District Central Co-operative Bank shall vest in the board of management.

The Board of Management shall be competent to make regulations from time to time not consistent with the by-laws of the Tamil Nadu Co-operative Societies Act 1961 and Rules. 1963 for the conduct of business of the central bank. Such regulations shall be get approved by the registrar.

MANAGEMENT SETUP

The Erode District central co-operative bank has the management setup as follows:

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<table>
<thead>
<tr>
<th>Special Officer</th>
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<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Chief Executive</td>
</tr>
<tr>
<td>officer</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Manager</td>
</tr>
</tbody>
</table>
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MANAGEMENT INFORMATION SYSTEM

The routine work of Erode District Central Co-operative Bank is informed to the Tamil nadu State Co-operative Bank and the Register of Co-operative societies.

The periodical information's i.e., daily, fortnightly and monthly are got through the internal organizational structure. Which is planned by the chief executive.

The chief executives are having the duty of transfer the duty of transfer the following information's to the managing directors.

1. Receipts and charges.
2. List of Loans to be sanctioned.
3. Due to and due - by.
4. Progress of operation, comparative position.
5. Schemes and programme to be sanctioned.

The chief executives are also having the responsibility of getting information from the branches and its head office like.

a) 1. Cash position of the branches and the head office.
    2. Loans sanctioned.
    3. Cheques discounted.
    4. Account statement of the branch office.

b) Weekly
    1. Irregular overdraft and cash credit.
    2. Position of the outstanding cheque (or) bills discounted.
    3. The cash position statements of branches informed to the head office for all working days.
4. The internal auditors should visit all the branches and check the amounts and the cash position.
5. His visiting time and date is announced previously to those branches.

c) FORTNIGHTLY

Submission of the return to the Reserve Bank of India under the section 42(2) of liquidity ratio on cash reserves as the end of every fortnight.

d) MONTHLY

The special meeting of the internal auditors in the head office, for the discuss about the following dealings of branches and its workings. For every month.

1. Total deposits of the branches.
2. Total loans outstanding classification of loan outstanding.
3. Overdues position of the branches.
4. Bills discounted.
5. Details of the monthly expenditure.
6. Re-consolidation of the branch account which head office accounts.

NATURE AND EXTENT OF DEPOSIT MOBILIZATION

ANAYSIS OF RESOURCES

A Central co-operative bank must have adequate Financial Resources to meet the credit requirement of the members. The resources of central co-operative bank can be broadly groups counter two categories.

➤ Owned funds

➤ Borrowed funds
The owned fund consists of paid-up share capital and reserve fund. The borrowed funds consist of deposits and borrowing from the member, non-member and other institution.

SHARE CAPITAL

The authorized share capital of this bank limited consists of Rs. 20 crores. The entrance fee is Rs.10. The share value of “A” class members is Rs.100, associates members shares value is Rs.5. The following table highlights. The total paid up- share capital of Erode District Central Co-operative Bank for the Past five years.

3.1. SHARE CAPITAL POSITION

<table>
<thead>
<tr>
<th>Year</th>
<th>“A” Class member</th>
<th>Associated Share</th>
<th>Total amount of Shares</th>
<th>Growth Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997-98</td>
<td>840.47</td>
<td>0.32</td>
<td>840.79</td>
<td>100</td>
</tr>
<tr>
<td>1998-99</td>
<td>996.02</td>
<td>0.32</td>
<td>996.34</td>
<td>119</td>
</tr>
<tr>
<td>1999-2000</td>
<td>1068.59</td>
<td>0.32</td>
<td>1068.91</td>
<td>127</td>
</tr>
<tr>
<td>2000-2001</td>
<td>1152.97</td>
<td>0.32</td>
<td>1153.29</td>
<td>137</td>
</tr>
<tr>
<td>2001-2002</td>
<td>1239.39</td>
<td>0.32</td>
<td>1239.39</td>
<td>147</td>
</tr>
</tbody>
</table>

The above table shows that due share capital position of the sample unit has increased gradually form Rs. 840.79 lakhs during the year 1997-98 to Rs. 1239.39 lakhs during the year 2001-2002.

3.2 RESERVE FUNDS AND OTHERS

Reserve funds is another important sources of this bank. As per the by-law of this bank 25% of the net profit has to be allocated towards reserve fund in order to meet the in foreseen business losses.
RESERVE FUND POSITION

<table>
<thead>
<tr>
<th>Years</th>
<th>Amount</th>
<th>Growth Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997-98</td>
<td>813</td>
<td>100</td>
</tr>
<tr>
<td>1998-99</td>
<td>926</td>
<td>114</td>
</tr>
<tr>
<td>1999-2000</td>
<td>1040</td>
<td>128</td>
</tr>
<tr>
<td>2000-2001</td>
<td>1106</td>
<td>136</td>
</tr>
<tr>
<td>2001-2002</td>
<td>1304</td>
<td>160</td>
</tr>
</tbody>
</table>

The total reserve funds of Erode District Central Co-operative Bank was Rs.1304 lakhs as on 31.3.2002.

BORROWINGS:

The borrowings are played a vital role in the working capital of the Erode District Central Co-operative Bank.

This bank mainly borrows from the Tamil Nadu State Co-operative Bank. The maximum borrowing power of this bank is 20 times of the paid up share capital plus reserve fund. The following table indicated the borrowing position of the bank for the past five years.

3.3 BORROWING POSITIONS

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount(Rs. In.Lakhs)</th>
<th>Growth Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997-98</td>
<td>46.56</td>
<td>100</td>
</tr>
<tr>
<td>1998-99</td>
<td>54.73</td>
<td>118</td>
</tr>
<tr>
<td>1999-2000</td>
<td>56.85</td>
<td>122</td>
</tr>
<tr>
<td>2000-2001</td>
<td>49.10</td>
<td>105</td>
</tr>
<tr>
<td>2001-2002</td>
<td>65.02</td>
<td>140</td>
</tr>
</tbody>
</table>

The above table shows that the total borrowing position of the bank was Rs. 65.02 crores in the year 2001 – 2002.
DEPOSITS

Deposits mobilization is a fast growing urgency and importance in the present context of co-operative bank in India. Deposits is one of the important components of the working capital. It is life blood of co-operative banks. Since they constitute the chief source of their funds. The formulate problem facing the banking industry is the challenges of the mobilization of deposits. Co-operative banks have to compete with other lending institutions as have to attract deposit. Since inception of the banking activities alterations of deposits, was considered to be the primary and for most functions of the banks.

The different kinds of deposits schemed co-operative bank are not an exception to this. In fact due to the facility obtained from the reserve bank of India. The co-operative bank able to provide ½% more interest than any other commercial banks. The various types of deposits mobilized by Erode District Central Co-operative Bank once a discussed as follows.

1. Fixed deposits.
2. Saving deposits.
3. Provident deposits.
4. Special recurring Deposits.
5. Current deposits.
6. Porkuvial deposits.

Such deposits are accepted from individual institutions and also from other co-operative societies. The following table highlights the deposits accepted by this bank for the past five years.
3.4 GROWTH OF TOTAL DEPOSITS

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (Rs. in Crores)</th>
<th>Growth Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997-98</td>
<td>164.2</td>
<td>100</td>
</tr>
<tr>
<td>1998-99</td>
<td>198.89</td>
<td>121</td>
</tr>
<tr>
<td>1999-2000</td>
<td>251.16</td>
<td>153</td>
</tr>
<tr>
<td>2000-2001</td>
<td>293.55</td>
<td>179</td>
</tr>
<tr>
<td>2001-2002</td>
<td>301.85</td>
<td>184</td>
</tr>
</tbody>
</table>

The above table shows that the growth of deposit of the sample unit has increased gradually from 164.02 cores during the year 1997-98 to Rs. 301.85 crores during the year 2001-2002.

The bank given ½% Interest more than other commercial banks.

BUSINESS OPERATION

The main business of Erode District Central Co-operative Bank is gives credit to the individuals and also to other co-operative agricultural societies. The following two credits are the main business operation of the bank.

AGRICULTURE CREDIT

Erode District Central Co-operative Bank gives agricultural credit through the Primary Agricultural Co-operative banks. It gives agricultural loan for the purpose of purchase of agricultural inputs like tractors, feeds, pesticides, fertilizers etc., the rate of interest is 9.5%, to 10% for the short term loans and 9.5% to 12.5% for the medium term loans. The IRDP and NON - IRDP scheme adopted under the medium term loans.
III PROFILE OF KAVUNDAPI PACB

This bank was registered on 17th June 1957 and the bank started its business activities on 26th June 1957. Since 1957 – 2002, the bank has achieved a considerable progress. Specifically, the person who are living in the bank's area are admitted as members. The various scheme of loans are provided to the farmers. A higher amount of deposits are mobilized from the members. The bank showed a commendable progress is fulfilling the agricultural needs of the members.

OBJECTIVES OF THE BANK

The Kavundapadi Primary agricultural Co-operative Bank Ltd., No.A. 204 is registered as a Co-operative Society under Act VI of 1932 (MADRAS). Its address shall be kavundapadi post in the taluk of Bhavani in the Erode District. Its objectives.

1. To borrow funds from the members (or) others to be utilized for giving loans to members for the purpose mentioned in the by law No. 40.
2. To Procure and supply agricultural requirements like seeds, manure, implements, cattle feed etc.,
3. To arrange for the sale of agricultural produce, Cottage – Industries products, milk and milk products and poultry and poultry products of its members to the best advantage.
4. To own or hire processing plants like hand pounding chakkies, flour mills, oil crushers, gins, etc., and improved machinery like tractors, mechanized ploughs, pumping sets, etc., for the benefit of the members.
5. To improve the breed of livestock through the provision of stud bulls, breeding rams, bedigree cocks, etc., and to select breeding members.
6. To own or hire godowns to provide facilities to members to store their produce for sale at advantageous prices.
7. To acquire or purchase or obtain on lease land for disseminating among the members a knowledge of the latest improvements in agriculture by practical demonstrations in conforming with the advice of the Agricultural Department.

8. To undertake the making of roads, sinking of wells, construction and repairs of Buildings, tanks, canals, irrigation work, etc., within the area of the bank by entering into contract with the Government, local bodies, or individual, and by executing the contract with the help of the members.

9. To encourage generally thirst, self-help and co-operative spirit among the members and,

10. To raise funds for the above objects and generally to undertake such activities as may be conducive to the promotion of the economic interest of the members and incidental to the attainment of the above objects.

AREA CONNECTED

The Kavundapadi Primary Agricultural Co-operative Bank Ltd., No. A.204, Kavundapadi is registered as a Co-operative Society under Act VI of 1932 (Madras). Its registered address shall be Kavundapadi post 638 455, Bhavani Taluk, Erode District.

Its operation shall be confirmed to the following villages, viz.,

1. Kavundapadi
2. Salangapalayam
3. P. Mettupalayam
4. Perunthalaiyur and other hamlets.
MEMBERSHIP FOR THE BANK

Application for admission as a member for allotment of share shall be made to the Managing Director or the Secretary in the prescribed form, if any, specified by the society for the purpose. Every member, shall pay an entrance fee of 0.50 paise per share for ‘A’ class and Rs. 10/- for ‘B’ class on each share taken by him, provided the total payment of entrance fee by any member for all the shares held by him, shall not exceed Rs. 20/- . But entrance fees shall not be payable by nominees of heirs of deceased member for share claimed by them either by nomination or by succession.

QUALIFICATION OF MEMBERSHIP

Any individual who is over 18 years of age, competent to contract either residing within the area of operating of the bank and having a land shall be eligible for admission as a member.

Any individual who is owning a land within the area of operation of the bank and who requires loans for additional constructions may also be admitted as a member.

The following co-operative bodies are eligible to become a member of the bank. Religious institutions, educational Institutions, Medical institutions, Social organizations committees, Joint share companies and partnership firms, shops and established local bodies.

DISQUALIFICATIONS

A person who is sentenced under any criminal law for any criminal action can not become a member. However, he can be a member after
completion of 5 years after serving the sentence. The person cannot become a member before completing 10 years. Drunkards and Lunatic persons cannot be members of the bank.

ADMISSION OF ASSOCIATE MEMBERS

An associated member shall pay only Rs. 5 as admission fee. The associated member need not pay any entrance fee.

The associated member shall be eligible to participate and vote in the general meeting to contest or vote of any election or become an officer of the bank.

ADMISSION FEES

Every member shall take at least one share of Rs. 10 each and shall take shares to the value of 10% of the loan borrowed. The A class member should pay Rs. 5 as entrance fee per share subject to a maximum of Rs. 25. The associated member should pay the admission fees of Rs. 5 only and there is no entrance fee for the associated members.

TRANSFER OF SHARE HELD BY A MEMBER

The member who wishes to transfer his share must get previous permission from the administrative board. The member cannot transfer his before the expiry of one year.

A member who has held a share for not less than one year only can transfer it to another member of the bank.
Every transferee of share shall pay transfer fee of Rs.5 Per share. But the transferee of Share shall be required to pay more than Rs.25. in all as transfer fee irrespective of the number of shares transferred.

**REGISTRATION FROM MEMBERSHIP**

Except in the case of death or expulsion or removal of the member, the permanent shifting of his residence outside the area of operation of the bank, the share or dividend in the name of the member shall not be refunded unless the member has held the share or dividend for not less than two years. The may withdraw any of his shares with the consent of the board, or resign his membership provided that there are no accounts due from him to the bank.

When a member resigns his membership he shall either by registered post or by personal delivery under acknowledgement send a letter of resignation to the Secretary of the bank. The members can resign only after 3 years.

**REMOVAL FROM MEMBERSHIP**

If a member does not have specified qualifications of the bank the registrar can remove him from membership at any time. Then the board should remove the name of the member from the list of members and should pay back within 80 days to such member his share capital.

**RIGHT OF MEMBERS TO INSPECT THEIR ACCOUNTS**

Any members of the bank, at any time, during office hours, inspect the accounts of the bank in so far as they release to his transactions with it either by himself by an agent who shall be a member specially authorized by him in writing an payment of fee of Rs. 5. If the accounts pertain to any co-operative
year shall pay the fee of Rs. 3 for every additional Co-operative year provided that the total fees payable by any one member shall not exceed Rs. 5 at such in inspection.

SHARE CAPITAL

The share capital constitutes the basic source of the working capital of the Kavundapadi Agricultural Co-operative Bank. The need to build up share capital at different levels of the co-operative credit structure, by linking share holding with borrowings has received increased emphasis in recent years.

SOURCE OF FUNDS

The bank may raise funds from share subscription government loans, federation loan and urban development Co-operative loan either directly or through, the federation loans from any other financing agency with the approval of the registrar.

The bank raised funds in the following ways.

a) Share capital contributions from members and State Government
b) Deposits from members.
c) Reserve created out of profit earned.
d) Borrowing from Co-operative financing agencies, State Bank of India.
e) Loan from granted from State Government.

Funds may be raised from fixed deposits and recurring deposits from the members as per the regulations framed for that purpose by the board with the approval of the registrar.

Entrance fees and other fees as approved by the registrar. Donations subsidies or any benefits as approved by the registrars are the other sources of funds.
MANAGEMENT SETUP:

The Kavundapadi Primary Agricultural Co-operative bank has the Management set up as follows:

**ADMINISTRATION CHART OF THE KPACB**

1. SPECIAL OFFICER
2. SECRETARY
3. ASSISTANT SECRETARY
4. ACCOUNTANT
5. CASHIER
6. CLERK
7. ATTENDER
8. SALES MAN
9. PEON
10. WATCH MAN
FUNCTIONS OF KAUNDAPADI PRIMARY
AGRICULTURAL CO-OPERATIVE BANK LTD., NO. A. 204
KAVUNDAPADI

1. To arrange the supply of farm requirements, such as seeds, fertilizers and pesticides and other small improved implements which are generally required by every farmer.

2. To provide a short-term credit required for the purchase of farm requirements and also medium term loan for agriculture purpose such as purchase of bullocks and carts etc.,

3. To provide jewel loan at low rate of interest.

4. To provide loan assistance to house hold requirement, for example, the construction of Gobar Gas.

5. To provide I.R.D.P. loans to those who are seeking to form a petty shop, cattle rearing, etc.

6. To provide household requirements. It is not intended that the bank should open full-fledged general stores. Only essential commodities in short supply such as Sugar, Kerosene, Food grains, etc., may be stocked for public distribution.

7. To raise funds for meeting the above mentioned requirements mainly by the way of Savings Bank Account, Fixed Deposit Account, Cash Deposit Account etc., and also savings of members. This function developing the habits of thirst and saving among members is very important in order to make the people as much self sufficient as possible.

8. Public distribution system (Ration) maintained by 15 shops (Part – time –2, full – time 13) of Kavundapadi surroundings and distributed the ration articles namely Sugar, Rice, Wheat Kerosene, Mida, Ravai and Maligai goods.

9. To help public by deposits mobilization, savings and financial assistance.
From the functions enumerated above, it is clear that what is central importance is the result which these bank are required to produce namely, an increase in agricultural production. The functions entrusted to service societies were to a certain extent, being performed by the earlier credit societies as well.