



The Virutcham

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**Quarterly Magazine
December 2023**



**The Registrar of Coop. Societies
Inspection at ACSTI on 02.12.2023**



**The Standing and Training Advisory
Committee Meeting held on 14.12.2023.**



**The Agricultural Cooperative Staff
Training Institute, Chennai.**

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Suggestions and paper presentations are welcome. Please write to :

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QUARTERLY MAGAZINE

Registrar of Cooperative Societies Inspection



The Registrar of Cooperative Societies **Thiru Dr N. Subbaiyan, IAS.** inspected ACSTI on 02.12.2023. A PowerPoint presentation was made to present the ACSTI's functioning, training methodology, and advancement of infrastructure. The Registrar of Cooperative Societies, in addition to recognizing the many developments at ACSTI, has urged that nominations for training to be obtained directly from PACCS personnel to minimize repeated participations. He has also advised that the projects and consultancy services have to be carried out in many aspects while keeping the needs of District Central Cooperative Banks. Based on his suggestions ACSTI has included a provision in ACSTI website to obtain the nomination directly from PACCS employees for training. Furthermore, he has stated that ACSTI should conduct an expo inviting SHGS to display their products as a marketing aid to the SHG's.

The Standing / Training Advisory Committee Meeting for the Half year ending September 2023 held on 14.12.2023



The Standing / Training Advisory Committee Meeting was held on 14.12.2023 at ACSTI, Chennai to review the Training Programmes conducted by ACSTI during the half year ending September 2023. The following Members participated in the Meeting:-

1. The Managing Director, TNSC Bank, Chennai.
2. The Assistant General Manager, NABARD, Chennai.
3. The Director, NICM, Chennai.
4. The General Manager, TNSC Bank, Chennai.
5. The Assistant General Manager /Principal, ACSTI, Chennai.

In the meeting ACSTI made a Power point presentation outlining the no. of programmes conducted, the participation level of trainees and the financial assistance yet to be recieved from NABARD.

The Assistant General Manager, NABARD, Chennai advised ACSTI to minimize the programme schedule for the year 2024-2025 to 150 programme and advised to concentrate on more projects and consultancy services. He has also appreciated the technological developments done by ACSTI like Online entry / exit test, e-library, installation of 75" QLED Tv in all the classrooms for better PPT presentations, launching of dedicated website for ACSTI, publishing a quarterly magazine.

PROGRAMME STATISTICS

APPROVED PROGRAMME FOR 2023-2024 :

Total Approved programmes - 300 Programmes

PACCS	:	212	Programmes
SCB / DCCB	:	64	Programmes
ON-SITE	:	24	Programmes

PROGRAMME STATISTICS :

ACSTI has conducted **183** Programmes as on **31.12.2023** as detailed below:

PACCS	:	120	Programmes	-	2688	Trainees
SCB /DCCBs	:	54	Programmes	-	1384	Trainees
ON-SITE	:	9	Programmes	-	315	Trainees
TOTAL	:	183	Programmes	-	4387	Trainees

QUARTERLY ANALYSIS :



QUARTER 1

Prog. Trainees

PACCS : 48 - 1197
SCB /DCCBs: 24 - 689

TOTAL : 72 - 1886



QUARTER 2

Prog. Trainees

PACCS : 40 - 857
SCB /DCCBs: 17 - 457
ON-SITE : 6 - 210

TOTAL : 63 - 1524



QUARTER 3

Prog. Trainees

PACCS : 32 - 634
SCB /DCCBs: 13 - 238
ON-SITE : 3 - 105

TOTAL : 48 - 977

PROGRAMME STATISTICS

PACCS - REGION WISE PARTICIPANTS DETAILS

S. No.	NAME	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	TOTAL
1	Thanjavur	2	8	10	8	228	7	0	8	0	271
2	Mayiladuthurai	4	1	7	0	155	3	0	0	0	170
3	Kallakurichi	18	28	15	24	13	12	13	24	21	168
4	Salem	13	22	27	18	27	0	8	8	13	136
5	Cuddalore	12	19	21	12	18	5	14	14	14	129
6	Villupuram	12	15	4	16	16	28	6	23	6	126
7	Erode	13	26	10	11	10	18	23	6	4	121
8	Tiruvannamalai	7	20	20	9	27	0	12	14	2	111
9	Vellore	10	20	7	15	18	14	8	15	0	107
10	Dharmapuri	8	21	9	15	0	12	6	16	9	96
11	Nagappattinam	2	10	10	3	60	5	0	3	0	93
12	Chengalpattu	11	10	14	14	9	10	13	7	4	92
13	Dindigul	10	9	8	6	23	0	14	15	4	89
14	Coimbatore	10	10	10	5	7	10	8	14	12	86
15	Tirupathur	4	10	17	20	16	0	1	2	10	80
16	Tiruvallur	6	17	21	5	13	2	5	9	0	78
17	Krishnagiri	2	5	8	11	16	0	11	11	8	72
18	Thoothukudi	5	1	10	11	14	15	0	16	0	72
19	Theni	2	9	9	15	6	9	6	9	5	70
20	Virudhunagar	6	10	10	11	13	6	4	9	0	69
21	Madurai	5	18	7	6	10	0	7	9	3	65
22	Kancheepuram	10	4	8	7	11	4	2	10	7	63
23	Namakkal	9	9	15	1	8	8	0	11	0	61
24	Tiruppur	12	9	11	9	6	2	2	0	4	55
25	Tiruvarur	0	11	15	0	17	9	1	1	0	54
26	Ariyalur	7	3	5	6	8	0	6	6	5	46
27	Kanyakumari	3	17	9	1	12	0	2	0	2	46
28	Tenkasi	5	16	8	10	2	5	0	0	0	46
29	Ranipet	2	5	3	8	3	4	6	6	6	43
30	Ramanathapuram	4	15	2	10	2	4	5	0	0	42
31	Trichy	4	3	16	1	8	1	0	9	0	42
32	Karur	3	6	4	3	6	2	2	7	5	38
33	Pudukkottai	10	4	0	4	0	5	0	9	1	33
34	Tirunelveli	3	1	5	4	4	9	0	4	3	33
35	Sivagangai	5	2	6	5	0	7	0	0	0	25
36	Nilgiris	0	9	0	6	0	0	0	3	0	18
37	Perambalur	3	2	3	5	0	2	0	2	0	17
	TOTAL	242	405	364	315	786	218	185	300	148	2963
	FEMALES	24	58	38	38	48	31	18	29	33	317

PROGRAMME STATISTICS

DCCB-WISE PARTICIPANTS DETAILS

S. No.	NAME	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	TOTAL
1	TNSC BANK	24	91	52	34	64	26	71	49	6	417
2	Virudhunagar	2	2	163	9	2	39	2	0	1	220
3	Chennai	6	14	55	9	2	8	3	3	1	101
4	Villupuram	0	3	2	15	45	9	3	3	1	81
5	Tiruvannamalai	2	15	3	3	7	37	3	4	2	76
6	Kumbakonam	0	6	4	6	5	6	4	39	4	74
7	Tirunelveli	4	6	9	8	2	35	4	2	0	70
8	Madurai	0	4	5	5	3	4	38	4	2	63
9	Thoothukudi	5	6	4	5	0	35	4	0	0	59
10	Dindigul	8	11	11	11	5	5	5	0	2	58
11	Erode	0	3	4	4	6	35	1	2	0	55
12	Ramanathapuram	4	11	12	11	7	0	3	0	0	48
13	Sivagangai	0	3	3	2	0	0	35	0	1	44
14	Trichy	6	8	6	7	3	6	3	3	0	42
15	Nilgiris	0	12	5	2	1	0	0	0	1	21
16	Kancheepuram	0	1	0	7	2	6	0	2	2	20
17	Cuddalore	1	4	1	2	3	0	3	3	1	18
18	Salem	0	5	2	3	5	0	2	1	0	18
19	Vellore	2	4	2	1	3	2	1	2	0	17
20	Thanjavur	0	3	2	4	3	0	2	0	1	15
21	Dharmapuri	0	10	2	2	0	0	0	0	0	14
22	PUDUCHERRY SCB	0	4	7	0	0	0	3	0	0	14
23	Pudukkottai	2	1	2	4	2	0	0	1	0	12
24	Coimbatore	0	2	0	2	2	0	2	3	0	11
25	Kanyakumari	0	2	0	3	2	2	0	1	0	10
	TOTAL	66	231	356	159	174	255	192	122	25	1580
	FEMALES	21	54	54	49	31	16	41	42	7	315

ACSTI had conducted a Training Programme on “Project Appraisal for Farm and Non- Farm Sector Advances” of the staff of SCBs and DCCBs from 13.12.2023 to 16.12.2023.

As a part of the training the participants were taken for a field visit to kadambathur PACCS which is running a Oil Plant successfully with financial support under PACCS as MSC. The Trainees gained first hand knowledge about a project at this PACCS and submitted a Report on their visit. The highlights of the visit Report of participants are as follows

The PACCS has got one Old Godown with an area of 1620 sq ft.(unutilised) has considered to set up an Oil Plant Extraction Unit, which is one of the activities eligible under AIF at this old untutilised Godown space available with it, after carrying out suitable required modification for Oil Plant after renovation.



Field Visits

ACSTI has taken the participants of MICRO FINANCE for SCB/DCCB Field visit at MEDUR primary agriculture co-op society, Poneri, Thirvallur District. 10 SHG groups participated in the meeting. The trainees had exposure to interact directly with these SHG members. The meeting was organised in the society itself. The trainees were able to understand the functioning of the SHG group and the records maintained by them and also had a fruitful interaction with these groups.

The participants interacted with one of the group named SEMBARUTHI women SHG representatives and observed the performance of the group. 15 members have taken internal loan of Rs.25000 each and utilised the same for tailoring, Tea shops, and small provision stores. The SHGs functioning well and it is maintaining all the registers prescribed for the purpose. They expressed their sincere thanks to the PACCS for the support provided for their livelihood.

ACSTi had conducted a Training Programme on “Financing of Sugar Mills” for the staff of SCB and DCCBs from 15.11.2023 to 18.11.2023.. The participants were taken for a field visit to Kallkurichi sugar mills.



ONSITE PROGRAMME :



As part of training schedule , ACSTI will usually conduct onsite training programmes at the premises of District Central Cooperative Banks. For the year 2023-2024 the Standing / Training Advisory committee had authorised 24 onsite programmes on the topic "Statutory Compliance " to be conducted in all the 23 DCCBs and Puducherry SCB. Till December 2023 ACSTI has conducted 9 onsite training programmes in Villupuram, Tiruvanamalai, Erode, Virudhunagar, Thoothukodi, Tirunelveli, Madurai, Sivagangai, Kumbakonam.

From Nov.1st to 3rd two faculties from ACSTI attended a trainers training programme on Farmers producer organisation, conducted by BIRD, at lucknow campus. On the 3rd evening the trainees were taken for an exhibition cum sale of products from farmers / artisans arranged by the Uttarpradesh State Government. Many farmers and artisans were immensely benefitted by the programme.

STUDY VISIT: Kallakurichi Co-Op. Sugar Mills Ltd., Moongilthuraipattu

A.Kaviarasu Assistant, TNSC Bank

The Kallakurichi Co-operative Sugar Mills Ltd., located in Moongilthuraipattu near the Then Pennai River, is a significant agro-based industrial enterprise established in Sankarapuram Taluk, Viluppuram District. Its primary objective is to meet the demands of the general public and, more specifically, sugarcane growers. This mill plays a crucial role in contributing to the economic development of rural areas in Tamil Nadu. It was installed in 1967 with an initial capacity of 1250 TCD (tonnes of cane crushed per day).

The Kallakurichi Co-operative Sugar Mills Ltd. processes the following products in its mill:

1.Molasses

2.Sugar

3.Ethanol

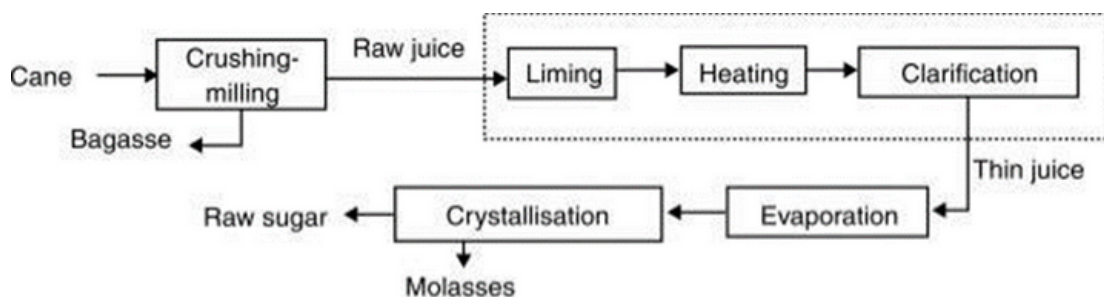
4.Bagasse

Introduction:

Overview of the Sugarcane Processing Plant:

The sugarcane processing facility was a sprawling complex equipped with state-of-the-art machinery and infrastructure. The plant had a well-defined layout, with distinct areas dedicated to different stages of the processing chain, ensuring a smooth flow of operations.

SUGAR PROCESSING



Harvesting and Transportation:

The visit commenced with an exploration of the sugarcane fields, where mature sugarcane stalks were ready for harvesting. The facility had employed modern harvesting equipment, which facilitated a quick and efficient gathering of sugarcane. Transport trucks were strategically stationed in the fields, ready to transport the freshly harvested sugarcane to the processing plant.

Reception and Cleaning:

Upon arrival at the processing plant, the sugarcane was subjected to a thorough cleaning process to remove dirt, debris, and other impurities. The reception area featured conveyors and sorting equipment to streamline the initial stages of the processing chain. This step was crucial in ensuring the quality of the final sugar product.



STUDY VISIT: Kallakurichi Co-Op. Sugar Mills Ltd., Moongilthuraipattu

A.Kaviarasu Assistant, TNSC Bank

Extraction of Juice:

One of the focal points of the visit was the juice extraction process. The sugarcane stalks were fed into heavy-duty crushers, where the juice was mechanically extracted. The extracted sugarcane juice then underwent a series of filtration and clarification processes to remove any remaining solids.



Evaporation and Crystallization:

The sugarcane juice, now clarified, was directed to large-scale evaporators where water was removed, concentrating the sugar content. The concentrated syrup was then processed through crystallization tanks, leading to the formation of sugar crystals. This stage showcased the precision and control required to achieve the desired sugar crystal size and quality.



Centrifugation and Drying:

The crystallized sugar was separated from the remaining syrup using centrifuges. The separated sugar was then washed and dried, resulting in the production of raw sugar. The dried sugar crystals were further refined through sieving processes to achieve the desired particle size and consistency.



Packaging and Possession:

The final stage of the visit involved observing the packaging and distribution processes. The refined sugar was packaged into various sizes and formats, ready for distribution to consumers and industrial clients. The facility emphasized hygiene and quality control measures to ensure that the end product met industry standards.



Sugar Quality Testing:

Sugar quality testing is a crucial aspect of the sugar production process to ensure that the final product meets the required standards for consumption.

- 1.pH
- 2.Sieve analysis (Rori sugar, Powder sugar)
- 3.Extraneous matter analysis of cane

By-Products of Sugarcane:

Ethanol

Sugarcane ethanol refers to ethanol that is specifically produced from sugarcane as a feedstock. Sugarcane is a tropical crop rich in sucrose, and it is one of the primary sources for bioethanol production.

Baggase

Sugarcane baggase, the fibrous residue left after sugarcane juice extraction, can be utilized in the cogeneration of energy. Some ethanol production facilities use baggase as a source of heat and power for the ethanol production process, making the overall process more sustainable.





கண்ணிற்குத் தெரியாத நட்சத்திரங்கள்

நாம் வாழ்க்கையில் சந்திக்கும் பலர் "எனக்கு மட்டும் இதையெல்லாம் சொல்லிக் கொடுக்கயாராவது இருந்திருந்தால் நான் எங்கோ போயிருப்பேன்" என அடிக்கடி கேட்டிருப்போம். அவர்களுக்கான பதிலாக உள்ள ஒருவரைப் பற்றியகட்டுரை இது. தனது 12-வது வயதில் அவருடைய கிராமத்தில் கணக்கு எழுத தொடங்கியுள்ளார். சமூகநலநிதியாக ஒவ்வொரு வீடும் அளிக்கும் சந்தா Rs.2/- . சித்திரைதொடங்கி பங்குனி வரை வசூலாகும் பணத்தின்வரவு செலவு எழுதும் பணியை வலிய ஏற்றுக்கொண்டார். ஊர்நலனுக்காக அனைவரின் ஒப்புதலின் பேரில் துஷ்டிநடந்த வீட்டிற்கு வட்டியில்லாமல் கடன் வழங்கப்படும். இரண்டு மாதத்திற்குள் திரும்ப பெற வேண்டும். இரண்டுமாதத்தை கடந்தும் கடன் பெற்றவர் திருப்ப முடியவில்லை என்றால் 1% வட்டியுடன் அசலை செலுத்த வேண்டும். (கிரெடிட் கார்டு சிஸ்டம் நினைவிற்கு வருகின்றது?).

மேலும் அந்த வட்டி வருவாயைக் கொண்டு ஆவணி முதல் ஏற்படும் செலவுகளான ஊரின் நீர்வரத்து கால்வாயை தூர் வார, களையெடுத்து சுத்தம் செய்ய, கோவிலுக்கு தீபம் ஏற்ற, எலக்ட்ரிசிடி சார்ஜ்ஸ் கட்டுதல் போன்ற கணக்குகளை பதிவு செய்ய வேண்டும். மேலும் ஊர் குழந்தைகளின் படிப்பு செலவு, மருத்துவ செலவு போன்ற தேவைகளுக்கு இரண்டு ரூபாய் வட்டியில் கடன் அளித்தல், வட்டி மற்றும் அசல் திரும்ப பெறுதல் என்ற அனைத்து கணக்குகளையும் பராமரிக்கும் பொறுப்பும் இவர் ஏற்றுக் கொண்டதே.

இன்று ஊரில் MP FUND -லிருந்து Rs.3.75 லட்சம் மற்றும் ஊர் பொது நிதியிலிருந்து Rs.1.25 லட்சம் சேர்த்து சமுதாய நலக்கூடம் கட்டப்பட்டுள்ளது. இந்த நலக்கூடத்தின் வரவு செலவான மண்டப வாடகை பாத்திரம் TABLE CHAIR வாடகை, தணிக்கை, மகளிர் குழுவிடம் ஒப்படைக்கப்பட்டுள்ளது. அதற்கான கட்டணமாக இருபத்தைந்து சதவீதம் குழுவிற்கும், எழுபத்தாய்ந்து சதவீதம் சமுதாய நலனிற்கு பகிரப்படுகின்றது. இவர் வசிக்கும் கிராமத்தில் 250-லிருந்து 300 குடும்பம் வரை வசிக்கின்றனர். யார் இவர்?

திரு. T. சுப்ரமணியன் (செக்ரெட்டரி - பொறுப்பு), TNSPL104 இளம்புவனம் PACCS எட்டயபுரம் தாலுகா தூத்துக்குடி மாவட்டம். பிறந்த தேதி 25/07/1967. ஆறு வயதில் இளம்பிள்ளை வாதத்தினால் பாதிக்கப்பட்டார். நடப்பதற்கு சிரமம் இருந்தாலும் அது மனதை பாதிக்கவில்லை. பள்ளியில் பயிலும் பொழுது விவேகானந்தரின் சிந்தனைகளால் ஈர்க்கப்பட்டு ஊர் வளர்ச்சிப்பணியில் கணக்கெழுதும் பணியேற்றார், B.Com, D.Co-op படித்தபின் மாவட்ட அளவிலான சமூக நலக்கூடத்தில்

E. UMA, CHIEF MANAGER /FACULTY, TNSC BANK-ACSTI

கணக்கு நிர்வகிக்கும் பொறுப்பு. அங்கு தணிக்கையாளர்கள் கூறும் அறிவுரைகளை பின்பற்றி மற்றும் சந்தேகங்களை நிவர்த்தி செய்து வரவு/செலவு எழுதுவதிலும் தணிக்கைக்கு தேவையானவற்றை உரிய நேரத்தில் செய்துமுடிக்கும் நேர்த்தியை பெற்றார். பின்1998 ஆம் ஆண்டு முதல்நேஷன் கடை பணிக்கு தெரிவு செய்யப்பட்டு salesman பதவியில் அமர்ந்தார். தொடக்க வேளாண்மை கூட்டுறவு சங்க கணக்கு எழுதும் உதவியை அன்று முதல் தொடங்கி இன்று இளம்புவனம் தொ.கூ.வே.சங்கத்தில் secretary – incharge, என்ற பொறுப்பில் உள்ளார்.

மாவட்டத்தில் வருடாந்திர கணக்கு முடிந்து தணிக்கைக்கு மே முதல் வாரத்தில் இவர்களுடைய சங்கம் தயாராகிவிடும். மற்ற சங்க தோழர்கள் வரவு செலவு மற்றும் தணிக்கை சம்பந்தமாக எந்த சந்தேகம் எழுந்தாலும் கூப்பிடுவது இவர் பெயர்தான். இந்தசங்கத்திற்கு இவர் பொறுப்பு ஏற்றபொழுது கடன் நிலுவை ரூ.68.00 லட்சம் மட்டுமே. இன்று ரூ.677.00லட்சம். அருகிலேயே கனரா வங்கி கிளை இருந்தாலும் நகை கடன் வாங்க மக்கள் நாடுவது சங்கத்தையே. காரணம் காலை 8.30 மணிக்கு சங்கம் திறக்கப்பட்டுவிடும், மற்றும் முகம் சுளிக்காது துரித சேவை வழங்குதல் போன்றவை. இந்த வருடம் ரூ ஐந்து லட்சம் லாபமீட்டியுள்ளனர். இப்பொழுதும் PACCS Computerisation-க்கு2022-23 ஆண்டு தணிக்கை முடிந்து தயாராகி விட்டார்கள். இது எப்படி சரியான காலத்திற்குள் செய்கிறீர்கள்?

இதற்கு இவர் அளிக்கும் எளிய பதில் : "நான் அன்றைய வேலையை அன்றே முடிக்க வேண்டும் என்ற கொள்கை உடையவன். பிறருக்கு செய்யும் உதவிக்கு என்றும் பிரதி பலன் எதிர்பார்ப்பதில்லை. கற்ற விஷயங்கள் பிறருக்கும் பயனளிக்க வேண்டும். நல்லது செய்ய வேண்டும் , முடியவில்லை என்றல் உபத்திரவம் செய்யக் கூடாது. பொதுக் காரியம்செய்யும் பொழுது ஒரு ரூபாய் கூடதனக்கென செலவு செய்யமாட்டேன்."

இந்த பதில்

**"இணரூழ்த்தும் நாறா மலரனையர் கற்றது
உணர விரித்துரையா தார்"**

என்ற வள்ளுவரின் கூற்றை நினைவு படுத்துகின்றது.

கல்வி அறிவு பெற்ற ஒரு மனிதனின் சிறப்பானபண்பு எப்பொழுதும் பொது நன்மை குறித்துக் கருதுதலேயாகும். மலர் என்றால் வாசம்வீச வேண்டும். வாசமில்லாத மலர் கொத்துக்கொத்தாக மலர்வதால் என்ன பயன் என்பதே இதன் பொருள்.

கற்றல் என்பது "மாற்றத்திற்கு வழிவகுக்கும் ஒரு செயல்முறையாகும், இது அனுபவத்தின் விளைவாக நிகழ்கிறது மற்றும் மேம்பட்ட செயல்திறன் மற்றும் எதிர்கால கற்றலுக்கான திறனை அதிகரிக்கிறது" என்பதை இவருடைய செயல்பாடு உணர்த்துகின்றது. செயல் அனுபவம் வேண்டுமென்றால் எந்த வேலையிலும் தன்னை முழுமையாக ஈடுபடுத்திக்கொள்ள வேண்டும் என்பதற்கு இவர் ஒரு சிறந்த எடுத்துக்காட்டுதானே!

PRUDENTIAL NORMS FOR COOPERATIVE BANKS

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Prudential norms" are the guidelines and general norms issued by the regulating bank (the central bank) of the country for the proper and accountable functioning of banks.

In India, the Reserve Bank of India in a phased manner introduced prudential norms covering four important areas, viz.

- 1. Income Recognition**
- 2. Asset Classification**
- 3. Provisioning norms and**
- 4. Capital Adequacy norms**

These norms are collectively called Prudential Norms. To understand these norms the following terms to be understood.

Overdue

Any amount (Interest and / or installment of principal) due to the bank under any credit facility will become 'overdue ' on the next day if it is not paid on the due date fixed by the bank.

Out of Order status

An account should be treated as 'out of order' if

- The outstanding balance remains continuously in excess of the sanctioned limit/drawing power
- (OR)
- There are no credits continuously for 90 days as on the date of Balance Sheet (OR)
- Credits are not enough to cover the interest debited in the same period

Non-Performing Assets

An asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank.

Non-Performing Asset (NPA) shall be an advance where:

- interest and/or installment of principal remain overdue for a period of more than 90 days in respect of a Term Loan.
- the account remain 'out of order' for a period of more than 90 days, in respect of an Overdraft/Cash Credit (OD/CD) account
- the bill remains overdue for a period of more 90 days in the case of bills purchased and discounted,
- interest and/or instalment of principal remains overdue for two crop seasons for short duration crops and one crop season for long duration crops in the case of an advance granted for agricultural purposes,
- amount to be received remains overdue for a period of more than 90 days in respect of other accounts

Long duration crops: crops with crop season longer than one year

Short duration crops: crops, which are not "long duration" crops would be treated as "short duration" crops.

(I) Income Recognition

(a) The policy of Income Recognition has to be objective and based on the record of recovery. Income from Non-Performing Assets (NPA) is not recognized on accrual basis but is booked as income only when it is actually received. Therefore, the banks should not charge interest and take it to income account on any NPA.

(b) However, interest on advance against term deposits, NSCs, IVPs, KVPs and Life policies may be taken in to income account on the due date, provided adequate margin is available in the accounts.

(c) Fees and commissions earned by the banks as a result of renegotiations or rescheduling of outstanding debts should be recognized on an accrual basis over the period of time covered by the renegotiated or rescheduled extension of credit.

(d) If Government guaranteed advances become NPA, the interest on such advances should not be taken to income account unless the interest has been realized.

Asset Classification

Bank's assets are classified into performing and Non-performing assets.

1. Performing assets are called Standard Assets.
2. Non-performing assets are classified into substandard, doubtful and loss assets on the basis of the length of such non-performance.

Standard Assets

A standard asset is one which does not disclose any potential problem to the bank. It also does not carry more than normal risk associated with business. Advances against term deposits, NSCs, LIC policies can be classified as standard assets (where adequate margins are maintained).

Sub-standard Asset

All types of loans are classified as sub-standard when it has remained Overdue for a period of not exceeding 36 months.

Doubtful Asset

All types of loans / assets, where installments/ interest are Overdue for more than 36 months, and the entire outstanding in term loan should be treated as doubtful.

Doubtful asset will be categorized as Doubtful 1, Doubtful 2, Doubtful 3 & Doubtful [Un Secured], based on period of OD and security available.

- Doubtful 1: Overdue for more than 36 months and up to 48 months
- Doubtful 2: Overdue for more than 48 months and up to 72 months
- Doubtful 3: Overdue for more than 72 months
- Doubtful [Unsecured]: Overdue for more than 36 months and unsecured

Loss Asset

A loss asset is one where loss has been identified by the bank or by internal or external auditors or by a co-operative department or by Reserve Bank of India / NABARD inspection, but the amount has not been written off wholly or partly. In case of an asset for which the value of

the security is less than 10% of the outstanding, then that asset should also be classified as a loss asset. It may be either written off after obtaining necessary permission from the competent authority as per the Co-operative Societies Act/Rules or fully provided for by the bank..

Provisioning Norms

Banks should make provisions against Standard assets, substandard assets, doubtful assets and loss assets as below:

Provision for Standard Assets

Banks should make general provisions for standard assets at the following rates for the funded outstanding on global loan portfolio basis:

- a) Direct advances to agricultural and SME sectors at 0.25 percent.
- b) Advances to specific sectors, i.e., personal loans, loans and advances qualifying as capital market exposures, residential housing loans beyond Rupees Twenty lakhs and commercial real estate loans at one per cent.
- c) All other advances not included in (a) and (b) at 0.40 percent.

Provision for Substandard Assets

A general provision of 10% on total outstanding should be made for sub-standard assets.

Provision for Doubtful Assets

100% of the advance is to be provided for if not covered by the realizable value of the security.

- Doubtful 1 - 20% to be provided for
- Doubtful 2 - 30% to be provided for
- Doubtful 3 - 100% to be provided for
- Doubtful (Unsecured) - 100% of the advance is to be provided for

Provision for Loss Assets

Loss assets should be written off. If loss assets are permitted to remain in the books for any reason , 100% of the outstanding amount should be provided for.

Capital Adequacy (CRAR)

Capital Adequacy Ratio or Capital to Risk Weighted Assets Ration is based on the risk weights assigned to different category of assets (both on and off-balance sheet). Adequacy is expressed as a minimum ratio of capital which banks are expected to maintain. Depending upon the quality of assets as well as the risks associated, risk weights are assigned. Accordingly, banks have to maintain the ratio as per the directives of Reserve Bank of India. At present the capital adequacy ratio is 9%.

Risk weights are assigned based on various types of risks like credit, market and operational risk. The guidelines for making provision and assigning risk weights should be strictly followed by banks.



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BULK DEPOSITS

INTEREST ON ONE YEAR SINGLE BULK
DEPOSITS (NON-CALLABLE) ARE REVISED, AS BELOW

SI.NO	SIZE OF DEPOSIT	INTEREST RATE FOR ONE YEAR	ADDITIONAL RATE	
			EXISTING	REVISED
1.	FROM RS.2 CRORE < RS.5 CRORE	7.25%	0.25%	0.40%
2.	FROM RS.5 CRORE < RS.20 CRORE	7.25%	0.35%	0.50%
3.	FROM RS.20 CRORE < RS.50 CRORE	7.25%	0.50%	0.65%

PHOTO GALLERY



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