



**COOPERATION**  
**(COOPERATION, FOOD AND CONSUMER**  
**PROTECTION DEPARTMENT)**

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**CONTENTS**

| <b>Chapter No.</b> | <b>Title</b>                                 | <b>Page No.</b> |
|--------------------|--|-----------------|
|                    | Preamble                                     | <b>1-3</b>      |
| I.                 | Credit Cooperatives                          | <b>4-38</b>     |
| II.                | Cooperative Marketing Societies              | <b>39-61</b>    |
| III.               | Consumer Cooperatives                        | <b>62-68</b>    |
| IV.                | Cooperatives in Public Distribution System   | <b>69-74</b>    |
| V.                 | Cooperative Education, Research and Training | <b>75-82</b>    |
| VI.                | Elections to Cooperative Societies           | <b>83</b>       |
| VII.               | Integrated Cooperative Development Project   | <b>84-86</b>    |
|                    | Conclusion                                   | <b>87</b>       |

## **PREAMBLE**

**1.** Tamil Nadu has been a pioneer State in the Cooperative movement in India. The first Cooperative Credit Society in India was started in Thirur, Thiruvallur district during 1904. During the same year, Triplicane Urban Cooperative Society and Big Kancheepuram Cooperative Town Bank were started. It is a matter of pride that today there are 23,661 Cooperative Societies functioning in the State. These Cooperative Institutions function with the prime objective of serving the people of the State.

**2.** Cooperatives in the State play a vital role in increasing agricultural production by providing crop loan, particularly interest free crop loan to those farmers who repay promptly within the due date; extending investment credit for agricultural allied activities to uplift the livelihood of farmers; providing rural godowns for storing agricultural produce; and supplying fertilizers, seeds and agricultural implements for agricultural development. Besides, in order to achieve inclusive growth, Cooperative Societies provide share capital

assistance and interest free loan to enhance the borrowing power of differently abled persons, loan to women entrepreneurs and working women and interest free share capital loan and share capital subsidy to SC/ST members. Cooperative Societies also run majority of the Public Distribution System shops in the State.

**3.** Cooperatives also help in the upliftment of tribal people by ensuring remunerative price for their produce such as Samai, Varagu, Tamarind and Honey. Financial assistance is provided to such Societies for packaging and marketing these products with common trade name.

**4.** Cooperatives are also implementing several other welfare oriented schemes for benefit of the public. Some of these are, extending jewel loan for urgent needs; loan for petty trades to small traders; housing loan and house mortgage loan; and Small Road Transport Operators (SRTTO) loan. With a view to safeguard the assets of Cooperative Institutions action have been initiated to strengthen the security system by taking measures like installing strong room with defender door and Closed Circuit Surveillance Cameras (CCTV).

**5. Farm Fresh Consumer Outlets** have been introduced, to control the prices of vegetables by directly linking the cultivating farmers with consumers, thereby safeguarding the interest of both. Quality fresh vegetables are purchased directly from the farmers, by effecting spot payment, and sold to consumers at a reasonable price through these outlets.

**6.** Sale of quality medicines at reasonable price for the benefit of the common man, through '**Amma Marundhagams**' is yet another example of the Cooperatives' orientation towards public welfare.

**7.** Cooperative is a people's movement. After a gap of several years, Tamil Nadu State Cooperative Societies Election Commission was formed and elections were conducted, in Cooperative Societies in a democratic manner. Now, elected representatives administer the Cooperative Societies in the State.

## **CREDIT COOPERATIVES**

### **1. Introduction**

Cooperative Credit Structure in Tamil Nadu is among the oldest, having close proximity to public and have largest institutional credit delivery system in terms of reach and network. Cooperatives serve rural as well as urban population in catering to their credit needs. Cooperative Credit Institutions in Tamil Nadu can be grouped in four categories namely, Short Term Cooperative Credit Structure; Long term Cooperative Credit Structure; Urban Cooperative Credit Structure; and Employees Cooperative Thrift and Credit Societies.

### **2. Short Term Cooperative Credit Structure**

Short Term Cooperative Credit Structure comprises of Tamil Nadu State Apex Cooperative Bank at State level, 23 Central Cooperative Banks at district level and 4,490 Primary Agricultural Cooperative Credit Societies at village level. These

Cooperative Institutions fulfil credit requirement of the agrarian population and immediate credit needs of people, especially in rural area.

### **2.1. Tamil Nadu State Apex Cooperative Bank**

**2.1.1.** Tamil Nadu State Apex Cooperative Bank, a federation of the 23 Central Cooperative Banks, was started during 1905. It extends banking and financial services to the public through its 47 branches in Chennai City. In addition to own funds, it Mobilises resources through deposits, refinance from the National Bank for Agriculture and Rural Development (NABARD), National Handicapped Finance and Development Corporation (NHFDC) and loan raised from financial institutions like National Cooperative Development Corporation (NCDC). It provides finance to the needy Central Cooperative Banks for lending purpose and manages the surplus funds of the Cooperative Sector. It also offers expertise on fund management and helps in capacity building of the staff of Cooperative Banks and Primary Agricultural Cooperative Credit Societies through Agricultural Credit Staff Cooperative Training Institute (ACSTI) run by it.

**2.1.2.** Tamil Nadu State Apex Cooperative Bank continues to remain a financially strong and stable Organisation. The bank has registered a net profit of Rs.32.21 crores during 2013-14 and 43.72 crores during 2014-15 (unaudited). The reserves and surplus with the bank have gone up to Rs.827.21 crores in 2014-15 (unaudited), from Rs.797.66 crores in 2013-14.

### **2.1.3. Technological Solutions in Banking**

Core Banking Solution (CBS) has been implemented in Tamil Nadu State Apex Cooperative Bank. It provides ATM (Automated Teller Machine) services to its customers at six places in Chennai city. Real Time Gross Settlement (RTGS) and National Electronic Fund Transfer System (NEFT) services are also available in Tamil Nadu State Apex Cooperative Bank for transferring funds anywhere in India. These measures have helped in improving service delivery.

### **2.2. Central Cooperative Banks**

**2.2.1.** Central Cooperative Banks extend credit and banking support to all their affiliated Cooperatives viz., Primary Agricultural Cooperative Credit Societies,

Consumer Cooperatives, Agricultural Producers Cooperative Marketing Societies, Cooperative Sugar Mills, Employees Cooperative Societies, etc. They also deliver banking services to general public through its branches. Central Cooperative Banks have registered significant growth in deposit mobilization and loan disbursement during the year 2014-15. All the 23 Central Cooperative Banks in the State have been granted license by the Reserve Bank of India and Tamil Nadu is the only second State in the country to have achieved this distinction. It is also significant to note that all the Central Cooperative Banks are functioning on current profit.

**2.2.2.** Central Cooperative banks raise funds through public deposits, refinance from Tamil Nadu State Apex Cooperative Bank and borrowings. These banks have 794 branches which are located mostly at Block and Taluk headquarters. The Central banks have shown a consistent increase in deposits, and reserves & surplus over past four years. The deposits with Central banks have gone up to Rs.22,748.33 crores on 31.3.2015 from Rs.15,429.80 crores on 31.3.2012. Similarly, reserves and surplus have gone up

to Rs.3,351.33 crores on 31.3.2015 from Rs.2,559.87 crores as on 31.3.2012.

### ***2.2.3. Technological Solutions in Central Cooperative Banks***

As announced on the floor of the Assembly in 2012-13, Core Banking Solution (CBS) has been introduced in all the 23 Central Cooperative Banks at a cost of Rs.8.80 crores. It has helped in providing efficient services to customers on par with Commercial Banks.

On implementing CBS, various branches of Central Cooperative Banks are now interconnected besides connecting with the head office through internet, which facilitates money transfer quickly. Further, branches of Central Cooperative Banks can now easily transfer money to Tamil Nadu State Apex Cooperative Bank. RTGS/NEFT facility has also been implemented to facilitate easy transfer of funds. These are the landmark initiatives in the history of Cooperative Banks in Tamil Nadu.

### 2.3. Primary Agricultural Cooperative Credit Societies (PACCS)

**2.3.1.** In Tamil Nadu 4,490 Primary Agricultural Cooperative Credit Societies are functioning of which 1,401 are in profit and 1,750 are on current profit. Steps have been taken to improve the business in the remaining 1,339 Societies. The number of Primary Agricultural Cooperative Credit Societies having loan outstanding above Rs.1 crore has gone up to 4,431 as on 31.03.2015 as against 4,329 on 31.03.2013. Steps are being taken to facilitate remaining 59 Societies to increase the loan outstanding to above Rs.1 crore.

**2.3.2.** In addition to credit delivery, Primary Agricultural Cooperative Credit Societies also supply agricultural inputs viz., fertilizers, seeds and small agricultural equipment. Today, Primary Agricultural Credit Cooperative Societies are multifunctional centres offering varied services to the people through Agro Service Centres, Agri-clinics and Common Service Centres run by them, besides operating 23,752 PDS shops to

supply essential commodities under Public Distribution system.

**2.3.3.** Loan and deposit position of the Primary Agricultural Cooperative Credit Societies as on 31.3.2015 is given below: -

| Details                               | Amount (Rs. in crores) |           |
|---------------------------------------|------------------------|-----------|
|                                       | 2013-14                | 2014-15   |
| Deposits as on 31 <sup>st</sup> March | 5,995.49               | 5,987.72  |
| Loan disbursement                     | 20,989.51              | 20,326.63 |

**2.3.4.** For providing infrastructure facilities and further strengthening the Primary Agricultural Cooperative Credit Societies, a fund namely "Primary Cooperative Development Fund" is maintained by Tamil Nadu State Apex Cooperative Bank, by collecting contributions from Central Cooperative Banks. This fund is used to provide financial assistance to the needy Societies for following purposes: -

**(i)** Construction of modern banking building, along with strong room and defender door, installation of defender doors, grills, lockers and safe vaults;

(ii) Interest subsidy for sanction of cash credit to Primary Agricultural Cooperative Credit Societies, which did not receive any revival package based on Prof. Vaidyanathan Committee recommendations;

(iii) Interest subsidy to Primary Agricultural Cooperative Credit Societies for purchase of farm equipment; and

(iv) Interest subsidy to Primary Agricultural Cooperative Credit Societies for purchase of computers and peripherals.

**2.3.5.** With a view to safeguard the interests of the depositors and to maintain the credibility of Cooperative Institutions, Tamil Nadu State Apex Cooperative Bank is maintaining a 'Deposit Guarantee Fund' which is utilised for refunding public deposits Mobilised by the Societies wherever they are unable to refund. Tamil Nadu State Apex Cooperative Bank, Central Cooperative Banks and Primary Agricultural Cooperative Credit Societies are contributing to this fund. A sum of Rs.118 crores is available in this fund as on 31.03.2015.

**2.3.6.** With the active initiative of the Tamil Nadu State Apex Cooperative Bank,

e-Banking facility has been introduced in Primary Agricultural Cooperative Credit Societies. This facilitates the members of these Societies to have seamless transfer of funds. This facility has improved the other Non-Credit income of the Primary Agricultural Cooperative Credit Societies besides, benefiting the rural community living in remote areas.

### **2.3.7. Interest Free Crop Loan**

Crop loan is the foremost portfolio of agricultural credit extended by Primary Agricultural Cooperative Credit Societies. Efforts have been taken to achieve inclusive growth by extending crop loan to Small and Marginal Farmers and SC/ST Farmers. **No interest is charged on crop loan from the farmers who repay it within the due date**, notwithstanding the 7% interest fixed on the crop loan. Government of Tamil Nadu meets the interest subsidy and incentive on behalf of the farmers and pays it to the Cooperative Institutions.

During 2014-15, crop loan amounting to Rs.5,279.91 crores was disbursed, benefiting 10,36,859 farmers, as against a target of Rs.5,000 crores. Out of the above,

interest free crop loan, to the tune of Rs.693.67 crores was disbursed to 1,54,159 SC/ST farmers. Government have released Rs.200 crores to the Cooperatives towards interest subsidy and incentive to farmers of which Rs.50 crores was for the farmers belonging to SC/ST category.

During 2015-16, a target of Rs.5,500 crores has been fixed for the issue of crop loan and Rs. 200 crores have been set apart for interest subsidy and incentive to farmers who repay crop loan promptly.

### ***2.3.8. Joint Liability Groups***

There are 40,000 Joint Liability Groups (JLG) in the State, comprising of small and marginal farmers, agricultural tenant cultivators and share croppers, who hitherto have had no access to credit from institutional sources. During 2014-15, Rs.512.36 crores have been provided as crop loan to 19,509 Joint Liability Groups and Rs.24.94 crores provided as medium term investment credit to 1,625 Joint Liability Groups.

### ***2.3.9. Produce Pledge Loan***

Produce Pledge loan is being extended to the farmers who deposit their produce with Cooperative Societies during peak harvest season when the price is not remunerative and facilitate them to sell their produce later at a more opportune time. During 2014-15, Primary Agricultural Cooperative Credit Societies have disbursed produce pledge loan amounting to Rs.238.15 crores to 14,716 farmers.

### ***2.3.10. Investment Credit for Agricultural and Allied Activities***

Capital formation is essential to achieve sustained growth in agricultural production. Cooperatives are playing a vital role in this direction. During 2014-15, Rs.290.85 crores were disbursed as investment credit loan to 59,578 farmers, of which Rs.25.13 crores were disbursed to 5,788 SC/ST members.



### **2.3.11. Micro Credit Loans to Petty Traders**

Cooperatives are encouraging the people, undertaking small business like, selling of flowers, vegetables, fruits and running petty shops by providing Rs.10,000/- as loan without any security. Under this scheme, 1,43,187 persons have benefited to the tune of Rs.146.30 crores during 2014-15.

### **2.3.12. Assistance to Self Help Groups**

Cooperatives are extending helping hand to Self Help Groups on continuous basis by meeting their credit requirement. During 2014-15, a sum of Rs.550.08 crores has been disbursed to 29,701 Self Help Groups.

### **2.3.13. Loan to Women Entrepreneur**

Cooperatives are playing a catalytic role in promoting women entrepreneurs. Central Cooperative Banks and Urban Cooperative Banks disburse loan up to Rs.10 lakh to women entrepreneur to start small industries and to take up service activities. A sum of Rs.47.42 crores was disbursed as loan during 2014-15 benefitting 12,329 women entrepreneur.

### **2.3.14. Loan to Working Women**

With the objective of empowering women, consumption loan up to Rs.1,00,000/-, repayable in 36 monthly instalments, is being sanctioned to working women by Central Cooperative Banks and Urban Cooperative Banks. During 2014-15, a sum of Rs. 43.82 crores was disbursed to 9,600 working women.

### **2.3.15. Loan to Differently Abled Persons**

As a measure to improve the standard of living of the differently abled persons, Cooperative banks extend credit facilities to them for undertaking livelihood activities. During 2014-15, Rs.26.10 crores were disbursed to 7,195 persons and no interest is being charged from those who have repaid the loan promptly. Interest subsidy of Rs.1 crore was sanctioned by the Government of Tamil Nadu for these loans for the year 2014-15. During 2013-14, Tamil Nadu State Apex Cooperative Bank was awarded the **Best Channelising Agency award** by His Excellency the President of India, **for issuing loan to Differently**

**Abled Persons** for their economic development.

**2.3.16.** Government have been giving special impetus to the empowerment of women, differently abled and SC/ST members in Cooperatives. Share capital assistance, in form of subsidy, is provided to these members for augmenting their borrowing power which eventually help in their economic development. During 2014-15, share capital assistance to the tune of Rs.75 lakh has been provided to 3,000 members, comprising 1,000 women members of Primary Agricultural Credit Cooperative Societies, 1,000 differently abled members of Primary Agricultural Credit Cooperative Societies and Urban Cooperative Banks and 1,000 SC/ST members of Urban Cooperative Banks. Share capital assistance has been provided at the rate of Rs.2,500/- per member.

**2.3.17.** The scheme of 'Revival Package for Short Term Cooperative Credit Structure' has been implemented, based on the recommendation of a Task Force headed by Prof. A. Vaidyanathan, to make the Cooperatives more effective and transform them into a well managed, vibrant medium

to serve credit needs of the people. As per the terms of the revival package, re-capitalization assistance has been provided to District Central Cooperative Banks and Primary Agriculture Cooperative Credit Societies to the extent of the losses incurred by them as on 31.3.2004. Government of India's share of Rs.1,078.84 crores and State share of Rs.385.45 crores have been received under the revival package.

**2.3.18.** Necessary amendments have been made in the Tamil Nadu Cooperative Societies Act, 1983, Tamil Nadu Cooperative Societies Rules, 1988, and the By-laws of the Societies, which will help in improving the functioning of Cooperative Credit Institutions. Efficiency of the Cooperative Institutions, especially the business operations, has been improved consequent to enhancing the skill sets of the Cooperative staff with the assistance of NABARD. Common Accounting and Management Information System is being implemented to further improve the operations and supervision of these Societies.

**2.3.19.** Special Cash Credit assistance of Rs.69.50 crores has been provided to 139

Primary Agricultural Cooperative Credit Societies at the rate of Rs.50 lakh per Society in past two years. This assistance was extended to 72 Societies in 2013-14 and to another 67 Societies in 2014-15.

### ***2.3.20. Diversified activities of Primary Agricultural Cooperative Credit Societies***

Primary Agricultural Cooperative Credit Societies have been offering various services, for betterment of their members and rural public, as given below: -

#### **(i) Distribution of Agricultural Inputs**

Primary Agricultural Cooperative Credit Societies are supplying fertilizers, seeds and other agricultural inputs for the benefit of farmers. During 2014-15, fertilizers worth Rs.665.80 crores and seeds worth Rs.14.28 crores were supplied by these Societies.

#### **(ii) Common Service Centres**

In Tamil Nadu, 4,239 Common Service Centres have been established in various Cooperative Societies for the benefit of public as they can now access various services of Government under one roof avoiding

repeated visits to various departments. E-services provided at these centres include on-line services relating to land records, e-ticketing, various kind of certificates issued by Revenue Department, to access various benefits offered by Social Welfare Department, digital photographs, etc. During 2014-15, 25,25,457 service transactions have been registered in these centres. Cooperative Societies have also earned an income of Rs.5.73 crores by way of fee for providing these services during the year. It is heartening to note that during first four months of the year 2015-16 i.e., up to 31.7.2015, 20,37,002 service transactions have been registered in these centres which have also added a revenue of Rs.7.63 crores to Cooperative Societies. It is the testimony of the utility and popularity of these centres.

#### **(iii) Agri-clinics**

Primary Agricultural Cooperative Credit Societies are also running Agri-clinics for the benefit of farmers, where soil and water is analysed and suitable recommendations are made about the package of practices to farmers. So far, Agri-clinics have been established in 190 Primary Agricultural Cooperative Credit Societies, with an outlay

of Rs.6 lakh each, by dovetailing funds from the Primary Cooperative Development Fund and National Agricultural Development Programme.

#### **(iv) Agro Service Centres**

Mechanisation of agricultural operations have become necessary to improve agricultural production and also to overcome labour shortage in agricultural sector. Therefore, for the benefit of farmers, especially Small and Marginal Farmers, 2,104 Agro Service Centres have been established in Primary Agricultural Cooperative Credit Societies. These centres provide farm equipment on hire at reasonable rate. The Government have provided 50% subsidy to Cooperative Societies for purchase of farm equipment, subject to a maximum of Rs.20 lakh per Society. During 2014-15, Cooperative Societies have earned an income of Rs.3.95 crores through Agro Service Centers.

#### **(v) Micro Insurance**

Primary Agricultural Cooperative Credit Societies have tie-up arrangements with

insurance companies for collecting premium for life and general insurance policies and settlement of claims under these policies. This has helped the people to access insurance services at their door step. During 2014-15, 95,752 people have availed this service and Rs.94.68 lakh were collected as premium by the Societies.

#### **(vi) Banana Cooling and Ripening Plant**

As announced on the floor of the Assembly, a Banana Cooling and Ripening Plant, **first in the history of Cooperation**, has been established for the benefit of banana growing farmers in Varadharajapuram Primary Agricultural Cooperative Credit Society in Tiruchirappalli District at a cost of Rs.28 lakh. This plant was declared open and dedicated to the people by Hon'ble Chief Minister on 20-6-2013. Action is being taken to establish another 5 Banana Cooling and Ripening plants, one each in Mahadhanapuram (Karur), Karavilai (Kanniyakumari) and Uyyakondan Thirumalai (Tiruchirappalli) Primary Agriculture Cooperative Credit Societies and Gobichettipalayam (Erode) and Ambasamuthiram (Tirunelveli) Agricultural Producers Cooperative Marketing Societies.

## **2.4. Modernisation of Cooperative Institutions**

**2.4.1.** It was announced on the floor of the Assembly during 2012-13 that 100 Branches of Central Cooperative Banks and Urban Cooperative Banks will be modernised thereby improving the services to customers on par with Commercial Banks. Accordingly, 78 branches of Central Cooperative Banks and 22 branches of Urban Cooperative Banks have been modernised at a cost of Rs.11.75 crores.

**2.4.2.** During 2013-14, it was proposed to modernize 75 branches of Central Cooperative Banks and 25 branches of Urban Cooperative Banks, at a cost of Rs.15 lakh each. Accordingly, 52 branches of Central Cooperative Banks and 24 branches of Urban Cooperative Banks have been modernised and the work is in progress for modernisation of the remaining 24 branches.

**2.4.3.** During 2014-15, it was proposed to modernise 100 Primary Agricultural Cooperative Credit Societies and modernisation work has been completed in all the 100 Primary Agricultural Cooperative Credit Societies. It was also proposed to

modernise 71 branches of Central Cooperative Banks and 18 branches of Urban Cooperative Banks, at an estimated cost of Rs.10.13 crores and 15 Urban Credit Cooperative Societies at an estimated cost of Rs.1.50 crores. Modernisation work has been completed in 92 institutions and it will be completed shortly in the remaining 12 institutions.

## **2.5. Computerisation**

With an objective to improve service delivery, all Primary Agricultural Cooperative Credit Societies and their branches have been computerised. During 2012-13, it was announced on the floor of the Assembly that 1,121 Primary Agricultural Cooperative Credit Societies will be provided financial assistance of Rs.25,000/- each, to procure computer systems. Accordingly, computer systems have been provided to these Societies at a cost of Rs.2.80 crores.

## **2.6. Opening of New Branches of Cooperative Banks and Construction of Own Building**

**2.6.1.** It was announced on the floor of the Assembly during 2012-13 that, with a view to provide customer service on par with the

Commercial Banks, 25 new branches of Central Cooperative Banks will be opened at an estimated cost of Rs. 5 crores and own buildings will be constructed for 25 branches at an estimated cost of Rs.6.25 crores. Accordingly, 25 new branches have been opened in Central Cooperative Banks for improving banking services to public. Work on construction of own buildings for 20 branches has been completed at a cost of Rs.7.21 crores and put to use. In case of remaining 5 branches, building construction work is in progress and will be completed shortly.

**2.6.2.** Action has also been taken to open another 21 new branches – 19 new branches of Central Cooperative Banks and 2 new branches of Urban Cooperative Banks during the year 2014-15. Already 7 branches have been opened and dedicated to the people and remaining branches will be opened shortly.

### **3. Long Term Cooperative Credit Structure**

Long term Cooperative Credit Structure comprises Tamil Nadu Cooperative State Agriculture and Rural Development Bank at the State level and 180 Primary Cooperative Agriculture and Rural Development Banks at Taluk/Block level. It caters to the long term Farm Sector and Non-Farm Sector credit needs of the rural people.

#### **3.1. Tamil Nadu Cooperative State Agriculture and Rural Development Bank**

**3.1.1.** Tamil Nadu Cooperative State Agriculture and Rural Development Bank could not get refinance from NABARD due to NABARD's revised policy guidelines which affected its normal lending operations. Therefore, to overcome the situation, Tamil Nadu Cooperative State Agriculture and Rural Development Bank has started funding the Primary Cooperative Agriculture and Rural Development Banks (PCARDBs) from its own resources, enabling them to continue lending operations.

**3.1.2.** Tamil Nadu Cooperative State Agriculture and Rural Development Bank has mobilised a sum of Rs.139.63 crores from

public, Government Departments and Government undertakings as deposits as on 31.03.2015. During 2014-15, the bank has also issued jewel loan worth Rs.264.04 crores.

### **3.2. Primary Cooperative Agriculture and Rural Development Bank**

180 Primary Cooperative Agriculture and Rural Development Banks are functioning in the State, which have disbursed jewel loan worth Rs.952.03 crores during 2014-15. These banks have also established 100 Common Service Centres benefiting a large number of people besides improving the business activities of these banks.

### **3.3 One Time Settlement Scheme**

Government of Tamil Nadu have sanctioned one time settlement scheme which will facilitate the members of Primary Cooperative Agriculture and Rural Development Banks to repay the Non-Farm Sector overdue loans and will strengthen the financial position of the Tamil Nadu Cooperative State Agriculture and Rural Development Bank and Primary Cooperative Agriculture and Rural Development Banks. By implementing this scheme, principal and

interest to the tune of Rs.132.88 crores will be collected as on 31.3.2014, from 5,741 borrowers. These borrowers will get the benefit of waiver of penal interest, additional interest and other charges to the tune of Rs.166.92 crores.

### **4. Urban Cooperative Credit Institutions**

Urban Cooperative Credit Structure consisting of Urban Cooperative Banks and Urban Cooperative Credit Societies, located in urban and semi-urban areas, fulfil the credit as well as banking needs of the middle class population in urban and semi-urban areas. In Tamil Nadu, 73 Urban Cooperative Credit Societies are functioning. During 2014-15, these Societies have disbursed Rs.1,270.51 crores to 2,95,462 members as Jewel Loan, House Mortgage Loan and Housing Loan.

#### **4.1. Tamil Nadu Cooperative Urban Banks Federation**

Tamil Nadu Cooperative Urban Banks Federation has been functioning in the State to guide the Urban Cooperative Banks.

#### **4.2. Urban Cooperative Banks**

**4.2.1.** In Tamil Nadu, 120 Urban Cooperative Banks are functioning which provide banking services and credit facilities to the people living in urban and semi-urban areas. These Banks mobilise deposits from public which is used to extend credit to small traders, artisans and persons belonging to middle income group for varied purposes like housing, business, education, consumption and non-farm sector activities. During 2014-15, these urban banks have disbursed a sum of Rs.5,975.39 crores as loan benefiting 14,12,225 persons.

**4.2.2.** State Government have signed a Memorandum of Understanding with Reserve Bank of India to improve the functioning of Urban Cooperative Banks. Accordingly all Urban Cooperative Banks and their branches have been computerised. Consequent upon the MOU entered with RBI, various measures have been taken to improve the functioning

of Urban Cooperative Banks. Action has been initiated to implement Core Banking Solution (CBS) in Urban Cooperative Banks to enable them to compete with commercial banks and to provide better services to public.

#### **5. Employees Cooperative Thrift and Credit Societies**

There are 1,758 Employees Cooperative Thrift and Credit Societies functioning in the State, which cater to credit needs of the employees of Central and State Government, Government Undertakings and Private Organisations. These Societies have a share capital of Rs.1,635.08 crores and working capital of Rs.10,223.78 crores. During 2014-15, these Societies have disbursed Rs.6,307.31 crores as loan to their members.

#### **6. Safety Measures in Cooperative Banks**

**6.1.** It is essential to have adequate safety measures in Primary Agricultural Cooperative Credit Societies, so that the liquid cash and jewels pledged with these Societies are safe.



At present 4,490 Societies are functioning, of which 3,975 Societies have strong room.

**6.2.** During 2012-13, strong room with defender door has been provided in 50 Primary Agricultural Cooperative Credit Societies and 16 Primary Cooperative Agriculture and Rural Development Banks at a cost of Rs.3.09 crores with interest free loan assistance from Cooperative Research and Development Fund maintained by Tamil Nadu Cooperative Union. Further, iron safes have been installed in 52 Primary Agricultural Cooperative Credit Societies, at a cost of Rs.69.16 lakh as interest free loan assistance from Cooperative Research and Development Fund.

**6.3.** Strong room with defender door has been constructed in another 50 Primary Agricultural Cooperative Credit Societies during 2013-14, at a cost of Rs.2.32 crores.

**6.4.** During 2014-15, Rs.27.06 crores have been provided as interest free loan, from Cooperative Research and Development Fund for construction of strong room with defender door in 556 Societies, including 540 Primary Agricultural Cooperative Credit Societies, and

for installing iron safe in 60 Primary Agricultural Cooperative Credit Societies.

**6.5.** In addition to above measures, Closed Circuit Surveillance Cameras have been installed in 1,038 branches of Tamil Nadu State Apex Cooperative Bank, Central Cooperative Banks and Urban Cooperative Banks.

**6.6.** Action has also been taken to install Closed Circuit Surveillance Cameras in 954 Cooperative institutions during 2014-15, which include 850 Primary Agricultural Cooperative Credit Societies, 7 Branches and 18 Regional offices of Tamil Nadu State Agriculture and Rural Development Bank, 71 Primary Cooperative Agriculture and Rural Development Bank, 5 Urban Cooperative Credit Societies, and 3 Urban Cooperative Banks. Steps are being taken to complete the work expeditiously.

## **7. Relief Measures**

### **7.1. Drought Relief**

During 2012-13, Government had declared 31 districts as drought affected and sanctioned a drought relief package. In

Cauvery delta area, where crop loss was in excess of 50%, a drought relief package of Rs.15,000/- per acre was sanctioned, which also included crop insurance and special additional relief. A sum of Rs.541.36 crores was provided to Primary Agricultural Cooperative Credit Societies, of which Rs.517.98 crores have been disbursed to 3,48,681 farmers. In respect of non-delta area, a relief of Rs.3,000/-, Rs.4,000/- and Rs.5,000/- per acre was sanctioned based on the type of crop and a sum of Rs.835.21 crores was released by the Government to Primary Agricultural Cooperative Credit Societies of which Rs.766.60 crores have been disbursed to 15,96,887 farmers.

## **7.2. Crop Insurance**

Agricultural Insurance Company of India has released Rs.633.56 crores during 2012-13 as Crop Insurance claim for Paddy-II season, of which a sum of Rs.609.84 crores has been disbursed to 5,10,827 farmers through Primary Agricultural Cooperative Credit Societies up to 31.03.2015. During January 2015, a sum of Rs.132.97 crores has been received from Agricultural Insurance Company of India for

other crops, of which Rs.126.45 crores have been disbursed to the farmers. During March 2015, a further sum of Rs.28.71 crores has been received and disbursed to the farmers towards Paddy-II Season (2013).

## **8. Employees Welfare**

### **8.1 Pay hike to the Employees of Cooperatives**

Government is giving top most priority to the welfare of the employees. In line with above, pay of 1,701 employees of 120 Urban Cooperative Banks and 152 employees of Tamil Nadu Cooperative State Agriculture and Rural Development Bank was raised with effect from 01.01.2012, with a maximum benefit of 20% increase in wages with an additional annual commitment of Rs.13.33 crores and Rs.1.55 crores respectively. Similarly the wage revision for 15,778 employees working in Primary Agricultural Cooperative Credit Societies has been given with effect from 01.04.2013 with a maximum benefit of 12% increase in wages with an annual additional commitment of Rs.26.89 crores.

### **8.2. New Health Insurance Scheme**

State Government Employees' New Health Insurance Scheme 2012 has been extended to the employees of Cooperative Societies also. As per this scheme, in two years, employees of Cooperative Societies and their dependents can avail medical treatments up to Rs.2 lakh without paying cash. Annual premium under the scheme is Rs.2,120/- which will be shared by the employees and Cooperative Societies in equal proportion. This Scheme was launched by the Hon'ble Chief Minister of Tamil Nadu on 27.07.2015.

Over 41,000 employees working in 6,245 Societies and nearly 1.15 lakh family members depending on these employees, will benefit by this scheme.

## 9. National Level Awards

Performance of the Cooperative Institutions has been widely appreciated and acknowledged even at the National level. A plethora of National Level Awards bagged by the Cooperatives in the State are the testimony to the success story of Cooperative movement in the State. Following are some

of the National Awards bagged by the Cooperatives:

**9.1.** Tamil Nadu State Apex Cooperative Bank was awarded the "**Best Performing Member Cooperative Organisation**" in Cooperative Agricultural Credit Structure for 2011-12, by National Cooperative Union of India.

**9.2.** Tamil Nadu State Apex Cooperative Bank also received **First Prize** for implementation of "**All India Mutual Arrangement Scheme (AIMAS)**" and **Second Prize** for "**Overall Best Performance**" during the year 2011-12 from National Federation of State Cooperative Banks (NAFSCOB).

**9.3.** Tamil Nadu State Apex Cooperative Bank improved its performance next year and received **First Prize** for "**Overall Best Performance**" during 2012-13 from National Federation of State Cooperative Banks (NAFSCOB).

**9.4.** Tamil Nadu State Apex Cooperative Bank was awarded '**Best Channelising Agency**' of National Handicapped Finance and Development Corporation (NHFDC) for

2013-14 for empowerment of differently abled persons.

**9.5.** Agricultural Cooperative Staff Training Institute (ACSTI) managed by Tamil Nadu State Apex Cooperative Bank received **Second Prize for Best Performance** from National Council for Cooperative Training (NCCT) and **Third Prize for Best Performance**, from National Federation of State Cooperative Banks (NAFSCOB) during 2012-13.

**9.6.** During 2013-14, Agricultural Cooperative Staff Training Institute performed even better and received **First Prize for Best Performance**, from National Federation of State Cooperative Banks (NAFSCOB).

**9.7.** Tiruchirappalli District Central Cooperative Bank was awarded **First Prize for Overall Best Performance**, out of 372 District Central Cooperative Banks in the country, during 2011-12 by National Federation of State Cooperative Banks (NAFSCOB).

**9.8.** Tamil Nadu Cooperative State Agriculture and Rural Development Bank

(TNCSARDB) received **Federation's Trophy for Best Performance in deposit mobilization** at National level from National Cooperative Agriculture and Rural Development Banks Federation for the year 2013-14.

**9.9.** B.Thurinchipatty Primary Agricultural Cooperative Credit Society in Dharmapuri district was awarded **Second Prize** at all India level for **Best Performance** during 2011-12 by National Federation of State Cooperative Banks (NAFSCOB).

**9.10.** Mahalakshmi Primary Agricultural Cooperative Credit Society, Gengavalli in Salem district was awarded **Third Prize** at all India level for **Best Performance** out of about 93,000 Primary Agricultural Cooperative Credit Societies in the Country, during 2012-13 by National Federation of State Cooperative Banks (NAFSCOB).

## **COOPERATIVE MARKETING SOCIETIES**

### **1. Introduction**

The main objective of the Cooperative Marketing Societies is to arrange for marketing of agricultural produce of the members at a reasonable price; to distribute farm inputs to farmers; to advance loan on the pledge of agricultural produce; and to undertake processing of the agricultural commodities. These objectives are fulfilled through 112 Agricultural Producers Cooperative Marketing Societies functioning in the State.

Tamil Nadu Cooperative Marketing Federation (TANFED) is functioning as an apex institution of Cooperative Marketing Societies in all the districts, barring Thanjavur, Tiruvarur, Nagapattinam and 'The Nilgiris'. Thanjavur Cooperative Marketing Federation fulfils the needs of farmers in Thanjavur, Thiruvarur and Nagapattinam districts and Nilgiris Cooperative Marketing Society is catering to the needs of farmers in 'The Nilgiris' district.

### **2. Tamil Nadu Cooperative Marketing Federation (TANFED)**

**2.1.** Tamil Nadu Cooperative Marketing Federation commenced its operations on 20.02.1959. It is currently engaged in sale of fertilizers and other inputs through Cooperative Marketing Societies and Primary Agricultural Cooperative Credit Societies. During 2014-15, TANFED has distributed 4,87,166 MT of fertilizers worth Rs.594.47 crores. TANFED is also having a fertilizer Mixing Unit at Pamani in Thiruvarur district which manufactures its own granulated mixture i.e. Pamani 17:17:17 fertilizer. During 2014-15, this unit has produced 11,920 MT of fertilizer worth Rs.21.86 crores, which has been distributed through TANFED.

**2.2.** During 2014-15, Government have sanctioned Rs.150 crores interest free ways and means advance to TANFED, to ensure timely distribution of fertilizers to farmers through Cooperative Societies.

**2.3.** TANFED is maintaining 38 godowns with a total capacity of 28,640 MT, besides operating two cold storages units; one each at Koyembedu wholesale market complex

with a capacity of 2500 MT and at Basin Bridge with 960 MT capacity. TANFED helps the Marketing Societies in providing commercial support for marketing of agricultural produce of farmers through joint venture business with these Societies. TANFED also acts as an agent of National Agricultural Cooperative Marketing Federation (NAFED) for undertaking Price Support Scheme in Tamil Nadu. TANFED has gradually diversified its business activities and is also supplying cattle feed to Aavin for onward distribution to milk producers. During 2014-15, TANFED has sold 22,439 MT of cattle feed worth Rs.37.36 crores to Aavin. Further, in association with Indian Oil Corporation, TANFED has established a petrol and diesel dispensing unit in Koyambedu Market Complex and a petrol dispensing unit at Kodambakkam.

**2.4.** Sales turnover of TANFED for various items is given below: -

(Rs.in crores)

| Details              | 2013-14 | 2014-15 |
|----------------------|---------|---------|
| Fertilizers          | 485.22  | 594.47  |
| Pesticides           | 2.04    | 2.59    |
| Agricultural produce | 45.70   | 148.72  |
| Petrol and Diesel    | 10.95   | 22.41   |

### **3. Thanjavur Cooperative Marketing Federation (TCMF)**

Thanjavur Cooperative Marketing Federation is a Regional Federation covering Thanjavur, Thiruvarur and Nagapattinam districts. It was established on 29.01.1941 and is functioning with 977 members with share capital of Rs.76.98 lakh. Its business activities include sale of fertilizers, seeds and agricultural implements. It also issues jewel loan to its members. It is also running a printing press. Total business turnover of TCMF as on 31.03.2015 is Rs.130.29 crores.

### **4. Agricultural Producers Cooperative Marketing Societies**

**4.1.** There are 112 Agricultural Producers Cooperative Marketing Societies functioning in the State with the primary objective of marketing agricultural produce and selling fertilizers and other inputs. Most of these Societies also run Fair Price Shops under Public Distribution System and also act as lead societies for movement of commodities for Public Distribution System.

## 4.2. Performance of a Few Cooperative Marketing Societies

**4.2.1. Tiruchengode Agricultural Producers Cooperative Marketing Society** is functioning since 30.4.1930. Its area of operation covers whole of Salem and Namakkal districts. This Society is functioning with the primary objective of marketing agricultural produce of the members at a reasonable price. This Society is also engaged in advancing loan against the pledge of agricultural produce and jewels. It has also diversified its business activities by opening petrol bunks, gas agency, medical shops and super market.

Business performance of Tiruchengode Agricultural Producers Cooperative Marketing Society is as below:

(Rs. in crores)

| Details                           | 2013-14 | 2014-15 |
|-----------------------------------|---------|---------|
| Marketing of Agricultural Produce | 121.39  | 154.52  |
| Sale of Agricultural Implements   | 0.54    | 0.57    |
| Servo oil sales                   | 17.91   | 19.63   |
| Jewel loan and others             | 160.63  | 148.57  |
| Total Turnover                    | 300.47  | 323.29  |

**4.2.2. Nilgiris Cooperative Marketing Society** covers the whole of The Nilgiris District and Mettupalayam Municipality of Coimbatore district. Besides marketing agricultural produce of farmers at a remunerative price and distributing agricultural inputs like fertilizers, pesticides, seeds and farm equipment to farmers, it also produces chemical mixture in its own fertilizer mixture unit at Mettupalayam and markets it. Nilgiris Cooperative Marketing Society also runs a LPG gas agency. It has earned a net profit of Rs.3.02 crores in 2013-14 and Rs.3.19 crores, tentatively in 2014-15.

**4.2.3. Tudiyalur Cooperative Agricultural Services Ltd. (TUCAS)** is a special type of Primary Agricultural Cooperative Institution started in 1955. Besides supplying agricultural inputs to farmers, it is also involved in production and marketing of fertilizers, pesticides, seeds and agricultural implements. Sale of seeds in TUCAS has increased from Rs.2.76 crores in 2013-14 to Rs.3.38 crores in 2014-15. Similarly, sale of agricultural implements to other Cooperative Institutions has increased from Rs.80.10 lakh in 2013-14 to Rs.101.62 lakh in 2014-15.

### **4.3. Marketing of Agricultural Produce**

**4.3.1.** Cooperative Marketing Societies assist the farmer members to secure reasonable prices for their produce. These Societies are functioning as a bridge between producers and consumers. Infrastructure facilities like auction yards, drying yards and godowns are provided by these Societies to help the members to sell their produce at a competitive price. During 2014-15, agricultural commodities worth Rs.962.99 crores have been marketed by these Societies as against Rs.750.67 crores during 2013-14.

#### ***4.3.2. Linking of Credit with Marketing***

Linking of credit with marketing is one of the main role of Cooperative Marketing Societies. Under this scheme, agricultural produce of the farmer members is marketed at fair price and settlement made towards their loan dues. During 2013-14, linking of credit with marketing was to the tune of Rs.1.93 crores, which has increased to Rs.2.60 crores during 2014-15.

### **4.4. Produce Pledge Loan**

In order to safeguard farmers from undertaking distress sale of their produce, Agricultural Producers Cooperative Marketing Societies provide produce pledge loan at the rate of 60% to 80% of the market value of the produce. Apart from fulfilling the financial needs of farmers, this scheme helps them to store their produce safely in the godowns of Marketing Societies and sell when prices are favourable. During 2014-15, produce pledge loan to the tune of Rs.112.67 crores have been disbursed.

### **4.5. Disbursement of Jewel Loan**

To cater to urgent financial needs of farmers, jewel loan amounting to Rs.369.64 crores have been disbursed during 2014-15.

### **4.6. Processing and Value Addition of Agricultural Produce**

Some of the Cooperative Marketing Societies are also having processing units, like ginning units, pulses drying units, chilly grinding units, oil crushing units, rice mills



etc., to process and add value to the agricultural produce marketed by them. They also provide processing facilities to farmers at affordable rates.

#### **4.7. Sale of Quality Seeds**

Quality seeds of various crops such as paddy, pulses, oilseeds, millets, vegetables etc. are procured and sold to farmers. During 2014-15 Cooperative Marketing Societies have sold worth seeds worth Rs.14.28 crores.

#### **4.8. Distribution of Fertilizer through Cooperative Societies**

**4.8.1.** Chemical fertilizers are being distributed as a component of crop loan to farmers through Primary Agricultural Cooperative Credit Societies and cash sale of fertilizers is also being undertaken. Tamil Nadu Cooperative Marketing Federation, Thanjavur Cooperative Marketing Federation and Nilgiris Cooperative Marketing Society are functioning as fertilizer wholesalers for the Cooperatives.

**4.8.2.** Details of sale of fertilizer by Cooperatives in the last three years are as follows:-

| Year    | Sales details       |                          |
|---------|---------------------|--------------------------|
|         | Quantity<br>(in MT) | Value<br>(Rs. in crores) |
| 2012-13 | 5,25,454            | 644.48                   |
| 2013-14 | 4,51,134            | 552.67                   |
| 2014-15 | 5,80,205            | 665.80                   |

#### **4.8.3. Sale of Urea**

In 2013-14, sale of urea by Cooperatives was 2,13,738 MT which has gone up to 3,01,324 MT in 2014-15. The share of Cooperatives in urea sales in the State has gone up to 30% in 2014-15 from 23% in 2013-14.

#### **4.9. Turnover**

Total business turnover of Agricultural Producers Cooperative Marketing Societies during 2014-15 has gone up to Rs.2,323.65 crores from Rs.2,229.18 crores a year ago.

## **5. Special Schemes Implemented by Agricultural Producers Cooperative Marketing Societies**

### **5.1. Installation of Solar Copra Dryers**

In order to benefit the coconut farmers by converting their coconuts into quality copra in a rapid manner, 28 Solar Copra Dryers have been installed in 10 districts. During 2014-15, 6,35,316 coconuts have been converted into copra in these units.

### **5.2. Installation of Electronic Weighbridges**

**5.2.1.** To ensure accurate weighing of agricultural produce, for both farmers and traders, electronic weighbridges have been installed at a cost of Rs.18.89 lakh each, in Perundurai and Bhavani Agricultural Producers Cooperative Marketing Societies in Erode district and Usilampatti Agricultural Producers Cooperative Marketing Society in Madurai district during 2013-14. It has benefitted the farmers and traders in this region.

**5.2.2.** Similarly, during 2014-15, electronic weighbridges have been installed in Nilgiris and Thuraiyur Agricultural Producers

Cooperative Marketing Societies at a total cost of Rs.41.55 lakh.

### **5.3. Installation of Seed Processing Unit**

A seed processing unit has been installed at a cost of Rs.19.13 lakh in Tudiyalur Cooperative Agricultural Services Limited, to supply quality seeds to farmers. During 2014-15, 1,362.18 MT of seeds have been processed.

### **5.4. Agriculture Produce Processing Units**

Value addition to farm produce such as pulses (dal), gingelly (til), chillies, etc., enables the producers to get better price for their produce. Therefore, to help the farmers and also to make these product available at reasonable prices to consumers, 5 processing units have been installed at Peraiyur, Thirumangalam, Chidambaram, Tiruchengodu and Perundurai at a total cost of Rs.91.35 lakh.

### **5.5. Installation of Fertilizer Mixing Unit**

Nilgiris Cooperative Marketing Society has been manufacturing fertilizer mixture, since 2008. One more fertilizer mixing unit has been installed at Metupalayam branch of

Nilgiris Cooperative Marketing Society at a cost of Rs.15 lakh which will increase the production of fertilizer mixture.

### **5.6. Construction of Drying Yards**

During 2014-15, drying yards have been constructed in Alangudi, Thirumayam, Aranthangi and Thirumangalam Agricultural Producers Cooperative Marketing Societies, at a total cost of Rs.23.35 lakh which will facilitate farmers to dry and segregate their produce for better price realization.

## **6. Construction of Godowns in Rural Areas**

In order to provide storage facilities to farmers to store their produce, it has been planned to expand godown facilities in the State. Significant storage capacity has been added in past four years as seen below:

**6.1.** During 2011-12, Government have sanctioned Rs.107.26 crores under NABARD's RIDF XVII scheme (2011-12) for construction of 1,166 godowns in Primary Agricultural Cooperative Credit Societies and Agricultural Producers Cooperative Marketing Societies, of which Rs.105.47 crores have

been provided as grant. All the 1,166 godowns were inaugurated by Hon'ble Chief Minister and have been put to use. On construction of these godowns, storage capacity in rural area has gone up by 1,55,300 MT.

**6.2.** During 2012-13, Government have sanctioned Rs.129.762 crores under RIDF XVIII scheme (2012-13) for construction of 1,104 godowns with a capacity of 1,29,400 MT in Primary Agricultural Cooperative Credit Societies and Agricultural Producers Cooperative Marketing Societies, of which Rs.128.80 crores have been provided as grant. Construction of all the godowns have been completed.

**6.3.** Further, during 2013-14 Government have sanctioned Rs.140.94 crores under Warehouse Infrastructure Fund (2013-14) for construction of 1,044 godowns with a total capacity of 1,24,100 MT in Primary Agricultural Cooperative Credit Societies and Agricultural Producers Cooperative Marketing Societies, of which Rs.139.72 crores have been provided as grant. So far 1,008 godowns have been completed, while others are at various stages of construction. Government have also sanctioned

Rs.177 lakh for construction of 3 godowns of 1,000 MT capacity each for TANFED, of which Rs.159.30 lakh is provided as grant. These godowns are constructed at Kovilpatti, Krishnagiri and Udumalpet. On construction of these godowns, TANFED would be able to further improve the supply of fertilizer to farmers in concerned regions.

**6.4.** Government have sanctioned Rs.109.89 crores under Warehouse Infrastructure Fund during 2014-15 for construction of 562 godowns with a total capacity of 98,800 MT in Primary Agricultural Cooperative Credit Societies and Agricultural Producers Cooperative Marketing Societies of which Rs.107.73 crores have been provided as grant.

**6.5.** As a result of construction of 3,278 godowns under these special schemes, storage capacity in Cooperative Institutions has increased from 8 lakh MT to nearly 12 lakh MT in past four years. These initiatives have helped the farmers immensely. During 2014-15, 12,795 farmers have stored 1,04,709 MT of Agriculture Produce worth Rs.319.28 crores and availed Produce Pledge loan to the tune of Rs.166.29 crores.

**6.6.** Due to the special efforts taken by Government of Tamil Nadu, the Warehousing Development and Regulatory Authority (WDRA) has agreed to accredit 100 MT capacity godowns constructed under RIDF scheme by relaxing the existing condition for accreditation of godowns, which stipulates minimum capacity of 250 MT for registration/accreditation of a godown. So far, 135 godowns have been registered with WDRA and Negotiable Warehouse Receipts have been issued, through these godowns and 88 number of farmers have availed produce pledge loan to the tune of Rs.194.29 lakh at 7% subvented interest rate. This scheme is getting very popular with the small and marginal farmers.

## **7. Construction of Office Buildings**

In order to enhance the services rendered to members of Agricultural Producers Cooperative Marketing Societies, construction of new office buildings has been taken up in Tiruvannamalai, Polur, Chengam and Karamadai Agricultural Producers Cooperative Marketing Societies at a total cost of Rs.1.47 crores during 2014-15.

## **8. Construction of Strong Rooms with Defender Doors**

**8.1.** To safeguard the jewels pledged by farmers, 25 strong rooms with defender doors have been provided in Cooperative Marketing Societies at a total cost of Rs.145.53 lakh. Subsequent to this, disbursement of jewel loan has increased from Rs.27.11 crores in 2013-14 to Rs.49.69 crores in 2014-15 in these Cooperative Marketing Societies.

**8.2.** Strong room with defender door has been constructed in another 12 Agricultural Producers Cooperative Marketing Societies during 2014-15 at a cost of Rs.81.30 lakh.

## **9. Large Sized Multi Purpose Cooperative Societies (LAMPS)**

**9.1.** The main objective of Large Sized Multipurpose Cooperative Societies is to increase farm productivity, improve employment opportunities for the people living in hilly areas, increasing their income by providing integrated credit facilities and distribution of essential commodities. These Societies provide multiple services like

disbursement of credit to tribal people for farm produce, supply of agricultural inputs, marketing of agricultural produce, and distribution of essential commodities under Public Distribution System. At present, 22 Large Sized Multipurpose Cooperative Societies are functioning in the State including, 3 newly formed LAMPS namely, Pandalur Taluk Primitive Hill Tribes LAMPS and Kothagiri Hill Tribes LAMPS in 'The Nilgiris' district and Sittiling Hill Tribes Large Sized Multipurpose Cooperative Society in Dharmapuri district.

**9.2.** There are 99,132 tribal members and 17,477 non tribal members in these 22 Large Sized Multipurpose Cooperative Societies. During 2014-15, these Societies have registered a business turnover of Rs.129.29 crores.

### **9.3. Upliftment of Tribals Living in Hill Area**

With a view to improve the livelihood of tribal people, by providing remunerative prices for their produce, Hon'ble Chief Minister had ordered to make arrangements for marketing of minor forest produce such as Honey, Samai, Varagu and Tamarind. Accordingly, LAMPS are procuring these minor forest produce from tribal people and

selling these products after packaging them with a common brand name. Further, a sum of Rs.1.50 lakh has been sanctioned as grant to install Samai Processing Unit at Jawadhu Large Sized Multipurpose Cooperative Society which helps in value addition to the produce of tribal people.

**9.4.** The sale of branded minor forest produce like Honey, Samai, Varagu and Tamarind was launched by the Hon'ble Chief Minister on 20.06.2013. Sales turnover of these products as on 31.07.2015 is as follows:

| Product      | Quantity in MT | Sales (Rs. in lakh) |
|--------------|----------------|---------------------|
| Honey        | 5.98           | 17.30               |
| Samai        | 24.03          | 11.65               |
| Tamarind     | 32.97          | 23.33               |
| Varagu       | 7.72           | 5.05                |
| <b>Total</b> |                | <b>57.33</b>        |

## **9.5. Financial Assistance under Tribal Sub Plan Scheme**

Under the Tribal Sub Plan Scheme, share capital subsidy and interest subsidy is being provided to tribal members of Large Sized Multipurpose Cooperative Societies to increase their borrowing capacity and also to reduce interest burden. During 2014-15, a sum of Rs.90 lakh has been provided under the scheme.

## **10. Labour Contract Cooperative Societies**

There are 60 Labour Contract Cooperative Societies functioning in the State with a total membership of 23,481. These Societies generate employment opportunities for their members by securing contract work.

## **11. Cooperative Printing Presses**

**11.1.** In Tamil Nadu, 26 Cooperative Printing Presses are functioning with a membership of 12,438 and a share capital of Rs.2.36 crores. Efforts have been taken to modernise these printing presses, which were hitherto printing only books and forms required by the

Cooperative Societies. As a first step, printing presses at 7 locations; namely Chennai, Vellore, Salem, Madurai, Tirunelveli, Coimbatore and Tiruchirapalli; have been modernised, on par with private printing presses, by installing computer stationery manufacturing and printing machines at a total cost of Rs.3.68 crores. Due to this, the Cooperative presses are now able to carry out the printing work not only for Cooperative Institutions, but also for Government and Quasi-Government Institutions. These modernised Cooperative printing presses have executed 1,402 work orders worth Rs.213.25 lakh during 2014-15.

**11.2.** Total business turnover of Cooperative printing presses have gone up to Rs.60.31 crores in 2014-15 from Rs.53.57 crores in 2013-14.

**11.3. Construction of New Building for Tiruvannamalai Cooperative Printing Press** - sanction has been accorded for construction of a new office building for Tiruvannamalai Cooperative Printing Press at a cost of Rs.50 lakh and construction work is in progress.

## **12. National Level Awards**

Like Credit Cooperative Institutions, performance of the Cooperative Marketing Societies have been applauded at the National level. Following are some of the National Awards received by Cooperative Marketing Societies:

**12.1.** Following Cooperative Marketing Institutions received the **Best Cooperative Marketing Society Award**, from National Cooperative Union of India (NCUI) on 25.6.2013:

- (i) Tamil Nadu Cooperative Marketing Federation (TANFED),
- (ii) Pollachi Agricultural Producers Cooperative Marketing Society,
- (iii) Pattukottai Agricultural Producers Cooperative Marketing Society, and
- (iv) Udumalpet Agricultural Producers Cooperative Marketing Society.

**12.2.** Erode Agricultural Producers Cooperative Marketing Society received the **Excellent Performance Award** in the National Cooperative Spice Fair held at Jaipur in May 2015.

## Chapter - III

### **CONSUMER COOPERATIVES**

#### **1. Introduction**

Consumer Cooperatives are functioning with a three tier structure in the State viz. Tamil Nadu Consumer Cooperative Federation at State level, 34 Consumer Cooperative Wholesale Stores at district level and 371 Primary Cooperative Stores at the primary level. Main objective of these Consumer Cooperatives is to supply essential consumer goods to public at a reasonable price and thus help in controlling prices.

#### **2. Functions**

**2.1.** Tamil Nadu Consumers Cooperative Federation is functioning as the apex Organisation for the Cooperative Stores at district and primary level. It also acts as a coordinating agency to the affiliated Cooperative Stores for procurement of essential consumer goods.

**2.2.** District Consumer Cooperative Wholesale Stores operate 40 Super Markets, 75 mini Super Markets, 113 Medical Shops,



34 Farm Fresh Consumer Outlets, 26 Amma Marundagams, 7 Petrol Bunks, 35 LPG supply units, 3,207 Fair Price Shops and 84 Kerosene Bunks throughout the State. Further, they also act as lead societies for supply of essential commodities to Fair Price Shops and play a vital role in successful implementation of Public Distribution System.

**2.3.** Similarly, Primary Cooperative Stores are running 31 Medical Shops, 2,081 Fair Price Shops, 24 Amma Marundagams, 9 Farm Fresh Consumer Outlets in the State, besides providing other services to the public akin to the District Consumer Cooperative Wholesale Stores.

### **3. Business**

**3.1.** Consumer Cooperatives purchase quality consumer goods directly from manufacturing units, production centres, Cooperative Marketing Societies and also through Joint Purchase Committee and sell to consumers at reasonable price.

**3.2.** Tamil Nadu Consumer Cooperative Federation has sold consumer goods, stationery items, fire crackers, computer

peripherals and petroleum products worth Rs.18.45 crores during 2014-15.

**3.3.** District Cooperative Wholesale Stores have sold controlled commodities worth Rs.825.78 crores and non-controlled commodities worth Rs.636.03 crores during 2014-15.

**3.4.** Similarly, Primary Cooperative Stores have sold controlled commodities worth Rs.250.74 crores and non-controlled commodities worth Rs.311.88 crores during 2014-15.

**3.5.** In total, a business turnover of Rs.3,409.44 crore has been registered by the Consumer Cooperatives in the State during 2014-15.

### **4. Amma Marundhagams**

**4.1.** It was announced in the Budget 2014-15 that, "100 new Amma Marundhagam shops will be opened". In pursuance to the above announcement, 10 Amma Marundhagams were declared open on 26.06.2014 by Hon'ble Chief Minister in Kancheepuram, Cuddalore, Erode, Madurai, Sivagangai, Salem and

Virudhunagar districts. As on date, all the 100 Amma Marundhagams have been opened and are functioning in 32 districts. Government have sanctioned financial assistance of Rs.10 crores for providing infrastructure facilities and working capital assistance to these Amma Marundhagams at the rate of Rs.10 lakh per shop.

**4.2.** The Cooperative medical shops sell medicines to the public with a discount of up to 15%. During 2014-15, medicines worth Rs.73.75 crores have been sold by these shops. It is heartening to note that during first four months of the current financial year i.e., up to 31.07.2015, medicines worth Rs.34.45 crores have been sold.

## **5. Farm Fresh Consumer Outlets**

**5.1.** As a market intervention measure and to provide quality vegetables to consumers at reasonable prices by sourcing vegetables directly from farmers by eliminating intermediaries, Farm Fresh Consumer Outlets have been opened in urban areas. By this, the farmers get spot cash payments for their produce, which is procured at reasonable price at the farm gate.

**5.2.** At present, 58 Farm Fresh Consumer Outlets, including 2 mobile outlets, are functioning. 31 types of quality vegetables are being sold through these outlets. For transporting vegetables procured from farmers in vegetable growing areas of Krishnagiri, 'The Nilgiris' and Dindigul districts to Farm Fresh Consumer Outlets in Chennai, three vehicles have been purchased at a cost Rs.42 lakh (Rs.14 lakh per vehicle) with financial assistance under NADP. Further, infrastructure and refrigeration facilities have been provided in these vehicles at a total cost of Rs.15.40 lakh. These vehicles have been allotted to Chettipalli Primary Agricultural Cooperative Credit Society, Nilgiris Cooperative Marketing Society and Palani Cooperative Marketing Society.

**5.3.** Government have sanctioned Rs.7.34 crores from Price Stabilization Fund as Revolving Fund assistance to these Farm Fresh Consumer Outlets. Further, a sum of Rs.1.15 crore has been sanctioned from Cooperative Research and Development Fund for providing infrastructure and improving ambience in these outlets. As on 31.03.2015, 7,869 MT of vegetables amounting to

Rs.22.38 crores have been sold through Farm Fresh Consumer Outlets.

## 6. Rs.20/- per kg Rice Scheme

In order to control the prices of rice in open market, under "Rs.20/- per kg scheme" 7,400 MT of rice worth Rs.14.80 crores, has been sold through 273 sales centers of Cooperative Societies.

## 7. Other Market Intervention Activities

7.1. Whenever, prices of essential commodities spiral, essential commodities like Tur dal, Urad dal, Chillies, Tamarind, Gingelly oil, etc. are procured from the places where they are available at reasonable rates and sold to the public through Cooperatives at reasonable rates under market intervention scheme. Government have extended the period of this scheme for a further period of 3 years from 1.11.2014.

7.2. During 2014-15, Government have sanctioned interest free working capital assistance amounting to Rs.6 crores from

Price Stabilization Fund to Tamil Nadu Cooperative Marketing Federation Limited for procurement of essential commodities.

7.3. To check the prices of Tur dal and Urad dal in open market, a scheme for sale of Tur dal and Urad dal at reasonable prices, was inaugurated by Hon'ble Chief Minister on 24.05.2015. Under this scheme, Tur dal and Urad dal is being purchased by Tamil Nadu Cooperative Marketing Federation through National Consumer Cooperative Federation and sold in Chennai at reasonable price through 20 outlets of Cooperatives and 5 outlets of Tamil Nadu Civil Supplies Corporation.

Tur dal and Urad dal is being sold at the following rates:

| Commodity    | Price in Rs. per Packet of ½ kg |
|--------------|---------------------------------|
| Tur Dal      | 53.50                           |
| Urad dal (A) | 56.00                           |
| Urad dal (B) | 49.50                           |

## **COOPERATIVES IN PUBLIC DISTRIBUTION SYSTEM**

### **1. Introduction**

Universal Public Distribution System has been functioning efficiently in Tamil Nadu. Cooperative Societies play a vital role in Public Distribution System by running majority of the Fair Price Shops, in the state. Movement of essential commodities from the godowns of Tamil Nadu Civil Supplies Corporation to Fair Price Shops, is undertaken by 94 Lead Societies viz. 25 Consumer Cooperative Wholesale Stores, 57 Cooperative Marketing Societies, 9 Primary Cooperative Stores, 2 Primary Agricultural Cooperative Credit Societies and 1 Urban Cooperative Credit Society. These Lead Societies lift PDS commodities from TNCSC godowns and supply to the Fair Price Shops run by 4,193 Link Societies. Apart from these, 322 Cooperative Societies are acting as self-lifting Societies, which include 7 Cooperative Wholesale Stores, 31 Cooperative Marketing Societies, 147 Primary Cooperative Stores, 119 Primary Agricultural Cooperative Credit Societies,

7 LAMP Societies and 11 other type of Societies.

### **2. Fair Price Shops**

Cooperative Societies run 32,105 Fair Price Shops, of which 23,551 are full time shops and 8,554 are part time shops. Apart from Fair Price Shops, 260 kerosene bunks are also run by Cooperative Societies exclusively for distribution of kerosene to family cardholders. Essential commodities are distributed to 1,82,61,369 family cardholders by the Fair Price Shops run by Cooperative Societies. Special PDS commodities like Tur dal, Urad dal, Palmolein oil and other commodities such as Ooty tea and Arasu salt are also being sold by the Fair Price Shops.

### **3. Mobile Fair Price Shops**

**3.1.** During 2012-13, 10 Mobile Fair Price Shops have been introduced. For this purpose 10 vehicles, one each for 10 LAMP Societies, have been provided at a total cost of Rs.94.95 lakh out of Primary Cooperative Development Fund.

**3.2.** Another 5 Mobile Fair Price Shops have been introduced during 2013-14, of which 3 shops are operated - one each by Mottampatti and Kilakadu LAMP Societies in Villupuram district and Ravanapuram Primary Agricultural Cooperative Credit Society in Tiruppur district and two mobile shops are operated – one each by Triplicane Urban Cooperative Society and Park Town Cooperative Wholesale Store. Vehicles (5 nos.) for these shops have been purchased out of Primary Cooperative Development Fund and Cooperative Research and Development Fund at a total cost of Rs.66.82 lakh.

**3.3.** Another 2 Mobile Fair Price Shops have been introduced during current year (2015-16) in Tirunelveli district by Chokkalal Mill Employees Cooperative Stores and Irukkanthurai Primary Agriculture Cooperative Credit Society.

**3.4.** In total, 31 Mobile Fair Price Shops are functioning in hilly and remote rural areas with a view to supply essential commodities to the people at their door step. Besides, 2 Mobile Fair Price Shops are functioning in Chennai City.

#### **4. Government Subsidy**

Cooperative Societies are running Fair Price Shops without any profit motive. PDS Commodities are supplied to family cardholders only at the rate fixed by the Government. In order to compensate the expenditure incurred by Cooperative Societies in running Fair Price Shops, subsidy is being provided by the Government, as given below:

| <b>Sl. No.</b> | <b>Year</b> | <b>Subsidy<br/>(Rs. in crores)</b> |
|----------------|-------------|------------------------------------|
| 1              | 2010-11     | 150.00                             |
| 2              | 2011-12     | 150.00                             |
| 3              | 2012-13     | 120.00                             |
| 4              | 2013-14     | 120.00                             |
| 5              | 2014-15     | 120.00                             |

#### **5. Construction of Fair Price Shop Buildings**

Out of 32,105 Fair Price Shops run by the Cooperative Institutions in the State, 4,205 are functioning in own buildings, 14,937 are functioning in Government buildings, 5,183 in rent free buildings and

7,780 shops are functioning in rented buildings. Action is being taken to construct buildings for the Fair Price Shops in a phased manner. Buildings have been constructed for 395 Fair Price Shops during 2013-14 and another 259 during 2014-15.

### **6. Monitoring of the Stock in Fair Price Shops by SMS**

For effective implementation of Public Distribution System, Web and SMS based monitoring system has been introduced at a cost of Rs.31.74 lakh. This facility has enabled instant identification of Fair Price Shops with low stocks and thus helped in replenishing the stock in time.

### **7. Sale of Ooty Tea**

In order to alleviate the hardship faced by small tea growers in 'The Nilgiris' district, who were affected by fall in tea prices in world market in 2001, Ooty tea is being purchased from INDCOSERVE and sold through Fair Price Shops run by Cooperative Societies. During 2014-15, 3,099 MT of Ooty tea has been sold through these shops.

### **8. Sale of Arasu Salt**

To protect the people from Iodine Deficiency Disorders, iodised salt is being purchased from Tamil Nadu Salt Corporation and sold through Fair Price Shops run by Cooperative Societies. During 2014-15, 29,720 MT of iodised salt has been sold through the Fair Price Shops run by the Cooperatives.

### **9. Filling up of Vacancies in Fair Price Shops**

In order to fill up the vacancies of salesmen and packers in Fair Price Shops, District Recruitment Bureau has recruited 6,684 salesmen and 1,802 packers in 2012-13, 2013-14 and 2014-15 by inviting applications, directly by advertising in Newspapers and through employment exchange.

## **COOPERATIVE EDUCATION, RESEARCH AND TRAINING**

### **1. Introduction**

Tamil Nadu Cooperative Union at State level and 29 District Cooperative Unions at the district level serve the purpose of knowledge upgradation of the staff and members of Cooperative Societies, by imparting Cooperative education, training, publicity and awareness. Besides, they also organise exhibitions, seminars and Cooperative week celebrations. Tamil Nadu Cooperative Union collects a portion of the net profit from Cooperative Societies towards Cooperative Research and Development Fund and Cooperative Education Fund. These funds are utilised for research on Cooperatives, infrastructure development, education, training and dissemination of information about Cooperatives to the people.

### **2. Cooperative Training**

There are 20 Institutes of Cooperative Management in the State, which are functioning as units of Tamil Nadu Cooperative Union. These Institutes offer Diploma in Cooperative Management under distance education mode for the benefit of employees of the Cooperative Institutions, who have not undergone formal training. These Institutes also conduct short duration courses for the benefit of cooperative department staff and employees of Cooperative Institutions. During 2014-15, 927 candidates have been admitted in these Institutes for studying Diploma in Cooperative Management course on regular basis and another 1,861 candidates have been admitted to Diploma in Cooperative Management course through correspondence.

### **3. Technical Education**

Tamil Nadu Cooperative Union runs three Cooperative Industrial Training Institutes, one each at Bargur, Pattukottai and Aruppukkottai. These Institutes offer courses in Computer Operation Programming

Assistant (COPA), tailoring, jewel testing course, electrician, and Craftsman Food Production (General) courses. During 2014-15, up to March 2015, 474 candidates have been admitted in these Institutes. Tamil Nadu Cooperative Union also runs one Cooperative Polytechnic at Lalgudi in Tiruchirappalli district which offers three courses, namely, Diploma in Mechanical Engineering, Diploma in Computer Engineering and Diploma in Electrical and Electronics Engineering. During 2014-15, up to March 2015, 651 candidates have been admitted in these diploma courses.

#### **4. Higher Diploma Course and Short Duration Courses**

Tamil Nadu Cooperative Union also supports two Institutes of Cooperative Management (ICM), one at Chennai and the other at Madurai, run by the National Council for Cooperative Training, New Delhi. They offer Higher Diploma Course in Cooperative Management. They also conduct a number of short duration courses for the staff of Cooperative Department and Cooperative Institutions. During 2014-15, 2,903 employees have undergone short duration

training. These two Institutes also offer Master of Business Administration course.

#### **5. Catering Food Production Course**

To develop catering craftsmanship, a certificate course namely "Craftsman Food Production (General)" is offered by nine Institutes of Cooperative Management. So far, 61 candidates have been enrolled and placement opportunities for them are encouraging. Under Graduate (UG) and Post Graduate (PG) courses, like B.Com, B.B.A, M.B.A and M.C.A. have also been introduced in all the Institutes of Cooperative Management in association with Bharathiar University, Coimbatore. At present, 505 candidates are enrolled in these Degree Courses under distance education mode.

#### **6. Retail Salesmanship Training**

With a view to improve employment opportunities for rural youth, between 18 and 45 years of age, who have passed VIII standard, Tamil Nadu Cooperative Union, in collaboration with Tamil Nadu Skill Development Corporation, is conducting training programmes in Retail Salesmanship



without charging any fee. Government have allotted Rs.237.50 lakh for this purpose. The training programme comprises 10 days' classroom training and 5 days' practical training. This training programme is being conducted since 06.02.2014 by Tamil Nadu Cooperative Union in 20 Institutes of Cooperative Management and Natesan Institute of Cooperative Management, Chennai. So far, 5,080 persons have been trained. These programmes will be continued till 10,000 persons are trained in retail salesmanship. The trainees who have completed this course have better scope to get employment as salesman in private companies, super markets and self-service units.

## **7. Research on Cooperation in Universities**

Tamil Nadu Cooperative Union has created a corpus fund of Rs.5 lakh each in Madras University, Madurai Kamarajar University, Bharathiar University, Annamalai University, Periyar University and Gandhigram Rural University for promoting research in Cooperation. Interest earned on the deposit is utilised to give grant to the

students doing research on Cooperation and related topics. So far, 21 research projects have been funded.

## **8. Utilisation of Cooperative Research and Development Fund**

Cooperative Societies contribute 3% of their net profit towards Cooperative Research and Development Fund (CRDF) maintained by Tamil Nadu Cooperative Union. Amount from this fund is released after obtaining approval of the CRDF Committee. Financial Assistance is provided for Cooperative Research in form of grant, whereas interest free loan is provided for development of Cooperative. A sum of Rs.29.65 crores has been released as grant over a period of past four years i.e. from 2011-12 to 2014-15. Further, a sum of Rs.67.83 crores has been released as interest free loan from 2011-12 to 2014-15. The amount released from this fund has been utilised for construction of strong rooms with defender doors, modernisation of consumer self-service units, modernisation and Computerisation of banks, construction of office buildings, purchase of packing machines, installation of weighing machines, installation of processing

units, purchase of sugarcane harvesters, construction of cooperative complex and purchase of pedal looms for weavers.

## **9. Utilisation of Cooperative Education Fund**

Cooperative Societies contribute 2% of their net profit towards Cooperative Education Fund (CEF), maintained by Tamil Nadu Cooperative Union. Amount from this fund is released based on the approval of the CEF Committee and utilised for Cooperative education and training, propaganda and publicity about Cooperatives. A sum of Rs.27.51 crores has been released as grant over a period of past four years i.e. from 2011-12 to 2014-15. This Fund is being utilised for conduct of short term training programmes for employees of Cooperative Societies and departmental staff, organizing Member Education Programmes and Special Member Education Program in districts, organizing youth camps and for All India Cooperative Week Celebrations. Training programmes have also been conducted in three phases for the newly elected Board of Directors, including Presidents and Vice

Presidents, to enable them to gain expertise in management of Cooperatives.

## **10. Staff Training**

To sensitize the staff towards positive public interaction and to motivate salesmen and packers, the Cooperative department has organised motivational workshops across the State. These workshops focused on stress management, customer relations and job enrichment. Best performing sales persons were felicitated in these workshops. Similarly, a workshop was organised for senior officers of the Cooperative department on motivation, stress management, time management and team building.

## **ELECTIONS TO COOPERATIVE SOCIETIES**

After a lapse of 14 years, elections were conducted by Tamil Nadu State Cooperative Societies Election Commission in 23,661 Cooperative Societies falling under the control of Registrar of Cooperative Societies and 14 Functional Registrars. In total, 2,32,642 Directors were elected of whom 33,761 belong to SC/ST categories and 64,849 are women. A total of 23,657 persons were elected as Presidents in the election, of which 1,545 are from SC/ST and 3,056 are women. These elected representatives have given fresh impetus to the Cooperative movement in the State.

## **INTEGRATED COOPERATIVE DEVELOPMENT PROJECT**

1. Integrated Cooperative Development Project (ICDP) is implemented exclusively for holistic development of all the Cooperatives in a district. This project is implemented with financial assistance from State Government and National Cooperative Development Corporation (NCDC). Main thrust of the scheme is to develop requisite infrastructural facilities needed for effective functioning of Cooperative Societies in the project district in a focused manner. This project also provides for augmenting share capital and working capital needs of Cooperative Societies across different sectors. In addition, under the aegis of this project, training is imparted to employees of Cooperative Societies for enhancing their skill sets and managerial capabilities.

2. In Tamil Nadu, Integrated Cooperative Development Project was commenced in 1989 and since then it has been implemented in 22 districts. A total of Rs.264.84 crores have been incurred for

infrastructural development of Cooperatives in these districts. Currently the project is under implementation in 6 districts namely, Dindigul, Tirunelveli, Karur, Nagapattinam, Vellore and 'The Nilgiris' and so far Rs.167.62 crores have been utilised for development of Cooperatives in these districts.

**3.** To promote the use of renewable green energy and reduce reliance on fossil fuel based energy, solar photovoltaic panels with capacities ranging from 1KW to 5KW have been installed in 118 buildings of Cooperative Societies at a cost of Rs.2.29 crores under ICDP in 5 districts, namely, Dindigul, Karur, Nagapattinam, Sivagangai and Vellore. These solar power units are providing uninterrupted power supply to Cooperative Societies and have also helped in substantial savings in electricity bill.

**4.** Government of Tamil Nadu have been extending financial assistance under the project in form of share capital subsidy and loan, under refinance from National Cooperative Development Corporation, to Cooperative Credit Societies; Consumer Cooperative Stores; Cooperative Marketing Societies; Dairy Cooperatives; Weavers'

Cooperatives; Industrial Cooperatives; and Fisheries Cooperatives for creation of infrastructural facilities, augmenting share capital and to meet working capital needs.

**5.** Action is being taken to implement Integrated Cooperative Development Project in Namakkal, Thiruvallur, Kanniyakumari and Chennai Districts. With the implementation of ICDP in these four districts, first phase of ICDP covering all districts of Tamil Nadu will be completed.

**6.** Preliminary steps are being taken to launch second phase of ICDP in 10 districts.

## **CONCLUSION**

Cooperative Institutions are extending yeomen service to the people of the State, especially in rural areas, by granting credit facilities to farmers - especially small and marginal farmers, consumers and to the common man for their economic development. Cooperatives are also playing a key role in stabilising prices of essential commodities by market intervention besides providing a platform for marketing agricultural produce of farmers.

Under the dynamic leadership of our Hon'ble Chief Minister and the active involvement of the people of Tamil Nadu, Cooperative movement in the State has attained new heights in all aspects. The Cooperative Institutions will continue to strive hard to serve the State, especially the weaker sections of the society by implementing various innovative schemes.

**Sellur K. Raju**  
**Minister for Cooperation**