International Co-operative Banking Association

60 YEARS OF NAFSCOB

DIAMOND JUBILEE SOUVENIR

1964 - 2024

DIAMOND JUBILEE

National Federation of State Cooperative Banks Ltd.
J.K. Chambers, Fifth Floor, Plot No. 76, Sector - 17, Vashi, Navi Mumbai - 400 703
Tel.: 27892738, 27892749, 27892697, 27892741, Fax: (91) - 022- 27892604
E-mail: nafscob@nafscob.org, Website Address: http://www.nafscob.org

Telangana State Co-operative Apex Bank Ltd.

(State Govt. Partnered Scheduled Bank)

Your Prosperity is our Priority

Unlock Possibilities With TSCAB



Apex Rooftop Solar Unit



Housing Loan



Personal Loan



Gold Loan



Education Loan



Cash credit to Small Businesses



Apex Vahan Mitra



Apex SME Finance

Insurance Products



Bank Guarantee



CHAIRMEN OF NAFSCOB

(Since May 19, 1964)



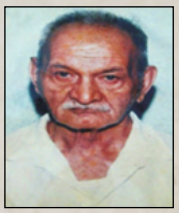
Dr. D. R. Gadgil
(19-05-1964 to 20-11-1967)



Shri. M. R. Patel
(21-11-1967 to 09-01-1969) &
10-03-1973 to 15-03-1974)



Shri. R. Kanakasabai, MLA
(10-01-1969 to 10-01-1970)



Shri. B. C. Hota
(11-01-1970 to 06-04-1971)



Shri. J. S. Dhillion
(07-04-1971 to 27-11-1971)



Shri. B. V. K. Menon
(28-11-1971 to 09-03-1973)



Shri. V. S. Kushnoor, M.P.
(16-03-1974 to 25-06-1976)



Shri. L. P. Bhargava, MLA
(26-06-1976 to 21-07-1978)



Shri. E. C. Nair, MLA
(22-07-1978 to 27-06-1980)



Dr. J. C. Rout, MLA
(28-06-1980 to 14-02-1982)



Shri. G. L. Nallure Gowda, MLA
(15-02-1982 to 11-02-1983)



Shri. SubhashYadav, M.P.
(13-02-1983 to 29-12-1989)



Shri. Surendra Patnaik
(29-12-1989 to 26-03-1992)&
(22-09-1998 to 10-09-2001)



Shri. M. D. Chavan, MLA
(02-05-1992 to 01-05-1993)



Shri Harjit Singh Parmar
(01-05-1993 to 20-07-1996)



Shri. Moinul Hassan, M.P.
(20-07-1996 to 20-08-1998)



Shri. Ashok Bandyopadhyay
(15-09-2001 to 04-01-2005)



Shri. K. R. Aravindakshan
(28-06-2005 to 01-11-2006)



Dr. Bijendra Singh, Ex. MLA
(05-01-2007 to 08-06-2015)



Shri Dileep N. Sanghani
Ex.MP & Ex. Minister, Govt. of Gujarat
(08-06-2015 to 17-11-2020)



Shri Konduru Ravinder Rao
(29-12-2020 onwards)

NATIONAL FEDERATION OF STATE COOPERATIVE BANKS LTD.

BOARD OF DIRECTORS - AS ON 20-11-2024



Shri Konduru Ravinder Rao
Director, Telangana StCB & Chairman, NAFSCOB

VICE - CHAIRMEN



Shri Ulhas Baban Phal Dessai
Chairman, Goa StCB



Shri Davender Singh Shyam
Chairman, Himachal Pradesh StCB



Shri Waibha K. Kyndiah
Chairman, Meghalaya StCB

DIRECTORS



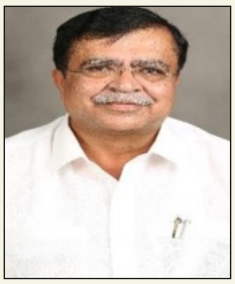
Dr. Bijender Singh, Ex. MLA
President, Delhi StCB



Shri Ajaybhai H. Patel
Chairman, Gujarat StCB



Shri Hukam Singh Bhati
Chairman, Haryana StCB



Shri K.N. Rajanna, MLA
Minister for Cooperation, Govt. of Karnataka
Director, Karnataka StCB



Shri Gopi Kottamurickal
President, Kerala StCB



Shri Vidyadhar V Anaskar
Administrator, Maharashtra StCB



Shri Ambika Prasad Das
Director, Odisha StCB



Mrs. Pema Chenzom
Managing Director, Sikkim StCB



Shri Jitendra Bahadur Singh
Chairman, Uttar Pradesh StCB



Shri Lalnunsanga
Chairman, Mizoram StCB
(Co-Opted Director)



Shri Bhima Subrahmanyam
Managing Director, NAFSCOB

NATIONAL FEDERATION OF STATE COOPERATIVE BANKS LTD.

EXECUTIVE COMMITTEE - AS ON 20-11-2024



Konduru Ravinder Rao
Chairman, NAFSCOB,
Director, TSCAB



Ulhas B. Phal Dessai
Chairman, Goa SCB &
Vice-Chairman, NAFSCOB
(Western Zone)



W. K. Kyndiah
Chairman, Meghalaya SCB &
Vice-Chairman, NAFSCOB
(North-Eastern Zone)



Davender Singh Shyam
Chairman, Himachal Pradesh SCB &
Vice-Chairman, NAFSCOB
(Northern-Zone)



Bhima Subrahmanyam
Managing Director, NAFSCOB

NATIONAL FEDERATION OF STATE COOPERATIVE BANKS LTD.

CHAIRMEN/PRESIDENTS/ADMINISTRATORS/MANAGEMENT-IN-CHARGE AND OFFICER-IN-CHARGE OF MEMBER STATE COOPERATIVE BANKS OF NAFSCOB

Chairman, A& N StCB



Shri Babu A., IAS,
Chairman,
Andhra Pradesh StCB



Shri Komkar Dulom, APCS
Administrator,
Arunachal Pradesh StCB



Shri Biswajit Phukan, MLA
Chairman,
Assam StCB



Shri Ramesh Chandra Chaubey
Chairman,
Bihar StCB

Shri Nitish Singla, PCS
Administrator,
Chandigarh StCB

Shri Kuldeep Sharma, IAS
Authorised Officer,
Chhattisgarh StCB



Dr. Bijender Singh, Ex. MLA
President,
Delhi StCB



Shri Ulhas Baban Phal Dessai
Chairman,
Goa StCB



Shri Ajaybhai H. Patel
Chairman,
Gujarat StCB



Shri Hukam Singh Bhati
Chairman,
Haryana StCB



Shri Davender Singh Shyam
Chairman,
Himachal Pradesh StCB

Shri Vijay Kumar Bidhuri (IAS)
Chairman,
Jammu & Kashmir StCB



Smt. Vibha Singh
Chairperson,
Jharkhand StCB



Shri Belli Prakash, Ex. MLA
President,
Karnataka StCB



Shri Gopi Kottamurickal
President,
Kerala StCB

Smt. Deepali Rastogi, IAS
Administrator,
Madhya Pradesh StCB



Shri Vidyadhar V Anaskar
Administrator,
Maharashtra StCB

Shri Pangambam Ranjit Singh
President,
Manipur StCB



Shri Waibha K. Kyndiah
Chairman,
Meghalaya StCB



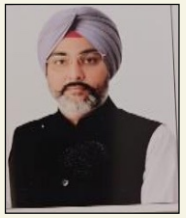
Shri Lalnunsanga
Chairman,
Mizoram StCB

Shri Sentiyanger Imchen, IAS
Chairman,
Nagaland StCB



Shri T. Prasad Rao Dora
President,
Odisha StCB

Thiru E. Vallavan
Administrator,
Puducherry StCB



Shri Jagdev Singh
Chairman,
Punjab StCB

Smt. Manju Rajpal, IAS
Administrator,
Rajasthan StCB

Chairman, Sikkim StCB



Shri P. Loganathan
Administrator,
Tamil Nadu StCB



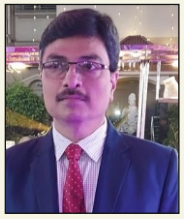
Shri Marneni Ravinder Rao
President,
Telangana StCB

Chairman,
Tripura StCB



Shri Jitendra Bahadur Singh
Chairman, Uttar Pradesh StCB

Shri Dileep Jawalkar, IAS
Administrator,
Uttarakhand StCB



Shri Aveek Bhattacharya
Special Officer,
West Bengal StCB

CHIEF EXECUTIVE OFFICERS OF NAFSCOB

(Since 1964)



Shri V.M. Joglekar,
Hon. Gen. Secretary
(10-10-1964 to 08-07-1972)

Shri C. S. Paranjpe
In-charge Gen. Secretary
(19-07-1972 to 03-09-1973)

Shri G. B. Kulkarni
Chief Executive
(04-09-1973 to 25-06-1976)



Shri S. R. Kalaskar
In-charge Chief Executive
(20-06-1976 to 22-10-1978)
& (01-04-1981 to 12-09-1982)



Shri R. P. Satpute
Chief Executive
(23-10-1978 to 31-03-1981)



Shri H. R. Sinari
Officer on Special Duty
(13-09-1982 to 13-08-1988)



Shri K. S. Krishnan
Officer on Special Duty (I/c)
(13-08-1988 to15-01-1989)

Shri D. Kumaraswamy
Officer on Special Duty (I/c)
(16-01-1989 to 10-07-1989)



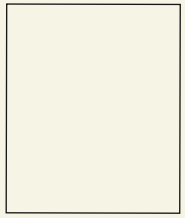
Shri V. B. Sabnis
Officer on Special Duty
(11-07-1989 to 10-05-1990)



Shri Bhima Subrahmanyam
Chief Executive Officer (I/c)
(11-05-1990 to 31-08-2002) &
Managing Director
(01-09-2002 Onwards)

NATIONAL FEDERATION OF STATE COOPERATIVE BANKS LTD.

CHIEF EXECUTIVE OFFICERS / MANAGING DIRECTORS OF MEMBER STATE CO-OPERATIVE BANKS OF NAFSCOB (AS ON 20-11-2024)



Shri K. Murugan
M. D., A& N StCB



Dr. R. Shreenath Reddy
M. D.,
Andhra Pradesh StCB



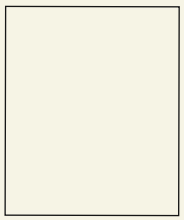
Shri Bittu Kri, APCS
M. D.,
Arunachal Pradesh StCB



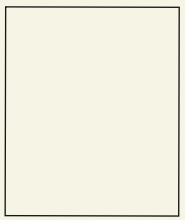
Shri Dombaru Saikia
M. D., Assam StCB



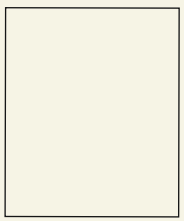
Shri Manoj Kumar Singh
M. D., Bihar StCB



Shri Dilbagh Singh
General Manager,
Chandigarh StCB



Shri Yugal Kishore
M. D., Chhattisgarh StCB



Smt. Anita Rawat
M. D., Delhi StCB



Shri Anant M. Chodankar
M. D., Goa StCB



Shri Pradip M. Vora
C.E.O., Gujarat StCB



Dr. Prafulla Ranjan
M. D., Haryana StCB



Shri Sharwan Kumar Manta, HAS
M. D. Himachal Pradesh StCB

Shri Qazi Sarwar (JKAS)
M. D., Jammu & Kashmir StCB



Shri Brajeshwar Nath
C.E.O., Jharkhand StCB



Shri C. N. Devaraj, KCS
C.E.O., Karnataka StCB



Shri Jorty M. Chacko
C.E.O., Kerala StCB

Shri M. K. Gupta
M. D. (I/c.),
Madhya Pradesh StCB



Shri Dilip N. Dighe
B M. D., Maharashtra StCB



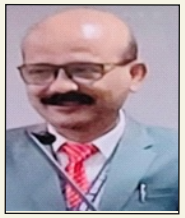
Smt. Bidyarani Ayekpam, MCS
M. D., Manipur StCB



Shri O. E. J. Nongbri
M. D., Meghalaya StCB



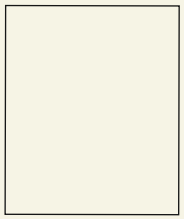
Shri A. Lallungmuana
C.E.O., Mizoram StCB



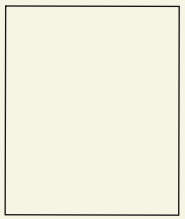
Shri Abhijit Kumar Deb
M. D., Nagaland StCB



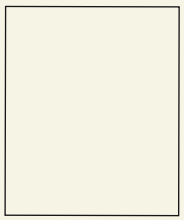
Shri Pravu Kalyan Pattnayak, IOFS
M. D., Odisha StCB



Thiru D. Kumaran
M. D., Puducherry StCB



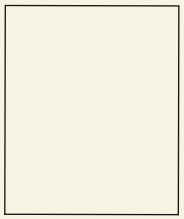
Smt. Anindita Mitra, IAS
M. D., Punjab StCB



Shri Sanjay Pathak
M. D., Rajasthan StCB



Smt. Pema Chenzom
M. D., Sikkim StCB



M. D., Tamil Nadu StCB



Dr. B. Gopi, IAS
M. D., Telangana StCB



Shri Bhajan Chandra Ray
M. D., Tripura StCB



Shri R. K. Kulshrestha
M. D., Uttar Pradesh StCB



Shri Neeraj Belwal
M. D., Uttarakhand StCB



Shri Sujan Sarkar
M. D., West Bengal StCB

NATIONAL FEDERATION OF STATE COOPERATIVE BANKS LTD.

CHAIRMEN/PRESIDENTS/ADMINISTRATORS/MANAGEMENT-IN-CHARGE AND OFFICER-IN-CHARGE OF ASSOCIATE MEMBER DCCBs OF NAFSCOB



Shri P. A. Poreddiwar
Chairman,
Gadchiroli DCCB

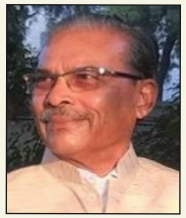


Shri Ramesh V. Katti
President,
Belagavi DCCB

Shri Nareshbhai B. Patel
Chairman,
Surat DCCB



Shri K. Sathaiah
President,
Hyderabad DCCB



Dr. Santoshkumar Korpe
Chairman, Akola -
Washim DCCB

Chairman,
Guntur DCCB



Shri Mukesh Sharma
Chairman,
Jogindra CCB

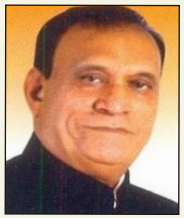


Shri Jayeshbhai V. Radadiya
Chairman,
Shri Rajkot

Chairman,
Hooghly DCCB



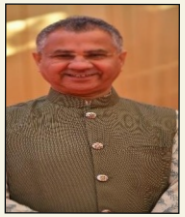
Dr. Jitendra Kumar Soni
Administrator,
Jaipur DCCB



Shri Jethabhai G. Aahir
Chairman,
Panchmahals DCCB



Shri M. N. Rajendra Kumar
Chairman,
South Canara DCCB



Shri Devrajbhai Gadhavi
Chairman,
Kachchh DCCB



Shri Konduru Ravinder Rao
President,
Karimnagar DCCB

Shri Kuldeep Singh Pathania
Chairman,
Kangra CCB



Shri Ch. Devender Reddy
President,
Medak DCCB



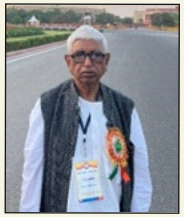
Shri Nitin Jadhav Patil
Chairman,
Satara DCCB



Shri Mahesh Rai
Chairman,
Gopalganj DCCB



Smt. Geetanjali Sharma, IAS
Person-In-Charge,
Krishna DCCB



Shri Gopal Chandra Maiti
Chairman, Tamluk -
Ghatal CCB

Shri Ramparkash
Chairman,
Faridabad CCB



Shri K. Thippe Swamy
President,
Bellary DCCB

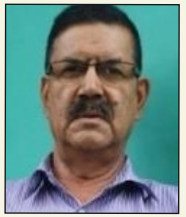
Shri Manish Prakash Dalvi
Chairman,
Sindhudurga DCCB



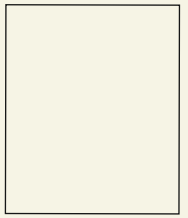
Smt. Hansaben M. Patel
Chairman,
Sabarkantha DCCB



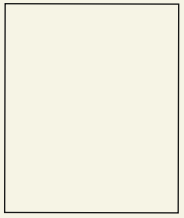
Shri Marineni Ravinder Rao
Chairman,
Warangal DCCB



Shri Ram Prasad Nirola
Chairman,
Darjeeling DCCB



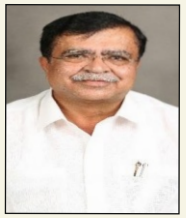
Shri Dhiraj V. Deshmukh
Chairman,
Latur DCCB



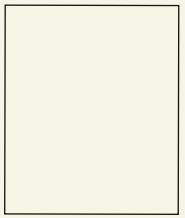
Shri Uttam Mukherjee
Chairman,
Burdwan CCB



Shri R. M. Manjunath Gowda
President,
Shimoga DCCB



Shri K. N. Rajanna
Minister for Cooperation,
Govt. of Karnataka
President, Tumkur DCCB



Shri Ronaki Gopala Krishna, IAS
Person-In-Charge,
Prakasam DCB



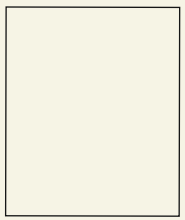
Shri Ganesh Prasad Mohapatra
President,
Balasore Bhadrak CCB



Shri Addi Bhoja Reddy
President,
Adilabad DCCB



Shri Kunta Ramesh Reddy
President,
Nizamabad DCCB



Shri K. Srinivas Reddy
President,
Nalgonda DCCB

NATIONAL FEDERATION OF STATE COOPERATIVE BANKS LTD.

CHIEF EXECUTIVES/MANAGING DIRECTORS OF ASSOCIATE MEMBER DCCBs OF NAFSCOB



Shri Satish P. Ayalwar
C.E.O., Gadchiroli DCCB

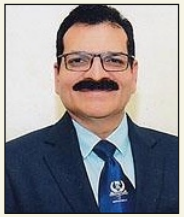
Shri Suresh K. Alagundi
C.E.O., Belagavi DCCB



Shri, Mahavirsinh P. Chauhan
M. D., Surat DCCB



Shri Josyula Bhaskara Subrahmanyam
C.E.O., Hyderabad DCCB



Shri Anant Liladhar Vaidya
C.E.O., Akola – Washim DCCB



Smt. T. Krishnaveni
C.E.O., Guntur DCCB



Shri Pankaj Sood (HAS)
M. D., Jogindra CCB



Shri V. M. Sakhiya
C.E.O., Shri Rajkot DCCB

C.E.O., Hooghly DCCB



Shri M. L. Gujar
C.E.O., Jaipur DCCB

Shri R. P. Shah
C.E.O., Panchmahals DCCB



Shri Gopalakrishna Bhat K.
C.E.O., South Canara DCCB



Shri Indrajitsinh Jadeja
M. D., Kachchh DCCB



Shri N. Satyanarayana Rao
C.E.O., Karimnagar DCCB



Shri Aditya Negi, IAS
M.D., Kangra CCB



Shri M. Srinivas
C.E.O., Medak DCCB



Dr. Rajendra Sarkale
C.E.O., Satara DCCB



Miss. Poonam Kumari
M. D., Gopalganj DCCB



Shri A. Syam Manohar
C.E.O., Krishna DCCB

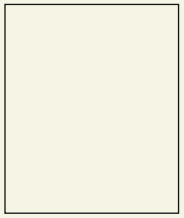


Shri Heroj Maity
C.E.O., Tamluk – Ghatal CCB



Shri Jitender Singh
C.E.O., Faridabad CCB

Shri Shankar D.
C.E.O., Bellary DCCB



Shri Pramod M. Gawade
C.E.O., Sindhudurga DCCB

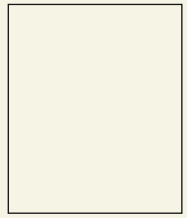


Shri Hitenkumar P. Nayak
C.E.O., Sabarkantha DCCB

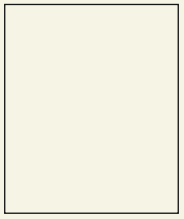


Shri MD Vazir Sultan
C.E.O., Warangal DCCB

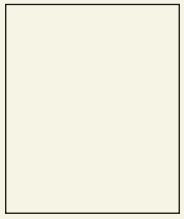
Smt Yangkee Colitas Cargay
C.E.O.,Darjeeling DCCB



Shri H. J. Jadhav
C.E.O., Latur DCCB



Shri Asim Chattopadhayay
C.E.O., Burdwan CCB



Annapoorna H.
C.E.O. Shimoga DCCB



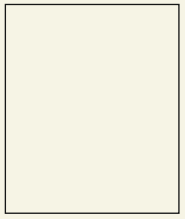
Shri Jangamappa
C.E.O., Tumkur DCCB



Shri E. Koti Reddy
C.E.O., Prakasam DCCB



Shri Kailash Chandra Shabar
C.E.O., Balasore Bhadrak CCB



Shri K. Sreedhar Reddy
C.E.O., Adilabad DCCB



Shri Nagabhushanam Vande
C.E.O., Nizamabad DCCB



Shri R. Shankar Rao
C.E.O., Nalgonda DCCB

PRELUDE TO SOUVENIR

The National Federation of State Cooperative Banks Ltd. (NAFSCOB) was established on May 19, 1964 with a broad objective to facilitate the operations of State Cooperative Banks (StCBs) and Central Cooperative Banks (DCCBs), in particular and development of Short-Term Cooperative Credit Structure (STCCS) in general. NAFSCOB is registered as a national level cooperative society under Multi-State Cooperative Societies Act, (Amendment) 2002. NAFSCOB contemplated to celebrate Diamond Jubilee, marking 60 years of dedicated service in supporting and promoting the cooperative banking sector across India. NAFSCOB, has been dedicating their efforts in creating Unity, providing yeomen service, Strength and cooperation among cooperatives. NAFSCOB also, satisfactorily complied with the functions defined under Section 24 of the Multi State Cooperative Societies Act,2002. NAFSCOB has a good number of achievements to their credit. The achievements include organizing of 160 conferences and workshops for different target groups viz., Chairmen, Chief Executive Officers/Managing Directors, Chief General Managers, General Managers and Personal Secretary/Personal Assistants etc. of all STCBSs, Submission of a about 100 memorandums on most crucial issues to Government of India, RBI and NABARD. Contributed to over 400 publications in the areas of importance to cooperative credit and banking including draft Model Bye Laws for STCBSs and DCCBs. Instituted a scheme of Best Performance Awards in 1985 onwards to instill confidence & competition to perform and presented Annual Best Performance Awards to STCBSs, DCCBs, PACS and ACSTIs on a regular basis.

The other achievements of NAFSCOB, include (i) ensuring Revival Package for Short Term Cooperative Credit Institutions (ii) impressed upon the need for deregulation of interest rate structure on deposits and advances in 1994 (iii) assisted in revision in rates of interest on refinance and lending rates on farm credit, (iv) ensured interest subvention to cooperative banks (v) ensuring continuation of the three tier Short Term Cooperative Credit Structure in present form to achieve the spelt out objectives (vi) supported StCBs/DCCBs in formulating appropriate model HRD policy which includes training, capacity building etc. (vii) facilitated 'KYC and AML Policy and Procedure for STCBSs and DCCBs' and (viii) support to Financial Intelligence Unit-India (FIU-IND) to develop a 'Guidance Note on Effective Process of Suspicious Transaction Reports (STRs) Detection and Reporting for Cooperative Banks', Protecting 3 tier STCCS, earned a most respectable Place/image at international cooperative organizations, etc.

The current Souvenir is planned to commemorate the excellent contributions of NAFSCOB during the last 60 years, in the interests of Rural cooperative credit delivery system. This is dedicated to all those who contributed to continuation of NAFSCOB since 1964 to demonstrate that the STCCS is most relevant structure in the country to work for Prosperity through Cooperatives and ultimately contribute to Vikshit Bharat.

Navi Mumbai
20-11-2024



Bhima Subrahmanyam
Managing Director/CEO,
NAFSCOB & President, ICBA



Konduru Ravinder Rao
Chairman, NAFSCOB

अमित शाह



सत्यमेव जयते

गृह एवं सहकारिता मंत्री
भारत सरकार

संदेश

मुझे यह जानकर हार्दिक प्रसन्नता हो रही है कि **नेशनल फेडरेशन ऑफ स्टेट को-ऑपरेटिव बैंक्स लिमिटेड (NAFSCOB)** अपनी स्थापना के 60 वर्ष पूर्ण होने के उपलक्ष्य में **'हीरक जयंती समारोह'** मना रहा है और इस शुभ अवसर पर एक स्मारिका का प्रकाशन भी किया जा रहा है ।

NAFSCOB ने अपने स्थापना से ही आधुनिक बैंकिंग पद्धतियों को अपनाते हुए सहकारिता के सिद्धांतों का अनुसरण किया है, जिससे समाज के हर वर्ग की आर्थिक एवं सामाजिक स्थिति में सुधार हुआ है । मुझे अत्यंत प्रसन्नता है कि यह बैंक अपनी शाखाओं के विस्तार के माध्यम से निरंतर प्रगति की ओर अग्रसर है। सहकारी बैंकिंग ने हमारे लोकतंत्र में आजीविका और आर्थिक उन्नति की आवश्यकताओं को समझते हुए, विकासोन्मुखी योजनाओं के क्रियान्वयन में महत्वपूर्ण भूमिका निभाई है ।

भारत में सहकारिता आन्दोलन को और अधिक शक्ति देने के लिए **माननीय प्रधानमंत्री श्री नरेंद्र मोदी जी** ने **'सहकार से समृद्धि'** के मंत्र के साथ एक स्वायत्त **'सहकारिता मंत्रालय'** का गठन किया है। सहकारिता के माध्यम से हर परिवार की आर्थिक समृद्धि सुनिश्चित करना और इसे देश की समृद्धि से जोड़ना, इसी लक्ष्य को लेकर **'सहकार से समृद्धि'** का यह अभियान शुरू हुआ है ।

मैं, NAFSCOB के हीरक जयंती समारोह के इस महत्वपूर्ण अवसर पर इसके सभी पदाधिकारियों एवं कर्मचारियों को हार्दिक शुभकामनाएँ प्रेषित करते हुए स्मारिका के सफल प्रकाशन की कामना करता हूँ ।

(अमित शाह)

श्री कोंडुरु रविंदर,
अध्यक्ष, नेशनल फेडरेशन ऑफ स्टेट को- ऑपरेटिव बैंक्स लिमिटेड

कार्यालय : सहकारिता मंत्रालय, 8 वीं मंजिल, अटल अक्षय ऊर्जा भवन, लोधी रोड, नई दिल्ली-110003
दूरभाष : 011-20849059, 011-20849038, ई-मेल : hm@nic.in



मुरलीधर मोहोळ
सहकारिता राज्य मंत्री
भारत सरकार

सत्यमेव जयते

Azadi Ka Amrit Mahotsav

MURLIDHAR MOHOL
Minister of State For Cooperation
Government of India

Message.....

At the outset, kindly accept my heartfelt congratulations on reaching the remarkable milestone of 60th anniversary of National Federation of State Cooperative Banks (NAFSCOB). This occasion not only reflects six decades of dedicated service but also the transformative impact your federation has had on the cooperative banking sector and rural communities across India.

As we celebrate this significant achievement, we recognise and acknowledge the vital role you play in empowering the rural economy. Under the visionary leadership of the Prime Minister Shri Narendra Modiji and able guidance of Union Home and Cooperation Minister Shri. Amit Shahji, there has been a strong emphasis of our government on financial inclusion and support for our rural populace in the recent past. Your commitment to providing accessible banking services and fostering cooperative principles aligns perfectly with this national agenda, making a tangible difference in the lives of countless individuals.

Over the years, your initiatives have transformed financial access, enabling farmers, artisans, and small entrepreneurs to thrive. By championing sustainable development and fostering community resilience, you have not only uplifted livelihoods but also contributed to the broader socio-economic fabric of our nation.

As you reflect on your journey and the lives you have touched, may this anniversary serve as a catalyst for even greater contribution and outreach. The road ahead is filled with immense opportunities, and I am confident that your continued dedication will lead to even more profound impacts or the welfare of our people in the years to come.

I wholeheartedly wish the NAFSCOB an enduring legacy and many more years of empowering communities and shaping a brighter future for all.

Warm regards,

(Murlidhar Mohol)

8वां तल, अटल अक्षय उर्जा भवन
लोधी रोड, नई दिल्ली-110003

8th Floor, Atal Akshay Urja Bhawan,
Lodhi Road, New Delhi ^ 110003



कृष्ण पाल गुर्जर
KRISHAN PAL GURJAR

सत्यमेव जयते

Azadi Ka Amrit Mahotsav

केन्द्रीय सहकारिता राज्य मंत्री
भारत सरकार, नई दिल्ली
UNION MINISTER OF STATE FOR COOPERATION
GOVERNMENT OF INDIA, NEW DELHI

MESSAGE

I am happy to know that the National Federation of State Cooperative Banks Ltd. (NAFSCOB) is celebrating its Diamond Jubilee in November 2024 at Bharat Mandapam, New Delhi, to coincide with the International Cooperative Conference by International Cooperative Alliance (I.C.A.). NAFSCOB, we understand dedicated their efforts in promoting unity, providing yeomen service, strength and cooperation among cooperatives during the last sixty years of active service to the cooperative banking sector. The continued sincere efforts of NAFSCOB to ensure continuity of 3 Tier Short Term Cooperative Credit & Banking Structure is a remarkable achievement that speaks very high about strong conviction towards democratic principles of cooperation, values and ethics. The fact that NAFSCOB brought out about 400 publications in the areas of importance to cooperative credit & banking, can be attributed to yet another remarkable achievement that reflects about the commitment of the organization to service their members. Inculcation of co-operative competitiveness among all 3 levels of Rural Cooperatives and their staff training colleges/institutions by way of instituting Best performance Awards is highly commendable.

It is heartening to note that NAFSCOB has played a significant role in extending support to the central cooperative banks at the district level and also provided support & guidance to PACS in addressing the issues of freedom of autonomy, democracy, stability and viability.

The catalytic role played by NAFSCOB in ensuring recapitalization support to rural cooperative banks, interest subvention scheme to provide farm credit with affordable rate of interest, to facilitate consideration of concessional rates of interest on refinance to Rural cooperative banks is appreciable.

I congratulate NAFSCOB on its Diamond Jubilee and wish the organization to continue to play an important role in realizing India's vision of "Viksit Bharat'.

With regards,

New Delhi
October 22, 2024

(Krishan Pal Gurjar)

8वां तल, अटल अक्षय उर्जा भवन, नई दिल्ली-110003 / टेली : 011-20849006, 20849018
8th Floor, Atal Akshay Urja Bhawan, New Delhi - 110003 / Phone : 011-20849006, 20849018



सत्यमेव जयते

GOVERNOR OF MAHARASHTRA

RAJ BHAVAN
Malabar Hill
Mumbai 400 035
16 October 2024

C. P. Radhakrishnan

MESSAGE

I am pleased to know that the National Federation of State Cooperative Banks Ltd. (NAFSCOB) is celebrating its Diamond Jubilee in November 2024. Sixty years of dedicated service to the cooperative banking sector is a remarkable achievement that speaks volumes about the commitment of the organization to fostering economic empowerment and community development.

It is heartening to note that NAFSCOB has played a pivotal role in shaping the cooperative banking landscape, supporting millions of farmers, entrepreneurs, and consumers across the nation. Its efforts in promoting cooperative principles have not only strengthened our financial ecosystem but have also uplifted countless lives.

I congratulate NAFSCOB on the momentous occasion of its Diamond Jubilee and wish the organization continued success in its future endeavours.

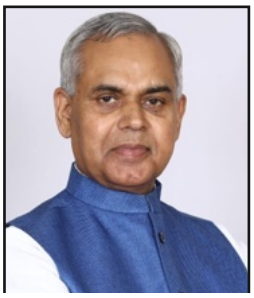
(C. P. Radhakrishnan)

Shri Konduru Ravinder Rao Ji
Chairman
National Federation of State Cooperative Banks Ltd. (NAFSCOB)
J. K. Chambers, 5th Floor, Plot No. 76,
Sector-17, Vashi,
Navi Mumbai - 400 703

Acharya Devvrat
Governor, Gujarat
Gandhinagar - 382021

सत्यमेव जयते

आचार्य देवव्रत
राज्यपाल, गुजरात
गांधीनगर - ३८२०२१



MESSAGE

I am pleased to extend my heartfelt congratulations to the National Federation of State Cooperative Banks Limited (NAFSCOB) on the momentous occasion of its Diamond Jubilee, celebrating 60 years of exemplary service to the cooperative banking sector in India. This milestone represents not only the federation's unwavering dedication but also the collective achievements of the entire cooperative movement that it has fostered and supported.

NAFSCOB has played a pivotal role in empowering the cooperative banking sector, providing vital financial services, and strengthening rural credit structures that benefit millions of farmers and rural communities across India. By bringing together 34 State Cooperative Banks, 351 District Central Cooperative Banks, and over 1 lakh Primary Agriculture Credit Societies under its umbrella, NAFSCOB has effectively created a robust, resilient, and inclusive financial ecosystem.

As we gather to celebrate this significant occasion at Bharat Mandapam, New Delhi, it is inspiring to witness the convergence of distinguished cooperative leaders, policymakers, and stakeholders, both from India and abroad. This platform offers a unique opportunity to reflect on the remarkable journey of the cooperative movement in India and strategize for its future growth. NAFSCOB's tireless efforts resonate deeply with the vision and mission of the Ministry of Cooperation, Government of India, to promote sustainable and inclusive economic development through cooperative principles.

The Diamond Jubilee commemorations are a time to honor the past, acknowledge the present, and envision a prosperous future for India's cooperative sector. I am confident that NAFSCOB will continue to contribute meaningfully to the nation's development, fostering financial inclusion, empowerment, and prosperity for generations to come.

I wish the event and all its participants every success.

Jai Hind!

Acharya Devvrat



मंगुभाई पटेल
MANGUBHAI PATEL

सत्यमेव जयते
राज्यपाल, मध्यप्रदेश
GOVERNOR OF MADHYA PRADESH

राज भवन
भोपाल-462052
RAJ BHAVAN
BHOPAL-462052

क्रमांक 338/राजभवन/2024
भोपाल, दिनांक-21. अक्टूबर, 2024

संदेश

जानकर ख़ुशी हुई कि राष्ट्रीय राज्य सहकारी बैंक संघ लिमिटेड द्वारा भारत मंडपम् नई दिल्ली में **हीरक जयंती** कार्यक्रम का आयोजन किया जा रहा है। इस अवसर पर **हीरक जयंती स्मारिका** का प्रकाशन सराहनीय है।

सहकारिता का आधार संगठन है। संगठन में अद्भुत शक्ति होती है। बहुद्देशीय कार्यों की आयोजना, क्रियान्वयन और सफलता में सहकारिता की मजबूत भूमिका होती है। ग्रामीण ऋण ग्रस्तता को दूर कर ग्रामीण अर्थव्यवस्था को आत्मनिर्भर बनाने में सहकारी संस्थाओं और बैंकों का विशेष योगदान है। हीरक जयंती कार्यक्रम सहकारिता की उपलब्धियों पर गर्व करने का मौका है। अतीत के अनुभवों से सहकारिता के स्वर्णिम भविष्य निर्माण के संकल्प को साकार करने का पुनीत प्रसंग है।

आशा है, स्मारिका बैंक संघ के गौरवशाली अतीत, वर्तमान की उपलब्धियों और भविष्य की कार्य योजनाओं का सार्थक विजन और मिशन प्रस्तुत करने में सफल होगी।

शुभकामनाएं,

मंगुभाई पटेल

(मंगुभाई पटेल)

दूरभाष : 0755-2858828, 2858830, फैक्स : 0755-2858832, ई-मेल : mprajbhavan@mp.gov.in



हरिभाऊ बागडे
राज्यपाल, राजस्थान

सत्यमेव जयते

Haribhau Bagde
Governor, Rajasthan

संदेश

मुझे यह जानकर प्रसन्नता हुई है कि नेशनल फेडरेशन ऑफ स्टेट कॉपरेटिव बैंक लिमिटेड के 'डायमण्ड जुबली वर्ष 2024' पर आप विशेष आयोजन करने जा रहे है। यह जानकर भी सुखद लगा है कि इस अवसर पर आप एक स्मारिका का प्रकाशन कर रहे है।

सहकारिता एक सबके लिए, सब एक के लिए सिद्धांत पर आधारित राष्ट्र विकास से जुड़ा कार्य है। स्टेट कॉपरेटिव बैंक किसानों को ऋण प्रदान करने के साथ ही उन्हें समय पर सहायता प्रदान करने में महती कार्य कर रहे हैं।

मेरी हार्दिक शुभकामनाएं हैं।

(हरिभाऊ बागडे)

राज भवन, सिविल लाइन्स, जयपुर - 302006
Raj Bhawan, Civil Lines, Jaipur - 302006
दूरभाष : 0141-2228716-19, 2228611-12, 2228722



La. Ganesan
Governor of Nagaland

सत्यमेव जयते

RAJ BHAVAN
Kohima - 797001

October 30, 2024

MESSAGE

I am delighted to learn that the National Federation of State Cooperative Banks Ltd. is commemorating 60 years of its existence and dedicated banking service to Nation.

I extend my profound and hearty congratulations to the National Federation of State Cooperative Banks Ltd. for their unwavering commitment towards facilitating the operation of State and Central Cooperative Banks and development of Short Term Cooperative Credit Structure (STCCS).

I also extend my appreciation to the Federation for their contribution of Cooperative Credit Sector to the national economy. The growth of cooperative movement has Short Term Cooperative Credit Structure (STCCS) a considerable progress over the years.

During this auspicious occasion, I extend my warm wishes to the National Federation of State Cooperative Banks Ltd. and wishing the best in their future endeavours.

(La Ganesan)

Tel : +91-370-2242881 (O) +91-370-2242898 (Fax) Email : rajbhavankohima@nic.in



ARIF MOHAMMED KHAN
GOVERNOR OF KERALA

RAJ BHAVAN
THIRUVANTHAPURAM-695 099

05 November 2024

MESSAGE

I am happy to know that the National Federation of State Cooperative Banks Ltd., Vashi, Navi Mumbai intends to publish a **Souvenir** in connection with its Diamond Jubilee celebrations to be held at New Delhi.

It is commendable that the Federation has dedicated its efforts in fostering unity and cooperation among cooperatives.

I convey my hearty greetings to the people behind this venture and wish the celebrations as well as the publication all success.

[Arif Mohammed Khan]



ରଘୁବର ଦାସ
ରାଜ୍ୟପାଳ, ଓଡ଼ିଶା
रघुवर दास
राज्यपाल, ओड़िशा
Raghubar Das
Governor, Odisha

ରାଜ ଭବନ
ଭୁବନେଶ୍ୱର-୭୫୧୦୦୮
राज भवन
भुबनेश्वर-७५१००८
RAJ BHAVAN
BHUBANESWAR-751008

November 5, 2024

MESSAGE

I am glad to know that the National Federation of State Cooperative Banks (NAFSCOB) Ltd., Mumbai is celebrating its Diamond Jubilee in the month of November this year at Bharat Madapam, New Delhi. A commemorative Souvenir is also being brought out on the occasion.

For sixty years, NAFSCOB has rendered dedicated service in supporting and promoting the cooperative sector across the country. This milestone is a testament to the Federation's unwavering commitment to promoting financial inclusivity, supporting rural development, and empowering countless communities. I congratulate NAFSCOB on its achievements and extend my best wishes for continued success in its mission to strengthen the cooperative movement in the country.

May this Diamond Jubilee inspire all stakeholders to build a more robust, inclusive and cooperative financial ecosystem for the future.

I wish the occasion and publication all success.

(Raghubar Das)

Tel. : 91-674-2536111/2536222, Fax : 91-674-2536582, E-mail : govodisha@nic.in, Website : www.rajbhavanodisha.gov.in



Dr. Hari Babu Kambhampati
GOVERNOR OF MIZORAM

RAJ BHAVAN
Aizawl, Mizoram - 796001

MESSAGE

I am happy to learn that the National Federation of State Cooperative Banks Ltd. (NAFSCOB) is celebrating its Diamond Jubilee and bringing out a Souvenir to commemorate the occasion.

The National Federation of State Cooperative Banks Ltd. (NAFSCOB) has been a cornerstone in promoting cooperative banking in India. Its unwavering commitment to strengthening state cooperative banks and supporting rural development initiatives is commendable. NAFSCOB's efforts in providing strategic guidance, fostering financial inclusion, and driving innovation within the cooperative banking sector have greatly contributed to empower farmers and rural communities across the nation. May it continue its focus on collaboration, capacity building and policy advocacy to ensure sustainable economic growth.

I convey my best wishes for the Jubilee Celebrations and for the successful publication of the Souvenir.

(Dr. Hari Babu Kambhampati)

Date: 22 October, 2024

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K. Kailashnathan
Lieutenant Governor of Puducherry

सत्यमेव जयते

Raj Nivas
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November 08, 2024

MESSAGE

I am glad to note that, National Federation of State Cooperative Banks Ltd. (NAFSCOB) is celebrating its Diamond Jubilee in November 2024.

Cooperative banks play a significant role in providing financial services to the rural people, agricultural and allied activities, small-scale industries and small businesses. The Cooperative banking system forms an integral part of the Indian financial system.

I am happy to note NAFSCOB acts as a liaison between the Cooperative banks and the Government, RBI and other higher financing institutions for the development of cooperative credit. NAFSCOB also organizes conferences / seminars / workshops, etc., to deliberate the issues of common interest for better policy decisions.

With an aim to strengthen the cooperative movement in the country, Central Government has created a separate Ministry for Cooperation in the year 2021, to provide separate administrative, legal and policy framework for the cooperative sector. I hope that, with the formation of a separate ministry, the cooperative movement will reach newer heights in the coming years.

I Congratulate the NAFSCOB for successfully completing 60 years of service to the cooperative sector, and I wish them success in all their future endeavours.

(K. KAILASHNATHAN)

शिव प्रताप शुक्ल
राज्यपाल
हिमाचल प्रदेश
राज भवन, शिमला

सत्यमेव जयते

Shiv Pratap Shukla
Governor
Himachal Pradesh
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MESSAGE

It gives me immense pleasure to know that National Federation of State Cooperative Banks Ltd. (NAFSCOB) is celebrating Diamond Jubilee in November, marking 60 years of dedicated service in supporting and promoting the cooperative banking sector across India. Warmest congratulations to NAFSCOB on the remarkable occasion of its Diamond Jubilee!

Celebrating 60 years of unwavering commitment, NAFSCOB has played a pivotal role in nurturing and empowering the cooperative banking sector across India. Over the decades, NAFSCOB's efforts have strengthened rural economies, supported sustainable growth, and fostered financial inclusivity.

As we commemorate this milestone, we extend our heartfelt appreciation to all the visionary leaders, dedicated employees, and committed stakeholders who have contributed to this journey. May NAFSCOB continue to pave the way for innovation, resilience, and prosperity in India's cooperative banking sector. Here's to many more decades of success and service!

I extend my best wishes for the success of Diamond Jubilee celebration of NAFSCOB.

(Shiv Pratap Shukla)

মমতা ব্যানার্জী
ममता बनार्जी
ممتا بنرجی
Mamata Banerjee

মুখ্যমন্ত্রী, পশ্চিমবঙ্গ
मुख्यमंत्री, पश्चिम बंगाल
وزیراعلیٰ مغربی بنگال
CHIEF MINISTER, WEST BENGAL



28th October, 2024

MESSAGE

I am glad to know that the **Diamond Jubilee Celebration** of **National Federation of State Cooperative Banks Ltd. (NAFSCOB)** will be held in a befitting manner at New Delhi during the month of November, 2024, and a commemorative souvenir will also be brought out on the occasion to mark this significant milestone.

I wish the Diamond Jubilee Celebration all success and convey my heartiest greetings and best wishes to all members of NAFSCOB on this memorable occasion.

(Mamata Banerjee)

Shri Konduru Ravinder Rao
Chairman
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GOVERNMENT OF KERALA

Pinarayi Vijayan

CHIEF MINISTER

No. 848/Press/CMO/24 16 October, 2024.

MESSAGE

I am glad to note that the National Federation of State Cooperative Banks Ltd., is celebrating its Diamond Jubilee this year.

I hope that the celebrations will go a long way in popularising the role played by the cooperatives in the country, in realising the aspirations of our people across various states and sectors. Let it also enable NAFSCOB to stretch its wings so that more of our fellow country men and women will benefit from its people centered policies and initiatives.

My best wishes.

Pinarayi Vijayan

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Conrad K Sangma
Chief Minister
MEGHALAYA

सत्यमेव जयते

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October 30, 2024

MESSAGE

It fills me with pride to know that the National Federation of State Cooperative Banks Ltd. (NAFSCOB), a remarkable institution that has spent 60 years uplifting the cooperative banking sector in India, is celebrating its Diamond Jubilee. We honour NAFSCOB's invaluable contributions to the financial empowerment of our communities and its unwavering commitment to the principles of cooperation and inclusivity.

Founded on May 19, 1964. NAFSCOB has grown into a powerful force for change, championing the interests of cooperative banks and the people they serve. From empowering rural farmers through affordable credit to supporting small businesses and local entrepreneurs. NAFSCOB's impact has been transformative. Through the Short Term Cooperative Credit Structure (STCCS), NAFSCOB represents a vast network of 34 State Cooperative Banks, 35 I District Central Cooperative Banks, and over 1,04,256 Primary Agricultural Credit Societies. each contributing to the backbone of our economy.

NAFSCOB has consistently embraced progress, tackling challenges head-on. Whether by navigating the digital revolution or standing resilient in the face of the COVID-19 pandemic, NAFSCOB has shown that cooperative banking is more than just finance; it is a force for social good and community empowerment.

On this auspicious occasion, I extend my heartfelt congratulations to the leaders, staff, and members of NAFSCOB who have worked tirelessly to advance cooperative values. Your dedication has made cooperative banking a source of pride for our nation and a beacon of hope for millions.

May NAFSCOB continue to light the way for generations, fostering unity, growth, and prosperity across India.

(Conrad K Sangma)

सुखविन्द्र सिंह सुक्खू
SUKHVINDER SINGH SUKHU

मुख्य मन्त्री
हिमाचल प्रदेश
CHIEF MINISTER
HIMACHAL PRADESH



Message

I am delighted to know that National Federation of State Cooperative Banks Ltd. (NAFSCOB), Navi Mumbai is organising its Diamond Jubilee function in the month of November, 2024 at New Delhi and a souvenir is being brought out to commemorate the occasion.

In a State like Himachal Pradesh, where the economy relies heavily on agriculture and allied sectors, cooperative banks play a pivotal role by extending liberal and accessible financing to these communities. This support is essential for the economic upliftment of people in the hilly regions, where a large portion of the population depends on such activities for their livelihood.

I hope that this event will provide an apt platform to distinguished cooperative leaders, policymakers, cooperative banking officials and other stakeholders to discuss pressing issues in banking sector and to chart a progressive path forward for the cooperative movement in India. This, in turn, will significantly benefit the common man and strengthen the cooperative framework across the country.

I convey my best wishes for resounding event.

(Sukhvinder Singh Sukhu)

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SIDDARAMAIAH
CHIEF MINISTER
No: CM/PS/340/2024

VIDHANA SOUDHA
BENGALURU - 560 001

Date : 14/11/2024



MESSAGE

I am very happy to know that National Federation of State Cooperative Banks (NAFSCOB) is celebrating its Diamond Jubilee on November - 2024 at New Delhi.

The cooperative movement in India has a long history. It plays a vital role in various sectors including agriculture, bank and housing. Cooperative Banks in India are pivotal in the socio-economic development of the country. These banks have the potential to empower more rural and urban communities, driving forward India's agenda of inclusive growth and economic development.

It is commendable that NAFSCOB is marking 60 yrs of dedicated service by promoting financial literacy, aiding local businesses, and investing in community projects.

I am sure that the deliberations of the event be fruitful for the future growth of cooperative movement in India. I hope that the souvenir which is being brought out to mark the event will provide the valuable insights about the cooperative sector.

I wish the Diamond Jubile Celebration all success.

Siddaramaiah
(SIDDARAMAIAH)

Shri. Konduru Ravinder Rao
The Chairman, National Federation of State Cooperative Banks Ltd
Navi Mumbai-400703.



ಕೆ.ಎನ್. ರಾಜಣ್ಣ
ಸಹಕಾರ ಸಚಿವರು ಹಾಗೂ ಹಾಸನ
ಜಿಲ್ಲಾ ಉಸ್ತುವಾರಿ ಸಚಿವರು

K. N. RAJANNA
Minister for Co-operation and
Hassan District Incharge Minister

MESSAGE

I am pleased to note that National Federation of State Co-Operative Banks Ltd., (NAFSCOB) is celebrating Diamond Jubilee in November 2024. NAFSCOB which was established on 19th May 1964, has completed 60 years, has provided a common platform to do useful services to the rural co-operative credit structure. NAFSCOB has provided a forum to the member banks to examine the problems of co-operative credit and banking and suitable remedies to solve the problem. NAFSCOB was coordinating with NABARD, RBI and Government of India to solve the problems of STCCS and for the development of SCBs, DCCBs and PACs. NAFSCOB used to organise number of conferences/seminars/ workshops for both non-officials and officers with in the country and exposure visits outside the county. NAFSCOB under the leadership of all chairman's, and with active involvement of Sri. Bhima Subramanyam, Chief Executive Officer has done yeoman service to the co-operative credit and banking structure. NAFSCOB is responsible for continuing in the Three-tier Short Term Co-Operative Credit Structure in the country and it is working as the leader of STCCS. I hope NAFSCOB will continue to do similar service in the coming years. I also wish to convey my best wishes for the Diamond Jubilee celebration and for the souvenir which is being published on this occasion.

K. N. Rajanna

(K.N. RAJANNA)

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भारतीय राष्ट्रीय सहकारी संघ
(भारतीय सहकारी आंदोलन की शीर्षस्थ संस्था)
NATIONAL COOPERATIVE UNION OF INDIA
(APEX ORGANISATION OF THE INDIAN COOPERATIVE MOVEMENT)

दिलीप संघाणी
(पूर्व सांसद एवं पूर्व मंत्री गुजरात सरकार)
अध्यक्ष

Dileep Sanghani
(Ex. MP & Ex. Minister, Govt. of Gujarat)
President



Dated : 21.10.2024

MESSAGE

It is a matter of great pleasure to learn that National Federation of State Cooperative Bank Ltd. (NAFSCOB) is going to celebrate its Diamond Jubilee and is bringing out a Souvenir to mark this historic occasion. I convey my heartiest congratulations on this auspicious occasion.

The journey of NAFSCOB towards the upliftment of State and Central Cooperative Banks and development of Short-Term Cooperative Credit Structure has proven its compact existence since its establishment on May 19, 1964. Completion of 60 years by NAFSCOB to provide advantageous services to the rural cooperative credit system and focused the concerns of stakeholders, to resolve the issues and promote their interests in the relevant field was really remarkable. The NAFSCOB has been playing a pivotal role for overall growth of the cooperative movement through their objectives i.e., provide a common forum to the member banks to examine the problems of cooperative credit, banking and allied mater and evolve suitable strategies to deal with them; liaison with Government of India, RBI, State Government, NABARD and other higher financing institutions; research and consultancy inputs to the member banks and so on as required from time to time. Dedicated to the growth of cooperative credit structure and through its objectives in such a long time, is an important contribution of cooperative credit sector to the national economy.

For the last 60 years, the NAFSCOB being the apex federation of State Cooperative Banks in India has witnessed struggle, up and downs in their endeavours for the betterment of the credit cooperative structure in States. Despite the complexities of the challenges and also opportunities that shape the social, economic and political environment of India, NAFSCOB never ceased to continue its work and take up the challenge with compassion and courage as well as with professionality and profound expertise. This is commendable and worth emulating.

In order to realize the 'Sahakar-se-Samridhi' vision & mission of Hon'ble Prime Minister Shri Narendra Modi, Ministry of Cooperation has been working in coordination with the various National Federations of respective sectors. Strengthening cooperative credit structure is one of the main focus of the Government. After formation of Ministry of Cooperation in the year 2021, the role and responsibilities of National Federations dedicated towards banking sector has become more important. The Government insist to diversify the objectives of cooperative federations to strengthen their sector. I hope the NAFSCOB will be in the key role for plan, policy and execution towards cooperative credit structure in the country.

On behalf of the National Cooperative Union of India, I extend my best wishes and cooperative greetings to NAFSCOB for its Diamond Jubilee celebration and to bring-out a 'Sourvenir' to mark the celebration and wish success in near future.

Dileep Sanghani

(Dileep Sanghani)

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DR. CHANDRA PAL SINGH YADAV
Ex-Member of Parliament (RS & LS)
Chairman - KRIBHCO
President - International Cooperative Alliance
Asia & Pacific

International Cooperative Alliance
Asia and Pacific

KRIBHCO
Cooperative and beyond...
KRISHAK BHARATI COOPERATIVE LIMITED
A-10, SECTOR-1, NOIDA-201 301 (INDIA)



Date 22.10.2024

MESSAGE

Dear Shri Rao ji

It gives me immense pleasure to note that your Federation is contemplating to celebrate Diamond Jubilee in November 2024. The celebrations signify the dedicated services the Federation had been extending to its member cooperative banking fraternity for the past six decades. The cooperative banking sector has become the backbone of the economy reaching out to every segment of the Society. This has become possible because of your able and dynamic leadership, headwork and dedication of your team.

Today cooperative banks are playing lead role in the India's economy adopting digital technology and latest banking tools for promoting transparency and efficiency in the work culture. Your Federation is providing yeoman services in strengthening cooperative banking network which is really praise worthy.

On this occasion, I wish to extend my best wishes to you and all the stake holders of your baking network.

Yours sincerely,

With warm greetings.

C P M

(Dr. Chandra Pal Singh Yadav)

Mr. Konduru Ravinder Rao
Chairman
National Federation of State Coop. Banks Ltd.
JK Chambers, Fifth Floor Plot No. 76,
Sector-17, Vashi, Navi Mumbai-400703

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NATIONAL FEDERATION OF STATE COOPERATIVE BANKS

DIAMOND JUBILEE SOUVENIR

I N D E X

Sl. No.	TITLE OF THE PAPER	NAME OF THE AUTHOR	Page No.
1.	Overview of the Tumkur District Central Cooperative Bank: Highlights of a Successful Journey	Shri. K. N. Rajanna	1
2	International Cooperative Day, 2024 : A Broader theme toward Comprehensive Development	Dr. Moinul Hasan	4
3	Report on Multi-Service of PACS Affiliated to Karimnagar DCC Bank & PACS Viability	Shri Konduru Ravindera Rao	6
4	SWOT Analysis of Primary Agricultural Credit Societies	Shri Bhima Subrahmanyam	9
5	One PACS One Drone: Transforming Cooperatives Through Technology"	Shri Sachin Kumar	17
6	Transforming Indian Agriculture: Trends, Innovations, and Government Initiatives	Dr. Prafulla Ranjan	20
7	Emergent need to address the alarming situation of Imbalances/losses in STCCS particularly in PACS and DCCBs.	Shri K.R. Sahu	23
8	Inclusion of DCCBs in The Second Schedule of RBI Act 1934: Justification.	Shri Konduru Ravinder Rao Shri Bhima Subrahmanyam	25
9	Cooperative Banks: Regulation & Need for Proportional Regulation	Shri Bhima Subrahmanyam	29
10	The Kerala Bank – an Overview	Shri Gopi Kottamurickal	40
11	Corporate Governance in Rural Cooperative Banks	Dr. Nethi Muralidhar	42
12	LINAC-NCDC Fisheries Business Incubation Centre (LIFIC)	Dr. Manoj Kumar	47
13	Highlights and Achievements of Shri Rajkot DCCB	Shri V. M. Sakhiya	50
14	Role of Cooperatives in achieving UNSDGs	Shri Sharwan Manta, Mrs. Shivani Sharma & Shri Dola Singh	54
15	Profile of Surat DCCB	Shri Mahavirsinh Chauhan	64
16	My Journey towards SHGs – The Game Changer	Shri J. Jayabaskaran	66

NATIONAL FEDERATION OF STATE COOPERATIVE BANKS

DIAMOND JUBILEE SOUVENIR

I N D E X

Sl. No.	TITLE OF THE PAPER	NAME OF THE AUTHOR	Page No.
17	Use of Artificial Intelligence in Short Term Cooperative Credit and Banking Institutions	Dr. Jagadeesh S Hanamashetti	68
18	"Corporate Governance" in State Co-operative Banks & District Central Co-operative Banks	Shri S Satyanarayana	71
19	Cooperatives Build Prosperity for All - The Unique Role in India	Shri TBVR Srinivas Rao	75
20	Bright Future of Rural Cooperative Banks in India	Shri R. Ramachandran	77
21	Data Analytics in Cooperative Banks	Shri K. T. Rajakumar	78
22	Leading Role of the Satara DCC Bank in Co-operative Banking	Dr. Rajendra Nanasaheb Sarkale	84
23	Cooperatives for Rural Development in Amrit Kaal	Shri Rajiv Padia	88
24	Report on the Turnaround of the Karimnagar DCC Bank	Shri N Satyanarayana Rao	93
25	Tackling Vegetable Inflation Innovative Strategies from Telangana State Co-operative Apex Bank	Smt. T. Jyothi	96
26	Destiny of Differently-Abled – Defined Better By Cooperative Credit Institutions	Shri J. Jayabaskaran	101
27	Short Term Agricultural Credit Structure in Karnataka Cooperative Movement Karnataka	Shri Basavaraj S Adaki	104



Overview of the Bank: Highlights of a Successful Journey

Shri K N Rajanna*

Geographical Context

Tumkur District is one of the notable maidan districts of Karnataka. It is a city known for its rich cultural heritage and historical significance. It serves as the administrative headquarters of Tumkur District and is situated about 70 kilometers from Bangalore. The city is renowned for its educational institutions, industries, and temples, including the famous Siddaganga Mutt, a prominent pilgrimage site.

Tumkur has a diverse economy, with agriculture being a significant contributor, alongside manufacturing and information technology. The region's pleasant climate and lush green surroundings make it an attractive place for residents and visitors alike. The city is also well-connected by road and rail, facilitating easy access to nearby attractions and urban centers.

History of the Bank

The Tumkur District Central Co-operative Central Bank Ltd. was established in 1955 and has proudly completed 70 years of dedicated service to the community.Tumkur DCC Bank, Established to support agricultural and rural development, the bank provides various financial services, including savings and current accounts, loans for agriculture, personal loans, and housing loans. It plays a crucial role in promoting economic growth in the Tumkur district by offering financial assistance to farmers, small businesses, and the local community. The bank emphasizes cooperative principles, aiming to empower its members through financial inclusion and community development initiatives.

Branch Banking

Our bank continues to thrive, thanks to the unwavering trust placed in us by the esteemed farmers of the district and their invaluable cooperation. As I reflect on the progress made during the fiscal year 2023-24, I do so with optimism, confident that together we can elevate our bank to new heights.

In this report, it is noteworthy to mention that the economic landscape of our district remains robust, with both agricultural and non-agricultural activities flourishing. We recognize the potential for expanding our branch network to areas that align with the bank's business objectives, thus enhancing our economic impact. A comprehensive action plan has been meticulously devised to capitalize on these opportunities.

The bank operates a total of 43 branches across various barangays, taluk centers, and rural regions within Tumkur City. We take pride in securing an 'A' grade in our statutory audit and achieving accumulated deposits of ₹1,55,142.23 lakhs as of March 31, 2024. Our working capital stands at ₹2,49,728.64 lakhs, with loan disbursements amounting to ₹1,83,593.64 lakhs across various schemes.

Financial Highlights

I am pleased to report that the Tumkur District Co-operative Central Bank has generated a gross profit of ₹2,418.11 lakhs and a net profit of ₹499.00 lakhs for the year 2023-24. This achievement is attributed to timely and adequate loan disbursement, effective collections, and strategic investments. Our net non-performing asset (NPA) ratio stands at 3.18% for 2023-24, with a targeted reduction to below 3% in the near future. I commend our team for their trust, hard work, and support, which are the foundation of these accomplishments.

Interest Waiver Scheme of Central and State Governments

For the fiscal year 2023-24, the bank has submitted a bill totaling ₹6,492.43 lakhs to 1,41,703 members in the district, under various schemes of the Karnataka Government and the Government of India, which include interest concessions and waivers on agricultural loans at a 0% interest rate. We have

*Hon' ble Cooperation Minister, Karnataka, President, Tumkur District Central Co-operative Bank, Ltd.

received deposits, and an outstanding amount of ₹3,902.69 lakhs is still pending from the government. Additionally, we have facilitated Personal Accident Insurance for 46,000 farmers, providing ₹6,90,000/- to enhance the security of their dependents.

SHG Linkage and Reaching the Unreached

Our bank is actively disbursing loans to Self-Help Groups (SHGs) in accordance with the Karnataka State Government's schemes. The Badavara Bandhu Yojana, a pro-poor initiative of the Karnataka Government, continues to be supported by our bank throughout 2024-25.

PACS and Financial Assistance

As of March 31, 2024, there are 244 agricultural cooperative societies operating under our bank's purview. We have developed an action plan to prioritize rural development and address the financial needs of the farming community through 235 primary agricultural cooperative societies in the district. These societies serve as a crucial financial backbone for farmers, offering various loan facilities, including cash loans, gold loans, vehicle loans, inventory loans, fertilizer loans, and ration food loans at competitive interest rates. To date, 38 associations have received ₹1,080.53 lakhs in loans, with ₹121.87 lakhs overdue. Simple interest is applied without prepayment charges on these overdue loans.

We are also committed to enhancing the external and internal design of our bank's premises to create an inviting atmosphere for customers, allowing us to compete effectively with commercial banks.

CBS Scheme

All our branches have fully integrated the Core Banking System (CBS), enabling us to provide a comprehensive range of banking services. Our customers can access banking facilities through ATMs located in CN Halli, Thuruvekere, Katsandra, Sira, Tipaturu, Sri Sridevi Medical College Campus, Mallasandra, Kunigal, Antarsanahalli, Pavagada, Kodigenahalli, YN Hosakote, and Koratagere branches. Under the Karnataka State Government's interest waiver scheme for medium-term and long-term loans overdue as of December 31, 2023, a total of 111 farmer members have benefitted from an interest waiver facility amounting to ₹355.26 lakhs.

RUPAY CARDS INITIATIVE BY NABARD

As directed by NABARD, I am pleased to announce that we have successfully distributed Rupay cards to 11,776 farmer members. This initiative facilitates the opening of savings accounts for farmers who have received short-term loans under the Kisan Credit Card (KCC) scheme through primary agricultural cooperative societies, allowing them to engage directly with their accounts and access financial services.

Historically, agricultural loans were credited to the current accounts of primary agricultural cooperatives (PACs), which led to a cumbersome system of disbursing funds to farmers at the association level. Due to numerous complaints regarding the improper delivery of funds under this system, we have implemented a new approach: crop loan amounts are now directly credited to the farmers' savings accounts at the district bank branches. Furthermore, subsidies from central and state governments, weekly payments to milk producers' cooperative societies, and agricultural loans sanctioned by banks are also deposited directly into these savings accounts. This has resulted in increased footfall at our branches, leading to overcrowding as farmers and customers come directly to withdraw their funds.

To alleviate this congestion, we have installed ATMs in 13 branches and distributed Rupay cards to farmers. Additionally, we are planning to open more branches at the Hobli level to further support our farmers and customers. The Tumkur District Co-operative Central Bank has undertaken several initiatives, utilizing its working capital to safeguard the interests of local farmers. Notably, the interest rate on gold jewelry loans provided to farmers is set at 1% lower than the standard rate.

ASSISTING MEMBER SOCIETIES IN CONSTRUCTION

In line with our commitment to cooperative principles, we have begun painting the exterior walls of buildings belonging to primary agricultural cooperative societies in Tumkur, Madhugiri, Koratagere, Gubbi, Sira, Pavagada, and CN Halli taluks with the colors representing these principles. I am pleased to report that this initiative will continue in the coming period.

We are also providing financial assistance for the construction, repair, and modernization of PAC buildings, including counter construction, computerization, and furnishing. Furthermore, we are offering security deposits at no cost to these associations to promote financial development through gold jewelry loans. Shelter sheds have been constructed in front of PAC buildings in Madhugiri and Koratagere taluks, with plans to develop similar

facilities in other taluks in a phased manner. I am proud to inform you that our bank has successfully implemented all programs initiated by the Karnataka State Government and has met the short- and medium-term agricultural credit targets established at the governmental level.

FARMERS HEALTH INSURANCE SCHEME BY THE GOVERNMENT OF KARNATAKA

Under the reestablished Yashasvini Arogya Vima Yojana, a total of 2,55,095 members have enrolled, including 93,742 members from Scheduled Castes and Scheduled Tribes, as well as 161,353 members from other categories at no cost. The bank has successfully transferred ₹2,46,91,470/- in Yashasvini Insurance amounts to the Government Yashasvini Vima Trust. This scheme provides insurance coverage of up to ₹5.00 lakh per family for the treatment of 1,650 diseases in registered network hospitals. I encourage all members to utilize our bank's website, which provides information on network hospitals throughout Tumkur district, ensuring beneficiaries can access cashless treatment

Empowering Farmers and Women in Tumkur District

In Tumkur District, a wave of transformative initiatives is revolutionizing the economic landscape and uplifting the community:

Milk Producers Cooperative Societies (MPCS)

With a dynamic network of 1,353 cooperatives, over 81,000 dairy Members are empowered through monthly payments of approximately 80 to 90 crores(monthly thrice), enhanced by a ₹5 per liter government subsidy. This vital support not only sustains livelihoods but also boosts local economies.

PM Kissan Yojana

This groundbreaking initiative provides eligible farmers with an annual financial aid of ₹6,000, disbursed in three installments. This assistance is crucial for managing agricultural expenses and enhancing productivity, ensuring food security for families.

Gruha Lakshmi Yojana

Aiming to uplift women heads of households, this scheme offers a monthly direct transfer of ₹2,000. By fostering financial independence, it empowers women and strengthens family welfare, promoting gender equality in economic participation.

Role of TDCC Bank

The Tumkur District Central Cooperative Bank serves as the backbone of above mentioned initiatives, streamlining access to financial resources across our 43 branches of our bank and ensuring that both rural and urban beneficiaries can thrive. Together, these programs are forging a path toward a more prosperous and equitable future, empowering farmers and women to create lasting change in their communities.

COMPUTERIZATION OF PRIMARY AGRICULTURAL COOPERATIVE SOCIETIES (PACs)

The Government of India has launched an ambitious scheme to strengthen primary agricultural cooperative societies through the computerization of 63,000 functional PACs. This project, with a total financial outlay of ₹2,516.00 crores, aims to integrate all operational PACs into a common national software based on Integrated Quality Management Practices (IQP). This system will link them to State Cooperative Banks and District Central Cooperative Banks, and ultimately to NABARD. In our district, approximately 230 PACs are in the process of being computerized, with 80% of the work already completed, and we expect full completion by the end of September 2024. Once computerized, financial statements and operational data of the associations will be readily accessible to organizations providing financial assistance.

FARMERS' ROLE IN DETERMINING PRODUCE PRICES

India is an agriculture-dependent nation, with 70% of its population relying on farming for their livelihoods, making agriculture the backbone of the economy. Unfortunately, farmers often lack the power or mechanisms to determine the prices for their crops, while owners of non-agricultural enterprises and industries retain the authority to set prices. This disparity highlights a significant misfortune for our farmers.

CONCLUSION

The Tumkur District Co-operative Central Bank is making remarkable strides in its development and has gained recognition as one of the premier central cooperative banks in the state, excelling in numerous areas of cooperative banking.



International Cooperative Day, 2024 : A Broader theme toward Comprehensive Development

Dr. Moinul Hasan*

The importance of cooperative as a better alternative for overall economic development is growing rapidly all over the world. The General Assembly of the United Nation has already declared 2025 as the International Cooperative Year. In 1995. The United Nation declared the first Saturday of July each year as International Cooperative Day extending an honour to completion of 100 years of the International Cooperative Alliance. Afterward, the day is being celebrated internationally with due importance. A theme of focus is also declared by the ICA every for the day. 'Cooperative Build a Better Future for All' – was the theme for the Day of 2024. Along with this main focus, it was also proposed to observe the cooperative movement at present from six points of view in connection with the celebration of the Day of Cooperative. We may elaborate the viewpoints in brief as under.

1. Inclusive and substantial growth.

Development of a society means both economic and social development of all the people of that society. For proper and substantial development of a society there must be a balanced and inclusive economic growth. Keeping a major portion of people around the poverty line an economy cannot grow on a stable way. The aspect of substantiality of growth of an economy is now an important agenda for discussion. The development must be compatible with the nature. We have already misused enough our natural resources which have brought our planet before a challenge. The reserve of ground water is now a big concern. Whether it is for agriculture or for industry – we must have to keep in our mind about minimum use of ground water. Similar condition is also for fossil resources like coal and petroleum. A pure profit oriented initiative cannot take care of these aspects. There should be a cooperative line of thinking in all types of projects and initiatives for the purpose of growth of an economy.

2. Protecting the environment and fighting climate change.

The total environment of this earth has been changing rapidly. The unpredictable behavior of the climate in recent years shows what type of threat is there. The variation of temperature in different places could not be imagined a few years back. Last year (2023) we saw a strange incident of nature – Saudi Arab and its adjacent countries were overflowed with a heavy rain during the months of March and April. Road transportation and communication became terribly disturbed which was not seen in last 75 years. The airport was also stopped to function in this situation. At the same time, the eastern part of India experienced an extreme hot climate which has broken the all-time records. Both the phenomenon is alarming enough to be cautious for the human civilization as a whole. The ICA have rightly kept this aspect before the cooperative sector all over the world to take this aspect as an important task. All the authorities concerned to the cooperative in our country, both in rural and urban sector, should take this agenda as a social responsibility. Initiatives to be taken at local level specially for plantation. It must not be a show for publicity only, proper care is to be taken so that the plants can grow and take a part increasing the social forestry. It is the cooperative sector which can work together to mitigate climate change, protect the environment, and ensure a sustainable future for all. social forestry. It is the cooperative sector which can work together to mitigate climate change, protect the environment, and ensure a sustainable future for all.

3. Dialogue, democratic governance and shared ownership.

These three slogans are the pillars of the

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cooperative movement from the day of very beginning. With democracy and proper participation of the members, an organization cannot be said a cooperative at all in true sense. Obviously there will be difference of opinions. But these differences are the fundamental force of the cooperative to sustain. Voting process in making decision is not the proper way in a cooperative initiative. Series of discussions may be held so that a decision is taken with consensus. The cooperative society is not the property of some people who are in authority. It is for all and all the members are the owner of the organization – this must be the basic mentality. This will develop a sustainable development of a cooperative organization and the society as a whole.

4. Peace and stability.

The two world wars have taught us painfully that nobody can win in a war --- ultimately the human being and civilization as a whole loses in each war. But the international picture does not show that we have taken any lesson from the wars. Beside a few exceptional, everybody desires for peace in living – a peaceful world. There are several active movements in favor of peace over the world. But we see frequent explosion and bombing in schools, public places, even in hospitals. Nobody wants bloodshed but it happens in reality. We don't want death of civic people, children and female who are not involved in war – but the international environment is deteriorating day by day. The cooperative sector can play a major role in this field.

The ICA have raised the issue keeping in view of the worldwide network of cooperative which can create a situation against the unnecessary bloodshed. A war situation cannot provide a stable and sustainable situation for any socio-economic activity including cooperative functions. So the strong voice should be raised in favor of peace among the cooperatives everywhere all over the world for its own sake.

5. Mutual understanding and respect.

How this planet be a beautiful place for the human being --- it is a major concern of mankind. Decades and centuries people are thinking on the issue, so many debates, so many proposals and initiatives – but still the thinking is going on. One of the major reasons is that we, the human being, are not ready to hear the other, to respect the views of other. In a cooperative organization, often we forget that all the members have similar dignity, have right to be heard. In most cases, we have less patience to extend a respect to an opposite view. This is not the way of running of a cooperative society. Though it is one of the important basic cooperative principles – it is mostly neglected. On this occasion of the International Cooperative Day – we must recall again the inherent message of the principle that democracy and participation of totality is the life of a cooperative organization.

6. Diversity, equity and equality for all.

Diversity is the essential part of nature. A human society can be said properly civilized only if it can adopt and accept the diversity within the society. A civilization, even a small town or village, cannot proceed toward proper development ignoring views and desires of a portion of its people. Cooperative movement is not a war or competition like a political environment; it is a comprehensive movement including all. Cooperative movement must be free from any biasedness otherwise it will be failed to achieve its goals. If we look at the

history, we will see that culture and practice of collective movement in socio-economic activity was prevalent in mediaeval and also in ancient India. The national leaders in undivided India like Mahatma Gandhi, Jawaharlal Nehru, Netaji Subhas Chandra Bose, A.K. Fazlul Haque were active in favor of cooperative movement. Great personalities like Rabindranath Tagore, Acharya Prafulla Chandra Roy, Kazi Nazrul Islam and Daniel Hamilton were very much interested in cooperative movement. Rabindranath Tagore invested total amount of his Nobel Prize money to set up a Cooperative Bank in Rajshahi which is now a part of Bangladesh. Daniel Hamilton created a successful example of cooperative

movement and self-sustained village development in a very remote Sunderban area.

There are so many aspects which will show the failure of cooperative as a movement during the last 100 years. But the movement is having its inherent power to be successful if we follow the principles and guidelines properly. Needless to mention, the cooperative network have a huge manpower over the world and can create a tremendous collective effort toward betterment of mankind and our planet as a whole.



Report on Multi-services of PACS Affiliated to Karimnagar DCC Bank & PACS Viability

Konduru Ravinder Rao*

The Primary Agricultural Credit Societies (PACS) affiliated with Karimnagar District Cooperative Central Bank (KDCC Bank) have undergone significant transformation in recent years. Through a diverse range of services, infrastructure development, and strategic support from various stakeholders, these PACS have evolved into Multi-Service Centers (MSCs), providing much more than traditional agricultural credit. This comprehensive report focuses on the multi-services offered by PACS, the infrastructure developments, and their overall viability in serving the community.

1. Infrastructure Development: Building the Future

PACS have also received infrastructure loans for building and repairing godowns. Loans for godown construction were given to 38 PACS, ranging from Rs.3.00 lakh to Rs.5.50 lakh, while loans for godown repairs were provided to 49 PACS, ranging from Rs.50,000 to Rs.75,000 under ICDP. The total storage capacity created is 46,060 MT, with a 25% subsidy component at a low interest rate of 1% per annum under AIF.

The success of PACS as MSCs is underpinned by the creation of infrastructure such as office buildings, godowns, and other facilities. As of now, PACS have constructed 72 godowns and 21 office buildings or agricultural outlets to enhance their operational capacity. These godowns play a crucial role in enabling the safe storage of produce and agricultural inputs, ensuring that PACS can function as reliable hubs for both procurement and distribution within their communities.

Additionally, PACS have expanded into other infrastructure projects, such as constructing shopping complexes, setting up petrol and diesel bunks, and establishing function halls to generate non-credit income and diversify their business operations. These projects help PACS secure their financial footing while enhancing the quality of services available to the local community.

2. Procurement and Supply Chain Support

PACS actively contribute to the agricultural supply chain by procuring produce from farmers, such as paddy, maize, and red gram, at Minimum Support Prices (MSP). This ensures farmers receive fair prices for their crops without having to deal with middlemen. The godowns serve as storage hubs, facilitating efficient procurement operations and providing farmers with secure facilities for their produce.

PACS also supply quality inputs to farmers, including seeds, fertilizers, pesticides, and green manure, often at subsidized rates. This support helps farmers access the necessary inputs for agricultural production, enhancing their productivity and profitability.

3. Establishment of Processing and Commercial Units

The PACS affiliated with KDCC Bank have established various commercial units to further diversify their activities and cater to the local market needs. These include:

Seed Procuring Plants and Rice Mills: PACS have established seed processing units and two rice mills to process agricultural produce and add value before selling it in the market.

Petrol Pumps and RO Water Plants: To serve both the farming community and local residents, 36 PACS have set up petrol and diesel bunks, while 43 PACS have established RO water plants to supply clean drinking water at minimal costs. These initiatives not only generate income but also meet important community needs.

4. Diversification into Non-Agricultural Business

PACS have diversified their business activities beyond traditional agricultural lending by offering non-agricultural loans, such as gold loans, vehicle loans,

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business loans, housing loans, and personal loans. This diversification has allowed PACS to expand their clientele and reduce dependency on agricultural credit, ensuring more stability in their revenue streams. PACS have also established Jan Aushadhi Kendras(CSC) to provide affordable medicines to the local community.

5. PACS Computerization and Digital Integration

With support from NABARD, the Government of Telangana, and TSCAB, all PACS affiliated with KDCC Bank have been computerized. The computerization initiative has enabled seamless integration of PACS operations with KDCC Bank's core banking system, thereby enhancing efficiency, transparency, and accountability. Real-time information flow has allowed for the timely generation of Management Information System (MIS) reports, such as daybooks, balance sheets, profit and loss statements, and NPA reports.

This modernization has led to more efficient customer service, improved recordkeeping, faster transactions, and a reduction in manual errors, all of which have contributed to greater customer satisfaction.

6. Implementation of the Agriculture Infrastructure Fund (AIF) Scheme

Under the AIF scheme, PACS affiliated with KDCC Bank have developed infrastructure to support agricultural growth and provide better services to farmers. A total of 82 PACS have been converted into Multi-Service Centers under the AIF-AMI scheme. As part of this scheme, 129 loan proposals from 59 PACS have been sourced, leading to the sanctioning of Rs.49.62 crore by NABARD to fund projects like godowns, rice mills, petrol and diesel bunks, and office buildings. This development enhances the infrastructure capacity and enables PACS to undertake more diverse activities.

7. PACS Development Cell (PDC): Capacity Building and Multi-Service Expansion

In 2014, a PACS Development Cell (PDC) was established with the initiative of NABARD. The PDC focuses on building the capacity of PACS through training, workshops, and exposure visits. Resource persons from PDC assist PACS in developing viable loan products, setting terms and conditions for lending, and ensuring the viability of noncredit business activities like rice mills and petrol bunks.

As a result of the PDC's efforts, PACS have transformed into Multi-Service Centers (MSCs), offering services like gold loans, vehicle loans, seed processing, seed sales, and petrol bunk management. This diversification has positioned PACS as small financial supermarkets catering to the diverse needs of their rural communities.

8. Common Service Centers and Cooperative Development Fund

KDCC Bank is the first in Telangana to register all affiliated PACS as Common Service Centers (CSCs). Through CSCs, PACS offer digital services, including insurance, pension schemes, utility bill payments, and other government services, enhancing financial inclusion in rural areas.

The Cooperative Development Fund (CDF) established by KDCC Bank also provides financial support for PACS to develop infrastructure such as safes, strong rooms, and other facilities. In recent years, grants of Rs.14.13 lakh and Rs.19.94 lakh were provided to PACS for infrastructure development in 2021-2022 and 2022-2023, respectively.

9. Business Activities in PACS: Agri and Non-Agri Services

PACS affiliated with KDCC Bank offer a wide range of services to support agricultural and non-agricultural activities:

Agricultural Financial Services: Crop loans, long-term loans for irrigation and farm mechanization, dairy loans, sheep loans, and joint liability group (JLG) loans.

Non-Agricultural Business: Non-credit business activities include gold loans, housing loans, vehicle loans, and running petrol/diesel pumps, rice mills, super markets, and function halls. All 128 PACS are actively engaged in the fertilizer business, while 36 PACS run petrol/diesel bunks with interest-free working capital loans of Rs.5 lakh each, provided by KDCC Bank.

10. Deposit Mobilization and Financial Literacy

To enhance savings among rural communities, 107 PACS have been identified as Deposit Mobilization Agents (DMA). PACS also operate four Financial Literacy Centers (FLCs), sanctioned by NABARD, to educate local communities on financial products and services. These initiatives contribute to increased

deposit mobilization and better engagement with rural customers.

11. The Role of PACS as Financial Supermarkets

Through modernization, infrastructure development, and diversification, PACS have emerged as small financial supermarkets providing a broad spectrum of services to their communities. These services include seed, fertilizer, and pesticide sales, insurance policies, pure drinking water supply, retail outlets, and cooperative services. The multi-faceted role of PACS has ensured that they are well-positioned to cater to all the financial and service requirements of their members.

12. Viability of PACS with Multi-Services

The viability of PACS has significantly improved with the implementation of multiservices. By diversifying into non-agricultural loans, commercial units, and valueadded services, PACS have managed to create multiple revenue streams that ensure financial stability. The establishment of petrol and diesel bunks, RO water plants, rice mills, and seed processing units has enabled PACS to generate steady non-credit income, reducing their reliance on agricultural lending.

Furthermore, PACS have benefited from initiatives like computerization and digital integration, which have enhanced operational efficiency and transparency, thereby boosting customer confidence and satisfaction. The PACS Development Cell (PDC) has also played a crucial role in ensuring the profitability and viability of non-credit business activities by developing structured loan products and monitoring their implementation.

The ability of PACS to procure produce at MSP, supply quality agricultural inputs at subsidized rates, and extend financial literacy initiatives has strengthened their connection with the farming community, thereby fostering trust and loyalty. This
relationship has contributed to consistent deposit mobilization and sustained growth.

PACS have also experienced significant financial growth in recent years:

Year	Loan and Advances (in crore)	Deposits (in crore)	Profit/Loss (in lakh)	Recovery Rate (%)
2013-14	400.37	56.55	12.46	47.02
2022-23	1431.19	123.35	58.27	92.16
2023-24	1662.73	133.97	99.70	93.50

Growth Trends Visualization

To illustrate the financial growth of PACS, the following graphs depict the trends in Loans and Advances, Deposits, Profit/Loss, and Recovery Rates over the years:

Growth in Loans and Advances: From **Rs.400.37 crore** in 2013-2014 to **Rs.1662.73 crore** in 2023-2024.

Growth in Deposits: From **Rs.56.55 crore** in 2013-2014 to **Rs.133.97 crore** in 2023-2024.

Growth in Profit/Loss: From **Rs.12.46 lak**h in 2013-2014 to **Rs.99.70 lakh** in 2023-2024.

Growth in Recovery Rate: From **47.02%** in 2013-2014 to **93.50%** in 2023-2024.

These trends indicate a strong and sustained improvement in the financial health and operational efficiency of PACS, driven by strategic diversification, enhanced infrastructure, and effective management practices.

Additionally, grants from the Cooperative Development Fund (CDF) and support from government schemes, such as the Agriculture Infrastructure Fund (AIF), have enabled PACS to develop robust infrastructure, further enhancing their capacity to offer diverse services. These initiatives have not only improved the viability of PACS but also positioned them as key drivers of rural development.

SUMMARY

The transformation of PACS affiliated with Karimnagar DCC Bank into Multi-Service Centers is a remarkable success story that highlights the power of strategic development, modernization, and diversification. By focusing on infrastructure development, expanding service offerings, and adopting technology, PACS have positioned themselves as indispensable financial service providers in rural areas. They are now not only meeting the credit needs of the agricultural community but also providing various non-credit services, making them viable and resilient in the evolving rural financial landscape.



SWOT ANALYSIS OF PRIMARY AGRICULTURAL CREDIT SOCIETIES

Bhima Subrahmanyam*

PRELUDE

The vision of Ministry of Cooperation, Government of India includes to evolve measures achieve the Amrit Kaal target of reaching 50 percent market share in Agricultural credit and 20 percent market share in deposits through assessment of the credit potential and opportunities available for business expansion for the 3-tier rural cooperative credit structure.

Measures to address the Vision:

Achieving 50% of the current level of agriculture and allied sector credit of the banking sector by cooperatives will call for massive fund support for the sector. The gap will only widen in future as the agri credit by commercial banks is growing at a higher. Even if the growth rates were to be same their share will be higher as they have a higher current exposure. Even if the cooperative sector were to achieve 20% share in the deposits it will still be difficult to achieve the target or reach the target. The need for cooperatives to achieve 50% of agricultural credit arises due to the existing huge potential .It is in this connection noteworthy that the report of the internal working group to review agricultural credit has observed that many farmers had multiple Kisan Credit Cards(KCC). This report also mentions that a number of farmers are financed by Micro Finance Institutions(MFI). It should be mentioned that such loans will be at very high rates of interest.

In view of the above it is evident there is ample scope for cooperatives to increase their agricultural credit portfolio without taking over the accounts from commercial banks. The cooperatives have scope to increase flow of credit for agriculture by (a) extending adequate finance for their borrowers and also (b) extend loans to farmers who are not in the fold of formal financial institutions.

Potential of Primary Agricultural Credit Societies (PACS).

In this background, it becomes necessary to analyse whether PACS can increase their member deposits and also increase credit flow. Prima facies it is felt that increased flow of credit to agriculture by cooperatives can be achieved if more refinance or other funds are made available to PACS. In this connection it is necessary to arrive at appropriate terms of (credit) refinance which will support them.

Lack of funds with the cooperative banks should be the main reason for the decline in their share in agriculture credit.

If cooperatives have access to more funds, they would have financed more farmers and the NPA % would have been low (a larger denominator of loan outstanding as in the case of commercial banks will show a lower % of NPA) entitling them to more credit support. Being able to extend credit would have encouraged collection as persons repaying will be sure of getting credit and will not be denied credit because others have defaulted. These aspects are discussed distinctly for PACS.

The objective of the present analysis is to (a) study the current status of Primary Agricultural Credit Societies(PACS) with reference to their member deposits and agricultural advances (b) analyse their strength and weaknesses and (c) arrive at considered strategies/recommendations such that the PACS are able to increase their share of deposits and also agriculture credit in the rural cooperative credit Sector.

Agricultural Credit by Short Term Cooperative Credit structure (STCCS) is mainly issued by PACS. There have been a large number of studies in the sector. These reports and the regulatory messages have

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expressed concerns about PACS. Data about PACS may not be fully authentic. NAFSCOB data shows that there are about 1.04 lakh PACS of which there are 39K loss making PACS and 49k profit making PACS .Other PACS include dormant, on-viable etc. At the same time there are proposals to increase the number of PACS as also to have specialised PACS with focus on enterprises based on allied agricultural activities- even as there are doubts about the existence or viability of about 30-40% of the existing PACS. Reportedly the number of PACS taken up by GOI are only about 63000. Yet if agriculture credit by cooperative credit structure has to grow it has to be through PACS.

The highlights of the status of PACS includes :

i. According to NAFSCOB, and as on 31March 22 the working capital has been shown at Rs 369869.

ii. Kerala accounts for nearly 70% of the deposit. For the purpose of this study another tabulation has been done and given below which does not include Kerala data for PACS.

iii. The number of borrowing members is seen around 4.8 crores whereas the data on KCC shows that the number of KCC with cooperatives is about 3.08 Crore only. Possibly this includes defaulted borrowers as well.

iv. The outstanding loans (includes agriculture loans) were Rs 1.59 Lakh crores for 4.8 Crore members with an average outstanding of Rs 33064. (previously it was mentioned that the average outstanding with Cooperatives is about Rs 50000 which is based on number of accounts).There is however very small reduction in the number of borrowers. This will include defaulted members as well. Yet it can be said that the amount of loan extended and outstanding has been always lower in the case of members of PACS. It is seen there is increase in all items taken up for study barring number of borrowers though there is noticeable increase in the number of members. The ratio analysis revealed that in percentage terms own funds have declined from 19.36% (to total resources) as of March 94 to 10.92 % as of March 22. Poor margins and increase in losses have resulted in reduced own funds. Loan outstanding as a % of own funds has reduced from 75.72 % (93-94) has declined to 40.79% in 21-22. It is evident that a chunk of resources of PACS is invested in deposits with District Central Cooperative Banks (DCCBs). There are other assets and losses as well. The total overdues as of March 22 were, reportedly Rs 57366 Crore. Losses were Rs 3747 Crores. Performance of the PACS and their business mix is not even across the state leave alone the country. As such some of the PACS would have invested in deposits with DCCB while their loans outstanding was rather low. The changes in the resources between two periods indicates the net flow of funds. Loans issued as % of net flow is seen in the range of 75% to 81% in the period taken up for the study. Information in the table above would show that as of March 22, overall deposits and borrowings have equal share in the total resources. Also that the share of borrowings in total resources during the period of study (93-94 to 21-22) has declined. In order to ascertain the growth rates a Compound Annual Growth Rate (GAGR) analysis was attempted on main items and calculated for each decade starting 93-94.The result of analysis is as follows:

i. The first decade (93-94 to 2003-04) growth rates, particularly in deposits and loans was more than 15%.

ii. There is a noticeable increase in the growth of members in the recent decade (could this be due to the concerns of governance expressed by the regulators and PACS trying to accommodate other classes of members??)

iii. The growth rate of deposits in the recent decade is a third of the first decade whereas loans advances have declined 7 times! This is the impact of decline in the resources and increase in the losses which has reduced the leverage of the PACS.

iv. There is noticeable decline in the growth rate of borrowings. (An article has pointed out that this is due to the reducing refinance limits due to change in eligibility norms which is now woven around CRAR and NPA compliance)

v. There is a sharp decline in the growth rate of

loans and advances in the current decade. Refinance was the main source of funds for PACS in the decade 93-94 to 2003-04.

vi. That the PACS have been able to record a growth rate of 17% in deposits and 10% in loans and advances is noteworthy.

The available data shows that the amount in deposits and borrowings of PACS in the recent years were similar. This is contrary to the position prevailing in all states. Therefore, a granular analysis was taken up. It was observed that the deposits of PACS of KERALA were nearly 70% of the deposits of the PACS in the country. Kerala PACS have consistently mobilised large volume of deposits. The data excluding Kerala is given below.

it can be seen that exclusion of Kerala shows sharp changes in the amount of deposits whereas the outstanding loans are not affected in similar proportion. PACS in Kerala have more investments in deposits with Kerala bank, consortiums and non-credit business than in loans and advances. it also can be seen that as of March 22 the deposits and borrowings were both Rs 1.72 lakh crores or so. The available data indicates that deposits were Rs 0.46 Lakh crore as against the refinance of Rs 1.72 Lakh crore. It can also be seen that there is a steady decline in the borrower- member ratio. Deposits have grown 44 times, during the 3 decades or so . whereas the borrowings have grown by 18 times and Loan outstanding has grown by around 12 – 13 times in the 35 years. Ratio analysis shows that borrowings vis a vis own funds + deposits was 3 times in 93-94 which has reduced to around 2 since 98-99. DER which was 5.18 in 93-94 stood at 7.25 as of 21-22. Stock of loan to stock of resources has declined from 94% in 93-94 to 61% in 21-22.

As agriculture credit has to be disbursed at PACS level, the strength of PACS need to be evaluated for any aggressive growth plan. In order to understand the position more closely the per society and per member averages were developed for other than Kerala data.

Further Per member, per PACS averages are important pointers. It shows that PACS are very small rather mini credit institutions and catering to the lowest persons in the agriculture supply chain. The average loan size is less than the average loans extended under microfinance to the poor. It is a sixth of the loan size of commercial banks. Whereas MF is for poor and people on the poverty line, members of PACS are somewhat on a higher economic status- slightly above the top layer of poor! Therefore, they should be in a better position to take loans and improve their economic position. They should be able to service the loans better. But the amount of loss, number of societies in loss, average collection % etc., clearly show lack of resources. This has constrained credit flow. Members deposits at Rs 3363 shows that these accounts are eligible to be treated as Basic Savings Bank Deposit Account (PMJDY accounts) which are opened by BCs under financial inclusion. Transactions are mostly confined to the credit facility.

The overall decline in the business performance of PACS, across the country has been clearly established. That the ability of PACS (barring Kerala) to mobilise deposits is limited is also established. PACS lack adequate staff and lack appropriate technology has also been highlighted. It is also evident that PACS cannot increase the loans to agriculture unless more funds (credit) is made available.

Overall loss by PACS is indicated at Rs 3747 Crore. The overdues are increasing regularly. The details of overdues i.e., the age wise classification and the realisability of core overdues is not known. Overdues have been increasing regularly (from Rs. 15752 Crore in 2006-07 to Rs 51362 Crore as of March 22). Given the steady increase and absence of age of overdues it is safe to presume that about half the overdues could be losses. It is necessary that these losses are funded (it may be necessary to collect specific data of the same) and defaults are collected. Elsewhere in this report the need for charging reasonable rate of interest or increasing the subvention such that the risk cost is fully factored and a reasonable profit margin is added agriculture credit may not be viable for PACS.

It has also been established that by increasing the loan amount and extending adequate loan to existing borrowers, nursing some of the defaulting borrowers and taking up credit for marginal and small farmers who are possibly not credit included, PACS can really increase their share in agricultural Credit.

A review of literature clearly reveals that right from inception PACS have been government sponsored

and government controlled. They have been accustomed to raising issues and waiting for the Government and other authorities to solve issues. Also, PACS have accepted suggestions for diversification, taking up business enterprises -while their capacity to manage is very limited- without any discussion in the AGM or members clearly showing that PACS are – possibly – no more member driven institution. Whether a PACS will be capable of managing non-credit business or suggested diversifications has not been evaluated or studied. It is learnt that there is a plan to add another 2 lakh PACS. Some of them could be focused on specific purposes like dairy, poultry etc. There is a simultaneous move to convert the PACS into Multi-Purpose Credit Societies. The idea of MPCS clearly underlines the fact that PACS may not be any more appropriate for rural credit given the regulatory guidelines on diversification and risk management. It also recognises the fact that size of holdings is constantly on the decline necessitating the farmer to have additional sources of income by running small enterprises. As such the society will have to undertake financing of very marginal enterprises under MSME.

Societies have limited ability to mobilise deposits as they are not allowed to accept public deposits. Some States have introduced other class of members to allow PACS to mobilise more deposits. In the absence of well administered deposit insurance schemes such efforts could lead to loss of deposits in the event of failure of societies. One should proceed carefully in asking PACS to mobilise more deposits. One of the important issues in this regard is the deposit insurance scheme for credit societies run by the State Government. In fact, it is seen that there is no data or information if claim on account of deposit insurance amounts has been paid to depositors of failed societies. Search to find information about the insurance schemes, their fund balances and insurance claim paid etc yield no results as the SGs have not put such information in the public domain. In this regard it is noteworthy that the number of PACS reported by NAFSCOB is 1.04 lakh of which 23977 is reported unviable (dormant 2325. Defunct 1219 etc.). There is no information on number of PACS liquidated. Completion of liquidation process is a pre-condition for paying the sum assured to the depositors who are covered by the deposit insurance schemes. Possibly the SGs have no funds and that's why the number of unviable societies continues to increase. Only RCS has the final word on liquidation! Perhaps the delay in liquidating society is because the State-run insurance schemes do not have funds. In this background, PACS do not have credibility for raising deposits barring a few places. Deposit flow into the PACS of Kerala is due to different reasons.

In view of the above PACS may not be able to increase their deposits of reasonable volume and as such deposits cannot be a reliable source for increasing credit flow. In this connection it is not out of place to mention that credit support from the DCCBs is very important for the proposed increase in credit. The fact that commercial banks meet almost the entire fund needs of NBFC-MFIs. It is evident that ground level institutions will need funds support from higher tiers. More funds from DCCB is the only way for PACS to improve their share of agri credit. Therefore, the first recommendation is to increase the credit flow to PACS. This may be done gradually as there are abundant capacity issues to be improved or sorted out.

SWOT of PACS

it is necessary to do a SWOT of PACS to address appropriate gamut of issues towards credit flow and deposit mobilisation:

Strengths:

a. Member Oriented: The strength of a society is in it being member promoted and member oriented. Typically, all members are known to each other and do not need paper-based identification like UID and other KYC processes introduced recently. Members hail from the same area. People managing PACS have a closer understanding of the economic status and needs of the members. Theoretically members are expected to support each other and stand guarantee as well. This strength will help members increase their economic status.Over the years as governments pushed their economic agenda through societies the basic fibre of member connect is lost. This strength is at its lowest ebb now as, over the years, PACS secretary, staff, department officials and

higher financing agencies have treated the members more as beneficiaries. The government programmes were meant for members but members have not been involved in the affairs of the PACS barring AGMs which is conducted in a perfunctory manner. For the proposed growth of credit, member affinity, member understanding and member support is needed. If members do not get credit, if they do not get good transaction facilities and if a few members (say the board members) take away a large portion of funds this strength will fade away and turn into member apathy. At the same time if members do not understand the constraints and help maintain financial discipline the society cannot function. In a member driven organisation member participation is important. At the same time, it will be difficult to remove the department administration over the PACS. Therefore, there should be calibrated efforts to improve member participation. Members should be educated about the critical aspects of financial management issue.

b. **Proximity/Closeness to villages:** PACS are established in the villages. This is very useful for the farmers (members) to do transactions almost at their door steps. This helps minimise costs to the member and PACS as well. Historically PACS have recorded low cost of operations. PACS can improve services and reduce cost further if they were to adopt technology.

c. **Appropriate Products:** The original design of the PACS is simple. Offer savings and credit to the members and allow transactions for credit and savings. Allow purchase of fertiliser, insecticides and seeds in the PACS. If the members need other transactions, they can use the banks. Also, members stood guarantee to each other.

To improve the products and service PACS may – through its current account with DCCBs – offer more electronic payment facilities. For this it is necessary to offer SCHEDULED BANK status to DCCBs or allow them to take up all modes of electronic payments. DCCBs should be allowed direct membership of NPCL. DCCBs may also tie up with input vendors who can be paid by the PACS borrowers using QR code etc. Vendors may be encouraged to open accounts with DCCBs.

Weaknesses: The weaknesses are identified and centred around as follows:

i. Small in size: Despite 100 years of existence most of the PACS are small in size. PACS are credit unions and not banks. The small size and small means come in the way of compliance and other requirements. As such the small size impacts credit worthiness of PACS and ability to leverage. It also impacts ability to deploy technological solutions. Small size also makes it inevitable for PACS to accept funds from organisations who tend to force their objectives on the PACS. PACS are asked to do non-credit businesses for which there is no member support. Keeping non-credit business at arm's length is difficult. PACS have thus lost their focus.

Currently there are about 1 lakh PACS. The member borrower coverage is about 40%. It is learnt that the number of PACS could be increased to 3 lakhs. This would work out to about 2.5 village per PACS. As PACS have to work within the area of operation (say three or four villages) they will continue to be small. PACS will never have volumes to qualify them as financial institutions.

Currently the average loan size of agri loans with commercial banks are about Rs 1.84 Lakh. With PSU banks it is Rs 2.04 lakh. (10.67 Crore accounts). The collateral free agricultural loan limit is Rs 1.6 lakh. If PACS were to aim at this size of loans and finance about 3/4th of its members (farmers) in its area of operation (there were about 1300 members per society as of March 22) the average amount of loan per society could be Rs18 Crore as against the current per society average loan outstanding of about Rs 2 Crore. This will give a viable size for PACS. Even then PACS will be of very small size. Achieving Rs 18 Crore outstanding will call for substantial finance support.

ii. Poor management skills: Available data shows that about half the number of societies are managed by President and Secretary. There is not much member involvement in the management of PACS. A large number of PACS do not have staff/adequate staff. If the role were to be limited to credit i.e., small loans for members this will not pose any challenge.

iii. Weak Financials: Agricultural credit is high risk credit. This is because agriculture itself is subject to cyclical risk due to weather variability and other issues. It is well known that crop insurance has not been able to fully mitigate the weather risk.

Moreover PACS have been asked to lend at low rates of interest despite their margin being low which comes in the way of building up of owned funds. Further most of the members of PACS- as often highlighted by RBI- are small and marginal famers (83.5% of rural households and 70% of the agricultural households own less than 1 hectare and are as such marginal farmers). In this background i.e., being asked to lend without margin, collateral and low rate of interest, most of the PACS display weak financials. Though governments offer interest subventions it is inadequate. Governments also remit the same after some delay. All these have resulted in gradual depletion of own funds. Added to this is the accumulated losses which have to be funded. It is rather strange that MFIs are allowed to lend to poor (i.e., marginal farmers and agri labourers etc.,) at interest rates ranging around 30% while all agricultural loans including big farmers are mandated at rates below 9%.

iv. Inadequate Staff: As per available data (NAFSCOB-2021-22) number of staff per society was 1.76. If the number of working society is taken as given by GOI then it would show about 2.8 Staff. It is also observed that there were only 42000 or so full-time secretaries! This is hardly adequate given the need to serve the members, maintain accounts, manage cash, etc. It is doubtful if these staff are fully trained. The average number of villages served by PACS is 6. To serve that many villages more staff is needed. At the same time volume of business should also be sufficient such that staff cost can be managed.

v. Very low possibility of diversification: PACS are focused on farmers and hence suffer from risks associated with agriculture. Diversification of credit portfolio, by offering loans for other purposes, could be pursued in a calibrated way as the staff may not be, currently, well versed in those credits and also SOP appropriate for PACS might not have been developed. currently permit PACS to issue non-agricultural loans.

vi. High Default: Agriculture is subject to cyclical risk because of which cash flows gets affected resulting in default during periods when climatic changes impact crop production. To avoid this and offer continuous credit KCC with five-year limit was introduced. Over the years KCC has been improved by offering certain additions in the limit. Even a term loan has been added. It is no more an exclusive crop loan. Yet the repayment being linked to marketing of crop ignores the cyclical risk. This coupled with various government interventions has resulted in high default. Non -insistence on collateral, low rate of interest (subvention) and not taking legal action through cooperative courts/procedure has encouraged default.Crop insurance which is compulsory under KCC should be improved.

vii. Over Administration by Coop Department: From the beginning coops have been administered by the Government departments. As a result, members are treated more as a borrower and less as a member. Coop Department decides the HR policies and practices of PACS. They undertake audit of PACS. This has resulted in PACS working like a government department. RCS- Department specifies rate of interest on deposits, conducts audit, controls personnel management, and induces PACS to invest in consortiums. Audit

practices are meant for government department and not appropriate for a credit institution.

Opportunities

a. Ample credit demand/Potential: Report by the Internal Expert Committee of RBI has observed that a large number of marginal and small farmers have not been credit included. As indicated earlier there were, reportedly, 14 Cr agri land holding. The number of outstanding KCC was about 7.6 Crore. Other accounts may be another 2 Crore. As such there are many farmers eligible for being financed.

   There is scope to increase the loan amount in respect of existing borrowers (albeit small).

   There is scope to introduce technology-based credit service to farmers.

   There is scope to tie up with vendors and make payments using the farmers account with PACS and DCCB.

   There is scope for establishment and financing of marginal and small enterprise (trading) units in villages. (PACS should be given appropriate loan product like microfinance product approved by RBI and SOP for the same.

   PACS with surplus funds could invest in consortiums. These consortiums should be financially self-liquidating and not government funded.

Threats:

a. Competition. PACS and Cooperatives have not been able to finance all their members and also finance adequately. Their support in marketing of produce was also limited. In order to help farmers market their produces FPOs were started. FPOs have also been allowed to extend credit to farmers. SFAC is another such initiative.

   FPOs are also supported by NABARD. The implied message is that if PACS are not able to play a leading role in agricultural credit, authorities will not hesitate to try other means to reach the farmer. In view of this concepts such as BCs and FPOs have been started which have further eroded the base of the PACS. If these organisations are able to function efficiently PACS will find them rendered irrelevant.

b. Frauds: General perception about coops is that

   If frauds and misuses happen it spoils the reputation and lenders may face a higher risk. It is important that these issues should be sorted and it should be ensured that PACS function as an efficient credit institution.

c. Interventions: There are many interventions by the State Government in items such as in interest rate, credit products, collection etc. Even if these interventions are aimed at economic development PACS cannot bear the cost of development which otherwise should vest with the governments. Interventions are known to cause temporary and permanent impact on credit quality and financial viability of PACS. Interventions should be between the SG and the farmers using DBT for passing on the benefits by the SG. Existing method of subvention should be revisited and modified.

d. **Governance:** NABARD and RBI have expressed concern about poor governance with PACS. As membership of a board of society is often a stepping stone to political leadership there has been an insistence on the need for board of directors (like companies) and the need for independent directors etc. Societies should be managed by members.

e. Duality of controls:

   Government: Governments want the societies to (i) lend majority of the funds to Agriculture and that to at a very low rate of interest yet with minimum subvention. (ii) should the societies have surplus funds coop departments are known to advise them to invest in consortiums which are meant for government programs (iii) participate in all development activities of the governments

DCCB/SCB (2 T): Seek deposits from PACS and extend as minimum credit as as possible, implement strict overdue norms. They lend on NODC basis despite apparent cash flow issues with PACS.

Cooperative Department: Administers the PAC and in the process has say over all aspects of PACS. In many states the Government control is absolute.

NABARD: Would like PACS to lend majority of its for agriculture and as little refinance as possible. Prescribes diversification and business activities for PACS while also saying PACS lack staff, professional management etc. Prescribes governance standards and fit and proper for a very small credit institution namely PACS.

The line of authority is inverse. There are many supervisors and one PACS. As such the PACS tend to comply with all and do not have own initiative or business plan. There is no proper coordination among all masters. It is difficult to function efficiently.

Recommendations

If PACS can be extended more finance in addition to sorting out some of the below indicated areas issues, it is possible to double the credit outflow every five years. Some of the areas of recommendations in this regard are as follows:

1. Income Tax matters. 2. Deposits mobilisation from members and innovative schemes. 3.Adoption of KYC, 4. Deposit Insurance scheme, 5. Staff should be trained on credit and borrower appraisal. 6. Regulation, 7. Adoption of Technology 8. Member education on PACS working 9. Non-credit and participation in various new activities indicated by Ministry of cooperation could be piloted on a selective basis and then made open for other PACS. 10. Management & Governance.

11. **Loans:**

i. In order that the loans are adequate and is also available to more members the per member loan limit could be Rs 1.5 lakh

ii. Agriculture loans could be extended as KCC or individual loans.

iii. Repayment for KCC loans could be linked to seasonality and marketing or EMI based on household income. EMI is beneficial to the borrowers.

iv. PACS may offer term loans for allied agricultural activities. In the case of Crop loans may be covered by NABARD SAO loan support and term loans may be supported by NB farm refinance.

12. Terms of Credit: NABARD and in turn DCCB should consider sanctioning Cash Credit limits to PACS for meeting its planned credit outlay.

13. Re looking into the Controls:

i. Stipulation of rate of interest on deposits

ii. Introducing other categories of membership

iii. Audit and appointment of auditors

iv. Election of management committee or Board of the PACS.

v. Appointing staff of PACS

A number of recommendations about the quantum of credit support, support in terms of funding the losses or potential losses, meeting the cost of technology etc., have been made above. It has also been mentioned that in terms of business mix, accumulated losses, involvement in agriculture credit etc., the performance is not even across the States and Regions. Hence while the overall approach could be the same the quantum of funds and conditionalities could vary from region to region and state to state.

Concluding Remarks: The SWOT analysis of PACS re-establishes the fact that the PACS have great/huge potential to contribute to achieve 50% of agricultural credit .

@The current paper is as result of extensive consultations with Dr Bhaskaran, Formerly CEO,IIBF and also Chief General Manager ,NABARD. Chapter 4 of study report on" Expansion of Business Plans of the Short Term Cooperative Credit Structure (STCCS) during the Amrit Kaal (2022-2047) and compliance of the functions defined under section 24 of the Multi State Cooperative Societies Act, 2002",authored by him as member of the study team has been extensively extracted and used in finalising this paper.

"ONE PACS ONE DRONE:TRANSFORMING COOPERATIVES THROUGH TECHNOLOGY"

SACHIN KUMAR*

INTRODUCTION & BACKGROUND

The Governmentof India is giving increasing focus on strengthening the Cooperative movement across the nation.It established the Ministry of Cooperation on 06th July 2021 to promote the Cooperative Sector and fulfill the dream of "Sahkar se Samridhi" of the Hon'ble Prime Minister. It has been felt that, to make this dream a reality, the Primary Agricultural Credit Societies (PACS) must be strengthened on priority. PACS constitutes the lowest tier of the 3-tier Short-Term Cooperative Credit (STCC) in the country, comprising approximately 13 crore farmers as its members, which is vital for the development of the rural economy.

After the formation of a new ministry, the scope of the cooperative sector has expanded. Recently, a Memorandum of Understanding (MoU) was signed between the Ministry of Cooperation, the Ministry of Electronics and Information Technology (MeitY), NABARD, and CSC e-Governance Service India Limited on 02nd February 2023. The intention is to enable PACS to function as Common Services Centers (CSC). With PACS becoming multipurpose, more than 300 services will be made available to the rural population, especially to small villages situated in remote corners of the nation.

PACS are the primary institutions of the Cooperative movement and after linking with more than 20 services, more employment opportunities will be created in rural areas. In this sequence, it can be strengthened by providing each PACS with a Drone under the initiative of "One PACS One Drone (OPOD)." It will strengthen the economic condition of PACS and promotethe entry of new entrepreneurs in this field. However, before moving ahead and concretizing this initiative, it is imperative to put up a complete discussion on the usage of Drones on the big canvas.

DRONE POLICY

A Drone is an unmanned aerial vehicle (UAV). It is an aircraft without any human pilot, crew, or passengers on board. UAVs are a component of an unmanned aircraft system (UAS), which includes adding a ground-based controller and a system of communications with the UAV. The flight of UAVs may be operated under remote control by a human operator as a remotely-piloted aircraft (RPA), or with various degrees of autonomy, such as auto pilot assistance, up to fully autonomous aircraft that have no provision for human intervention.

Ministry of Civil Aviation under the leadership of the Hon'ble Prime Minister announced the liberalized Drone Rules, 2021 with a vision to make India a global drone hub by 2030. In order to boost the manufacturing of drones in India, the Central Government approved Production-Linked Incentive (PLI) scheme for drones and components worth Rs. 120 crores and putting import bans paving the way for the domestic manufacturing sector. It is expected that the drone components industry will attract $ 500 billion of investment in the next few years.

In a major step to promote precision farming in India using Drone technology, the Ministry of Agriculture and Farmers Welfare has issued guidelines to make Drone technology affordable to the stakeholders of the Agriculture Sector. The guidelines of "Sub-Mission on Agricultural Mechanization" (SMAM) have been amended which envisages granting up to 100% of the cost of a drone or Rs. 10 Lakh, whichever is less, as a grant for the purchase of drones by the Farm Machinery Training & Testing Institutes, ICAR Institutes, Krishi Vigyan Kendras (KVK) and State Agriculture Universities for taking up large scale demonstration of this technology on the farmers' fields. The Farmers Producers Organizations (FPOs) would be eligible to receive a grant of up to 75% of the cost of the agriculture drone for its demonstration to the farmers.

In order to provide agricultural services through drone application, 40% of the basic cost of the drone and its attachments or Rs. 4 Lakh, whichever is less, would be available as financial assistance by existing Custom Hiring Centers (CHC) which is set up by Cooperative Society of farmers, FPO, and Rural

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entrepreneurs. The CHCs or the Hi-tech Hubs that will be established by the Cooperative Societies of farmers, FPOs, and Rural entrepreneurs with financial assistance from SMAM, RKVY, or any other scheme can also include Drones as one the machines along with other machines in the projects of CHCs/Hi-tech Hubs.

Department of Agriculture & Farmers Welfare (Ministry of Agriculture and Farmers Welfare) after deliberation with all the stakeholders of the drone sector, has brought out a publication on Standard Operating Procedures (SOPs) for the use of drones in pesticide and nutrient application. It provides guidelines and instructions for the effective and efficient use of drones while ensuring the safety of operations.

WHY DRONE IN AGRICULTURE SECTOR?

The Indian Agriculture sector is going through significant challenges such as low yield, soil erosion, lack of irrigation facilities, inefficient use of inputs, unscientific use of chemical fertilizers, imbalanced NPK ratio in fertilizers, lack of post-harvest management structure and access to financial services, etc. Fourth Industrial Revolution technologies can play a major role in addressing these challenges. Ministry of Electronic and Information Technology (MeitY) report highlighted that digital tech-based agriculture can unlock a further value of $ 65 billion by 2025. The impact of digital agriculture on the Gross Domestic Product (GDP) will be even larger.

Drone is one such technology that is gaining prominence in the agriculture sector. Land Mapping, agrochemical & liquid fertilizers spraying(such as nanourea/nano DAP/ Sagarika etc.), seeding, crop yield assessment, and drone-based analytics are the most prominent uses of the drone. The preliminary results have been promising. Spraying of Agrochemicals & Liquid fertilizers has the potential to be actively used as it saves the cost of inputs by 25-90%, minimizes skin exposure by 90%,and improves crop yield.

Mapping is the second major use case with the potential to drive precision agriculture and minimize land disputes.

It has been noticed that farm mechanization has increased with the highest adoption in northern states like Uttar Pradesh, Punjab, and Haryana (70-80% overall and 80-90% in rice and wheat). However, this is still low when compared to other countries like China (more than 70%), Brazil (more than 75%), and the United States (more than 95%). The low levels of mechanization (less than 50% in India) add to the inefficiencies during the harvest and post-harvest stages which is one of the reasons for the low productivity of crops. With the introduction of Drones in the agriculture sector, it is possible to increase the productivity of crops while minimizing the input cost. Indian agriculture is prone to frequent pest attacks. Spraying of pesticides/fungicides/liquid fertilizers, etc. through drones can solve the problem of pest infestations and their effects on crops.

Drones are poised to be an effective tool to support farmers in reducing their operating costs, while at the same time optimizing their input use. There are multiple uses for drones, including surveying, seeding, spraying, pollination, etc. that are at different stages of technology and business model maturity.

ACTION REQUIRED FOR ONE PACS ONE DRONE (OPOD)

Government has decided to establish multipurpose PACS across the nation. Providing each PACS with one drone will strengthen its economic condition. It would be a great help for PACS if Government provides a grant of 75% of the cost of agricultural drones purchased by PACS, as given to FPOs by the Ministry of Agriculture and Farmers Welfare, Government of India.

BENEFITS OF ONE PACS ONE DRONE (OPOD)

Drone can help transform Indian Agriculture, boost agriculture GDP by 1-1.5%, create at least 5 Lakh new jobs, and support the country in ushering in a new digital era of prosperity. Rural entrepreneurs associated with PACS, who have passed class 10th or its equivalent from a recognized Board and have pilot licenses from Institutes specified by the Director General of Civil Aviation (DGCA) would be eligible to fly the agricultural drone.

The Guidelines on the Development of Entrepreneurs for Drone Spraying of Liquid Fertilizers published by the Department of Fertilizers, Ministry of Chemicals and Fertilizers, Government of India has included a commercial cost calculation for Agriculture Spray Drone which states that the net annual profit for the entrepreneurs/ members associated with PACS would be in the range of approximately Rs. 5 to 6 Lakhs.

Box1: A Case for Progressive Farming & Drone Technology

Ozarde village in Wai taluka at Satara district in Maharashtra is dominated by progressive farmers. The village occupies 2500 acres of land. Mahatma Gandhi Ozarde Primary Agriculture Cooperative Society operates at the village level to cater to the credit needs of the farmers in rural areas. The PACS started in 1962 to provide crop loans to the farmer members of villages. The society has supported farmers in adopti greenhouses, poly houses, nurseries, exotic vegetables, sugarcane, strawberry, and turmeric cultivation. It has been set up as a multipurpose cooperative society with diversified businesses. The regional state government audited the society as 'A.' Society that has been computerized since 2003.The PACS adopted drone technology for the farmers' community. The PACS purchased the done at a cost of Rupees Three Lakhs Fifty Thousand in 2021 with a warranty of three years from a Hyderabad company Flymore. The company also has a supporting office at Kolhapur. The drone has a tank of 10 litres with rechargeable lithium batteries and is capable of spraying the field up to a height of sixty feet. It takes about seven to 10 m acres of land. A set of batteries used in the drone cost Rs. Fifty thousand. PACS has three reserve battery sets. It was observed that there had been no need for maintenance for the drone in a year. Drones have helped the farmers' commu pesticides, and tonics. The technical person for drones has been trained and assigned to run the remote. The drones are provided for rent at the rate of Rs. 800 per acre. This has helped in creating revenue for the PACS through the rents given by the farmers' community. The society also provides drones to other farmers who are not members of the society and facilitates two farmer members to operate the drones. The benefit of Drone technology helped in the transformation of PACS towards viability.





CONCLUSION

The implementation of drone technology in Agriculture is still a big issue. Some of the corporate farming institutions or large farmers/progressive farmers have shown their interest to use drones in Agriculture. Through this initiative of ONE PACS ONE DRONE, the benefite of the technology can reach even the small and marginal farmers. India by budding young entrepreneurs and providing employment to rural youths in their native place. The initiative of ONE PACS ONE DRONE will set an example in "Transformation of Cooperative Sector through Technology".

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Transforming Indian Agriculture: Trends, Innovations, and Government Initiatives

Dr. Prafulla Ranjan*

Abstract

Agriculture stands as a cornerstone of India's economy, employing a substantial workforce and contributing significantly to the nation's social fabric. As the country faces population growth, environmental challenges, technological advancements, and evolving consumer preferences, the agricultural landscape is poised for transformative changes. This article explores the key trends shaping the future of Indian agriculture, including sustainable practices, technological innovations, vertical farming, genetic engineering, data-driven approaches, urban agriculture, climate change adaptation, consumer demands, and farmer empowerment. Furthermore, the government has implemented a range of initiatives to support the agricultural sector, fostering growth, productivity, and sustainability. Leveraging these advancements, Indian agriculture holds immense potential for increased yields and improved livelihoods for farmers.

Keywords: Climate change adaptation, Government initiatives, and Indian agriculture.

1. Introduction

The significance of agriculture in India transcends its economic contribution, encompassing social, cultural, and environmental aspects. While the processed goods and services sectors have witnessed rapid development, agriculture remains the primary source of revenue for rural families, providing sustenance to millions. With approximately 70% of India's impoverished population residing in rural areas, it becomes imperative to augment cereal crop production while meeting the demands for fruits, vegetables, and milk. This necessitates the rapid development of a productive, competitive, diverse, and sustainable agriculture industry.

2. Emerging Trends in Indian Agriculture

The future of Indian agriculture is set to embrace transformative shifts driven by various factors. These trends include:

2.1 Embracing Sustainability:

India is increasingly focusing on sustainable agricultural practices, emphasizing organic farming, natural resource management, water conservation, and soil health improvement. From zero -budget natural farming to agroforestry and integrated pest management, farmers are encouraged to adopt sustainable methods that reduce reliance on chemical inputs, enhance long-term viability, and promote biodiversity. Sustainable agriculture will gain paramount importance as researchers and farmers explore techniques to minimize environmental impacts, optimize resource efficiency, and conserve water through regenerative agriculture, precision farming, and organic cultivation.

2.2 Technological Advancements:

Digital technologies are revolutionizing India's agricultural landscape. E-commerce platforms, internet marketplaces, and mobile applications are eliminating intermediaries, connecting farmers directly with consumers. These platforms provide access to finance, market information, and fair pricing mechanisms. Additionally, digital platforms disseminate weather forecasts, offer farming consultancy services, and facilitate information exchange. The integration of automation, robotics, and artificial intelligence (AI) in farming operations promises increased productivity, operational efficiency, and precise monitoring of planting, harvesting, and crop management activities.

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2.3 Rise of Indoor and Vertical Farming:

As urbanization persists, the demand for locally grown food surges. Indoor and vertical farming techniques, including hydroponics and aeroponics, gain prominence. These innovative methods enable controlled environment agriculture, irrespective of external conditions, resulting in reduced water usage, transportation costs, and dependency on arable land.

2.4 Genetic Engineering and Biotechnology:

Advances in genetic engineering and biotechnology open avenues for developing crops with enhanced traits such as improved yield, disease resistance, drought tolerance, and enhanced nutrition. Biotechnology tools like gene editing techniques, exemplified by CRISPR, allow precise modifications to plant genomes, expediting the breeding process and fostering the cultivation of resilient crops.

2.5 Data-driven Farming:

The agricultural sector embraces data analytics, sensor technologies, and Internet of Things (IoT) devices to optimize resource allocation, minimize waste, and enhance productivity. Data on soil composition, weather patterns, crop health, and pest management are collected and analyzed, empowering farmers to make informed decisions. This data-driven approach promises improved agricultural practices and resource management.

2.6 Urban Agriculture:

With urban areas expanding, urban agriculture gains momentum. Rooftop gardens, community farms, and vertical farming in cities offer fresh produce locally, reduce food miles, and enhance food security in densely populated regions. Urban agriculture contributes to sustainable urban development while ensuring access to nutritious food.

2.7 Climate Change Adaptation:

The agricultural sector grapples with the challenges posed by climate change, including extreme weather events, shifting rainfall patterns, and rising temperatures. Farmers must adopt climate-resilient practices and technologies, such as drought-resistant crops, improved irrigation systems, and soil conservation methods, to mitigate the effects of climate change and ensure sustainable agricultural production.

2.8 Evolving Consumer Preferences:

Consumer demand for sustainably produced, organic, and locally sourced food continues to rise. This shift in consumer preferences drives changes in farming practices and supply chain management, necessitating transparency, traceability, and ethical considerations throughout the agricultural ecosystem.

2.9 Farmer Empowerment:

The government has launched various initiatives to empower farmers and improve their socio-economic conditions. Programs like Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) provide direct income support to small and marginal farmers. Farmer producer organizations (FPOs) and agricultural cooperatives enable collective bargaining, access to credit, and improved market linkages, facilitating farmer empowerment.

These patterns show how modern agriculture is placing an increasing emphasis on efficiency, sustainability, and technological integration. By utilising these developments, farmers may increase production, lessen their impact on the environment, and adjust to the changing demands of the market and consumers. It's vital to keep in mind that these developments and trends may differ between nations and regions, based on their particular agricultural environments, socioeconomic conditions, and technological capabilities. However, in general, the future of agriculture is likely to include sustainable practices, technological advancements, and a focus on satisfying changing societal requirements while reducing environmental effect.

3. Government Initiatives Supporting Indian Agriculture

The Indian government has implemented several initiatives to bolster the agricultural sector, including:

3.1 Pradhan Mantri Kisan Samman Nidhi (PM-KISAN):

Launched in February 2019, PM-KISAN is a direct income support scheme for farmers. Under this program, small and marginal farmers receive direct cash transfers of INR 6,000 (USD 84) per year in three installments. The scheme aims to provide financial support to farmers and augment their income.

3.2 Pradhan Mantri Fasal Bima Yojana (PMFBY):

PMFBY is a crop insurance scheme introduced in 2016. It provides insurance coverage to farmers against crop losses due to natural calamities, pests, and diseases. The premium rates are subsidized, making it affordable for farmers. The scheme helps farmers mitigate the risks associated with crop failure and provides financial security.

3.3 Soil Health Card Scheme:

The Soil Health Card Scheme was launched in 2015 to assess and monitor the nutrient levels of agricultural soils. Farmers receive soil health cards that provide information on soil fertility, nutrient deficiencies, and recommendations for appropriate fertilizer application. This initiative helps farmers make informed decisions about soil management and
improve crop productivity.

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3.4 e-NAM (National Agriculture Market):

e-NAM is an online trading platform for agricultural commodities. Launched in 2016, it aims to create a unified national market for agricultural produce by integrating existing APMC (Agricultural Produce Market Committee) markets across the country. Farmers can sell their produce online, access transparent pricing, and benefit from a wider market reach.

3.5 Paramparagat Krishi Vikas Yojana (PKVY):

PKVY promotes organic farming in India. It provides financial assistance to farmers for the adoption of organic farming practices and the certification process. The scheme encourages the use of organic inputs, crop rotation, green manure, and vermicomposting, among other organic farming techniques.

3.6 Rashtriya Krishi Vikas Yojana (RKVY):

RKVY is a centrally sponsored scheme aimed at strengthening agricultural infrastructure and enhancing productivity. It provides financial support to states for agricultural development programs, including irrigation, watershed management, seed distribution, farm mechanization, and post-harvest infrastructure.

3.7 Pradhan Mantri Krishi Sinchai Yojana (PMKSY):

PMKSY is an irrigation scheme launched in 2015 with the goal of achieving "Har Khet Ko Pani" (water to every field). It focuses on improving water use efficiency in agriculture through the development of irrigation infrastructure, water storage facilities, and micro-irrigation systems. The scheme aims to enhance farm productivity and reduce water wastage.

3.8 National Mission for Sustainable Agriculture (NMSA):

NMSA promotes climate-resilient and sustainable farming practices. It supports initiatives related to soil and moisture conservation, watershed development, rainwater harvesting, and the adoption of climate-resilient crops. The mission aims to enhance agricultural productivity while ensuring the long-term sustainability of natural resources. These initiatives reflect the government's commitment to addressing the challenges faced by Indian farmers and promoting sustainable agricultural practices. They aim to improve farm income, provide financial protection, enhance productivity, and create a conducive environment for agricultural growth and development in India.



Emergent Need to Address The Alarming Situation of Imbalances/losses in Short Term Credit Structure-particularly In PACS And DCCBs

K.R. Sahu*

The cooperatives have the potential to change the socio-economic dimension of the Country, substantially increasing their share of the GDP. There is need to promote a cooperative based economic development model. The Short Term Cooperative Credit Structure can play dominant role in this context provided they are strengthened by making them financially sound.

Today, the STCCS in most of the states of the country particularly DCCBs and PACCS, are not in very sound financial health.

In recent past the Govt. of India has taken steps to develop PACCS (Primary Agriculture Cooperative Societies) as Common Service Centre and to run them in corporate style. The PACCS will have more than 25 activities besides the present business of dispensation of credit, supply of seed, fertilizers pesticides and farm machineries etc. The proposed activities, include business of petrol/diesel outlets, LPG distribution PM's farmers welfare centre, banking, insurance, generic medicens centre, water supply and energy etc. The activities will be implemented through the network of short term cooperative credit structure in the country.

Presently PACCS have more than 12 crores members in over 95 thousand societies in the country. which are affiliated to 351 DCCBs.

The short term cooperative credit structure can very well implement the above proposed activities provided they are financially strengthened.

In the above context I would like to highlight the verious problem of Imbalances/losses in PACCS/DCCBs in the country though the quantum may differ from state to state. Reserve Bank of India (vide NABARD circular dated 23rd July 2009) have issued instructions to implement Prudential norms, Income recognition. Asset classification and Provising/ NPA in PACCS, but most of the PACCS have yet to implement the above instructions about NPA. When these instructions are implemented huge losses will appear in their balance sheet. Thus the balance sheet will be transparent and the true picture will emerge about financial health of PACCS. This will also reflect in the DCCBs and their losses will also increase substancely.

While highlighting the above problem I would also like to enumerate, here, the causes of the depleting financial health of the PACCS/DCCBs.

Here it would be appropriate to mention the various reasons for losses in PACCS/DCCBs .

1. In most of the States in the country, State Govt. have entrusted the responsibility of PDS (Public Distribution System to PACCS, in which they are sustaining huge losses, which is not compensated adequate by Govt.

2. Many of the welfare schemes of Govt. are being implemented through PACCS. but these activities are not remunerative.

3. Govts declare Loan waiver schemes and PACCS have to write off the Loans of members and income of interest is stopped from the date of write off. but the Govts do not replenish the amount written off by PACCS immediately and the payment is in some cases delayed even for

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years. The PACCS thus suffer huge losses. Besides this, in many schemes of Loan waiver, the Govt. does not compensate the interest part, and PACCS have to bear it themselves.

4. In many States the procurement of food grains is done through PACCS, in which they suffer heavy losses due to inadequate compensation Besides this losses due pilferage etc have to be born by the Societies.

To improve financial health of STCCs to make them capable to handle the expected task of growth in business. In brief the financial support needed is enumerated below.

i. To increase the own funds of DCCPs / PACCS, adequate share capital assistance may be provided. this will enable these institutions to develop adequate borrowings capacity for getting refinance from higher financing agencies.

ii. The Govt. should provide adeuqate funds to write off the accumulated losses / imbalances of DCCBs/PACCS. As we are aware, the Govt. is providing financial assistance to commercial banks continuously to strengthen their financial health. The cooperatives are in dire need of such financial assistance.

iii. The losses being sustained by cooperatives in implementation of Govt. schemes should be adequately compensated.

iv. The State Govts. while declaring Loan waiver, should make the amount of loan to waived in advance, for any delay losses of interest should be compensated.

v. The NABARD should provided 50-60% refinance for agricultural advances on liberal terms for this there has been continuous demand. In the last I would like to mention that it is high time that the Govt. should address the above problem of losses/imbalances only then we can expect STCCs to perform the expected task







Inclusion of DCCBs in The Second Schedule of RBI Act 1934: Justification

Konduru Ravinder Rao*
Bhima Subrahmanyam**

Structure: The Short Term Cooperative credit Structure (STCCS) comprises of 34 State Cooperative Banks (SCBs) at Apex level with 2210 branches,351 District Central Cooperative banks (DCCBs) at Intermediary level with 14120 branches and 106955 Primary Agricultural Credit Societies (PACS) at the grass root level.as on 31 March 2023 in both 3 tier and 2 Tier STCCS. There are 15 states with 3 Tier STCCS namely SCBs, DCCBs and PACS and 14 states with 2Tier STCCS namely SCBs and PACS. Further, it may be interesting to note that there are 5 states with mixed structure namely, two tier in some districts, and three-tier in the other districts, operates.

The current article seeks to present justification to consider Scheduled status to DCCBs. It is not clear as to why despite more than 100 years of existence and for no valid reasons DCCBs have been denied scheduled status It may be instructive to appreciate the main issues involved with DCCBs to realise the need for Scheduling DCCBs and to be included in the Second Schedule of the Reserve Bank of India (RBI)Act, 1934.The main criteria to consider schedule status is to maintain a minimum prescribed paid-up capital and reserves of at least Rs. 5 lakhs and also Satisfy the RBI that their affairs are not detrimental to the interests of their depositors. The criteria to accord scheduled status as per the provisions of RBI also includes the following to be adhered:

i. CRR (4.5% currently)

ii. CRAR (DCCBs and have to maintain a minimum CRAR of 9% (Based on Basle I norms).

iii. IRAC norms are similar for all banks.

According to RBI, inclusion in Second Schedule of RBI the financial norms become more stringent particularly the CRAR. Hence, advises cost benefit analysis may be done. Also, Section 42 of RBI Act does not provide for scheduling of DCCBs.

About DCCBs: It may be instructive to appreciate the main issues involved with DCCBs and their complexities while carrying out the functions in 3 Tier STCCS. PACS are funded by DCCBs or two tier SCBs as the SCBs in three tier STCCS have no direct exposure to PACS and primary societies at the district level. They extend finance to DCCBS. In their financial statement they show the loans to DCCB as agricultural loans. This may be avoided as it gives a wrong message as if the loans are directly made to farmers) both of which are federations of various types of credit and non-credit primary societies in their area of operation (say one or more districts or a state and SCBs). DCCBs and 2 Tier SCBs cannot deploy all their funds exclusively for PACS as they have membership or accounts of all types of credit and non-credit societies which are involved in economic development of their members. Given this any proposal to increase in the agricultural credit over and above the normal growth will call for substantial financial support to DCCBs. Further if the share of agriculture credit in the overall business of DCCBs were to increase the percentage of interest subvention that is currently given by the state governments will have to be increased to ensure viability DCCBs.

DCCBs/ 2 T SCBs, present a better financial position than PACS. These institutions are subject regulations by the RBI. They adhere to well devised KYC. They are better organised. Unlike PACS which suffer from lack or absence of staff DCCBs have well trained staff. They adopt better credit terms and SOPs. Both PACS and DCCBs have unique advantage for credit inclusion as the employees are conversant with local language and business is- unlike commercial banks- transacted in local language.

DCCBs invest in G'Secs, balances with commercial banks and with SCBs. One of the reasons why DCCBs invest in G Sec is the regulatory norm of SLR. Further, DCCBs may not use reserve funds (as a precaution) in credit business. In view of this it can be said that ideal level of SLR could be say 20 of total assets %. (Actual investments are seen at 40.85%). Banks which are

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capable of professionally manage investments and trade in securities can have a higher % of TA in investments. The measures such as Changes in refinance conditions: Increase in refinance, Nursing of DCCBs, Rationalizing of SLR, Transparent financial statements,: Branches for DCCB, Fixing Rate of Interest, Level Playing field: enhances the potential and capabilities of DCCBs .for cooperatives. Such differences should be studied and sorted out.

It is important to add that investment as % of TA has been increasing over the year. One of the reasons for higher level of investment could be the need to manage the CRAR as loans -net of provision- have a 100 % risk weight while in the case of investments in G Sec the risk weight is 2.5 and balances with banks (including FD with SCB) has a risk weight of 20. On account of this and the difficulty in raising capital DCCBs seem to have opted towards a higher investment. It is observed that (as of March 22) 39 DCCBs had less than 9% CRAR, 27 had CRAR between 9 and 10% and the remaining had more than 10% with 81 DCCB more than 15%. Should the DCCBs maintain higher than required CRAR or maintain it around 10% and manage the credit flow and quality efficiently should be evaluated. RBI seems comfortable with higher than required CRAR though it means there will be lesser credit flow to that extent. Financial stability-based norms seem to weigh heavily with the regulator than credit inclusion. As of March 2022, as against 9% the DCCBs as a whole had 12% CRAR

One of the reasons for DCCBs not keen on increasing agricultural loans could be CRAR. Investments attract lesser risk weight than loans and therefore enable better compliance to CRAR norms. Any reallocation of resources from investment to loans will increase the risk weights and could impact CRAR. In this connection it is seen that as of March 22 the CRAR of DCCBs was 12.1% and only 37 DCCBs had less than 9% CRAR. As such, the reallocation will not make banks non-compliant with CRAR. (Indian regulator has not prescribed any maximum CRAR but only minimum of CRAR. Given the need to increase credit and seeing that banks are comfortable at a higher CRAR it may be necessary to fix the maximum CRAR as well). It is seen that CRAR % is gradually on the increase and the regulator seem comfortable with that. Unless regulator perceives the possibility of some event induced risk (like covid) or sudden spurt in the NPA excess CRAR means that credit will be reduced. In a country which needs more credit and funds to ensure economic development maintaining more than required CRAR is a luxury on account of financial stability. It has a development cost. It is time that Cooperative banks learn to manage CRAR professionally and optimise CRAR than maintain a higher CRAR such that more funds can be used for rural credit.

If the cooperative banks have to increase agriculture loans in a sustainable way the above issues have to be addressed. Banks cannot bear the cost of government schemes. They should participate in such programs, but government should compensate them, adequately for the same. DCCBs as also RRBs and Small Finance Banks (SFBs) i.e., those banks which have very low fund base – unlike commercial banks who have about 90% of the country's financial resources with them) lower financial capacity and very small balance sheets have been stipulated 75% priority sector lending. National Federation of State cooperative Banks (NAFSCOB) has been advocating for the scheduled status to DCCBs for the last 4 decades. There are more arguments in favour of NAFSCOB for scheduling DCCBs. Let us peruse the comments and recommendations of Jagdish Kapoor committee (2000) as extracted below on Scheduling of DCCBs.

"There have been suggestions from some quarters that inclusion of the district central cooperative banks in the second schedule to the Reserve Bank of India Act will confer better status to these banks in the eyes of the public and enable them to attract more deposits. It has been represented that scheduling is required for enabling DCCBs to accept deposits from government departments and other statutory bodies. They have therefore suggested that Reserve Bank should consider giving scheduled bank status to the DCCBs. The Task Force understands that some of the state governments have been removing the restrictions through appropriate notifications. Task Force recommends that other State Governments also may follow suit and not reckon scheduling as a precondition for allowing their departments to place their funds with cooperative banks provided the latter are not categorised 'weak'. The Task Force, therefore, feels that it is more important to improve the functioning and enhance the inherent strength of cooperative banks rather than giving them scheduled status. However, given the need to improve the image of cooperative banks, the Task Force is inclined to agree with the view that scheduling will help improving their status and facilitate in enlarging their resource base through greater deposit mobilization. The Reserve Bank of India may, therefore, examine the issue separately and take a view on S 42 of the RBI Act.

Section 42 in The Reserve Bank of India Act, 1934.

This section is about Cash reserves of scheduled

banks to be kept with the Bank. It is noteworthy that this section does not mention DCCB. It prescribes the CRR, the methodology of how to arrive at the same and how it should be maintained etc. Periodically RBI issues circulars on the same. Currently the CRR is 4.5%. It is learnt that DCCBs also maintain CRR at 4.5%.

The latest circular on this the Master Direction - Reserve Bank of India: [Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)] Directions – 2021:
RBI/DOR/2021-22/80. DOR.No.RET.REC.32/ 12.01.001/2021-22. July, 20 2021. (Updated as on September 25, 2023).

This circular is applicable among others to DCCB as well as can be seen in the beginning of the circular where RBI says "the provisions of these Directions shall apply to all Scheduled Commercial Banks (SCBs) (including Regional Rural Banks), Small Finance Banks (SFBs), Payments Banks, Local Area Banks (LABs), Primary (Urban) Co-operative Banks (UCBs), State Co-operative Banks (StCBs) and District Central Co-operative Banks (DCCBs) unless stated to the contrary.

The following is worth noting

i. The circular says that non-scheduled banks should report about maintenance of CRR in form 1 (par 2b)

ii. Cash in the Primary (urban) co-operative bank/State co-operative bank/District Central Co-operative bank shall include: (Definitions)

a. cash in hand maintained by a co-operative bank, which is a scheduled bank

b. Cash in hand maintained by a co-operative bank, not being a scheduled bank, in excess of the cash or balance required to be maintained under Section 18 of the Banking Regulation Act, 1949 (10 of 1949) read with Section 56 thereof; and

c. any balances maintained by a Co-operative bank, which is a scheduled bank, with the Reserve Bank in excess of the balance required to be maintained by it under Section 42 of the Reserve Bank of India Act, 1934 (2 of 1934);

d. any balances maintained by a Co-operative bank, not being a scheduled bank, with the Reserve Bank in excess of the balance required to be maintained by it under Section 18 of the Banking Regulation Act, 1949 (10 of 1949) read with Section 56 thereof; and

e. "Net balances in current accounts" as defined in the Explanation to sub-section (1) of Section 18 of the Banking Regulation Act, 1949 (10 of 1949) read with Section 56 thereof, in excess of the balance required to be maintained by it under the said section.

f. any balances held by a co-operative bank with the RBI under the Standing Deposit Facility (SDF).

iii. District Central Co-operative Bank' shall mean the Principal Co-operative Society in a district in a State, the primary object of which is financing of other Co-operative Societies in that district. Provided that in addition to such Principal Society in a district, or where there is no such Principal Society in a district, the State Government may declare any one or more Co-operative Societies carrying on the business of financing other Co-operative Societies in that district to be also or to be a District Central Co-operative Bank or District Central Co-operative Banks within the meaning of this definition. (Definition) Having defined and including DCCB as a bank the circular stipulates CRR for DCCBs. In this connection para 6 b says "b Every co-operative bank, (not being a scheduled co-operative bank), shall maintain in India on daily basis by way of cash reserve with itself; or by way of balance in current account with the Reserve Bank or the state co-operative bank of the State concerned; or by way of net balance in current accounts; or in case of a primary (Urban) co- operative bank, balances with District Central Co-operative bank of the district concerned; or in one or more the aforesaid ways, a sum equivalent to 4.50 per cent of its NDTL in India, as on the last Friday of the second preceding fortnight.

As such Section42 is about CRR and RBI has stipulated CRR for DCCBs.

As such CRAR cannot be a reason for not scheduling the DCCBs.
There are, currently enabling provisions for scheduling DCCBs. For example:

As per Section 6 a "The Bank shall, save as hereinafter provided, by notification in the Gazette of India, —

(a) direct the inclusion in the Second Schedule of any bank not already so included which carries on the business of banking in India and which—(i)has a paid-up capital and reserve of an aggregate value of not less than five lakhs or rupees, and

(ii) satisfies and Bank that its affairs are not being conducted in a manner detrimental to the interests of its depositors, and

(iii) is a State co-operative bank or a company as

defined in section 3 of the Companies Act, 1956 (1 of 1956), or an institution notified by the Central Government in this behalf or a corporation or a company incorporated by or under any law in force in any place outside India.

Using the above provisions department of Cooperation can – in consultation with RBI (though consultation is not a precondition) by notification ask RBI to schedule the DCCBs.

It is obvious that Section 42 is not a hindrance to schedule DCCBs.

It is said that CRAR could impact the cost. It is possible in the initial period but the scene changes with the availability of more funds. CRAR does not add to the cost. As such it reduces cost unless there is a mandate to declare dividend to the shareholders. Anyhow on scheduling the CRAR will only go up marginally. Banks can withstand that. RBI had amended Banking Regulation Act,1949 on 2020 as applicable to coop bank. At that time, RBI could have paved way for amendment of Section 42 as well. **Lack of provision in the Act should never constrain development.**

DCCBs may not be able to attract more deposits as their participation in Payment and settlement system is limited. Historical trend points out that possibly the fact that these banks are not scheduled comes in the way of firms outside the cooperative fold approaching these banks for account/ facilities. It is also seen that overall deposits with UCBs, which are regulated and supervised by RBI are more than DCCBs. There is an apprehension that regulator is somewhat favourable to UCBs than DCCBs.

There are at least 102 DCCBs out of 351who are more than 100 old. It is not clear as to why despite more than 100 years of existence and for no valid reasons DCCBs have been denied scheduled status. It may not be out of context to indicate that there are at least 1310 PACS who are more than 100 years old.It is well known that scheduled banks have access to more payment and settlement products than unscheduled banks. Direct membership of NPCL is easier for scheduled banks. Moreover, RBI has introduced financial stability-based norms like CRAR and therefore net worth and Section 11 based denial of scheduled status is not appropriate. In fact, all DCCBs have positive net worth to the required extent. It is worth mention that many smaller sized UCBs have been scheduled. Also new SFBs, merely because they are companies, are scheduled. Our recommendations are as follows:

i. Give scheduled bank status to all DCCBs and allow them to offer all customer products that commercial banks offer. This will be of immense use to the members/customers of PACS

ii. All cooperatives could be encouraged to open current account with DCCBs. This will increase CASA with DCCB and help reduce the cost of funds.

iii. DCCBs to take direct membership if NPCL and offer all products of electronic and digital payments to PACS and other societies.

iv. State Governments administer the coop societies. They may ask the government departments and State PSUs to keep funds deposited with the State Coop bank and good working DCCBs. If it is SCB it can use these funds in supporting DCCBs.

v. Cooperative banks may try to get the state government employees account. This will result in higher amount of CASA deposits.

vi. Currently PACS have current account with commercial banks (mostly private sector banks). If the DCCB is scheduled and is able to offer transaction facilities, like that of commercial banks, PACS can open current account with DCCB. This will substantially augment CASA deposit with DCCBs.

The advantages of including DCCBs in second schedule of RBI Act,1934 are as follows:

*Scheduled banks are eligible for low interest loans from RBI @bank rate.
*Get preferential loans as per RBI guidelines * Can join Clearing House facility* Can access central bank's refinancing * Scheduled DCCBs will be eligible for direct refinance support from NABARD without State Govt Guarantee* Currency storage facility at Scheduled Banks * Scheduled DCCBs shall maintain CRR with the RBI - SGL account to be maintained * liquidity adjustment and other facilities will be available. The status of schedule has different special identity* Scheduled DCCBs shall invest their SLR in Govt Securities * Reputation will be enhanced.

Summing Up: **There are at least 102 DCCBs out of 351who are more than 100 years old. It is not clear as to why despite more than 100 years of existence and for no valid reasons DCCBs have been denied scheduled status.**

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Cooperative Banks Regulation: & Need for Proportional Regulation
Summary of Observations and Conclusions

Bhima Subrahmanyam*

Introductory Remarks: A study report on "Regulation and Sustainability of Cooperative Banks: A Cross Country Study" has been commissioned by International Cooperative Banking Association (ICBA) of ICA

The study report is based on a secondary data, reports and information available in the web and portals of banks, regulators, associations etc. Every effort has been taken to collect as much information as possible/available. The most important issues discussed in earlier chapters of the report are summarised and presented in the current part of this article. It is almost an extract of the Summary of Observations and Conclusions of the Study report.

1.Summary of observations

A. Applicability of regulatory norms on cooperative banks, as per extant rules.

i. In most countries small sized cooperative banks are covered by Basel I norms. In these cases the standard approaches for the risk measurement of the credit portfolio introduced under Basel II do not apply. It is observed that the financial leverage of a bank is a function of the a stipulated ratio of tier I and II capital to the total assets, and this ratio must be at least 4%. Small banks are exempted from certain disclosure requirements. The rules for solvency, leverage ratio and disclosure are stable, simple and implemented with conservative calibration.

ii. Medium size banks constitute the largest chunk of banks. Here, in most countries risk measurement is as per the standard approach of Basel II to the bank's loan/investment portfolio in full. Within this, banks which are somewhat bigger and have a diversified portfolio could come under Basel III.

iii. Large banks i.e. institutions with total assets below $700 billion—must meet a CET 1 of at least 4.5% for solvency as well as both capital preservation and countercyclical capital buffers. Moreover, they have to estimate the risk using internal models with reference to a minimum/floor. In comparison to not so diversified banks (non-advanced banks), the calculation of the leverage ratio according to Basel III is used for large and very large banks. In these cases the ratio of the core capital to the leveraged exposure must be at least 3%. Further, large banks are subject to more detailed disclosures.

Further, banks with more than $700 billion of total assets must additionally maintain capital buffer between 1.0% and 2.5%. If they are also globally systemically important then the leverage ratio (capital to leverage exposure) must be at least 5.0%.

B. The financial cooperatives (Cooperative Banks) could be broadly classified as

i. Standalone – Many countries

ii. Net worked. Within net worked there could be varieties

i. Network with an institutional protection scheme, IPS. Example: BVR(DE) Germany, Fatherland der Raiffeisen Banken -Austria

ii. Networked without IPS- Rural Cooperatives of India

iii. Networked- but not federated - with others for financial and other support and no formal IPS- USA

iv. Integrated (co-operative) network. Example: Credit Agricole, Credit Mutuel, BPCE - France

v. Consolidated co-operative group: Example OP-Pohjola Finland, Österreichischer

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**As president of ICBA, the study was commissioned by me during COVID-19 crisis. The study is based on the information available from the Cooperative Banks/CFIs in countries namely France, Netherlands and Poland in Europe, Kenya and Nigeria in Africa , Bangladesh, India and South Korea in Asia, and USA.

Genossenschaftsverband- Volksbanken Austria, Credito Agricola –Portugal, Raiffeisen Luxembourg

C. An important item in the networked institutions is the Institutional Protection system. This entitles the banks in the network to draw up annual consolidated report comprising the balance sheet for the network as a whole. Central institution of IPS has more disclosure requirement. Most of the central institutions in the IPS are established as Joint Stock Companies owned by cooperatives. In a few cases there are outside shareholders as well. Banks within the IPS remain largely independent in their day to day business. IPS,

i. Ensures Liquidity and solvency of networked institutions

ii. Extend support to banks within the network from readily available funds

iii. Central bank implementing the IPS conducts its own risk review of the banks in the network, and

iv. Supervises institutions in the network instead of the Regulator/Supervisor.

D. Proportional regulation varies from country to country. For quick understanding we give below the proportional regulation as practiced in Europe. This could be the broad approach in most countries and can be taken as the basis and measure of proportionality. Current extent of proportional regulation is, briefly:

i. Standalone banks could be under Basel, I, II or III as national regulators have different approaches. BIS has observed that some sort of proportional regulation is being practiced.

ii. Banks within the Network enter into a contractual or statutory liability arrangement which protects the local/regional co-operative banks. In Europe, they enjoy 0% risk weight on intra group exposures.

iii. In the Integrated network, the local/regional co-operative banks and the central body are linked by a parent-subsidiary relationship. There is a higher level of control of the central institution. The local/regional banks remain the owners. Nevertheless, they have ceded control powers to that central institution, on certain items of business, to ensure oversight. Here again 0% risk weight for intra-group exposures have been allowed.

These banks are monitored as 'one set of institutions' on the basis of consolidated accounts and not individual banks. The central body of the network is subject to the same risk evaluation, measurement and control procedures as the local co-operative banks. There is no legal impediment to the transfer of own funds or repayment of liabilities from the central body to the local/regional bank.

iv. In the Consolidated Cooperative Group model there is a high degree of integration wherein the Local/Regional banks which are permanently affiliated to the central unit. In this model central institution and the local/regional banks are treated as if they were one bank. In these cases supervisors waive the fulfilment of certain prudential requirements by the local bank (solo) level which are applicable only on the consolidated level. The central body is empowered to issue instructions to the management of the local/regional co-operative banks. The central body and the affiliated banks are jointly and severally liable for many commitments. The solvency and liquidity of the central body and local/regional co-operative banks are monitored as a whole on the basis of consolidated accounts.

E. Proportional regulation is said to be risk and size based. How much should be the proportionality and how it is arrived for the coop banks in each country could not be ascertained. There are no indications on what proportionality is allowed on risk weights or method of arriving at risk for cooperatives. Evidently regulation does not factor the type of organisation like company, cooperative etc in its evaluation matrices. It is clear that in respect of cooperatives which are classified as GSIB and DSIB Basel III norms on par with commercial banks is applicable. Also some banks are under Basel II and III which allows internal rating based (IRB) approach has proportionality built in it. However the continuous demand for proportionality – despite allowing

banks to opt for IRB etc., would indicate that the extant proportionality in the case of cooperative banks does not meet their full requirement.

F. Networked cooperative banks are large in number in Europe and most of them are under Basel III. In contrast, in India where the short term cooperative banks that have some sort of networking but does not have IPS. The primary societies (lowest tier) are not regulated and cannot accept public deposits. The banks are under Basel I.

G. Outside Europe and USA there are no systemically important cooperative banks. Given this most of the countries follow proportional regulation for coop banks woven around Basel I and II. It appears that National regulators take Basel standards as a basis and do a plus or minus for proportional regulation. If there are other methods to arrive at this number it is not evident. But in most cases capital ratio is between 4% and 9%.

H. The Basel Committee on Banking Supervision has indicated that its stress-testing principles have become disproportionately burdensome on community-based institutions. There is a need for supervisors to conduct stress tests proportionate to the size, complexity, resources and risk profile of each institution.

1.1 How are the cooperative banks performing? Is regulation for financial stability alone or does it also help banks in anyway? In this regard a perusal of various studies/articles has shown that

i. Membership of cooperative banks has gone up from 50 million in 1998 to 84.8 million in 2017. Membership has recorded an average growth rate of 2%. It is reported that the driving forces behind surging number of members are financial benefits, material advantages, the ambition to participate in internal governance bodies, affinity with the brand, satisfaction with products and services, the pursuance of a dual-bottom approach etc.

ii. At the same time it is a matter of concern that in countries where financial markets are well developed there is definite reduction in the number of cooperative banks. Evidently reduction in number of banks has not impacted the growth. For example the number of cooperative banks in Europe was 2900 (2018) but 4200 in 2011. In USA the number of banks was 6010 in 2018 (7708 in 2009). Europe has witnessed decline in the number of banks due to mergers, governance changes and a consolidation process. At the same time the ratio of cooperative banks' members to the total population increased continuously from 12.9% in 1997 to 18.1% in 2014. Africa has witnessed increase in the number of banks but not all cooperatives are regulated by banking regulators.

iii. The region-based or limited area of operation business model of cooperative banks faces the challenge of cost reduction and sustaining their local branches At the same time their efforts in using digital channels etc., seem to decrease costs and help reach new potential customers.

iv. Apparently in all jurisdictions there are some efforts/moves by regulators to nudge the banks to merge and become bigger and come under Basel III and be subject to close monitoring. Thereexists a strong belief that these norms have strengthened the systemically important banks. In this connection as indicated above there is definite reduction in the number of cooperative banks in countries where coops are well entrenched and regulation is nudging them towards Basel III. Also, it is a matter of concern that very few, if at all, cooperative banks are being newly established. No entry norms for coop banks have been developed.

v. Cooperatives covered 21% of the world population as of 2018. In Europe where cooperatives are recognised as important players in financial system the market share in deposits was 22.0% (20.9% in 2011), Loans 23.1% (20.2% in 2011) and Branches were 33% (29.1% in 2018). It is seen that, in the recent years, only cooperative banks have recorded growth in loans while others in the banking sector have not

recorded any growth since 2011. Cooperative banks in France had about 45% market share in deposits, though the banks were big and work like commercial banks. Outside Europe the cooperative banks had a market share of about 10%-15%

vi. Cooperatives in Europe had a ROE of 6.8%. Capital ratio (Tier 1) of Cooperatives was 15.9% in 2018(11.5% in 2011) against 15.3% of commercial banks (11% in 2011). In Europe, the cost to income ratio of Cooperatives was 65.5% bit higher than commercial banks ratio which was 62.5%. The cost of compliance and cost of networked structure could be the reason for higher cost to income ratio. Needless to add that, in Europe, on account of low interest rates and high cost to income ratio the margins of cooperative banks are very low. NIM was 1.2 % in the year 2018.

vii. In a study, researchers have observed that in case of smaller banks loan volumes have either remained stable or increased while loan loss provisioning has decreased. "Cooperative banks as a group of have shown the least pro-cyclical effects and the most income smoothing behaviour".

viii. A "z" score based analysis has shown that cooperative banks in advanced countries have lower volatility in returns which more than offsets their lower profitability and lower capitalisation. They have higher z-scores than commercial banks and (to a smaller extent) savings banks, suggesting that cooperative banks are more stable.

ix. Is high presence of cooperative banks a challenge to commercial banks, in particular those commercial banks that are weak to start with? A study report says that presence of non-profit entities like cooperative banks can impact other financial institutions and pose threat to stability. This is not tenable as the size of non-profits will be small and cannot pose any real threat to stability. Moreover, cooperatives are for profit but not profit maximisation. As such it will contribute to market stability. Actually it is not the cooperative bank but the cost structure and financial weakness of commercial banks that could threaten its viability. It is true that higher cooperative bank presence could mean less space for weak commercial banks in the retail market more so because they have greater reliance on less stable revenue sources such as corporate banking or investment banking. The IPS like support mechanism seem to ensure sustainability of coops having lower variability in returns

Cooperative banks have continued to grow in terms of deposits and advances. Their share in business has improved. Most importantly, in terms of financing SME and agriculture portfolio these banks have a higher market share. Cooperatives have recorded growth despite high cost to income ratio and low rates of interest. As such regulation has not negatively impacted the cooperative banks. Also it is an indisputable fact that a bank being regulated gives rise to high public confidence and continued business. This explains why cooperative banks have strived to comply and change their business model and seek differential or proportional regulation. A perusal of websites of some of these banks also shows that they have been able to offer new tech-driven products to their customers. Some of them are also active in international fund transfers for their members/customers. In many countries there is a definite recognition of the contribution made by cooperative banks.

1.2 Governance:

One of the important issues is Governance. Board of Directors of a bank are elected or appointed based on certain criteria. It is expected that they follow rules and regulations. As such, be it a company or cooperative the constitution and composition of board does not encourage poor governance. Yet government failure happens. This is because the members at a given point of time have failed. Actually governance failure happens if one or a group of board members do something out of the way or inappropriate and other members do not stop it or unable to stop it. This can happen with any organisation. This can happen even if rules are

tightly framed. There can be no prior notice of governance failure. It is not predictable.

Post GFC studies and analysis have shown that governance failures happened due to error of judgement or pursuit of profit/incentive maximisation. It is indeed well documented that Governance failure in coop banks has been more due to error of judgement than pursuit of profit maximisation. Failures have been very small in comparison to commercial banks. Yet a close reading of articles, regulator speeches, pronouncement seem to suggest that quality of Governance in cooperative banks is poor and presence of independent and professional directors will help the banks to overcome these issues. Reading between lines would also show that Regulators favour company form of Governance. Possibly this is the reason why regulators in some jurisdictions are nudging cooperative banks towards demutualisation. Also in many jurisdictions government has stake in the cooperative banks and this does affect governance. Of course it is well recognised that a demutualised cooperative is distinct from investor owned banks.

1.3 Some of the issues that emerge out of the study are:

a. Standalone banks are smaller in size and Less Systemically Important. Current trend and regulatory designs indicate that these bank will be, eventually merged into bigger banks. The regulatory approach seems to be nudging them towards becoming a part networked institutions.

b. The cooperative principles of "one vote one member", share linkage to credit, not pursuing profit maximisation etc are not factored in regulatory estimate of risk. As more banks move towards IPS the general assembly and 'one member one vote' concepts become less effective. As banks become demutualised these aspects loose importance.

c. There are concerns about the redeemability of cooperative bank shares. Some regulators indicate an annual amount of redemption while some do not allow any redemption. These actions have implication for the cooperative character of the banks. This ends up dissuading people from becoming members of cooperatives.

x. Once networked the standalone cooperative bank loses its individuality.

xi. Governance is a big challenge because as banks become bigger members find it difficult to be board members. Regulators insist on more number of independent directors. If the board has majority independent directors, then members lose control over the bank. This stipulation of fully independent board being made on cooperative banks however is not seen in case of commercial banks.

xii. Proportional regulation is ad-hoc/arbitrary and Basel has not developed any metrics for the same. Basel has not, apparently arrived at any methodology for proportional regulation. It is the structure of Basel II and III that ensures proportionality.

xiii. Cost of compliance is on the increase. The cost to income ratio of cooperatives is higher. This could be due to compliance cost and cost of capital when fixed cost borrowingsre resorted to for maintaining CAR.

2 Recommendations on Proportional Regulation

This study is about proportional regulation. It has shown that financial cooperatives (banks/unions/credit societies) of different size, shape exist across the world covering on average about 10% of the population. Study has revealed that regulation is not even across countries and to certain extent it is proportional. Though proportionality in regulation varies from country to country the basis of proportionality is not apparent.

Regulation is a set of norms, mandates and guidelines about many aspects of banking. A study of regulation and guidelines in various countries shows that barring human resources management, physical infrastructure and look and feel of banking most other aspects of banking are covered by certain norms or mandates or guidelines. This is borne out by the existence of, in most countries, detailed guidelines on items such as Deposits, Credit, Investments, Risk Management, Customer Service, accounting standards, disclosures, IT, Cyber Security, Payment and Settlement and Corporate Governance etc. There are many regulatory instruments .It should be noted that norms are kind of uniform across the banking system or a given sub-set of banking sector say cooperative banking. Banks are also supervised by the regulatory authorities.

It is seen that post GFC and SDC regulatory norms have increased. The GFC and GSC crisis have showed that some organizations which are large in size and have large transactions with other institutions could, if they fail impact the financial stability of a country. This led to the term 'too big to fail' in case of large banks on one side and 'too many to fail' in case of small banks on the other side and the need to develop of norms to protect the system from their failure. Traditionally the regulation was 'deposit protection' oriented and after the crisis the focus got enlarged. Between GFC and now, the development of appropriate regulation has gone through phases resulting in Basel I, II, and III etc and already there is tale of Basel IV! In fact Basel III should have given appropriate norms for banks in both 'too big to fail' and banks in 'too many to fail' group, to each bank as per its overall risk profile. By now, norms, compliance systems and reporting requirements should have been proportional for all banks. This has not been achieved. Possibly the sheer variety of institutions, number of institutions and differences among them in size and risk profile makes it an impossible.

The journey of the cooperatives, over the years, from standalone society to bank to networked bank to the modern behemoth of big cooperative bank (often referred to as central bank) with many affiliated banks and unions makes an interesting reading. It shows that cooperative banks have been repeatedly reorganizing themselves due to market conditions and on account of regulatory guidelines or push. Briefly:

I. Cooperative banks are established under cooperative acts of the country. These Acts are common, for all sizes/types of cooperatives irrespective of the purpose for which the society is formed.

ii. In almost all countries there is some kind of involvement of Governments in Cooperative banks. Initially cooperatives were encouraged by Governments, as they dealt with agricultural credit etc. Later when the credit societies became banks the government involvement, albeit low, continued. Even today cooperative law in many countries provide for governments to own shares in cooperatives as also to decide on certain aspects of management. Generally cooperative Act is more intrusive on banks than company form of organisation.

iii. Right from the beginning it was evident that cooperatives cannot meet all the needs of their members due to funds constraint and high co-variance risk (the word is recent but the risk is old!) and therefore networking and levels (tiers) were thought of. The idea of two or three tier cooperatives/banks has evolved as coops knew their weakness i.e. collateral free loans and hence high credit risk and limited funds as member's capacity to save is limited.

iv. In view of low fund availability but higher demand for credit the cooperatives needed access to deposit from others. As this comes under banking cooperatives became banks. Banking is a highly regulated area. Prior to GFC &SDC bank regulation was only concerned with deposit protection regulations were soft. At that time, cooperative banks had somewhat lesser regulation than commercial banks.

v. Post GFC, in many countries the regulatory or growth push nudged these institutions towards IPS. (IPS did exist prior to GFC as well). This has resulted, noticeably in Europe emergence of two or three 'tiered' cooperatives with an apex or central intuition/bank under IPS. Also, in most of these cases the central institution is not a cooperative but a company owned by cooperatives and in some cases there are non-cooperative shareholders as well. The central institution is governed and run like a commercial bank. As such these banks were also into investments both normal and exotic. They were also into cross border transactions. Some of them ran into difficulties during GFC. Yet most governments did not have to bail out cooperative banks from the impact of GFC as much as they had to do for commercial banks. Members of the banks came to their rescue. A few banks, in UK for example were saved by the Governments.

vi. Today there are Globally Significant Cooperative Banks, Domestically Significant Cooperative Banks, Big cooperative banks, small cooperative banks etc. These are subject to somewhat proportional regulation.

vii. Some of the cooperatives, though in banking

business, do not use the word bank but are known as credit unions. As a general rule, with some known exceptions it is seen that, wherever the work 'bank' is not used those cooperatives do not come under banking regulator of the country. In many such cases (i.e. where the name bank is not used the regulation and deposit protection arrangements are exclusive (example Credit Unions of US, SACCO of Kenya and PACS of India).

viii. It is seen that banking regulators- possibly on account of some provisions in cooperative law that enables governments intervene or manage the cooperatives closely (by making it implement government programs) or other reasons are seen more comfortable with company form of organisation though it is well known that failure in governance is not attributable to a given form of organization. As mentioned previously, it is people in the helm of affairs who violate not the organisation. It is due to this insistence on company form of organisation that cooperatives- at the central bank level- are constrained to demutualise.

In this background a quick study of various countries reveal that

i. Regulation for cooperatives was developed from the basic norms applied for commercial banks. Proportional regulation is therefore + or – from the norms applicable to commercial banks

ii. Due to globalization and technology risks have multiplied. As such, as mentioned earlier a lot of regulatory norms and guidelines have been issued. As regulatory norm cannot be bank specific the best that can be hoped is sector specific norms which will be '**one size fit all**' in a given sector.

iii. Also though 'too big to fail' is worry it seems regulators are pushing banks to become big!

iv. As globalization and technology increased risk the regulatory norms keep adding up every day and today there are a large number of prudential guidelines and regulations. Compliance is a major work for banks. Regulators agree that cost of compliance is more on small banks (Annual report of regulator and some BIS talks point out that compliance is more burdensome on cooperatives and small banks).

v. As a result of networking and IPS the role of member has been marginalized as the general assembly has nothing much to do. Regulators dictate who should be on the Board! Yet it is well recognized that coop banks are not likely to cause any financial instability.

vi. It is well known that the norms are tough yet, cooperative banks have no option but to accept them as they have to be in the business. The central bank (of the IPS) is working – wherever IPS has been well established- more and more like a commercial banks.

As a result

i. In every country there is a definite decline in the number of cooperative banks and new cooperative banks are not being formed. This reduction is, barring a few cases, not on account of these banks incurring losses in GFC or SDC. In fact most cooperative banks escaped unhurt in these crises. The reduction is due to regulatory push towards merger and consolidation and small banks finding it too costly or difficult to comply. The cost of compliance on small banks is very high. Critics who believe that regulation is unduly burdensome point to the significant decline in the number of small banks over time

ii. Also, it is apprehended that slowly but steadily all cooperative banks will get demutualised (i.e. converted) into commercial banks very soon

iii. On average cooperatives banks/unions have a market share around 10%. However their share of SME credit and agricultural credit and small borrowable accounts is more. Despite long years of existence cooperatives have not been able to, in almost all countries, mobilize as much deposits as commercial banks. This is but natural because members of cooperatives do not belong to the higher echelons of the society and have no saving ability. Members come together mainly for credit. Given the small size of these banks they fall under 'too many to fail' category of financial

stability risk. Historically they have withstood normal risks and even event risk like 'GFC' 'SDC' etc.

iv. The number of cooperative banks and their total assets are known. It is therefore easy to aver that barring a few most of the cooperative banks in a country will have a very miniscule share in the market and they are unlikely to cause any impact on financial stability if they should fail.

Recommendations of this study, made earlier are that there should be proportional regulation because cooperative banks are necessary for financial inclusion. Cooperatives also offer certain diversification of risk in the banking sector. Study has brought out the fact that there are proportional regulations but the basis of proportionality is not known. Everybody says there should be proportional regulation but none indicates what it should be. Cooperative banks are clearly demanding more proportional regulations.

Literature review clearly shows that BIS and others have indicated that regulation should not put customers of small banks on more risk and also that being small cannot exclude a bank from regulation. In a BIS speech it has been said that 'The call for greater proportionality in banking regulation and supervision is growing louder – not just in the United States and Europe, but also globally'. Further, 'it can generally be assumed that the failure of a small bank poses a smaller risk to the financial system than the failure of a big bank. So it might make sense to apply a different regulatory and supervisory regime to small individual banks'. Also 'proportionality means simpler rules for smaller banks. But it does not mean that the rules should be generally less stringent or that banks can hold less capital or liquidity' DNB says 'Regulation and supervision should be tailored to differences in size and complexity and, particularly, the risks borne by financial institutions. Prudential concerns are not the same for all financial institutions, as they vary with business models. Consistent regulation and supervision should therefore not take a "one size fits all" approach, but be tailored to the characteristics of institutions'. In a paper titled 'Proportionality in EU banking regulation: the case for a step-change to accompany the introduction of "Basel 4" BVR says 'we respectfully call on the European authorities to embrace more completely the principle of proportionality by introducing a systematically differentiated SEGMENTED REGIME ("SR"). The SR would be suitable for banks ranging from global systemically important banks (G-SIBs) to small and non-complex banks ("SNCB"), in place of the current patchwork of derogations under CRR and CRD, without compromising on resilience or customer-facing standards and quality'

As indicated earlier, the cooperative banks have market share of about 10% but the sector is made up of many small banks and few big banks. It is evident that majority of the cooperative banks will not be capable of causing any financial instability should they fail. It is also well recognised that regulation gives a market status to cooperative banks and leaving them completely unregulated will have negative impact. It is clear that cooperatives could benefit from a proportionate regulatory regime for small and unsophisticated institutions, with the aim of moderating compliance costs that are unwarranted on prudential or stability grounds. Also some differentiation in the rules specific for cooperatives banks could be justified on account of cooperative banks ownership structures and IPS/solidarity mechanisms. It is important to add that no proportionality regime or any other regulatory differentiation for cooperatives should have the effect of shielding specific types of institution against competition. In view of this it is suggested that

i. Cooperative banks whose total assets are less than 1% of a countries banking system need not be closely regulated. They should be, however subject to lower capital adequacy norms (say 2%), lower reserve ratios, and deposit insurance premium and NPA norms. Investments to be allowed in G Sec and other bank deposits (liquidity purposes) only. No market trading. Sell investments if any through IPS system. The reporting and disclosure system should be simpler. These banks should be encouraged to be part of IPA and supervised by the central bank of IPS

ii. Banks who have total assets between 1% and 2%, norms could be similar to 1 above and in addition Exposure norms, a higher reserve ratio, and CAR of 4%.

iii. Banks who have total assets above 2% but less than 3% should have in addition to the above CRR on par with big banks and CAR of 6%. If they trade in the market the CAR could b 7%.

iv. Banks who have total assets above 3% as per Basel Norms. These banks should be supervised by the regulator.

v. In countries where IPS is well settled the cooperative banks which are part of IPS could have similar norms as above and the central bank could be given some benefit of the above norms while reckoning the consolidated position.

The above are some suggestion on how to approach proportionality which should be size and risk linked. Risk is a function of business mix. These proposals can be firmed up of fine-tuned by conducting a study.

Let us see how this will work out. Take for example Indian Cooperative banking sector. The Indian banking system has total assets of Rs 170 Trillion. Cooperative banks account for approx 6% to 7% of this. A large number of these cooperative banks (may be more than 75% of the banks) have business of less than Rs 5 Billion i.e. less than 0.005% of the county's banking assets. Within this short term cooperatives have some ownership from the State Governments as well which gives them some sort of sustainability. In the Urban cooperative side, other than the 57 scheduled cooperative banks all UCBs are very small. For deposit insurance all of them are covered by (Deposit Insurance and Credit Guarantee Corporation -DICGC). All these banks will fall within the less than 1% norm given above. If they are given very low proportional norms they can have a higher leverage and be able to finance more members.

Every country has detailed information about cooperative banks and it should not be difficult to categorise the banks into the above or somewhat similar categories and offered appropriate regulation. One of the immediate advantages of this will be that these banks will do more financial inclusion. Also, as the supervisory powers are not proportional or reduced supervisor should be able to take up corrective action should banks show a poor performance and/or more risk. This will also reduce supervisory and compliance cost.

3 Other recommendations/points

Regulatory norms are applied on the basis of balance sheet data, financial statements and disclosures on a given date. As such it is on a "gone concern basis". Compliance to regulation is also with reference to a particular point of time. While arriving at the riskiness of a cooperative bank its growth is not factored. Regulator does not take into account the business plan or action plan for risk management though it has access to all this information from every bank and every banking group. It is further observed that the regulatory follow up is on a "going concern" basis. Given this, business plan, governance and other aspects could be given due place in IR based risk estimate. For example there is a time lag between the time the first provision for an NPL/A is made and the time an asset becomes a loss asset. During this time, banks submit data on NPL/A movement which shows the collection efficiency of the bank. This could be used to fine tune provisioning norms. It could be a function of age of NPL/A and collection efficiency. A bank which has better collection efficiency could be given some proportionality in risk estimate.

Capacity of a cooperative bank to expand its business is a function of its capital which can be leveraged and deposits that it is able to gather. Capital can be augmented by admitting more members (capital inflow) and accumulating retained earnings. In this regard cooperative banks have, traditionally enjoyed the benefits of proximity to their customers and the ability to offer more affordable services. However, technologies such as online banking increasingly allow its competitors to reduce or eliminate these advantages by cutting fixed costs and gaining better access to remote areas. To manage such competition these banks have to make heavy investments to improve processes, systems and staff qualifications, which probably exceeds the resources available to small banks. Without such investment, these banks may fail to attract new members or end up losing existing members and eroding their franchise. In these background small banks, particularly standalone cooperative banks need more capital, financial and human resources. Currently the only solution for this is hybrid capital instruments which are mostly "fixed cost" instruments and poor substitutes for capital.

Proactive policy interventions might be necessary for cooperative banks to meet current challenges such as Risk, lack of scale, difficulties in raising new capital, lack of professional governance etc. It may not be possible for these banks to manage these issues merely by cooperation among themselves. Regulators should recognise and promote a level playing field to allow cooperatives to do what they do best- namely finance agriculture, SME, small business and consumption needs of members- which the

commercial banks are not so much interested.

Emerging economies should strengthen their financial systems by implementing the main elements of global regulatory reform. But to build an effective prudential framework, these norms have to be customised and dovetailed to the country's needs based on the depth, sophistication and size of their financial markets/institutions, the granularity of information available and supervisory capability. National regulators should share their approach, not merely the norms, so that cooperative banks can understand and take steps to comply the same without compromising their business performance.

It is observed that changes in business models and business mix of cooperative banks have been due to regulatory norms/changes and market pressures. At the same time it is known that the ownership structure also influences the internal dynamics and business orientation of a bank. In this background, if members (representatives in the case of networked banks) are able to exert a disciplinary influence on management of co-operative banks and to set the strategic course, then the banks' performance can be distinct from those of banks with other ownership structures. For example, listed banks are primarily driven by the demand of anonymous owners (shareholders) to provide a regular return on their invested capital in the form of dividends whereas members of cooperative banks could be satisfied with credit at reasonable rates. "The point is that different ownership structures prevent the banking landscape of becoming monotonic".

There is some pressure on cooperatives to merge and become bigger. It seems demutualised structure is a way to achieve this. In this connection it should also be recognised that too much uniformity and lack of diversity and depending on one type of bank, namely company form of organisation, could render the financial sector and countries vulnerable to shocks. In fact it could pose a high systemic risk. Policy-makers and supervisors should, therefore, refrain from measures that aim at convergence of business models, governance structures and scale of banks. Diversity in the financial system is important for financial stability. Diversity can be easily destroyed, but will be very difficult to regenerate. Marginalisation of diversity in banking could have a detrimental impact on competition and stability. It could also, as demonstrated in some jurisdictions, lead to negligence, or exclusion, of customer segments, business and/or economic segments in society.

In the recent years the financial systems world over have been relatively stable as there are many types of institutions (banks, financial institutions, non-banking finance companies etc) which lowers the risk of fierce market disruptions. It must be acknowledged that a complicated trade-off exists between the two trinities of economic, regulatory, supervisory objectives and competition, efficiency and financial stability of markets.

It is apprehended that stability could be compromised if there are only commercial or cooperative banks in a system and all banks are in the category of "too big to fail". Rather, cooperative banks, other types of financial institutions of all sizes and commercial banks should co-exist from the angle of stability and inclusion. Cooperative banks play a valuable complementary role to profit-seeking shareholder owned commercial banks. If this is not recognised and the trend in recent decades towards demutualisation and pressing cooperatives to behave more like shareholder banks continues, it could hurt the economies.

The words "too big to fail" say this loud and clear that if they fail it will be difficult to manage. Why then push all the banks to that category? Is this based on some empirical analysis? Is not cooperative banks important as farmers and SMEs need organisations that understand them and willing to work with them. The cooperative banks have more than demonstrated their affinity and ability to work with them. It is true that reduced number of cooperatives have not impacted the growth of total assets and financial health. Instead is it not possible to nurture rather than close the banks so that a higher growth and larger outreach could have been achieved?

Hence, regulators should nurture a heterogeneous financial system in terms of scale, ownership structures, business orientations and risk profiles. This requires genuine interest in and an unbiased attitude towards different types and categories of banks.

It is in this regard, that proportional regulation becomes important. The objective of regulation is financial stability. Stability could be compromised if regulation is similar across the spectrum of in the modern financial system for Commercial Banks,

THE KARIMNAGAR DISTRICT COOPERATIVE CENTRAL BANK LTD., KARIMNAGAR

OUR VISION: RURAL PROSPERITY



Bank was established in 1921. Its **Centenary celebrations** were conducted in the year 2021. Present membership: 410 societies, including 130 PACS.

Financial Position of the Bank as on 31.03.2024

(Rs. in Crores)

Share Capital	⇨	188.69	Gross NPA	⇨	29.01
Reserves& Provisions	⇨	201.87	Gross NPA%	⇨	0.73%
Deposits	⇨	2528.91	Net NPA	⇨	0.00
Borrowings	⇨	1945.96	CD Ratio	⇨	157.06%
Loans issued	⇨	3841.09	CRAR	⇨	11.27%
Loans Outstanding	⇨	3971.93	Total Branches	⇨	71
Working Capital	⇨	4646.54	Per Branch Business	⇨	91.56
Investments	⇨	914.62	Audit Class	⇨	"A"
Net profit	⇨	53.89		⇨	

Awards Received:

- **All India level best DCCB performance award from NAFSCOB for 2015-16, 3rdbest performance award for 2016-17 and 2ndbest performance award for 2017-18 and first prize for best performance award for 2018-19, 2019-20, 2020-21 and 2021-22.**



- 1st Prize for SHG-BLP financing for 3 years in a row i.e. 2014-15, 2015-16 & 2016-17 by NABARD.
- The Best performance Award for the year 2015-16 from Telangana State Coop Apex Bank(TSCAB)
- 1st Prize for overall performance for the year 2013-14 from NABARD
- 1st prize for Best performing DCCB in South India from NABARD received on its 40th Foundation Day.
- "Best DCCB in Last Decade" Award from NAFSCOB received on 12.08.2022.

Main Features:

- All 71 Branches are under CBS Platform.
- 14 Branches housed in own buildings.
- DBT (Direct Benefit Transfer) and Public Financial Management System(PFMS)
- P2F Clearing House service in association with NPCI.
- 14 FLCs (with assistance of NABARD).
- 36 ATMs, 1 Mobile ATM, 193 Micro ATMs and 313 PoS Machines installed and working.
- Services of mobile ATM provided to remote villages.
- RuPAY Debit Cards 2,55,015 & RuPAY Kisan Cards 1,05,426 issued to members
- Crop loans to the farmers up to Rs.3.00 lakhs. All the farmers are covered under KCC Scheme.
- Payment of 8% Dividend to members for the Financial Year 2023-24.
- Accident Insurance Coverage to all types of Borrowers.
- 38904 members covered under PMJJBY & 71655 members covered as on 31.03.2024 under PMSBY.
- 48167 accounts are opened during "Young champion" campaign – Highest in India.
- All 127 out of 130 PACS affiliated to the Bank are in profit.
- Computerization of all 130 PACS.
- Best performing society in India award from NAFSCOB for 2017-18, 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23 to our PACS Choppadandi.
- Diesel/Petrol Pumps at 36-PACS.
- PACS Development Cell (PDC) established with assistance of NABARD. 62 PACS have undertaken various credit & non-credit business activities and another 66 added under AIF scheme.
- UPNRM project implemented by our bank with financial outlay of Rs. 2.00 crore
- 3 Watershed development projects are being implemented by bank as Project Facilitating Agency (PFA). Project cost (Grant) Rs.3.55 crores.



N. Satyanarayana Rao
Chief Executive Officer



Pingili Ramesh
Vice-Chairman



Konduru Ravinder Rao
Chairman
KDCCB & NAFSCOB

Address: Sikhwadi, OPP: I-Town Police Station , Karimnagar-505001, Telangana State
Our website: www.karimnagardccb.org & Email:kardccb@gmail.com
Phone No.: 0878-2262156,TOLL FREE NO:1800-425-2023

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Gopalganj (Bihar)

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Phone No. : 06156-224636, 224804 Toll Free No. : 1800 103 0027

Website : www.dccbgopalganj.com, Email ID : dccbgopalganj@gmail.com

Branches :- Gopalganj, Thawe, Mirganj, Hathua, Barkagaon, Bathua Bazar, Bhore, Vijaipur, Kateya, Rajapur, Jalalpur, Kuchaikote, Sasamusa, Manjha, Barauli, Mohammadpur and Baikunthpur

1. Bihar's first fully computerized cooperative bank equipped with Core banking, RTGS/NEFT and ATM services.
2. Seventeen branches, more than three hundred affiliated cooperative societies and a huge democratic and business base of more than four lakh cooperative members and more than two lakh customers.
3. As the nodal agency, the work of computerization of 104 PACSs of the district is in progress.
4. Work started as CBBO for the formation and promotion of 11 FPOs under the cooperative department in the district.
5. To achieve 100% achievement of the targets of the annual credit scheme of the district distribution of loans has been started through JLG and Micro Loan.
6. Deposit credit ratio highest in the district.
7. Simple process, dedicated bank staff and higher interest on deposit from all banks.
8. Transparent agriculture road map, Financial inclusion, Joint liability groups and formation of Self help group.
9. Expansion of banking and agriculture through seminars, workshops and training.
10. Bank earning profit for last many years.
11. Locker facility available in Gopalganj main branch.
12. Special scheme for women, 0.5% higher interest rate on savings and fixed deposits.









Miss Poonam Kumari
Managing Director



Shri Vijan Rai
Vice-Chairman



Shri Mahesh Rai
Chairman

MIZORAM COOPERATIVE APEX BANK LTD

Mission Statement

"To serve all sections of the people of Mizoram in general and rural poor in particular through Cooperative Principles for the development of the state and make the Bank viable and strong to serve more"

Our Services include following features

- Provide RTGS, NEFT, IMPS facilities to bank customers.
- Banking at the customer Doorstep through Mobile ATM Van.
- Transfer of money using Google Pay, PhonePe, Paytm, Whatsapp - Payment, BHIM for our customers.
- Loan for Agriculture, Allied activities, Cooperative societies and SHG at concessional rate of interest.
- Non-agriculture Loan includes Personal loan, Housing loan, Education Loan, Festival Loan, Social Infrastructure loan.
- Locker facility.
- PMJJBY, PMSBY, APY policy provided to customers.
- Mobile Banking Services to customers

Bank Information

- Total Number of BOD - 11
- Total Number of Branches - 29
- Total Number of ATM - 37 (including 2 Mobile ATM)
- Total Number of Employee - 165
- Number of PACS affiliated to Bank - 144
- Number of PACS indebted to Bank - 5
- Number of other Societies indebted to Bank - 79

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The Haryana State Cooperative Apex Bank Ltd., Chandigarh popularly known as HARCOBANK, with its 13 branches and 2 extension counters at Chandigarh and Panchkula, 19 Central Coop. Banks at District HQs and their 573 branches & 26 extension counters. At ground level 782 PACS is catering to the financial needs of 30.80 lacs members residing mostly in rural areas and plays a vital role in economy of Haryana State. The Bank has achieved extra-ordinary progress in deposit mobilization, advancement of loans and profits.

Digital Banking Service of Harco Bank and 19 DCCB's in Haryana

Core Banking	RuPay Kisan & Debit Card	ATM, POS & eCommerce	ATM Machines	Mobile ATM Van
MICRO-ATM	SMS Alert	PMSBY	PMJBY	APY
C-KYC	PFMS	NEFT/RTGS	Mobile Banking	UPI
IMPS	CTS	Bharat –QR	Payment Gateway	NACH –DR/CR

NEW DEPOSIT SCHEMES OF HARCO BANK

Hamari Bitiya / Ladla Deposit Scheme (Eligibility : For minors under Guardianship upto 18 Years age)

SCHEME TYPE

FIXED DEPOSIT

Min 5 YRS MAX 10 YRS

Max age limit of maturity 23 YRS

Min Rs 10000/- MAX 10 LAKH

RECURRING DEPOSIT

Min 1 YRS MAX 10 YRS

Max age limit of maturity 18 YRS

Min Rs 500/- PER MONTH

RATE OF INTEREST 7.25% (Quarterly Compounded) For Ladla 7.10%

AZADI SPECIAL DEPOSIT SCHEME

CUSTOMER SEGMENT	RATE OF INTEREST
GENERAL PUBLIC	7.25 %
SENIOR CITIZEN	7.75 %
SUPER SENIOR CITIZEN	8.00 %

15th AUGUST 2024 - 31st MARCH 2025

You contribute to your State's Prosperity as your deposits are invested in your State

Hukum Singh Bhati
Chairman

Dr. Prafulla Ranjan,
Managing Director

दि गोवा राज्य सहकारी बँक मर्यादित

THE GOA STATE CO-OPERATIVE BANK LTD.

(Scheduled Bank)

Head Office "SAHAKAR SANKUL", Patto Plaza, *EDC Complex*, Panaji-Goa.

☎:0832-2437641-45; email: gscbpro@gscbgoa.in , gscbadm@gscbgoa.in ; Website: www.gscbgoa.in

The Apex Financing Agency in the Co-operative Sector in the State of Goa

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- Banking at the doorstep through Mobile Banking Cash Counter & ATM Services for North and South Goa.
- Providing RTGS/NEFT (IFS Code) NACH, AEPS, ABPS, ECS facilities to bank customers
- Loans for Agriculture, allied activities, etc. at concessional rate of interest
- Loans under KAMDHENU SCHEME for purchase of milch animals and Dairy activities
- Providing RuPay ATM Card, Rupay KISSAN CREDIT CARD, POS services & QR code services
- Vehicle, Housing, Property Mortgage Loans, Gold Loans and loans to small entrepreneur etc. on easy terms
- Provide Bancassurance & life cover through Govt. sponsored insurance scheme such as PMJJBY, PMSBY etc
- Anywhere banking facility on Core Banking Platform.
- Bank has installed micro ATMs at some of the merchant locations & at some of the Branches where there are no ATMs available in the vicinity
- Loans to Co-operative Societies & Self Help Groups with low rate of interest.
- Personal Loans to Government Servants, Autonomous Bodies, Employees of Govt. aided school, etc.
- Better returns on deposits, 0.5 % extra interest for Senior Citizens & Co-operative Societies.

Non - Agriculture Loans	 Gold Loan	 Housing Loan	 Vehicle Loan	 Business Loan	 Mortgage Loan
Agriculture Loans	 Agriculture Loan (Plantations & Paddy)		 Dairy Loan	 ST Kisan Credit Card	 Tractor/Power Tiller
Priority Sector Loans	 SRWTO Loan	 JLG Loan	 SHG Loan	 Small Industry	 Other Priority
ATM, Micro ATMs, RTGS / NEFT & Bancasurance	 RTGS / NEFT	 ATMS	 POS Service	 Rupay Card	 PMJJBY/PMSBY







BANK PROVIDES FACILITIES THROUGH NETWORK OF 55 BRANCHES IN GOA WITH ADVANCED TECHNOLOGY

WE FULFILL ALL YOUR DREAMS AT EASE

CUSTOMER IS ALWAYS FIRST

The Krishna District Cooperative Central Bank Ltd.

FINANCIAL HIGHLIGHTS

[Rs.in Crores]

Sl. No.	Particulars	2022-23	2023-24	Net growth	
				Amt.	%
1	Share Capital	351.63	393.70	42.07	11.96%
2	Reserves	304.16	360.07	55.91	18.38%
3	Deposits	3054.37	3094.41	40.03	1.31%
4	Loans & Advances	6827.29	7955.42	1128.13	16.52%
6	Investements	2042.52	2412.27	369.75	18.10%
5	Borrowings	5333.63	6549.55	1215.92	22.80%
11	Net Profit	42.28	64.70	22.42	53.02%
12	Gross NPA%	2.21%	2.65%		
13	Net NPA%	0.95%	1.14%		
14	CRAR	9.90%	11.45%		

Our Banking Products

- RTGS/NEFT Facility
- ATMs
- Mobile ATMs
- Mobile Banking
- Lockers Facility
- Crop Loans
- SHG Loans
- RMG/JLG Loans
- Jewels Pledge Loans
- Housing Loans
- Personal Loans
- SRTO Loans
- Education Loans
- Term Loans for Agrl. Allied Acivities
- CC to Businessmen
- Two & Four Wheeler Loans
- Karshakmithra - CC
- Rythunestam - Term Loans
- Loans to Weavers thru PWCS
- Personal Loans to Employees
- Loans to Aquaculture

Head Office : Machilipatnam,
Krishna District, Andhra Pradesh
Ph: 08672-223530, 223533
Cell : 9866 05 7711

Regional Office :
VIJAYAWADA, Andhra Pradesh
Ph: 0866-2577162, 0866-2578308
Cell : 9866057171

e-mail: ceo_krishna@apcob.org
website : www.krishnaadccb.com

TRIPURA STATE CO-OPERATIVE BANK LTD.
(A Scheduled Bank)

Address: Head Office, Post Office Chowmuhani, Agartala, Tripura (West), Pin 799001

Agriculture Loan
179938.55 Lakhs

MSME Loan
40651.43 Lakhs

Other Priority Loan
1985.05 Lakhs

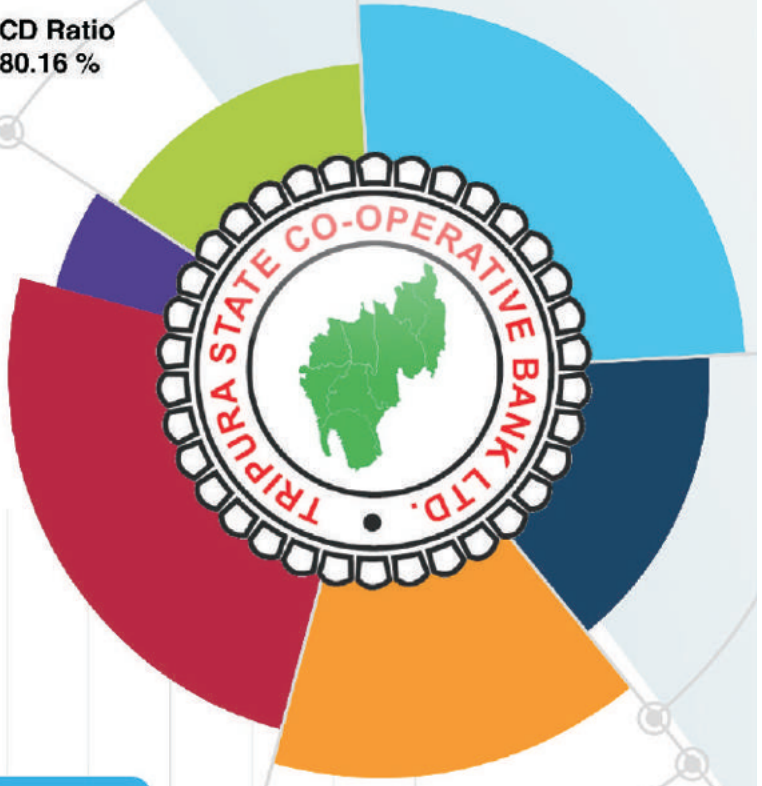
Total Business
615007.05 Lakhs

Net Worth
34396.74 Lakhs

CD Ratio
80.16 %

Net Profit
2795.44 Lakhs

Net NPA
689.68 Lakhs



ADVANCES

2022 245643.22 Lakhs

2023 251311.63 Lakhs

2024 273637.67 Lakhs

DEPOSITS

2022 306000.77 Lakhs

2023 323894.39 Lakhs

2024 341369.35 Lakhs

Facilities Available in the branches

- HOME LOAN
- PERSONAL LOAN
- MOBILE BANKING
- MUDRA I PMEGP I SWABALAMBAN
- KCC I JLG I APY I PMJJBY I PMSBY
- ATTRACTIVE INTEREST RATES

TECHNOLOGY IMPLEMENTED

TSCB mBanking I CTS I AePS
BBPS I UPI I IMPS

tripurascbltd@gmail.com I coopbankho@tscb.co.in
+91-381-232-2339 I +91-381-232-3929 I +91-381-232-5936

*as on 31st March 2024

On the Auspicious Occasion of Diwali

No Processing Fee on Vehicle and Home loans



Happy Diwali



Home Loan* **8.00%**

Car Loan* **8.50%**

The Akola-Washim District Central Co-operative Bank Ltd., Akola

115 years of faith...

रत्नागिरी जिल्हा मध्यवर्ती सहकारी बँक लि., रत्नागिरी

दि. ३१.०३.२०२४ अखेर आर्थिक स्थिती (रक्कम ₹ कोटीत)

भागभांडवल	स्वनिधी	एकूण ठेवी	एकूण कर्जे	ढोबळ नफा
५९.६४	३१९.५२	२६३६.१७	२००४.३०	६८.५३

- सलग १३ वर्षे ऑडीट वर्ग ''अ''
- सलग १२ वर्षे नक्त एनपीए प्रमाण शुन्य टक्के

सन २०२३-२४ ऑडिट वर्ग 'अ'

शासनाचे सहकारनिष्ठ व सहकार भुषण या दोन पुरस्कारांसह
अन्य विविध संस्थांकडून १७ पुरस्कारांनी सन्मानीत केलेली बँक

ठेवींवर सर्वोत्तम व्याजदर

अल्प व्याजदरात सोनेतारण कर्ज योजना

सहकार क्षेत्रात ३०% लाभांश देणारी एकमेव जिल्हा मध्य. सह. बँक

बँकेच्या व्यवसायाची ₹५०००.०० कोटीकडे वाटचाल

गरूडझेप प्रगतीची...
साथ आधुनिकतेची...





IMPS IMMEDIATE PAYMENT SERVICE

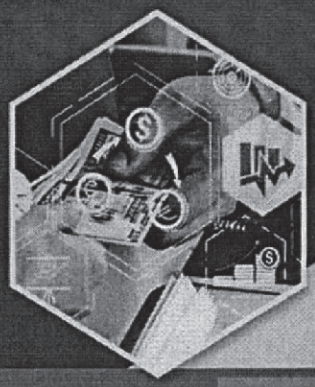
UPI UNIFIED PAYMENTS INTERFACE

UPI, IMPS, QR Code, RTGS / NEFT,
ATM / POS / ECOM, SMS / Missed Call Alert,
ECS, DBT, मोबाईल बँकींग सुविधा कार्यान्वित...

The Sundargarh District Central Co-operative Bank Ltd.,

SUNDARGARH Main Road, Regent Market, Dist- Sundargarh - 770 001,
Ph. (06622)-272022, 275022
E-mail : ceo sdccbsng.com, sundargarhdccb@gmail.com. Website : sdccbsng.com







Financial Status: 31 MARCH 2024

	(Rs. in crore)
• Share	132.09
• Reserve	135.24
• Own Fund	227.25
• Deposit	1218.02
• Loan & Advance	1370.89
• Borrowing	782.05
• Investment	1032.19
• Profit	25.89
• CRAR	19.03
• NPA	5.62
• NET NPA	1.15

Dr. Pradyumna Kumar Tripathy,
PRESIDENT



ODISHA STATE COOPERATIVE BANK

- Provision of over 50% of crop loans in Odisha by OSCB/ Cooperative Banks through Kisan Credit Cards.
- Provision of interest free crop loans up to Rs.1.00 lakh and at 2% interest from Rs.1.00 lakh to Rs.3.00 lakh to the farmers.
- Crop loan insurance for all loanee farmers.
- Crop loan finance to tenant farmers/ share croppers through Joint Liability Groups.
- Facility to avail loans through RuPay Kisan Credit Cards.
- Implementation of computerization of PACS/ LAMPCS with financial support of State Government.







ODISHA STATE CO-OPERATIVE BANK LTD.
ESTD. 1948

www.odishascb.com

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অসমৰ আপোন বেংক

The Assam Co-operative Apex Bank Limited

75 YEARS ANNIVERSARY

75 Years

of its Glorious Jouney, The Assam Co-operative Apex Bank extends sincere gratitude and thanks to the valued customers for their continuous support and co-operation.

Glimpses of some schemes and service of the bank





- Fixed Deposit, Savings Deposit } More interest rate for senior Citizens.
- Daily Deposit scheme.
- Recurring Deposit with attractive interest rate.
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- Vahicle loan, House loan, Mortgage loan, Personal loan etc at attractive interest rate.
- Loan for Agriculture and other allied activities.
- KCC loan @ 7% (Annually).
- SHG, JLG, NRLM, NULM.
- Rupay Debit cum ATM Card.
- POS, E-Com, SMS, RTGS
- NEFT, PFMS, DBT, NACH etc.
- APY, PMJJBY, PMSBY
- No hidden cost, terms & conditions apply.



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Ph : (0361) 2545092/2515013
Website : www.apexbankassam.com

ધી સુરત ડિસ્ટ્રિક્ટ કો. ઓપ. બેંક લિ.

સ્થાપના - ૧૯૦૯

રજી. ઓફિસ : ''શ્રી પ્રમોદભાઈ દેસાઈ સહકાર સદન'' જે. પી. રોડ, અઠવાગેટ, સુરત.

સને ૨૦૨૩-૨૪ ના નાણાંકિય વર્ષમાં રૂા. ૧,૫૩૫/- કરોડ નો અભૂતપૂર્વ વ્યાપાર વધારનારા સભાસદો, ગ્રાહકો, સુગરમીલો, સેવા/દૂધ મંડળીઓ, અન્ય સહકારી સંસ્થાઓ, ચેરિટેબલ ટ્રસ્ટો, કર્મચારીઓ, પ્રજાજનો અને શુભેચ્છકોનો આભાર.

તા. ૩૧-૦૩-૨૦૨૪		
થાપણો	:	૮,૮૨૩ કરોડ
ધીરાણો	:	૩,૯૧૬ કરોડ
કુલ વ્યાપાર	:	૧૨,૭૩૯ કરોડ
સ્વ-ભંડોળ	:	૭૩૨ કરોડ
નફો	:	૧૩૮ કરોડ
ગ્રોસ NPA	:	૧.૬૩ ટકા
નેટ NPA	:	૦ ટકા
CD રેશીયો	:	૪૪.૪૦ ટકા
CASA રેશીયો	:	૩૬.૬૦ ટકા

Next Generation Agri Bank

બોર્ડ ઓફ ડિરેક્ટરશ્રીઓ

તથા

મહાવીરસિંહ પી. ચૌહાણ

(મેનેજીંગ ડિરેક્ટર)



બળવંતભાઈ કે. પટેલ

ચેરમેનશ્રી



સુનીલભાઈ એસ. પટેલ

વાઈસ ચેરમેનશ્રી

The Andhra Pradesh State Co-operative Bank Ltd.,

(A State Partnered Scheduled Bank)

DIGITAL COOPERATIVES

The Andhra Model

Empowering rural community with seamless Banking through **"PACS Computerization"**.

- Mobile App for PACS
- 6000+ touch points
- Integration with Government portals
- Integration of CCS



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Our Network

- 13 DCCBs
- 458 Branches
- 1997 PACS

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https://apcob.org/

Our Location
Vijayawada, A.P

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NANO UREA & DAP

सहकार से समृद्धि

आत्मनिर्भर भारत, आत्मनिर्भर कृषि

IFFCO
पूर्णतः सहकारी स्वामित्व
Wholly owned by Cooperatives

इफको नैनो यूरिया प्लस

और

इफको नैनो डी ए पी

का वादा

उपज अधिक और लाभ ज्यादा

इफको द्वारा विश्व के पहले नैनो उर्वरक

500 मिली बोतल मात्र ₹ 225/- में

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इफको नैनो यूरिया प्लस (तरल)

इफको नैनो डी ए पी (तरल)



IFFCO
पूर्णतः सहकारी स्वामित्व
Wholly owned by Cooperatives

INDIAN FARMERS FERTILISER COOPERATIVE LIMITED
IFFCO Sadan, C-1 District Centre, Saket Place, New Delhi - 110017, INDIA
Phones: 91-11-26510001, 91-11-42592626. Website: www.iffco.coop

Cooperative Banks, Non-Bank Finance Companies, Financial (term lending) Institutions, etc., each of them having dedicated customer base and a role to play. All of them cannot be measured in a single norm or standard. Diverse and healthy types of organisations should be encouraged with appropriate proportional regulation.

Given the above, nations without cooperative banks would be wise to encourage their growth, and those with cooperative banks would be wise to protect them and help them to flourish. This is because cooperative banks have thrived where independent local institutions have collaborated in networks to gain economies of scale, and where the regulatory environment has recognised and protected the cooperative ownership model. Germany's three pillar approach, to cite an example, recognises this aspect but its regulation seems biased towards shareholder organization. Regulatory and Political pressure in various jurisdictions are pushing cooperative banks into adopting increasingly less cooperative structures. This has not factored the superior performance of cooperative banks during and since the financial crisis. There is a need to understand the importance of cooperative banks and develop appropriate regulations.

The point being made is that financial system cannot, despite the "too big to fail" argument depend only on commercial bank It needs various types and sizes of institutions. There are certain distinct advantages of cooperative banks. Firstly it is clear that cooperative banks will help in achieving financial stability and help balance the concentration of banking in commercial banks. Also, cooperatives play a more important role in financial inclusion by extending (i) small loans and (ii) credit to agriculture, SME and similar areas. In fact they have good market share in these areas. What is not apparent in market share is that to achieve such market share they have deployed, in comparison to commercial banks, a higher % of their total assets in these sectors. Cooperatives are able to reach banking to villages and small places. Though commercial banks have started using technology driven banking it is kind of confined to transaction banking and payment system and not so much in credit dispensation. It is here that cooperatives have a clear edge and greater focus due to their proximity to customers. Their ability raise resources from members are also unique. These are not profit seeking ventures.

The above are overwhelming advantages. Of course there are certain issues about capability and governance by board members of cooperatives which can be improved by focused mentoring. While cooperative banks have their advantages and disadvantages, it is clear that they have a valuable and important complementary role to play alongside commercial banks. At the cost of repetition it is worth saying that "Emerging Economies that lack cooperative banks should be wise to encourage them while those that already have cooperative banks should be wise to protect them and help them to flourish". Developed economies should go back to the drawing board to redraft the regulatory norms. Proportional regulation should be more closely arrived at based on a banks size and its likely impact on stability, its business mix, contribution to financial inclusion and financial performance. If these things happen financial cooperatives/cooperative banks have a future else they may all get demutualised or marginalised.

Note: The prime consultant to the entire assignment is Dr. R. Bhaskaran, though there are few others who have been consulted. The tasks of Collecting, collating, compiling the information, continuously browsing innumerable number of websites in search of most relevant data, analyzing the data, drafting the report, sharing the same and editing the report to finalise have been very well executed by him. He was CGM in National Bank for Agriculture and rural Development (NABARD) and later served as CEO Indian Institute of Banking and Finance. Prior to this, he was Chief General Manager in NABARD. Dr Bhaskaran was a member Board of Supervision for cooperatives with NABARD for 4 years.. We are very much pleased to acknowledge and record our appreciation towards his contribution to complete the current study assignment.



The Kerala Bank - an overview

Gopi Kottamurickal*

The Co-operative movement is strong and deep rooted throughout Kerala, and its historical foundations were laid by progressive political movements and freedom struggle as well as struggle for land reforms by the peasant movement in 1940s and 1950s in the State. Over the years, development of Co-operative Credit Institutions was key to the weakening of usury in rural areas of the State and also played a vital role in mobilising people and pooling their resources to meet the common needs of their members and thereby of the society at large. The Kerala Cooperative sector had a formal banking structure even before India got independence from the British. The Kerala State Cooperative bank had started its operations in the year 1915 and most of the DCCBs of the State were also functioning for over past fifty to sixty years.

There have been significant changes in the Rural Co-operative credit structure world- wide in the recent past. On its part, the Kerala Government has recently started initiating several structural changes in the Co-operative banking sector. The three tier co-operative structure was converted to a two tier one by merging the thirteen DCCBs with the Kerala State Co-operative Bank in the year 2019 by the State Government. This has resulted in more vigour and vitality to all activities in the sector due to the technology up gradation/ CBS integration and synergy of the merged entities. The Malappuram District Bank joined in the year 2023. Kerala Bank has implemented in ownership mode the CBS at a cost of Rs 350 crores. The Bank has 1630 Nos of A class PACS, 58 Nos Urban Banks and 9980 Nos of C class Societies as members. The bank enjoys a robust capital base of Rs 3100 Crores as on March 31 2024. Presently bank has 289 ATMs and is planning to increase the number of machines to 500 inclusive of 50 cash recycling machines.

The structure of Kerala Bank is adequate to ensure service in the State without any Urban-Rural differences. The Bank is headed by a Board of Directors (BOD) having twenty one members & a Board of Management (BOM) having twelve members. Fifteen members of the BOD are elected by A-class members of the Bank (fourteen from each district of the State and one representing the Urban Cooperative Bank); two independent professional Directors nominated by the Government and four ex-Officio members viz the Secretary Corporation, the Registrar of Cooperative Societies, CGM- Nabard Regional Office & CEO of the Bank. The BOM, which is advisory in nature, is constituted as per the RBI guidelines and consists of 50% of the persons having special knowledge and practical experience in banking related fields. For the administrative set up the Head office is at Thiruvanthapuram, the State Capital. The bank has seven Regional Offices, a Corporate Business Office at Ernakulum and thirteen Credit Processing Centres and a District Office in Malappuram. 4945 employees are on roll as on the 31st March 2024. The staff recruitments are mainly done by the Kerala PSC. At present, Kerala Bank has 823 Branches across the State making it the second largest bank of the State. Kerala Bank also has a long-term development objective of strengthening Primary Agriculture Co-operative Societies (PACS) and other Co-operative Societies, thus making new strides in the field of Co-operative Banking. The Kerala Bank, has become an engine of economic growth and the total business stood as Rs.1, 16,582.00 Crores in 2023-24 with a profit of Rs.209 crore. The twin growth engines that drive the Bank are retail business and Society Business.

Kerala Bank promotes savings and investments of individuals and institutions. The Bank prioritizes lending and services to Individual Customers, Primary Agriculture Co- operative Societies, other Co-operative Societies and Institutions, Industries, SHGS and JLGS. The Bank offers seventy seven types of loan products to individuals and institution customers which cater to diverse requirements like agriculture purpose, housing,

*President, Kerala State Cooperative Bank, Kerala

education, MSME and microfinance to the unorganised sector. Ten types of loan schemes have been introduced exclusively for empowerment of women. All sections of the people have access to modern banking services from Kerala Bank. With the grassroot Connections maintained by Kerala Bank it is now seen as Malayalee's Own Bank. Every household in the State would have a Kerala Bank account very soon. The State Government, many Quasi-Government and Autonomous Institutions are already customers of the Bank. All the social security schemes offered by Govt. of India to Indian citizen especially to the poor and under privileged are implemented in full vigour by the bank so as to help attain their objectives. KB Prime Plus, the digital banking services of the Bank which was launched by Hon'ble Chief Minister in May 2023 has already more than 4043 users from co-operative Societies/Institutions and the users of KB Prime application for individuals have crossed 2.25 lakh. On an average transaction to the tune of Rs.22 Cr per day is being made through these applications. Presently the Bank is having a customer base of nearly 50 lakhs of which over 23 lakhs are active customers.

Kerala Bank has not limited its activities to providing credit alone. Bank has become an agent of socio economic changes in Kerala by implementing the NABARD scheme of developing PACS as Multi Service Centres which will enable PACS to diversity their business, help transfer agriculture to more financially viable activity. So-far loan amount of Rs.436 Cr has been sanctioned in the scheme to 166 PACS for 203 projects across the State, of which 201 crores have been sanctioned at an interest rate of 1% under the AIF schemes to 151 societies. Presently nearly 25% of bank's lending is for Agriculture purpose. Very recently Kerala Bank has taken the initiative of developing a platform for PACS promoting production of agro based value added products and its export. A PACS development Cell has been set up for enabling, empowering and revival of weak PACS, So far 17 nos of PACS have been allowed Rs 89.50 Crores as PACS development loans. Awards are also given to best performing PACS thereby encouraging competitive performance and induction of professionalism. Bank has also taken initiative to set up 36 nos Farmer Producer Organisations to fetch more income to the farmers.

Kerala Bank has been constituted with the broader vision and determination to ensure. a secure, reliable and affordable banking service that can be accessed by all sections of the society. As a testimony to the works undertaken, the Bank has been recognized for its performances by the National Federation of State Co-operative Banks (NAFSCOB) for the year 2019-20, 2020-21,& 2021-22. The Bank has bagged the first position in Asia as per World Co-operative Monitor report brought out by International Co- operative Alliance (ICA) and Euricse twice in 2022 & 2023.

As a social commitment the employees of the Bank have pooled money to settle more than 60 loans in cases where after taking loans the loanees have passed away leaving behind helpless families who are unable to re-pay or have got critical terminal illness etc. Kerala bank was the first to announce waiver of loans to the victims of Wayanad district where devastating landslides occurred in August 2024. The Bank had decided to write off loans to borrowers from the Chooralamala and Mundakai branches that lost their lives and property in the disaster. Additionally bank had contributed Rs 5.75 Crs to the Chief Minister's Distress Relief Fund towards rehabilitation works for the worst natural disaster of this type that has occurred in Kerala.

The seven hues of rainbow (emblem of co-operatives) when blended together reunite to present pure, unstained white effulgence which stands for purity, truth and righteousness. Like the rainbow, Kerala Bank upholds the ideals of co-operative movement and brings hope to the depressed, achieves harmony among diverse interests. The bank will strive to bring under the Cooperative umbrella people of all walks of the society so as to attain all round economic development of Keralites and Kerala.



CORPORATE GOVERNANCE IN RURAL COOPERATIVE BANKS
(StCBs & DCCBs)

Dr. Nethi Muralidhar*

1. Background

a) Evolution of Cooperatives

The Indian cooperative movement was initiated by the Government and it spread with the encouragement and support of the government.

By the beginning of the 20th Century, officials of the colonial government perceived the Indian farmers' dependence on spurious moneylenders to be a major cause of their indebtedness and poverty. At that time the cooperative movement had become well established in Europe and achieved remarkable success there. Convinced that the cooperative movement offered the best means of liberating Indian farmers from the burden of debt to the money lenders, Indian officials began to take active interest in promoting credit cooperatives in the country. Societies were organized for the first time in the closing years of the 19th Century.

The passage of the Cooperative Credit Societies Act in 1904, and the enactment of a more comprehensive Cooperative Societies Act in 1912 marked the beginning of a government policy for promotion of cooperatives. Such promotion was adopted as a policy by provincial governments and thereafter, "cooperation" became a provincial/state subject in 1919.

Evolution of Cooperatives in India as people's organisation rather than business enterprises adopting professional managerial system has hindered growth of professionalism in Cooperatives and proved to be a neglected area in their evolution.

Cooperatives are member owned, member driven, member controlled democratic institutions. Cooperatives are covered in almost all the villages of the country and more than 80% members are small and marginal farmers. The total membership of the Cooperatives is about 200 million. The main objective of Cooperatives is rural development by fulfilling the following:

- Economic upliftment of common man
- Reducing disparities
- Improving social conditions
- Sustainable growth
- Concern for the Society

Cooperatives have been key instruments of financial inclusion in reaching the last mile in rural areas and are playing important role in rural economy. Credit Cooperatives were developed into two distinct streams on agricultural credit viz., Short Term Coop. Credit Structure (STCCS) meeting the crop loan requirements of the farmers and Long Term Coop. Credit Structure (LTCCS) supporting the farmer level Capital Investment in agriculture.

b) Why Corporate Governance to Rural Coop. Banks

Cooperative sector has been experiencing grave problems in the recent times which has in a way threatened the profile and identity of the entire cooperative system. Weak Corporate Governance has been one of the major factors that is plaguing the sector and has led to Bank failures/unsatisfactory growth of the sector. Cooperatives being a State subject, RBI does not have adequate control on the management of these banks.

The problems include mismanagement, financial impropriety, poor investment decisions and the growing distance between members and their Cooperative Societies. There could be a contagion effect resulting in the instability of one bank which should affect a class of banks or even the entire financial system.

Dual control and Autonomy

The managements of the StCBs & DCCBs will be as per the Cooperative Societies Act of the State while the their Banking business is regulated by RBI. Hence, there is dual control on the StCBs & DCCBs.

*Former M.D., TSCAB

Further, as per Sec. 115(D)(2) of Telangana Coop. Societies Act, 1964, the DCCBs shall have autonomy in all financial and internal administrative matters, subject to guidelines of RBI/NABARD in the following areas:

i) Interest rates on deposits and loans
ii) Borrowing and investments
iii) Loan Policies and individual Loan decisions
iv) Personnel Policy, staffing, recruitment, posting and compensation to staff; and
v) Internal control systems, appointment of auditors and compensation for the auditors.

Corporate Governance in Cooperative Banks is gaining more public and regulatory interest in the recent years on account of certain frauds, defaults or liquidity events in the UCBs space, rapid changes in the regulatory guidelines, increased risk perception in the Banking Sector, contagion risk among different types of banks, need for more calibrated risk management, and the need to grapple with increasing instances of operational risk especially after introduction of large scale banking technology in banking operations.

Good governance is not possible in the absence of ethical organisational culture reinforced with appropriate norms for responsible and ethical behaviour. Bank should have a code of ethics. It should explicitly prohibit unlawful activity, such as financial misreporting and misconduct, fraud, breach of sanctions money laundering, bribery and corruption or the violation of consumer/member rights. It should be clear to the employees that they must conduct themselves ethically and perform their jobs with skill and due care and diligence in addition to complying with laws, regulations and company policies.

2. What is Corporate Governance

Corporate Governance in its broad sense is regarded as the system by which organisations are directed and controlled. Corporate Governance is a philosophy by which organisations/companies are directed, monitored, managed and controlled. It provides the fundamental framework for the culture of an organisation which ensures efficient functioning of enterprises on sound ethical values and principles. Corporate Governance is a multifaceted subject.

From a banking perspective, Corporate Governance involves the manner in which the business and affairs of Banks are governed by their Boards of Directors and senior management. It spells out the rules and procedures for making decisions on corporate affairs.

Most crucial aspect of Corporate Governance is that the organisations have a professional Board which can drive the organisation through its ability to perform its responsibility of meeting regularly, retaining fall and effective control over the bank and monitor the executive management

Corporate Governance is the tacit acceptance by Management of the Cooperative Bank (Board of Directors and CEO and his team of officials which constitute the Management) of the rights of its members and their own role as trustees and representatives of the Members. Board should know that whatever they do, their powers are derived from the members and General Body. Good Governance is about commitment to values, about ethical business conduct and about taking care of the interest of the members as enshrined in the Memorandum, Articles and the objectives of the Financial Cooperatives. Good Governance is about Directors not doing the business of the Bank for their personal interest.

Corporate Governance encompasses all acts and processes carried out by the Board of Directors and Management in the conduct of the business of the DCCB. A Board will be practising best practises in governance when it acts in the interest of the Bank, within its powers, in an ethical and professional manner and ensures that ethical and business expectations of stake holders (Members, CEO, Employees, Vendors, Regulators, Supervisors, Auditors, etc.) are fulfilled.

Corporate Governance is not capable of being precisely defined, but can broadly be understood as denoting directions and control of the affairs of a company. Corporate Governance is a simple practice of just doing things fairly.

Corporate Governance is not a destination, but a journey to be covered by an organisation. The fundamental objectives of Corporate Governance are the enhancement of long term values of Shareholders and protecting the interests of the other stakeholders. Corporate Governance is a challenging field of supervisory activity, its practice involving a multi-disciplinary approach.

3. Main Pillars of Corporate Governance

The following are the main pillars of the Corporate Governance:

> Accountability,
> Transparency
> Risk Management
> Control

A good Bank has six more important pillars on which their performance is optimised:

> Four outer pillars
  1. Safe deposit
  2. Relevant Loan packages
  3. Sound investments
  4. Sound operating systems

> Two Central pillars which strengthen the outer four pillars
  1. Sound HRD Pillar for responsive and loyal staff
  2. Core Pillar for excellent leadership

4. What to do under Corporate Governance

The Board should evolve and adhere to appropriate policies, rules and procedures for making decisions in cooperative/corporate affairs. Corporate Governance is critical as it has to balance between possible conflicts of interest between stake holders and complex business rules. It is important that Board does not take (i) wrong decisions (ii) unethical decisions (iii) the decisions in self-interest of Board Members and (iv) decisions which are not compliance with regulations.

Under Corporate Governance the managements of Banks are required to put in place various committees to oversee the implementation of the following aspects critically:

I. Prudential Norms
ii. Capital Adequacy
iii. Income Recognition front
iv. ALM and Risk Management practices
v. Professionalism
vi. Internal control system
vii. Development of Human Capital

Regulators are external pressure points for good Corporate Governance. Mere compliance and regulatory requirements will not however be an ideal situation in itself. It is the minimum requirement of good Corporate Governance and what are required are internal pressures, peer pressures and market pressures to reach higher than minimum standards prescribed by regulatory agencies.

The organisations shall meet the obligation of accountability to their shareholders and safeguard the interest of other recognised stakeholders (depositors, customers, employees, supervisors and government). They should align corporate activities and behaviour with the expectations that Banks will operate in a state and sound manner and in compliance with the applicable laws, rules and regulations.

The organisation, procedures and decision-making process of senior management should be clear and transparent and designed to promote effective management of the Bank. This includes clarity on the role, authority and responsibility of various positions within senior management including that of the CEO.

Members of senior management should have the necessary experience, competencies and integrity to manage the businesses and people under their supervision. They should receive regular training to enhance their competencies and stay up to date on developments relevant to their areas of responsibility.

Senior management has an important role to play in ensuring sound corporate governance in the Bank through personal conduct i.e., setting the "Tone at the Top". Senior management is responsible for delegating duties to staff, Bank should have a structure that promotes accountability and transparency throughout the Bank.

Based on the direction given by the Board, Senior Management should implement business strategies, risk management systems, risk culture, processes and controls for managing the risks – both financial and nonfinancial – to which all banks are exposed. Senior management should recognise and respect the independence of risk management, compliance and internal audit functions and should not interfere in their exercise of such duties.

5. Cardinals or Hallmark of Corporate Governance

> Well defined objectives/values of the organisation in the form of Vision Statement
> Endeavour of management for protection of interest and enhancement in long term values of Stakeholders and harmonising their interests
> Competent Board of Directors with independent deposition: The Board of Directors should have clear understanding of

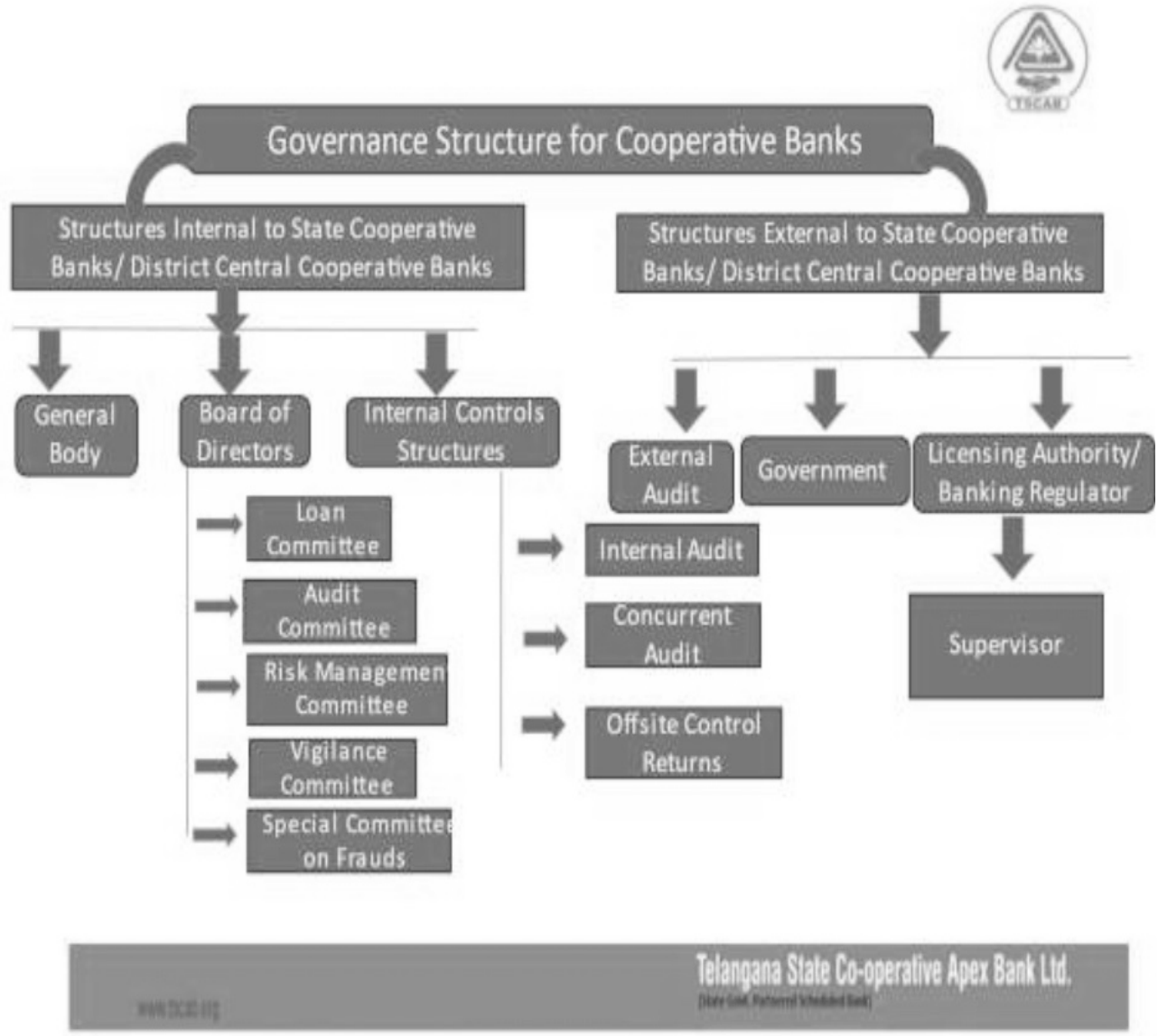
their role, they should be free from fear and favour, they should perform diligently with support of various committees, with delegated powers

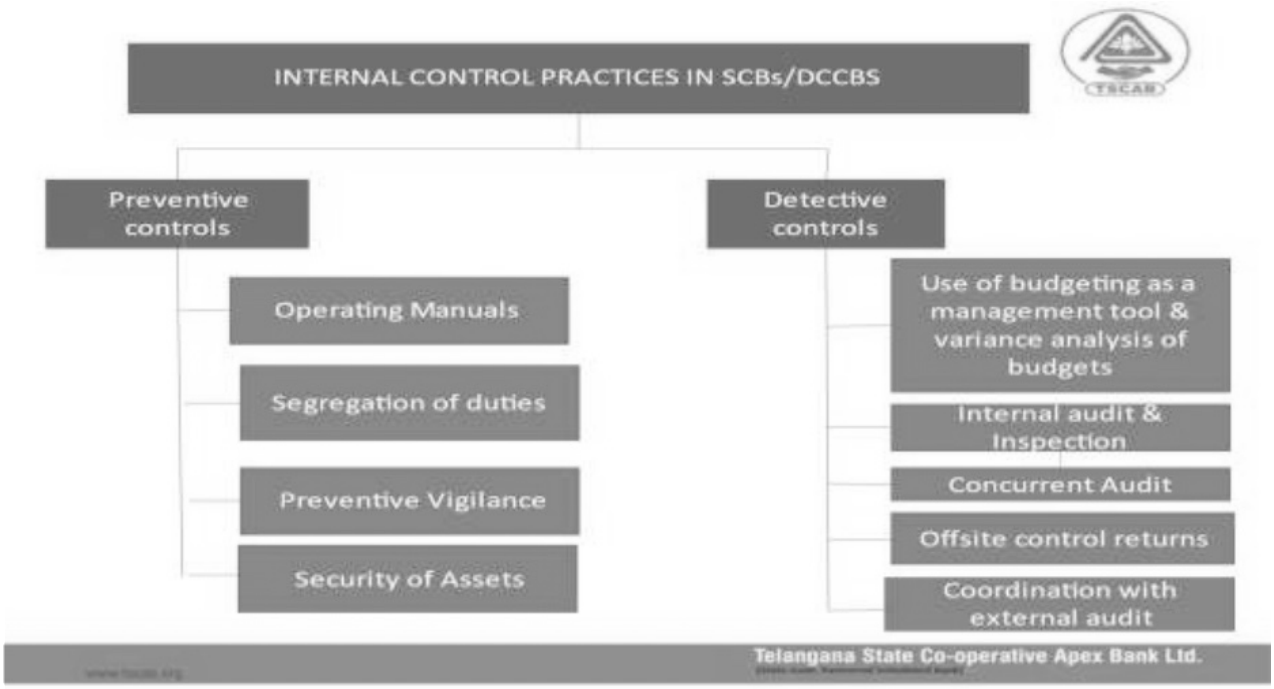
> Accountability and transparency at Board and all operational levels

7. > Effective system of internal control and vigilance mechanism, with prime thrust on internal audit

6. Governance Structure for Cooperative Banks

Governance Structure can be External or Internal to the District Cooperative Central Banks as detailed below:





8. Corporate Governance Index Suggested by NABARD

The assessment of Corporate Governance in Cooperative Banks or any financial institution for that matter is not measurable by any standard mechanism taking into the various aspects which take into account the shareholders and stakeholders interest. A mechanism, which when developed will enable the Banks in self-evaluation, but also help all stakeholders in assessing effective governance. Recognising this need, a Corporate Governance framework viz., the Corporate Governance Index (CGI) has been designed for the Rural Cooperative Banks by NABARD. The format for CGI for RCBs in STCCS is as follows:

CORPORATE GOVERNANCE INDEX (CGI)

S. No.	Parameter	Points	Max. Points
I.	**Structure & Composition**		**14**
1	Objective of Bank	2	
2	Size of the Board	2	
3	Professional Directors	4	
4	Due Diligence for Board members	6	
II.	**Responsibilities**		**10**
5	Powers assigned to the Board	10	
III.	**Functioning**		**35**
6	Board Meetings	2	
7	Board Agenda	10	
8	Participation of members in Board meetings (Attendance)	3	
9	Holding AGM	2	
10	Electoral Reform	10	
11	Training	3	
12	Supervision of Management Committees	5	
IV.	**Committees of the Board**		**12**
13	Constitution of prescribed Committees of Board with a charter, setting out mandate, scope and working procedure	12	
V.	**Internal Management Committees**		**6**
14	Management Committees of Senior officers with clear delegation of powers	6	
VI.	**Policies of the Board**		**27**
15	Policy Formulation, Adoption (50%) & Quarterly Review of Implementation (50%)	27	
VII.	**Review of Committee Performance (Delegation)**		**46**
16	Performance of Audit Committee	14	
17	Performance of Risk Management Committee	5	
18	Performance of Loan Committee	5	
19	Performance of Fraud Monitoring Committee	7	
20	Performance of Compliance Committee	8	
21	Investment Review	4	
22	Fund Management	3	
VIII.	**Business Operations and Development**		**25**
23	Capital Structure	5	
24	Capital Profile and Business Plan Analysis	5	
25	Introduction of new Products	10	
26	Business Strategy	5	
IX.	**Performance Review**		**35**
27	Resource Mobilisation Deployment Review	8	
28	Targets and Achievements	4	
29	Branch Performance	3	
30	Pricing of Products	4	
31	NPA Management and Review	6	
32	Customer Protection	4	
33	Vigilance Mechanism	6	
X.	**Appointment of Statutory Auditor and finalisation of accounts**		**10**
34	Statutory Auditor appointed	5	
35	Finalisation of Accounts	5	
XI.	**Transparency & Social Responsibility**		**30**
36	Review of loans sanctioned to Board members/ Senior Management	5	
37	Whistle -Blower Policy	5	
38	Ethics Policy	5	
39	Website	5	
40	Physical Display in the office/ Branch premises	5	
41	Sexual Harassment Policy	5	
	GRAND TOTAL		**250**

9. Conclusion

With the elements of good Corporate Governance, sound Investment Policy, appropriate internal control system, better credit risk managements, focus on newly emerging business areas, commitment to better customer service, adequate automation and proactive policies on house keeping issues, cooperative banks will definitely be able to face any challenges and convert them into opportunities.

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LINAC-NCDC Fisheries Business Incubation Centre (LIFIC)

Dr. MANOJ KUMAR *

LINAC NCDC Fisheries Business Incubation Centre (LIFIC) is a specialized initiative aimed at fostering innovation, entrepreneurship, and business development in India's fisheries and aquaculture sector. It was established as a collaboration between the National Cooperative Development Corporation (NCDC) and the Laxmanrao Inamdar National Academy for Cooperative Research and Development (LINAC) to provide essential support to emerging fishery entrepreneurs, cooperatives, and producer organizations.

Overview of LI FIC

The LIFIC is a part of a larger effort to modernize and enhance India's fisheries and aquaculture industry, contributing to the overall goal of sustainable and inclusive growth. The centre focuses on:

i. Promoting start ups and innovations in the fisheries sector.
ii. Providing technical and managerial training to fish farmers, cooperatives, and entrepreneurs.
iii. Helping cooperatives and fishery based businesses scale up their operations by providing mentorship and financial assistance.
iv. Creating an ecosystem for research, developme nt, and commercialization of new technologies and business models in fisheries.

Objectives of LI FIC

The key objectives of the LIFIC are:

i. Incubating Fisheries Enterprises: The centre provides an environment where new fisheries related businesses can thrive by offering resources like infrastructure, mentorship, and business planning.
ii. Capacity Building: LIFIC offers extensive training programs to help entrepreneurs, fish
iii. farmers, and cooperatives gain skills in modern fish farming techniques, business management, marketing, and financial literacy.
iv. Promoting Cooperative Growth: By focusing on cooperatives, the LIFIC supports the formation and strengthening of fisheries cooperatives across India, which can improve collective action and market access.
v. Acc ess to Finance and Market Linkages: The centre facilitates access to funding through

NCDC and other financial institutions, and helps incubated businesses connect with local and global markets.

Services and Support Provided by LFIC

The LIFIC provides several services to fisheries entrepreneurs, cooperatives, and producer organizations:

i. Business Incubation and Mentorship

- Start up Support: The centre offers incubation services to new entrepreneurs in the fisheries sector, providing guidance on how to start and grow their business. It helps with business planning, legal formalities, market research, and branding.
- Mentorship Programs: Entrepreneurs and cooperatives receive continuous mentorship from experts in the field of fisheries, aquaculture, finance, and business management. This guidance helps new businesses avoid common pitfalls and succeed in the competitive market.

*Director General, LINAC-NCDC, Ministry of Cooperation, GoI

ii. Training and Capacity Building

- Skill Development Programs: LIFIC conducts specialized training in areas like aquaculture technology, fish farming best practices, sustainable fisheries, value added products, and post harvest management.
- Financial and Managerial Training: The centre provides workshops and courses to help cooperatives and businesses understand financial management, accounting, marketing, and supply chain management

iii. Access to Funding

- Financial Assistance through NCDC: The LIFIC works closely with NCDC to help fishery
- Cooperatives and businesses access loans, grants, and subsidies for scaling up their o perations.
  NCDC offers a wide range of financial products, including working capital loans, term loans, and assistance for infrastructure development.
- Linking with Financial Institutions: The centre also connects businesses with other financial institution s, venture capitalists, and government schemes like Pradhan Mantri Matsya Sampada Yojana (PMMSY) for funding opportunities.

iv. Technology and Innovation Support

- Promotion of Modern Technologies: LFIC facilitates the adoption of new technologies such as B iofloc, R ecirculatory A quaculture S ystems (RAS), and other innovations that can improve fish production and reduce environmental impact.
- Research and Development: The centre supports R&D activities focused on solving key challenges in the fisheries sector, like disease management, water conservation, and improving the productivity of aquaculture systems.

v. Market Linkages and Networking

- Market Development: LIFIC helps incubated businesses establish direct linkages with domestic and international markets, al lowing them to sell their products more profitably.
- Networking Opportunities: The centre organizes seminars, conferences, and expos where fisheries entrepreneurs can network with potential buyers, suppliers, and investors.

Target Audience

The LI FIC primarily caters to:

- Fish farmers and aquaculture entrepreneurs looking to expand or modernize their operations.
- Fisheries cooperatives that need technical and financial support to grow.
- Start ups developing innovative products, technologies, or services in the fisheries sector.
- Women and youth in fisheries, encouraging their participation in this traditionally male dominated sector by offering special training and entrepreneurship programs.

Contribution to Indian Fisheries Economy

The LIFIC plays a vital role in boosting India's fisheries economy by:

- Fostering entrepreneurship: The centre encourages new businesses in fisheries, which in turn creates jobs and drives innovation in the sector.
- Modernizing the fisheries sector: Through the promotion of new technologies and sustainable practices, LIFIC contributes to increased productivity and profitability.
- Enhancing market access: By helping cooperatives and businesses establish market linkages, LIFIC ensures better price realization for fish products, which improves income levels for fishers and farmers.
- Supporting cooperative growth: The centre strengthens the cooperative movement in fisheries, which is essential for ensuring collective action and empowering small scale fish farmers.

Partnerships and Collaborations

The LIFIC collaborates with a range of partners to maximize its impact:

- Government bodies like the Department of Fisheries and Ministry of Agriculture.
- Educational institutions and research organizations working on fisheries and aquacult ure.
- Private sector entities involved in aquaculture technology, processing, and marketing.
- International organizations focusing on sustainable fisheries development.

Challenges and the Way Forward

Despite the potential of LIFIC, the following challenges need to be addressed:

- Awareness and Outreach: Many small fish farmers and entrepreneurs are unaware of the benefits offered by LIFIC. Expanding outreach and communication efforts will be crucial in ensuring more widespread participation.
- Access to Techno logy: Ensuring that modern technologies are affordable and accessible to small scale fish farmers will be important in maximizing the centre's impact.
- Capacity Building: Continuous training and capacity building efforts are necessary to help cooperatives a nd businesses navigate the complexities of the fisheries sector.

Highlights of Training Program

- Six months incubation programme.
- One month initial residential training at LINAC Gurugram
- Four and half month field training
- 15 days wrap up residential training at LINAC Gurugram
- Residential training at LIFIC in the campus of LINAC, Gurugram.
- Free boarding and lodging at LINAC, Gurugram
- Rs. 10,000/ as stipend for initial training.
- Rs. 5,000/ as stipend for wrap up training.
- Reimbursement of to and fro travelling expenses upto 3 AC train fare
- Exposure visits for better understanding of fisheries business

Achievements / Outcomes :

- Trained 226 participants in 17 batches.
- Out of 226 participants, 40 women participants were trained.
- 43 incubatees have executed their business plan on ground and remaining are in process to setup their business.
- 15 FFPOs (25 Incubatees) have been registered by incubatees in different states of country like Jammu& Kashmir, Jharkhand, Madhya Pradesh, Tripura, Tamil Nadu, Guj arat, Uttar Pradesh, Bihar etc.
- 07 Cooperative Societies have been registered by 10 incubatees.
- 08 Incubatees have started their business at Individual level.
- 05 projects have been supported under Start Ups for Cooperatives.

For more details please visit https://lific.ncdc.in/ or scan

** Ex Managing Director & CEO, Jharkhand State Cooperative Bank Ltd., Ranchi (Alum nus of Indian Institute of Banking Finance (IIBF), Mumbai and will soon attain the status of alumnus of IIM A for S enior L eadership P rogram

Highlights and Achievements of Shri Rajkot DCCB (as on Dt. 31.03.2024)

V. M. Sakhiya*

Introduction:



Shri Rajkot District Co-Operative Bank is **incorporated in Year 1959**.
Licensed by the Reserve Bank of India vide letter in **Year 1994.**
Bank operates under Two Districts i.e. Rajkot and Morbi District of Gujarat state.
Bank is well organized with very good network of **200** branches.
Bank having **885** affiliated co-operative societies. Out of which **452 are PACS.**
No individual members.
Under the bank's operational area more than **51 %** farmers are associated with Rajkot DCCB.

Mission & Vision:



Bank's present **Chairman Hon. Shri Jayeshbhai Radadiya** and Board of Directors have a vision to fulfill credit needs of farmer for each and every assets created.
To provide the loan for adoption of modern agriculture with nominal interest rate and within least possible time.

Highlights:

The Bank having **60 own branch buildings** including HO.
Safe Deposit lockers facility in **105 Branches**.
Total no. of staff strength is **1078** of which **819** employees are trained at various stages.
Since last **52** Years bank has obtained Audit class **"!"** by auditor and bank is paying dividend since beginning.
No. of KCC Holder : **2,25,974**
No. of SHG : **6,788** of which deposit **Rs. 18.85 Crore**
SHG Credit Linkage : **3,174**, loan sanctioned **Rs. 43.61 Crore**

Progress Report for Last 10 Years:

(Rs. in Crore)

Sr. No.	Perticulars	As on 31/03/2014	As on 31/03/2024	Difference (%)
1	Share Capital	48.55	**138.29**	**184.84 %**
2	Reserve Fund	290.18	**961.80**	**231.45 %**
3	Deposit	2,630.51	**8,893.15**	**238.08 %**
4	Advances of which KCC	2,256.46 954.60	**6,098.97** **3,299.00**	**170.29 %** **245.59 %**
5	Total Business	4,886.97	**14,992.12**	**206.78 %**
6	Investment	1,727.45	**4,338.48**	**151.15 %**
7	Net Profit	17.50	**87.00**	**397.14 %**
8	No. of Account	7,83,994	**9,52,507**	**21.49 %**
9	No. of KCC Holder	1,98,000	**2,27,800**	**15.00 %**
10	No. of Branch	171	**200**	**16.96 %**
11	Net NPA (%)	0 %	**0 %**	**0 %**
12	Dividend (%)	15 %	**15 %**	**0 %**

*Chief Executive Officer

Bank's Special Loan Scheme:

Bank's Loan Scheme as per Scale of Finance:

Minor Irrigation	Drip Irrigation, Dug well, Submersible Pump Set, Pipe line, etc.
Farm Mechanization	Tractor and its implements, Thresher, Power Tiller
Animal Husbandry	Purchase of Milch Animal, Cattle Shed
Other	Wire Fencing, Goods & Passenger Vehicle, Godown, SHG, JLG
Non Agriculture	Housing, Personal, Over Draft, Vehicle Loans, Consumer loans, Higher Edu.

Bank's Recovery Performance : (As on 30.06.2024) : **99.29 %**

Ratio Analysis:

CRAR	**: 12.29 %**	**Cost of Management**	**: 1.79 %**
CD Ratio	**: 68.58 %**	**Average Working Fund**	**: Rs. 10,844.72 Cr.**
Gross NPA	**: 1.21 %**	**Average Business per Br.**	**: Rs. 70.32 Cr.**
Cost of Deposit	**: 4.41 %**		

sInnovative Ideas:

Locker Facility: 24 x 7 and 365 days Safe Deposit Locker facility at Head Office - Rajkot and 2 other branches have locker facility during 8.00 am to midnight 12.00.

Gold Loan Facility after Banking Hours : Bank is providing Gold Loan facility after banking hours i.e. 3.00 pm to 10.00 pm at Gold Loan Extension Counter HO Rajkot.

Bank at Your Door Step: Through this campaign of "Bank at Your Door Step" bank opened more than 45,000 SB accounts.

Student's SB !/C: Bank has organized camps at the schools of District level cities and Taluka level cities and opened more than 12,000 SB A/C with zero balance.

Scholarship: Bank is providing Scholarship to the trainee of District Co-Operative Sangh.

Customer Relationship:

PACS Encouragement:

Bank has introduced **Motor Cycle Prize Winner scheme to PACS** for for best performance in recovery, loan, administrative cost, social responsibility etc. PACS are divided in 3 group s as per their loan outstanding, from each group 3 PACS are selected. Every year **9 PACS** are encouraged with a motor bike for recovery purpose. Till date total **204 PACS** have won Motor Cycle.



Farmers Meeting: Bank is regularly organizing Crop Information Meeting **("Pak Shibir")** at village level in association with State Co-Op. Bank, IFFCO, KRIBHCO.





Social Responsibility:

Above **2.25 lakh KCC holders,** bank's employees and Board of Directors are covered under accidental insurance cover of **Rs. 10.00 lakh** by bank.

Providing medical support to KCC holders up to **Rs. 15,000/-** for major diseases like cancer, paralysis, heart attack etc. under the scheme of **"Vithalbhai Radadiya Medical Sahay Yojana".**

Bank provides accommodation facility of **Kisan Guest House** at Head Office for the farmers to stay at night with token charge of Rs. 10/- only.



Bank's !nnual General Meeting:

Big AGM – Minimum 15,000 farmers present in this AGM every Year





Hon. Gujarat CM Shri Bhupendrabhai Patel's virtual presence in last Bank's AGM

PACS Chairmans are encouraged at AGM – Annual General Meeting of Bank

Till date total **316 PACS Chairmans** are encouraged during Bank's !GM



Godown Scheme:

Farmer's Godown Scheme:

Under "Rural Godown Scheme" for farmers, **3,563 Godown** is completed with storage capacity of **4,91,980** metric ton.

Total **Rs. 33** crore subsidy received for Rural Godown

PACS Godown Scheme:

Total **294** Godown Completed with Nabard and GOG subsidy Rs. **23** Cr.

Technology Adoption:

Rupay Debit Card Issue : **2,25,974**

RTGS / NEFT / IMPS / PFMS / BBPS / UPI / CTS / SMS Alert / APBS / PPS / Ecom / Rupay card / Mobile Banking / APY – are already Live

Under Planning : AePS

Key Point for Success:

Devotee, disciplined, trained and workaholic staff of Bank and PACS

Delegations of loan sanction power to the Managers, Dy. Managers and Br. Managers.

We are actively participating in government subsidy schemes.

Our Bank provides 83 % loan through PACS and 17 % directly to members, which makes all PACS viable.

Strong recovery position above **99.00 percent**.

Frequent managers' meeting to review on loan, deposit, fund position, risk factors and challenges. !s per the outcome of this meeting quick decision and implementation is done.

Policy of one secretary per PACS after approval by bank, all PACS have own Godowns and its own office.

Awards and Achievements:

The Bank has been Awarded **Five** times **"N!B!RD Best Performance !ward"** by Prime Minister and Finance Minister (Government of India).

Our Bank was **Dashabdi(Decade) & Four** times Awarded by **"N!FSCOB"** and various awards by **"Banco"** and **"Banking Frontiers"** for Overall Best Performance in all Aspects.

The Bank has achieved **1st position** in Recovery Performance and has been Awarded with **"Dashabdi"** Award by **GSC Bank** and second award of **Rs. 51 Lakhs.**



Dashabdi (Decade) Award by NAFSCOB

Role of Cooperatives in achieving UNSDGs

Sharwan Manta*, Shivani Sharma and Dola Singh*****

Abstract

The world community designed an International Framework as 2030 Agenda for sustainable development for the achievement of United Nation Sustainable Development Goals UNSDGs). UNSDG is a collection of 17 interconnected goals established by United Nations in2015, which aims to address global challenges such as poverty, inequality, climate change, environmental degradation, peace and justice. These goals are designed to create a blueprint for achieving a better and more sustainable future for all by the year 2030. Each goal has specific targets and indicators to measure progress, which helps in monitoring and reporting efforts globally and nationally. Many countries face challenges in fully implementing the goals due to resource constraints, political issues, and conflicting priorities.

Cooperative sector plays a significant role in achieving the UNSDGs by promoting inclusive economic growth, social equity and environmental sustainability. The Government of India has taken several proactive steps to leverage the cooperative sector to achieve these goals. In July 2021, the Government of India established the Ministry of Cooperation to strengthen the cooperative movement. This ministry focuses on policy and implementation related to cooperatives, enhancing their role in socio-economic development. The 54 initiatives of the Ministry of Cooperation are strategically aligned with the UNSDGs, providing comprehensive support for sustainable development through the cooperative sector. Through targeted programs and policies, the Ministry of Cooperation is not only empowering cooperatives but also ensuring that they contribute significantly to the national and global development
agenda.

These initiative also plays a vital role in achieving the $5 trillion economy goal for India. By enhancing productivity, fostering inclusive growth, supporting key economic sectors and contributing to sustainable development, cooperatives provide a robust foundation for economic expansion and resilience. The article focus on role of cooperative sectors in achieving UNSDGs and to boost Indian economy to $5 trillion

Key Words: UNSDGs, Cooperatives, Economy

Introduction

Cooperative movement in India was introduced primarily to address the challenges faced by rural communities, especially in agriculture. It aimed to provide an alternative to the exploitative practices of moneylenders, promote economic self-reliance, foster social and economic development. With the passage of time, cooperatives have expanded beyond agriculture to various sectors, becoming a cornerstone of India's economic and social policies for rural empowerment and development.

Cooperative sector in India has made remarkable strides across various domains. By fostering collective action and mutual support, cooperatives have empowered millions, particularly in rural areas, by providing access to affordable credit, enhancing agricultural productivity, promoting rural entrepreneurship and facilitating sustainable development. Cooperatives have been pivotal in reducing economic disparities and supporting marginalized communities.
"Sehkar se Samriddhi" (Prosperity through Cooperation) vision embodies a holistic approach to harness the potential of cooperatives to foster socio-economic development by focusing on inclusive

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growth, financial inclusion, rural development, and effective governance. This vision seeks to transform the cooperative sector as a catalyst for prosperity and resilience in India. In order to achieve the vision of "Sehakar se Samriddhi" the Ministry of Cooperation has taken a number of initiatives.

Role of Cooperative to achieve UNSDGs

Government of India has taken several proactive steps to leverage the cooperative sector to achieve UNSDGs. Role of cooperatives in achieving UNSDGs is pivotal due to their unique organizational structure, which emphasizes community participation, shared ownership, collective ownership, democratic governance and equitable distribution of benefits.

Ministry of Cooperation in India has launched 54 initiatives to leverage the power of cooperatives in driving sustainable development.

1. Model Bye Laws for PACS: SDG Achievement

Government, in consultation with all the stakeholders has prepared Model Byelaws for PACS to all the States/ UTs, which enable PACS to undertake more than 25 business activities, improve governance, transparency and accountability in their operations. They align cooperative activities with the UNSDGs. By adhering to these bye-laws, cooperatives can effectively contribute to achieving the UNSDGs, fostering a more equitable and sustainable future for all.

- v Structuring Cooperative Governance: Model bye-laws establish a clear governance structure that includes democratic decision-making, regular elections, and transparent financial management. This aligns cooperatives with SDG 16, which advocates for strong institutions and good governance. This promotes accountability, reduces corruption and ensures that the cooperative is managed in a way that benefits all members.
- v Reduce Inequalities: Cooperatives play a crucial role in reducing inequality by providing equal opportunities and promoting social equity. It operates on principle of democratic governance, shared ownership, and community focus, which directly address various forms of inequality. Provisions have also been made to make the membership of PACS more inclusive and broad-based, giving adequate representation to Scheduled Castes/Schedules Tribes. Membership policies that welcome diverse members promote economic inclusion and reduce inequalities. This aligns cooperatives with SDG 10.
- v Supporting Gender Equality: Representation of women and non-discrimination clauses ensure equal opportunities for all members, promoting gender equality and empowering women and aligns with SDG 5.

2. Strengthening of PACS through Computerization: SDG Achievement

Computerization of PACS is a transformative step that not only modernizes the rural financial systems but also emerged as a pivotal strategy for fostering sustainable development, particularly in rural areas. By enhancing financial inclusion, promoting sustainable practices, and bridging inequalities, computerized PACS are pivotal in driving progress towards achieving the United Nations Sustainable Development Goals.

v Enhanced Financial Inclusion and Poverty Alleviation Computerized PACS streamline the process of providing financial services by enabling small farmers and rural entrepreneurs to access credit, savings and insurance more efficiently. With better access to timely financial resources, farmers can invest in quality seeds, fertilizers and equipment, thus enhancing agricultural productivity and contributing to food security. This aligns cooperatives with SDG 1 an SDG 2.

v Development of Digital Infrastructure

Computerization of PACS necessitates the development of digital infrastructure in rural areas which can help PACS in establishing broader digital infrastructure facilitating connectivity and access to information. This aligns cooperatives with SDG 9.

v Bridging the Rural-Urban Divide

Computerized PACS ensure access to similar financial opportunities. Rural residents receive the same quality of financial services as their urban counterparts, promoting inclusive growth and reducing the inequality gap between rural and urban areas. This aligns cooperatives with SDG 10.

v Strengthening Institutional Frameworks

PACS computerization enhances the transparency, accountability and efficiency of these institutions, leading to stronger governance structures and a more robust financial ecosystem which in turn reduce corruption and increase trust in financial institutions, promoting justice and strong institutions. This aligns cooperatives with SDG 16.

v Enhancing Collaboration and Partnerships

Digital transformation of PACS encourages the formation of public-private partnerships, driving collective efforts towards achieving the SDGs. This aligns cooperatives with SDG 17.

3. Establishment of Multipurpose PACS/Dairy/Fisheries Cooperative Societies (2 lakh new societies) in every Panchayat/Village: Facilitating SDG Achievement

The Government of India has set up the target of 2 lakh new Multi-purpose PACS/Dairy/Fisheries Cooperative Societies in the Panchayats/Villages not covered so far, in the next 5 years which is a transformative initiative. This effort aligns closely with various United Nations Sustainable Development Goals (UNSDGs).

v Economic Empowerment and Poverty Reduction

PACS provide farmers and rural entrepreneurs with much-needed credit at affordable rates, enabling investments in agriculture and small businesses. Dairy and fisheries cooperatives create additional income streams, ensuring financial stability and reducing poverty in rural areas. This aligns cooperatives with SDG 1.

v Food Security and Improved Nutrition

PACS support farmers with inputs and financial services, leading to increased agricultural productivity which in turn is contributing to increased food production and improve food
security. This aligns cooperatives with SDG 2.

v Financial Support for Education

Multipurpose cooperatives generate income that can be reinvested in education for children in rural areas. Profits from cooperative activities can be used to fund scholarships and educational programs. Apart from that Cooperatives often provide training and education for their members, enhancing skills and knowledge. This aligns cooperatives with SDG 4.

v Improvement in Sanitation and Water Management

Cooperatives can play a vital role in ensuring clean water and improved sanitation through community initiatives. Cooperative institutions can invest in water purification and distribution systems, improving the access to clean water. This aligns cooperatives with SDG 6.

v Promotion of Sustainable Economic Growth

There are huge opportunities in cooperative sector for job creation like agriculture, dairy, fisheries sectors etc. Cooperative sectors promote sustainable economic growth by creating jobs and supporting local economies. It provides a stable source of income, contributing to the economic stability of rural areas. This aligns cooperatives with SDG 8.

v Development of Rural Infrastructure

Investments from cooperatives can be used to develop infrastructure such as storage facilities and transportation with this infrastructure facility develop in rural areas, facilitating access to markets and enhancing productivity. This aligns cooperatives with SDG 9.

v Sustainable Fisheries Management

Fisheries cooperatives promote sustainable management of marine resources, ensuring the health of aquatic ecosystems. It supports the responsible fishing practices that prevent overfishing and protect marine biodiversity. This aligns cooperatives with SDG 14.

4. World's largest Decentralized Grain Storage Program in Cooperative sector to ensure food security: SDG Achievement

Government of India has approved the World's largest food storage scheme in the Cooperative sector. Under this scheme, different types of agricultural infrastructure such as godowns, custom hiring centres, processing units, fair price shops, etc. will be created by convergence of various schemes of the Government of India at the PACS level. The decentralized approach ensures that benefits are

distributed widely and effectively, aligning with the goals of sustainable development. This initiative contributes to various UNSDGs.

v Economic Stability and Poverty Alleviation

By allowing farmers to store grain and sell it when market prices are favourable, the program helps stabilize farmers' incomes and protect them from price volatility. Safe and secure storage reduces post-harvest losses, ensuring that farmers retain more of their produce for sale or personal use. This aligns cooperative with SDG 1.

v Zero Hunger

With local storage, grain is readily available during lean seasons, ensuring food security, maintaining a consistent food supply, reducing instances of hunger and malnutrition. This aligns cooperative with SDG 2.

v Improved Health Through Better Food Storage

Proper storage minimizes the risk of contamination and pest infestations, which can lead to foodborne illnesses. By maintaining the quality of stored grains, the program helps ensure that communities have access to nutritious food. This aligns cooperative with SDG 3.

v Industry, Innovation, and Infrastructure (SDG 9)

Building storage facilities improves local infrastructure, supporting broader rural development goals. The program encourages the adoption of innovative storage technologies and practices, enhancing efficiency and sustainability. This aligns cooperative with SDG 9.

v Equal Access to Resources: Reduced Inequalities (SDG 10)

Decentralized storage ensures that even small and marginal farmers have access to safe storage facilities as that of larger farmers, reducing economic inequalities. It ensures that benefits are shared among all members, including those from marginalized groups.

v Sustainable Grain Management: Responsible Consumption and Production (SDG 12)

Secure storage minimizes post-harvest losses and food waste, promoting more efficient use of resources. Cooperatives can implement best practices for grain management, ensuring sustainability and minimizing environmental impact.

v Climate-Resilient Storage Solutions: Climate Action (SDG 13)

Decentralized storage facilities can be designed to be climate-resilient, protecting grain from extreme weather events and ensuring food security in the face of climate change such as extreme weather and temperature fluctuations. Adoption of sustainable storage technologies helps in promoting environmental sustainability.

v Collaboration and Capacity Building: Partnerships for the Goals (SDG 17)

The scheme encourages partnerships between local communities, government agencies, and private entities, fostering collaboration and collective action towards achieving SDGs.

5. PACS as Common Service Centres (CSCs) for better access to e-Services

Common Service Centres (CSCs) are digital access points for delivering a wide range of eservices to rural and underserved communities. PACS when transformed into (CSCs), can play a pivotal role in achieving UNSDGs in India by promoting inclusive and sustainable development.

v Educational Resources and Digital Literacy: Quality Education (SDG 4)

CSCs offer access to educational resources, online courses and e-learning platforms, promoting quality education and lifelong learning thereby improving the learning opportunities for students in remote areas through cooperatives. CSCs provide digital literacy training, enhancing the employability and skills of rural populations.

v Employment and Entrepreneurial Opportunities: Decent Work and Economic Growth (SDG 8)

Establishing and managing CSCs creates local employment opportunities. CSCs offer business services like company registration, tax filing, Aadhar updates, revenue records and access to microcredit,

supporting small businesses and start-ups.

v Digital Infrastructure and Innovation: Industry, Innovation and Infrastructure (SDG 9)

CSCs enhance rural digital infrastructure, fostering innovation and supporting local industry development. They provide internet access and digital services, improving connectivity in rural areas. CSCs support small and medium enterprises with business services, facilitating local industrial growth.

v Inclusive Services for All: Reduced Inequalities (SDG 10)

CSCs ensure that marginalized and underserved communities have access to essential services and information, reducing inequalities. By providing a range of e-services, CSCs ensure that even the most remote population has access to government schemes, financial services, and educational resources. It promotes inclusive growth.

v Good Governance and Justice Access: Peace, Justice and Strong Institutions (SDG 16)

CSCs promote good governance by providing access to government services and legal information, contributing to transparency and justice. They provide access to government services such as land records, certificates, and legal aid, promoting transparency and accountability.

6. Formation of New Farmer Producer Organizations (FPOs) by PACS: SDG Achievement

Formation of new Farmer Producer Organizations (FPOs) by Primary Agricultural Credit Societies (PACS) is a transformative strategy for promoting sustainable and inclusive agricultural development and supports the UNSDGs in India. By promoting sustainable and inclusive agricultural practices, enhancing market access, and empowering rural communities, FPOs contribute significantly to the achievement of multiple SDGs. FPOs are collective enterprises owned and managed by farmers, can leverage the existing infrastructure and experience of PACS to enhance agricultural productivity, profitability, and sustainability. This initiative directly contributes to achieving multiple UNSDGs.

v Economic Empowerment and Financial Inclusion: No Poverty (SDG 1)

FPOs empower small and marginal farmers by providing them with better market access, financial services and bargaining power. By aggregating produce and negotiating better prices, FPOs help farmers secure stable and higher incomes. FPOs facilitate access to affordable credit and financial services, reducing farmers' dependency on moneylenders and alleviating poverty.

v Food Security and Sustainable Agriculture: Zero Hunger (SDG 2)

FPOs contribute to enhanced agricultural productivity and sustainable practices, ensuring food security and reducing hunger. They promote sustainable farming practices, such as organic farming and conservation agriculture, improving food security.

v Improved Health Outcomes: Good Health and Well-being (SDG 3)

FPOs help farmers adopt better agricultural practices and ensure safe, nutritious food, contributing to overall health and well-being. By promoting organic and sustainable farming, FPOs ensure that communities have access to safe and nutritious food.

v Empowerment of Women Farmers: Gender Equality (SDG 5)

FPOs promote the active participation of women in agricultural enterprises, empowering them economically and socially. FPOs encourage women's participation in decision-making processes and leadership roles. They create opportunities for women to engage in incomegenerating activities, improving their economic independence.

v Job Creation and Economic Development: Decent Work and Economic Growth (SDG 8)

FPOs create employment opportunities and stimulate economic growth in rural areas through agricultural development and value addition. FPOs generate jobs in farming, processing and marketing of agricultural products. They stimulate economic growth by promoting local agri-businesses and value-added processing, enhancing rural economies.

v Agricultural Infrastructure and Innovation: Industry, Innovation, and Infrastructure (SDG 9)

FPOs encourage innovation in farming practices and technology and facilitate the establishment of storage facilities, processing units, and transportation infrastructure. They promote the adoption of innovative farming techniques and technologies, improving productivity and sustainability.

v Equitable Access to Resources: Reduced Inequalities (SDG 10)

FPOs ensure that small and marginal farmers have equal access to resources, services and market opportunities, reducing inequalities. FPOs provide equitable access to agricultural inputs, credit, and market linkages, ensuring all farmers benefit equally.

7. Eligibility of PACS for LPG Distributorship: Contribution to UNSDGs in India

PACS play a vital role in LPG distributorship which significantly contribute in achieving various UNSDGs in India. By ensuring access to clean and affordable energy, PACS can play a crucial role in promoting sustainable development, improving health outcomes and fostering environmental conservation. The integration of PACS into the LPG distribution network ensures that rural areas have better access to clean energy, which aligns with India's broader developmental and environmental objectives.

v Economic Opportunities and Cost Savings: No Poverty (SDG 1)

PACS providing LPG distributorship create direct and indirect employment opportunities within rural communities. Access to LPG can reduce the time and money spent on traditional fuel collection and cooking, allowing households to allocate resources to other needs.

v Enhanced Food Security: Zero Hunger (SDG 2)

LPG usage can improve food security by ensuring that rural households have a reliable and efficient energy source for cooking. LPG provides a consistent and clean source of energy, reducing the cooking time and making it easier to prepare nutritious meals.

v Health Benefits from Clean Energy: Good Health and Well-being (SDG 3)

The shift to LPG from traditional biomass fuels leads to significant health improvements by reducing indoor air pollution. LPG reduces the exposure to harmful smoke and particulate matter, decreasing respiratory and cardiovascular diseases.

v Empowerment of Women: Gender Equality (SDG 5)

LPG access through PACS helps empower women by reducing their workload. Women spend less time collecting firewood and cooking, allowing more time for economic and educational activities.

v Access to Modern Energy Services: Affordable and Clean Energy (SDG 7)

It ensures that even remote and underserved communities have access to modern energy solutions, reducing energy poverty.

v Equitable Energy Access: Reduced Inequalities (SDG 10)

PACS can help bridge the gap in energy access between urban and rural areas, reducing regional inequalities.

v Reduction of Greenhouse Gas Emissions: Climate Action (SDG 13)

LPG is a cleaner alternative to traditional biomass fuels, helping to mitigate climate change by reducing greenhouse gas emissions.

8. Priority to PACS for New Petrol/Diesel Pump Dealerships:
Contribution to UNSDGs in India

Prioritizing PACS for new petrol and diesel pump dealerships is a strategic approach that supports multiple UNSDGs by promoting economic growth, enhancing infrastructure, fostering community development, and advancing environmental sustainability. This initiative not only addresses local energy needs but also contributes to broader developmental goals, ensuring inclusive and sustainable growth in rural India.

v Local Economic Development: Decent Work and Economic Growth (SDG 8)

Setting up petrol and diesel pump dealerships through PACS creates employment opportunities in rural areas, contributing to economic growth and poverty reduction.

v Infrastructure Development: Industry, Innovation and Infrastructure (SDG 9)

Establishing new petrol and diesel pumps enhances local infrastructure in rural areas, supporting sustainable industrialization and fostering innovation.

v Collaborative Efforts for Sustainable Development: Partnerships for the Goals (SDG 17)

Collaborating with PACS for petrol and diesel pump dealerships fosters partnerships between government, private sector and local communities, supporting sustainable development goals. Engaging local communities in energy initiatives promotes inclusive decision-making, strengthens governance and enhances development outcomes.

9. PACS as Jan Aushadhi Kendra: Contribution to UNSDGs in India

Primary Agricultural Credit Societies (PACS) serving as Jan Aushadhi Kendra (JAK) for providing access to generic medicines at the rural level aims to improve healthcare access, reduce medical expenses and promote health and well-being among rural populations, aligning with India's healthcare objectives and broader developmental goals. This initiative not only addresses healthcare disparities but also contributes to broader developmental goals, ensuring inclusive and sustainable growth for rural communities.

v Access to Affordable Medicines: Good Health and Well-being (SDG 3)

Jan Aushadhi Kendra offer generic medicines at significantly lower prices than branded counterparts, making essential medications affordable for rural populations. Access to quality medicines reduces morbidity and mortality rates, improving overall health and wellbeing in rural communities.

v Reduced Healthcare Costs: No Poverty (SDG 1)

Access to affordable medicines through Jan Aushadhi Kendra reduces out-of-pocket healthcare expenditures, alleviating poverty. Lower healthcare costs free up resources for other essential needs such as education and livelihoods, contributing in poverty reduction.

v Local Economic Development: Decent Work and Economic Growth (SDG 8)

Establishing Jan Aushadhi Kendra creates employment opportunities for local pharmacists and healthcare professionals, supporting economic growth and sustainable development.

v Collaborative Healthcare Initiatives: Partnerships for the Goals (SDG 17)

Collaboration between PACS, government agencies, and private sector stakeholders strengthens healthcare delivery systems and promotes sustainable development goals which fosters partnerships and collective efforts towards achieving health-related SDGs.

10. PACS as Fertilizer Distribution Centres: Contribution to UNSDGs in India

PACS functioning as fertilizer distribution centres play a crucial role in achieving various UNSDGs in India. This initiative aims to enhance agricultural productivity, promote sustainable farming practices, improve food security, and support rural livelihoods, aligning with India's agricultural development objectives and broader sustainability goals. This initiative not only addresses agricultural challenges but also contributes to broader developmental goals, ensuring inclusive and sustainable growth for rural communities.

v Enhanced Agricultural Productivity: Zero Hunger (SDG 2)

PACS provide timely access to quality fertilizers, enhancing soil fertility and crop yields. Increased agricultural productivity improves food availability and reduces hunger among rural communities.

v Support for Rural Livelihoods: Decent Work and Economic Growth (SDG 8)

Operating fertilizer distribution centers creates employment opportunities in logistics, sales, and agricultural support services. Improved crop yields

and agricultural productivity boost rural incomes, supporting economic growth and poverty reduction.

v Promotion of Sustainable Agriculture: Climate Action (SDG 13)

Balanced use of fertilizers improves nutrient management and reduces environmental impact, promoting climate-resilient agriculture. Fertilizers contribute to maintaining soil health, mitigating land degradation and enhancing carbon sequestration.

v Biodiversity Conservation: Life on Land (SDG 15)

Proper use of fertilizers encourages biodiversity conservation and ecosystem health, supporting sustainable land management. Enhancing soil fertility through fertilizers helps restore degraded lands and promotes sustainable land use practices.

11. Micro-ATMs with Bank Mitra Cooperative Societies: Contribution to UNSDGs in India

Introducing Micro-ATMs through Bank Mitra Cooperative Societies is a strategic initiative that supports multiple UNSDGs by promoting financial inclusion, enhancing economic opportunities, fostering digital literacy and strengthening governance in India. This initiative aims to enhance financial inclusion, promote digital literacy, improve access to banking services, and support economic empowerment, aligning with India's goals of inclusive growth and development.

v Promotion of Economic Opportunities: Decent Work and Economic Growth (SDG 8)

Bank Mitra Cooperative Societies operating Micro-ATMs create income-generating opportunities for local entrepreneurs. Expansion of financial services through Micro-ATMs supports employment in banking, technology and service sectors, contributing in economic growth.

v Digital Infrastructure Development: Industry, Innovation, and Infrastructure (SDG 9)

Deployment of Micro-ATMs promotes digitalization of financial transactions. Integration of technology improves efficiency, transparency, and accessibility of financial services, fostering innovation in banking solutions.

v Equitable Access to Services: Reduced Inequalities (SDG 10)

Micro-ATMs ensure equitable access to banking services for marginalized and underserved communities, reducing disparities in financial access.

12. Convergence of PM-KUSUM Scheme at PACS Level: Contribution to UNSDGs in India

The convergence of the Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan (PM-KUSUM) Scheme at PACS level is instrumental in achieving multiple UNSDGs by promoting renewable energy adoption, enhancing rural livelihoods, supporting economic growth. This initiative aims to promote renewable energy adoption, enhance agricultural productivity, ensure energy security and support rural development, aligning with India's goals of sustainable energy use and inclusive growth.

v Promotion of Renewable Energy: Affordable and Clean Energy (SDG 7)

PM-KUSUM promotes the installation of solar pumps and solar grid-connected power plants at PACS, reducing dependence on fossil fuels and promoting clean energy adoption. It ensures rural communities have access to reliable and affordable energy, contributing to sustainable energy goals.

v Infrastructure Development:Industry, Innovation and Infrastructure(SDG9)

PM-KUSUM promotes the development of solar infrastructure at PACS, enhancing energy infrastructure in rural areas. Adoption of solar technology fosters innovation in renewable energy solutions and supports sustainable infrastructure development.

v Mitigation of Climate Change: Climate Action (SDG 13)

Solar power under PM-KUSUM reduces greenhouse gas emissions, mitigating climate change impacts and promoting environmental sustainability.

13. Establishment of Cooperative University

Government of India planned development and empowerment of the Cooperative sector can happen only with trained manpower for which it is being

planned to establish National Cooperative University for Cooperative education, training, consultancy, research and development. This University will ensure a sustainable, adequate and quality supply of trained manpower and work for capacity building of the existing personnel. This University will be first of its kind, a specialized University in the cooperative sector.

The establishment of a Cooperative University in India can significantly contribute to achieving various United Nations Sustainable Development Goals (UNSDGs). Here's how it can help:

v Quality Education (SDG 4)

Cooperative University can provide specialized education and training in cooperative management, governance, and entrepreneurship, enhancing the skills and capabilities of individuals involved in cooperatives. By offering courses tailored to cooperative principles and practices, the university can foster leadership and management skills crucial for effective cooperative operation, thereby supporting sustainable development.

v Decent Work and Economic Growth (SDG 8)

The university can promote the cooperative model as a means of sustainable economic development and poverty reduction. Cooperative universities can conduct research on cooperative models, innovations and their impact on local economies, contributing to knowledge generation and policy development.

v Reduced Inequalities (SDG 10)

Cooperatives are known for their inclusive nature and ability to empower marginalized groups such as women, farmers, and rural communities. A Cooperative University can educate and empower these groups to participate effectively in cooperative enterprises, reducing inequalities.

v Sustainable Cities and Communities (SDG 11)

Cooperatives play a crucial role in rural development by providing essential services, creating local employment and promoting sustainable agriculture and rural industries. Cooperative University can train the leaders on how to manage these investments sustainably, improving the quality of life in communities.

v Partnership for the Goals (SDG 17)

The university can serve as a hub for collaboration between government agencies, private sector organizations, and civil society groups interested in promoting cooperative development. Cooperatives are a global movement and Cooperative University can foster international partnerships and knowledge exchange on cooperative best practices, contributing to global sustainable development efforts.

Conclusion

Establishing a Cooperative University in India holds immense potential for advancing sustainable development goals by promoting cooperative enterprises, empowering marginalized communities, fostering inclusive economic growth, and contributing to knowledge creation and policy development in the cooperative sector.

This initiative not only supports local economic development but also aligns with global efforts towards achieving the UNSDGs, making it a pivotal institution in promoting sustainable and inclusive development in India and beyond.

Development of country can be assessed from the fulfilment of basic amenities to its citizens. In order to bring social and economic equality cooperatives had made a significant role. Cooperatives are almost found in every country which is catering the basic needs of the society. Cooperatives are not only meeting the credit needs of farmers but has expanded its wings to each and every sector like purchase of agriculture inputs, equipment for farming, household needs, marketing of produce. Ministry of Cooperation has given wings to Cooperatives which has changed the socio economic dimensions of developmental process. Cooperatives are giving almost each and every facility to its members be it food, healthcare, shelter, transportation, insurance, banking etc. It has not only accelerated the economic growth of village but turned out to be achieving the sustainable goals of the United Nations.

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Profile of Surat DCCB

Mahavirsinh Chauhan*

Surat District Central Co-operative Bank is -115- years old District Central Coop. Bank, basically meant for catering financial needs of Agricultural Sector, having total business of Rs.12,700/- plus crores as of 31-3-2024 and rendering services to about 12 lacs customers through our 950 plus dedicated staff linked with 116 branches located in Surat and Tapi Districts.

Keeping in mind the basic object of Co-operative Bank-viz. "Farmers will Prosper, Country will Prosper" and "Upliftment of downtrodden People of the society." We have taken various measures by designing few schemes for the betterment of the Farmers and rural people with a view to give them timely finance at a cheaper rate and at their door steps, as also provide the social services to the society at large with profit as a secondary objective. We always believe in moto.....
"Escalate volume of Business with thin margin" Followings are our various achievements.

(1) Ours is the first Bank on Pan India basis, which has started to give Kisan Credit Card (KCC) at Zero percent up to limit of Rs.3/- lacs since 2013-14 to the farmers of Surat and Tapi Districts. Our Board has resolved to continue this scheme till today. Formally our KCC Portfolio was only Rs.40/- crores and now after completion of -11- years, it has reached to Rs.749/- crores. Our this steps has been highly appreciated by Late Dr. M. S. Swaminathan - "The father of Agriculture of our Nation." We enclose copy of his letter Dt.18-06- 2023 addressed to the then Chairman Shri Dilipbhai B. Bhakta Sir. So farmers are getting KCC @ Zero percent since last-11-years.

(2) Bank is also catering banking services in remote and backward unbanked areas of Surat and Tapi districts through -4- mobile vans (Bus) viz. Mandvi, Songadh, Mangrol and Vyara Blocks. This Blocks are predominantly occupied by tribal and downtrodden section of the society. Ours is a first Bank in entire Gujarat, which has adopted concept of "Banking on Wheels" and which is successfully implemented since last -15-years, which is envisaged by facts and figures of this facility. As on today, total 24215 customers have been affiliated with this four vans and mobilised deposits to the tune of Rs.27.51 crores. Customer can also do their cash transfer transactions, in their Current Accounts Saving Bank accounts, deposit loan instalments in their loan accounts, place and renew Fixed Deposit Receipt. ATM facility has also been provided through inbuilt ATM in 2 vans which is funded by NABARD under their FIF Project. Demo has been seen by other DCCBs of our state and two / three DCCBs have also started this facility in their area of operations.

(3) One of the leading milk union of Gujarat State - SUMUL - is working in Surat. Our Bank in Collaboration with SUMUL has designed a Special Loaning Scheme as under with zero percent interest since 2021.

	Name of the Scheme	Purpose
1.	Sumul - Sudico 'Dudh Ganga' Scheme	for Purchase of Milch Animals
2.	Sumul - Sudico Laxmi' Scheme	for Purchase of calf.
3.	Sumul - Sudico 'Calf enrichment' Scheme	for Raring of calf.

So far we have sanctioned Term loan to the tune of Rs.225/- crores to various members of Rural Milk Coop. Societies of Surat and Tapi Districts through SUMUL. Our Bank and Sumul is sharing the total burden of interest at equal rate and farmers are getting loan with zero burden. It is very Popular Scheme in our area of operations.

(4) In Gujarat State, GGRC (Gujarat Green Revolution Corporation-A Government of

*Managing Director, Surat DCCB

Gujarat enterprise) having their Registered office at Baroda had launched the Special Scheme for farmers, for installation of drip irrigation kit in their farm for irrigation Purpose by Paying Subsidy of Rs.5,000/- Per Hector, Our bank has encouraged to this farmers by paying additional Subsidy of Rs.5,000/- Per Hector, which has not only cut down the cultivation cost of farmers but also help in increase their production of crop.

(5) Every year, in festive Season, we are launching "Sudico Mahaloan Utsav" Scheme, in which we cut down the margin as well as Rate of Interest on various loans like Irrigation loan, Tractor loan, Car loan, Housing loan, Education loan to be granted to farmers.

(6) Bank is also financing in high Tech Agriculture Projects, like poly house, green house, banana ripening plant, food processing units, including Export Oriented Units to various farmers at a very cheaper rate.

(7) NABARD had in the year 2014-15 launched the scheme of establishment of Financial Literacy Centre (FLC) at Block level. Under their financial inclusion project NABARD had sanctioned grant to DCCBs for Capex for 1 year and for Opex for 3 years. NABARD has after -3-years, discontinued to give further grant on Capex Opex but our Bank has decided to continue FLCs from 2018 and till today we are running-13-FLCs from our own fund. The counsellors are engaged and they have so far bring thousands of family under Banking Umbrella and given benefits of Social Security Schemes to the poorest of the poor family.

(8) In respect of Social Security Scheme, we have done a wonderful work. So far, we have enrolled 411468 registrations under this scheme of which detail is as under :-

	Scheme	Registration
1.	PM JJY	72,476
2.	PMSBY	3,37,482
3.	APY	1,510

Further we write to inform you that, we are able to settled 150 claims since inception of the scheme and Insurance Companies have paid claim amount to the tune of Rs.3/- Crores to legal heirs of our deceased customers.

In respect of APY Scheme; our Bank has been awarded as under by PFRDA (Central Government Agency) since last-3-years.

(1) Amazing Achievers of APY (AAA) February-March-2021 Award of exemplary Achiever Best performing - Nodal Officer

(2) Wondrous warrior of winning Wednesday December-2021 Best performing - Nodal Officer

(3) Amazing Achievers of APY H2 (1st January 31 March -2022) Award of Exemplary Achiever

(4) Amazing Achievers of APY (AAA) 2.0 (1st January-31" March - 2022)

Award of Number ONE

(5) APY mega marvellous March (MMM) Login Days (March - 2022), Best performing - Nodal Officer

Award of excellence

(6) Rise Above. The Rest 4.0 Award of excellence Best performing - Nodal Officer

My Journey towards SHGs – The Game Changer

J. Jayabaskaran*

My journey towards the concept of SHG began 1995, when I was working as Stenographer in Advances Section in Tamil Nadu State Apex Cooperative Bank. At that time, I used to know very little about the concept of Self-Help Groups and in 2006 I came to know that Muhammad Yunus was awarded Nobel Prize for his path-finding innovative concept of Economic Emancipation of Poor women in Bangladesh through SHGs and with this, my interest in the concept of SHG grew and I am astonished by this new concept. Hence, I was very much delighted and interested to meet this Great Soul and wrote a letter, requesting him to attend Seminars to be conducted by Cooperative Banks in India and show us the Glimpse of his Magic Potion, the SHGs for the benefit of our country men and more particularly, the women.

Muhammad Yunus, Nobel Laureate in his book, "Banker to the Poor" had stated **'It's not people who aren't credit-worthy. It's banks that aren't people-worthy'.**

This journey continued when as a Cooperative Bank Officer, my Bank has provided enough and multiple opportunities to travel and I have the privilege and bent of mind to use this opportunity to travel across the length and breadth of Tamil Nadu to witness the economic life of poor people in these areas and the most striking thing that I have witnessed is the efficacy of Self-Help Groups and the silent role it had played in the minds of women, empowering them, which aspect, even they are not aware of. In certain districts I have seen SHG women members, who are so categorical in their demands about the services rendered by their Banks and the awareness level of these women are so astonishing.

Because of the emancipation of these women from the clutches of so called money-lenders, there is peace, which is brimming in their eyes and homes. To have a real Revolution, which is going to be long-standing and withstanding many obstacles that comes against the sustenance of such revolution is that it should be the one that is slowly percolating into the psyche of these tiny individual revolutionaries and one such Revolution, if I want to call it so, is the Idea of Self-Help Groups.

The method developed by my friend, Mr. Yunus is such that the idea of SHG is slowly seeping into the minds of its members. For the first six months, the SHG Members are entering into what we call a Probation Period, wherein they are learning and practising the Panchasutra or 5 principles:

> Regular meetings: SHGs should meet regularly to discuss savings, loan repayment, and other matters.
> Regular savings: SHGs should encourage members to save a set amount each week.
> Regular internal lending: SHGs should provide internal loans to members.
> Regular repayment: SHGs should ensure that members repay loans on time.
> Proper book-keeping: SHGs should maintain accurate books of accounts.

It goes against the popular notion that women are quarrelsome, when they are in groups and they will not work together for a common cause. Somewhat I also showed certain interest in this concept, for some time, when I have read an article wherein the following points were made:

"In the earlier days of Man-kind, men and women used to gather food for their family. Men used to go in groups for hunting, so that they will be able to hunt and kill bigger animals and carry them back to the households, which is otherwise not possible if they go for hunting separately.

In the same manner, women used to go for collecting food, which is more probably, fruits, nuts etc. and they will always favour themselves to be alone, so that the collection of food from trees and plants will be abundantly available to them alone."

I seemed somewhat inclined to accept this logic that women always like to work in singles and groupism is not their cup of tea. But the Truth is far greater than my above blind-sighted logic.

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I AM LARGE, I CONTAINED MULTITUDES:

But all my faintly held, ill-advised and prejudiced dogma about women and their sustenance as Groups is thrown into the air, when I joined as Branch Manager in our Bank, during January 2024.

Walt Whitman wrote the line "I am large; I contain multitudes" in his 1855 poem Song of Myself. I used to quote these lines often to proclaim myself as a man, who contain multitudes. May be this may be true. But it is truer when it is attributed to any women and more so, if she is a SHG Member.

I bear testimony to the very fact which is stated above, as I have witnessed the large-heartedness and multitudes in my Grand Mother, Mother and presently in my Wife-my bigger and better half. A Women is bigger than Nature, ever bigger than the entire cosmic surroundings. But the sorry fact is that they are not aware of their capabilities. Like the power of atom, which is clearly invisible, but made clearly made visible in Hiroshima when the United States dropped two atomic bombs on Japan during World War II, on Hiroshima and Nagasaki on August 6 and 9, 1945, respectively:

> Little Boy

The first bomb was dropped on Hiroshima at 8:15 AM on August 6, 1945. It was a gun-type bomb that weighed 9,000 pounds and had a diameter of 28 inches. The bomb was dropped by the Enola Gay, a B-29 bomber piloted by Colonel Paul Tibbets, Jr..

> Fat Man

The second bomb was dropped on Nagasaki at 11:02 AM on August 9, 1945. It was dropped by the Bockscar, another B-29 bomber.

The bombings killed between 150,000 and 246,000 people, mostly civilians, and remain the only use of nuclear weapons in an armed conflict. The effects of the bombings are still felt today, with survivors facing leukemia, cancer, and other side effects from radiation.

Every woman is a beneficial Little Boy and Fat Man and their energy, when synergised in the form of formation of Self-Help Group, it will make wonders, resonating in the entire Universe. This is the secret unearthed by Muhammad Yunus and this is the deliverance mechanism adopted and adapted by NABARD in India, to break-away the financial and social stranglehold that is gripping the women, since several centuries.

ANOTHER BLUNDER:

During the year 2020, when I initiated the process of introduction of SHG Loans in our Bank under the guidance of our then Managing Director, Respected Mr. M. Antonysamy John Peter, I had a certain hidden fear that this proposal of issuance of loans to SHGs in a big City like Chennai, where even the neighbours' name is not known to each other will be a failure. I had a blurred vision, while proposing the introduction of SHG Loans, so much so that even after years of existence in a home at Tambaram West, I do not know the names of my neighbours and my neighbours do not know my name.

Man is a Social Animal:

The Greek philosopher Aristotle said, "Man is by nature a social animal". He believed that humans are social creatures who thrive in the presence of others and that society is something that precedes the individual. Aristotle also believed that:

> An isolated life is unbearable for humans.
> Humans learn all their social qualities from society.
> Society fulfills all human needs and provides security

Even though, as per the above thoughts of Aristotle, man is a social animal, who loves company, more or less every individual is an Island, who is privy to himself and women are more privy to form and work in a group and more so under the concept of SHGs. But my apprehension is laid to rest, when I joined the Tambaram West Branch and within a period of six months, I am able to finance more than 30 SHGs, which testifies to the fact that naturally women are social animal and a noble being, who are more adaptable to the concept of SHG.

Now, as Branch Manager, day in and day out I am witnessing the enormousness of women, when they are associated into a Group, to transform not only their lives, but help transforming the Society as a whole.

My journey continues in the realm of providing financial services to the Women SHG Members and bear testimony to their large heartedness and multitudes. With the women in the forefront of banking, Golden Age of India is shining before my eyes.



Use of Artificial Intelligence in Short Term Cooperative Credit and Banking Institutions – A Review

Dr. Jagadeesh S Hanamashetti*

Artificial Intelligence (AI) plays a crucial role in the growth and development of a nation's economy. It refers to the equipment and tools used for receiving, storing, retrieving and sending data and information. The AI is expected to bring a new innovation in the functioning and management of bank especially for those banks which are growing gradually and are rural oriented in nature viz., State Cooperative Banks and District Central Cooperative Bans. AI technology plays a rather significant role for these developmental banks associated with the development function of the rural areas of the country. It is evident that the lack of capital and specialization in the use of AI enabled technology is the main drawback in the Rural Cooperative Banks.

Due to evolution in technology, human resources are being replaced by Artificial Intelligence (AI) technologies in almost all spectrum of society. However, AI provide sophisticated new and user friendly tools for performing day-to-day tasks with less time as compared to manual activities.

Keywords: Artificial Intelligence, Human Resources Management, Talent Management,
Employee Recruitment, Allocation of Human Resources.

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1. Introduction:

Rise of use of Artificial Intelligence (AI) in Banking Sector helping in paradox of the banks between choosing reducing their operation cost or meeting and exceeding customers' needs. AI has been able to provide the required impetus in order to overcome this dilemma. Including AI technologies for the purpose of persuading consumers to interact with digital channels has always been a crucial issue for AI because of the easy to use interface that it offers. Carrying out risk management in a global scale through manual means or traditional information systems does not seem practical. Majority of the banks in India including rural cooperative banks viz., State Cooperative Banks (StCBs) and District Central Cooperative Banks (DCCBs) are always in the opportunity to put in place the tools of AI in order to assess all the transactions on real-time basis. AI plays an extremely important role in the middle level of the bank but also use help in management of fraud by scrutinizing transactions for suspicious patterns in real-time, verifying necessary customer information for credit appraisal, and enabling risk analysts with appropriate suggestions for curbing risk.

2. About Artificial Intelligence:

Artificial Intelligence is technology that enables computers and machines to simulate human learning, comprehension, problem solving, decision making, creativity and autonomy. Applications and devices equipped with AI can see and identify objects. They can understand and respond to human language. Optimum outcomes of an enterprise are depending on the adoption of technology which in turn helps in extra performance and optimization. Adoption of AI technology enhances the possibility of improvement of efficiency of enterprise by human aid control. Artificial intelligence is the technology exercised to achieve a task that requires some position of intelligence to complete. It refers to a technology that has been trained to achieve like a mortal.

AI enhances mortal intelligence because it relieves labor force from indulging in duties that may be spontaneous, muscling them to embellish their knowledge and capabilities in an expressway consequently as to produce a lesser cost to the pot.

3. Short Term Cooperative Credit and Banking Institutions:

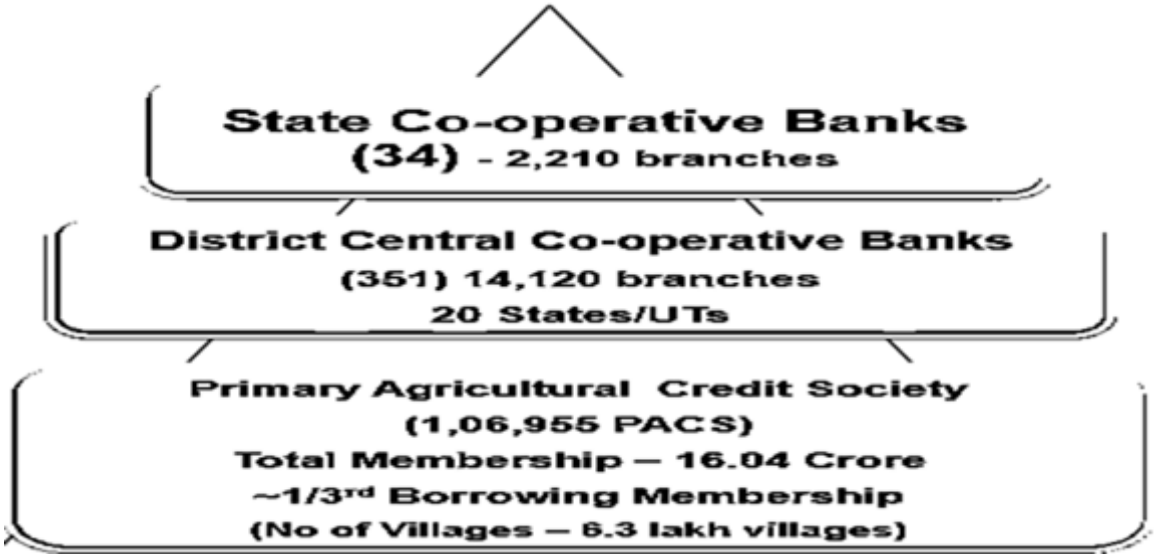
The Short Term Cooperative Credit and Banking Institutions (STCCBIs) are very important institutions in the rural and agricultural credit system in India, they consists of State Cooperative Banks (StCBs) at the state/apex level, District Central Cooperative Banks (DCCBs) at the district level, and Primary Agriculture Credit Societies (PACS) at the village level.

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The initial role of STCCBIs of providing short-term crop loans to farmers through PACS has since been widened to cover the non-farm sector; term lending to allied sectors; rural housing; Micro-, Small and Medium-sized Enterprises (MSMEs); microfinance; etc. Thus, the STCCBIs, rooted in the principles of equality, democracy, and mutual support, has been serving the rural community, especially farmers, through institutional credit. The details of structure as on March 2023 is given as below.

1. Short Term Cooperative Credit and Banking Institutions and AI:

Short Term Cooperative Credit Structure



Source: NAFSCOB, 2023

To meet agriculture credit, necessities of the weaker sections of the society and to develop rural economy of nation rural cooperative banks have been functioning at grassroots level. The STCCBIs were established for the purpose of development of agriculture, cottage industries, artisans, landless labourers and other related activities in the rural areas, credit and other facilities, particularly to small and marginal farmers, agricultural laborers, artisans and small entrepreneurs. These banks were meant to take banking to the rural masses, particularly in areas without banking facilities, make available cheaper institutional credit to the weaker sections of the society, mobilize rural savings and channelize them for other productive activities in rural areas and bring down the cost of providing credit in rural areas.

The use of AI in STCCBIs is necessary in the competitive banking era in extending following various innovative services to their customers;

1. Electronic Payment Services - E Cheques
2. Real Time Gross Settlement (RTGS)
3. Electronic Funds Transfer (EFT)
4. Electronic Clearing Service (ECS)
5. ATM
6. Debit/Credit cards

Artificial Intelligence based services and products in banking: The Artificial Intelligence based services include services like automatic cheque book re-order facility, etc, banks internally use them for employees' performance evaluation, credit evaluation of customers etc and products like customized investment advice for customers after for their portfolio analysis and customized investment solutions after evaluation the credit history as well as income pattern.

Intelligence and Analytics in Transaction Monitoring in Banking: The transaction history of a customer contains valuable information about their purchasing and investment preferences. Though this transaction-related data is available with banks at an individual customer level, lack of appropriate business intelligence (BI) and data analytics capabilities has resulted in a less than optimal use of this data in providing customized products, services and investment solutions to customers.

There is a growing realization among the banks that they are sitting on a treasure trove of information about their customers. By using this information, banks can not only meet their customers' financial needs more effectively, but can also derive a major competitive advantage in a marketplace which is becoming more and more competitive and globalized. This realization has resulted in a drive towards

increasing the role of artificial intelligence based business intelligence and analytics in transaction monitoring.

Status of Technology Adoption in StCBs and DCCBs:

There are 34 StCBS of which all banks have licenced and 351 DCCBs of which 348 are licenced in India. Most of the StCBs and DCCBs have implemented banking technology viz., Core Banking Solutions (CBS), NEFT/RTGS, Information Technology Policy and they on boarded Direct Benefit Transfer (DBT) and Public Financial Management System (PFMS) schemes of Government of India. The details of the same are provided in following table.

Status of Technology Adoption as on 31 March 2024

Activity	StCBs		DCCBs	
	Adopted	Gap	Adopted	Gap
Total Number of Banks	34		351	
No. of Licensed Banks	34		348	
No. of Banks on CBS	34	0	348	0
NEFT/RTGS	33	1	347	1
SMS Alert	33	1	347	1
ATM	31	3	284	64
No. of ATMS	958	-	4024	-
IT policy	32	2	340	8
Mobile Banking License	**21**	**13**	**113**	**235**
Internet Banking (Transaction)	**4**	**30**	**8**	**340**
BHIM UPI (Issuer)	**16**	**18**	**56**	**292**
NACH	32	2	341	7
NFS	32	2	328	20
PoS certified	29	5	298	50
E-Com certified	31	3	261	87
Onboarded to DBT	32	2	328	20
Onboarded to PFMS	33	1	335	13
IS Policy	32	2	333	15

Source: NAFSCOB, 2023

I) Conclusion

In conclusion, the integration of Artificial Intelligence (AI) in banking business incuding rural cooperative banks has brought about significant changes in extension of credit facilities to their customers. AI technologies offer sophisticated tools that enhance HR operations, improve decision-making, and optimize the employee experience. The use of AI in rural cooperative banks has benefits such as error reduction, increased efficiency, and cost savings. However, there are challenges, such as the need for upskilling HR professionals, concerns about job displacement, and the necessity of ensuring accurate and reliable data for successful AI implementation. It is crucial for organizations to understand the implications of AI in banking and adapt to the changing technological landscape to stay competitive in the future.

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"Corporate Governance" in State Co-operative Banks & District Central Co-operative Banks

- **S Satyanarayana***

At the outset, let us recount the proud moments of the coveted "Co-operative banking, particularly the short-term credit structure" in our country. When we just thought of so, series of questions would crop up in our minds.. to quote a few.. was it not a historic event in the year 1966 when all StCBs and DCCBs (along with UCBs) were brought into the gamut of Banking Regulation Act, by changing the very nomenclature of the Act from "Banking Companies Act" to "Banking Regulation Act"? Was that decision not a testimony for the significant role played by those financial institutions in rural India? Was it not a fact that it was, unequivocally, recoginised that those institutions rightly suit rural areas to meet the credit requirements of small and marginal farmers for carrying out their agricultural operations uninterruptedly? Was it not a fact that Primary Agricultural Co-operative Societies were "today's Self Help Groups" once ? Was it not an unforgettable history that co-operative credit structure exists for over hundred years and were the main banking channels for major part of rural India almost till 90's? And many more such pertinent questions on such victorious milestones of short-term co-operative credit structure in the annals of its history !

Unfortunate that all is not favourable to this structure as this feeling itself reflects in the major changes that took place in rural credit scenario right from the act of nationalisation of major commercial banks in 1969 and 1980 on the objective to introduce 'social control' in the working of commercial banks till the establishment of Regional Rural Banks as part of multi agency approach in rural lending and many subsequent developments. These two major decisions, in particular, have taken different turns thereafter for obvious reasons. That is altogether a different story.

All said and done, as of now, it is a fact that the market share of short-term co-operative credit structure has been on a declining trend in agricultural lending, the activity of which is the mainstay of these institutions, unfortunately even today. Besides, many DCCBs are still saddled with heavy accumulated losses, poor asset quality, lack of professionalism, tardy progress in business diversification, so on and so forth. As spelt out by NABARD in one of its latest publications, aggregate accumulated losses in respect of 108 of 351 DCCBs as on 31 Mar 2023 stood at Rs.8,357 crore. No point in enumerating the reasons therefor. Looking back gives us regrets. Looking ahead gives us opportunities.

Many committees, many reports, many revival programs in the past were initiated to revive or rejuvenate this credit structure. Elaborate, eloquent and timely instructions issued by erstwhile Agricultural Credit Department of RBI (merged with NABARD later), right from the year it was established (1954), on every aspect of the working of short-term co-operative credit structure, explicitly speak about the enormous concern shown by RBI and NABARD thereafter to nurture these organisations.

As spelt out in the "Statement of reasons and objectives", by Hon'ble Finance Minister of GoI, while presenting the BR (Amendment) Act (AACS) in the house of parliament in the month of September 2020, "Co-operative banks should be brought on par with developments in banking sector through better management & regulation and that there is a need to strengthen them by increasing professionalism, enabling access to capital and improving governance and ensuring sound banking." Ironically, this perplexity persists even after a century of its existence.

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As we all know, either professionalism or good governance is not such a commodity that can be bought in the market and infuse in the mindset of the people at the helm of the affairs nor could they be attained by issuing series of administrative circulars from Head Offices. As the adage goes, "If you don't change your approach, then you will never change your results!". True. In the backdrop of major changes (that were never thought of earlier) taking place in the banking industry and also during the days when all the banks are becoming stronger by amalgamating themselves, it is time opportune for StCBs and DCCBs to become resilient and transform themselves into more vibrant organisations to gain adequate financial strength to face their mighty competitors in the field.

All possible steps need to be initiated by these organisations to keep the ball rolling. In other words, these banks should continue to strengthen all their developmental activities without any letup. One such successful intervention is practicing robust "Corporate governance" in letter and spirit coupled with other initiatives and controls in their normal course of working.

What is "Corporate Governance"?

Basically, "Corporate Governance" refers to the way in which a business transacts. Relevant rules and regulations; organisation's policies and practices as also the way in which its internal working functions form part of "Corporate Governance". In other words, "Corporate Governance" is a system by which organisations are directed and controlled. It can be further explained that the main focus is to make the business of any organisation function in a **highly effective and profitable manner** so as to achieve the positive results, thereby maximise their returns. It is a continuous process.

Understanding the role of "Board of Directors"

There is a misconception amongst most of the Directors on the Boards of Management, may be with an exception of a few here and there, that they are the owners or rulers of the banks they represent. They ignore the fact that they are democratically elected representatives of the members. They should bear it in mind that they are the trustees of the bank to safeguard the interest of the depositors and to assist the bank to take prudent decisions on every aspect of its functioning, be it lending or investment or any other vital issue. Recently, as part of "Corporate Governance" in our DCCBs in Telangana, our TSCAB took a pro-active initiative to translate the English version of "Code of conduct for the Directors on the Boards of management of DCCBs" (issued by NABARD)1 into Telugu so that it would be understood by every Director representing the Boards of DCCBs. Copies of the same were distributed amongst them. We were overwhelmed with the response received. The role to be played by all the Directors on the Boards of DCCBs were clearly spelt out. Even the areas where the Directors should not interfere in the functioning of the banks were also vividly explained.

Understanding the "stake holders" of the bank

It is equally important for every one working for the bank to know who the "Stake holders" of their bank are. Stake holders are different from share holders. Stakeholders can be individuals or organisations, who can either impact the success or are impacted by any organisation. The "Stake holders" of our Co-operative banks, broadly, can be termed as (i) Depositors; (ii) Borrowing institutions; (iii)) Staff members; (iv) State Government; (v) Regulators and supervisors; (v) sympathisers and prospective customers. It is obvious that they are not our share holders. The matters referred to in the "Corporate Governance" policy are of utmost importance not only to our share holders and customers but also to such stakeholders of the bank.

The four 'P's of "Corporate governance"

Many management experts break "Corporate Governance" into four simple words, viz., **People, Purpose, Process,** and **Performance.** These are the guiding philosophies behind why governance exists and how it operates. Let's have a look at exactly what each of the Ps means. **People** exist on both sides of any business equation, be it commercial organisation or a co-operative bank. People are the organisers who determine a purpose to work towards, develop a consistent process to achieve it, evaluate the performance outcomes and use those outcomes to grow. Every step of good governance in the banks exists for a **purpose** and at the same time to strive to achieve that purpose. The word 'for'

should be the guiding principle for any organisation. Every StCB and DCCB should have a mission statement, clearly depicting the purpose 'for' which it was established and the purpose 'for' which it would work. Every decision taken in every Board meeting should contribute to making the business more effective at achieving the stated 'purpose'. "Good Governance" is the **process,** by which people achieve their organisation's purpose and that process is developed by analysing the bank's performance periodically by means of various parameters and financial ratios. **Performance** analysis is a key skill in any organisation. The ability to look at the results of a process and determine whether it was successful or otherwise and if successful, apply those findings to the rest of the organisation, which is one of the primary functions of the "Corporate Governance".

Principles of Corporate Governance

(i) Transparency : Transparency is an essential component at all levels of operation in a business entity; especially at the top management level, where major decisions are made and where major plans are formulated.

(ii) Accountability : Accountability establishes a system in place where everyone is held accountable for their respective work and associated duties. Accountability holds two main things firmly in place – (a) ensures that the management is accountable to the Board; and (b) ensures that the Board is accountable to the shareholders.

(iii) Independence : The ability to make decisions while being free from any sort of constraint or without any influence is what independence is. It is the ability to stand firm in the face of inappropriate influences; the ability to make unadulterated, firm decisions on any given issue and the ability to adhere to professionalism and do right by the organisation.

Responsibilities of the board - culture and values[2]

A fundamental component of good governance is a culture of reinforcing appropriate norms for responsible and ethical behaviour. To promote a sound culture, the board shall reinforce the "tone at the top"3 by:

- playing a lead role in establishing the bank's culture and values;
- adhering to values that create expectations that all business shall be conducted in a legal and ethical manner;
- sustained oversight on adherence to such values by senior management and other employees;
- ensuring primary responsibility resting with CEO and senior management;
- confirming that appropriate steps have been or are being taken to communicate throughout the bank the values, professional standards or code of conduct it sets, together with supporting policies;
- making certain that the CEO and other whole-time Directors are highly visible in championing the desired values and conduct and that they face material consequences if there are persistent or high-profile conduct and value breaches;
- confirming that all the employees, including senior management, are aware that appropriate disciplinary or other actions, including those related to compensation / career progression, will follow any unacceptable behaviour, including weak management oversight and transgressions including wilful blindness;
- implementing a feedback system where the Board can systematically assess whether the espoused values are communicated, proactively promoted by Management and Staff at all levels; and
- ensuring that assessment of adherence to bank's values and desired conduct is factored in extant performance appraisal system of each employee throughout the bank.

How to put all the aforementioned doctrines in practice?

It will not suffice to have a well-defined policy. At the same time. it should be ensured that the policy is well executed and continuously monitored. To put all the above into practice the board shall have oversight of -

- a code of conduct or comparable policy, which shall

[1] As laid down in NABARD's Cir No. NB.IDD/08/POL-25, dated 2020-21 (Cir. No. 178/2020), dated 29 June 2020
[2] Source : Discussion Paper on "Corporate Governance" published by RBI in June 2020.
[3] 'Tone at the top' is a term for the ethical climate of an organization's Senior Managers, Board of Directors and Audit committee. It includes prevailing attitudes towards fiduciary duty, financial diligence, risk management, compliance to the law, employees and the environment.

- define acceptable and unacceptable behaviour;
- explicitly disallow illegal activity, such as financial misreporting, misconduct, economic crime including fraud, breach of sanctions, money laundering, anti-competitive practices, bribery and corruption, or violation of consumer rights; and
- it shall make clear that employees are expected to conduct themselves ethically, perform their job with skill, due care and diligence in addition to complying with laws, regulations as well as internal policies of the bank.

> bank's values which shall recognise critical importance of
- timely and frank discussion; as well as
- escalation of problems to higher levels within the organisation.

> a whistle-blower policy which shall be well operationalised and widely communicated -
- so that all stakeholders, including employees, shall be encouraged and are able to communicate bona fide concerns about illegal, unethical or questionable practices;
- with adequate procedures and processes that allows bona fide concerns to be registered in a confidential manner;
- with the board taking responsibility for ensuring that those who raise concerns are protected from detrimental treatment or reprisals;
- with board oversight including approval of how, by whom legitimate material concerns shall be investigated and addressed by an objective independent internal or external body or the board itself.

> Constitution of various Committees4, like Audit Committee, Asset liability Management Committee, Investment Committee, Risk Management Committee, Special Committee of Board for monitoring frauds etc. and overseeing their functioning and putting up the calendar of reviews to the Board of Directors periodically.

Conclusion

Much more can be documented on the subject. There are many things to be discussed. However, I conclude with the remarks made in the Discussion paper on Governance in Commercial Banks" published by RBI in the month of June 2020, "…. in the context where management plays the role of an agent of a board and the board in turn plays the role of an agent of shareholders, governance failures have brought to fore the impact of quality of governance on efficiency in allocation of resources, protection of depositors' interest as well as maintaining financial stability". Every member on the Board of Management and every member on the rolls of the banks should remember that –

"Loyalty, up and down the line. That is one quality an organisation must have to be successful" –
Burn Phillips

[4] c/f: NABARD's Cir No. NB.IDD/08/POL-25, dated 2020-21 (Cir. No. 178/2020), dated 29 June 2020



Cooperatives Build Prosperity for All - The Unique Role in India

TBVR Srinivas Rao*

India's cooperative movement has been a cornerstone of its socio-economic development, playing a critical role in empowering people across sectors such as agriculture, finance, housing, and retail. India's cooperative sector is among the largest and most diverse in the world, addressing the needs of millions of people from marginalized and underserved communities.

Historical Importance of Cooperatives in India

The cooperative movement in India can be traced back to 1904, with the establishment of the first cooperative credit societies. It was aimed at addressing the problem of rural indebtedness and exploitation by moneylenders. Since then, cooperatives have grown in size and scope, becoming vital to India's rural economy. The Indian government has continuously supported the cooperative movement, recognizing its potential to democratize the economy and provide fair opportunities to small and marginal farmers, artisans, and workers.

Role in Agriculture and Rural Development

Agriculture is the backbone of India's economy, and cooperatives have played a vital role in uplifting this sector. Agricultural cooperatives in India help farmers by providing access to credit, inputs such as seeds and fertilizers, and markets for their produce.

Primary Agricultural Credit Societies (PACS), which form the base of the cooperative credit structure, help farmers gain affordable loans and reduce their dependency on informal moneylenders.

Cooperatives also contribute to improving infrastructure in rural areas, such as storage facilities and irrigation systems, thereby reducing post-harvest losses and enhancing productivity. This role becomes even more important given that 70% of India's population lives in rural areas and relies on agriculture for their livelihoods. Cooperatives provide a platform for small-scale farmers to pool their resources, increase bargaining power, and access government schemes more effectively.

Financial Inclusion through Cooperative Banks

India's cooperative banking system, consisting of State Cooperative Banks **(SCBs), District Central Cooperative Banks (DCCBs),** and PACS, provides crucial financial services to rural populations who may not have access to mainstream banking. Cooperative banks offer affordable credit to farmers, small businesses, and Self-Help Groups **(SHGs),** fostering entrepreneurship and rural development. These banks help fill the financial inclusion gap by reaching the underserved areas where commercial banks often do not operate.

The **National Bank for Agriculture and Rural Development (NABARD)** has been a key supporter of cooperatives, offering refinance facilities and developmental support. Initiatives like the **National Rural Livelihood Mission (NRLM)** have further boosted cooperative banking, with millions of women, especially from SHGs, benefiting from concessional loans and financial support for micro-enterprises.

Empowering Women and Marginalized Communities

The **Self-Employed Women's Association (SEWA)** is a prominent example of how cooperatives can transform the lives of women by giving them access to credit, training, and markets.

Contribution to India's Dairy and Sugar Industries

Two sectors where cooperatives have particularly excelled in India are dairy and sugar production. The **White Revolution,** or Operation Flood, spearheaded by the **National Dairy**

* Assistant General Manager, TSCAB, Hyderabad

Development Board (NDDB) and powered by cooperatives like **Amul,** turned India into the world's largest milk producer. Dairy cooperatives provide small farmers with steady income, technical assistance, and a market for their milk, transforming rural economies.

Similarly, cooperatives dominate India's sugar industry, particularly in Maharashtra, Karnataka, and Uttar Pradesh. **Sugar cooperatives** manage everything from farming to sugar production and distribution, ensuring fair prices for farmers and profit-sharing. These cooperatives have not only improved the economic well-being of sugarcane farmers but also played a vital role in regional development by setting up schools, hospitals, and infrastructure in rural areas.

Role in Social Welfare and Community Development

Cooperatives in India often extend their role beyond economic activities and engage in social welfare programs. Many cooperatives invest in community development initiatives such as education, healthcare, and skill development. This approach helps build more resilient and cohesive communities. For instance, some agricultural cooperatives offer training programs to farmers on sustainable farming techniques and modern agricultural practices, thereby improving productivity while preserving the environment.

In addition, the Pradhan Mantri Jan Dhan Yojana (PMJDY) and other government schemes aimed at increasing financial inclusion have been implemented effectively with the help of cooperative banks, ensuring that rural populations benefit from subsidies, insurance, and pension schemes.

Government Support and Policy Framework

The Indian government has been a strong advocate of the cooperative movement. The creation of the **Ministry of Cooperation** in 2021 marked a significant step in strengthening and promoting the cooperative sector in India. The ministry aims to streamline policies, provide financial support, and ensure the effective implementation of various cooperative-related schemes. **The Multi-State Cooperative Societies (MSCS) Act, 2002,** further facilitates the formation and functioning of cooperatives across state lines, enhancing their operational flexibility.

Challenges and the Way Forward

While cooperatives in India have achieved remarkable success, they also face challenges. Issues such as political interference, poor governance, and lack of professional management can hinder their growth. Additionally, many cooperatives, particularly PACS, struggle with capital shortages and inadequate infrastructure.

To address these issues, there is a need for reforms aimed at professionalizing management, improving transparency, and ensuring the financial sustainability of cooperatives. Technology adoption, such as digital banking solutions and e-marketing platforms, can further strengthen cooperatives by expanding their reach and improving efficiency.

National Federation of State Cooperative Banks **(NAFSCOB)** in India playing a very important role to strengthen Short Term Cooperative Credit Structure, viz. by conducting/organising National and Regional seminars on Vision for Amrit Kaal (2022-2047) enabling Govt of India (Coop Ministry) to move forward with greater vision. Since more than 60 years, NAFSCOB is playing a vital role in CCS (State Coop Banks-Dist Coop Central Banks-Primary Agrl Coop Societies). It also addressing issues of Short Term Cooperative Credit Institutions with NABARD, RBI, Ministry of Agriculture & now with Ministry of Cooperation to find a fruitful solution.

The Cooperative Difference in Times of Crisis

The COVID-19 pandemic provided a stark example of how cooperatives can serve as lifelines in times of crisis. Many cooperatives adapted to the challenges by ensuring the continued supply of essential goods, providing financial relief, or transitioning to new business models like e-commerce. **This adaptability demonstrates the cooperative sector's capacity for innovation and its commitment to serving its communities in good times and bad.**

Conclusion: Building Inclusive Prosperity

India's cooperative sector exemplifies how collective action and community-driven initiatives can lead to widespread prosperity. By empowering small farmers, workers, women, and marginalized communities, cooperatives create opportunities for sustainable economic growth that benefits all. As India moves forward, cooperatives will continue to play a vital role in realizing the dream of inclusive prosperity, ensuring that no one is left behind in the journey of development. Thus **"Cooperatives Build Prosperity for All".**

BRIGHT Future of Rural Cooperative Banking in India

R. Ramachandran*

We all know nationalisation of banks happened in 1969 but nationalisation of PACCS happened in 2021 when the cooperative ministry was formed at the center. Consider this : our PACCS with no branches have a profit which the district central cooperative bank with 41 branches want to emulate. Of course we are one of the largest shareholder of the District bank as well. With the subsidy grant from the state and central government we were able to improve our services all these years. Since those grants come only after services rendered after a year, the common service centre and petrol pump operated by our PACCS have strengthen our daily cash flow.

The future of cooperative Banking is so bright that with the classification of PACCs and computerised network. With Tamilnadu already in front in this space and the central government s push for greater integration the digital era of the forth coming decades will reach out the youth.

The Rajkot District banks unique 24 hour locker services, the PACCs at Nimbod, Rajasthan providing machinery to small farmers, the opportunities are endless for the cooperative banking sector. With RBI crediting back the dividends into the government's kitty I propose NAFSCOB to deliberate and give cooperators an opportunity to invest in the share capital of District and state cooperative Banks.

With mobile phones helping the masses on the mobility it's high time that RBI with its suo moto vision should list cooperative banks. REPCO bank is one such example how coops can be listed successfully in the National exchanges. With cooperative education fund and training smartly with smart phones the next big leap will be from cooperative banks.

We all know how tedious to travel to other parts with language barrier. My visit to BIRD, lucknow proved worthwhile albeit a short one. NAFSCOB should atleast invite cooperative leaders of grassroot level Primaries to theme based brain storming conventions.

Finally, Sarswat bank to District cooperative banks should engage youth in their CASA list to make aware of the advantages of Term insurance, accidental home loan insurance. When I was at the helm of my PACCS we created an application window of seven day promise of crop loan. It resulted in doubling of advances and earned the appreciation from the district bank which resulted in even higher revenue.

I wish cooperative banks and NAFSCOB to serve the people of this great nation. I urge the central and state government to reintroducing sub ₹ 10000 loans with aadhaar as the collateral.

Viksit Bharat, NAFSCOB !!!

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* Member, NCCE (NCUI)

Data analytics in Cooperative Banks

K. T. Rajakumar*

In recent years, data analytics has become an invaluable tool across various sectors, including finance.

As per McKinsey's Global Banking Annual Review 2024, 60% of banks believe that data analytics will be the most important driver of innovation in the banking industry over the next five years. As per Allied Market Research report, the global data analytics in the banking industry was pegged at $4.93 billion in 2021 and is estimated to reach $28.11 billion by 2031, growing at a CAGR of 19.4% from 2022 to 2031. According to the McKinsey report on Corporate and commercial banking, it accounts for $2.3 trillion in revenues.

Cooperative banks, in particular, can benefit significantly from data analytics due to their unique structure and operational goals. Cooperative banks operate on a mutual benefit model, emphasizing service to members rather than solely focusing on profit generation. This focus often differentiates them from commercial banks, where profits and shareholder value typically take precedence. Data analytics can support cooperative banks in making data-driven decisions, improving customer service, reducing risks, and enhancing operational efficiency, aligning well with their mission of providing sustainable financial services to the members.

1. Role of Data Analytics in Cooperative Banks

Data analytics involves processing huge volumes of data to extract meaningful insights that can guide strategic decision-making. For cooperative banks, data analytics provides an opportunity to deeply understand their members' needs, preferences, and financial behaviour, thereby enabling them to personalize services and ensure member satisfaction. By analysing demographic data, transaction patterns, and service usage, cooperative banks can tailor their offerings, improve financial inclusivity, and increase member retention.

Further, data analytics can optimize a cooperative bank's resources by streamlining operations and identifying cost-saving opportunities. For instance, analytics can reveal inefficiencies in loan processing times or high operational costs in certain branches / payment channels, allowing management to address these issues proactively.

2. Benefits

As per The Global State of Enterprise Analytics report, the benefits of data analytics include:

- Improved customer acquisition and retention
- Improved customer experiences
- Identification and creation of new product and service revenue
- Competitive advantage
- Improved efficiency and productivity
- Better financial performance

3. Four types of data analytics

There are four major types of data analytics:

1. Descriptive analytics
2. Diagnostic analytics
3. Predictive analytics
4. Prescriptive analytics

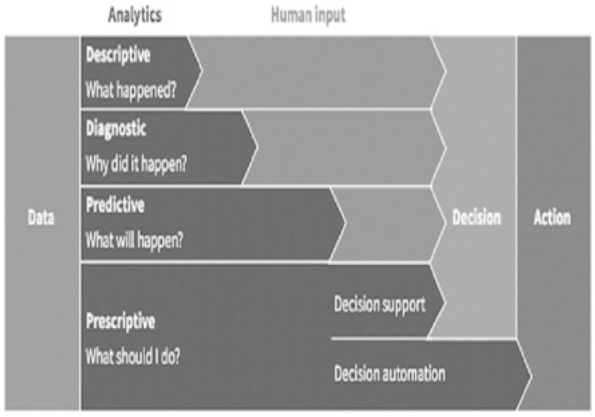


Image Source: https://datajourney.akvo.org/

3.1 Descriptive analytics ("What happened"?)

Descriptive analytics is the foundational stage of data analytics, focused on summarizing and

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interpreting historical data to understand what has happened in the past. This type of analytics provides insights by organizing data into a digestible format, allowing bankers to understand patterns, trends, and relationships. It answers the question, "What happened?" by offering a data-driven overview that organizations can use as a baseline for more advanced analysis or decision-making.

3.1.1 Components

- Data Aggregation and Collection
- Data Summarization and Visualization
- Key Performance Indicators (KPIs) and Metrics

3.1.2 Application

It can be used to monitor day-to-day transactions, track financial performance, and detect trends in customer spending behaviour.

3.2 Diagnostic analytics ("Why did this happen"?)

Diagnostic analytics is the second stage in the data analytics hierarchy, following descriptive analytics. While descriptive analytics helps to understand what has happened, diagnostic analytics explains why it happened. By identifying root causes and analysing underlying factors, diagnostic analytics provides an understanding of events or trends in historical data. Diagnostic analytics is crucial for banks because it helps uncover the reasons behind successes and failures, enabling a more data-driven approach for improvement.

3.2.1 Components

- Data drilling and filtering
- Correlation and Causation Analysis
- Comparative Analysis
- Root Cause Analysis

3.2.2 Application

Banks use diagnostic analytics to investigate factors behind increased customer churn or loan default rates. By examining variables like interest rates, loan tenures, and customer profiles, they can identify the root causes of these trends.

3.3 Predictive analytics ("What will happen"?)

Predictive analytics is the practice of deriving information from existing data to identify the likelihood of patterns and predict future outcomes and trends. It forecasts what might happen in the future with an acceptable level of reliability and incorporates what-if scenarios and risk assessment.

Unlike descriptive and diagnostic analytics, which focus on past and present data, predictive analytics aims to answer the question, "What is likely to happen?" By analyzing patterns, trends, and relationships in existing data, predictive analytics enables organizations to anticipate future events, make proactive decisions, and gain a competitive edge.

3.3.1 Components

- Data Collection and Preparation
- Statistical Analysis and Algorithms
- Machine Learning and Model Training
- Predictive Modelling and Forecasting

3.3.2 Application

In banks, predictive analytics assesses credit risk, fraud risk, and customer behaviour. Banks use predictive models to determine loan approval odds, forecast customer churn, and detect suspicious transaction patterns that could indicate fraud.

3.4 Prescriptive analytics ("What should I do"?)

Prescriptive analytics represents the most advanced stage in data analytics, guiding organizations on what actions to take to achieve desired outcomes. Building on descriptive, diagnostic, and predictive analytics, prescriptive analytics uses complex algorithms, machine learning, and simulations to recommend specific courses of action based on predicted scenarios. While predictive analytics answers "What is likely to happen?", prescriptive analytics answers "What should we do

about it?" This capability enables cooperative banks to optimize decision-making, reduce risks, and drive strategic goals.

3.4.1 Components

- Optimization Models
- Machine Learning and Artificial Intelligence Algorithms
- Simulations and Scenario Analysis
- Decision Rules and Constraints

3.4.2 Application

Banks use prescriptive analytics for portfolio management, credit scoring, and risk mitigation. By analyzing customer profiles and market trends, prescriptive models suggest personalized investment strategies or loan terms that align with each customer's financial goals.

4. Data analytics process

The data analytics process involve:

1. Defining the problem / objective
2. Data collection
3. Data cleaning and preparation
4. Data exploration and analysis
5. Data modelling and algorithms
6. Interpretation and evaluation
7. Data visualisation and reporting
8. Decision making and implementation
9. Feedback and iteration

5. Data sources for cooperative banks

- National Cooperative Database of Ministry of Cooperation, Govt. of India (cooperatives.gov.in)
- Reserve Bank of India (www.rbi.org.in)
- NABARD (www.nabard.org)
- NAFSCOB (www.nafscob.org)
- Economic and agriculture websites
- Kisan Credit Card – Interest Subvention Scheme portal of GoI (fasalrin.gov.in)
- Core Banking Solutions reports
- RTGS/NEFT/NPCI reports
- State Level Bankers Committee (SLBC) Reports
- Other sources

6. Use cases of data analytics in cooperative banks

The use cases of data analytics can be broadly grouped into the following five categories:

1. Customer Management
2. Product / Service Management
3. Operations Management
4. Risk Management
5. Compliance Management

6.1 Customer Management

6.1.1 Customer Segmentation

The analysis of transactional data, credit history, and business behaviour patterns, banks can categorize the customers into various segments based on risk profiles, creditworthiness, and financial needs. With this segmentation, banks can offer tailored products and services that align with each segment's needs. With predictive analytics, banks can increase / decrease the infrastructure, logistics.

6.1.2 Targeted / personalised marketing

Data-driven insights help customize the content customers see on websites, apps, or emails. A user who browsed specific categories may see relevant blogs, videos, or guides that enhance engagement.

Analytics determines when and how often customers interact with brand content, enabling optimal message timing and the use of channels (e.g., SMS, email, push notifications) that each customer prefers.

6.1.3 Cross-selling of products

With the descriptive analytics, banks can identify the customers with low income and in unorganised sector. Banks can use this information to enrol them into PMJJBY / PMSBY insurance schemes.

6.1.4 Customer churn analysis

Churn analysis is the process of identifying, understanding, and predicting why customers stop using a product or service of the Bank (i.e., "churn").

By analysing customer behaviour - such as withdrawal patterns, loan repayment timeliness, and usage frequency of services - banks can identify signals that may indicate churn risk, such as reduced interactions or fewer transactions.

Using machine learning algorithms, banks can build predictive models that highlight customers at high risk of leaving. These models factor in historical data, transaction behaviours, account usage, and even lifestyle changes to predict future behaviour. By using this information, banks can improve customer happiness and loyalty by launching retention initiatives, since retention is cheaper than acquiring a new customer.

6.2 Product / Service management

Cooperative banks can create new products and services by using data analytics by gaining insight into customer preferences and needs. For example, the bank can create customized loan products to assist customers if analytics show a high demand for a particular loan. For example, Pilgrimage loan can be offered for Amarnath Yatra / Hajj / Umrah pilgrimage during the season. Additionally, banks may improve the user experience on their web platforms by examining how digital banking services are used.

6.3 Operations Management

6.3.1 Cash and funds management

By analysing the cash receipts and payments at the branches over a period, banks can predict low and high cash requirements, thereby fixing optimal Cash Retention Limit (CRL). The analysis of ATM transactions helps the Banks to load sufficient cash during the peak and non-peak period / seasons. Example festival season, continuous holidays need more cash in the ATMs.

Analysis of payment channel data gives a clear picture about the fixation of Net Debit Cap (NDC) with NPCI. This will prevent the decline of services by NPCI due to the breach of NDC.

The farmer-level crop loan issue data in KCC-ISS portal help the PACS and DCCB / StCB to predict the loan requirements and borrowings. With this data, Cooperative Banks can prepare annual plan on loan issue, borrowings and repayments, thus managing liquidity in the system.

6.3.2 Operational efficiency and cost optimisation

In cooperative banks, analytics can enhance resource allocation and expedite procedures. Banks can find bottlenecks, adjust staffing numbers, and cut down on wasteful spending by examining operational data. For instance, examining transaction patterns at branches aids in identifying peak hours / days, enabling staffing plans to be improved. Digital services are also subject to cost optimization since analytics may be used to determine the most popular features and improve service effectiveness. Example: Leveraging technology for cheque request, funds transfer, ATM card PIN change, loan request, deposit creation / closure / foreclosure, using chatbots for routine customer queries.

6.3.3 Process automation

The analysis of tasks on routine nature provides information on need for automation, thus reducing operational costs.

6.3.4 Predictive maintenance for physical and digital infrastructure

Cooperative banks, particularly those located in rural areas, typically run physical branches and ATM networks. Predictive analytics assists in managing these infrastructures by detecting patterns that signal possible breakdowns or the necessity for maintenance. In the realm of digital channels, predictive maintenance can minimize interruptions by pinpointing weaknesses in banking applications and websites, thus guaranteeing ongoing service availability for customers. Example: prediction of ATM downtime, seasonal electricity fluctuation / non-availability, landslide in hilly regions, flood.

6.4 Risk Management

6.4.1 Credit risk assessment

The primary objective of credit risk assessment is to quantify the risk associated with

lending and to decide whether to extend credit to a borrower and under what terms. It is a crucial part of the lending process because it helps to mitigate potential loss due to defaults.

Using predictive analytics, cooperative banks can analyse historical data to evaluate the creditworthiness of loan applicants. Factors such as income, employment history, and previous loan behaviour are assessed to determine the probability of default.

Cooperative banks can use the following data for credit risk assessment:

i) External data sources

- Credit bureau data (Transunion CIBIL, Experian, Equifax, CRIF Highmark)
- Economic and market forecasts
- News and social media

ii) Internal data sources

- Internal client behaviour data
- Internal cross-product behaviour data
- Internal client interaction data

6.4.2 Bank-wide Risk Management and Scenario Analysis

Data analytics allows cooperative banks to simulate potential risks, including economic downturns or changes in the lending environment, and formulate contingency strategies. For instance, in times of economic difficulty, predictive models can evaluate which loan portfolios face the highest risk, enabling banks to modify lending criteria or set aside extra provisions for loan losses. Scenario analysis further assists in capital planning and liquidity management, supporting the bank in sustaining financial stability.

Example: Decrease in the price of gold leads to gold loan losses, COVID impact on loan repayment, drought / flood and crop loan collection, increase in loan portfolio without equivalent increase in share capital leads to shortfall in CRAR (Capital to Risk Weighted Assets Ratio).

6.4.3 Fraud Detection and Prevention

Finding odd trends or questionable transactions that can point to fraud requires data analytics. By using machine learning algorithms to track real-time transaction data, cooperative banks can identify possible fraud indicators including irregular transfer patterns, abrupt withdrawals, or quick account access from several locations. Fraud detection powered by analytics improves security and increases customer trust.

Fraud analytics assigns a risk score to a transaction by using machine learning to analyse all relevant transaction data. It suggests approving the transaction, blocking it, or requesting step-up authentication before approving it based on the risk score.

6.5 Compliance Management

Cooperative banks must comply with various regulatory requirements, including Anti-Money Laundering (AML) laws, Know Your Customer (KYC) guidelines, and data privacy regulations. Reporting to RBI and NABARD (ENSURE portal) requires automation of data required for these reports.

7. Challenges in Implementing Data Analytics in Cooperative Banks

Although there are advantages, cooperative banks encounter various obstacles in using data analytics. Numerous cooperative banks do not have the necessary technical infrastructure and qualified staff to handle and interpret significant amounts of data efficiently. Furthermore, the sensitive nature of financial information raises heightened concerns regarding data privacy and security. Protecting member data and adhering to data protection regulations are the vital factors when incorporating data analytics.

A further challenge is the reluctance to adapt within traditional banking environments. Cooperative banks have established procedures and practices that can be hard to modify. Adopting data analytics necessitates a transition to a more technology-

oriented strategy, which can be challenging for banks that rely on traditional methods.

8. Future of Data Analytics in Cooperative Banking

With the ongoing expansion of digital banking, it is probable that cooperative banks will increasingly incorporate data analytics. Utilizing advanced analytical methods like machine learning and artificial intelligence can facilitate predictive and prescriptive analytics, enabling banks to more accurately foresee trends, member requirements, and risks. This transition can assist cooperative banks in maintaining competitiveness within a swiftly changing financial environment while staying committed to their member-centric goals.

Additionally, cooperative banks can overcome infrastructure and resource constraints and more effectively leverage the power of data analytics by partnering with fintech companies and investing in cloud-based data solutions. These developments can enable cooperative banks to provide fresh, creative and innovative services and stay relevant to their younger, tech-savvy clientele.

9. Conclusion

In conclusion, data analytics offers a transformative opportunity for cooperative banks. By leveraging data analytics, banks can better understand member needs, reduce operational inefficiencies, manage risks more effectively, and ensure regulatory compliance. While there are challenges in implementing data analytics, strategic investments in technology and talent can enable cooperative banks to realize their full potential. In an increasingly digital financial environment, embracing data analytics will not only enhance the services of cooperative banks but also strengthen their role as community/member-centred financial institutions.



Leading Role of the Satara DCC Bank in Co-operative Banking

- Dr. Rajendra Nanasaheb Sarkale*

Introduction

In India out of total population, 70% population lives in rural areas. Majority of the population depends on agriculture, which is the main financial source of farmers. In Maharashtra farmers face number of socio-economic problems, like lack of credit availability for small farmers, inability to repay, high interest rate charged, rising cost of cultivation which results in poor performance of the economic growth. Co-operative plays crucial role to fulfill these needs of farmers and support to purchase seeds, fertilizers insecticides etc.

Cooperatives have been known to serve the last mile clients / farmers with their innovative Crop loan system, supported by their membership base. They have become an integral part of the success of Indian Financial Inclusion story, particularly covering the farming community. Without a sound and effective rural cooperative banking system, rural India may find it difficult to have a healthy economy. In Maharashtra, district central cooperative banks are playing important role in development of basic needs of farmers and their financial elevation. The Satara District central cooperative bank is one of the leading Co-operative Bank in India.

Today, The SDCC Bank leads the Co-operative Banking Sector. This is not just a bank but is the nucleus hub of a flourishing movement that is bringing prosperity, well-being and a better standard of living to the Rural Society in the District, aiming full utilization of their hard earned resources. Bank has emerged as the economic power house of the Satara district. The Bank leads the Co-operative Credit Banking. Bank has fully engaged for socio-economic upliftment of the farmers of Satara District since 1949. The history of the establishment of the bank is also magnificent.

Ex-Deputy Prime Minister of India Late Hon. Yashwantrao Chavan and Great Freedom Fighters Late Balasaheb Desai, Raghunathrao Patil, Kisan Veer and other dignitaries established the bank on 15th August 1949 with great vision of development in mind. Their dedication, hard work and team spirit has turned it into a success story in 75 years. Experienced Hon. Board of Directors and Excellent Administration of the Bank did not let their vision down, and continuously strived for serving and reaching the poor and the deprived, with its untiring efforts.

Highlights and Unique Achievements of the Bank

1. Establishment: The Bank is established on 15th August 1949 and have commenced working from 11th November 1950.

2. Registration & RBI License: The Bank is registered under Bombay Co-op. Societies Act 1925 in 1961 and having Registration No. 13179 / 1961. The bank is holding RBI Business License since 1994 and License renewed number is RPCD.1259/ 18.01.038/2011-12 dated 20th December 2011.

*Chief Executive Officer, The Satara DCC Bank Ltd.,

3. Highest award winner Bank: Bank has won 111 National & State level awards. Bank has been awarded by NABARD by "Best Performance Award" from 1997 to 2004 for 6 times consecutively. Also again Bank has been awarded by "Best Performance Award (Special Commemorative Award 2021) by NABARD". Recently Bank has been awarded for "Continuous Best performance in a decade" by NAFSCOB by the auspicious hands of Central Cooperative Minister Hon. Amitji Shah.

   Bank is an ISO 9001:2015 Certified organization. Also Recorded as "Co-operative Banking Topper" in Limca Book of Records.

   Also Bank has been awarded by Govt. of Maharashtra, NAFSCOB, MSC Bank Association, MSC Bank and from admired institutions like Banking Frontiers, Mumbai, Avies Publication, Kolhapur etc for its outstanding performance in the cooperative banking sector and for several social transformation initiatives.

4. BOD & Administration: Bank is having Proactive and Professional Board of Directors & Excellent Administration.

5. Branch Network: Total number of branches are 307 and 12 Extension counters in 11 blocks of the Satara District.

6. Business: As on 31.03.2024, total business of the Bank is Rs. 17804.79 Crore, having 10511.52 Crore Deposits and 7293.27 Crore Loans.

7. Members: As on 31.03.2024, Bank is having 2707 members, including 2633 Society and 74 Individual members

8. Affiliated PACS: There are 961 PACS affiliated with the bank. Total 947 PACS are in profit. Total 933 PACS are selected for National programme of computerization. PACS Development Cell (PDC) is also functioning in the Bank on the lines of NABARD's guidelines.

9. CBS Implementation: All branches were computerized in 2009 and working on CBS platform since 2013.

10. Hi-Tech Services: Bank is providing Hi-Tech Services like RTGS/ NEFT/ Any Branch Banking / Internet Banking (view only)/ Rupay Debit Card/ CTS clearing/ Mobile Banking, IMPS, and UPI. Bank has introduced KCC Scheme since Govt. of India has made announcement for this scheme. Also Bank is providing banking services at remote area thorough Mobile Banking Van.

11. Locker facility: Bank is providing Locker facility to the customers from its 90 branches containing total number of 9368 lockers.

12. Audit Classification: Last 75 years bank is being awarded audit class "A"

13. Profit making bank: Bank has been making profit since last 74 years.

14. Dividend to the shareholders: Bank is paying dividend since beginning. The bank is distributing more than 10 % dividend consecutively for last 29 years.

15. Recovery performance: Bank has achieved up to 99 % recovery of loan at bank level consecutively for last 14 years.

16. NPA Management: Bank has maintained 0 % Net NPA on loans and advances consecutively for 17 years and even Gross NPA of the bank is below 1 % for last 14 years.

17. Important Ratios: As on 31.03.2024, Bank has maintained standard of all ratios as 11.34% CRAR, 0.70% Gross NPA, 0% Net NPA, 69.38% CD ratio, 1.96% Cost of Management, 2.86% Gross Financial Margin, 1.00% Net Margin.

18. Interest free Crop Loan: Bank has been giving 2% interest subvention to farmers availing crop loan from 1 Lakh to 3 Lakh, which helps farmers to get crop loan at 0 % effective interest rate for last 14 years.

19. Interest free Education Loan: Bank has been giving interest subvention from its profit for education Loan and make available education loan up to Rs. 40 Lakhs with effective interest rate of 0 % since last 11 years.

20. Interest free Loan for construction of Godown & Office Premises to PACS: Bank has been giving interest subvention from its profit for the same.

21. Special incentives to PACS for its good performance: Bank provides financial support to PACS for strengthening their financial position. Bank provides special incentive to those PACS having 100% recovery at Bank level and additional incentive for achieving 100% recovery at member level from last 14 years.

22. Special incentives to PACS Secretaries for their good performance: Bank provides special incentive payment to Secretaries for their good performance.

23. MT & LT Loan Schemes: Medium term & Long term credit is extended by the bank to the farmers for agriculture and agro-based activities. Bank has designed loan schemes for around 80 purposes.

24. SHGs: Bank has actively implemented the policy of formation of Self Help Groups for empowering women. More than 16000 Self Help Groups of women are formed by the bank. Bank provides loan to SHGs at only 4 % interest rate through PACS.

25. Farmers Club: Bank has established nearly about 636 Farmers Clubs under "Vikas Voluntary Vahini" scheme of NABARD to provide guidance to the farmers by the experts.

26. Financial Literacy: Bank has successfully implemented Financial Inclusion Scheme and opened 11 Financial Literacy Centers (FLCs) at Taluka places in the district.

27. Share of bank in annual District Credit Plan: The share of Bank in Annual Credit Plan of the district has always been more than 50 % and share of the Bank in the crop loan has been above 75 %. Bank has achieved more than 100 % of target of Annual District Credit Plan under priority sector.

28. YCTC Training Centre: Bank has established its own "Yashwantrao Chavan Training Center", where its entire staff is trained periodically by experienced faculty. Bank provides training facility to Hon. Board of Directors, employees working in various Co-operative societies and to officials, women, unemployed youths, members of SHGs.

29. Delegate Visits: The Officers from RBI / NABARD / MSC Bank and Co-operative Department, Officers from the College of Agriculture Banking (CAB) and also trainees from National / International Training Institutes visits the bank to review or study the working of the bank. Also delegates from different countries like Malaysia, Nepal, Bangladesh, Srilanka etc. visit our Bank during their training programme. Last year Cooperative Minister of Malaysia visited the bank.

30. Social Activates

- The bank feels committed to contribute wholeheartedly for the welfare of the needy. There are several occasions when the bank has shouldered social responsibility in supporting the victims of Drought, Gujrat earthquake, Mumbai Bomb blast, Kargil War, Orissa floods, earthquake victims in Nepal, victim of Kerala Draught etc.

- Bank has supplied 100 water storage tanks of 5000 liters capacity each to drought affected villages in Satara District.

- Bank has given Rs. 2 Crore from the profit, to supply water tanker to the draught affected area in the district.

- Against the backdrop of Corona, The Bank has donated Rs. 1 Crore from its gross profit to the Chief Minister Relief Fund. Apart from this, kits of essential foodgrains have been provided to the migrant, farm laborers and needy families in Satara district worth Rs. Rs 1 crore. Also Ventilators and oxygen concentrators worth Rs. 3 crore have been provided to the Government Hospitals and Covid Center in rural area of Satara district.

The review of success

Experienced Board of Directors and Management

- Board of Directors of the Bank is well experienced, educative and studious and having excellent Administration.
- The bank had gained the loyalty of its members and customers, since the last many years, through its unique services. The bank, which has a functional and very effective Board and Management, takes pride in calling itself a "Farmers Bank", by providing all types of loans, in time and on realistic basis, through its affiliated PACS, to its farmer and also providing the Direct Loan to the Individual customers.
- The Board of Directors of the Bank has introduced innovative policies considering the need of farmers and common people.
- The Board members never interfere in appraisal, monitoring or recovery but contribute to the efforts of the banks staff wherever required.

Bank's working method

- Bank always fulfill the norms prescribed by RBI, NABARD and Co-operative Department.
- All the authorities, officers and their staff of various institutions like above and others always gives valuable guidance, suggestions and cheer-up for implementation of various schemes and policies.
- Our wide network of 319 branches makes available the banking services to the customers at Urban as well as Rural and remote area of the district.
- Our Customer Oriented Services, transparency, social efforts and unique outstanding achievements make us promising Bank in the Cooperative Banking Sector.
- Their dedication, hard work and team sprit has turned it into a success story in 75 years.



"Cooperatives for Rural Development in Amrit kaal"

Rajiv Padia*

The term was first coined by Prime Minister Narendra Modi in October 2021. Amrit Kaal is a term used by the Government of India to describe the next 25 years, from 2022 to 2047, as India works towards becoming a developed country by its 100th anniversary of independence.

While presenting union budget or the year 2023-24 in the parliament, the Finance Minister Smt. Nirmala Sitharaman outlined the vision of Amrit Kaal which shall reflect an empowered and inclusive economy. In her speech she envisioned a prosperous and inclusive India, in which the fruits of development reach all regions and citizens, especially our youth, women, farmers, OBCs, Scheduled Castes and Scheduled Tribes.

The purpose of Amrit Kaal is to better the lives of citizens, lessen the development divide between villages and cities, reduce government interference in people's lives, and have the latest technology. India is on the cusp of an exciting and transformative time as it aims to reach $26 trillion in economic prosperity in the "Amrit Kaal". This growth will not only impact the nation internally, but also project India as a thriving global power.

Economic Goals for Amrit Kaal:

India's economic goals for Amrit Kaal include:

- **Economic growth:** India aims to reach $26 trillion in economic prosperity during Amrit Kaal. The country also aims to become a $5 trillion economy early in Amrit Kaal.
- **Technology-driven economy:** India aims to create a technology-driven and knowledge-based economy. The government is focusing on emerging technologies like artificial intelligence (AI), blockchain, and internet of things (IoT).
- **Strong public finances:** India aims to create strong public finances and a robust financial sector.
- **Modern infrastructure:** India aims to create modern infrastructure.
- **Inland waterways:** India plans to invest Rs 35,000 crore by 2047 to establish a robust network of inland waterways.
- **Health care:** India aims to develop smart, accessible, and high-quality health care.
- **Women's development:** India aims to focus on women's development, health, education, and skill development.

Rural development:

It is generally said that the rural areas house up to 70% of India's population. Rural India contributes a large chunk to India's GDP by way of agriculture, self-employment, services, construction etc. No Government can ignore such a large chunk of population of the country. It is observed that there has been a constant migration of population from rural areas to urban areas for the economic development, employment, improvement of quality of life etc. With a view to reducing rural-to-urban migration, the root causes that drive people to leave rural areas need to be addressed. The Government in this Amrit Kaal decided the goals; include:

- **Reducing the development gap:** The government aims to reduce the gap in development between cities and villages.
- **Creating opportunities:** The government aims to create opportunities for citizens, especially the youth, to achieve their goals.
- **Economic growth:** The government aims to provide a strong impetus to economic growth and job creation.

* Certified Management, R. Padia Associates

- **Macroeconomic stability:** The government aims to strengthen macroeconomic stability.
- **Technology:** The government aims to have the latest technology.
- **Infrastructure:** The government aims to focus on big public investment for modern infrastructure.
- **Digital economy:** The government aims to promote the digital economy and Fintech.
- **Energy transition:** The government aims to promote energy transition.
- **Climate action:** The government aims to promote climate action.

Challenges for Rural Development:

Rural areas face a variety of challenges that can impact the quality of life and economic opportunities for their residents. Here are some of the key issues:

1. **Economic Opportunities:** Limited job opportunities and lower wages are common in rural areas, leading to higher rates of poverty and economic instability.
2. **Healthcare Access:** Rural communities often struggle with a shortage of healthcare facilities and professionals, making it difficult for residents to access quality medical care.
3. **Education:** Schools in rural areas may lack resources, leading to lower educational outcomes and fewer opportunities for higher education and vocational training.
4. **Infrastructure:** Poor infrastructure, including inadequate roads, limited public transportation, and insufficient internet connectivity, can hinder economic development and access to services.
5. **Population Decline:** Many rural areas experience population decline as younger residents move to urban areas for better opportunities, leaving behind an aging population.
6. **Social Services:** Access to social services such as mental health support, childcare, and social security can be limited in rural areas.
7. **Housing:** Affordable and quality housing can be scarce, contributing to living conditions that are less desirable compared to urban areas.

Addressing these challenges requires targeted policies and investments to improve infrastructure, healthcare, education, and economic opportunities in rural areas. Here are some strategies that can help;

1. **Economic Development:** Investing in rural economies by promoting agriculture, small businesses, and local industries can create job opportunities and reduce the need for people to move to cities for work.
2. **Infrastructure Improvement:** Enhancing infrastructure such as roads, electricity, internet connectivity, and healthcare facilities can make rural areas more livable and attractive.
3. **Education and Training:** Providing quality education and vocational training in rural areas can equip residents with the skills needed for local employment opportunities.
4. **Social Services:** Improving access to social services like healthcare, education, and social security can enhance the quality of life in rural areas.
5. **Policy Measures:** Governments can implement policies that support rural development, such as subsidies for farmers, incentives for businesses to operate in rural areas, and programs that encourage youth to stay and work in their hometowns.
6. **Community Engagement:** Encouraging community participation in decision-making processes can ensure that development projects meet the actual needs of rural residents.

By focusing on these areas, it is possible to create a more balanced development that reduces the pressure on urban areas and improves the quality of life in rural regions.

How can we encourage youth to stay in rural areas?

Encouraging youth to stay in rural areas involves creating an environment that offers them opportunities and a high quality of life. Here are some strategies to consider;

1. **Economic Opportunities:**
   Entrepreneurship Support: Provide grants, low-interest loans, and training programs to help young people start their own businesses.
   Job Creation: Attract industries and businesses to rural areas by offering tax incentives and other benefits.

2. **Education and Training:**
   Local Colleges and Vocational Schools: Establish or improve local educational institutions to offer relevant courses and training programs.
   Scholarships and Internships: Provide scholarships for higher education and create internship opportunities with local businesses.

3. **Infrastructure Development:**
   High-Speed Internet: Ensure reliable and fast internet access to support education, remote work, and business operations1.
   Transportation: Improve public transportation and road networks to make commuting easier.
4. **Community Engagement:**
   Youth Involvement: Involve young people in community planning and decision-making processes to ensure their voices are heard and their needs are met3.
   Social Spaces: Develop social spaces like cafes, recreational centers, and sports facilities where young people can gather and socialize1.

5. **Quality of Life:**
   Affordable Housing: Provide affordable housing options to make it easier for young people to live independently.
   Healthcare Services: Improve access to healthcare services, including mental health support.

6. **Marketing and Promotion:**
   Community Branding: Promote the unique benefits of living in rural areas, such as lower cost of living, close-knit communities, and natural beauty.
   Digital Campaigns: Use social media and other digital platforms to highlight success stories and opportunities in rural areas.

By focusing on these areas, rural communities can create an environment that is attractive to young people, offering them the opportunities and quality of life they seek.

As we have seen that Rural areas, Rural communities and Rural youth need special attention so that there must be inclusive and overall development, infrastructure development, availability of proper education and health services, sufficient employment so that people do not feel ignored and enjoy quality of life. The Government has decided to address these issues, but there must be involvement of all sectors, private, public and Cooperatives too.

Role of Cooperatives:

Cooperatives can play a crucial role in rural development and reducing rural-to-urban migration by fostering economic growth, improving access to services, and enhancing community engagement.

Here are some ways cooperatives can contribute and steps to ensure their effectiveness and sustainability;

1. Economic Empowerment:

Job Creation: Cooperatives can create local employment opportunities by pooling resources and sharing profits among members.
Market Access: They help small producers access larger markets by collectively marketing their products.

2. Improving Services:

Healthcare and Education: Cooperatives can provide essential services like healthcare and education, which are often lacking in rural areas.
Infrastructure Development: They can invest in local infrastructure projects, such as building roads, improving water supply, and enhancing internet connectivity.

3. Community Development:

Social Cohesion: Cooperatives foster a sense of community and collective responsibility, which can

lead to more sustainable development.
Empowerment: They empower local residents by involving them in decision-making processes and ensuring that development projects meet their needs.

4. Access to Finance:

Microfinance and Grants: Facilitate access to microfinance, grants, and low-interest loans to support cooperative activities.
Financial Management: Implement robust financial management practices to ensure transparency and accountability.

5. Policy Support:

Government Policies: Advocate for supportive government policies that provide tax incentives, subsidies, and legal frameworks favorable to cooperatives.
Public-Private Partnerships: Encourage partnerships between cooperatives, government agencies, and private sector entities to leverage resources and expertise.

At present, the cooperatives play significant role in Agriculture, finance/banking sector. Now it is the time that cooperatives also play its role in the areas beyond agriculture. Cooperative finance and banking also will have bigger role to push the new sectors where cooperatives enter.

Agriculture Cooperatives: At present, the Cooperatives in Agriculture in India working massively to help farmers. More particularly in the areas of supply of seeds, fertilizers, and equipment. It also helps in pooling and distribution, storage through APMC.

Dairy Cooperatives: Dairy cooperatives have help tremendously to improve life of the Rural women in Gujarat and India. This model must be replicated in the country in a big way.

Cooperative financial services: Cooperative banking provides financial services to provide loans for agriculture activities, for investment in Agri-Infrastructure activities.

Cooperatives for sustainable Rural Development:

As we have seen that, Cooperative plays crucial and significant role in Agri development, now it is the time that cooperatives think beyond Agriculture and contribute towards sustainable Rural development. Here are some key areas;

1. Financial Services:

Cooperative Credit Banks: Provide affordable financial services, including savings accounts, loans, and insurance, to rural residents.
Microfinance: Offer small loans to entrepreneurs and small businesses, rural artisans helping them grow and sustain their operations.

2. Healthcare:

Health Cooperatives: Establish clinics and healthcare centers that are owned and operated by community members, ensuring access to quality healthcare services.
Telemedicine: Implement telemedicine services through cooperatives to provide remote consultations and healthcare support.

3. Education:

Educational Cooperatives: Set up schools and vocational training centers that are managed by the community, providing quality education and skill development.
E-Learning Platforms: Develop cooperative-run e-learning platforms to offer online courses and training programs.

4. Renewable Energy:

Energy Cooperatives: Develop and manage renewable energy projects, such as solar and wind farms, to provide sustainable and affordable energy to rural areas.
Community Energy Projects: Engage the community in energy projects to ensure local ownership and benefits.

5. Housing:

Housing Cooperatives: Build and manage affordable housing projects, ensuring decent living conditions for rural residents.
Eco-Friendly Housing: Promote the construction of environmentally sustainable housing using local materials and green technologies.

6. Tourism:

Tourism Cooperatives: Develop and manage tourism initiatives that highlight local culture, heritage, and natural beauty, creating jobs and boosting the local economy.
Eco-Tourism: Promote eco-tourism projects that focus on sustainability and conservation.

7. Transportation:

Transport Cooperatives: Operate local transportation services, such as buses and shared vehicles, to improve connectivity and mobility in rural areas.
Logistics Services: Provide logistics and delivery services to support local businesses and farmers.

8. Arts and Culture:

Cultural Cooperatives: Support local artists, artisans, and cultural initiatives by providing platforms for showcasing and selling their work.
Community Events: Organize cultural events and festivals that promote local traditions and attract visitors.

Government support:

Though we suggest that cooperatives should be self-supportive and member driven. But for membership of rural cooperatives are not financial healthy. The Government must come forward to financially support initially till they start work viably. At the same time, the Government officials must allow them to work independently instead of treating them Government companies.

Cooperative-Private partnership:

Cooperatives have big influence in the rural areas. If private sector with minimum required financial share, and allow cooperatives to hold majority management and financial share, the combination can give fabulous results. There will be rural development, employment generation, more production and more economic development.

As said in earlier para, if proper Government policies are designed/ developed taking into consideration local requirements, financial support provided to them, as also private sector use their skill and financial support to develop management qualities in rural community the Cooperatives can play great role in Rural Developments, generate rural employment and stop Rural to Urban migration.

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Report on the Turnaround of the Karimnagar District Cooperative Central Bank Ltd. (KDCCB)

N Satyanarayana Rao*

Audit rating "A" from 2009-10 onwards

The Bank was established in the year 1921 and celebrated centenary celebrations in the year 2021. The single window credit delivery system i.e., integration of short term and long term credit structures were merged with effective from 01.04.1987.Lack of integration of Services of staff at both structure, failure of cooperatives, lack of proper irrigation facilities and implementation of prudential norms, the bank was not complied to the Section 11(1) of BR Act 1949.

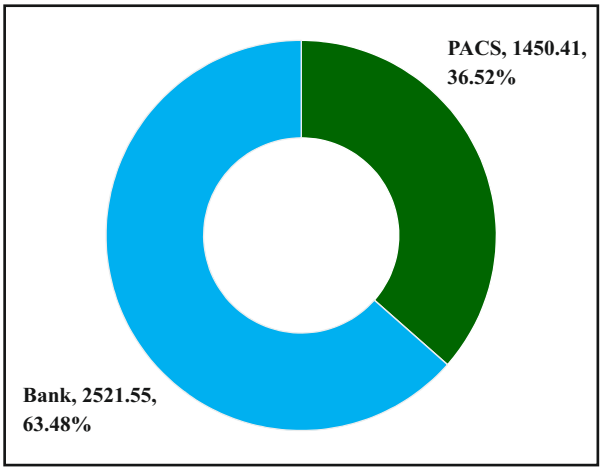
From a financial crisis to becoming a beacon of cooperative banking excellence, the story of Karimnagar District Cooperative Central Bank (KDCCB) is one of resilience, strategic governance, and an unwavering commitment to rural development. The transformation of KDCCB is a remarkable example of how effective leadership, government support, and modernization can convert a struggling entity into a flourishing institution. Below is an in-depth exploration of KDCCB's journey, highlighting the key challenges, strategic initiatives, and the profound impact of its modernization efforts.

S. No.	Particulars	2005-06	2012-13	2023-24
1	Paid up Share capital	38.11	52.07	188.69
2	Reserves	36.28	29.41	375.70
3	Deposits	105.51	339.84	2528.91
4	Borrowings	198.16	340.68	1945.96
5	Investments	41.68	165.15	914.62
6	Loans & Advances Outstanding	297.28	566.01	3971.96
7	Total Working Fund (1+2+3+4)	378.06	717.23	5039.26
8	Gross Profit	-57.92	-9.80	+120.19
9	Net Profit	-3.76	-5.61	+53.89
10	CD Ratio	281%	166.55%	157.06%
11	CRAR (%)	-2.33%	9.12%	11.27%
12	Gross NPA (%)	10.01%	1.83%	0.73%
13	Net NPA (%)	7.56%	1.42%	0.00%
14	Per Employee Business (Rs. in Crore)	1.87	3.21	12.08

Share of loans through the PACS and DCCB (Rs.in Crores)

Particulars	Loans Outstanding			
	31.03.2006		31.03.2024	
	Amount	Amount Share in total loans O/S	Amount	Share in total loans O/S
Through PACS	262.40	88.25%	1450.41	36.52%
Directly by the Branches to Individual, Groups, Other Societies etc.	34.87	11.75%	2521.55	63.48%
Total	297.30	100%	3971.96	100%

Share of Bank & PACS – 2023-24 **(Rs. in Crore)**



Diversification

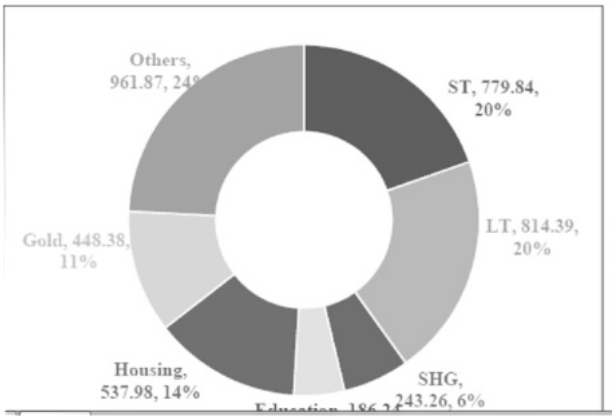
Up to 2005-06, Bank confined only to traditional lending i.e., SAO and Lt loans and it was not profitable.Diversification started thereafter and

Particulars	2005-2006	2023-2024
Capital	38.11	188.69
Deposits	105.51	2,528.91
Borrowings	198.16	1,945.96
Total Loans	297.31	3,971.96
A. Agri. loans total	202.26	1594.23
i. SAO	136.30	779.84
ii. LT	65.96	814.39
B. Non Agri. Loans total	95.05	2377.73
1. HWCS	9.21	5.64
2. MSME	0.00	297.85
3. Rural Housing	0.00	537.98

* CEO, Karimnagar DCCB

4. Education	0.00	186.24
5. Vehicles	0.03	17.93
6. Personal	0.70	8.79
7. SHG/JLG	0.00	243.26
8. Gold Loans	8.79	448.38
9. Other Loans	76.32	631.66
Ratio of Agri. to Non Agri.	68:32	40:60

Share of Different Sectors 2023-24 (Rs.in Crore)



CHALLENGES FACED BY KDCCB BEFORE THE TURNAROUND

1. Accumulated Losses and Poor Financial Health In 2006, KDCCB was burdened by accumulated losses exceeding Rs.57 crore. The bank's financial health was severely impacted by a high level of non-performing assets (NPAs), limiting its ability to operate effectively. Additionally, its Capital to Risk (Weighted) Assets Ratio (CRAR) was negative, underscoring the fragile condition that urgently needed rectification.

2. Governance Issues and Lack of Effective Management The bank suffered from inadequate governance, lack of strategic oversight, and weak leadership, which led to inefficiencies and financial mismanagement. The absence of effective monitoring mechanisms resulted in rising losses and declining profitability.

3. High NPAs and Credit Risk KDCCB faced significant challenges due to high NPAs, primarily driven by its reliance on agricultural lending, which is vulnerable to vagaries of the monsoon and market fluctuations. This credit risk further weakened the financial foundation of the bank, limiting its ability to provide fresh credit.

4. Political Interference in Operations Like many cooperative institutions, KDCCB experienced political interference in its day-to-day operations. Such interference resulted in delays, inefficiencies, and suboptimal decisions, which further deteriorated the bank's performance. A key factor in the bank's eventual success was the effort to minimize political influence, allowing for professional management.

5. Limited Technological Infrastructure The absence of modern banking technology hampered KDCCB's competitiveness compared to commercial banks. The lack of a core banking solution (CBS) made KDCCB to struggle to provide real-time services, resulting in an outdated and inefficient customer Service.

6. Dependence on Agricultural Loans With a major portion of its clientele being farmers, KDCCB was heavily dependent on agricultural loans. The interest margin was Slender. This dependency exposed the bank to heightened risk during poor agricultural seasons, leading to a rise in defaults and increased NPAs.

7. Skills Gap and Limited Human Resources An unstructured recruitment process led to lack of skilled personnel capable of managing modern banking operations. The absence of proper training programs further compounded these challenges, contributing to operational inefficiencies.

8. Lack of Diversification KDCCB's focus was primarily on agricultural lending, limiting its ability to tap into other, more stable, revenue-generating opportunities, such as gold loans, housing loans, or vehicle loans.

9. Ineffective Loan Recovery Mechanism: The bank struggled with poor loan recovery rates due to ineffective follow-up mechanisms and the financial instability of borrowers. This led to an accumulation of NPAs and reduced financial stability.

KEY INITIATIVES AND BEST PRACTICES IN KDCCB'S TURNAROUND

1. Efficient Management and Strategic Leadership Under the leadership of Chairman Sri K. Ravinder Rao, KDCCB underwent a transformation. Efficient governance, noninterference from the board in day-to-day affairs, focus on professionalism and diversification allowed the bank to regain its financial stability.

2. Government Support and Utilization of Schemes KDCCB leveraged various government schemes, including the Vidarbha Package and the 2008 Debt Waiver Scheme, which provided relief to distressed

borrowers. Support received under Vaidyanathan Committee's revival package for Rs.104 crore to PACS affiliated with KDCCB, allowing them to recoup losses and undertake non-credit activities. These helped stabilize KDCCB's financial standing and reduce overdue liabilities.

3. Diversification of Services The bank expanded its lending portfolio beyond agricultural loans to include gold loans, housing loans, vehicle loans, business purposed MSME and education loans. This diversification helped enhancing profitability and resilience.

4. Implementation of Core Banking Solutions (CBS) In 2011, KDCCB became one of the first cooperative banks to implement CBS, which enabled real-time banking services across India. This digital transformation aligned KDCCB with commercial banking standards, improving customer service and operational efficiency.

5. Strengthening PACS and Infrastructure Development With substantial support from NABARD, all 130 PACS affiliated with KDCCB were computerized, leading to better integration with KDCCB's core systems. The Integrated Cooperative Development Project (ICDP), with an outlay of Rs.16 crore, developed the infrastructure for PACS, allowing them to offer a wide range of services.

6. Financial Inclusion and Branch Expansion The bank expanded its branch network from 29 to 71 branches, significantly improving its reach and customer base. Financial Literacy Centers (FLCs) and PACS Development Centers (PDCs) were established to educate rural communities about financial products, promoting greater financial inclusion.

7. Corporate Governance and Policy Formulation KDCCB established 15 subcommittees and formulated specific policies to ensure sound corporate governance. These initiatives ensured accountability, transparency, and effective risk management, which were crucial to the bank's stability and growth

ROLE OF PACS IN KDCCB'S TURNAROUND

1. Strengthening the Cooperative Network PACS acted as the foundation of KDCCB's cooperative structure. Of the 130 PACS affiliated with KDCCB, 129 are in profit, and they played a pivotal role in providing credit and other financial services at the grassroots level. This widespread reach ensured that KDCCB's services are accessible to rural communities, contributing to financial inclusion.

2. Technology Integration and Business Diversification The computerization of PACS facilitated efficient service delivery, improved transaction tracking, and contributed to the overall profitability of KDCCB. PACS also diversified their business activities beyond credit services to include ventures such as petrol filling stations, super bazaars, and RO water plants, thereby supporting KDCCB's overall financial health.

3. Loan Recovery and Financial Support PACS played a significant role in loan recovery, ensuring better repayment rates through community engagement and effective follow-up. Additionally, they acted as intermediaries for distributing government support under various schemes, which bolstered KDCCB's financial position.

IMPACT OF GOVERNMENT SUPPORT

Government support through various debt relief and revival programs was instrumental in KDCCB's turnaround. The Vidarbha Package and Debt Waiver Scheme of 2008 alleviated financial burdens on borrowers, while revival packages under the Vaidyanathan Committee strengthened the PACS. The government's financial assistance for infrastructure development and the computerization of PACS improved KDCCB's operational efficiency and expanded its customer reach.

CONCLUSION: A BEACON OF COOPERATIVE EXCELLENCE

The turnaround of Karimnagar District Cooperative Central Bank is a testament to the powerof strategic leadership, effective governance, and modernization. With the strong backing of government initiatives and the resilience of its cooperative network, KDCCB emerged as a model for cooperative banking in India. The bank's journey from losses to profitability, marked by a focus on modernization, diversification, and financial inclusion, has established KDCCB as a beacon of excellence in cooperative banking setting a benchmark for others to follow.

Tackling Vegetable Inflation Innovative Strategies from Telangana State Co-operative Apex Bank

T. Jyothi*

The Reserve Bank of India has published three working papers in October 2024 on Vegetable inflation, Pulses inflation, livestock, and Poultry inflation. The papers have brought out quite interesting facts.

Food is a major part of the Consumer price index basket constituting around 46%. Again, in the food category, vegetables occupy a prime place as they provide the necessary proteins and other nutrients.

The report indicates that the farmer who produces the vegetables get 33 paisa only in a rupee where as a major portion goes to intermediary and wholesale traders. Neither the farmer, nor the Consumer are being benefited in this process. Rather the farmer is put to hardships, as he is not in a position to recover the cost and pay the loans properly.

Trends in Food Inflation:

A close analysis of the food inflation indicates that between 2003-2023 i.e., in nearly two decades, there were instances of high and volatile inflation of more than 10% during 2008-09, 2009-10, 2012-13 and 2013-14. The post Covid period also witnessed periods of high inflation with an average of 7.6% between October 2022 and 8.2% during July-December 2023.

The primary objective of the Reserve Bank of India is maintaining price stability while keeping in mind the objective of growth. In the year 2016, the government of India notified a medium term target inflation of 4% with a tolerance band of -/+2 percent.

The Impact of Food inflation:

The impact of food inflation greatly affects the lower middle class, labourers, small & marginal farmers. For these populations, food expenditure accounts for 60.3 % and 55% of their incomes for rural and urban households respectively .Any increase in the inflation highly affects their diet pattern especially vegetables and pulses as it reduces the consumption of vegetables while the expenditure remains at the same level or may increase. The reduction of the consumption of vegetables leads to Malnutrition, which ultimately results in child stunting, Anemia particularly in women and other immune deficiency diseases. The expenditure on health finally increases with a corresponding decrease in consumption of vegetables. Finally, we have a society with weak people leading to lower productivity and production. There are many studies, which tried to identify the main reasons for food inflation.

The following are the key factors responsible for vegetable inflation:

1) **Supply chain disruptions:** Unseasonal rains affecting production and transportation

2) **Demand and supply imbalance:** skewed distribution of production concentrated in specific regions

3) **Market dynamics:** fluctuations in wholesale market

While the Reserve Bank of India on its part executing its goal of containing the inflation within the targeted levels, through various monetary policy measures, other stakeholders in the society should come together to tame the inflation.

Banking system plays a crucial role in the society in making available access to the timely finance to the needy sections of the society, which alone is not sufficient for Inclusive Growth of the society. Here the cooperative Banking system plays a significant role in creating a society with inclusive growth along with financial inclusion.

The Telangana State Cooperative Bank Apex Bank ltd with its 3-tier system having 9 DCCBs and 829 Primary Agricultural Cooperative Societies has been playing a significant role in Inclusive Growth.

* Cheif General Manager, Telangana State Cooperative Apex Bank, Telangana

After growing through the working papers on inflation, the Bank has immediately swung into action to contribute their share in mitigating vegetable inflation. The following is the action plan.
Before going into the plan, let us have a look at the land holdings in Telangana State.

Between 2015-2022, the number of small and marginal farmers rose significantly from 52.49 lakhs to 64.46 lakhs, of this again the number of farmers who are holding less than half a hectare increased by 31.6%. The total number of small and marginal farmers is at 48.46 lakhs and their land holdings accounts for 20.66 lakhs. The fragmentation in increase of land holdings is uneconomical. However, there is no other alternative for them since that is the only source of their livelihood. These uneconomic land holdings make them more vulnerable due to floods, drought and other family conditions, which at times prompt them to commit suicides.

Vegetable production in Telangana:

Demand and supply position: In respect of vegetable production, Telangana state occupies 14th position, in the category of cultivated area 15th position and productivity wise 7th position amongst the states in India.

Telangana produces a wide range of vegetables like tomato, cabbage, cauliflower, cucumber and carrot. The state has surplus production of these vegetables totalling 1.14 MTS and all other vegetables are imported from other states.

The state total vegetable requirement is 38.54 lakh MTs per annum but state's production meets only 41% of the total demand.

Reasons for Unremunerative prices for farmers:

- Unfavourable conditions especially during summer and depletion of groundwater
- Low productivity due to non-adoption of Technology, which is again due to uneconomic land holdings
- High cost of labour
- Post-harvest losses
- Lack of regulated market & inadequate market & inadequate market linkages
- Price volatility
- Lack of crop colony planning
- Lack of supply chain management and lack of collectivisation amongst farmers.

Role of Apex Bank:
Apex Bank in close coordination with the department of Horticulture, NABARD NGOs proposes vegetable crop colonies. Apex Bank has a vast network of 829 PACS in all the districts including remote areas. The members of PACS who cultivate vegetables will form crop colonies with the help of the Horticulture department and NGO. The crop colonies will enable to avoid uncontrolled and unorganized swings in the market so that even supplies can be ensured. The vegetable produced in the colony will be brought to PACS, where it will be cleaned, sorted, graded and packed. Depending on the season and Market and price trends, the supply logistics will be determined. Tie up with super marts for uninterrupted supply of vegetables throughout the year by negotiation through PACS so that the farmers can get a better return throughout the year and consumers get vegetables at affordable prices at all times.

In the state of Telangana, five cities have been selected for implementing the plan Hyderabad, Warangal, Khammam, Nizamabad & Karimnagar
Government interventions:

Supply of seed, Plant material assistance, Loose shade net, Plastic crates, Mulching, Poly houses, Net houses, Vegetable vending vehicles, Microirrigation, Insulator containers, Sprinklers, Permanent pandals, Cold storage, Transparent vans, Farm ponds, Training
The list is only illustrative and not exhaustive.

Apex Bank interventions:

a) Social interventions:
Logistic support to the PACS staff and farmers fully by way of training through department and external faculty and experienced farmers.
Collectivization and organizing farmers into PACS/formation of FPOs

b) Financial interventions:
Term loans for capital investment for state government interventions, net of subsidies Short duration Crop loans for raising the crops. Term loan for infrastructural facilities at PACS for procuring, processing, grading and padding with PACS logo. Term loans for cold storage and Insulated containers.

Loans for transport vehicles

As per the state government estimates the budget proposals for production vegetable markets for the next five years is around 800 crores after netting subsidy at 50% the term loan requirement which works out to Rs 400 crores. Apart from this, the short-term loans for crop production have not been included. This is only in the 1st phase. There are ample avenues for further financing by forming Joint Liability Groups, creation of infrastructure for rural haats, creation of wholesale markets at all Mandal headquarters have not been factored yet. In this connection one of our PACS, The Shamirpet Farmers Agricultural Cooperative made significant strides which can be replicated with modifications wherever necessary among all other PACS in our state.

The Experiment & Experience of Shamirpet Primary Agricultural Co-Operative Society:

The Shamirpet PACS is situated 25 kms away from Hyderabad City, the PACS is headed by Mr. Madhukar Reddy elected president of the society who is a Doctorate in Agriculture. Before his taking over charge, it was a dormant society. He brought many reforms for the welfare of the farmer members... Vegetable production /Selling is one of such reforms undertaken by the society.

An analysis was made to find out the reasons for the inflation in vegetables and the reasons for the loss incurred by the farmers. The following are the reasons:

- Ignorance & Illiteracy amongst the farmers even in educated farmers
- Major Losses are due to purchase of poor and unbranded seeds having no quality Reasons for low production -in two ways
- Nutrient Deficiency
- Diseases through infections

Farmers are not in a position to identify the real cause of the above two, resulting in wrong usage of chemicals/ pesticides where nutrients are required. Similarly, uses of nutrients where diseases are due to infections, resulting in huge expenditure and loss of production.

After analysing the reasons, the collectivization of farmers has taken place through number of meetings by experts and experienced farmers. With their Consent, the society has started:

a) Supplying quality seeds which is certified

b) Crops to be sown in season wise is decided in advance on the basis of soil and demand

c) Required fertilizers were supplied by PACS itself by procuring from reputed companies.

d) Crop Diagnosis is being carried out by experts in Agriculture

e) Supply of right pesticides by PACS and Quantity to be used is also prescribed.

f) Continuous handholding support to farmers at various stages of production.

Finally, after harvesting the produce is brought to PACS where in the grading hall of PACS, the vegetables are cleaned, sorted, graded and packed. Previously, they used to sell the produce in Hyderabad, where the Commission Merchants used to charge 10% to 12% as Commission.

Now, they have stopped the practice and started weekly rural haats in each of the 28 Villages. Further, the PACS has tied up with online marketers like Zepto and Blinkit for regular suppliy of vegetables to them. The PACS now proposes a Wholesale Mandi like Hyderabad where it can supply to all.

Because of these innovations, the cost of the production has gone down by 10% and with the elimination of the intermediaries / Wholesalers, another 12% is saved. As per the study report of the Reserve Bank of India, the farmer is getting 0.33 paisa in a rupee and with these innovations and reforms; his income has now gone up to 53 paisa indicating an increase of 70 percent.

Import of Vegetables: Onions and Potatoes are to be imported from other states. Now PACS proposes to purchase them in bulk and wants to sell to retailers with a small margin.

Management of Excess Supply:

In course of time, with the use of technology, all the PACS in the surroundings of Hyderabad City numbering to 150 will be encouraged to take up

vegetable farming on the above lines.

Before undertaking cropping, based on the soil and water conditions, the crops in all the PACS will be decided in advance by forming crop colonies... Upon the harvesting, taking into actual production, the supplies will be adjusted in between PACS based on real time situations. This process will avoid glut in the market and PACS can command a better price in the market.

The success of the Shamirpet PACS has created a confidence among other PACS to emulate the model. Now it is the time for the Apex Bank to intervene by convening a meeting with all stakeholders. Apex bank is also proposing to take it further through PACS either directly or by forming producer companies in whatever way possible.

The recent guidelines on the formation of producer companies are timely and useful in creating favourable conditions for increasing the production and productivity through value addition and better remuneration to the farmer.

Onion Production- Steps to mitigate Imports:

In Telangana, the demand for Onion is substantial. At present Hyderabad Metro needs 3.87 Lakhs tonnes of onions annually. However, the production is only 1.5 Lakh tonnes, hence dependence on imports especially from Maharashtra. The prices of onions are quite volatile and unpredictable. Any small volatility creates uproar in the society as it is consumed by all categories especially masses. Tomato, Onion, and Potato prices impact the livelihood of the marginalized.

Having realized the importance, the Centre has advised the State Govt to identify and develop Clusters within 100 km, of Hyderabad City. The Dept of Horticulture has already identified Rangareddy, Vikarabad, Medak, Mahabubnagar, Wanaparthy - Gadwal districts for onion farming.

Onions can be harvested in about 100 days and the cost for cultivation on one acre would be approximately 60,000 with a possible yield of 70 to 80 tonnes of Onion per acre.

Onions are cultivated in around 10,000 acres. Now with the proposed Clusters the area has been increased to 20,000 acres. Our DCCBs are quite active in all the Cluster areas. The Apex Banks through the DCCBs proposed to take up all kinds of financing in these Clusters for increasing the production of Onion, which ultimately reduces the dependence on import from other states besides regulating volatility in prices.

FPO/ Cooperative farming model for Fragmented Land holdings:

As mentioned earlier, the abnormal increase in the fragmentation of land holdings for various reasons such as division of property among family members over a period, poses threat both socially and economically. In many cases, a hectare of land is divided into 8 small fragments creating a chain of cris cross of boundaries. Analysing from a macro perspective, substantial cultivable land has gone into creation of boundaries resulting in loss of production. Many a time, we find disputes between the family members regarding boundaries resulting in quarrels, which at times lead to murders.

Besides the social issues, cultivation of such a small fragmented size of land increases the cost of cultivation at every stage and upon harvest; the produce is being sold in the farm itself to the intermediaries at the dictated rates, leaving the farmer in indebtedness permanently.

As a result, a general feeling has crept in the minds of every individual that continuing agriculture is no longer viable and sustainable.

The just released NABARD survey on "All Indian financial inclusion Report-2" indicates that there is a considerable decrease in the number of farmers in rural areas of Telangana state. The report further indicates that about 55% of people are only engaged in cultivation and the rest 45% are being migrated to other occupations in Telangana. The report says that in view of the continued losses along with increase in cost of product and vagaries of monsoon, agriculture is no longer sustainable. More damaging thing is that in Telangana state, 73% of farmer families are in rural indebtedness. This is quite higher than the national average of 42%. Of the 73% nearly 40% are borrowing from rural moneylenders at an exorbitant rates.

Making Agriculture a sustainable occupation has been the chief attention of the successive govts. There have been attempts to introduce contract farming. As there are wide spread fears that agricultural goes into

the hands of multinationals, which may be a threat to food security, the idea was abandoned.

In the unified State of Andhra Pradesh, during the year 2009, Dr Raja Shekar Reddy (Late), the then CM of the state mooted the idea of cooperative farming instead of contract farming.

However, the idea could not be materialized due to his premature death.

Now with the establishment of a separate ministry of cooperation at the Centre and the efforts to collectivize farmers into FPOs on a large scale has given a new ray of hope.

The farmers may join in the FPOs by contributing the land as capital without change of ownership and continue the farming as per the plans of the FPO/PACS. This will certainly reduce the cost of cultivation, elimination of bunds, improved methods of cultivation, which finally culminates into higher production and better remuneration making the farming as sustainable. However, deliberations at various levels with all stakeholders are quite essential to frame a proper policy in this regard.

Future Vision:

We at Telangana state Cooperative Apex bank have the confidence that with the support of the Department of Cooperation, Govt. of India, Government of Telangana, NABARD and other stakeholders, our Bank will take up the entire financing through our PACS /FPOs. Apex bank has already showcased by financing Rs.2.50 crores for setting up of a cotton ginning mill for an FPO at Adilabad in 2020 and the unit is running satisfactorily with timely repayments. Similarly, Apex bank has financed Rs.1 crore as working capital to another FPO for silk weavers under MSME cluster programme. It is running very well. When implemented in a phased manner throughout the state, we will become self-sufficient in vegetable production with value addition, better remuneration to the farmer by eliminating the intermediaries and affordable price to the consumer. Our aim is to ensure to make the PACS more vibrant, farmer collectives where through self-help everyone in the society is mutually benefited. Then only inclusive growth is possible.

"The success of this initiative hinges on strong, ongoing collaboration between all stakeholders—the cooperative banking system, government agencies, and farmers' cooperatives. By working together, we can build a resilient agricultural system that not only stabilizes prices but also improves livelihoods and health outcomes.

Grateful acknowledgements:
Working papers of RBI, October 2024,
Dept of cooperation Govt of India
Department of Horticulture, Govt of Telangana
Financial inclusion report 2 of NABARD
Primary Agricultural Cooperative society, Shamirpet, Hyderabad

Destiny of Differently-abled – Defined Better By Cooperative Credit Institutions

J. Jayabaskaran*

In spite of various technological advancements, new practices, new ideologies, abundant natural resources for the sustenance of world population, day-by-day the people are becoming poorer and poorer, not only physically, socially, financially, but also by drop in their happiness index. If the general, physically and mentally abled persons are suffering so much, what is there to say about the differently-abled persons?

According to the World Health Organization (WHO), around 1.3 billion people, or 16% of the world's population, have a significant disability. This number is increasing due to population aging and the rise of non-communicable diseases.

Some other facts about people with disabilities include:

- 80% of people with disabilities live in developing countries.
- 30% of street youth have some kind of disability.
- People with disabilities face many health inequities, including a higher risk of developing conditions like depression, asthma, diabetes, stroke, obesity, or poor oral health.
- People with disabilities face barriers to transportation, education, employment, and the health system.
- The World Bank works to include people with disabilities in its operations and policies, and to promote access to infrastructure and social services.

But coming nearer to our Home, this situation seems to be somewhat heartening.

The 2011 census of India found that 26.8 million people in the country had a disability, which was 2.21% of the total population. Here are some other findings from the 2011 census:

- 69% of disabled people lived in rural areas, while 31% lived in urban areas.
- 56% of disabled people were male, and 44% were female
- 20% of disabled people had a disability in movement, 19% had a disability in seeing, and 19% had a disability in hearing
- The age group with the highest number of disabled people was 10–19 years
- 14.6 million Disabled people are literate. Brave words, Great Inspirational Quotes, as given below:

1. Strength does not come from physical ability. It comes from indomitable will.
2. Disability is the inability to see ability.
3. "Every life holds value, regardless of location, age, gender or disability. There is a plan and a purpose for every one".
4. "We all have weaknesses or disabilities that undermine our belief and confidence in our abilities. Embrace them as opportunities to grow."
5. "Once we accept our limits, we can surpass them."
6. "Being disabled means taking a slightly different path, but it doesn't hinder our potential."
7. "I choose not to focus on my 'DIS'ability, but on my ability."
8. "I don't have a dis-ability, I have a different-ability."

Manager, Tambaram West Branch, Tamil Nadu State Apex Cooperative Bank Ltd., CHENNAI 600 001

9. "Disability should never disqualify anyone from accessing every aspect of life.
10. "I am different, but not less."

are often times seeming to be smoothening the problems of disabled problems. Even then, to a poor, illiterate and disabled person they are nothing but words. Hence, some action is necessary.

NATIONAL DIVYANGJAN FINANCE AND DEVELOPMENT CORPORATION (NDFDC) (formerly National Handicapped Finance and Development Corporation):

With this view in mind, Government of India established National Divyangjan Finance and Development Corporation, thus creating a better environment and opportunity for a better life to the differently-abled, who are more determinedly-abled than a normal healthy person to pursue this dream towards perfection.

When Nature closes one door, it opens another one. For differently-abled persons, NDFDC is another door.

TAMIL NADU - A WELFARE STATE:

A State which takes care of its Domestic Animals, children, poor men and more particularly poor women and disabled-persons is a Truly Welfare State. In this regard, we can very well say that Tamil Nadu is a welfare State in all the above aspects and more particularly with regard to its welfare measures towards the development of Differently-Abled Persons (DAPs).

Tamil Nadu is the only State, which has appointed a State Cooperative Bank, coming under its domain to be the State Channelising Agency of NDFDC. In all other States, various other Departments like Women Development Department and other State Government Agencies are acting as State Channelising Agencies of NDFDC.

Crowning Glory:

1. The then Honourable Chief Minister of our State, Dr. Kalaignar M. Karunanidhi has coined a word Differently-Abled in the place of Handicapped.
2. In the year 2011, the then Honourable Chief Minister of our State had ordered that DAPs, who are availing loan from the Cooperative Banks and paying the same promptly are offered loans at 0% interest.
3. Now, the present Honourable Chief Minister of our State, as the Welfare of the DAP is much closer to his heart, he is holding the Portfolio of DAP Welfare under his fold.

The above factors high-lights the sympathy, compassion and sensitivity of the people of Tamil Nadu's highest level leaders to the welfare of Tamil Nadu.

Not only the leaders, the common man and more particularly the Cooperative Bank employees in our State are very much interested in the welfare of the DAPs, so much so, they are issuing large amount of loans to the DAPs in our State. This may well be high-lighted by the fact that out of the total allocation of Rs.100 Crore of NHFDC for the year 2022-23 to be refinanced to the DAPs through the States, Tamil Nadu alone had availed refinance to the tune of Rs.62 crore towards the loans that they have provided to the DAPs. The amount may be small, when compared to the loans and advances purveyed by the Banks in the whole of India, under various Schemes. But it is a big amount that is provided to the DAPs in our country.

No Commercial bank, Private sector Banks and Foreign Banks are offering substantial loans to the DAPs in our country under any other scheme and more particularly under NDFDC Scheme. Further, I wish to register that except the Cooperative Banks in Tamil Nadu, even no other Cooperative Banks in our country are offering any loans to the DAPs in their State.

NEED OF THE HOUR:

As per the 2011 Census, there are 2.68 crore DAPs in our country and the loans so far issued by various Agencies to the DAPs comes around 2 or 3 lakh DAPs.

I am writing this Article, so as to disseminate the information that only cooperative banks in Tamil Nadu are issuing loans to the DAPs and to express my desire that all the Cooperative Banks and all other

Banks under Banking Sector in our country should issue loans to the DAPs and to bring all the DAPs under 100% Financial Inclusion.

My above desire is necessitated by the following incident, which has shamed and shocked me:

During one of my visits to a Cooperative Bank, situated in a rural area, I had planned to see certain DAPs, who are beneficiaries NHFDC Loan Scheme. But due to certain unavoidable circumstances, I had reached the Bank Branch late by an hour. When I reached the Branch, I was appalled at the sight of a DAP (Mentally Retarded), who is in chained and kept at the entrance.

The thing which I want to point out that for a measly sum of Rs. 25000 or Rs.50000 availed as loan amount, they are "maintaining" this person. If there is not such a loan scheme is available, I do not know what will be fate of this person. I am not saying that this person's relative are money-minded. But what I wish to state is that this small amount makes a greater impact on the lives of these under-privileged DAPs. It provides hope for their sustenance, livelihood and for their life itself.

We need to provide that ray of hope. We have enough Bank Branches to cover all the DAPs, which is approximately totalling 2.68 crore person and to bring them under total Financial Inclusion.

Please forgive me, I have wasted few hours in writing this article, which may have been used to serve the Differently-Abled Persons in my Branch Area.

Today, I am sanctioning a loan of Rs.40 lakh to one of the DAP customers and this gives me the satisfaction, at last I have done something for the benefit of a DAP in my area.

Woods are lively Dark and Deep, But I have Miles to go Before I sleep.

My 30 years long service is nothing to me, if I did not have the privilege to serve the DAPs in our country, by ways of issuance of loans to them and providing the Ray Of Hope, in their life.

Let there be Light and Let there be Hope in their lives and mine.

Short Term Agricultural Credit Structure in Karnataka Cooperative Movement in Karnataka

Basavaraj S Adaki*

The first co-operative society of our country was registered in 1905 at Kanaginahal village of Gadag district in Karnataka. Sri Siddanagouda Sannaramana Gouda Patil is considered as the pioneer of the co-operative movement as he is the founder president of the said co-operative society in our country. The Mysore Co-operative Societies Act 1959 is the first legislation in our state pertaining to the co-operative societies and has come into existence from 25-05-1960. Karnataka occupies third position in the co-operative movement in India and having a three tier short term credit structure in Karnataka, It has been playing an important role in improving the economic condition of people involved in cooperative movement and has spread to almost all sectors of economic activities, both in rural and urban areas ,Karnataka is the first state where in agricultural loans through co-operatives are available at 0% Rate of interest,which is the lowest in the country. This facility is also extended to the loans borrowed by weavers and fishermen. Loans are available, if borrowed through co-operatives, for self-help groups at 4%. Government of Karnataka is subsidizing the co-operatives by providing Interest- subsidy through budgetary provisions.A new era of co-operative credit structure through self-governance and independent decision making has come in to being and it is hoped that the co-operatives will become professionally efficient and financially viable in the years to come.

Short-term Rural Credit Co-operatives

The short-term co-operative credit institutions have a three-tier structure comprising State Co-operative Banks (StCBs), Central Co-operative Banks (CCBs), and Primary Agricultural Credit Societies (PACSs) The three-tier structure has evolved over a period of time and the cooperative banks at state and district level have been performing an important role in resource mobilisation and financing of both agricultural and non-agricultural cooperatives besides providing leadership to the cooperative institutions in the respective regions.

State Co-operative Banks

State co-operative banks (StCBs) are the apex institutions in the rural co-operative structure, providing liquidity and technical assistance to the Tier II and Tier III institutions.

District Central Co-operative Banks

District central co-operative banks (DCCBs) constitute the second tier in the shortterm rural co-operative structure, they mobilise funds through public deposits, borrowing from StCBs and refinance from NABARD to lend to individual borrowers and third tier institutions, viz. PACS.

Primary Agricultural Credit Societies

Primary Agricultural Credit Societies (PACS) are the grass root level institutions in the shortterm rural co-operative structure. They too raise resources through both borrowings and deposits for providing short-term agricultural credit, especially to marginal farmers, apart from supply of agricultural inputs, distribution of consumer articles and marketing of produce for their members.

Issues Confronted by the Rural Cooperative Banks (District Central Cooperative Banks)

In spite of importance of DCCBs in rural credit delivery, there are several problems with their performance. The banks have restricted capital from the public. This implies that cooperative banks are not only undercapitalized but also not mandated to maximize returns on equity. Most DCCBs have experienced a fall in the percentage of own fund and working capital in spite of growing membership.

A considerable number of DCCBs continue to be undercapitalized with about half not meeting the 9% capital adequacy ratio requirement (compliance

*AGM, ACSTI, Karnataka State Cooperative Apex Bank Ltd., Bengaluru

mandated by March 2017). DCCBs raise equity from the affiliated member institutions. Another source of capital for DCCBs is surpluses and reserves, but they do not form a large component of their accumulated capital given their small spread. Share capital and reserve funds are owned funds component of a cooperative bank's working capital that belong to the members and other agencies. Together, share capital and reserve funds determine the borrowing capacity of DCCBs. Also, whilst share capital influences their lending capacity, reserve funds act as a buffer against contingencies and help securitize their borrowings.

Deposits and borrowings comprise borrowed funds component of working capital. The major source of funds being deposits from members (cooperative organisations and individuals), DCCBs offer higher interest rates than commercial banks. While this benefits their members in the short run, it affects their financial health in the long run. DCCBs draw their funds from share capital, deposits, reserve funds, and borrowings from NABARD, StCBs.

The External borrowings from the National Bank for Agriculture and Rural Development (NABARD) through SCB in the form of refinance constitute another major source of fund. A majority of the borrowing of DCCBs comprises concessional loans from NABARD and StCBs.

Details of Refinance sanctioned by NABARD to the DCCBs in the State through the Karnataka State Co-operative Apex Bank during the last three years and the amount disbursed by the DCCBs to PACS is as follows:

Particulars	2021 -22	2022 -23	2023 -24
NABARD limit for ST -SAO @ concessional rate	5483.90	5550.00	5600.00
Addl. Limit	2000.00	4500.00	5200.00
ST-SLF(on a/c of Covid -19)	1415.00	0.00	0.00
Apex Bank's limit out o f its own funds	2040.00	2957.00	3020.00
Total ST -SAO limit	10938.9 0	13007 .00	13820 .00
ST-(Others) Limit	1185.00	1800.00	2500.00
Total ST Refinance	12123.90	14807.00	16320.00
Amount disbursed to DCCBs by Apex Bank	11368.62	13518.87	13751.15
	18836 .03	20752.59	22077 .01

Conclusion:

As observed from the above table, the refinance from NABARD at concessional rate of interest during the last three years remains to be the same amounting to around Rs.5600.00 crore. But there is a considerable increase in the sanction of additional limit which carries a higher rate of interest from Rs. 2000.00 crore during 2021-22 to Rs. 5200.00 crore during 2023-24. The total short term credit disbursed by NABARD and Apex Bank to DCCBs is around RS. 13750.00 crore against the amount of Rs. 22077.01 crore disbursed by DCCBs to PACS. The refinance received by DCCBs from higher financing agencies is 62.28% of the total ST loans disbursed to PACS out of which only 25.36% is disbursed at concessional rate of interest. Hence the DCCBs are mobilizing deposits at competitive rates to lend short term agriculture loans at concessional rate. More over the DCCBs are not receiving interest subsidies in time, which is affecting their profitability.

With all these limitations, the cooperative short term credit system, comprising of rural cooperatives, plays a crucial role in the country's financial landscape. It facilitates the pooling of resources for individuals with limited means, promotes rural development, boosts productivity, enhances food security, generates employment opportunities, and fosters social and economic justice. Through its democratic structure and inclusive approach, the cooperative credit movement continues to contribute significantly to the growth and well-being of rural communities in India.

THE KARNATAKA STATE COOPERATIVE APEX BANK LIMITED

"Uthunga", No.1, Pampamahakavi Road, Chamarajpet, Bengaluru – 18.
e-mail: admin@karnatakaapex.com

The Karnataka State Co-operative Apex Bank Ltd., is a Scheduled Bank, established in the year 1915, has completed 109 years of useful services by extending Agricultural Credit to the farmers of the State and also by providing various retail Banking services through its 52 branches in Bengaluru City. Bank is also extending working capital and term loans to agro based co-operative and private sugar factories through consortium arrangements.

The Financial Parameters of the Bank for the previous 5 years is as under

(Rs.in Crores)

Particulars	2019 -20	2020.21	2021 -22	2022 -23	2023 -24
Free Reserves	931.00	1051.53	1223.19	1436.69	1575.06
Own Funds	1458.77	1957.42	1945.20	2203.35	2337.75
Deposits	10892.76	11868.73	12195.34	12654.12	13347.90
Borrowings	9043.79	10543.04	12459.55	14805.97	16271.73
Investments	5169.94	5491.20	5937.71	5561.41	6828.62
Advances	14806.66	17838.42	20554.38	24443.45	24720.43
Working Capital	21916.10	24755.95	27367.04	30517.38	33167.20
Profit	181.04	300.41	448.94	522.89	376.38

Present Term Deposit Rate of Interest is as below :

15 to 30 days	4. 50%
31 to 45 days	4.75%
46 to 90 days	5.25%
91 to 179 days	6.00%
180 days to upto 1 year	6.50%
1 year and above	7.50%

The higher rate of interest of 0.50% offered to Senior Citizens, on all Term Deposits irrespective of period of Deposits, further 0.50% additional interest is allowed to Individual Deposits of Rs.15.00 lakhs and above for a period of 1 year and above.

Bank is working under CBS (Core Banking System) with ABB (Any Branch Banking), Centralized Clearing System (ECS / CTS) and providing the facilities of RTGS, NEFT, ATM/ POS/ E-commerce, UPI (Google Pay, Phonepe, Paytm), SMS, Mobile Banking, IMPS, e-stamp and Safe Deposit locker through all its Branches to the customers.

As on 31.03.2024 Bank has performed well in all Financial Parameters and the total deposit stood at Rs.13347.90 crore and Working Capital of the Bank has increased to Rs.33167.20 crore.

Various loan schemes such as Home Loan, Vehicle Loan, House/Site Mortgage Loan, , Education Loan, Professional Loan, Project Loan, Overdraft facilities etc., are available in the Bank at competitive Rate of Interest. Further, Bank is advancing various types of loans to Sugar Factories under consortium arrangements.

During 2023-24 Bank has advanced Agricultural Loan of Rs.22954.79 crore to 28.86 lakh farmers through 21 District Central Co-operative Banks and 6040 Primary Agricultural Credit Cooperative Societies, out of which Rs.22040.81 crore of Agricultural Loan was issued to 28.60 lakh farmers at 0% interest. Under the leadership of Apex Bank has issued Rs.2146.47 crore to Self Help Groups through DCC Banks and PACS.

Bank has tie up under Corporate Agency with IFFCO-TOKIO General Insurance Company for its General Insurance business, like Vehicle Insurance, Property Insurance etc., and also tie up with HDFC and Reliance Nippon Life Insurance company for Life Insurance business. Bank has Introduced Pradhan Mantri Jeevan Jyothi Bima Yojana and Pradhan Mantri Suraksha Bima Yojana to the customers.



Sri Belli Prakash
President



Sri C.N. Devaraj, K.C.S.
Chief Executive Officer



Sri. G.D. Harish, M.L.A.
Vice President

hpscb
(Scheduled Bank)

Bank of the State - For the State

Himachal Pradesh State Co-operative Bank achieved new milestones

G20 BRASIL 2024
INCLUSIVE GROWTH FOR A SUSTAINABLE FUTURE

"Sashakt Mahila Rin Yojana" included in G20/B20 BRASIL Policy Paper

Cooperative banks: Strengthen cooperative banks to better finance local businesses and to serve underrepresented communities, particularly low-income individuals from regions where accessing banking services is most challenging, including rural and other remote areas. Himachal Pradesh State Cooperative Ltd in Shimla, India, has launched a unique solution for women (Sashakt Mahila Rin Yojna, or Empowered Women Loan Scheme) in which collateral-free instant loans are given to women to start their business.[90]

Himachal Pradesh State Cooperative Ltd in Shimla, India, launched a unique scheme for women (Sashakt Mahila Rin Yojna, or Empowered Women Loan Scheme) in which collateral-free and guarantee-free instant loans are given to women to start their businesses[170]

Business turnover crossed ₹ 25,500 crore

up by { ₹ 2853.21 Crore (12.52%)

as on 31.03.2024

Bank is serving the people of the state through various schemes



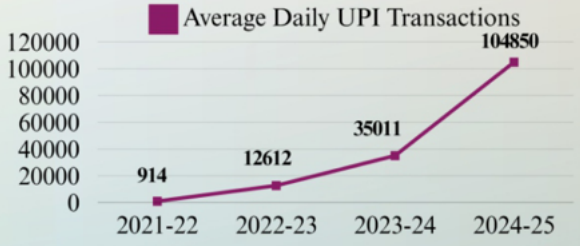
Sashakt Mahila Rin Yojana

Instant Loan (Without security)

up to **₹ 1,01,000**

Till now **28400** Satisfied women beneficiaries availing **₹ 59.64 crore** loans

UPI Daily Transactions crossed 1,00,000



Personal Accidental Insurance up to ₹ 30 lakh

For KCC (Kisan Credit Card), Sapno ka Sanchay, Sashakt Mahila Rin Yojana, and Loan Against Salary beneficiaries

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- Completed glorious 107 years of serving people with special focus to farming community & Self Help Groups
- Strong presence all over the State along with 17 affiliated Central Cooperative Banks, 378 Branches altogether, working in the districts

Nodal Bank of behalf of Government of West Bengal for implementation of Krishak Bandhu Scheme and various social sector schemes

- Total number of affiliated Primary Agriculture Cooperative Credit Societies working in the State : 5862
- Number of Primary Agriculture Cooperative Credit Societies mobilising Deposit : 2883
    - Number of live Kishan Credit Card holders as on 31.03.2024 : 1517670
- Number of Self Help Groups nurtured by The WBSCB Ltd & CCBs : 229126
- Number of farmers availed crop loans (2023-2024) : 1472604
    - Crop loan availed during 2023-2024 : Rs. 4654.53 Crore
- **Number of Self Help Group Credit linked (2023-2024) : 109215**
    - Loan availed by Self Help Groups during 2023-2024 : Rs. 2133.02 Crore
- **Providing facilities of NEFT & RTGS at PACS (Samabay Subidha) through all our CBS Branches**
    - **Disbursement of crop loan at the doorstep of farmers through Rupay KCC - Micro ATM**

SERVICES AT A GLANCE

■ Head Office, 3 Regional Offices & 43 Branches of WBSCB under CBS ➤ Anywhere Banking ■ RTGS Facility available ➤ Flourish Business ■ NEFT Facility available ➤ Send money to dear ones ■ IMPS Facility available ➤ Instant Money Tranfer ■ ATM Facility available ➤ Any Time Banking ■ CTS Facility available ➤ Clearing Simplified NACH and Direct Benefit Transfer (DBT) ➤ Mandate abridged ■ POS Facility available ➤ Easy purchase of commodities.

■ Health Insurance for customers of the Bank and members of Self Help Groups

Deposit Products : 1. Normal and Flexi Savings Deposit with Personal Accident Insurance Scheme, 2. Current Deposit, 3. Recurring Deposit, 6. Fixed / Term Deposit, 7. Monthly Income Scheme, 8. Cash Certificates.

Loan Products : 1. Crop Loan to Farmers & Joint Liability Groups, 2. Micro Credit to Self Help Groups, 3. Loan for Agri-mechanization, 4. Loan for Agri-irrigation, 5. Loan for Agril.-Allied activities e.g. Fishery, Dairy, Weaving etc., 6. House Building Loan with special provision for Government employees, 7. Personal Loan, 8. Consumer Durable Loan, 9. Car Loan, 10. Loan Against Deposit, 11. Loan against NSC/KVP/LIP, 12. OD Loan, 13. ECCS Loan, 14. Loan for Self Employment/Small Scale Industries, 15. Loan for Cold Storage, Rice Mills & Other MSME Units in the form of Cash Credit, Term of Composite form of Loans, 16. Loans for Agriculture Infrastructure Fund (AIF).

Managing Director