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EDITORIAL

The Constitution (One Hundred and Eleventh Amendment) Bill 2009 was introduced in the Lok Sabha on November 30, 2009 by Union Minister of Agriculture Shri Sharad Pawar. The Bill seeks to add a new Directive Principle of State Policy that the State shall endeavour to promote voluntary formation, autonomous functioning, democratic control and professional management of cooperative societies. The Bill also seeks to insert a new part as Part IX B in the Constitution outlining certain guidelines for managing the affairs of cooperative societies. It is provided that the States will amend their Cooperative Societies Act to include mainly the following provisions.

- Board of Directors to have maximum 21 members with a fixed five year term.
- Reservation of one seat for SC/ST and 2 seats for women in the Board if the cooperative has members from these categories.
- Provision to co-opt maximum 2 persons to the Board with expertise in the banking, management, finance or specialization in the field relating to particular cooperative.
- Election to the new Board to be held before the expiry of the existing one as per guidelines being incorporated in the law.
- Election being conducted by a body or authority being specified in the Act.
- The Board can be superseded under exceptional circumstances for a period not exceeding six months and appointment of administrator till the new board is elected.
- The audit of accounts to be done by auditors or audit firms with required qualifications and experience as being specified in the law, from a panel approved by the State Govt.
- The provisions in the existing State Act to continue till the State legislatures pass new Act incorporating the above provisions.

The Constitutional Amendment was proposed as a measure to reform State Cooperative Societies Acts and also to bring certain degree of uniformity with regard to essential aspects of cooperative governance on the lines of Model Societies Act recommended by Brahmpraksh Committee. It is, however, doubtful whether the Constitutional Amendment will fully achieve the above objectives. The provisions suggested for incorporation in the State Acts do not fully conform to the provisions in the Model Act or even the Multi State Cooperative Societies Act 2002. While the Model Act as well as Multi State Cooperative Societies Act 2002 entrust the Board of Directors of the society with the responsibility to conduct elections before expiry of its term, the Bill provides that the elections to the Board will be conducted by a body or authority being specified in the State Act, which is not different from the present arrangement existing in many States which has been proved ineffective in conducting timely elections. Once the guidelines are provided in the Act, the responsibility for conduct of elections should be left to the Board to ensure timely elections with a provision for disqualifying the members of the Board which fails to conduct elections on time.

Similarly, the grounds for supersession mentioned in the Bill are too general involving subjective judgements of the authority concerned. The grounds for supersession should be specific and objective such as proven financial irregularities and defaults. The provision in the Bill relating to audit also needs amendment. Once the qualifications and experience of auditors are specified, the General Body should be given freedom to appoint auditors who possess such qualifications and experience from a panel approved by the Board instead of from a panel of auditors approved by the State Govt. The clause that the provisions in the existing Law will continue till the State legislature passes new Act will defeat the purpose of Constitutional Amendment. It is necessary that a deadline is fixed for States to amend its Act in accordance with the provisions incorporated in the Constitution.

It is suggested that the provisions relating to cooperatives may be incorporated in Part III (Fundamental Rights) since cooperative manifests the right to association instead of Part IV (Directive Principles of State Policy). While clauses in Part III can be enforced through a Court of Law clauses in Part IV are in the nature of general guidelines.

The Bill has been referred to the Department related to Standing Committee on Agriculture under the chairmanship of Shri Basudeb Acharia, which is expected to submit its report in three months. We hope that the Committee will recommend appropriate modifications in the Bill to make this exercise effective in reforming State Cooperative Societies Acts on the lines of Model Cooperative Act.

K.K. Ravindran
Managing Editor

Cooperative Banking In Competitive Environment

MS. BHAVI TRIVEDI*

Winners are those who adopt the changes before the change occurs. We cannot stop the change. To be open to change the cooperative banks need to re-engineer their policies and procedures. A strong professional approach is required.

Sea changes have been taking place in the global economy. LPG (Liberalisation, Privatisation and Globalisation) process has widened the business horizons for giant business players. These drastic changes have left footprints on each segment of our economy, banking being one of them.

The changes are clearly evident in a number of players with wide range of innovative products and services supported by high level of IT integration to enhance the market share and customer services. This has resulted in an uneven competition for the cooperative banks. The small banks have to compete with the banks whose branch business is equivalent to the bank business of the entire cooperative banks. Size is not only the factor but their major focus is on managing quality portfolio, reduction of NPAs, pricing of their services, leveraging technology for the cost reduction, taking benefits of large scale of operations and multi skilled and professional staff. Moreover, commercial banks also witnessed change in corporate governance practices, adoption of prudential norms and strategic planning. No doubt the cooperative banks serve altogether different segments of the economy, their credit portfolio consists of 60% of priority sector advances and amongst this, 15% goes to weaker section of the economy. But with the passage of time, the line of difference in the target customers is erased day by day due to improvement in standard of living of the people of priority and weaker sections and

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competitiveness of the giant commercial banks to reach till the lower range of customers by their tech Savvy products and services.

Here, the question arises whether the cooperative banks and its system can leverage its strength of ability to serve the very small accounts to tackle the competition that has arisen. Whether the committed clientele of cooperative banks will stick to their commitment or not, there also lies a big question mark. The time has come to test commitment of this captive clientele of the cooperative banks.

Healthy advances are the bread and butter of any bank. Cooperative banks get their business from their members as only the members are only eligible for loans and advances from the bank. Can cooperative banks trust its members/borrowers for their continuous and long lasting patronage which the banks enjoyed in the traditional banking era? Can these old roadmaps be trusted in this competitive and ever changing banking environment? And if the answer is positive, the question arises how long the cooperative banks can strongly stand on the base of these old roadmaps? The clientele base of the cooperative banks has decreased in some of the states. No doubt, cooperative culture is cultivated in the states of Gujarat and Maharashtra. But is it wise enough to stand on this assumption?

Competitive and changing environment have spread its colours to human behavior as well. Today's rationale and conscious customers never allow the banker to sell the same product or service for a couple of years which was possible in the earlier era of traditional banking environment.

Interest rates have an impact on quality of customers and their retention. But cooperative banks sometimes fail to recognize this fact. A high rate of interest tends to drive the better-off and well informed clientele to other banks. Small and too risky clientele are with the cooperative banks which are infact latent costs to the banks in terms of higher risk and

transaction load. The commercial banks with their strong financial base and ability to mobilize resources at a low cost are able to price their products and services at such levels that induce customer migration.

Further, in this competitive scenario a banker needs to learn different ways to convince the customers. Commercial banks realize this fact and do effective marketing which is not yet realized by cooperative banking sector as a whole. Commercial banks reduce the cost of the customers in terms of labour and time by large scale networking and technology driven services.

All these provide question mark on the excellence of cooperative banks in this competitive age. We can not blame the cooperative banks for their circumstances. One of the dimensions of low competitive behavior is the legal limitation on the cooperative banks. These banks suffer from dual control of RBI and RCS. The lengthy process is also cumbersome. Today conditions change frequently and on daily basis so how can cooperative banks compete with fast moving foreign banks with such dual control and long drawn legal procedures is the issue to ponder upon. Secondly, professionals with appropriate skills have not been brought in adequate number. They have not been utilized for their expertise. Procedurally the staff does not get adequate delegation of powers. Emotionally they are not enabled to own the results of their actions. This combination of denial makes the staff less effective. Their morale and enthusiasm reduces periodically. Management can not expect value addition from such demoralized staff.

Thirdly, cooperative banks are not convergent with latest technology. Investments in IT products and services is very less in these banks. The main reason behind this is low financial strength of the banks and another is staff resistance for change. All IT powers lie in the hands of people counted on finger tips which not only monopolises the work but also leads to misuse of power.

Moreover, loan and investment decisions are affected by political pressure. The office atmosphere and politics between employees hinder the growth of banking institutions.

In short, to removing the legal limitations is not the cup of tea for one or two cooperative banks. Therefore, the banks need to prioritize their investments in IT with adequate attention to human resources development both in business process and customer services.

The above analysis is not with a view to conclude that cooperative banking has no future or it cannot compete. There are cooperative banks which are flying high through their professional management, good corporate governance policy, excellent IT developments and introduction of new and innovative products like ATM Card, E Token, etc. Here is the example of one of the ideal cooperative banks namely The Cooperative Bank of Rajkot Ltd. Popularly known as RAJ BANK.

RAJ BANK is one of the best banks across the nation having its gross NPA nearest to zero which shows the superb performance of recovery department of the bank. A combination of transparent management alongwith team work of employees has made the bank number one innovative cooperative bank in the state of Gujarat. Recently, the bank received two awards for innovative HR practices and for best M&A respectively. This shows the excellent performance of the bank.

With the help of effective management and strong financial back up, the cooperative banks can provide their best to the nation as they have ability to provide personalized services to their clients at the lowest cost without hiring experts for finding out target customers at pay higher packages.

Winners are those who adopt the changes before the change occurs. We can not stop the change. To be open to change the cooperative banks need to re-engineer their policies and procedures. A strong professional approach is required.

Impact Of Basel Accord On The Financial Sector Reforms In India

Dr. R Maylsamy*
Dr. M. Revathi Bala **

The prudential norms have not only standardized the accounting procedures but also brought about the uniformity in maintenance and disclosure of financial information, which has facilitated for an inter-bank comparison over a period.

Financial System with financial stability is sine-quo-non for the sustained and rapid economic progress. Globalization and financial innovation have multiplied and diversified the risks carried by the banking system. In response, the regulation of banking in the developed industrial countries has increasingly focused on harmonization and ensuring financial stability. These nations aim for different level of development of their economies and their extent of financial deepening and intermediation is of different level as compared to the developing countries. Therefore, strong, efficient, functionally diverse and geographically widespread financial system is critical to the attainment of objectives of creating a market driven, productive and competitive economy in India.

Origin of Basel Committee

The Bank for International Settlements (BIS) was established in 1930 at Basel in Switzerland. It is the world's oldest international financial institution and remains this day a principal centre for International Central Bank Corporation. The Committee of Central banks and bank supervisors from the major industrialized countries meet once in every three months at the BIS in Basel, where its permanent secretariat is located. So, it is called the Basel Committee.

The Basel Committee consists of senior supervisory representa-

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tives from various countries viz., Belgium, Canada, France Germany, Italy, Japan, Luxemburg, Netherlands, Sweden, Switzerland, United Kingdome and the United States. Through regular meetings, bringing together governors and officials of the member central banks, the BIS act as the prime forum for information exchange and cooperation among central banks worldwide.

Central Bank Corporation at the BIS is aimed at defending the Bretton-Woods Systems in the 1960s and early 1970s and managing capital flows following the two oil crisis and international debt crisis in the 1980s. More recently, the thrust has been to foster financial stability in the wake of economic integration and globalization. The banking environment has undergone globally several changes and has turned risks inherent to banking operations more complex. There were banking crisis like the collapse of the Bearings Bank and the South Asian Crisis. So, the need for the amendment and updation of the accord was felt during the year 1988.

Basel Accord-I

During the year 1975, Central Bank Governors group from 10 countries formed a Committee of Banking Supervisory Authorities and had a meet at BIS. The Basel Committee provided a framework for capital adequacy in 1988 to shield against failures and insolvency of the banks putting the depositors to distress, which is known as Basel-I Accord. It also aims to improve safety and soundness in the financial system by placing more emphasis on banks' own Internal control and management, the supervisory review process and market discipline.

The norms for capital adequacy differ from bank-to-bank and country-to-country. The Basel Committee addressed the issue of standardization and provided a requisite framework. It defined components of capital, allotted risk weights to different types or categories of assets and the minimum ratio of capital to sum total of risk-weighted assets.

The Basel-I norms for risk weights were more rigid in nature. For example, all exposures to sovereigns were given 0 percent

risk weight. All bank exposures had a risk weight of 20 percent. Corporate advances had a risk weight of 100 percent. Such rigid approach without consideration for the strengths and weaknesses of individual entities was the main shortcoming of the Basel-I Accord.

Need for Basel Accord II

Over the past 20 years, the banking sector weaknesses resulted in huge economic losses among the various nations of the world. Instances of Mexico (1982), the other Latin American debt crises of 1980s, Mexico again in 1994 and 1995, and then the East Asia's debt problems of 1997 and 1998, Russia in 1988 and Brazil in 1999 are all the sad reminders of banking sector weaknesses. On the other hand, the banking industry world over has undergone a major transformation in the year 1988 when the Basel Accord-I was implemented. Especially, two specific changes- the expanded use of securitization and derivatives in secondary markets and vastly improved risk management systems had significant implications for Basel-I. As the banks have to operate on a global scale in all financial markets, Basel-I has become outdated.

Basel Accord in India

In India, the decade beginning with 1990 saw the accumulation of the crisis of the regulated regime with the worsening of the external balance of payments, a low foreign exchange reserve, raging inflation and dwindling Gross Net Product (GNP). It was felt that a major restructuring of the Indian economy was needed. On the external front, the signing of the General Agreement on Tariffs and Trade (GATT) followed by membership of the World Trade Organization (WTO), paved the way for global integration.

While the real sectors of the economy were being liberated by gradual loosening of controls, financial sector reforms were necessitated to support the restructuring process. The Committee on the Financial System (CFS) (1991) appointed for this purpose, recommended sweeping changes that came to be regarded as landmarks in the history of banking in India. The

objectives of the reforms package were threefold:

(a) Liberalization of all markets by quickening the process of deregulation;
(b) Increasing competitiveness in all spheres of economic activity, and
(c) Ensuring financial/fiscal discipline in all economic agents.

Reserve Bank of India (RBI) took prompt initiative to respond to the framework of Basel in terms of implementation of the 1988 Accord. In an effort to implement and monitor prudential norms in the area of credit and advances and functioning of the banks, RBI came out with comprehensive guidelines in the following areas:

- Pre conditions of effective banking and supervision;
- Licensing and structure;
- Prudential regulations and requirements;
- Liquidity risk management; and
- Methods of ongoing banking supervision

RBI's association with the Basel Committee on Banking Supervision (BCBS) was in the year 1997 as India was among the non-member countries that was consulted in the drafting of the Basel Core Principles. RBI has been actively participating in the deliberations on the New Accord. The RBI had accepted to adopt the new accord in April 2003 itself and announced its Annual Policy Statement in May 2004. The deadline for implementing Basel II, originally set for March 31st, 2007, has now been extended. Foreign banks in India and Indian banks operating abroad are to meet Basel-II norms by March 31st, 2008, while all other scheduled commercial banks will have to adhere to the guidelines by March 31st, 2009. But the decision to implement the guidelines remains unchanged.

On account of the structural changes imposed by the Basel Committee in 1988 and the implications of the new economic policy in the year 1991, the RBI had realized the introduction of financial sector reforms in India. The financial sector reforms in India were initiated in July 1991, as a step towards a broadening the process of international economic

integration and globalization of financial markets. The major components of the reforms are:

- Reduction in the interest rate deregulation
- Implementation of the prudential norms
- Competition
- Transparency and disclosures
- Supervisory system
- Risk management
- Credit controls
- Legal and institutional reforms

The financial sector reforms aimed at ensuring viability and soundness of the financial institutions and making the banking system strong, efficient, functionally diverse and competitive to support higher investment levels and economic growth. These reforms attempted to tackle the problems of low productivity, efficiency and profitability of the banking sector.

The Government of India appointed a high-level Committee viz., 'The Committee on Financial System' (CFS) under the Chairmanship of Shri. M. Narasimham to examine all aspects relating to the structure, organization , functions and procedure of financial system on 14th August 1991 and the Committee submitted its report to the Union Minister of Finance on 8th November 1991. The Committee observed that proper system of income recognition and provision was fundamental to the strength the prudential norms that are applicable to the banks in India, which aims to bring greater transparency in the financial statement of the banks. As a prelude, certain reform measures in the banking sector were the recommended by the CFS. They are viz.,

- Phasing out/reduction of statutory pre-emption in the form of cash reserve ratio (CRR) and statutory liquidity ratio (SLR).
- Deregulation of interest rates.
- Adoption of capital adequacy standards and prudential norms regarding income recognition, asset classification and provisioning, etc.
- Entry of new banks in the private sector.
- Functional autonomy for the banks

- Transparency in accounting and disclosure.
- Creation of an independent body for regulatory and supervisory control over the banks.
- Setting up of Debt Recovery Tribunals.
- Financial restructuring.

After the submission of the report by the Ghosh Committee, there were some accounting standards announced by the international Accounting Standards Committee with regard to 'disclosure in the financial statements of banks and similar financial institutions'. The CFS also endorsed the recommendation of the Ghosh Committee on financial accounts in this regard. The CFS further recommended that all banks in the country should also introduce these standards immediately with regard to capital adequacy, income recognition, assets classification, and provisioning. Based on these recommendations, the RBI undertook serious measures relating to introduction of prudential norms to the commercial banks (CBs), regional rural banks (RRBs) and extended to the cooperative banks (ST term credit structure and LT credit structure) (Table-1).

Prudential Norms

These prudential norms were recommended by the Basel Committee on Bank Supervision

Table No. 1 Introduction of the Prudential Norms

Prudential Norms	Commercial Banks	Regional Rural Banks	SCBs and DCCBs	SCARDBs and PCARDBs
Income Recognition	1992-93	1995-96	1996-97	1997-98
Assets Classification	1992-93 (With three years phasing of NPAs)	1995-96 (With three years phasing of NPAs)	1996-97 (No phasing of NPAs)	1997-98 (No phasing of NPAs)
Provisioning	1992-93	1996-97	Phased over 4 years from 1996-97	Phased over 3 years from 1997-98

Source: NABARDs' Best Performance Awards to Cooperative Banks 1997-98 & 1998-99 P:III

(BCBS) as a measure for the assessment of the financial soundness through a set of common denominators and operational parameters for banks having national operation. The aim of the prudential norms was to reduce the risk of the systematic failures and avert the disruption caused by impending financial crises. These norms insist the following elements to be focused in banking institutions.

- Adequate capitalization,
- Management of risks,
- Adoption of proper accounting system,
- Reporting true financial position and
- Effective supervision
- Further the application of the prudential norms is a tool which would help a bank to develop a sound and transparent base sustainability and to help in arresting deterioration in assets quality.

The Reserve Bank of India had issued draft guidelines for implementing prudential norms in line with Basel-I. The prudential norms on capital adequacy, income recognition, assets classification and provisioning are built around the concept on NPAs. The prudential norms have not only standardized the accounting procedures but also brought the uniformity in maintenance and disclosure of financial information, which has facilitated for an inter-bank comparison over a period.

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Shri K. Sivadasan Nair, MLA, Chairman of National Cooperative Agriculture & Rural Development Banks' Federation Ltd. was elected to the Governing Council of National Cooperative Union of India (NCUI) in the election held on 18th March 2010. Shri Nair represents the constituency of Cooperative Agricultural and Rural Development Banks in the Governing Council. This is his third consecutive term in the Governing Council of NCUI representing the ARDB sector.

SGSY Implementation In India - A Comparative Study Between Southern And Eastern Regions

DR.B.C.DAS*

Through implementation of *Swarnajayanti Gram Swarojgar Yojana (SGSY)*, the Government of India has been attempting to bring the assisted poor families above poverty line by providing them income-generating assets through bank credit and government subsidy. The government support to the programme beneficiaries under SGSY by extending back-ended subsidy of 30 per cent of the capital cost subject to a limit of Rs.7,500 per member (Rs. 10,000 for Schedule Caste/ Schedule Tribe) or Rs. 1,25,000 per a group of poor people, commonly known as Self Help Group (SHG). Prior to extending bank credit for enterprise activity, each SHG is also provided with Rs.10,000 as revolving fund by the government and cash credit facility by the banks to meet the small credit needs of the member, and to prepare group members for higher credit management. The approach of SGSY is mainly based on formation organizations of the poor at the village level in the form of SHGs to act as financial intermediary between financial institutions and members. To assist the poor SHG members and individual *swarojgaris*, the government allocates funds to all the state for the purpose of capital subsidy, revolving fund, infrastructure development and training and capacity building. The government's allocations are aimed to strengthen the demand side of SGSY by building up creditworthiness and credit absorbing capacity of the poor. The financial institutions of the country depending upon the preparedness of the SHGs, extend credit as per the demand.

The allocation of funds by Government of India to states under SGSY is made on the basis of the proportion of poor households in the respective states. Eastern and Central regions which had the highest concentration of rural poor (34.6 per cent and 33.8 per cent,

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respectively) also had high budgetary allocations (about 30 per cent and 27-28 per cent). However, their utilization of funds is dismal. Similarly, the flow of credit under the programme to the Eastern region of having 34.6 per cent poor is 16.7 per cent which is less than half of its share in the poor. Within the Eastern region, their lies grate inter-state disparities in the flow of credit.

The present investigation is carried out with the help of secondary data to study the performance of SGSY in respect of utilization of funds allocated under SGSY and credit disbursement to swarojgaris between Southern and Eastern Regions. The states studied under Southern region are Andhra Pradesh, Karnataka, Tamil Nadu and Kerala and Eastern region are West Bengal, Orissa, Bihar and Jharkhand.

High Poverty Eastern States:

The latest estimate of poverty based on the National Sample Survey Organization's (NSSO's) 61st round (2004 - 05) on consumption expenditure was taken for the purpose of the study. The four states of eastern region, viz., Jharkhand, Orissa, Bihar and West Bengal which are taken for the study come at serial number 1, 2, 3 and 8 respectively, in the table showing number and percentage of population below poverty line (Table I). The trends of rural poverty in the country in general have shown signs of decline but the incidence of poverty is getting more pronounced in the states which have consistently performed poorly as regards to poverty eradication. Of the 24 crore poor in the country, 17 crore (71 per cent) are found to be in rural areas. More than 78 per cent of the rural poor in the country are concentrated in the nine states presented in Table I. In terms of per cent share, Orissa has the largest proportion (39.9 per cent) of poor in the state's population followed by Jharkhand (34.8 per cent), Bihar (32.5 per cent), Madhya Pradesh (MP) (32.4 per cent) and Chhattisgarh (32 per cent). Temporal and spatial analysis of different sources of data on poverty leads to the conclusion that rural poverty in the country has assumed a distinct geographic contour and is becoming chronic. Bihar, Chhattisgarh, Jharkhand, MP, Orissa and UP have

Table I: Selected State-wise Number and Percentage of Population Below Poverty Line (Based on MRP-Consumption) in India (2004-2005)

States	Rural		Urban		Combined	
	%age of Persons	No. of Persons (Lakh)	%age of Persons	No. of Persons (Lakh)	%age of Persons	No. of Persons (Lakh)
Jharkhand	40.20	89.76	16.30	10.63	34.80	100.39
Orissa	39.80	129.29	40.30	24.30	39.90	153.59
Bihar	32.90	262.92	28.90	27.09	32.50	290.01
Uttarakhand	31.70	21.11	32.00	7.75	31.80	28.86
Chhattisgarh	31.20	54.72	34.70	16.39	32.00	71.11
Madhya Pradesh	29.80	141.99	39.36	68.97	32.40	210.97
Uttar Pradesh	25.30	357.68	26.30	100.47	25.50	458.15
West Bengal	24.20	146.59	11.20	26.64	20.60	173.23
Maharashtra	22.20	128.43	29.00	131.40	25.20	259.83
Tamil Nadu	16.90	56.51	18.80	58.59	17.80	115.10
Karnataka	12.00	43.33	27.20	53.28	17.40	96.60
Kerala	9.60	23.59	16.40	13.92	11.40	37.51
Andhra Pradesh	7.50	43.21	20.70	45.50	11.10	88.71
India	**21.80**	**1702.99**	**21.70**	**682.02**	**21.80**	**2384.99**

(Source: Data on Poverty, NSSO 2004-05survey)

consistently reported very high numbers of rural poor. Orissa, with two time higher incidence of poverty as compared to the national average, has actually seen the percentage of very poor increasing between 1983 and 2005.

In spite of the massive assistance extended to the rural poor under Integrated Rural Development Programme (IRDP) - an antipoverty programme implemented by the Government of India during 80's and 90's- several evaluation studies on IRDP revealed that less than 20 per cent beneficiaries could actually crossed the poverty line due to various shortcomings in the planning as well as implementation of that important programme. Prominent among these factors were unviable projects involving illogically low levels of investment, poor capability of the project-executing staff and imposition of projects on unskilled beneficiaries with no aptitude or capability for enterprise. Due to wide consensus on the need for restructuring the IRDP, a new programme, "*Swarnajayanti Gram Swarojgar*

Yojana" (SGSY) was launched in April 1999. The new programme - with focus on social mobilization of the rural poor into SHGs, their capacity building, skill up gradation, credit linkage, infrastructure, technology and market support, brought about a paradigm shift in the development strategy. From 1999 April till March 2009, 34 lakh SHGs have been formed, of which 63 per cent have passed Grade I (21.36lakh), and 30.1 per cent Grade II (10.24 lakh) and 22 per cent have taken up economic activities (Table II). The programme since inception has assisted 1.17 crore *swarojgaris*.

a) Funds allocation and Utilization under SGSY since 2003-04

The total fund available for the programme over the last six years was Rs 11,406 crore but the utilization was around 82 per cent (Rs 9,348 crore) of available fund (Table III). The utilization of funds during the above period was very good. However, the resource allocation to SGSY has been on a very modest scale, compared to the recent wage employment programme like the MNREGP.

The data presented in Table IV regarding the utilization of funds during the same period in the

Table II: Physical Progress under SGSY since Inception ('000)

Years	SHGs formed	No. of SHGs passed Grade-I	No. of SHGs passed Grade-II	SHGs taking up Economic Activities	SHG Swarozgaris Assisted	Individual Swarozgaris Assisted
1999-2000	292	125	74	29	348	586
2000-2001	223	214	101	26	319	687
2001-2002	434	176	54	31	365	573
2002-2003	399	190	95	36	414	411
2003-2004	393	205	91	51	578	320
2004-2005	266	220	106	68	789	327
2005-2006	276	211	92	80	873	278
2006-2007	246	222	156	138	1472	220
2007-2008	307	251	117	181	1154	253
2008-2009	564	322	138	114	1467	290
Total	**3400**	**2136**	**1024**	**754**	**7779**	**3945**

(Source: Various Annual Reports of MoRD, Govt. of India)

Table III: Funds allocated and utilized under SGSY in India since 2003 (Rs. crore)

	Total Allocation	Total funds available	Utilization of funds available	Percentage utilization of fund
2003-04	1066	1215	1043	86
2004-05	1333	1511	1291	85
2005-06	1333	1559	1339	86
2006-07	1466	1724	1424	83
2007-08	2269	2394	1966	83
2008-09	2692	3003	2285	76
Total	**10159**	**11406**	**9348**	**82**

(Source :Compiled from various Annual Reports of MoRD, Govt. of India)

eastern states is lower than the all India figures. The average percentage utilization of funds during the above period was mere 34.27 in eastern states which is much lower than the Sothern States (79.59 %) and national average. The under-utilization of available funds in these states could be due to lack of motivation on the part of poor as well as inability to shift from wage employment to self-employment. This suggests that the capacity of the poor to take up self-employment activities needs to be strengthened considerably to pursue viable self-employment.

b) Credit Mobilization and Disbursement under SGSY since 2003-04

Table IV: Funds allocated and utilized by Southern and Eastern States under SGSY since 2003 (Rs. crore)

Year	Total allocation		Total funds available		Utilization of funds available		Percentage utilization of funds		
	Southern States	Eastern States	Southern States	Eastern States	Southern States	Eastern States	Southern States	Eastern States	All India
2003-04	168.32	321.63	183.21	348.98	182.50	275.50	99.61	78.94	87.94
2004-05	210.69	402.60	232.98	433.32	219.70	346.30	94.22	79.91	85.49
2005-06	210.69	402.60	227.54	474.43	218.36	379.93	95.96	80.08	85.89
2006-07	233.74	446.49	227.83	424.22	128.40	213.68	56.35	50.38	57.41
2007-08	356.59	681.39	380.11	3199.50	196.63	209.78	51.73	06.55	24.01
2008-09	421.57	807.53	433.72	990.66	395.79	586.96	91.25	59.25	76.10
Total	**1601.60**	**3062.24**	**1685.39**	**5871.11**	**1341.38**	**2012.15**	**79.59**	**34.27**	**-**

(Source: Compiled data from various Annual Reports of MoRD, Govt. of India)

The data of the Table-V reveal that the credit target under SGSY has increased very moderately during the last six year from Rs.2,129 crore in 2003-04 to over Rs.3,930 crore in 2008-09 at current prices. However, the actual credit mobilized was only Rs.1,302 crore in 2003-04 and rose to Rs.3,530 crore in 2008-09 but still much below the target. The disbursement of credit is highly skewed among the states, and the southern states have performed well than others in successive years. The ratio of credit to subsidy was about two during the above period and did not vary much from year to year, and it remained much below the target ratio of 3:1.

However, the data of credit mobilization and disbursement in eastern states presented in Table VI indicate the much unsatisfactory performance of the region in mobilizing credit. The average percentage of credit disbursement during the above period in these states is around 43.37 per cent which is near about half of the average of southern region. This may be due to failure to strengthen the demand side of the credit by improving the capacity of the poor to absorb credit for income generating activities. But it may also be due to supply side failures and lack of will power of the poverty stricken states to fight against poverty.

The high rural poverty states like Orissa, Jharkhand, Bihar and West Bengal of eastern

Table V: Credit Mobilization and Disbursement in India since 2003 (Rs. crore)

Year	Total Credit Target	Credit Disbursed to SHGs	Credit Disbursed to Individual Swarozgari	Total Credit Disbursed	% of Credit Disbur.
2003-04	2129	708	594	1302	61
2004-05	2508	1028	631	1658	66
2005-06	2516	1275	548	1823	72
2006-07	2869	1803	488	2291	80
2007-08	3744	2091	670	2761	74
2008-09	3930	2513	1017	3530	90
Total	**17696**	**9418**	**3948**	**13365**	**76**

(Source: Various Annual Reports of MoRD, Govt. of India)

Table VI: Credit Mobilization and Disbursement in Southern and Eastern States under SGSY since 2003 (Rs. crore)

Year	Total Credit Target		Credit Disbursed to SHGs		Credit Disbursed to Individual Swarozgari		Total Credit Disbursed		% of Credit Disbursed		
	Southern States	Eastern States	Southern States	Eastern States	Southern States	Eastern States	Southern States	Eastern States	Southern States	Eastern States	All India
2003-04	314.48	616.37	163.42	90.80	58.25	250.15	221.67	361.48	70.48	58.64	61.01
2004-05	400.25	724.27	214.78	157.82	55.42	255.65	270.20	413.48	67.50	57.08	66.12
2005-06	490.02	662.50	110.63	71.49	19.16	93.68	129.80	165.17	26.48	24.93	31.88
2006-07	443.90	848.22	213.44	134.51	18.66	67.59	232.10	202.10	52.28	23.82	39.30
2007-08	588.38	1125.29	569.95	372.84	74.06	88.37	644.02	461.21	109.45	82.85	40.99
2008-09	614.40	1174.02	641.46	481.92	108.33	148.60	749.49	630.51	121.98	53.70	89.83
Total	**2851.43**	**5150.67**	**1913.68**	**1309.38**	**333.88**	**904.04**	**2247.28**	**2233.95**	**78.81**	**43.37**	**-**

(Source: Compiled data from various Annual Reports of MoRD, Govt. of India)

region in which more than 35 per cent of poor people of India reside, and in these states the incidence of poverty is much more pronounced than the other states of the country, need very effective implementation of SGSY programme for poverty alleviation. However, the fund utilization and credit flow under SGSY in these states indicate otherwise. The performance of the programme implementation in eastern states is unsatisfactory, and may be due to failure of delivery system. Recently a study on "Institutional Credit for Rural Livelihood-A study of SGSY in the Regions of High Poverty" published by National Institute of Rural Development (NIRD) indicates that in these states the functionaries of DRDAs and BDOs do not possess adequate knowledge of the programme and also bank has little interest in it. Similarly, the line departments are hardly involved in planning, implementation and monitoring of the SGSY programme (Purushotham, 2009). In many districts of eastern states, it is found that rural development and concerned line department officials and participating NGOs are unable to provide required infrastructure, backward and forward linkages, technologies and market support to the *swarojgaris*. In spite of its 10th

year in continuous implementation, the programme has neither contributed substantially in alleviating poverty nor in providing sustainable livelihood options to the BPL families in the country. The SGSY implementation in poorer states needs serious re-examination and formulation of favourable guidelines to help these states to implement the anti-poverty programmes efficiently.

References:

1. Ministry of Rural Development, Government of India, various Annual Reports
2. Purushotham, P. (2009): Institutional Credit for Rural Livelihood, National Institute of Rural Development (NIRD).
3. Report of the Committee on "Credit Related Issues under SGSY", Ministry of Rural Development, Government of India, 2009

THE HARYANA STATE COOPERATIVE AGRICULTURE AND RURAL DEVELOPMENT BANK LTD.

Sahakarita Bhawan, Bay No. 31-34, Sector - 2, Panchkula

The Haryana State Cooperative Agriculture and Rural Development Bank Ltd., is the specialised institution in the State, which caters to the Long Term credit needs of the farmers for the upliftment of the economic position of the agriculturists and allied fields.

The bank advances Long Term loans to the farmers for the following purposes :-

Scale of finance and periodicity of Major Sectors

Farm Sector

Sr.No.	Name of the Scheme	Period	Scale of finance
1.	Minor Irrigation	9 years	Rs. 36,000 to 1,50,000
	i. WCS/UGPL	-do-	90% of the project cost
2.	Farm Mechanisation	5-9 Years	85% of the cost of the Machinery
3.	Purchase of Agriculture Land	10 Years	Upto Rs. 10.00 Lacs
4.	Horticulture/Plantation	5-9 Years	Rs. 40,000 to 1,55,000 per Acre
	i. Medicinal & Aromatic Plants	-do-	90% of the project cost
5.	Animal Husbandry	5-7 Years	90% of the project cost
6.	Rural Godowns	Upto 10 Years	75% of the project cost

Non Farm Sector

Sr.No.	Name of the Scheme	Period	Scale of finance
1.	Rural Housing	Upto 10 Years	Upto Rs. 5.00 Lacs
2.	Marriage Palaces	Upto 10 Years	90% of the Project Cost
3.	Community Halls	Upto 10 Years	90% of the Project Cost
4.	Village Cottage Industry	Upto 10 Years	90% of the Project Cost
5.	PublicTransport Vehicles	Upto 10 Years	85% of the Project Cost
6.	Rural Educational Infrastructure	Upto 10 Years	90% of the Project Cost
7.	Other SSI Units	Upto 10 Years	90% of the Project Cost

Rate of Interest

The Bank has revised the rate of interest and fixed it at 11.50% p.a. to be charged from the ultimate borrowers on all types of loans w.e.f. 01-04-09.

NOTE:- For further details, kindly contact The Haryana State Coop. Agri. & Rural Dev. Bank Ltd., Panchkula or the District Co-op. Agri. and Rural Dev. Banks at District level and its branches at Tehsil & Sub-Tehsil level in the State.

SATBIR SHARMA
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नये परिवेश में नयी सोच को लाने के लिये कटिबद्ध उत्तर प्रदेश सहकारी ग्राम विकास बैंक लि.,

श्री नवल किशोर*

उत्तर प्रदेश सहकारी ग्राम विकास बैंक की स्थापना एकात्मक पद्धति पर वर्ष 1959 में सहकारी अधिनियम के अन्तर्गत हुई थी। बैंक के संगठन एवं प्रबन्ध के सम्बन्ध में उत्तर प्रदेश सहकारी समिति नियमावली के प्राविधान लागू होते हैं। इसके अतिरिक्त उत्तर प्रदेश सहकारी ग्राम विकास बैंक्स अधिनियम 1964 एवं उसके अधीन बनी नियमावली 1971 के प्राविधानों के अनुसार बैंक के ऋण वितरण, ऋणपत्र निर्गमन एवं वसूली आदि कार्य सम्पादित होते हैं।

वर्तमान समय में बैंक कुल 323 शाखाओं के माध्यम से कार्य कर रही है जिसमें से 262 शाखाएं तहसील स्तर पर तथा शेष 80 शाखाएं विकास खण्ड स्तर पर कार्य कर रही हैं।

ऋण वितरण के उद्देश्य

बैंक की उपविधियों में लघु सिंचाई, कृषि यंत्रीकरण, औद्यानिक विकास, पशुपालन, मत्स्य पालन, अकृषि क्षेत्र, ग्रामीण आवास, किसान क्रेडिट कार्ड तथा अन्य योजनाओं में ऋण प्रदान करने की व्यवस्था की गयी है।

वर्तमान में बैंक द्वारा निम्नलिखित उद्देश्यों हेतु कृषकों को दीर्घकालीन ऋण उपलब्ध कराया जा रहा हैः–

लघु सिंचाई, कृषि यंत्रीकरण, डेयरी, औद्यानिक विकास, औषधीय पौधों की खेती, पशु पालन, मत्स्य पालन, कुक्कुट पालन, पशु चालित वाहन, अकृषि क्षेत्र, लघु सड़क परिवहन, ग्रामीण आवास दो पहिया वाहन, भूमि क्रय, किसान क्रेडिट कार्ड एवं इसके अतिरिक्त नये आयाम की योजनायें जैसे–एग्री क्लीनिक, एग्रो प्रोसेसिंग, जैव उर्वरक, वर्मी कल्चर, फ्रूट एवं वेजीटेबुल कम्पोस्ट, मोटर साइकिल रिपेयरिंग एवं बैटरी चार्जिंग आदि।

प्रगति

बैंक ने प्रारम्भ से 31.03.09 तक लगभग 55 लाख लाभार्थियों को रू0 9801.61 करोड़ का दीर्घकालीन ऋण उपलब्ध कराया गया है, जिनका मदवार विवरण निम्नवत हैः

उक्त में अब तक 35.48 लाख लाभार्थियों को लघु सिंचाई हेतु रू0 3816.56 करोड़ का ऋण वितरण किया गया, जिससे पिछले 9 वर्षो में लगभग 32.38 लाख हेक्टेयर क्षेत्र में अतिरिक्त सिंचन क्षमता सृजित हुई है।

वित्तीय वर्ष 2008–09 में रू0 500.00 करोड़ लक्ष्य के सापेक्ष रू0 488.47 करोड़ का ऋण वितरण हुआ था। वर्ष 2009–10 में उत्तर प्रदेश के लिए कुल रू0 645.28 करोड़

* प्रबन्ध निदेशक, उत्तरप्रदेश सहकारी ग्राम विकास बैंक लि.,लखनऊ

के ऋण वितरण का लक्ष्य निर्धारित किया गया है जिसके सापेक्ष 30.09.09 तक रू0 190.33 करोड़ का ऋण वितरण किया गया है, जबकि गतवर्ष इसी अवधि में रू0 163.21 करोड़ रू0 का ऋण वितरण हुआ है।

शासकीय योजनाओं में ऋण वितरण

(अ) बैंक शासन द्वारा संचालित योजनाओं जैसे–एस.जी.एस.वाई., एस.सी.पी., निःशुल्क बोरिंग, सघन मिनी डेयरी तथा आन फार्म वाटर मैनेजमेंट योजना में दिनांक 31.08.09 तक कुल रू0 3479.68 करोड़ का ऋण वितरण किया गया है।

(ब) शासन द्वारा संचालित छतरी रोजगार योजना के अन्तर्गत वर्ष 08–09 में 31.03.09 तक 123722 व्यक्तियों को रोजगार दिया गया है। वर्ष 2009–10 में दिनांक 30.09.09 तक कुल 40576 लाभार्थियों को रोजगार सृजन कराया जा चुका है।

वसूली

भारत सरकार द्वारा ऋण माफी/ऋण राहत योजना लागू होने तथा एक लाख से कम के बकायेदारों के विरूद्व उत्पीड़न कार्यवाही में रोक लगाये जाने के कारण विगत वर्षों में वसूली पर विपरीत प्रभाव पड़ा। 30.06.2009 तक की कुल मांग रू0 1767.14 करोड़ के सापेक्ष दिनांक 30.06.09 तक रू0 677.23 करोड़ की वसूली हुई, जो मांग का 38.32% थी। जो विगत वर्ष 2008 में 30.06.2008 को हुई ऋण वसूली से रू0 243.81 करोड़ अधिक है।

शासन की ऋण माफी योजना एवं ऋण राहत के अन्तर्गत क्रमशः कुल 894908 कृषकों को रू01518.59 करोड़ की ऋण माफी एवं 83710 कृषकों को रू0 108.81 करोड़ की ऋण राहत प्रदान किया जाना सम्भावित है, जिसके सापेक्ष अब तक रू0 1398.04 करोड़ बैंक को प्राप्त हो चुका है।

बैंक की प्रमुख समस्याएं–

व्यावसायिक और क्षेत्रीय ग्रामीण बैंक ग्रामीण साख का 38 प्रतिशत हिस्सा रखती हैं जब कि उ0प्र0 सहकारी ग्राम विकास बैंक जिसका अस्तित्व 50 वर्ष पुराना है,का योगदान 65 प्रतिशत तक रहा है। अब जब कि प्रतिस्पर्धा एवं बाजार चालित अर्थव्यवस्था का युग है, बैंक की कार्यशैली तथा उसके स्वरूप में परिवर्तन किया जाना आवश्यक हो गया है। वस्तुतः ग्राम विकास बैंक के लिये यह संक्रमण काल है जिसमें बैंक प्रबन्धन में व्यावसायीकरण तथा ग्रामीण सदस्यों को लाभ दिये जाने की नीति के साथ इसका पुर्नगठन किया जाना अति आवश्यक हो गया है। विभिन्न देशों में दीर्घ कालीन ऋण वित्त पोषण करने वाली सहकारी संस्थाओं की प्रगति का अवलोकन करने के उपरान्त यह दावे के साथ कहा जा सकता है कि यदि चीन जैसे राष्ट्र सहकारी साख से अपनी कृषि एवं ग्रामीण व्यवस्था सुधार कर आज सबल एवं समर्थ विश्व शक्ति की होड़ में आगे खड़े हो सकते है तो हम क्यों नहीं। सूचना प्रोद्यौगिकी के प्रवेश से कतिपय नये आयाम उभर कर सामने आये हैं तथा इनसे कार्यों में सक्रियता आई है। हमारी समस्या अन्वेषक,

पारदर्शी एवं स्वच्छ व्यावसायिकता को व्यवहार रूप में लाने की है जिससे अभ्यन्तर(core) दक्षता का विकास व्यावसायिक वृद्धि एवं लाभकारी कार्यक्रमों का प्रभावी निर्देशन में क्रियान्वित कराया जा सके और इसके लिये सूचना प्रोद्यौगिकी के स्वस्थ संचार नेटवर्क के साथ आधुनिक समर्पित दृष्टिकोण में बदलाव लाने की आवश्यकता है।

(क) कास्ट आफ फण्ड अधिक होना

बैंक को वित्तीय संसाधन अधिक ब्याज दर पर 8.5% पर उपलब्ध होने के कारण इसकी कास्ट आफ फण्ड 7.0% से अधिक है। जबकि व्यावसायिक बैंकों का कास्ट आफ फण्ड 3.5% है, क्योंकि व्यावसायिक बैंकों में कम ब्याज दर पर धन उपलब्ध होता है। यह समस्या पूर्ण बैंकिग की अनुमति मिलने पर ही दूर हो सकती है।

(ख) शासकीय गारण्टी

शासकीय गारण्टी हेतु बैंक द्वारा प्रत्येक वर्ष यथा समय प्रस्ताव शासन को उपलब्ध कराया जाता है। शासकीय गारण्टी की स्वीकृति में अनेक विभाग सम्मिलित होते हैं, उनसे स्वीकृति मिलने में अत्यधिक समय लग जाता है, जिसके कारण ऋण वितरण का कार्य अनावश्यक रूप से प्रभावित होता है तथा लक्ष्य की प्राप्ति करने में काफी कठिनाई आती है। अतः शासकीय गारण्टी एक साथ दिये जाने पर शासन निर्णय ले जिससे विकास कार्यक्रम में अनपेक्षित अवरोध उत्पन्न न हो।

(ग) रू0 1.00 लाख से कम के बकायेदारों पर उत्पीड़न कार्यवाही

शासन द्वारा रू0 1.00 लाख से कम के बकायेदारों पर उत्पीड़न कार्यवाही पर रोक लगाई गई है, जिसके कारण बैंक की वसूली पर विपरीत प्रभाव पड़ रहा है, क्योंकि बैंक के लगभग 90% बकायेदार एक लाख से कम के हैं।

(घ) 3.125 एकड़ तक के कृषकों की नीलामी पर कार्यवाही

शासन द्वारा 3.125 एकड़ तक के बकायेदारों की भूमि की नीलामी पर रोक लगाई गई है,जबकि लगभग 80% बकायेदार उक्त श्रेणी में ही आते हैं। उक्त दो कारणों से कृषकों की बकायेदारी निरन्तर बनी हुई है जिससे वे बैंकों से नये ऋण भी नहीं प्राप्त कर पा रहे हैं और अपनी कृषि सम्बन्धी आवश्यकताओं के लिये फिर साहूकारों/महाजनों के चक्रव्यूह में फसने लगे हैं।

मानव संसाधन विकास

किसी भी संगठन की प्रगति उस संगठन से जुड़े कर्मियों,जो उस संगठन के लक्ष्य पूर्ति के प्रति पूर्ण सजगता से कटिबद्ध रहते हैं,पर निर्भर करती है। आधुनिक व्यावसायिक प्रबन्धन में इस जीवनदायिनी शक्ति को मानव संसाधन प्रबन्धन के रूप में उच्चारित किया जाता है। प्रारम्भ में जहां कुछ पंचवर्षीय योजनाओं के दौरान कृषि उत्पादन में वृद्धि के साधन के तौर पर सिंचाई के साधन को बढ़ावा दिये जाने पर ज़ोर दिया

जा रहा था, प्रदेश में हरित क्रान्ति की सफलता के बाद श्वेत क्रान्ति और उसके बाद ग्रामीण रोजगार सृजन हेतु सेवा परिक्षेत्र में कदम बढ़ाते ग्राम विकास बैंक के कार्यशैली में तदनुरूप अपेक्षित परिवर्तन नहीं हुये। और अपनी इसी पुरानी ढर्रे वाली कार्यशैली के बलबूते ही समग्र ग्राम विकास की ओर बैंक ने अपनी प्रतिबद्धता निर्धारित कर दी। शनैः शनैः गुणात्मक कार्यशैली के लिये प्रशिक्षण वृत्ति को भी प्रोत्साहित किया गया किन्तु बैंक में संरचनात्मक सुधार हेतु सर्वाधिक आवश्यक प्रशिक्षित जनशक्ति का दूर तक नितान्त अभाव था। बिना प्रशिक्षित जन शक्ति के विकास में किसी विशिष्ट उपलब्धि की कामना निरर्थक है।

अतः हमें भी बैंक को एक व्यवसायिक संस्था, एक कारपोरेट इकाई की ही भांति पोषित व संरक्षित करना होगा। इस दिशा में वर्तमान में बैंक में व्यावसायिक सुप्रबन्धन तथा बैंक कर्मियों की कार्यक्षमता एवं मनोदशा में परिवर्तन लाया जाना भी अनिवार्य है। अपने अनुभव एवं विचार शक्ति से मुझे प्रतीत होता है कि ग्राम विकास बैंक का प्रबन्धन किसी गैर सरकारी व्यावसायिक उपक्रम के प्रबन्धन की तुलना में बहुत अधिक कठिन है। यहां हमें कार्य के प्रति समर्पित ऐसे प्रबन्धको/कार्मिको की आवश्यकता है जो गांव, विकासखण्ड,तहसील व जनपद स्तर पर कार्य करने के लिये आवश्यक जानकारी कौशल व क्षमता रखते हों।

अपने श्री लंका भ्रमण में, मैंने वहां के लघु वित्त पोषण करने वाली सहकारी संस्था 'सनासा' (SANASA) के विकास बैंक की कार्य पद्धति का निरीक्षण किया जो न केवल ऋण वितरण का कार्य कर रही है वरन ग्रामीण क्षेत्र के निवासियों को आर्थिक सुदृढता प्रदान करने के लिये अनेक व्यावसायिक कार्य सुव्यवस्थित ढंग से सम्पन्न करने वाली संस्था के रूप में सहकारिता में कारपोरेट प्रबन्धन की एक जीवन्त मिसाल है। यही अवधारणा उ0प्र0सहकारी ग्राम विकास बैंक में भी क्रियान्वित हो सके इसके लिये व्यवसाय प्रबन्धन,मानव संसाधन विकास के नये प्रतिमानों के साथ विकसित किये जाने का हमारे प्रबन्धन ने निश्चय किया है। साथ ही ग्रामीण सदस्यों की छोटी बचतों को प्रोत्साहित करने के लिये बैंक में सावधि जमा योजना को और अधिक प्रभावी ढंग से प्रचारित व प्रसारित कर हमने एक शुभारम्भ की भूमिका का तो निर्वहन कर दिया है किन्तु इसको और अधिक गतिशील बनाने के लिये हम कटिबद्ध हैं।

अपने दक्षिण कोरिया के अध्ययन भ्रमण में मैने पाया कि निरन्तर जापान के औपनिवेशिक आधिपत्य से मुक्ति के उपरान्त भी वहां प्रगति के कोई लक्षण नहीं दिखे। किन्तु कोरियायी युद्ध के उपरान्त जब सिंगमन री (Syngman Rhee) तथा पार्कचुंग ही (*Parkchung Hee*) के कार्यकाल में कृषि आधारित अर्थव्यवस्था में बदलाव के लक्षण दिखना प्रारम्भ हो चुके थे। इसी अवधि में वहां राष्ट्रीय कृषि एवं सहकारी संघ, कोरिया जिसे कोरियायी भाषा में नांगहिप कहते हैं, क्रियाशील हुआ। इसके साथ ही बैंकिग, बीमा,साख गारण्टी के अतिरिक्त क्रेडिट कार्ड, पशुधन व्यवसाय में उत्पादन प्रसंस्करण, विपणन

व मार्गदर्शन–प्रशिक्षण आदि सम्बन्धी सेवायें के साथ कृषि उद्योग एवं सहकारी आन्दोलन को सशक्त बना रहा है। काम करने वाले लोगों की कड़ी मेहनत तथा कार्यक्षमता संवर्धन के परिणाम स्वरूप ही सम्भव हो सका है। नांगहिप के प्रत्येक कर्मी प्रतिनिधि में मुझे नांगहिप के प्रति पूरी आस्था व समर्पण की भावना तथा कार्य के प्रति सजग स्फूर्ति दिखाई पड़ी। वस्तुतः ये अनुभूति उनकी प्रतिस्पर्धात्मक प्रगति के कारण और भी स्पष्ट दिखाई पड़ती है, राष्ट्रीय कृषि एवं सहकारी संघ (N.A.C.F.) का बुनियादी आधार अब सुदृढ़ है जिसके परिणामस्वरूप दक्षिण कोरिया की अर्थव्यवस्था एवं सहकारी क्षेत्र प्रगति के शिखर पर है। कदाचित प्रगति के शीर्षस्थ का अनुगामी होना, उनसे प्रेरणा लेना हमारे लिये भी लाभप्रद होगा इस कार्य हेतु बैंक के स्वर्णजयन्ती वर्ष में इस भावना को मूर्त रूप देने के लिये बैंक के प्रधान कार्यालय परिसर तथा नवीन भवन के स्वागत कक्ष को प्रदर्शनी–कक्ष के रूप में सुसज्जित कराया जा रहा है इसमें बैक के क्रिया कलापों की जीवन्त प्रदर्शनी के साथ बैंक की स्थापना के मूल में प्रेरणादायी सहकार–बन्धुओं के संक्षिप्त जीवन वृत्त सहित उनें पोर्ट्रेट लगवाये जा रहे हैं। बैंक के लान में लघु सिंचाई योजनाओं के अन्तर्गत ड्रिप एवं स्प्रिंकलर सिचाई के सजीव प्रदर्शन की व्यवस्था की गई है ताकि बैंक में आने वाले ग्रामीण जन एवं अन्य महानुभाव बैंक की मूल भावना से स्वयं को भी आत्मसात कर सकें तथा बेहतर परिदृश्य संरचना में अपनी सक्रिय भागीदारी निभा सकें।

मुझे पूरा विश्वास है कि हमारे बैंक के बुनियादी आधार सुदृढ़ हो जाने से विकास की गति भी तेज होगी। इसी भावना से उत्प्रेरित होकर मैं बैंक की समस्त जनशक्ति को बैंक की कार्यप्रणाली की वृहदतम जानकारी कराये जाने का पक्षधर हूँ। बैंक के सभी कर्मचारी अधिकारी तथा इस संस्था के मुख्य नियामक जो हमारे गांवों के किसान भाई हैं वे सभी बैंक की कार्यप्रणाली से भलीभांति परिचित हों। यह तभी सम्भव होगा जब इस संस्था के सभी कर्मचारी व अधिकारी उ0प्र0 सहकारी ग्राम विकास बैंक की मूल भावना, उसके लक्ष्य तथा मिशन से पूरी तरह जुड़े हों। मैने अपने विभिन्न शाखाओं के भ्रमण व निरीक्षण के दौरान बैंक कर्मियों मे बैंक के कार्यों के प्रति उत्तरदायित्व, जागरूकता एवं कार्यकुशलता व कार्यदक्षता में वृद्धि किये जाने की आवश्यकता महसूस की है। तदनुरूप बैंक के समस्त मण्डलों में शाखाओं पर कार्यरत कर्मियों को बैंक की कृषि एवं ग्रामीण विकास की जिम्मेदारी के परिपेक्ष्य में कर्मियों की सोच, अवधारणा में सकारात्मक परिवर्तन लाने, हेतु प्रत्येक संवर्ग हेतु तीन दिवसीय वृहद प्रशिक्षण कार्यक्रम चलाया गया । प्रदेश के सभी मण्डलों में प्रशिक्षण कार्यक्रम सम्पन्न हो चुका है नयी कार्य संस्कृति के प्रवेश के लिये हमने अपने प्रयासों को तदनुरूप सक्रियता प्रदान कर नये वातावरण निर्माण का अभियान प्रारम्भ कर दिया है मुझे पूरा विश्वास है कि परिवर्तन की वायु प्रवाहित होती हुई प्रदेश के गाँवों में गाम विकास बैंक के माध्यम से सहकारी आन्दोलन के नये स्वरूप संरचना मे अपना प्रभाव दिखायेगी।

Press Release

Dr. Chandra Pal Singh Yadav Elected New President of National Cooperative Union of India (NCUI)

Dr. Chandra Pal Singh Yadav, Ex. Member of Parliament is the new president of National Cooperative Union of India (NCUI), the apex organization of Indian Cooperative Movement. At a newly elected governing council meeting of the NCUI held on 18th March, 2010 evening Dr. Yadav was elected as president of NCUI. Dr. Yadav is presently the chairman of KRIBHCO, the leading fertilizer cooperative in India and was also the Vice-Chairman of National Agricultural Cooperative Marketing Federation of India (NAFED). Born on 19th March, 1959 and son of Shri Thakur Prasad Yadav a freedom fighter. Dr. Yadav is a agriculturist by profession. Dr. Yadav was also the Ex. Member of Parliament elected to 14th Lok Sabha of Jhansi (UP) constituency. He was also member of the parliamentary committee on estimates, energy and local area development scheme for MPs. Dr. Yadav had a long association with the cooperative movement both at a state level in Uttar Pradesh as well as national level for around 22 years. He has been on the board of National, state and district level cooperatives. He has actively participated for the promotion and development of agriculture & marketing cooperatives in the country. His special area of interest lies in the field of dissemination of knowledge on new technology in agriculture dairying and gardening. He has a long association with various educational and social institution in the country. He has widely traveled abroad for strengthening the cause of Indian Cooperative Movement.

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NEWS & NOTES

Savings and investments

Accounting Standard 13 (AS-13) defines an investment to be funds set apart with the objective of growth, security or earnings. Thus there are three objectives of an investment growth, security and income. Investments are classified as current or long-term. Current investments are those held for short periods (conventionally for less than 12 months) whereas long-term investments are held for longer periods. Savings stand on a different footing altogether. Investments could be current or long-term, whereas savings are always of a long-term nature.

It is only individuals who can save. A business entity does not save. Savings are personal in nature whereas investments constitute an asset and appear on the asset side of the balance sheet. Savings are properties while investments are assets. Savings are made out of income while investments can be made out of borrowings also. Savings by way of life insurance premium, national savings certificates, etc, are eligible for deduction from taxable income (if they are paid out of income chargeable to tax) whereas investments are not deductible. There is no certainty that the amount invested would come back, whereas there is no such risk in the case of savings. Fixed deposits with banks (up to a certain limit) are assured, even if the bank goes into liquidation. Amounts invested in shares may, at times, have to be written off.

Savings can be made through many ways. It could be by way of bank accounts such as savings bank accounts, recurring deposits, fixed deposits, etc. The banking sector offers certain small benefits to savings accounts, which are not available to current accounts, such as cheque books that are charged for in the case of current accounts but free of charge in savings accounts. Small interest is paid on savings while no interest is paid on current accounts.

They may also be by way of National Savings Certificates and the like issued by the National Savings Organisation.

Contribution to provident fund during the active life of a person is a long-term savings, which would come in handy when the person retires.

Investments could be fixed income yielding investments such as bonds and debentures. They may also be fluctuating income yielding investments such as investment in shares and mutual funds.

AS 13 also provides for "investment property", where investment could be in the form of real estate. Where an entity acquires landed property out of its disposable funds with a view to dispose it of at a profit at a later date, it qualifies to be investment property.

Dividend income

Dividend is the portion of profits that a company distributes among its shareholders in the form of cash. Usually, it is expressed per share. In some cases it is expressed as a percentage of the share's face value. So if a company declares a 100% dividend, one will get an amount equal to the face value of the share and not equal to its market price. When dividend is expressed in percentage terms, it is the face value that is referred to. The same holds good when it comes to dividends declared by mutual funds it is the par value of units that is considered which usually stands at Rs.10.

The ratio of dividend amount per share to the prevailing market price of the share is yardstick to identify attractively-valued stocks. Other things remaining equal, the higher the dividend yield, more attractive is the stock for investors. The only difference between dividend yield and the rate of interest quoted on a fixed deposit being that on the latter, the amount invested is expected to be returned along with a predetermined interest whereas in the case of stocks, neither future dividends nor prices are fixed.

If one come across a stock with a high dividend yield, check if the dividends are regularly paid by the company, which should have dividend policy in place. One should also be aware of the source of the dividend, i.e. whether it is paid out of a previous year's profits or out of profits earned from non-operating activities such as sale of assets, etc.

Investing on the basis of dividend yield has emerged as a popular practice in developed markets. One such popular investing practice is 'Dogs of Dow' where investors each year pick up 10 stocks which have the highest dividend yields on the Dow Jones Industrial Average index. These stocks are held till the end of the year.

In India, equity dividends paid by listed companies are tax free in the hands of shareholders. The company declaring the dividend has to pay a dividend distribution tax to the government. Though dividend is one of the reasons that makes investors hold on to equities, capital appreciation is a more important reason. Dividend yield can be a good tool to identify an undervalued stock that may offer good appreciation.

Basics before buying a health cover

Generally, while buying a health cover, insurance seekers tend to rely on their agents to understand the nuances of the policy. Many policyholders get acquainted with what their policy doesn't cover, only if their claims are rejected. Consequently, while the awareness of health insurance is growing, so is the number of disputes on claim settlement.

Before signing up for the policy, one need to ascertain the terms and conditions specified. If one is aware of exactly what his policy covers, that would nip many potential disputes in the bud. What usually happens is, individuals are dependent on their agents or brokers and take their views at face value. The intermediaries are mainly concerned about their commission. Therefore, neither the insured nor the broker adequately analyses the policy's content.

Some policyholders tend to avoid declaring pre-existing illnesses while buying a health cover, which is an unwise approach to adopt. Individual policies typically exclude pre-existing illnesses. (After all, you will have to reveal the same to the doctor who is attending you, in order to ensure appropriate diagnosis and treatment). If the third party administrator (TPA) stumbles upon this fact while studying person's medical his-

tory, his claim could be rejected, leaving him with a huge burden of cash outgo to deal with.

While getting a health cover, one should focus on the exclusions illnesses and ancillary expenses that are not covered. Usually, insurers do not agree to pay expenses incurred for piles, cataract etc., in the first year. Pregnancy too is not covered under standalone mediclaim policies. The same goes for dental treatment, crutches etc. Some other insurers exclude the cost of external aids like pacemaker and wheelchair, or tonics and vitamins prescribed by the doctor. This apart, claims pertaining to outpatient department and diagnostic costs are also not entertained in India.

An eye for the reasonability clause in policy is also essential which states that only those expenses that are 'reasonably and necessarily' incurred will be reimbursed insurance companies are using this clause to restrict payments, whenever they feel that the hospital has overcharged under a particular head. For instance, one could have received a treatment from a doctor who has charged a fee of Rs. 1 lakh. Now, if it so happens that other hospitals or doctors provide the same treatment for a lower amount say Rs.50,000/- the TPA will sanction a claim of only Rs.50,000/-.

Most policies prescribe a ceiling on the expenses that can be approved under the policy. For example, an insurer could put a cap on operation theatre charges, room rent, etc. even if the total claim made does not exceed policy's sum insured. Similarly, some policies could ask the insured to share a part of the costs incurred. It is also advisable to check whether the extent to which expenses incurred during the pre and post hospitalization periods can be reimbursed. Typically, claims pertaining to 30 days prior to hospitalization and 60 days post-discharge are admissible.

If one is opting for the cashless facility, he could inform the TPA in advance regarding his hospitalization (48 hours before admission), during an emergency.

Make sure to collect the discharge summary, diagnostic reports, medical advice for the post-hospitalization period and a copy of bill and cash receipts from the hospital. Any erroneous entry in the bill could eat away previous

sum insured for the rest of the policy period. It also makes immense sense to submit all the documents at one go, to avoid any possible delay in claims processing.

Asset delivery is the key for banks

As the name suggests, a manufacturing company manufacturers a product. The cost involved in the process of manufacturing is the cost of goods. Unlike a manufacturing company, a bank does not manufacture anything. It's an intermediary between depositors and borrowers. Therefore, it accepts deposits and lends advances. Hence, the two most important elements of a bank's P&L a/c. are interest expense on deposits and interest earned on advances.

As a bank's business depends upon interest rate at which it borrows and then lends to borrowers, general level of interest in an economy plays a huge part in a bank's performance. In a rising interest rate scenario, a bank often has to borrow at higher rate and is unable to shift the entire incremental cost of borrowing to its customers. So the percentage increase in interest expense is more than that in interest earned. And the difference between them, which is known as net interest income (NII) in banking parlance gets compressed. On the other hand, in a falling interest rate scenario, a bank normally improves its spread leading to high growth in NII. In a rising interest rate scenario, the market value of bank's investments fall, as price of investment is inversely proportional to interest rate. So a bank has to book losses on investment.

Be it a bank or any other company, its efficiency is measured by how well it utilizes its assets. So in a bank's case, return on assets (RoA) is very important measure to separate the wheat from the chaff. The return from assets should not come at the cost of compromising the asset quality. And therefore, what percentage of loan-book are non-performing assets (NPA) is another most important criterion. NPA is often expressed as a percentage of advances. Another important criterion to measure a bank's

efficiency is net interest margin (NIM), which is a measure of spread between the interest rates at which a bank lends and borrows.

Stock trading

Any purchase of shares through a stock exchange needs to be routed through brokers registered with the exchange. Hence, for buying and selling shares on a regular basis, one need to register with a broker. This can be done by approaching a broker and signing up a client agreement form. It is also essential for a person to open a demat account through which securities are delivered and received. This demat account can be opened with a depository participant which again is a Sebi-registered intermediary. A broker asks his client to deposit money with them and then buys share for him. The shares one buy from the broker will be transferred to his demat account after which he owns the shares. Similarly, when a person sells shares, he has to transfer shares to the broker's account through his demat account.

Whatever shares one buy, he need to get delivery of those shares. While if he sell the shares, he need to get payment or cash for the same. The time taken to conclude both legs of the transaction is called a settlement cycle.

In India, stock exchange follow a T+2 days settlement cycle. Trading of securities happen on the first day while the settlement of the same happens in two working days after that. This means that a security bought on Monday will be received by the client earliest on Wednesday, which is called a payout day by the exchange.

Settlement of securities is done by the clearing corporation of the exchange. Settlement of funds is done by a panel of banks registered with the exchange. Clearing corporation identifies payable/receivable position of brokers based on which the obligation report for brokers is created. On T+2 days, all the brokers who have transacted two days before receive or give shares to the clearing corporation of exchange. This is an automated process undertaken by the depository which is either the NSDL and CDSL.

If one deals through a stock exchange, the risk is reduced due to trade/settlement guarantee offered by the stock exchange mechanism. Further, he also has certain protections against defaults by his broker.

It's possible to buy and sell the same stock several times within a day, unless the stock is in the trade-to-trade category. Hence, one can settle only his net outstanding positions at the end of the day. If a person buy 200 Reliance shares and sell 100 shares, he will have to pay only for 100 shares at the end of the settlement.

Deciphering takeout financing and its impact on core projects

The takeout financing scheme is aimed at encouraging commercial banks to lend more to the infrastructure sector. Under the scheme, banks lend to infrastructure projects but sell a part of that loan to a third party after a certain period of time. This is called takeout financing.

Core sector projects have long gestation periods and therefore require long-term funds, which banks are unable to provide because of the risks of assets-liability mismatch. Deposits, the key sources of funds for banks, are generally of less than 5 years maturity. When banks lend for longer period they are taking the risk of using short-term funds for providing long term loans. By selling a part of the loan to an institution that has long term funds, banks are able to reduce lending that involves some asset-liability mismatch. This allows banks to lend more to infrastructure projects as their exposure is limited.

India Infrastructure Finance Company Ltd. (IIFCL), a state-owned company, will soon start to provide take out finance scheme. Under the proposed scheme, IIFCL will take over up to 75% of an individual bank's loan or 50% of the residual project cost on to its own books. The loan can be repaid over a 15 year time period. Projects that have a residual debt tenor of at least six years or those which are yet to achieve financial closure will be eligible for the scheme. The project developer

IIFCL and the lender will enter into a tripartite agreement which would include the rate of interest on the take out amount. IIFCL can take over the loan after four year's from the commencement of the project.

Section 80C

In order to encourage savings, the government gives tax breaks on certain financial products under Section 80C of the Income Tax Act. Investments made under such scheme are referred to as 80C investments. Under this section, one can invest a maximum of Rs.1 lakh (Recent Budget 2010-11 has increased the limit to Rs.1.20 lakhs) and if one is in the highest tax bracket of 30%, he saves a tax of Rs.30,000. The various investment options under this section include.

1) Provident Fund (PF) & Voluntary Provident Fund (VPF)

The current rate of interest is 8.5% per annum and interest earned is tax-free.

2) Public Provident Fund (PPF)

An account can be opened with a nationalized bank or post office. The current rate of interest is 8%, which is tax-free and the maturity period is 15 years. The minimum amount of contribution is Rs.500/- and maximum is Rs.70,000/-.

3) National Savings Certificate (NSC)

These are 6 year small savings instrument, where the rate of interest is 8% and is compounded half-yearly. The interest accrued every year is liable to tax but the interest is also deemed to be reinvested and thus eligible for section 80C deduction.

4) Equity-Linked Savings Scheme (ELSS)

Mutual funds offer you specially-created tax saving funds called ELSS. These schemes invest your money in equities and hence, return is not guaranteed. Money invested here is locked for a period of three years.

5) Life Insurance Premiums

Any amount that one pay towards life insurance premium for himself, his spouse or his children can be included in section 80C deduction. If he is

paying premium for more than one insurance policy, all the premiums can be included. Besides this, investments in unit-linked insurance plans (ULIPs) that offer life insurance with benefits of equity investments are also eligible for deduction under Section 80C.

6) Home Loan Principal Repayment

EMI consists of two components, namely principal and interest. The principal component of the EMI qualifies for deduction under Section 80C.

7) Stamp Duty and Registration Charges for a home

The amount one pays as stamp duty when he buys a house and the amount he pays for the registration of the documents of the house can be claimed as deduction under section 80C. However, this can be done only in the year of purchase of the house.

8) Five-year bank fixed deposits (FDs)

Tax-saving fixed deposits (FDs) of scheduled banks with a tenure of five years are also entitled for section 80C deduction.

9) Others

Apart from the above, things like children's education expenses that can be claimed as deductions under section 80C. However, one needs receipts to claim the same.

10) Infrastructure Bonds (upto Rs.20,000/-) beyond Rs. 1.00 lac limit.

Govt. borrowings and its effects on the economy.

The government's non-borrowed receipts revenuw receipts plus loan repayments received by the government plus miscellaneous capital receipts, primarily divestment proceeds fall short of its expenditure. The excess of total expenditure over total non-borrowed receipts is called 'fiscal deficit'. The government then has to borrow money from the people to meet the shortfall.

Primary deficit is a key indicator. When it shrinks, it indicates we are not doing too badly on fiscal health. The primary deficit is fiscal deficit minus interest payments the government makes on its earlier borrowings.

The Budget document mentions deficit as a percentage of GDP. In absolute terms, the fiscal deficit may be large, but if it is small compared to the size of the economy, then it's not such a bad thing. Prudent fiscal management requires that the government does not borrow to consume in the normal course.

Leave travel allowance

Leave Travel Allowance (LTA) is the part of the remuneration granted to employees by the employer to provide for personal travel expenses incurred during the year. Apart from the employee, it covers traveling expenses of spouse, children as well as dependent parents and siblings. Further, the exemption is restricted to two children born on or after October 1, 1998. There is no restriction on the number of children born before this date.

Under section 10(5) of the Income-Tax Act, if an employee who is in receipt of LTA undertakes a journey within the country, she/he can claim the value of the allowance exempt from income-tax. For the purpose, the individual should have been on leave for the period during which the journey was undertaken.

The exemption can be claimed only twice in a block of four calendar years. The current block has started from January 1, 2010, and will last until December 31, 2013. If one do not avail of the concession in any particular block or undertake just one journey, one becomes entitled to carry forward one journey to the next block. However, this has to be utilized in the first year of the new block. For instance, if one availed of the concession just once instead of twice between January 1, 2006 and December 31, 2009, then one is allowed to carry forward the unused one into the subsequent block (2010-2013), provided one undertakes the journey in 2010 itself. A point to be noted here is that even if one doesn't avail the concession at all during a particular block, one can carry forward only one entitlement to the next block.

The exemption will depend on certain criteria specified. Firstly, it is the lower of the actual expenses incurred and the allowance granted by the employer.

Let's assume a person's LTA is Rs.10,000/-, but he ends up spending Rs.15,000/- on traveling. In such a case, the exemption will be allowed to the extent of Rs.10,000. conversely, if his LTA stands at Rs.15,000 and his actual expenses amount to Rs.10,000, he will still be entitled to a deduction of only Rs.10,000/. If he has opted to fly to the destination, an amount not exceeding the economy class airfare of the national carrier by the shortest route to that city would be admissible as deduction. In case he is traveling by road or rail, the cost of first class air-conditioned ticket to the destination by the shortest route would constitute the benchmark. Besides, if his travel plan entails visiting multiple places during the trip, the destination farthest from his place of residence would be taken into account for determining the exemption amount.

If he fails to submit his travel bills pertaining to LTA claim with his employer within the time prescribed, his employer would consider the amount of LTA paid as taxable and deduct income tax at the rate applicable to him. However, one can claim LTA exemption at the time of filing income tax return.

Know the tax implications for a gift

It is customary to receive and give gifts in India. Also on many occasions/events, gifts are commonly exchanged among friends and relatives. It is important to note that such gifts received could have tax implications in the hands of the recipient; therefore, one needs to exercise caution so that he is not caught unawares.

As per the provisions of the IT Act, 1961 (the Act), any sum of money received by an individual or a Hindu undivided family in a particular financial year, without consideration, the aggregate value of which exceeds Rs.50,000 is taxable.

Effective October 1, 2009, the scope of the taxability provisions in respect of the gifts has been enlarged to include immovable property, including land or building or both. If any immovable property is received without consideration, whose stamp duty value exceeds Rs.50,000, the stamp duty value of such property would be taxable.

If any immovable property is received for a consideration which is less than the stamp duty value of the property by an amount exceeding Rs.50,000. the stamp duty value of such property would be taxable.

Similar to the immovable property, certain other gifts received w.e.f. October 1, 2009, has also been brought under the tax net. These include shares and securities, jewellery, archeological collections, drawings, paintings and sculptures as specified under the Act. In these cases, if the aggregate fair market value of the benefit received by way of a gift exceeds Rs.50,000/-, the same would be taxable.

It is pertinent to note that the tax law does provide for certain exceptions which are worth noting as these provide substantial relief to individual/HUF under normal day-to-day circumstances. These include-

- Gifts received from any relative, as defined under the Act, is not taxable. Relatives include spouse of the individual; brother or sister of the individual; brother or sister of the spouse of the individual; brother or sister of either of the parents of the individual; any lineal ascendant or descendant of the individual; any lineal ascendant or descendant of the spouse of the individual; and the spouse of the person referred to as aforesaid.

- Any gift received by an individual on the occasion of his/her marriage would also not be taxable. It is customary to receive gifts of money and kind on the occasion of marriage. Therefore, this is an important exception to the general rule.

- Any gift received under a will or by way of inheritance, or in contemplation of death of the payer is also not taxable.

- In case an individual receives any gift from any local authority as specified under the Act, the same would not be taxable. Similarly, any gift received from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust/institution, as specified under the Act, would not be taxable.

Gifts received are quite prone to litigation. Hence, it is prudent to maintain documentary evidence in respect of the gifts received, to

avoid any dispute with tax authorities at a later stage. This particularly relevant in case the gift amount is substantial and also where it is received from relatives. In case of gift of money received from a relative, it is advisable to have gift deed/letter of understanding exchanged and kept in records by the recipient of the gift for future reference.

Pura scheme to be relaunched in public-pvt partnership mode

The Ministry of Rural Development is relaunching the Pura (Providing Urban Amenities in Rural Areas) scheme, on public-private-partnership mode, in a month at an outlay of Rs 1,000 crore.

The project would be Government schemes relating to civic amenities such as drinking water supply, roads, street-lighting and drainage and sewerage systems with private sector efficiencies pooled in.

PURA would be taken up on a pilot basis in six to eight clusters where the population is between 30,000 and 40,000.

The PURA scheme launched in 2006 failed to take off as it was more of an addition to existing schemes rather than being comprehensive. This time round, the idea was convergence done with private sector efficiency and the maintenance entrusted to them for 10 years to ensure that what had been built did not vanish in the next round of rains.

Further, all amenities would come up near simultaneously in a specified time span so that the impact is "wholesome".

Bringing transparency in loan pricing

Transparency was the key word when the Reserve Bank of India (RBI) freed the interest rates from a regulated regime from April 2010. The newly introduced Base Rate is expected to be significantly lower than the prevailing Benchmark Prime Lending Rate (BPLR) and thus the beneficiary would be individual borrowers.

In a notification to all scheduled commercial banks, the RBI

stated that the Base Rate system will replace the BPLR System from a notified date. Banks may determine their actual lending rates on loans and advances with reference to the Base Rate.

Base Rate would include all those elements of the lending rates that are common across all categories of borrowers. While each bank may decide its own Base Rate, some of the criteria that could go into the determination of the Base Rate are: (i) cost of deposits; (ii) adjustment for the negative carry in respect of CRR and SLR; (iii) unallocatable overhead cost for banks such as aggregate employee compensation relating to administrative functions in corporate office, directors' and auditors' fees, legal and premises expenses, depreciation, cost of printing and stationery, expenses incurred on communication and advertising, IT spending, and cost incurred towards deposit insurance; and (iv) profit margin.

The actual lending rates charged would be the Base Rate plus borrower-specific charges, which would include product-specific operating costs, credit risk premium and tenor premium.

All categories of loans should henceforth be priced only with reference to the Base Rate. The Base Rate could also serve as the reference benchmark rate for floating rate loan products apart from other external market benchmark rates. The floating interest rate based on external benchmarks should, however, be equal to or above the Base Rate at the time of sanction or renewal.

Interest rates on loans under the Differential Rate of Interest (DRI) scheme will continue to be fixed without reference to the Base Rate. The Reserve Bank will separately announce the stipulation for export credit. Under the DRI scheme, weaker sections of society are provided small loans at an interest rate of 4 per cent annually.

Since transparency in the pricing of lending products has been a key objective, banks are required to exhibit the information on their Base Rate at all branches and also on their websites. Changes in the Base Rate should also be conveyed to the general public from time to time through appropriate channels. The Base Rate system would be applicable for all new loans and

for those old loans that come up for renewal. However, if the existing borrowers want to switch to the new system before the expiry of the existing contracts, the new/revised rate structure should be mutually agreed upon by the bank and the borrower.

Sub-BPLR lending on a large scale has created a perception that large borrowers are being cross-subsidised by retail and small borrowers. Furthermore, there was a public perception that there was under-pricing of credit for corporates while there could be overpricing of lending to agriculture and small and medium enterprises. The latest available information as at end-March 2008 (based on the BSR data) suggests that loans to individual borrowers are generally other than for housing purposes in the high interest rate range at 14 per cent and above.

Higher levels of transparency can be achieved by disclosing important information on loan pricing and possible fees to the borrower before he or she signs an agreement.

Transparency also implies that banks must not indulge in irresponsible lending by having hidden additional costs and unexpected rate increases, the possibility of which is not made known upfront to the borrower. It should be ensured that all charges and possibility of increases are made clear to the borrower at the beginning of the agreement.

GST rate likely to be higher than 12%

The finance ministry has said that proposed Goods and Services Tax rate is likely to be higher than 12%, the rate suggested by the 13th Finance Commission.

The Finance Commission had recommended a rate of 5% for the Central GST and 7% for the states, though state governments are pitching hard for the combined GST rate to be above 16%.

GST was earlier scheduled to be implemented from April 1 2010, but the deadline had to be postponed by an year due to lack of consensus among the states and the Centre on issues like tax base and the rates.

The Centre and states are trying to introduce GST by April 1 2011. GST is expected to replace central taxes like service tax and excise duty and state levies like VAT, and sundry other local levies.

EU gives green light to GM potato

The EU (European Union) approved the cultivation of a genetically modified potato and the use of three types of altered maize in food and feed production, saying they don't pose a health risk.

The go-ahead for the Amflora potato - developed by Ludwigshafen, Germany - based BASF SE-marked the first green light in 12 years to grow a genetically modified food in the European Union. The EU executive also approved the marketing of three genetically modified maize products from Monsanto Co. of St. Louis, Missouri for food and feed purposes, but not their cultivation.

While widely used in the United States , genetically modified foods face opposition in Europe where critics see them as a health and environmental risk. Opposition is strong in Austria , Italy , Hungary, Greece and France. Some EU countries ban them - fearing their seeds will unintentionally spread and alter the natural surroundings others don't.

Banks told to make more disclosures

To enhance transparency in their operations, the Reserve Bank of India has asked banks to make certain additional disclosures such as concentration of deposits and advances, sector-wise NPA (non-performing assets) break-up, details of assets, NPAs and revenues arising from overseas operations, and off-balance sheet SPVs (special purpose vehicles) sponsored by banks in the “Notes to accounts” in their balance sheets.

Banks have to make these disclosures in their balance sheets from the year ending March 2010.

RBI asked banks in a circular issued to disclose details of the deposits garnered from their top

20 depositors and the percentage of these deposits to total deposits. They will also have to reveal similar information regarding their advances and exposures.

Tobin tax

It is a tax to control unbridled inflow and outflow of foreign capital. Recently, Brazil had imposed a 2 per cent tax on foreign capital flowing into its bourses with a view to nipping the possibility of build up of an asset bubble which is the nightmare of any regulator. Foreign capital is a mixed blessing. While it can lubricate an economy and fill the void left by domestic capital deficiency, any surge in inflows can wreck havoc with the money supply and send valuations artificially high which naturally would burst when people start cashing out. The events of 1997 in Thailand are still fresh in one's memory.

Rupee float

When the rupee is made fully convertible, that is on capital account as well, it would be freely traded in the international currency exchanges. It would morph into a commodity and its value would be determined largely by the forces of demand and supply. It is possible that it might create a fight of capital if more and more Indians come to repose faith in the other floating currencies, such as yen, dollar or euro.

The path of science for GM crops in India

The recent restraint on commercial release of Bt brinjal despite approval of the Genetic Engineering Approval Committee has become controversial. The step was taken after consultations with diverse stakeholders in several states. The majority view in the consultations was that commercial release of Bt brinjal could wait. Reasons included cautionary advice of European scientists about inadequate biosafety assessment by seed producer company Mahyco and possible threats to indigenous brinjal biodiversity. Some scientists and politicians consider the

decision a setback to advances in agriculture biotechnology and therefore to attainment of food security in the long-term. Many biotechnology researchers have taken it as a blow to their efforts.

Bt brinjal is a genetically engineered brinjal containing the Bt toxin gene from the soil bacterium *Bacillus thuringiensis* (therefore, Bt). The Bt toxin confers resistance to two pests fruit and shoot borer (FSB, *Leucinodes orbonalis*) and fruit borer (*Helicoverpa armigera*).

A rapidly developing area constitutes attempts to insert multiple genes in a crop or gene stacking. One such example, besides Golden Rice, is the production of GM cotton with the Bt gene along with a gene for resistance to sucking pests developed at the National Botanical Research Institute, Lucknow under the leadership of Rakesh Tuli. Many such advances have been made in plant transformation technology to make it more efficient, relevant and bio-safe and this is a continuing effort around the world, including India. However, it is disconcerting to note that in India the GM crops released or waiting to be released have been produced through an underdeveloped technology dating from the mid-1990s.

A key concern regarding the second step of transfer of the transgene from the primary transformant to a suitable hybrid or variety through repeated backcrossing is the choice of the acceptor host hybrid or variety. In India with diverse agro-climatic zones a preferable strategy would be to use acceptor lines which are best adapted to particular zones of cultivation of a crop. This approach is being followed for Bt cotton being developed by the Central Institute for Cotton Reseach (CICR), Nagpur, under the stewardship of K.R. Kranthi. However, commercial release of GM crops tends to take a short-run view and to attract farmers, companies use very high yielding hybrid lines as acceptors. These very high yielding hybrids and their Bt counterparts require much higher inputs of fertilizers and irrigation than even the Green Revolution hybrids. The even more important point is that world-over the higher yields of GM crops are not because of the inserted transgenes but due to the use of very high yielding hybrids or varieties as the acceptor host.

As Prof. M.S. Swaminathan has said, "Unless R&D efforts on GM foods are based on principles of bio-ethics, bio-safety, bio-diversity conservation and bio-partnerships, there will be serious public concern in India, as well as many developing countries, about their ultimate nutritional, social, ecological and economic consequences."

Risk management pivotal for cooperative banks: NABARD

State-run National Bank for Agriculture and Rural Development (NABARD) has asked regional rural banks (RRBs), state cooperative banks (SCBs) and district central cooperative banks (DCCBs) to formulate their risk management policy and constitute risk management committee.

NABARD in its communication on January 20 to all RRBs, SCBs and DCCBs said the design of risk management framework should be oriented towards the institutions own requirements based on the size and complexity of business, risk philosophy and market perception.

Credit risk management encompasses identification, measurement, monitoring and control of the credit risk exposures. "In a bank's portfolio, losses stem from outright default due to inability or unwillingness of a customer or counterparty to meet commitments in relation to lending, trading, settlement and other financial transactions. Alternatively, losses result from reduction in portfolio value arising from actual or perceived deterioration in credit quality." NABARD said.

According to NABARD, banks should devise a grading system to enable comparisons of risks for purposes of analysis and top management decision-making. It should also reflect regulatory requirements of the supervisor on asset classification (the RBI asset classification). It is anticipated that over a period of time, the process of risk identification and risk assessment will be further refined. The grading system should, therefore, be flexible and should accommodate the refinements in risk categorization.

Global crisis strengthens case for deposit insurance

Reserve Bank of India Governor D. Subbarao has said that the global financial crisis has strengthened the case for deposit insurance and expressed the need to hasten payouts in the event of a bank failure. The statement by the RBI governor opens a new chapter in the great deposit insurance debate where the confidence-building advantages are pitted against the risk of moral hazard. Dr. Subbarao has added another twist to the debate by flagging off new issues such as a premium for risks arising out of non-banking activities of a banking group. The governor also called for the need to evolve a standard methodology for determining a benchmark for the Reserve Ratio (Ratio of Deposit Insurance Fund to Insured Deposit) signifying the adequacy of Deposit Insurance Fund. Dr. Subbarao raised these issues at an international summit on deposit insurance organized by the Deposit Insurance and Credit Guarantee Corporation of India (DICGC), an arm of the RBI. The summit, which was held in Goa, was attended by representatives from the US, Japan, the Philippines, Korea, Russia, Canada, Taiwan and Malaysia. Delivering the inaugural address, Dr. Subbarao underscored the need to review the manner of defining 'risk' for the purpose of determining risk-based premium in light of the recent experience which has challenged the concept of "too big to fail". "To inspire the trust and confidence of stakeholders, a deposit insurance scheme must satisfy two criteria first, it must be adequately funded, and second, it must have robust delivery systems in place to effect payments within, if not well within, the assured time," said Dr. Subbarao. Among other things that he felt that need to be addressed includes; What countercyclical measures should a deposit insurance system take to build up its funds for the rainy day? Should the entire income or the surplus of a deposit insurance system or any part of it be subject to taxes? How do we factor in the risk associated with all the non banking business of a financial conglomerate on its banking business? How should risk based premium factor in this risk?

Procedure in cheque bouncing cases shortened

The Supreme Court has restricted the right of a person accused of sending a cheque without balance in his bank account in the case, Mandvi Co-op. Bank Ltd. vs. Nimesh Takore. In this batch of appeals, a number of accused persons moved the Bombay high court for quashing the charges against them and raising technical issues on the examination of witnesses. The high court passed varying orders. On appeal, the Supreme Court clarified that during the trial for offence under Section 138 of the Negotiable Instruments Act, the accused can only cross-examine the complainant on the latter's evidence on affidavit. The object of the provision was to introduce radical measures to reduce trail procedure in view of the mounting cases involving bouncing cheques, the judgement pointed out. This was a problem referred to in the recent "Vision Statement" by the Law Minister to the Chief Justice. If the trial procedure is made complicated, the problem would get worse, the judgement pointed out.

Sebi has power to summon

The Supreme Court dismissed the appeal challenging Securities & Exchange Board of India's order imposing penalty on a firm for noncompliance of the summons issued by the market regulator in connection with the irregularities in the scrip of Shree Yaax Pharma and Cosmetics (SYPCL) during 2004-05. It upheld the order of the Securities Appellate Tribunal which had said that Sebi will not be able to perform its statutory functions and duties if persons connected with the securities marked did not respond to the summons of the regulator. "It's only summons. Why did you (appellant company) not respond to it. How does regulator discharge its functions," asked a bench of judges. Sebi had initiated investigations into the scrips of SYPCL which had fluctuated during June 11, 2004 and August 10, 2005 from Rs.10.20 to Rs.0.48.

SC tells Karnata HC to review its decision related to income tax on coops

The Supreme Court asked the Karnataka high court to consider a question relating to income tax on credit societies in the cases, Totgars' Cooperative Sale Society Ltd., v/s Income Tax Officer. The cooperative credit society in this instance had surplus funds which they invested in short-term deposits with banks and in government securities. These societies provided credit facilities to its members and also marketed agricultural produce of its members. The question which arose was whether such interest income would qualify for deduction as business income under Section 80P(2)(a)(i) of the Income Tax Act. According to the high court such interest would fall under the head income from other sources' and therefore, the assessee was not entitled to the benefit of deduction. Since this question was not discussed and directly answered in the high court judgement, the Supreme Court asked the high court to interpret Sections 56 and 57 of the Income Tax Act and pass a new judgement.

SC to study tax on co-op profits

The Supreme Court has decided to examine the plea of the revenue department which said that provision of the Income-Tax Act does not grant any special treatment to the cooperative societies in computation of their profits and gains. Any payment made to their members by such societies, above and excessive to the fair market value of the goods, would not be permitted as deduction under the provision of the act, said department. A bench comprising Justice S.H. Kapadia and Justice Swatanter Kumer issued notice to Vasantrao Dada Patil Shakari Sakhaar Karkhana on the plea of Revenue. Additional Solicitor General Gourab Banerji on behalf of department said, “it's a substantial question of law to be settled by the apex court.”

“It is respectfully submitted that the Income Tax Act, 1961, does not justify a special treatment in computation of profits and gains of a cooperative society”, said department in its Special Leave Petition.

It said, in definition of 'person' in section 2(31) of the income tax act, althought there is no specific mention of cooperative society, as per subclause (v) of the section as an association of persons or a body of individuals whether incorporated or not includes 'person'. The department said, "it is respectfully submitted that a cooperative society has to be assessed in the status of association of persons as mentioned in section 2(31) (v) of the act and thus the provision of section 40A(2) are attracted and any payment made to the members of an association of persons, by the association of persons, if found excessive or unreasonable having regard to the fair market value of the goods, services of facilities would not be an allowable deduction, section 4A(1) overrides the act in so far as the computation of income under the head profits and gains of business or profession is concerned".

ICA commends UN's proclamation of year 2012 as international year of Co-operatives

The ICA's new president, Dame Pauline Green, on behalf of the entire international cooperative community, has expressed support for the United Nations resolution on the role of cooperatives in social development, which proclaims 2012 as the International Year of Co-operatives.

The UN resolution recognizes that the cooperative business model is a major factor of economic and social development, promoting the fullest possible participation in the economic and social development of people in both the developed and developing world, and that, in particular, cooperatives contribute to the eradication of poverty. The resolution also encourages all governments to create a more supportive environment for cooperative development, particularly when it comes to securing finances for capacity-building.

"The International Year of the Co-operatives is a well timed event that represents the depth of understanding of the entire cooperative movement," said Pauline Green, ICA's new first-ever woman president said "The cooperative model is a better choice and offers the basis for a more sustainable way to do business when compared to traditional capitalist models now

under scrutiny. What sets this model apart from others is that all cooperatives, whether they are small farmers or large consumer-owned entities, share the values of democracy, solidarity, equality, self-help and self responsibility, creating businesses that serve the greater good as opposed to maximizing profit for the very few."

Iain Macdonald, Director-General of ICA, expressed his support for the resolution in a statement at ICA's recent Board meeting, indicating that the International Year of Cooperatives is "well timed to remind the world that there is more than one way of doing business and that in a global economy we all have to work together. Whether it is in tackling the economic crisis, the threat of climate change, or food security issues cooperative enterprise offers real hope of solutions to these problems, and I have no doubt that the increased profile offered by an International Year will achieve great things."

In its 2008 Global 300 report, the ICA noted that the top 300 co-operatives alone are responsible for an aggregate turnover of 1.1 trillion USD, which represnts the size of the 10th largest economy in the world equivalent to the size of Spain alone. The International Year will provide an opportunity to further document the impact of the largest, but also of the small and medium sized co-operatives that significantly improve people's lives around the world.

With this newly approved resolution, the IC will mobilize the global co-operative community in creating a global campaign featuring a series of events around the world and targeted messages.

Core banking solution

Core Banking Solution (CBS) refers to computerization of a bank's operation in such a manner that all customer account information can be accessed centrally. This is made possible through networking of branches and creation of central databases. It is a progression of branch computerization where physical entries in ledgers are replaced with electronic postings. Implementing core banking requires a change in the work flow.

The whole business of banking is essentially about dealing with

information. A core banking solution places this information at the fingertips of a banker. Secondly, the banker can enable the customer to access the bank through whichever channel he prefers. This is possible because core banking software allows the bank to plug in any channel, be it internet, mobile banking, phone banking ATM networks to the centralized banking software. This, in turn, vastly increases the capacity of the bank to handle customers.

The greatest benefit to customers is the availability of anywhere, anytime banking. The customer can access his account through the channel of his choice, usually from anywhere in the country and at anytime. From being the customer of a branch, he becomes the bank's customer. In addition to providing easy access to services that were already there, CBS enables her access to new services such as instantaneous transfer of funds, online bill payment and online broking. Implementation of core banking also enables the bank to separate from office functions those performed at the back office. The back office activities are handled through technology at a remote data centre. This frees the branch staff to spend more time on customers. Unlike in the past, banks do not have separate 'office hours' and 'customer hours'. Also because most of the activities turn into self service-cash withdrawals, funds transfer, etc., bank employees have more time to sell third-party products such as mutual funds and insurance.

A core banking solution levels the playing field between various bank segments. Core Banking Solution providers like TCS are making this platform available through an application service provider (ASP) model. Under this model, the software company will own and host the application in its own servers. Small banks who cannot afford to buy the core banking solution will simply have to pay rent for its use to the ASP. Similarly, regional rural banks can plug into the core banking platform of their sponsor bank to enable them provide hi-tech services to their customers.

No prosecution of directors for bounced cheques

The Supreme Court ruled that directors of a company cannot be prosecuted in cheque bounce cases unless it is proved that the person was directly responsible or was "in charge" of the firm's operation at the time of issuing the cheque. Every person connected with the company shall not fall within the ambit of the provision. Only those persons who were in-charge of and responsible for the conduct of the business of the company at the time of commission of an offence will be liable for criminal action. "It follows from the fact that if a director of a company who was not in-charge of and was not responsible for the conduct of the business of the company at the relevant time will not be liable for a criminal offence under the provisions," a bench of Justices P. Sathasivam and HL Dattu said. The apex court passed the judgement while dismissing the appeals filed by two companies challenging the Delhi High Court's decision to quash the summons issued against Harmeet Singh Paintal and Dev Sarin, ex directors of M/s Jay Rapid Roller Limited and M/s. International Agro Allied Products Ltd in two separate cases.

Bombay HC rules out prosecution for bouncing of blank cheque

The Bombay High Court has held that if a blank, post-dated cheque-which has been issued only as a 'collateral security' for a loan-bounces, the debtor cannot be prosecuted under the Negotiable Instruments(NI) Act.

Very often banks take blank, post-dated cheques from borrowers as a security for repayment. Criminal case under the NI Act cannot be lodged if such cheques bounced, Justice PR Borkar held in his judgement. The judgement could be a jolt for private banks, but public sector banks wouldn't be affected by it, says M.R. Umarjee, Chief Legal Advisor, Indian Bank's Association. "I don't think the Bombay HC judgement will have any implication in the case of state-owned banks, as they don't ask for such blank cheques from their borrowers. Yes, those banks that ask for blank cheques may be affected by this judgement. The judgement was passed on a petition filed by Ramkrishna Urban Cooperative

Credit Society (RUCCS) in Ahmednagar district.

RUCCS had given a loan of Rs. 2 lakh to a person named Rajendra Varma in 2000. Varma had issued 10 blank post-dated cheques at the time as a security for repayment. One of these cheques, dated January 2008, bounced following which RUCCS filed criminal complant against Varma. However, the magistrate's court held that varma was not guilty under the NI Act and acquitted him. The society filed an application in Aurangabad bench of High Court seeking its permission to file appeal in session's court.

The High Court noted that the Ni Act was intended to give more credibility to cheque as a financial instrument. However, the object was not to provide effective and speedy remedy for recovery of loans. "Law makers must not have intended or imagined that money lenders or banks would obtain blank or post-dated cheques while sanctioning/disbursing loans as securities and would use them to make debtors/borrowers to repay loan under threat of prosecution and punishment under Section 138 of NI Act" Justice Borkar held dismissing the application. "It is doubtful if provisions of Section 138 attracted to a case in which a blank cheque or post-dated cheque is obtained by a bank or money lender before or while sanctioning or disbursing loan amount as security for the loan, the judge said. "In this case, the accused respondent issued the cheque in question as security for loan before loan amount was disbursed. So, cheque was not towards any existing debt or liability (which is a requirement under Section 138)," the high court observed, confirming the order of acquittal.

6-month jail & Rs.12 lakh fine in cheque bounce case

Non-repayment of friendly loan has proved costly to a businessman, as a court has sentenced him to a six-month jail term, besides imposing a fine of Rs.12.02 lakh for dishonour of a cheque. Metropolitan magistrate, Vivek Kumar Gulia convicted Shiv Narain Sharma under Section 138 (dishonour of cheque) of the Negotiable Instruments Act for his failure to honour the post-dated cheque issued to a friend against a loan in 2004. Sanjay Kumar

Gupta, the complainant, had advanced a loan of Rs.11.75 lakh to Sharma in cash and by several cheques issued on different dates. The convict, had issued a post-dated cheque of Rs.11.75 lakh towards the liabilities which was dishonoured on account of insufficiency of funds.

Indian banks stronger than BRIC peers : Ficci survey

The Indian banking system is stronger than its BRIC (Brazil, Russia, India and China) peers in several parameters. This was revealed in a survey carried out by industry body Ficci, in which 69 per cent respondents felt that the Indian banking Industry was in a very good to excellent shape. "This optimism is reflected in the fact that 53.33 per cent of respondents were confident in a growth rate of 15-20 per cent for the banking industry in 2009-10 and a greater than 20 per cent growth rate for 2014-15," the survey revealed. Some of the major strengths of the Indian banking industry, which makes it resilient in the current economic climate as highlighted by survey were regulatory system (93.75 per cent), economic growth (75 per cent), and relative insulation from external market (68.75 per cent), the survey added. The survey further goes on to say that India's banking regulatory systems are better than those of China, Brazil and the UK, risk management systems more advanced than China, Brazil, Russia, the UK and USA and technology systems superior to Brazil and Russia. However, respondents perceived the ever rising customer expectations and risk management as the greatest challenge for the industry in the current climate. Over 90 per cent said expansion of operations were important in the future, the study said. Public and private sector banks as well as foreign banks see difficulty in hiring highly qualified youngsters as a major threat to their HR practices ahead of high staff cost overheads, poaching of skilled quality staff and high attrition rates. Almost 80 per cent banks see personal loans having the greatest potential for defaults, followed by corporate loans and credit cards.

Property ownership to empower women : UN report

A human development report of the United Nations Development programme, dedicated to gender equality in Asia and Pacific, puts India and China on the same footing in terms of the fast-reducing number of women in the two countries. The report, shows that both India and China have about 42.6 million missing women. Close to 100 million women in Asia are estimated to be 'missing', having died because of discriminatory treatment in access to health and nutrition or through pure neglect or because they were never born in the first place. The report calls to facilitate group ownership of assets for women as means to increased empowerment of women, besides gender-sensitive policy-making and more space to women in the political arena. It asks the finance, planning, commerce and other ministries of all countries, including India, to educate themselves to be gender-sensitive, so that they can come out with policies that help empower women rather than put them done. One policy direction the report suggests is a group approach in increasing women's access to land and housing. It says this will be more economically effective and socially empowering than transfer to individual women or joint titles with spouses. A case study from Kerala in an article contributed by economist Bina Agarwal that shows how ownership of assets can lead to total empowerment of women. In a study in Kerala, for instance, 49% of women without property reported long-term physical violence by spouses, compared with 18% owning land, 10% owning a house and 7% owning both. Access to land or house provides both physical and economic security.

ICA Message on the occasion of International Women's Day : Excerpts

This year the United Nations focuses attention on the fact that the respect of women's rights and the guarantee of opportunities leads to significant advances in social and economic development. Under the theme, “Equal rights, equal opportunities: Progress for all”, International Women's Day underlines the need for govern-

ments, civil society, women's organizations, the private sector, the media, the entire UN system, and individual women and men to join forces in making important changes to policies, programmes, attitudes and behaviours to ensure that women fully participate in economic and social life. Similarly development studies over and over show that investing in women has a high return improving livelihoods, improving access to education for children and health for all, and reducing poverty in general terms, thus making an impact on overall national economic and social development. All over the world, cooperatives contribute to the challenge of gender equality by implementing policies & programmes at various levels.

Co-operatives must intensify their efforts in improving gender equality in particular at this time of economic instability. Cooperative resilience can only be reinforced when programmes to ensure equal rights and equal opportunities for women and men are implemented, particularly at senior levels in our movement. On the one side, there is continued need to review national and cooperative policies and cooperative statutes and bye-laws to ensure that these do not constrain women's access to equal opportunities including the right to own land and other property. Innovative strategies are needed to promote changes in organizational culture, rules of procedure and working methods as well as address constraints related to lack of time (work-family balance), and lack of personal security.

There is also the need for attitude changes. Too often obstacles in the form of negative stereotypes about women's leadership potential continue to limit change and progress. Specific measures to encourage and support women's participation and enable them to seek and gain senior leadership positions should be enhanced, including management and leadership training, formalized mentorship programmes and sustainable financial support.

On the International Women's Day, we call on ICA member organizations and cooperators, to review and reinforce their commitments, policies and programmes to make gender equality a reality. Let us be leaders in assuring progress for all by taking important steps to booster women's rights and access to

participation and leadership in co-operative enterprise. Let us begin by asking all our members to ensure that from this year onwards that their representative delegations are truly gender-balanced.

Credit Info Bureau

CIBIL is the country's credit information bureau owned by banks and other lending institutions. It collects commercial and consumer credit-related data and collates such data to create and distribute credit reports to members. Accessing to such data is crucial for lenders to assess the credit worthiness of a borrower. CIBIL gets information from the members only and supplements it with public domain information to create a comprehensive snapshot of an entity's financial track record. The RTI Act, 2005 is not applicable to CIBIL and it can't provide credit information report to credit providers in other countries.

A Credit Information Report(CIR) is a factual record of a borrower's credit payment history compiled from information received from different lenders. Reports can only be accessed by members who have provided all their data to CIBIL only to take valid credit decisions. The CIR includes:

* Basic borrower information such as name, address, identification numbers, passport ID, voters ID, date of birth etc.
* Records of loans availed by the borrowers.
* Past payment history of the borrowers and the amount overdue.
* Number of inquiries made on the borrower by different members
* Suit filed status.

The CIR does not contain income/revenue details, amount(s) deposited with the bank, details of borrowers' assets, value of asset(s) mortgaged, details of borrower's assets etc.

CIBIL does not classify any accounts as default accounts, it merely reflects this information after the member has classified it as such. It does not provide any opinion, indication or comment

pertaining to whether credit should be granted.

Different lenders may use a CIR differently. Although one bank may deny one credit, another bank could accept his application, as multiple factors influence the lending decision.

CIRs are aimed at helping lenders make fast and objective lending decisions leading to a more competitive credit market. Responsible customers can expect faster and more competitive services at better terms from lenders.

To rectify the information in a credit report drawn on a person, he has to contact the lender from whom he has availed the loan and request the necessary changes. The lender will then report the change to CIBIL and CIBIL will subsequently make the necessary updates.

Banks plan to hire 2,00,000 business correspondents

With the RBI allowing retired teachers, kirana shop owners and Public Call Office (PCO) operators to be hired as business correspondents (BCs) banks are set to hire over 2,00,000 people over the next few years to push financial inclusion initiatives. The BCs would be involved in collecting deposits, helping account holders withdraw cash and also sell other financial products such as life insurance. The biggest use of the handheld devices used by the BCs would be to remit funds from, like Dharavi in Mumbai, to a village in Dumka in Jharkhand. But, before they hire, banks are trying to ensure they do not face any hurdles in pushing the initiative, a joint one of the govt and the regulator. They are drawing upon their experience with pilot projects.

Rbi permits bullet repayment of gold loans upto one lakh extended by state & distt. Cooperative Banks

State and Distt. Central Co-operative Banks grant loans for various purposes against the security of gold/gold ornaments as part of their lending policy and they at present charge interest at monthly rests on loans and advances granted for purposes other than agricultural and allied activities. In a notification addressed to State and District Central Co-operative Bank, RBI

has said, "On a review, it has been decided to permit bullet repayment of gold loans upto Rupees one lakh as an additional option. State and Distt. Central Co-operative Banks are, therefore, permitted to lay down policies with the approval of their Board for sanction of gold loan with bullet repayment option subject to the following guidelines:

(i) The amount of gold loan sanctioned should not exceed Rs.1.00 lakh at any point of time,

(ii) The period of loan shall not exceed 12 months from the date of sanction,

(iii) Interest will be charged to the account at monthly rests, but will become due for payment along with repayment of principal only at the end of 12 months from the date of sanction.

(iv) The bank should prescribe a minimum margin to be maintained in case of such loans and accordingly, fix the loan limit taking into account the market value of the security (gold/gold ornament), expected price fluctuations, interest that will accrue during the tenure of the loan, etc.

(v) Such loans shall be governed by the extant income recognition, asset classification and provisioning norms which shall be applicable once the principal and interest become overdue.

The account would also be classified as NPA (sub standard category) even before the due date of repayment, if the prescribed margin is not maintained. It is clarified that crop loans sanctioned against the collateral security of gold/gold ornaments shall continue to be governed by the extant income recognition, asset classification and provisioning norms for such loans.

Govt plans Rs.1,000 cr. capital base for private players

"New entrants may only be allowed to open branches in rural areas for the first two years and the subsequent spread will depend on the basis of their direct lending to the agriculture sector, opening of no-frill accounts, and other financial inclusion criteria,"

a finance ministry official said. Also, for private players seeking banking licences paid-up capital requirement is likely to be Rs.1,000 crore. The large capital base, as opposed to the current norm of Rs.300 crore, is being considered by the government and RBI as they don't want a repeat of the Global Trust Bank and Centurion Bank fiasco.

Official sources said that what seemed more feasible at this juncture is to allow a clutch of the large non-banking finance companies (NBFCs) to get themselves converted into banks. These NBFCs will also have the option to take over some of the older private sector banks with thin capital bases. The RBI is expected to soon come out with a detailed criteria for issue of additional banking licences to private players, in line with the announcement made by finance minister in Budget 2010-11.

Large corporate houses with financial services arms would find it easier to meet the central bank's eligibility criteria. But when it comes to RBI's scrutiny, the promoter's credentials would be as important as its capital base. RBI could gauge the track records of the applicants on corporate governance standards and financial inclusion, besides evaluating their existing portfolios. Private entities who have the ability to win the confidence of depositors and a large rural reach could be the ones to get new banking licences.

The last bank licence was given to Yes Bank in 2004. Kotak Mahindra, an NBFC, was allowed to be converted to bank later. Foreign banks are barred from expanding their network in India through mergers or acquisitions. They simply operate as branches in India. The Raghuram Rajan Committee on financial sector reforms had recommended far reaching reforms in the banking sector, including giving full freedom to all banks to open branches in tier 3 and tier 4 cities, and granting 15 new licences for reputed promoters wanting to set up smaller banks.

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MADHYA PRADESH STATE COOPERATIVE AGRICULTURE & RURAL DEVELOPMENT BANK LTD.

8, Arera Hills, Old Jail Road, Bhopal - 462 004.

- The MPSCARDB provides long term loans to agriculturists through its affiliated Distt. ARDBs in the State for various agricultural and rural development activities like Minor Irrigation Schemes, Dry Land Farming, Land Development, Wasteland Development, SGSY, Organic Farming, Horticulture Development, Aromatic & Medicinal Plants, Farm Mechanisation, Dairy Development, Fisheries, Poultry, Bio-gas Plants etc.
- The Bank also disburses long term loans under Non-Farm Sector mainly for setting up of Cottage and Village Industries, SRTO, Establishment of Milk Chilling Plant, various service sector activities in rural areas, for Clinic, Nursing Home and Pathology, Radiology etc.
- To facilitate availability of loans to farmers at nearby place, the affiliated 38 Distt. ARDBs have opened 352 Branches in the State.
- The Bank has, so far disbursed long term loans of Rs. 2757.63 crores to 9,41,716 farmers from its inception in 1961.
- The Bank also accepts Term Deposits from Individuals & Institutions for the period of one year & above. All Distt. ARDBs in the State accept FD on behalf of MPSCARDB in various Schemes i.e. Fixed Deposit, Double Deposit, Recurring Deposit etc.
- Under Agriculture Debt Waiver & Debt Relief (ADWDR) Scheme 2008 the loan amount of Rs. 332.34 crores for 1,15,394 small & marginal farmers have been waived and relief to 25,269 farmers of Rs. 30.73 crores.

Financial Particulars of the Bank as on 31 March 2009 (provisional)

(Rs.in crores)

1.	Paid up Share Capital	:	Rs. 49.65
2.	Reserve and other funds	:	Rs. 129.31
3.	Debentures in circulation	:	Rs. 1279.44
4.	Fixed Deposit	:	Rs. 128.75
5.	Loan Disbursed During the year	:	Rs. 79.65
6.	Loan Outstanding	:	Rs. 1237.96
7.	Investment	:	Rs. 60.16
8.	Working Capital	:	Rs. 1766.89

AGRICULTURAL NEWS

Africa's new agri zone for Indian Cos

Indian companies are buying land overseas, mainly in Africa, to grow agricultural products that can be exported to large markets, including India. Companies and investment houses prefer the African route to agriculture as direct investment in this sector in India is fraught with bureaucratic hurdles. Also, land is relatively cheaper in Africa and fertile. A company can get large tracts contiguous land are the other main drivers. According to statistics provided by governments of various countries in east Africa, more than 80 Indian companies have invested about £1.5 billion (about Rs.11,300 crore) in buying huge plantations in countries in eastern Africa, such as Ethopia, Kenya, Madagascar, Senegal and Mozambique that will be used to grow food grain for the domestic market. The list of companies that have purchased land in Africa includes the Kolkata based Kankaria group (manufacturing and textiles), Kommuri Agrotech (floriculture and horticulture), Surya Electrical (electrical products), Karuturi Agro Processing, AVR Engineering (construction), Nelvo International (minerals), Allied Chemicals, BP Jewellery, KSR Earthmovers.

The land purchase has been done in places like Oromia, Addis Abba in Ethiopia Port Sudan, Khartoum and Suwakin in Sudan, and in Nairobi in Kenya. The cheap cost of land is the main driver for such a trend, while the firm food prices in India and elsewhere are also a reason, the availability of arable land (in Africa) is a major advantage, he added. Africa had 807 million hectare of cultivable land of which just 197 million hectare is currently being cultivated.

Groundnut variety that requires less irrigation

A majority of farmers, when their crops fail successively due to some pest attack, invariably go in either for a change in their cropping pattern, or in some cases, even stop farming. But it is only a

few determined farmers who try to find the root cause of the problem and overcome it. Mr. Dhirajlal Virjibhai Thummar, a groundnut farmer in Gujarat, is credited with developing a new groundnut variety named "Dhiraj 101," which is resistant to stem rot. The crop matures in 95-105 days and bears 35-40 pods per plant. About 90-100 kg of seeds are required for an hectare.

In the year 2004 he sowed GG-20 groundnut variety and the whole crop got infested with the stem rot disease resulting in wilting and almost complete failure of the crop. However, he identified a few plants, which were not affected by the disease. Believing that these may contain some inherent property that makes them stem rot-resistant, he harvested and kept the seeds of these plants separately. He sowed the seeds separately in the next season and continued the screening and selection for three consecutive years. Finally he obtained plants, which were free from stem rot and wilt.

At 3,200-3,500 kg per hectare, the yield is higher than locally cultivated varieties (GG 20 & GG 2). The oil content is also higher at around 42-45 per cent according to him. This variety performs well in average monsoon as well as in less irrigation conditions. To promote good crop growth, Mr. Thummar used only herbal pesticide such as neem, kidamari (Dutchman's Pipe), tulsi (Holy Basil) and akda (swallow-wort) for controlling insect pests and diseases. He also distributed seeds to some farmers in Amreli, Rajkot and Bhavnagar districts of Saurashtra regions. Encouraging feedback was received mentioning that the variety is free from wilt and rust diseases, also giving higher production than the GG20 variety. They added that it had relatively stronger pods, which remain at a lesser depth than the GG20 variety in the soil.

For more information readers can contact Prof Anil Gupta through email at anilgb@gmail.com and Mr. Dhirajlal Virjibhai Thummar, Via Mota Akadiya, PO Pipal lag, Taluka Pipal lag, Amreli 365455, Gujarat, Phone: 02792-286093, 9825513469.

Rice-fish system hikes farm income in Orissa's water-logged regions

Sunakar Mishra, a farmer from Jajpur district in Orissa, has turned a major portion of his rice growing agricultural land into a profitable commercial business by taking up fisheries and cultivation of fruits and vegetables in a big way. Because of the integrated rice-fish system, developed by the Orissa-based Central Rice Research Institute (CRRI), an affiliated body of Indian Council for Agricultural Research (ICAR).

Mishra who was growing only rice in his 36 acre of land, availed himself of a loan of Rs 56 lakh for land shaping and buying seeds of rice, fish and prawn from the local branch of SBI three years back. He has already paid back the loan amount, after introducing the rice-fish system in his farm land. Under the rice-fish system developed by CRRI, specifically for the water logged areas of the state, a major portion of land is used for paddy cultivation, while a smaller part is developed as a fishpond. The bund can also be used for seasonal vegetables and horticulture plantation. During monsoon months when water table is high, popular varieties of fish such as catla and rohu are bred in the paddy field. When water recedes they swim back to fishpond adjoining the rice field. Fishes eat the weeds normally present in a paddy field, thereby indirectly helping in better paddy cultivation.

The movement of fish in the paddy field also helps in bio-turbation through physical re-arrangement of soil profile. Farmers said the presence of fish in paddy fields has drastically reduced pesticide use. CRRI data shows that a hectare of land under rice-fish system would produce around 15-18 quintal of food crops, 2-3 quintal of fish and 30-35 quintal of fruits and vegetables. After ensuring the food and nutritional requirement of a small family, the system would provide an income of Rs 50,000 after three years with an investment of only Rs 60,000.

After the commercial success of the system, Nabard has asked the scheduled commercial banks to support farmers in accessing agricultural credit mainly in the low lying and waterlogged areas of the state for inland fisheries. “Nabard has approved the system

as... bankable enterprise". For augmenting rice production, the premiere rice research institute has already developed and released several drought resistant rice varieties like Vandana, Anjali, Sadabahar and Virendra.

A novel way to tackle food inflation

Food inflation is good for 70 per cent of India's real poor as they are net food producers. The Central Government's National Rural Employment Guarantee Act (NREGA) has ensured that farmers get a reasonable wage; good enough to lift them above the poverty line. The downside is the steep increase in the cost of cultivation, given the farm sector's large dependence on manual labour. If it is ensured that the benefits of the 20 per cent inflation in food articles actually reach the farmers, substantial poverty for 70 per cent of the very poor can be eliminated. Several successful models exist within the system for ensuring a good connect between the farmer and the consumer or end-user.

(1) Support price operations for crops where support prices are fixed; greater awareness of the support prices should be created; support price operators should have a telephone (SMS)-based complaint lodging mechanism in place to ensure proper functioning of the system.

(2) 'Ulavar Sandhai' initiated by the Tamil Nadu Government is another good example that can be studied and fine tuned for lateral adoption, probably with the addition of better hygiene and cold storage facilities.

(3) The market committee yards in Gujarat and parts of Andhra Pradesh are the other good examples to be adopted to connect farmers and users in a transparent way.

While connecting the farmer and the end-user, focus should not be lost on the other 30 per cent of the very poor who are non-food producing. It is here that the public distribution system (PDS) plays an important part; a well-run PDS, which is also inclusive, can substantially alleviate the impact of rising food prices. Here again, Tamil Nadu needs to be complimented. The State government partnered Confederation of

Indian Industry (CII) and studied possible improvements to the PDS system and implemented most of the recommendations. The recent experiment of selling vegetables through the PDS at 50 per cent of the open market price needs to be emulated.

This effort of the government will also help the farmer realise better prices when they sell the products to PDS outlets even as it brings down the vegetable prices substantially to consumers. Instead of looking at food price increase as an inflationary evil, one should look at it as a belated recognition of the fact that those who produced food too need to come above the poverty line. Look at other means to totally reduce the impact of higher farm gate food prices on that part of the society that is vulnerable to high food prices.

Remedy for food price inflation is completely different from that for inflation stemming from other sources. Tight money policy is not an answer. A better connect between food producers and consumers or agro product users and a more compassionate policy of adding a larger number of items to PDS together with leakage elimination in the PDS system is the way out. Organisations interested in doing charity can volunteer to help better connect farmers to users and be watch-dogs at PDS outlets. Corporates too can include theses in their corporate social responsibility (CSR) activities and convert what appears to be dangerous cholesterol into good and desirable cholesterol. In the process, they can save themselves from tight money policy which becomes inevitable if food inflation is seen as bad cholesterol. Ensuring that the PDS becomes less prone to leakages too is in the interest of corporates as food subsidy will then come down, lowering the budget deficit and lessening the need for taxation.

Haryana Reaps Benefit of Contract Farming

Farmers in Haryana are reaping the benefits of venturing into contract farming in association with Haryana State Cooperative Supply and Marketing Federation (Hafed). The cooperative's assured buy back of agricultural produce at better remunerative prices, is expected to push up the returns from barley

cultivation during the 2009-10 rabi season to around Rs.1,000 per quintal or market price whichever is higher. Contract farming assures that farmers get the best price for the produce with its guaranteed buy back.

Contract farming in Haryana is being taken up in the districts of Gurgaon, Bhiwani, Jhajjar and Fatehabad. To make its benefits reach a larger number of farmers, Hafed has invited reputed private companies to join as purchasers/sponsors and is willing to work as a facilitator. An agreement was signed with SKOL Breweries in 2007-08 rabi season and with the UB group in 2008-09 and 2009-10 rabi season for facilitating contract farming of barley in Haryana. Area under contract farming in Haryana has been increasing with almost 265 farmers undertaking contract farming over 1,420 acres in 2006-07.

In 2007-08, 930 farmers took contract farming in around 4,800 acres. The number grew to 3,000 farmers in an area of 11,480 acres in 2008-09 and in 2009-10 over 3,000 farmers are likely to undertake contract farming in the state with the area going up to 12,000 acres. Hafed started contract farming during 2006 kharif season when small quantities of basmati rice was grown. Later, some areas under desi wheat (C-306) were brought under contract farming in 2006-07, 2007-08 and 2008-09. Some quantities of turmeric are also grown by farmers under contract farming since 2008-09. Farmers were also provided good quality seeds and free of cost professional extension services that benefited them directly. In all these cases Hafed itself has been the purchaser and facilitator for growers and much of the produce was purchased back.

Bharti Walmart opens first agri co-op centre in Punjab

Bharti Walmart, the joint venture between Bharti Enterprises and Walmart Stores Inc for wholesale cash and carry and back-end supply chain management operations, has opened its first agricultural cooperative centre in Sirhind, Punjab. The agricultural cooperative centre aims to build a robust aggregating, handling, packaging and delivering system of fresh produce to best price and Bharti

Retail's easy day stores. This initiative is part of Bharti Walmart's direct farm programme in partnership with 100 small and marginal farmers near Ludhiana, Punjab. The farmers will be paid for their produce within 24 hours post delivery. All legalities including APMC tax will be fully complied with.

Bharti Walmart, will endeavour to work with local suppliers to develop an efficient and robust supply chain by reducing waste and ensuring qualitative, fresh produce for customers at easy day and Best Price Modern Wholesale stores. To meet these objectives, its associates, in partnership with Bayer Crop Science will share best practices with small and marginal farmers to improve the quality and quantity of their yield. This initiative will substantially increase the prices farmers get for their produce. It will also directly link farmers to consumers providing them access to quality produce at low prices. The centre will provide farmers expert advice on crop planning and management, further strengthening Bharti Walmart's initiative to support farmers and small manufacturers who have limited infrastructure and distribution strength.

Mulberry root rot: a threat to sericulture

Mulberry root rot is a serious threat which may cause cent per cent loss if left undetected. The disease is caused by the soil-borne fungal pathogen, *Fusarium solani and F.oxysporum* which become active when the mulberry roots grow near them, which enter and spoil the whole root system. Sometimes the pathogens remain inactive inside roots when the conditions of the host are not favourable. Presence of soil borne bacteria and nematodes may also increase the susceptibility of the plant to infection.

The disease is normally confined to an individual plant, randomly distributed in the field, but sometimes small patches of plants may also be affected. The pathogen rapidly contaminates the entire field during various cultural operations and irrigation etc. Infested plants initially show symptoms of drying of leaves in the lower and middle part of the plant. The condition gradually increases and the entire leaves

become yellow, dry and wither off. Gradually the plant shows wilting and drying and finally dies.

The infected roots show degeneration of cortex and cambium tissues, where uptake of water and soil nutrients is totally arrested. The bark gets peeled-off very easily and the dead root tissues further invades secondary pathogens which cause decay and become blackish giving fowl smell.

Management

Application of organic manures to maintain the soil organic carbon content more than 0.65 per cent.

Dipping the cuttings/ roots of saplings in carbendazim (0.2 per cent) or copper oxychloride (0.25 per cent) solution prior to planting.

Identification of severely diseased or dead plants, uprooting and burning them immediately to avoid spread of pathogenic spores.

Applying neem or pungam or castor cakes at 800 to 1,000 kg/acre.

Soil drenching with 0.25 per cent copper oxy chloride (2.5 g/litre of water) or 0.2 per cent carbendazim (2.0 g/litre of water) around the plant.

M & M, Mitsubishi agricultural tie up to make rice transplanters

Mahindra & Mahindra has tied up with Mitsubishi Agricultural Machinery Co of Japan to make rice transplanters at a facility in Nagpur. The initial investment will be in the range of Rs.15 crore and around 1,000 transplanters will be produced in the first year. The number could then be increased to 5,000 units over the next two years. Mr Anjanikumar Choudhari, President of M&M's Farm Equipment Sector, said that the transplanters would help the farming community from the viewpoint of increasing agricultural productivity and getting over the problem of scarce labour.

Extruded floating fish feed a boon for farmers

The coastal districts of Andra Pradesh are now witnessing a new method in fish feeding. Fishes are being fed with the extruded floating feeds replacing the traditional method of feeding with the raw materials. Bhimavaram, Gudivada, Kaikaluru, Akivedu are now experiencing a renewed activity as farmers are experienc-

ing the benefits of extruded floating fish feed.

"There is a lot of optimism among the farmers and they are willing to try the new methods of fish farming for fishes such as Rohu, Catla, Pangasius and also new varieties such as Tilapia and sea bass," says Mr. S. Amalraaj, Indian Representative for Muyang company in Chennai. Aquatic animals cannot digest starch effectively resulting in excessive excrement which causes physiological problems such as excessive gas, bloating diarrhoea and these apart, from affecting the growth of the fish also lead to water pollution.

The extrusion which is a high temperature and short duration process cooks the materials killing the germs and pathogens and makes the feed easily digestible. In the traditional method of fish farming, a mixture of de-oiled cakes/ rice bran is used for feeding the fishes. The mixture normally settles down at the pond bottom causes water pollution. There is also a lot of wastage which otherwise could have been used for other applications. Since the raw materials are not formulated well, the growth of the fish takes longer duration of time involving higher feed conversion ratio.

For traditional feeding about 4-5 kgs of raw materials is required to produce 1 kg of fish. Whereas through extruded feed one requires about 1.2 kg to produce 1 kg of fish. Extruded feed is much more safe, because fed ingredients can be pasteurized or sterilized during feed extrusion operation, thus reducing the effects of feed on the health of aquatic animals and water quality.

For details contact Mr. S. Amalraaj, email: trustamal@gmail.com, Phone 23622694, cell: 94441 79730.

Technology on the farm

The crisis sweeping Indian agriculture unsteady production, low yields and volatile prices is common knowledge by now, but what causes concern is that policymakers do not appear to be serious about addressing farm-related issues with any sense of urgency. To make matters worse, land constraints and water shortage are staring us in the face. Risks to the already fragile agri-

cultural eco-system from climate change can never be overstated. While supply side challenges continue to haunt, demand growth is robust in the wake of rising incomes and demographic pressure. The government admits that while the challenges faced by agriculture and allied sectors are numerous, the possibilities for use of new technologies that could generate value to the society and incomes in rural sector are also immense. So, what's preventing the flow of new investment in the farm sector and adoption of new technologies?

Despite its high social return, R&D expenditure on agriculture in our country is low by international standards. Take, for instance, the Eleventh Plan, in which the outlay for various agriculture related schemes is Rs 41,300 crore, or a mere Rs 8,000 crore a year, less than one per cent of the value of agricultural output. The R&D spend is wholly inadequate to meet the enormous challenges of the farm sector. Not only do we need increased R&D expenditure backed by modern technologies, but such R&D must focus on evolving appropriate technologies for areas as diverse as rain-fed, flood-prone and drought-prone. Cotton has turned out to be an outstanding example of how technology adoption (genetically-modified seeds) can elevate the fortunes of a crop that was, until a few years ago, seen as one with no great future. A breakthrough in pulses and oilseeds a crop perennially in short supply has been talked about for over two decades, but progress has been limited.

To be sure, it is not just the paltry amount spent on R&D, but also lack of accountability among policymakers and research institutions. It is open to doubt whether there is an effective system of monitoring the progress of research and evaluation of the findings as also transfer of technology from lab to land. Adoption of post-harvest technologies, especially for perishable horticulture crops, is crucial. This calls for greater investment in rural infrastructure. Information technology is a wonderful tool that can link the farm with the market. Unfortunately, lack of policy support has resulted in limited adoption of technology in Indian agriculture. A conscious effort towards robust infusion of technology is the way forward.

A state with potential in horticulture

One of the few States formed recently, Uttarakhand was carved out of Uttar Pradesh and is located in the foothills of the Himalayas. Primarily an agrarian State, a predominant part of the population (almost 90 per cent) depends on agriculture and allied activities for livelihood. Farming takes place in about 7.8 lakh hectares, of which 5.9 lakh hectares are under irrigation. Given the undulating topography, scope for large-scale cultivation of field crops (grains, oilseeds) is limited. There are a number of forest-based industries with an investment of about Rs 20,000 crore and employing about five lakh persons.

Hilly terrain means that scope for widespread industrialisation and growth of service industry is limited. However, the agro-climatic conditions offer environment conducive for cultivation of a variety of spices as well as horticulture products. Chillies, ginger and garlic as also apples, oranges, grapes, pear, peach, plum, apricot, litchi, and guava are widely grown. This suggests the State has potential for horticulture development and setting up of processing facilities to cater to the growing markets nearby. According to the experts, Uttarakhand has the potential to be ranked among the top ten for fruits and vegetables production by adopting appropriate cultivation technologies and agronomic practices.

Why milk overflows out of the vessel in which it is boiled, but not water?

Milk is an emulsion of butterfat and water. The continuous phase is water. This aqueous phase contains proteins, lactose, mineral and traces of other substance as enzymes, vitamins, gases etc. Milk is slightly heavier than water because of its solute content and boiling point of liquid is influenced by factors responsible for its specific gravity. Milk boils at a temperature slightly higher than water. Water boils at 212 degrees ^{0}F (100 degrees ^{0}C) at sea level, while average milk boils at 212.3 degrees ^{0}F (100.17{+o}^{0}C). Milk is 1.5 to 1.7 times more viscous than water owing to the presence of

solids some of which are in solution, others in suspension still others in the form of emulsion. Temperature markedly affects viscosity. Viscosity increases with decreasing temperature. Viscosity of milk also increases with increased fat content, homogenization, souring and ageing.

Compared with water, the surface tension of milk is low, the actual ratio between the two values is 5:2 (water: milk). When milk is warmed, calcium caseinates gather at the liquid air surface together with smaller amounts of albumin, globulin and fat. The surface tension decreases with increases in temperature. Increase in fat percentage reduces the surface tension. A thin skin or film forms over the milk's when it is brought to the boiling point in air. This film is due to the coagulation of a small amount of casein, with which are associated a small amount of calcium salts, albumin and globulin and in the case of whole milk butter fat. After the formation of thin film pressure which is developed inside is not able to go out. Hence it pushes the thin film above. Due to this higher pressure and less surface tension milk overflows the vessel. But in the case of water since it is a uniform solution when it reaches the boiling point pressure is automatically get released hence it does not overflow.

Farm mechanisation in India: challenges going forward

The country's agricultural production has stagnated at a time when the broader elements of the economy have grown. In order to sustain an overall growth rate of 9 per cent it is imperative for the agricultural sector to grow at 4 per cent. Though India has achieved self sufficiency in foodgrain production, the last couple of decades have seen the growth rate of food grain production (1.5 per cent) lag behind that of population (1.9 per cent).

While efforts such as introduction of high yielding varieties and expansion of irrigated area have played a crucial role in achieving the goal of food self sufficiency in the past, rapidly growing demand for food has brought the need for building efficiencies in agriculture to the forefront. Towards this objective, it is imperative to focus

on improving the intensity of farm mechanisation in the country. This would result in significant improvement of agricultural productivity.

Some key advantages of farm mechanization are:

- Increase in crop intensity and yield thus ensuring better returns to the farmer
- Reduction of weather risk and risk of non-availability of labor thus minimizing post harvest wastages
- Improved working conditions and enhanced safety for the farmer
- Conversion of uncultivable land to agricultural land through advanced tilling technologies
- Shifting land used for feed and fodder cultivation for draught animals towards food grain production

Farm mechanization also provides different streams of employment related to handling of farm machines thus resulting in increased rural employment. However, farm mechanization in India is in the initial stages of development and dominated by use of tractors and tractor mounted implements. While the Indian tractor market is highly organized and among the largest in the world, the farm equipment market is dominated by unorganized players accounting for more than 50 per cent of market share.

Though, India is one of the top countries in agricultural production, in terms of farm mechanization, it is behind the world average. For instance, the tractor density of India is about 16 tractors for 1,000 hectares, while the world average is 19 tractors and that of US is 27. Clearly, there is significant opportunity for mechanization of agriculture.

However, this sector faces some key challenges such as:

- Highly diverse farm size & soil types: resulting in the need for customized farm machinery and equipment for different regions of the country.
- Skewed and seasonal usage resulting in low economic viability: This calls for innovative solutions for scaling up usage * Irrigation facility: Best results from mechanization can be obtained if the usage is

coupled with sufficient irrigation

- Cattle population: Increased mechanization results in surplus draught cattle and their upkeep is a concern for the farmers
- Extension service: Education and training for efficient usage of farm equipment is required to be imparted along with knowledge about selection of appropriate machinery
- Capital investment, operational & maintenance cost: small and marginal farmers have cyclic nature of revenue streams resulting in limited capital availability

Some of the key areas that need specific interventions include:

- Develop a legislative and structural framework that encourages custom hiring (renting) services so as to facilitate better capacity utilisation of farm equipment.
- Enabling framework to encourage land consolidation and development of land lease market to make efficient use of farm machinery.
- Need to focus research efforts towards design and development of farm machinery suitable for different types of soils, farm sizes and diverse crops.
- Increased focus on commercialization of research done by various university especially in the farm equipment space.
- Focus on standardization and quality control especially for farm equipment so as to protect the interest of farmer and increase usage.
- Sensitize small farmers having operational holding of less than 4 ha from owning tractors unless they have substantial grounds to make economical use of it.

For taking care of the requirements of small and marginal farmer, the following measures need to be encouraged:

- Formation of cooperative for ownership of farm machinery at village level
- Supporting the finance of second hand tractors for small farmers;
- Extension services to advise the farmer on suitability of various makes, models and horse powers for different size of land holdings.

Though mechanization has improved the state of agriculture in certain parts of the country, it is still a bottom of the pyramid story and it will remain so unless concrete measures are taken to propel farmers towards adoption of efficient farm mechanization practices especially in the farm equipment space. Given the right focus from various stake holders, farm mechanization has the potential to play a critical role in increasing farm productivity and improving rural employment generation.

Sericulture in india

An exquisite fibre that eventually spins into evocative textiles, silk has always fascinated people; but its potential for employment generation and rural transformation is less known. Sericulture is a labour-intensive agro-based industry that involves rearing of silkworms for production of raw silk, the yarn obtained out of cocoons spun by certain species of insects. Major activities of sericulture comprise food-plant cultivation to feed the silkworms which spin silk cocoons and reeling the cocoons for unwinding the silk filament for value added benefits such as processing and weaving.

Although over 40 countries produce silk, Asia dominates global production with a share of 95 per cent. India ranks as the world's largest consumer of silk and the second largest producer after China. With production close to 20,000 tonnes, India has the distinction of producing all the commercial varieties of which mulberry tops. Karnataka, Andhra Pradesh, Tamil Nadu, West Bengal and Jammu and Kashmir specialise in mulberry while Jharkhand, Chhattisgarh, Orissa and North-Eastern States produce non-mulberry silks. With rising incomes and changing lifestyles, demand for silk textiles has been rising.

Domestic silk output trails demand. India imports raw silk to meet its raw material needs and for producing value-added products for the export market. India exports readymade garments of silk, natural silk yarn, fabrics and made-ups as also silk waste. Over the last five years, India's export earnings from this sector have ranged between $600 million

to $700 million a year. About 60 lakh persons are engaged in the various sericulture activities in our country. Research has concluded that sericulture has the potential to generate large-scale employment at the rate of 11 man days a kilogram of raw silk production (in on-farm and off-farm activities) throughout the year.

Development of indigenous mulberry varieties with highest leaf yields in the world, new bivoltine silk worm hybrids eminently suited to tropical regions, farmer friendly technologies, cost-effective new package of practices for cultivation of food plants, rearing and reeling coupled with huge natural and manmade resources as also trained manpower are some of the positives the sector has witnessed in recent years. Given its exquisite qualities like natural sheen, inherent affinity for dyes and vibrant colours, high absorbance, light weight, resilience and excellent drape etc, the lure of silk has become irresistible.

Time to focus on water security

India is racing towards water scarcity. According to International Water Resource Group (IWRG) estimates, in a 'business as usual' scenario, India's aggregate water demand is expected to double from the current level of about 700 billion cubic metres to 1498 billion cubic metres by 2030. With an estimated supply of about 744 billion cubic metres by then, the water gap is estimated to be 50 per cent. This scenario calls for rigorous assessment of the present water usage in the nation. Food security is closely tied to water security. During the last six decades, the gross irrigated area increased from 22 million hectares to 87 million hectares.

Consequently, contribution of irrigated agriculture to food grain production grew from about 35 per cent to more than 65 per cent during this period. Though it has contributed remarkably to the goal of food self- sufficiency, intensive farming under irrigated conditions has had a serious impact on the rapidly depleting water resources of the nation. Given the fact that water withdrawals for irrigated farming represent 85 per cent of total water usage of the nation, a rigorous assessment of the current scenario of irrigated agriculture is

needed in order to develop an effective strategy to ensure water security for the future.

Over the last four decades, increase in irrigated area has mainly been on account of groundwater sources. Higher reliability of water supply through tube wells and water pumps - coupled with the policy of massive under-pricing of electricity to the farming sector has resulted in an explosive growth in groundwater irrigation. Between 1970 and 2006, about 23 million hectares of additional farms (net area) were irrigated by groundwater sources. In comparison, surface irrigation added less than 5 million hectares during the same period. As a result, farms irrigated by groundwater currently contribute to more than 60 per cent of total food grains produced from irrigated agriculture. On the bleak side, over-exploitation has resulted in serious depletion of groundwater tables in many parts of the country. It is estimated that in 15 per cent of irrigation blocks of the nation the annual extraction of ground water exceeds annual recharge. In Punjab for instance, while the net annual replenishable groundwater is 21.44 BCM, the groundwater draft stands at 31.16 BCM - indicating utilisation of 145 per cent of annual replenishment levels. These trends are also visible in states such as Rajasthan and Haryana where annual groundwater draft is 125 per cent and 109 per cent of annual replenishment respectively. Consequently, groundwater levels in northern India have been receding by about a foot a year.

Highly subsidised water use tariffs charged to farmers has accentuated the deteriorating situation by limiting the funds available for operation and maintenance. Consequently, the current water use efficiency of canal irrigation is about 35 per cent - among the lowest in the world. It is estimated that a 10 percent increase in water use efficiency can bring about an additional 14 million hectares under irrigated cultivation. Clearly, the irrigation strategy followed by India lacks focus on sustainable use of water resources. Policy makers have consistently focused on increasing supply of water by taping natural resources. However, the importance of managing demand

and reducing water loss has been grossly neglected.

While the most obvious way to increase water use efficiency would be to increase crop yields through development of high yielding varieties and efficient use of farm inputs, other approaches that would reduce water demand include: Dealing with difficult policy decisions, Better demand management of current irrigation systems would require political innovation in handling two critical areas - electricity tariff and end-user irrigation charges.

It is estimated that while the agricultural sector accounts for nearly one-third of sales of the state electricity boards, the revenue from farmers account for only about 3 percent. This under pricing has resulted in overexploitation and depletion of ground water. Rationalization of electricity prices is critical to promote efficient water use. Hence there is a need for rationalization of water rates to ensure efficient water usage as well as to provide for adequate financial resources to cover the cost of operation and maintenance of the irrigation system.

There is a need to promote water saving technologies such as Micro Irrigation Systems - Sprinkler and drip irrigation dramatically increase water use efficiency. The overall efficiency of surface irrigation is about 35 per cent that of drip irrigation is 80 to 90 per cent. Recognising the potential that these systems hold, the Government has extended a subsidy of 50 percent for implementation of micro irrigation systems. The Government has targeted to bring 17 million ha under Micro Irrigation by the end of the 11th Five Year Plan period. This alone is expected to result in an annual water savings of about 59 billion cubic metres. A promising approach to increase water use efficiency is to promote water saving farming systems such as System of Rice Intensification, aerobic rice cultivation, precision farming, mulching and zero tillage.

Agriculturists herald new farming system based on fertilizer trees

Top scientists from international agricultural institutes are heralding a new system of farming based on using fertilizer trees to increase crop yield. The new system, which was inspired by

small time farmers in Africa who grew the Acacia, could provide a solution to dwindling paddy production in India and will help mitigate climate change. "The Acacia tree has been used by farmers for centuries. We started doing research on it to find out how much it benefits the crop and it's quite staggering. Scientists discovered that the Acacia tree holds the same amount of nitrogen in its leaves as three bags of commercial fertilizer. When the tree drops its leaves crop size can improve by as much as 150 per cent" said Dr. Dennis Garrity, Director General of the Narobi based World Agroforestry Centre.

The M S Swaminathan Research Foundation issued a nine-point plan of action following the release of the Chennai declaration on Biodiversity. It aims to create a "Climate cum Gene Care" movement that will integrate government departments, strengthen farming and tribal communities, refocus research priorities, and promote climate resilient farming systems.

Call for private hands to boost agriculture yield

Painting a not so rosy picture of the agriculture sector, the Economic Survey for 2009-10 has mooted private sector participation to increase farm sector yield and meet the rising demand of food in the country. "Consistent decline in the share of private sector investment in the agriculture sector is a matter of concern. Improvement in yield in recent years is not enough to cater to needs of rising population," the Survey, which is a report of the government's economic policies said. Although agriculture sector provides livelihood to over 60% of country's population, it accounts for less than 20% of the country's GDP.

According to Central Statistical Organisation (CSO) data, private investment in agriculture and allied sectors in total GDP has gone down from 2.1% during 2002-03 to 1.7% during 2006-07. In the 10th Plan (2002-03 to 2006-07), private sector investment has been on an average 1.8% of the total GDP. However, the private sector investment in 'agriculture and allied sectors' has increased to Rs.1,14,145 crore in 2008-09 from Rs.86,967 crore in the previous year. But the share of public sector investment has declined to 17.6% from 20.9% in the period under review. For reversing the decline in private

investment, the Survey has asked for "creation of favourable policy environment and availability of credit at reasonable time". The Survey expresses doubt on the benefits that have accrued to small and marginal farmers due to higher support price for various crops. "Inability of a large number of small and marginal farmers to directly access the agri-market puts a question mark on increases in Minimum Support Price (MSP) actually benefiting such farmers," the Survey said.

The humble Papaya can prevent cancer

Rich in vitamins, folate, fibers and potassium, the papaya is often called a "nutritional masterpiece". Now, scientist claim to have found evidence that the humble fruit can prevent cancer too. An international team, lead by Nam Dang of University of Florida, has documented papaya's dramatic anticancer effect against a broad range of lab-grown tumours, including cancers of the cervix, breast, liver, lung and pancreas. For their research, the scientists used an extract made from dried papaya leaves, and the anti-cancer effects were stronger when cells received larger doses of the tea.

The team has also documented for the first time that papaya leaf extract boosts the production of key signaling molecules called Th1-type cytokines. This regulation of the immune system, in addition to papaya's direct anti-tumour effect on various cancers, suggests possible therapeutic strategies that use the immune system to fight cancers, say the scientists. The papaya extract did not have any toxic effects on normal cells, avoiding a common and devastating consequence of many cancer therapy regimens. In their research, the scientists exposed 10 different types of cancer cell cultures to four strengths of papaya leaf extract and measured the effect after 24 hours. Papaya slowed the growth tumours in all the cultures.

The wells brim with water in drought-prone Gujarat

The Wells of Kalawad village in Junagadh district, Gujarat brim with water. The reason construction of check dams by a peasant, Mr. Bhanjibhai Mathukiya. Till a few years ago, the drought-prone village forced many of its farmers to abandon agriculture. "Today,

most of the wells brim with water and farmers are able to grow their crops without any fear of water shortage, thanks to the three check dams constructed by Mr. Bhanjibhai," says Mr. Mahesh Patel, Chief Innovation Manager, Gujarat Grassroots Innovations Augmentation Network, (GIAN).

The farmer built the first dam across a small river running through the village. It consists of a series of semicircular arches beneath to support the weight (similar to railway bridges to support the weight of a running train). The dam not only costs less than conventional ones, but is also more stable and easy to construct. It resists maximum water pressure and force because of its unique design and structural strength. For constructing the dam the farmer used locally available stones and placed them in the flowing water maintaining a little distance between two stones. Later, he filled the gap with river sand, stones and cement. The total cost for building a dam worked to just Rs.10,000 including the labour cost. After completion of this, several villagers requested Mr. Bhanjibhai to build more check dams down stream. So, the farmer built two more dams in the neighbouring villages with the support of a local community. Till date the farmer has built about 25 check dams in Gujarat and Rajasthan. To build a dam the expense could work out to anything between Rs.50,000 to Rs.1 lakh or more. But he spent only Rs.10,000 for constructing one dam. As most of the rivers are not perennial, the check dam saves wastage of surplus water from running off. After the monsoon, water shortage makes it difficult to irrigate the crops.

Mr. Bhanjibhai's check dam model can be constructed easily by individuals or co-operative work without waiting for the government's help. "It would be great if the technology could be replicated on mass scale all over India and other countries for the benefit of rural agriculture," says Mr. Mahesh Patel. For more information readers can contact Mr. Bhanjibhai Mathukiya, Kalawad, Junagadh: 362130, Gujarat, mobile: 9825481528 and Mr. Mahesh Patel, Chief Innovation Manager at mahesh@gian.org and gian@gian.org, website: www.gian.org, phones : 079-26760398 and 26769686.

A mutual fund statement

Whenever one invest in a mutual fund scheme, the fund house has to send him a statement providing details of his holding in the scheme. one can opt for a physical copy of the statement, or a soft copy, which can be e-mailed to him and he can access it online. This statement provides information about the transactions conducted by you within a defined period. This statement is sent to you within a period of three working days once the transaction is done. This document indicates the changes in the account whenever there is a redemption, additional investment or dividend declaration. This makes the account statement important for tracking your investments.

There is no compulsion to preserve the physical statement. Your ownership has already been recorded by the AMC in its records. If you do not like dealing with paper, you can opt for e-statements. To redeem your units, you only need to fill the necessary form.

The statement provides details of a persons' investment which include his name, address, bank details, folio and account number, current cost and value and PAN details.

Each time you invest in a mutual fund, the fund house gives you an account number. You could also invest in a number of schemes such as a debt fund, an equity fund or a tax plan, with the same fund house. In this case, it would be wise to mention your account number so that the fund house can consolidate all accounts under a single folio. This makes it easier to track all the investments with a particular fund house.

The current value is the latest market value of the investments on the date the statement is generated while the current cost indicates the amount invested in the scheme. The number of units allotted is calculated using the amount invested divided by the NAV of the scheme as on the date of allotment. In case there is an exit load, the same would be deducted from the NAV and the proceeds paid out to the investor.

It is mandatory for you to provide your PAN, irrespective of

the amount that you have invested. Check that the PAN mentioned in the account statement is correct.

No window dressing please, banks will now disclose more

Banks will find it difficult to hide their efforts at window dressing their balance sheets, given RBI's new directive. The banking regulator has asked banks to divulge a host of details in the notes to account in the balance sheet for the year ending March 2010, which will vastly increase the level of transparency. Among the information that banks are required to disclose include concentration of deposits, advances, exposures and non-performing assets (NPAs). In addition, banks will have to disclose sector-wise NPAs.

Disclosures relating to concentration of deposits will include total deposits of 20 largest depositors and the percentage of deposits of these 20 largest depositors to total deposits of the bank. Similarly, banks are required to display total advances to 20 largest borrowers and the percentage of advances to 20 largest borrowers to total advances of the bank. In connection with NPAs, RBI has asked banks to reveal which are the top four borrowers who have defaulted. They also have to disclose the extent of non-performing assets that banks have in respect of each industry. Banks will also not be able to sweep bad loans under the carpet as they now have to declare gross non-performing assets at the beginning of the year and gross NPAs added during the year. If there is a reduction in bad loans, banks will need to provide a break-up of how much of these were due to upgradations, recoveries and write-offs.

A new disclosure requirement is the publication of off-balance sheet special purpose vehicles. Very often, banks facilitate funding through a third-party entity in the nature of a special purpose vehicle which is controlled by the bank. These SPVs are created under a trust structure and therefore not reflected in the balance sheet of the bank. In their forthcoming balance sheet, banks will need to disclose all the SPVs that they have sponsored in India as well as abroad.

Shell Foundation creating new supply chains in the market

Shell Foundation is looking to create an ethical agent who will act as a bridge between the poor farmers and multinational retailers. The foundation conducted a joint report with Marks & Spencer called 'Fresh: Creating New Pathways to Ethical Sourcing' based on which it concluded that it was possible to create new supply chains in the market, according to Ms Anuradha Bhavnani, Programme Director, India, Shell Foundation (SF).

This commercial intermediary, by bridging the gap between the producers and retailers, would be able to reduce poverty at the farm level and deliver commercial returns to retailers. The focus of this new organisation would initially be India. The demand of organic cotton was found to be far more than the supply, with visible gaps in the market. Retailers, however, often lack the ability to reliable source the quality products at the scale they require. Shell Foundation's Trading Up programme unlocks markets for developing country producers by providing seed capital, business mentoring and strategic partnerships with major retailers to create sustainable supply-chains.

In India, SF has been partnering Agrocel and has converted 50,000 farmers from chemical intensive to more sustainable and organic farming. Marks & Spencer became the first high street retailer to sell Fair-trade cotton garments sourced from Agrocel. With a total investment of $10 million in India, the SF is present in 10 States.

Poor food storage capacity is serious issue: Swaminathan

Inadequate food storage capacity should be viewed as a serious issue, said renowned agriculture scientist and Rajya Sabha MP, M.S. Swaminathan. About 230 million people in rural India are undernourished, almost 40% children below three years are underweight and 45% are stunted in growth. While 40% women suffer from chronic energy deficiency, he pointed out. “But still, the country has not been able to build adequate storage facility”, he said during a presentation at '2010-11' Budget and National Food Security meeting organized by the Bangalore Chamber of

Industry and Commerce (BCIC). Citing media reports, he said around 800,000 tonne of wheat were spoiled due to inadequate storage capacity in the country. He said that the Union Budget presented a four-pronged strategy for agriculture revival. The first was increasing production in eastern India, defending production in the heartland of Punjab, Haryana and U.P. and setting up 60,000 pulse villages. Secondly, to build storage capacity followed by value addition to primary products and credit expansion. The credit flow has increased by Rs.50,000 crore.

He said that the contribution of the agriculture sector to the GDP has come down by 3% in the last three years. The agriculture sector accounted for 15.7% of the GDP in 2008-09 as compared to 18.9% in 2004-05. He also said that food security should not only address the food requirement of 1.1 billion people in the country, but also should take care of 1 billion farm animals, which require a sizeable amount of feed like maize and soyabean. He added the government was in the process of setting up 30 mega food parks should be established in all colleges that teach home science.

Changes in ARDBS

i) Shri Yadavalli Vijayender Reddy, has assumed charge as President of the Andhra Pradesh State Cooperative Bank Ltd., w.e.f. 23rd December 2009.

ii) Shri Vedanthan Jagan Mohan, has assumed charge as Managing Director/Chief Executive Officer of the Andhra Pradesh State Cooperative Bank Ltd., w.e.f. 3rd March 2010.