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EDITORIAL

Managing NPA has become a matter of top priority in view of its importance in the rating of SCARDBs by NABARD for the purpose of deciding refinance eligibility including quantum of refinance and its cost.

NPA in general is an asset which becomes non-performing or ceases to generate income for the bank. In the case of loans and advances it become NPA where,

1. Interest and/or instalments of principal remains overdue for a period of 90 days in respect of term loan,
2. An Overdraft/Cash Credit remains 'out of order' i.e. the outstanding remains continuously in excess of sanctioned limit without any credit continuously for 90 days or credits are less than interest debited during the same period,
3. The instalment of principal or interest thereon remains overdue for 2 crops seasons in respect of loans for short duration crops,
4. The instalment of principal or interest thereon remains overdue for one crop season in respect of loans for long duration crops.

A 'long duration' crop is one with crop season longer than one year and crops which are not 'long duration' are 'short duration crops'. 'Crop season' is the period upto harvesting of the crops raised. The length of 'crop season' for various crops should be decided by State Level Bankers' Committee in each State. These norms will be applicable to all Agricultural term loans availed by a farmer depending on the duration of main crops raised by him.

ARDBs are mainly giving either Agricultural or Non-Agricultural term loans. If it is agricultural the loan becomes NPA only after any demand or part thereof remains overdue for not less than one year, since duration of 2 crop seasons if he raises short duration crops or one crop season in case of long duration crops will be one year or more.

Other term loans of ARDBs become NPA when any demand or part thereof remains overdue for 90 days. Similarly, Cash Credit/Overdraft given to farmers becomes NPA, if the account remains out of order, as explained above for 90 days.

At present, ARDBs are required to classify their loans in to standard assets or non-performing assets at the time of preparing the annual accounts on the close of financial year ending 31st March. This implies that rather than the expiry date of permissible grace period of one crop season for long duration crops/two crops season for short duration crops/90 days for other term loans etc. after the due date of instalment, the all important date for the bank to classify an account as NPA or not is 31st March every year. It means that the grace period after the due date becomes automatically extended upto 31st March irrespective of the actual date when the loan becomes NPA on any date during the financial year.

Though all overdue loans are not NPA, NPA of most of the ARDBs are more than the outstanding balance of all overdue loans. One of the reasons for this is that asset classification is done borrower wise and not loan wise. When more than one loan is issued to a person, even his non overdue loans have to be classified as NPA, if one of his loans remains overdue beyond the prescribed grace period after due date. However, the most important reason for NPAs becoming more than the outstandings of overdue loans is the difference in the cut off dates for assessment of overdues and NPAs during a year. While NPAs are necessarily assessed on 31st March most of the banks assess their yearly overdues only on 30th June. Banks generally make maximum recovery efforts during the period April to June, the results of which are not reflected in the NPA classification as on 31st March.

Provisioning coverage is the ratio of provisioning against Gross NPA and indicates the extent of funds the bank has kept aside to cover loan losses. As per RBI guidelines, banks should ensure that the total provisioning coverage including specific and floating provision is not less than 70%. RBI has also allowed banks to make additional provisions against Gross NPA over and above the minimum regulatory provisions, as per guidelines.

While the banks do a lot of planning and employ various strategies to bring down overdues as on 30th June every year, such planning and concerted efforts are seen lacking for containing NPAs as on 31st March. The belief generally held by banks that when overdues are brought down, NPAs will also come down proportionately does not come true, due to the difference in cut off dates for assessing NPAs and overdues. Banks therefore, need to have a separate recovery drive, centered around due dates of instalments in order to reduce NPAs.

The first step in this regard is to take a list of loan accounts, sometime in September/October, which are likely to be classified as NPA at the end of the financial year, due to continuing overdue in the account, and the minimum amount to be collected in each of such accounts to avoid the loan being classified as NPA on 31st March. Bank should start a special recovery drive as early as October every year to ensure collection of at least such minimum amount before 31st March out of total overdues in the account to avoid classification of account as NPA. Such a special drive to reduce NPA will also make the recovery target for the year ending June much easier to achieve than otherwise.

Banks are allowed to restructure loans under distress at individual level and segment level based on financial viability and a reasonable certainty of repayment by the borrower in the future. Cases of frauds/willful defaults cannot be considered for restructuring. Further, restructuring cannot be done with retrospective effect. Banks can restructure loan account classified as 'Standard', 'Sub-standard' and 'Loss categories'. Normally, restructuring is done on the basis of an application by the borrower. However, restructuring can also be initiated by the bank in deserving cases, subject to the borrower agreeing to the terms and conditions of restructuring. ARDBs can consider extending period of loans in order to bring down the amount of repayment instalment as part of restructuring, provided such extended period does not exceed the life of assets financed.

Standard assets immediately after restructuring will be classified as sub-standard assets. Non-performing assets after restructuring will continue to be in the same classification. Standard assets classified as NPA and NPA accounts retained in the same category after restructuring by the bank, will be upgraded to standard assets when principal and interest are paid as per the revised terms and conditions during the 'specified period' after restructuring. 'Specified period' means a period of one year from the commencement of first payment of interest or principal after restructuring.

In the rating system for SCARDBs devised by NABARD based on Risk Assessment, NPA is a critical factor deciding almost 65% of total rating score. Under this rating system, any SCARDB with Gross NPA exceeding 10% of loans outstanding is unlikely to be placed in the Low Risk category even if it gets full score for other parameters.

K. K. Ravindran
Managing Editor

Cooperatives look for greater harmony than conflict For good governance in their management

Shri Daman Prakash*

Abstract

Governance stands firm on four pillars i.e., accountability, transparency, predictability and participation. Governance is not government as such. Governance is one of the characteristics of any institution which is concerned with governance, or management of governance. Governance is the reflection of the quality of management and the delivery of its services to the community effectively and efficiently. Governance means the way those with power use that power. A contributory factor to bad governance is corruption-political, economic and social including a total disregard of Principles of Cooperation. Cooperative institutions operate within the four walls of the universally-accepted Principles of Cooperation. Cooperatives are little democracies operating at the doorstep of basic members enabling the members to make use of their cooperatives to satisfy their economic and social needs through benefits and services. Good governance emerges through honest application of and adherence to prevailing laws and by respecting the spirit behind these prevailing laws. Circumventing the cooperative laws for self-interest does not qualify to be called as good governance in cooperatives. These are the only business enterprises which deliver social and economic services to the members and the community. People look for a 'role model', people look for good governance, and people generally respect and abide by the 'rule of law'. Cooperatives are strong partners in the process of development and do not aspire to be in conflict with the State. They call for harmony. They have always stood by the government in hours of need. What they need to do is to undertake some management steps e.g., business development planning, member awareness and professionalisation. It is for the national apex unions and federations to get together in the name of their constituents and the Cooperative Movement, as a whole, and unitedly prevail upon their respective governments to review and revise the existing cooperative legislation to make it more member-friendly.

Introducing Governance

“Governance is normally associated with the management with absolute powers to design, control and use of resources, ways and

means of regulating and managing or administering an organization, is a reflection of the quality of management through an appropriate mechanism of cooperative laws,

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bye-laws, regulations, policies, controls, systems, processes and procedures of functioning of a cooperative". Good governance is really fairness, transparency and accountability. It provides for proper incentives for the Board, Management and Members and help facilitate effective monitoring. Cooperative Governance is essential for the strategic repositioning of cooperatives to survive globalization and challenges of investor-owned companies and multinationals.

Governance is not government as such. Governance is one of the characteristic of any institution that is concerned with governance, or management of governance. Governance is the reflection of the quality of management. Each nation's path to good governance is different, depending on culture, geography, political and administrative traditions, economic exigencies, and many others.

Governance is a simple concept at heart: Good governance is good government. The concept relates to the quality of the relationship between government and the citizens [i.e., cooperative and its members] for whom it exists to "serve" and "protect". To put it more precisely and simply, governance means the way those with power use that power. The concept, therefore, has political and economic dimensions. Issues of political governance include the mechanism by which the public's political

preferences are ascertained and leaders chosen. These are the fundamental concerns of governance.

Principle of Governance

To make it more efficient, competitive and socially acceptable, governance depends on the following factors: [i] Performance and result-oriented systems, economy, efficiency, and delivery of services; [ii] Comprehensive Code of Conduct; [iii] Free from external and political interference; [iv] Honesty, integrity and openness; [v] No information asymmetry, disclosure and transparency using ITC; [vi] Accountability and responsibility; [vii] Recognition of rights and acceptance of all needs and wishes of stakeholders; and [viii] Culture of continuous learning.

The instrumental nature of governance implies that the four governance pillars are universally applicable regardless of the economic orientation, strategic priorities, or policy choice of the government in question.

Four Pillars of Governance

While discussing the implementation of development projects which called for the involvement and responsibilities of member-countries and recipient organisations, the Asian Development Bank [ADB], in its 1998 Annual Report, had identified four key components of governance. Termed as the Four

Pillars of Governance, these are: Accountability, Transparency, Predictability and Participation. In the context of governance in the management of cooperative institutions, these four pillars of governance are discussed here.

[i] Accountability is the capacity to call officials to account for their actions. Effective accountability has two components: “answerability” and “consequences”. “Answerability” is the requirement to respond periodically to questions concerning one's official actions. There is also a need for predictable and meaningful consequences, without which accountability is only a time-consuming formality. In addition, both internal [administrative] and external accountability are needed. Particularly with the dramatic improvements in information and communication technology, external accountability through feedback from service-users and the citizenry can now be obtained at low cost and for a greater variety of government activities, and is an essential adjunct to improving efficiency and effectiveness of public service delivery.

[ii] Transparency entails low-cost access to relevant information. Reliable and timely economic and financial information is a must for the public [normally through the filter of responsible media]. It is essential not only that information

be provided, but also that it be relevant and understandable. [Dumping on the private sector vast amounts of raw economic information does not improve transparency]. This aspect covers areas like: Access to information; Relevance, Timeliness, Understanding; Financial Disclosures; System/Procedural Disclosure; Internal Checks; Inspection Supervisory System; Audit Report; Role of Brokers; Investment Policies; and, Treasury Management.

Transparency gets further sharper when we understand the roles, rights and duties of various organs of an institution, in this case, a cooperative institution.

[a] Members: Members of a cooperative enterprise are the backbone of the institution. In accordance with the 5th Principle of Cooperation provision of education, training and information is a basic requirement. This aspect covers: [i] Awareness on the Concept, Strength and Formation of Cooperatives, Role, Responsibility, Rights, Election Process, Auditing, Business, Sourcing, Stakeholders; and [ii] Elections - Not on Political Considerations or going along with the Party in Power; and [iii] Participation: Regular, Well-structured, Active, Meaningful, Decision Making and Economic Participation.

[b] Board of Directors: Focus on Development of Vision, Mission,

Goal, Strategies and plans. The members should be in the know of: Necessary blend of Knowledge, Skill and Experience; Induction and Training; Composition: Diversified, Elected, Women and Professional; Independent; Board Meetings - Homework, Discussion and Follow-up; Code of Conduct; Leading by setting personal examples; Evaluation Plan and Board Review Process; and, also to consider what is the stake of board members in their cooperative.

[c] Management: The management is responsible for the implementation of the decisions of the Board. The management takes care of: Being an active link between the Board and the members; Providing relevant, accurate and timely information to Board; Updating the Board on various changes; Adopting professional approach in functioning of the cooperative; Development and implementation of system approach e.g., System for hiring, HRD, Performance, Compensation, Financial Management, Material Management and Audit etc.; Identifying and implementing the best practices; Timely Returns to various agencies; and, Liaisoning and maintaining relationship with all stakeholders including respective authorities.

[iii] Predictability results primarily from laws and regulations that are clear, known in advance

and uniformly and effectively enforced. Lack of predictability makes it difficult for public officials to plan for the provision of services [and is an excellent alibi for non-performance]. Predictability of government economic actions is also needed as an indicator on which the private sector can rely to make its own production, marketing, and investment decisions. Most importantly, to be predictable, the application of economic regulations must be effective, fair and uniform.

[iv] Participation is needed to obtain reliable information and to serve as a reality check and watchdog for government action. Among other things, participation by external entities is needed as a spur to government operational efficiency, and feedback by users of public services is necessary for monitoring access to and quality of the services. It revolves around: Formation of social capital, My/Own organisation; Member education programmes including entrepreneurship mindset; and knowledge of workers.

Empirical evidence suggests that a strong “civil society” plays a critical role in advancing good governance. Improving formal rules and organisations without any change in informal customs and ways of doing business avails little; Importing procedures and mechanisms without reference to the incentive and local capacity frame-

work is likely to be fruitless; Interacting only with central government or indeed, only with government, is not conducive to good implementation of reforms. Above all, governance intervention should encourage the formation of social capital i.e., the stock of trust and information exchange at the base of civil society.

The Governance

Governance is a broad term and cannot be defined in exact frame and parameters. The parameters for governance will differ from organisation to organisation and institution to institution depending upon their needs and the character of the organisation. The “governance” for any government in a country will depend upon the nature of the legislation, the form of the government and the state of the people governed by it. Similarly, for a private organisation, the “governance” will depend upon the type of the business, masses-catered, interest of the stake-holders and the fulfillment of the objects for which it has been established. [Saxena]

Likewise, the “governance” for cooperative bodies will largely depend upon the form of the cooperatives, purpose for which they have been formed, the existing law for the cooperatives and the business carried out and the objects and the people involved with these organisations. [Saxena]

In cooperatives, the “governance” implies democratic control through member participation and transparency in management systems to which the trust and mutuality are the foundations. In setting-up the good governance for effective functioning, some fundamental guiding objects like shared goals, relations built on trust, operational interdependence, relative equality in size and continued active dialogue with the members are of prime importance. Broadly, for cooperatives, the governance can be termed as a meaningful harmonious rhythmic relationship between the cooperative organization and its members and constituents for achieving the common objectives through interdependence, observing cooperative values to the extent possible. However, no hard and fast rule, guidelines or for that matter, a definition of governance could be given. [Saxena]

Governance should, in fact, be with the consent of the people and in the interest of the people. Governance should be based on some ethics, principles, values and norms. Creating parallel and the so-called “autonomous cooperative laws” are no solution-one law governs cooperatives with government financial stake and another law governs the cooperatives where there are no government stakes. These are the academic exercises which may add to the confusion and miseries of ordinary members who

are still trying to fully comprehend the essence of 'cooperation'. Most cooperative bodies which are formed to play important role including lobbying with the government are also not independent; they are already under the control of the State and operate "outside the purview" of the prevailing government laws. Good governance emerges through honest application of prevailing laws and respecting the spirit behind these prevailing laws. Circumventing the cooperative laws for self-interest does not qualify to be called as good governance. People look for a role model, people look for good governance, people respect and abide by the "rule of law". [Saxena]

People can only vaguely appreciate cooperative action until they have actually practiced it. And it is important for people to learn to practice Cooperation, because if they do not, they will rather become passive members in the cooperative, leaving the actual management and control of their society to third persons [e.g. appointed managers, government officers, etc.], a development which will lead to the indifference or lack of loyalty of the members and eventually to the total lack of interest in the affairs of their cooperative society. Therefore, it is important to develop the actual knowledge and the skills of members through the educational process of learning by doing. This is a sure way to ensure good governance. [TACIS]

The management leaders are absolutely indispensable for the successful functioning of the cooperative. We may go as far to say that with everything done and prepared the cooperative should not proceed unless such qualified and experienced management is found and cooperative members are willing to pay for it. A good manager is the brain of the organisation, as much as good elected leaders are its heart. But without good brains a business organisation cannot last for long, and therefore without a good manager the cooperative is better not to start its operations. [TACIS].

Governance and Corruption

It is interesting to notice that the menace of corruption is now faced not only by government agencies, large business corporations or business houses, but also by respected international organisations including the large financing agencies. All of them are concerned with this evil and keenly wish to get rid of it. We have been hearing of kickbacks in contracts and other business operations. These are, of course, not unusual but the tendencies of getting richer fastest are rapidly spreading. It is hard to imagine that good governance can be achieved without the elimination of corruption. Satisfaction of self-interest propagates corruption, and corruption in any form, leads to the establishment of bad governance.

The Asian Development Bank in its 1998 report has spoken at length of this phenomenon. Corruption, which is a strong contributory factor to bad governance, can be defined briefly as the 'misuse of public or private office for personal gain'.

Samples of corrupt activities of greatest interest to the Asian Development Bank include:

- Design or selection of uneconomical projects because of opportunities for kickbacks and patronage;
- Procurement fraud;
- Illicit payments to government officials to facilitate access to goods, services, or information to which the public is not entitled, to deny the public access to goods and services to which it is legally entitled, or to prevent the application of rules and regulations in a fair and consistent manner;
- Misappropriation of confidential information for personal gain, such as using knowledge about public, transportation routings to invest in real estate that is likely to appreciate;
- Deliberate disclosure of false or misleading information on the financial status of corporations;
- Theft or embezzlement of public property and monies;
- Sale of official posts or promotion, or nepotism; and-
- Extortion and the abuse of

public office, such as using the threat of a tax audit or legal sanctions to extract personal favours.

These are typical of any government agencies dealing with public money or with any large private enterprise or with any large cooperative business enterprises. Level and extent of corruption goes along with the level and extent of financial stakes involved.

Some Reflections on “Governance” [Good/Bad]

[i] Governance and the Principles of Cooperation: When we discuss about governance we cannot remain ignorant of the role of the government in the promotion and development of cooperatives. Governance emanates from the guiding principles which have been established by the International Cooperative Alliance in the form of Seven Principles of Cooperation and which are universally-accepted and the legal framework which has been provided by the State through the cooperative legislation and cooperative policies. We are always and already conscious of the rights and duties of members of cooperatives and member-cooperatives. We should also take note of the rights and duties of the State vis-à-vis the Cooperative Movement.

In the past, we have been hearing of the golden phrase directed at the Registrar of Cooperative Societies as “friend, philosopher and guide”

of the Cooperative Movement. In the present-day context, this phrase has neutralized to the extent that the original phrase is now sadly a part of history. A large number of cooperative institutions in India, for instance, especially the most lucrative ones e.g., the cooperative banks, marketing federations, sugar cooperatives, dairy federations, housing federations were all headed by the government officers or government nominees. It is assumed as if that there were no qualified, well-trained and competent managers within the Cooperative Movement.

Two premises are often cited for such nominations: first, a lot of government money is supposed to be involved in such cooperatives and hence it 'naturally' becomes the right of the government to step in to 'safeguard' these institutions, and, secondly, the interests of poor members have to be 'protected' and 'safeguarded'. On both counts, the logic does not hold water. Such nominations are also highly politically-oriented the ruling parties through their governments have, of course, also to safeguard their own interests! Interestingly, every political party when not in power swears that such things would not happen when they ascend the throne. But somehow and sadly the game remains the same, only the faces change. Demolition of duly elected boards continues to take place. Of course, of late, in the wake of the 97th Constitutional

Amendment, in India, the dissolution of the Board is no longer in the hands of the government, and even if it is there to some extent, the right is exercised with great caution.

[ii] Cooperative Legislation: In the past, a number of high-profile studies were conducted, at least in India, which with all seriousness and a great amount of honesty and objectivity had suggested a thorough review and revision of cooperative legislation in the country, making it more member-oriented, member-driven, member-friendly and business-oriented. So far, only very meek efforts have been made to really do something constructive. Only the promises were religiously made and that too in loud voices. The Cooperative Law still remains the same except for some cosmetic touches here and there. In the name of reducing the powers of the Registrar and loosening government controls, more bureaucratic hurdles have been established thereby smothering the initiatives of grass-roots level members.

Even the rules, regulations and guidelines are designed in such a way that the manager of a cooperative society spends almost 30-40% of his time in fulfilling the departmental enquiries. In this way the manager is unable to serve the cooperative and its members. This 'strategy' also forces the manager to play the game with departmental officers to escape from the day-to-day harassment. Governance

should, in fact, be with the consent of the people and in the interest of the people. Governance should logically be based on some ethics, principles, values and norms.

Creating parallel and the so-called "autonomous cooperative laws" are no solution-cooperatives having government financial stake are governed by one law and the cooperatives where there are no government stakes are governed by another law. These are mere academic exercises in futility and only for the elite. Such so-called 'progressive and democratic' initiatives tend to add to the confusion and miseries of ordinary members and solve no problems. Such efforts are the indicators of frustration and are only an interim measure. These measures, however, provide some solace to honest cooperators to temporarily escape from the bureaucratic wrangles of cooperative departmental officials and politicians who matter or dare to temper with the well-established norms, ethics and systems.

In having a more member-driven cooperative law, the national federations have to play an important role. The role of the national apex unions and federations which are supposed to represent the Movement as its spokesman at various national and international fora becomes more pronounced. These institutions, through their ethical governance, set an example for others to follow and thwart the anxious designs of the government

to make inroads into the management of their affairs directly or indirectly to satisfy the wishes of politicians and the bureaucrats. The situation gets worse when the national leadership, in order to satisfy their self-interests e.g., overshooting the mandate of term of their office etc., succumb to external directives and hidden high ambitions. Consequently, the leadership is tempted to temper with the sanctity and ethical values of the charter and manipulate the well-established norms, precedents and practices. The governance thus is eclipsed with methods which run contrary to the spirit of the Principles and Values of Cooperation.

The national apex institutions, and naturally their affiliates, then rapidly slide into the arms of government and consequently cannot provide a 'role model'. Frustration then sets in and the constituents begin to ask: 'what is the use of these national apex institutions if they cannot secure the freedom of action for them', 'whose interests are they safeguarding anyway', 'then why should we have general meetings and elect office-bearers if they have to serve the interests of the government' etc. etc.

Good governance emerges through honest application of prevailing laws and respecting the spirit behind these prevailing laws. Circumventing the cooperative laws for self-interest does not qualify to be called as good gover-

nance in cooperatives. People look for a role model, people look for good governance, people respect and abide by the “rule of law” in which they lay their faith and trust. It is for the national unions and federations to get together in the name of their constituents and the Cooperative Movement and unitedly prevail upon the government to review and revise the existing cooperative legislation and make it more member-friendly.

[iii] Indicators of Good Governance: In the context of cooperative organisations, the system of governance, including the size and composition of the board of directors, need to be driven by the purpose and objectives of the business. The right board of directors is the one that can best help to deliver the benefits and services to the members who are at the root of the organisation's purpose and prime objectives. The overall system for the direction and management of the organisation encompasses all aspects of the process from the members' meeting to the formulation and execution of business policy.

Some of the possible indicators of good governance in cooperatives could be: How much of awareness the leaders and members have about the Principles of Cooperation and the basic values of the Cooperative Philosophy; How many members have ever seen [read them

or got them read] the byelaws of their own cooperatives; How clearly they understand the ethical and moral elements which are the essential components of the Cooperative Philosophy as a whole; How different is the cooperative enterprise from a private enterprise or a state enterprise; How conscious are the board members about their rights and responsibilities; To what extent the Board members realise that they are accountable and answerable to the members who have reposed their confidence in them; How much of operational powers are delegated to the chief executive; How smooth are the communication channels between the board and the chief executive; Whether any code of conduct/ethics has been developed and accepted by the organisation and its affiliates; How much is the level of transparency in dealing with the employees; How smooth is the channel of communication between the cooperative and its stakeholders and business partners; Whether there is any discipline outlined on the use of assets of the organisation; How often are the meetings held [on schedule and in accordance with the law and bylaws]; and, To what extent the cooperative institution obeys the directives of the State at the cost of its autonomy and freedom of action; etc. etc.

[iv] The Principle of Accountability and

Answerability: It has often been found that the honorary office-bearers of cooperatives tend to prove to be more expensive to the organisation than the paid board members they often make use of the facilities of the organisation without any compensation being paid to the organisation perhaps as a matter of right! Honorary Chairman/Presidents tend to become full-time working officials thereby disregarding and eroding the status and authority of the chief executive officer and other managers. While taking critical decisions [especially the economic decisions] chief executives are hardly consulted by the committee members they tend to distribute the benefits [rather, kick-backs] among themselves! In order to have a proper control on the management of assets and resources of cooperatives and to attract right type of objective leaders it is much better that the posts of chairmen and other board members are compensated through monthly/yearly wages and their retirement ages fixed. Such leaders will then know how much they can get from their cooperatives rather than their enjoying the perks and resources on an open-ended scale. The cost of established compensation is certainly far lower than that of hosting the honorary office-bearers.

There are cooperatives examples are not lacking whose leaders have been found misusing the assets and resources of their coop-

eratives for self-gain. They take the board members for granted and take major decisions outside the board and then get the board members to ratify them. Such representatives were monopolising the seats of leadership; Perpetuating themselves and projecting their own image at the expense of the institution; Using cooperatives as springboards for entry into active politics or using cooperatives as rehabilitating posts after rejections from active politics; Treating cooperatives as their personal properties [rather fiefdoms]; Providing employment to their own relatives and friends; Proposing new projects and programmes which are not related to the objectives merely to generate income and employment for themselves and for their relatives and friends; Using cooperative business opportunities to expand their own private business; Borrowing money from the cooperatives and not repaying their loans. Leaders tend to perpetuate themselves. In developing countries, this tendency is accentuated by the prevalent social stratification thereby distorting the concept of good or objective governance.

A recent study of the structure of cooperative leadership in rural India has shown that: [a] A majority of the presidents of cooperatives is big landlords; [b] All presidents belong to the dominant caste; [c] Election of president is unanimous and ritualistic; and, [d] Most of the

office-bearers have political affiliations [while cooperatives are supposed to be politically neutral!].

Cooperatives and the International Platform

Cooperative institutions are people's organisations which are formed by the members [voluntarily], owned by them [by purchasing shares and on payment of prescribed admission fee and by agreeing to abide by the bylaws, rules and policies of the cooperative], and run by them [democratically and in accordance with the universally-accepted Principles of Cooperation and through the management organs elected or employed], to satisfy their social and economic needs [through active participation and mutual help]. Cooperative institutions throughout the world have carved out a place for themselves and have rightfully established themselves in the form of an independent sector the cooperative sector along with the other two sectors, the private and public sectors. Examples of success are available in many countries where cooperative institutions have not only met the economic needs of their members but have also played a significant role in the social development of their members and the human community in general.

Contrary to the common belief that cooperative institutions do not deliver social goods, some of the recent studies strengthen the

argument that cooperatives are indeed people's organisations which can respond effectively to the felt-needs of their members. A closer social audit of such institutions would reveal that leaders with vision in collaboration with the enlightened membership and with the cooperation of dedicated and devoted management can transform our 'civil society' into a place of security and satisfaction.

Cooperatives also have all the basic ingredients which constitute a State i.e., Territory, Government, Population and Sovereignty. The State is indeed superior to the cooperative institution in the sense that sovereignty is absolute in the case of the State, while the cooperatives have to operate within the sovereignty framework of the State. So cooperatives have the following components i.e., [01] Territory [it is called the area of operation of a cooperative a village, a town, a province or the entire country], [02] Government [it is the democratic control exercised by the members on the affairs of the institution through the general body, managing committee and sub-committees etc.], [03] Population [this means the membership which have formed the cooperative through a legal process of payment of admission fee and purchase of shares and subscribing to abide by the bylaws], and, [04] Sovereignty [in the case of cooperatives it is the general meeting of the members which enjoys the powers of creating bylaws and

enacting various rules and policies which are binding on all the members]. The law within which the cooperative operates is enacted by the sovereign State. The limitations for the two are drawn naturally. The flashpoint comes when crossing the limits comes into play. The question of rights and responsibilities thus becomes supreme. The State has obligations towards the community and the cooperative also has obligations towards its members and towards the State.

Challenges of Governance before Cooperatives

Cooperatives are now faced with new challenges in the context of open market economy and the pressures of competition. As a consequence a large number of multi-million dollar worth business houses across the world have collapsed. It is interesting to note that not a single cooperative primary, secondary or national has folded up even in the developing countries. There must be some reason behind their strength! It is their combined bargaining power. They are owned and managed by the members who wish to satisfy their social and economic needs collectively. Members have great attachment with them because they consider their cooperatives as providers of all types of services. They sustain because they are governed well. A recent study carried out by the International Cooperative Alliance [ICA] [300-

Coops] goes to strengthen this argument.

Many of the cooperative institutions in the developing countries still prefer to follow traditional methods and techniques of doing business [partly due to lack of resources or lack of education and training]. They do not grasp the gravity of situation easily and their reactions to market manipulations are rather low. They need to learn to live in the new environs to be able to safeguard the interests of their members and, of course, of their own.

These institutions have to do a very critical scan of their methods and improve their services and business practices. Their greatest strength is the unity of their basic members who have exhibited enormous faith and trust in the objectives of their cooperatives, big or small, which they themselves have created and managed. It is, however, a different question how well-managed, but they have continued to perform their functions and serve their members. They manage to survive and maintain their existence. They stand firm in times of emergency and reach out to the people as useful socio-economic institutions.

Emphasis on Making Cooperatives Member-friendly

From an international stand point, it is worthwhile to make a mention of the guidelines aimed at creating a supporting environment

for the development of cooperatives, which were recently suggested to the UN Secretary-General for securing the approval of the United Nations General Assembly. After nearly 30 years of substantial changes in global economic and social conditions in the Cooperative Movement and in the relations between it and the governments, there was a need to change the tone and emphasis to reassess the underlying concepts of aid to cooperatives and to include matters not addressed by it. The results of the celebrations of the United Nations International Year of Cooperatives-2012 [IYC-2012] were comforting in the sense that all governments and cooperative institutions came to realise that cooperatives are people's organisations and they need to serve the community and perform their business operations using more modern methods and techniques. The IYC-2012 activities also encouraged the governments to have a closer look at their cooperative development policies and legislations and be open to support cooperatives.

There was an urgent need for guidance to many governments on policy regarding cooperatives and the Cooperative Movement in view of the importance of the Movement and to imbibe the elements of good governance within the cooperative institutions. The International Cooperative Movement itself had

comprehensively reviewed its values and principles and the nature of its proper relationship with other sections of the society, including government, and adopted a new Statement on the Cooperative Identity at the Centennial Congress of the ICA held in Manchester in 1995.

The objectives of such guidelines are as follows:

- Government to recognise the Cooperative Movement as a distinct and major stakeholder in both national and international affairs;
- Governments recognise that the Cooperative Movement is highly democratic, locally autonomous but internationally integrated, and a form of organisation of associations and enterprises whereby citizens themselves rely on self-help and their own responsibility to meet goals that include not only economic but social and environmental objectives;
- Governments seek to support the Cooperative Movement and to work closely with it to develop an effective partnership to achieve their respective goals;
- Government to take into account the special character of cooperatives and the Cooperative Movement, which differs significantly from that of associations and enterprises

not organised according to cooperative values and principles.

Governance, and for that matter, good governance, is not the game of singles. In this case, the governments and the Cooperative Movement have to join forces to bring about positive changes in favour of the ultimate basic members. Cooperatives have enormous strength to work as pressure groups.

Good governance calls for harmony, not the perpetuation of conflicts

Cooperatives are not and need not to be completely under the shadow of the government. They are recognised by the State and hence a legal identity has been accorded to them through the instruments and functionaries of the government. Both of them are concerned with the well-being of the people. They are not the rivals to each other. They are the equal partners in the process of social and economic development. They are no subordinates of the government.

The point of conflict arises when the people's organisations are controlled, manipulated and managed by the government leaving the owners high and dry, and, when their rights and initiatives are encroached upon. There is a need for instituting the feelings of harmony rather than perpetuating conflicts. When the government

begins to understand its parental or equal partnership role towards cooperatives that is the beginning of good governance. Cooperatives, on their own part, have also the obligation to strengthen good governance within their own methods and systems.

Cooperatives have to ensure that not only their business operations are conducted efficiently but also to ensure that appropriate incentives and career development opportunities are made available to their employees for ensuring smooth running of the cooperative. Member education is needed. Enlightened members are assets to their cooperatives. Enlightened members and professional employees do not harbour suspicion and ill-feelings. They feel encouraged to solicit information and make suggestions. This, of course, calls for positive and progressive HRD policies and programmes.

Due to lack of understanding of cooperative organisation and its business, certain disputes arise. There are a large number of cases pending before cooperative tribunals and courts which result into high unnecessary expenses being incurred by cooperatives mostly in defending the wrong decisions taken by the leaders to serve their self-interests. Conflicts arise when the business federations forget their role as coordinators, guides and promoters. Instead they tend to take on the business of their own

constituent-members by competing with them and depriving them of exercising their decision-making initiatives and rights. The federations clearly overstep their limitations and infringe on the freedom and area of operation of their members leading to their demise. Such conflicts can easily be avoided if there were codes of ethics agreed upon by the various sectors of the Cooperative Movement. A code of conduct/ethics is an effective means of reducing areas of friction, misunderstanding, toning down the hard feelings and promoting a healthy climate to give the leaders and others a chance to institute, promote and strengthen good governance through the instrument of harmony.

How to ensure good governance

It is worthwhile quoting a few recommendations that were made by the Corporate Governance Working Group of the Cooperative Union Ltd. [UK] in April 1994:

“The President/Chairman should stand back sufficiently from the day-to-day running of the business to ensure that the Board is in full control of the society's affairs and alert to its obligations to its members;

“The positions of Chief Executive and Secretary [elected] should not be occupied by the same person, except, possibly in the case of the smallest societies;

“All directors should have access to the Secretary and the removal of

a person from this office should be a matter for the whole Board;

“Each cooperative society should develop and introduce its own Code of Business Ethics.”

A number of Cooperative Movements in developed countries have strongly stressed on the following points for the cooperatives and cooperative leaders to follow:

- Better transparency and accountability is established by holding statutory meetings regularly, in time, in a democratic fashion and relevant documents e.g., agenda notes, audit reports and working reports being supplied to the members sufficiently in advance;
- Honorary office-bearers tend to prove to be more expensive to the institution. They should be paid and they should be assigned specific tasks to ensure their genuine participation in the affairs of the cooperative on the principle of accountability;
- The entire Board is collectively responsible for the business performance of the cooperatives [including losses];
- Board members and the chief executive should have their job descriptions written down for a better participation, decision-making and follow-up;
- There should be a constant and free flow of information through consultations and documentation between the Board and the

chief executive of the organisation, and all decisions taken in the Board should be in the knowledge of the chief executive to ensure a proper implementation; etc. etc.

Even with the Cooperative Movements in Asia-Pacific Region there are shining examples of excellent steps taken by several cooperatives/movements to demonstrate the positive effects of good governance.

Conclusion

The four key components of governance are accountability, transparency, predictability and participation. Governance is not government as such. Governance is one of the characteristics of any institution which is concerned with governance, or management of governance. Governance is the reflection of the quality of management. Governance means the way those with power use that power. A contributory factor to bad governance is corruption-political [manipulations, blackmailing, creating political constituencies through vote banks], economic [financial irregularities, kickbacks], social [hoodwinking of the community, through fear and threats, disruption of peace], and, ignoring the lines of controls and consultations [ignoring the chief executives, not listening to them, taking major economic decision without having any consultations with them] etc.

Cooperative institutions operate within the four walls of the universally-accepted Principles and Values of Cooperation. Cooperatives are little democracies operating at the doorstep of basic members enabling them to make use of their cooperatives to derive social and economic services in the best interests of the community as a whole. They are the logical and active partners in the process of national development.

Good governance emerges through honest application of prevailing laws and respecting the spirit behind these prevailing laws. Circumventing the cooperative laws for self-interest does not qualify to be called as good governance in cooperatives. People look for a 'role model', people look for good governance and people generally respect and abide by the 'rule of law' in which they lay their faith and trust.

It is for the national unions and federations to get together in the name of their constituents and the Cooperative Movement, as a whole, and unitedly prevail upon their respective government to review and revise the existing cooperative legislation and related policies to make them more member-friendly and enable the cooperatives to be more dynamic and modern in business operations. It is equally essential for the federations and top leaders to present "role models" for their constituents to follow. A code of conduct/ethics is an effective

means of reducing areas of friction, misunderstanding, toning down the hard feelings and promoting a healthy climate to give the leaders and others a chance to institute good governance through the

instrument of harmony. Only then good governance has better chances to prevail and develop further to strengthen the elements of a civil society.

“Four pillars of governance are: Accountability [is the capacity to call officials to account for their actions]; Transparency [entails low-cost access to relevant information]; Predictability [results primarily from laws and regulations that are clear, known in advance and uniformly and effectively enforced]; and Participation [is needed to obtain reliable information and to serve as a reality check and watchdog for government action]. Governance interventions should encourage the formation of social capital i.e., the stock of trust and information exchange at the base of civil society.”

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व्यापार का संवैधानिक सरोकार

डॉ. वृजपाल

स्ट्रीट वेन्डर्स बिल संसद और राज्य सभा के अंदर विचाराधीन है। निकट भविष्य में इसका क्रियान्वयन राज्य सरकारों को निश्चित करना होगा। फुटकर विक्रेताओं की पहचान और उनके चिन्हित कार्य-स्थलों पर व्यापार चलाने का अधिकार संरक्षित किया जाना सुनिश्चित हो सकता है। व्यापार करना मूलभूत अधिकार है। यह मौलिक अधिकार संविधान में निरूपित है। आर्थिक विकास में फेरी वाले विक्रेता, स्वाचालित वाहनों से कार्यरत सचल विक्रेता और सड़क के फुटपाथ पर लकड़ी की ट्रे व रैक लगाकर सामान बेचने वाले विक्रेताओं का महत्वपूर्ण योगदान है। अर्थव्यवस्था में इनकी संख्या एक करोड़ पचास लाख से कम नहीं है।

किसी भी घटनाक्रम में इस बिल को विधायी स्वरूप देना आवश्यक है। ऐसी स्थिति में छोटे से छोटे वितरक, व्यापारी के अंदर आर्थिक विकास के लिए संवेदना को उत्पन्न करना इसके उद्देश्य में निरूपित होना आवश्यक था। छोटे से छोटे व्यापारी का आर्थिक विकास में महत्वपूर्ण योगदान है। उत्पादकों की सहानुभूति की प्रक्रिया ऐसे वर्ग के लिए अवश्य होनी चाहिए। शहरी और ग्रामीण क्षेत्रों के लिए इस कानून को लागू करना स्वाभाविक था। स्वरोजगार के लिए वित्त पोषण ग्रामीण विकास का एक मौलिक आयाम माना गया है।

यातायात व्यवधान और यातायात व्यवस्था का

अलग संदर्भ है। यातायात व्यवधान के लिए प्राविधान है। पुलिस का अवांछनीय बर्ताव पुलिस प्रशासन की कुव्यवस्था से संबंधित है। आर्थिक विकास के लिए वास्तविक परीवेश का सृजन ऐसे विधान का अंतिम उद्देश्य होया है। वाहन चालकों व पैदल यात्रा के लिए संयम और गति पर नियंत्रण तथा कतारों में यात्रा करना आवश्यक है।

आर्थिक उत्पादन से अंतिम उपभोग तक उत्पाद-उपज को विभिन्न चरणों से निकलना होता है। यातायात, संग्रहण, स्टॉकिंग, प्रमाणीकरण, स्वामित्व का रूपांतरण और पैकिंग के कार्य आते हैं। वास्तविक रूप से मुद्रा स्फीति का एक कारण स्पेकुलेशन भी है। उत्पादन से वितरण के बीच व्यापारिक संस्थाओं की कार्यकुशलता अपेक्षित है।

१. वितरक अभिकर्ता
२. थोक व्यापारी
३. पैकर्स
४. संरक्षण
५. फुटकर व्यापारी / विविध विक्रेता
६. अंतिम विक्रेता

पूँजीवादी संरचना की अर्थव्यवस्था में उत्पादन को अंतिम उपभोक्ता तक पहुँचाने में निजी व्यापारियों की वित्तीय स्थिति, व्यावसायिक

* पूर्व संकाय सदस्य, राष्ट्रीय सहकारी प्रशिक्षण परिषद

कुशलता, उत्पाद व सेवाओं के माँग का सृजन जैसे घटक व्यापारिक विकास के महत्वपूर्ण अंग है। अर्थव्यवस्था में विक्रय अभिकर्ता, थोक व्यापारी, खुदरा व्यापारी और फुटकर विक्रेताओं का एक बड़ा वर्ग कार्यरत है। वितरण अभिकर्ता और उत्पादक के बीच में औपचारिक संबंध होते हैं। थोक व्यापारी व फुटकर व्यापारियों के वितरण अभिकर्ता से अनौपचारिक संबंध होते हैं। उत्पादन के संबंध पूँजीवादी संरचना की अर्थव्यवस्थाओं की रीढ़ होते हैं। लागत मूल्य के अतिरिक्त विक्रय-मूल्य में इस वर्ग का १० से ६० प्रतिशत का अंश होता है। वितरण अभिकर्ता और थोक व्यापारियों के पास व्यापार के लिए आधारभूत संरचना होती है। वितरण अभिकर्ता और थोक व्यापारी के पास पूँजी अधिक होने के कारण विक्रय कमीशन में इनका ७५ प्रतिशत अंश होता है। फुटकर व्यापारियों के अतिरिक्त छोटे-छोटे विक्रेताओं का एक बड़ा वर्ग सचल वाहनों, स्थायी दुकानों, अस्थायी दुकानों और फेरी के साधनों से उत्पादन के वितरण में कार्य-रत है। इस वर्ग की ग्रामीण और शहरी अर्थव्यवस्था में कुल संख्या चार करोड़ से अधिक है। निचले स्तर पर उपभोक्ताओं से अनौपचारिक संबंध स्थापित करके उत्पाद को अंतिम उपभोक्ता के पास पहुँचाकर या स्वरोजगार के द्वारा सेवा प्रदान करना उत्पादन के वितरण का अनिवार्य आयाम है। छोटे से छोटे व्यापारियों व फुटकर विक्रेताओं के मूल-भुत अधिकार के संरक्षण के लिए मूल सुविधाएँ उपलब्ध कराना कल्याणकारी राज्य का कर्तव्य है।

गली, रास्तों, सड़कों, फुटपाथ, सार्वजनिक स्थलों पर ये सेवा प्रदाता या एक व अनेक उत्पादों का विक्रय करने वाले इस वर्ग के पास मूलभूत सुविधाओं का अभाव है। कम पूँजी, दक्षता का अभाव, इनके व्यापार या व्यवसाय की विशेषताएँ हैं। संविधान की सातवीं अनुसूची की लिस्ट ३ जो समवर्ती विषय कहा जाता है, में व्यापार निरूपित है। इस वर्ग के व्यापार को सक्षम बनाने के लिए सरकार के पास कोई कारगर योजना नहीं है। आर्थिक संवेक्षणों से इनकी गणना, इनके व्यापार का वर्गीकरण, इनकी पूँजी का आँकलन आवश्यक विषय वस्तु है।

इसके अतिरिक्त सड़कों की पटरियों व सार्वजनिक स्थलों पर अस्थायी निर्माण की दुकाने बनाकर या उत्पादों को रखने का लकड़ी का ढाँचा बनाकर उत्पाद या सेवा प्रदान करने वाले व्यवसायी या विक्रेताओं का वर्ग भी है। इस वर्ग के विक्रेताओं के पास अपेक्षाकृत अधिक पूँजी व विक्रय कला में अधिक दक्षता व प्रमाणीत वस्तुओं व उत्पादों का विक्रय की वस्तुएं उपलब्ध होती हैं। इस वर्ग के व्यापारी करों के दायरों में आते हैं। स्ट्रीट वेंडर्स असोसिएशन इनका संगठन है जो इनके हितों का सरकार व स्थानीय निकायों में प्रतिनिधित्व करता है। ये व्यापारी मर्चेन्डाइस, मैनुफैक्चरिंग गुड्स फ्रूट व वेजिटेबल, ऑटोमोबाइल पार्ट्स, मोबाइल फोन व कम्प्यूटर में व्यापार करते हैं। रेस्टोरेंट, टी-स्टाल, ब्यूटी-पार्लर, फर्नीचर में भी इनका एक वर्ग व्यापार करता है। दुकान व प्रतिष्ठान अधिनियम में अधिकांश व्यापारियों का निबंधन नहीं है। इस

व्यापारियों का वर्ग रोजगार प्रदाता भी होता है। मूल्य समवर्द्धन कर के अंतर्गत ५० प्रतिशत से भी कम संख्या के व्यापारियों का पंजीकरण है।

माननीय उच्चतम न्यायालय के पिछले विगत वर्षों में प्रत्येक शहर में इनके लिए वेन्डिंग जोन बनाने के लिए सरकार को निर्देश दिए हैं। व्यापार एवं कामर्स और राज्य का भी विषय है। इनकी पहचान तथा वेन्डिंग जोन बनाकर दुकान स्थलों का आबंटन का निर्देश देना राज्य सरकारों की विषय वस्तु है।

सरकार ने स्ट्रीट वेन्डर्स बिल का ड्राफ्ट प्रस्ताव विधायी प्रक्रिया में है। प्रत्येक शहर में नगर पालिका या महानगर पालिका व महानगर कार्पोरेशन के पर्यवेक्षण में वेन्डर्स समिति का गठन करके वेन्डर्स जोन निर्धारित करेगी और ऐसे वेन्डिंग जोन्स में वेन्डर्स की पहचान करके उनको स्थापित करेगी। ऐसे जोन्स में स्थायी व्यवस्था से अनुमति देने के साथ-साथ वेन्डर्स को पहचान पत्र जारी करेगी। विधि या नियमों के उलंघन करने पर इस अधिकार की निर्मूल्य करने का अधिकार नगर पालिका को प्रदत्त होगा। दैनिक यातायात की सुविधा के उद्देश्य की आपूर्ति भी इस अधिनियम के उद्देश्य है। हर ५ वर्षों के बाद आर्थिक सर्वेक्षण कराना भी इस बिल का प्राविधान है।

समकालीन आर्थिक और सामाजिक स्थिति में छोटे-छोटे विक्रेता जिनके व्यापारिक स्कन्ध का ₹१०००० के ५ वर्षों के औसत के बराबर है और कुल विक्रय मात्रा प्रतिवर्ष पाँच लाख से अधिक नहीं है। इसके अतिरिक्त इनके उत्पादों के समिश्रण में ६० प्रतिशत के मूल्य तक भारतीय

उत्पादकों द्वारा निर्मित उत्पाद शामिल हों ऐसे व्यापारियों एवं वितरकों की विशेष पहचान आर्थिक सर्वेक्षण की विषय वस्तु में निहित होनी चाहिए। आर्थिक विकास को बल देने के आयाम के लिए माप-दण्ड निर्धारित करना और सामाजिक न्याय को सजीव करना चाहिए। निचले स्तर पर व्यापार में संलिप्त इस वर्ग के लोगों के व्यापार को सक्षम बनाना और मूलभूत सुविधाएँ देकर इनके मूलभूत व्यापार के अधिकार को संरक्षित करना प्रजातांत्रिक प्रणाली का अनिवार्य घटक है। स्वच्छता के मानकों की आपूर्ति, यातायात की सुविधा इस ड्राफ्ट बिल के गौड़ उद्देश्य होने वांछित है। उपभोग और उत्पादन के अंतराल को कम करना, भारतीय उत्पादकों की उत्पादों से आयातित उत्पादों को प्रतिस्थापित करना, आन्तरिक व्यापार में घरेलू निवेश को बढ़ावा और छोटे-छोटे विक्रेताओं को बैंक क्रेडिट की ग्रहिता मूलभूत सिद्धांत माना जाना कल्याणकारी राज्य का धर्म है।

स्ट्रीट वेन्डर्स बिल का उद्देश्य आर्थिक उत्पादन के लिए सरल सुगम और गतिशील वितरण प्रणाली, प्रजातांत्रिक प्रणाली की उत्कृष्ट मान्यता सकारात्मक सोच और मनोवृत्ति का पोषण होना आवश्यक है। छोटे-छोटे पूँजीविहीन विक्रेताओं की सहकारी उपभोक्ता आपूर्ति समितियों के संगठन से समाजवादी अर्थव्यवस्था का विकल्प आज भी उपलब्ध है। सहकारी समितियों का गठन भारतीय संविधान में नवीनतम निरूपण है। अगर उपभोक्ता वर्ग अपनी आपूर्ति के लिए ऐसी समितियों का गठन नहीं करता है। इन

वर्तमान परिस्थितियों में सरकार प्रेरक शक्तियों का सृजन करे। छोटे वेन्डर्स की सहकारी आपूर्ति समितियों के गठन का प्रलोभन दे सकती थी। छोटे-छोटे वेन्डर्स के लिए सहकारी आपूर्ति समितियाँ गठित की जा सकती हैं। चल विक्रेता अपनी खरीद इनसे सुनिश्चित कर सकते हैं।

सहकारी समितियों का गठन संविधान में मौलिक अधिकार है। अर्थव्यवस्था की पूँजीवादी संरचना अपरिवर्तनीय अवस्था में है। समकालीन आर्थिक सामाजिक और राजनीतिक स्थिति में अधिक उत्पादन, अधिक आय, उपभोग के स्तर में निरंतर वृद्धि सामान्य व्यक्ति के जीवन पर सकारात्मक और गुणवत्तापूर्ण प्रगति ही सामाजिक न्याय का एक बेहतर स्वरूप सुनिश्चित कर सकती है।

व्यापार स्थलों की पहचान और चिन्हांकित लोगों या विक्रेता व्यापारियों को स्थानांतरित करने की समस्या पुनर्वास से संबंधित है। वर्तमान व्यापार स्थलों पर इन व्यापारियों / विक्रेताओं के उपभोक्ताओं से अनौपचारिक संबंध स्थापित हो चुके हैं। इनके स्थलों के स्थानांतरण से उपभोक्ताओं से नये अनौपचारिक संबंध स्थापित करने होंगे। वास्तविक रूप से इनके कार्य स्थल के क्षेत्रों में इनके कार्य करने के अधिकार संरक्षित करने के प्रयास करना एक बेहतर विकल्प है। यातायात के अवरोध को निर्मूल्य करना, स्वच्छता

के मानकों का पालन, स्थानीय करों से इन व्यापारिक कार्य स्थलों के विकास व रख-रखाव सुनिश्चित करना स्थानीय निकायों का दायित्व है।

राज्य सरकारें डेलीगेटेड लेजिसलेशन के अंतर्गत पूँजीवादी संरचना की अर्थव्यवस्था में आर्थिक विकास की संस्तुति में थोक व्यापारी, फुटकर व्यापारी और व्यवसायी एक आवश्यक उपादान हैं। इनकी अनदेखी नहीं की जा सकती।

आज के आर्थिक, सामाजिक और राजनीतिक अवस्था में छोटे-छोटे पूँजीविहीन, विक्रय कला में अकुशल, आर्थिक विपन्नता से थके वर्ग जो सामाजिक सुरक्षा से वंचित हैं के मूलभूत अधिकारों के संरक्षण का भी प्रश्न प्रजातांत्रिक शासन प्रणाली के लिए चिन्ता का विषय है। गरीबी, आर्थिक और सामाजिक विसंगतियों का परिणाम है। वर्ष २०५० में, खाद्यानों के उत्पादन में आज हो रहे उपज व उत्पादन से दो गुना उत्पादन आवश्यक है। व्यापार की सम्भावनायें प्रचूर हैं। इस परिपेक्ष्य में निचले स्तर पर व्यापार में लगे लोगों के कल्याण के लिए नीतियों का निरूपण आवश्यक है। सहकारी दर्शन आर्थिक विकास का मूल्य है। संविधान में इसका निरूपण अपेक्षित वर्ग को गुणवत्तापूर्ण जीवन देने में आवश्यक है।



THE GUJARAT STATE COOP. AGRICULTURE AND RURAL DEVELOPMENT BANK LTD.

489, ASHRAM ROAD, AHMEDABAD 380 009.
Email: gscardb@gmail.com www.khetibank.org

KHETI BANK

Phone: (079) 26585365-70-71

Fax: (079) 26581282 / 8269

The Bank was established in 1951 to extend long term and medium term loans to farmers for agriculture and allied agricultural activities through 176 branches and 17 district offices located at each taluka places and district places respectively in the State of Gujarat.

THE BANK FINANCES FOR :

| | |
|-----------------------------------|---|
| Farm Mechanisation: | Tractor, Thresher set and other implements etc. |
| Horticulture / Plantation: | Mango, Chickoo Plantation etc. |
| Land Development : | Land levelling, Land reclamation etc. |
| Non Farm Sector: | Small scale industries, Cottage industries including service sector, Rural housing, SRTOs, Rural godowns, APMCs, Cold storage, Consumer loan, Gold Loan etc. |
| Minor Irrigation: | Construction/repair Loan of irrigation well, Shallow tube well, Deep tube well, Installation of pumpsets, Pipelines, Lift irrigation, Drip irrigation, Check dams, Sprinkler irrigation etc. |
| Kissan Credit Card: | KCC for Purchase of Fertilizers, pesticides, equipments and maintenance, and payment of electricity bills etc. It is a medium term credit requirement of its borrowers who are regular in their repayment obligation to the Bank. |
| Rural Housing: | Construction of new houses, repairing and renovation of old houses. |
| Animal Husbandry : | Dairy development, Cattle rearing, Cattle sheds, Bullock cart, Sheep & Goat rearing, Poultry, Sericulture, Fisheries etc. |

| Financial Details of the Bank | | (₹in Crores) | |
|-------------------------------|---------------------------|--------------|------------|
| Sr.No. | Details | 31.03.2012 | 31.03.2013 |
| 1 | Owned Funds | 477.03 | 511.94 |
| 2 | Loans Disbursed | 178.62 | 190.09 |
| 3 | Fixed Deposit Outstanding | 152.14 | 205.59 |
| 4 | Profit | 37.25 | 37.52 |
| 5 | Dividend | 12% | 12% |

Bank accepts FD at following rate of interest.

1 year & 2 year 9.25% p. a 3 years and above 9.50% p. a.

Bank accepts Thrif Deposits at 5% - 0.5% additional interest for senior citizen.

Salient Features

- | | |
|---|--|
| <ol style="list-style-type: none"> Interest payable: Quarterly/half yearly and yearly as per demand Monthly Income Scheme is available FD outstanding is within the own fund limit. All the loans issued by the Bank are theoretically recoverable since they are | <ol style="list-style-type: none"> secured by registered mortgage of land and as such FDs mobilized by the Bank are fully secured. Loan against FD to the extent of 75% of FD is available. TDS is not deducted on maturity of FDs. |
|---|--|

DIVIDEND ON SHARE IS REGULARLY PAID TO SHARE HOLDERS.

FOR FURTHER DETAILS, PLEASE CONTACT US OR THE BRANCHES OF OUR BANK IN THE STATE.

Shri Kanubhai M. Patel
Chairman

Shri Govabhai H. Rabari
Vice Chairman

Shri V. M. Chaudhari
Managing Director (I/C)

बैंकों की पूंजी – ग्राहक

डॉ. भागचन्द्र जैन*

खाता खुलवाने, लेन-देन (Transaction) करने, ड्राफ्ट बनवाने, ऋण लेने, लाकर, क्रेडिट-डेबिट कार्ड, बीमा आदि कार्यों के लिए बैंक में ग्राहक आते हैं, वे इन सेवाओं के बदले में सेवा प्रभार, विनियम, कमीशन, ब्याज आदि लेते हैं। ग्राहकों को बैंकों की कार्यशैली, व्यवहार और व्यापारिक नीति प्रभावित करती है। यदि बैंकों की सेवाओं से ग्राहक संतुष्ट रहते हैं, तब बैंक का व्यवसाय बढ़ता जाता है। ग्राहक की रुचि समय के साथ-साथ बदलती जा रही है। ग्राहक की प्राथमिकताएं बदलती जा रही है, जिसका प्रभाव बैंक के उत्पादों और सेवाओं पर पड़ता है। ग्राहकों की जरूरतों को एक ओर इंटरनेट बैंकिंग और मोबाइल बैंकिंग जैसी सुविधाएं तो दूसरी ओर बैंक काउंटर की समयबद्ध सेवाएं पूर्ण करती हैं। अनुसंधान में पाया गया है कि बैंक व्यवसाय को विकसित करने का सबसे बढ़िया व लाभदायक तरीका है— वर्तमान ग्राहकों की अपेक्षाओं पर खरा उतरना और ग्राहकों की प्राथमिकताओं को उनकी इच्छानुसार वरीयता देना। पुराने ग्राहकों को संतोष देकर ही नए ग्राहकों को बैंक से जोड़ा जा सकता है, क्योंकि संतुष्ट ग्राहक अपने मित्रों, रिश्तेदारों को खाता खोलने के लिए प्रेरित करता है।

राष्ट्रपिता महात्मा गांधी ने कहा था कि 'हमारे यहां आने वाला प्रत्येक ग्राहक हमारा महत्वपूर्ण अतिथि है, वह हम पर निर्भर नहीं, अपितु हम उस पर निर्भर है। वह हमारे कार्य में बाधक नहीं होता, बल्कि उसकी वजह से ही हमारे पास कार्य

है। वह हमारे व्यवसाय में बाहरी व्यक्ति नहीं है, वह अपनी सेवाएं करने का अवसर देकर हमें उपकृत करता है।'

बैंकों की आधारशिला ग्राहक को कहा जाता है। बैंक और ग्राहक एक दूसरे के पूरक हैं, जिनके बीच में अच्छे सम्बन्ध और पारदर्शिता होना आवश्यक है। बैंकिंग व्यवसाय से अधिक से अधिक संख्या में ग्राहक जुड़ें। ग्राहकों के लिए तरह-तरह की योजनाएं चलायी जा रही हैं, जिनसे लाभान्वित होकर ग्राहकों को संतुष्टि मिलती है। ग्राहक ही सबसे अच्छा प्रचारक होता है। 'ग्राहक' शब्द 'ग्रा' और 'हक' को मिलाकर बना है, जिसमें 'ग्रा' का तात्पर्य ग्रहण करने वाला या लेने वाला और 'हक' का अभिप्राय अधिकार से है, इस प्रकार का अर्थ लेने वाले अधिकारों से लगाया जा सकता है। ग्राहक की संज्ञा अतिथि से की गई है तथा अतिथि को भगवान कहा गया है। बैंकिंग क्षेत्र में ग्राहक की भूमिका महत्वपूर्ण होती है। ग्राहक (Customer) शब्द में प्रयुक्त अक्षर 'सी' 'यू' 'एस' 'टी' 'ओ' 'एम' 'इ' 'आर' वर्ण का अभिप्राय इस प्रकार लगाया जा सकता है:

सी (C) = Courtesy and Concern शिष्टता एवं सम्बद्धता।

यू (U) = Understanding समझना।

एस (S) = Service/Smiling reply सेवा/मुस्कराकर उत्तर देना।

टी (T) = Timeliness समयबद्धता।

* प्राध्यापक कृषि महाविद्यालय, रायपुर-492012

ओ (O) = Objectivity वास्तविकता ।

एम (M) = Management प्रबंधन ।

ई (E) = Efficiency in Service & Communication
सेवा एवं संचार में दक्षता ।

आर (R) = Regularity नियमितता ।

ग्राहक सेवा

ग्राहक और बैंक का सम्बन्ध दीर्घकालीन होता है, जिसमें व्यवहार और समयबद्ध सुविधाओं का उपलब्ध होना महत्वपूर्ण होता है। ग्राहक सेवा के अंतर्गत समय के अनुकूल और ग्राहकों की जरूरतों के अनुरूप अच्छी योजनायें आती हैं।

उत्कृष्ट ग्राहक सेवा

ग्राहकों की अपेक्षाओं के अनुरूप बैंकों द्वारा अपनी कार्य-शैली और नियमों में समय-समय पर बदलाव किया जाता है, जिससे ग्राहकों को अधिक उपयोगी और समयबद्ध सुविधायें मिल सकें। उत्कृष्ट ग्राहक सेवा में पूंजी के अलावा प्रतिस्पर्धा, व्यवहारिकता और विचारों को प्राथमिकता दी जाती है, जिसमें ग्राहकों की जरूरतों को ध्यान में रखा जाता है। ग्राहकों को आकर्षित करने के लिए ग्राहक सेवा गाइड बनायी गई है। उत्पादों का प्रचार-प्रसार किया जा रहा है। ग्राहक सेवा कौशल बैंक कर्मचारियों के लिए प्रभावी किया गया है। समय-समय पर बैंक परिचालन ग्राहक सेवा का पर्यवेक्षण किया जा रहा है। बैंक में ग्राहकों की बातों को ध्यानपूर्वक सुना जाता है तथा उन्हें तुरन्त जवाब देने का भी प्रयास किया जा रहा है।

ग्राहक सेवा : मुख्य प्रावधान

ग्राहकों की दिनों-दिन अपेक्षायें बढ़ती जा रही हैं, जिनकी पूर्ति होने पर ग्राहक को संतुष्टि

मिलती है तथा आत्मविश्वास बढ़ता है। ग्राहक सेवा में मुख्य रूप से निम्नलिखित गतिविधियां शामिल की जाती हैं :

- ▶ सूचना पटल पर सप्ताह के दिनों का कार्यालयीन समय और लेन-देन का समय स्पष्ट लिखा जाए।
- ▶ बैंक में 'ग्राहक सेवा कक्ष' बनाया जाए।
- ▶ बैंक में जमा राशि सम्बन्धी योजनाओं की ब्याज दरों के साथ दर्शाया जाए। विभिन्न योजनाओं की जानकारी पत्रक (Folder), पत्रिका (Magazine) के माध्यम से प्रचारित की जाए, जिसमें ई-बैंकिंग, मोबाइल बैंकिंग, ए.टी.एम., क्रेडिट कार्ड की जानकारी शामिल हो।
- ▶ ऋण पर लगने वाले ब्याज की दरों को दर्शाया जाए।
- ▶ सभी प्रकार की जमा राशि वाले खातों, सुरक्षित अभिरक्षा में रखी वस्तुओं, लाकर किरायेदारों के सम्बन्ध में नामांकन की सुविधा की जानकारी प्रचारित की जाए।
- ▶ बैंक में स्वच्छ पेय जल की व्यवस्था की जाए।
- ▶ ग्राहकों के बैठने की पर्याप्त व्यवस्था बैंक में होनी चाहिए, जहां पंखा, कूलर जैसी आवश्यक सुविधाएं होनी चाहिए।
- ▶ रकम जमा करने, निकालने जैसे कार्यों में कम पढ़े-लिखे, अशिक्षित व्यक्तियों की मदद करनी चाहिए।
- ▶ बैंक में शिकायत और सुझाव हेतु बॉक्स लगाए जाने चाहिए।
- ▶ भारतीय रिजर्व बैंक द्वारा समय-समय पर जारी दिशा निर्देशों के पालन हेतु उन्हें सूचना पटल पर लगाया जाए।
- ▶ बैंक में आंचलिक एवं केन्द्रीय कार्यालय के

प्रमुख के नाम, पते, फोन नम्बर सहित प्रदर्शित किए जाए।

- बैंकिंग लोकपाल के नाम, पते, फोन नम्बर के अलावा आंचलिक एवं केन्द्रीय सतर्कता कार्यालय के नाम, पते, फोन नम्बर की सूचना लगायी जाए।
- सार्वजनिक क्षेत्र के बैंकों और निजी बैंकों से जुड़ी किसी भी गड़बड़ी या समस्या की शिकायत निशुल्क बैंकिंग लोकपाल में की जा सकती है। इसके लिए स्वयं या अपने प्रतिनिधि के द्वारा हस्ताक्षर करके आवेदन दिया जा सकता है। यदि संबंधित बैंक एक माह में समस्या का समाधान नहीं करता है तो सीधे लोकपाल से शिकायत कर सकते हैं। लोकपाल में शिकायत पर कार्यवाही का अधिकतम समय 13 माह है। शिकायत के आवेदन पर शिकायतकर्ता का नाम, शिकायत का विवरण, बैंक का नाम और सही पता लिखा होना जरूरी है (उपभोक्ता न्यायालय) (Consumer Court) या पहले निपटान हो चुके मामलों की सुनवाई लोकपाल में नहीं होती है, शिकायतों में पेंशनरों की शिकायत को प्राथमिकता दी जाती है।

ग्राहक सेवा के सूत्र

उत्कृष्ट ग्राहक सेवा में नई, तकनीक के उपयोग, त्वरित सेवा, बैंक उत्पादों का कर्मचारियों को ज्ञान, ग्राहकों के बैठने की पर्याप्त व्यवस्था, जमा एवं ऋण योजनाओं के पत्रक और पत्रिकाओं को शामिल किया गया है, इसके अलावा ग्राहकों से मधुर व्यवहार और उनकी जिज्ञासाओं के समाधान को सर्वोपरी माना गया है। ग्राहक सेवा के लिए नम्रता, सजगता, संवेदनशीलता,

सक्रियता, प्रसन्नता, व्यवहारिकता और लोकप्रिय भाषा प्रमुख सूत्र हैं:

1. नम्रता

ग्राहकों का दिल जीतने के लिए उनसे नम्र व्यवहार करना चाहिए, इससे ग्राहकों का आत्म विश्वास बढ़ जाता है। बैंक की लाभकारी योजनाओं का लाभ लेने के लिए ग्राहक बढ़-चढ़कर हिस्सा लेने लगते हैं।

2. सजगता

ग्राहकों की जरूरतों के प्रति बैंक को सजग होना चाहिए। बैंक में आने वाला हर ग्राहक अतिथि होता है, बैंक और ग्राहक में निरंतर सम्पर्क रहने से मेल-जोल बढ़ता है तथा ग्राहक प्रचार-प्रसार का प्रभावी माध्यम बन सकता है।

3. संवेदनशीलता

बैंक में आने वाले ग्राहकों की जरूरतों को ध्यान में रखकर तरह-तरह की सुविधाएं, सेवाएं और उत्पाद मुहैया कराना चाहिए। एक सर्वेक्षण के अनुसार ग्राहक के साथ सम्पर्क बनाने में प्रथम तीन मिनट का प्रभाव अधिक होता है। बैंक के प्रति ग्राहक का नजरिया और सोच धनात्मक हो, जिसके लिए कर्मचारियों का संवेदनशील होना आवश्यक है। ग्राहक ही बैंक की पूंजी होती है, इसलिए पुराने ग्राहकों को बैंक से जुड़ा रहने और नये ग्राहक बनाने का प्रयास करते रहना चाहिए। ग्राहकों को संवेदनशील व्यवहार से बैंक में कायम रखा जा सकता है, पुराने ग्राहकों को बैंक से जुड़ा रखना बड़ा कार्य माना जाता है। एक सर्वेक्षण के अनुसार पुराने ग्राहकों को बैंक में जुड़ा रखने की अपेक्षा नए ग्राहक बनाना पांच गुना महंगा होता है।

4. सक्रियता

अपने व्यस्त समय में से कुछ वक्त निकालकर ग्राहक बैंक में आते हैं, किन्तु वे लम्बी कतार देखकर अपनी कार्य योजना में फेरबदल का विचार बना लेते हैं। कभी-कभी संस्था बदलने का मन बना लेते हैं। इसलिए बैंक कर्मचारी को सक्रिय रहकर समय पर लेन-देन, पास बुक प्रविष्टि, डेबिट कार्ड, क्रेडिट कार्ड आवेदन आदि की जवाब दारी निपटानी चाहिए। जरूरत पड़ने पर अतिरिक्त काउंटर की व्यवस्था की जानी चाहिए।

5. प्रसन्नता

ग्राहक को बैंक के अधिकारी, कर्मचारी का हसमुख व्यवहार प्रभावित करता है। मुस्कुराते हुये ग्राहक से बात करने पर वह निसंकोच अपनी समस्यायें और फीडबैक बताता है तथा ग्राहक के विचार सकारात्मक होते जाते हैं। मुस्कुराने से नाखुश ग्राहक भी खुश हो जाते हैं।

6. व्यवहारिकता

ग्राहकों का अभिवादन, हाल-चाल पूछना, जरूरत के अनुसार नोट तथा अन्य सेवाएं उपलब्ध कराना मधुर व्यवहार का परिचायक होता है। ग्राहकों को धन्यवाद देना काफी प्रभावित करता है। व्यवहार कुशल कर्मचारी, अधिकारी को हर जगह आदर मिलता है, इस लिए वे ग्राहकों से व्यवहार अवश्य बनायें तथा ग्राहक हितैषी योजनाओं से उन्हें अवगत करायें।

7. लोकप्रिय भाषा

ग्राहक सेवा में भाषा का महत्वपूर्ण योगदान होता है। स्थानीय भाषा या बोली में बात करने पर ग्राहक को जल्दी समझ में आ जाता है। स्थानीय बोली में अपनत्व झलकता है, इसलिए ऐसी भाषा या बोली बोलनी चाहिए, जिससे ग्राहक

वर्ग अपने आप को सम्माननीय समझ सके। लोकप्रिय भाषा में ग्राहकों के अनुभवों और फीड बैक को आसानी से जाना जा सकता है।

समय परिवर्तनशील है। आधुनिक समय में बैंक की भूमिका कई क्षेत्रों में बढ़ती जा रही है, इस स्थिति में बैंक की पृष्ठभूमि भी बदल रही है। बैंकिंग व्यवसाय स्पर्धात्मक हो गया है, जिसमें ध्यान से सुनने, प्रभावी संचार करने, ताजा याददाश्त रखने, चर्चा करने और अनुभवों से लाभ लेने और दक्ष होने जैसे कौशल महत्वपूर्ण हैं:

1. ध्यान से सुनना

ग्राहक की बातों को ध्यान से सुनकर उस पर त्वरित कार्यवाह की जानी चाहिए। ग्राहक की बातों को धैर्यपूर्वक सुना जाये तथा उसका संभव समाधान खोजना चाहिए।

वार्तालाप से ही ग्राहक का बैंक के प्रति नज़रिया बदलता है। एक सर्वेक्षण में पाया गया है कि बैंक की कार्यशैली को सफल बनाने में 59 प्रतिशत सुनने, 26 प्रतिशत बोलने, 9 प्रतिशत लिखने और 6 प्रतिशत पढ़ने का योगदान होता है। धैर्य के साथ ग्राहक की बात सुनने से गलतफहमी और शिकायत दूर की जा सकती है।

2. प्रभावी संचार

संचार क्रांति के इस युग में बैंक और ग्राहक के मध्य में प्रभावी ढंग से संचार होना चाहिए। ग्राहकों के विचार जानने के लिए उनसे संवाद स्थापित करना चाहिए। प्रभावी संचार हेतु सामाजिक मीडिया को बढ़ावा दिया जाना चाहिए। ग्राहकों को फोन पर सही जानकारी दी जानी चाहिए।

3. ताज़ा याददाश्त

ग्राहक सेवा के महत्वपूर्ण कौशल के रूप में

ताज़ा याददाश्त को जाना जाता है। बैंक के स्टॉफ को बहुत सी जानकारी अपने मस्तिष्क में रखनी चाहिए, जैसे—ग्राहक का नाम बैंक की योजनायें और उत्पादों का विवरण आदि। बैंक की योजनाओं में जमा और ऋण की ताज़ा और अद्यतन (Updated) जानकारी होनी चाहिये। बैंक में पूछताछ (Enquiry) और एकल खिड़की (Single window) प्रणाली में ताज़ा जानकारी देने के लिए बैंकिंग ज्ञान में पारंगत, प्रशिक्षित और व्यवहार कुशल कर्मचारी को ज़वाबदारी दी जानी चाहिए। उत्कृष्ट ग्राहक सेवा में स्पष्ट और ताज़ा जानकारी अधिक प्रभावित करती है।

4. चर्चा और अनुभव

आज की उत्कृष्ट ग्राहक सेवा अपने मापदण्डों, व्यवहार कुशलता से भटक जाने पर गलत छाप छोड़ सकती है, इसलिए समय—समय पर ग्राहकों से बैंकिंग नीति और योजनाओं के सम्बंध में चर्चा करते रहना चाहिए। ऐसा माना जाता है कि केवल अच्छे बैंकिंग अनुभव ही काफी नहीं होते हैं अपितु ग्राहकों की विभिन्न ज़रूरतों को समझना चाहिए। इन ज़रूरतों की समय पर पूर्ति करना चाहिए। प्रभावी ग्राहक सेवा के लिए ग्राहकों की अपेक्षाओं पर खरा उतरना पड़ता है। ग्राहकों से चर्चा करने पर उनके अनुभव पता लगते हैं तथा बैंक की कार्यशैली, गतिविधियों के बारे में प्रतिक्रियायें मिलती हैं, जिनसे ग्राहक और बैंक दोनों को लाभ होता है।

5. दक्षता

समय के साथ चलने वाली संस्था बैंक कहलाती है। जहां कार्यकाल, लेन—देन, ड्राफ्ट बनवाने का समय, भुगतान का समय निर्धारित होता है। इसलिए बैंक के सूचना पटल पर कार्यकाल का समय, लेन—देन का समय, ड्राफ्ट बनवाने का समय, टोकन लेने के बाद भुगतान का समय, बैंकर्स चेक — ड्राफ्ट का कमीशन, चेक बाउंस शुल्क, चेक संग्रहण शुल्क, रकम अंतरण (Money Transfer) शुल्क, अन्य शाखा से खाते में राशि जमा करने का शुल्क अंकित होना चाहिए। बैंक में आकर ग्राहक अपना कार्य जल्दी पूर्ण कराना चाहता है, जिसके लिए बैंक कर्मचारी को कुशल या दक्ष होना आवश्यक है। समय पर बैंक में कार्य सम्पन्न होने पर ग्राहक को संतुष्टि मिलती है, किन्तु विलम्ब होने पर बैंक की छवि खराब होती है।

बैंकिंग व्यवसाय की जानकारी और योजनाओं—कार्यक्रमों के प्रभावी क्रियान्वयन के लिए शाखाओं में 'ग्राहक दिवस' का आयोजन किया जाना चाहिए। नागरिक चार्टर (Citizens Charter) में ग्राहकों को दी जाने वाली सुविधाएं दर्शायी जानी चाहिए। इसके अलावा बैंक में आन लाइन (On Line) शिकायत दर्ज कराने के लिए ई—मेल (E-Mail) का पता अंकित करना चाहिए। इस प्रकार की जानकारी से ग्राहकों की कुछ समस्याओं का समाधान अपने आप निकल कर आयेगा। जिससे बैंक तथा ग्राहक दोनों का समय बचेगा।



**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 & Purpose | Period | Scale of finance |
|--------|-------------------------------|--------------|---------------------------------|
| 1. | Minor Irrigation | 9 Years | ₹75,000 to ₹4,00,000 |
| 2. | Land Development | -do- | 90% of the actual cost |
| 3. | Farm Mechanisation | 5-9 Years | 85% of the actual cost |
| 4. | Purchase of Agriculture Land | 10 Years | Upto ₹12.00 Lacs |
| 5. | Horticulture/Farm Forestry | 5-10 Years | ₹25,000 to ₹3,55,000 per Hector |
| | Medicinal & Aromatic Plants | -do- | 90% of the actual cost |
| 6. | Animal Husbandary | 5-7 Years | 90% of the actual cost |
| 7. | Construction of Rural Godowns | Upto 9 Years | 90% of the actual cost |

Non Farm Sector

| Sr.No. | Name of the Scheme/Purpose | Period | Scale of finance |
|--------|----------------------------------|---------------|------------------------|
| 1. | Rural Housing | Upto 10 years | Upto ₹6.00 lacs |
| 2. | Marriage Palaces | Upto 10 years | 90% of the actual Cost |
| 3. | Community Halls | Upto 10 years | 90% of the actual Cost |
| 4. | Village Cottage Industry | Upto 10 years | 90% of the actual Cost |
| 5. | Public Transport Vehicles | Upto 5 years | 85% of the actual Cost |
| 6. | Rural Educational Infrastructure | Upto 10 years | 90% of the actual Cost |
| 7. | Other SSI units | Upto 10 years | 90% of the actual Cost |

Rate of Interest

The rate of interest to be charged from the ultimate borrowers has been reduced to 13.5% P.A. w.e.f. 9.6.2014 for all type of loans advanced by the DPCARDBs in the state of Haryana.

Note:-

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

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NEWS & NOTES

KYC norms meant to safeguard banks from fraud

In the wake of rising security concerns banks should be vigilant about antisocial elements and terrorists using the banking system, said R Gandhi, Deputy Governor, Reserve Bank of India (RBI). He said that while banks need to monitor customer transactions to prevent potential fraud, customers should comply with the Know Your Customer (KYC) norms in order to mitigate risk. "No security comes free of cost or inconvenience...RBI is committed to ease of operations by bank customers, while requiring the banks to be vigilant about nefarious designs of anti-social elements and terrorists to use the banking and financial systems," he added.

According to Gandhi, issues such as illegal/black money and more recently, terrorism financing became matters of serious concern. "Sound KYC policies and

procedures were critical for protecting the safety and soundness of banks and the integrity of banking system in the country," he said. Stating that the RBI had moved away from introduction-based KYC to document-based evidence, Gandhi said, simpler KYC norms were put in place for smaller accounts to facilitate financial inclusion. "The focus earlier was more on the asset side and not on the liability side as no banker could risk parting with his funds to an unknown person," Gandhi said. With the elaborate KYC norms, which insist on proper documentation posing as a challenge for promoting financial inclusion, Gandhi said, the central bank had put in place measures like the Aadhaar-enabled payment system that allows customers to carry out a financial transaction on a micro-ATM provided by the banking correspondent.

Banks to install "talking ATMs" from July 1, 2014

The Reserve Bank of India told banks that all new ATMs installed from July 1, 2014 should be talking ATMs with Braille keypads. Further banks should lay down a road map for converting all existing ATMs into talking ATMs with Braille Keypads and the same may be reviewed from time to time by the Customer Service Committee of the Board. The RBI's directive

comes in the wake of some of the banks not upgrading at least a third of the new ATM's installed into talking ATMs with Braille keypads as advised in a circular issued in 2009. In its latest circular, the RBI said magnifying glasses should be provided in all bank branches for the use of persons with low vision.

The branches should display at a prominent place notice about the

availability of magnifying glasses and other facilities available for persons with disabilities. Referring to the 2009 circular, the RBI said banks have to take necessary steps to provide all existing ATMs / future ATMs with ramps so that wheel chair users / persons with disabilities can easily access them. Care may also be taken to make arrangements in such a way that the height of the ATMs do not create an impediment in their use by wheel-chair users. However, in cases where it is impracticable to provide such ramp facilities, whether permanently fixed to earth or otherwise, this requirement may

be dispensed with, for reasons recorded and displayed in branches or ATMs concerned,” the circular said.

Banks have also been asked to take appropriate steps, including providing ramps at the entrance of the bank branches, wherever feasible, so that persons with disabilities/wheel chair users can enter bank branches and conduct business without difficulty. Banks have been advised to report the progress made in this regard periodically to their respective Customer Service Committee of the Board and ensure compliance.

RuPay platform to provide alternative to visa MasterCard

President Pranab Mukherjee dedicated the RuPay payment network to the nation on May 8, 2014 India's own card payment network RuPay, a system that is expected to be an alternative to global card payment network such as Visa and Master Card. The system developed by National Payment Corporation Ltd (NPCL). To make this system acceptable internationally, the company is in advance talks with US-based Discover (for transactions in western countries) and JCB of Japan for East. This means, customers will soon be able to book train ticket using RuPay pre-paid cards or for shopping while travelling abroad.

“An indigenous system like RuPay will, hopefully, not only

reduce the dependence on cash and cheque modes of settlement but will also make it easier to offer products based on specific requirements of diverse user sets within the country,” Mukherjee said, adding that India is one of the few countries in the world to meet domestically the need for card payment system. Currently over 12% of GDP worth cash and coins are in circulation which is quite high.

RuPay, like any other debit card, works on three channels, ATMs, Point of Sales (PoS) and online sales beside Aadhar-based micro ATM. So far, 31 scheduled commercial banks based in public and private sector, 49 regional rural banks and 175 co-operative banks have issued over 2 crore RuPay cards. All

transactions under RuPay card scheme are processed within the country and the transaction cost is

reimbursed in domestic currency which can save a lot of foreign exchange.

Promote cash-flow financing to save farmers from moneylenders

Taking cognisance of the need to advance credit to the agricultural sector and save farmers from the clutch of moneylenders, State Bank of India chairperson Arundhati Bhattacharya said the banking industry needs to focus on cash-flow financing. "Farmers are given loans for a crop and, till such time they get that crop to the market, they do not have any cashflow. We need to think of something where the farmers get money every month," said Bhattacharya.

She added that it could be done

in multiple ways like providing a maintenance amount punched in with the crop loan to the farmer and which could be given over a period of 4-5 months it takes to grow the crop. The same, Bhattacharya added, could be applicable for the SME sector as well and said that cashflow financing needs to come into the country in a much bigger way. "We cannot only have asset-backed loan as, at the end of the day, cash is king and, if you don't have cash and liquidity, you are going to get into trouble," she added.

RBI appoints three new EDs

The Reserve Bank of India (RBI) has appointed three new executive directors (EDs) to fill up the posts that were vacated earlier. Shri N S Vishwanathan, who was a Principal Chief General Manager looking after the department of non-banking supervision and the senior-most among the 14 candidates who were interviewed, has been promoted to the post of ED. The other two EDs are Shri Chandan Sinha, Principal Chief General Manager of banking operations & development and Shri

U S Paliwal, Principal Chief General Manager of Human Resources. The central bank has nine executive directors, and one of them Shri S Karuppasamy retired recently. Shri R Gandhi, who was Executive Director, has now been promoted to the post of Deputy Governor. Also, Shri G Gopalakrishna, one of the Executive Directors will now become the Director of Centre for Advanced Financial Research and Learning (Cafral). Cafral is a research institution promoted by RBI.

RBI releases final report on enabling PKI in payment system applications

The Reserve Bank of India has released, the final Report of the Technical Committee on Enabling

Public Key Infrastructure (PKI) in Payment System Applications. Cognisant of the fact that non-PKI

enabled payment systems, such as, clearing Magnetic Ink Character Recognition (MICR/Non MICR), electronic credit system, credit card and debit cards contributed 75% in volume terms but only 6.3% in value terms in the year 2012-13, the Group has suggested that in order to ensure a safe, secure payment system in the country and to ensure legal compliance, digital technology, such as, PKI may be used. Based on the feedback received, the Group has also included a detailed study of cloud-Hosted Digital Signature Certificate (DSC), Trusted Execution Environment, Hardened —Soft Signatures, Mobile PKI, Portable Security Transaction Protocol and Hybrid PKI Solution by Institute for Development and Research in Banking Technology (IDRBT) as alternative strategies keeping in view the Indian context.

The report also highlights, among other things, security features in existing payment system applications and feasibility in implementing PKI in all payments system applications. All banks' internet banking applications should mandatorily create authentication environment

for password-based two-factor authentication as well as PKI-based system for authentication and transaction verification in online banking transaction. In online banking transactions, banks should provide the option to its customers for enabling PKI for its online banking transactions as optional feature for all customers. The Group has also recommended that banks may carry out in phases PKI implementation for authentication and transaction verification.

Payment systems are subjected to various financial risks, such as, credit risk, liquidity risk, systemic risk, operational risk, legal risk. As customers continue to increasingly adopt electronic payment products and delivery channels for their transactional needs, it is necessary to recognise that security and safety have to be robust. Any security related issues resulting in fraud have the potential to undermine public confidence in the use of electronic payment products which will impact their usage. Necessary measures to strengthen security have to be taken as such attacks are growing in scale and sophistication.

Big loan defaulters to face Reserve Bank of India's audit

The Reserve Bank of India (RBI) has taken upon itself the task of investigating bank frauds after a series of inquiries by banks themselves in high-profile cases. The Board of Financial Supervision

(BFS), chaired by RBI governor Dr. Raghuram Rajan, has, in fact, cleared a proposal that the central bank will conduct an independent forensic audit of corporates declared fraudulent by banks.

Independent audits, however, will be restricted to corporates that have borrowed more than ₹1,000 crore.

The steep rise in bad loans in the past few years has forced the central bank to come up with strong measures to ensure banks do not sweep bad loans under the carpet. Besides, the number of cases referred to the corporate debt restructuring (CDR) cell has also risen sharply in recent months. Independent forensic audit is one of

the many steps taken by the RBI to check the rise in stressed assets in the banking system. For instance, RBI decided to incentivise lenders who take quick action to resolve such cases and penalise those who sit on them. Bankers say the findings from forensic audit will enable RBI to devise policies that will help it keep a close watch on the creditor-borrower relationship, and quickly step in when there's a misuse in the system.

RBI extends deadline to implement Basel III norms to 2019

The Reserve Bank of India has extended the timeline for full implementation of the Basel III capital regulations by a year to March 31, 2019. The RBI, in a notification, said: "This (implementation of Basel III capital regulations) may necessitate some lead time for banks to raise capital within the internationally agreed timeline for full implementation of the Basel III capital regulations. "Accordingly, the transitional period for full implementation of Basel III capital regulations in India is extended up to March 31, 2019, instead of as on March 31, 2018."

The central bank also said the breather will align full implementation of Basel III in India closer to the internationally agreed date of January 1, 2019. Basel III is a comprehensive set of reform measures, developed by the Basel Committee on Banking Supervision, to strengthen the

regulation, supervision and risk management of the banking sector. In terms of Basel III capital regulations issued by the RBI, the Capital Conservation Buffer (CCB) will be implemented from March-end 2016 (against March-end 2015 earlier). Consequently, the Regulations will be fully implemented as on March-end 2019 (against March-end 2018 earlier).

The RBI has also revised the transitional arrangements pertaining to minimum capital ratios that banks need to maintain as a percentage of their risk-weighted assets (or loans). As regards 'distributable items', the central bank clarified that the dividend on common shares and perpetual non-cumulative preference shares (PNCPS) can be paid out of the current year's profit only. Further, if the payment of coupons on perpetual debt

instrument (PDI) is likely to result in losses in the current year, their

declaration should be precluded to that extent.

Banks must protect systems, ATMs with Windows XP: RBI

The Reserve Bank of India (RBI) has said banks must take steps to protect systems and ATMs working on Windows XP from attacks as Microsoft will stop giving updates and solutions for bugs in the operating system. "It is learnt that Microsoft will stop issuing updates and patches for bugs in its Windows XP operating system (released in 2001) from April 2014," RBI said in a statement. The

probability of attacks on such a system may increase and it may be difficult to defend such attacks in the absence of Microsoft support, RBI added. The central bank said as some of the systems, including ATMs, may still be working on Windows XP, banks are advised to take immediate steps to implement appropriate systems and controls in this regard.

RRBs should sell priority-sector loans to highest bidders: Shri Rajiv Takru

Regional rural banks (RRBs) should sell priority sector loans (PSL) to those making the highest bid, and not necessarily to their sponsor bank, to get better value for their portfolio, said Rajiv Takru, secretary, department of financial services, finance ministry. Takru was addressing a meeting of RRB heads to review their performance at the headquarters of National Bank for Agriculture and Rural Development (Nabard).

There is always a risk of the sponsor bank putting pressure on RRBs to part with PSL book at a discounted price. RRBs' loan book consists of over 80% of priority-sector loans such as credit to farmers, small and micro units, and the weaker section. These loans are sold through Inter Bank Participation Certificates (IBPCs). Those banks which fall short of PSL targets pick up these loans to meet the norms.

RBI's norms for distressed assets with riders

The Reserve Bank of India (RBI) notified the rules for forming a Joint Lenders' Forum and adopting a Corrective Action Plan for distressed assets. The central bank also put certain riders for refinancing project loans and the sale of non-performing assets

(NPAs). The guidelines - Framework for Revitalising Distressed Assets in the Economy - will become operational from April 1, 2014. These include measures such as accelerated provisioning. It means, if banks conceal the actual status of certain accounts, those

accounts will face accelerated provisioning by RBI. In order to ensure better chances of reconstruction of stressed assets, a financial asset may be sold to the securitisation company (SC) / reconstruction company (RC) where the asset is reported as a special mention account and the principal or interest payment is overdue by 61-90 days.

According to RBI, banks using

Banks to use counter-cyclical buffer to fight NPAs

The Reserve Bank of India allowed banks to utilise up to one-third of the counter-cyclical provisioning buffer held by them during last fiscal for making specific provisions to cover spiralling bad loans. The RBI has proposed building up of counter-cyclical capital buffer by setting aside up to 2.5% of the risk weighted assets, based on the credit-to-GDP ratio and growth in gross non performing assets of banks.

It has also told banks to build up

RBI plans to use unclaimed deposits for awareness

The Reserve Bank of India (RBI) proposed unclaimed bank deposits, estimated at about ₹3,500 crore, be used for education and awareness among depositors. According to a draft on the Depositor Education and Awareness Fund Scheme, deposits in the banking sector that haven't been claimed for at least 10 years will be transferred towards the scheme. RBI said the amount to

the auction process for sale of NPAs to SCs/RCs should be more transparent, including disclosure of the reserve price, specifying clauses for non-acceptance of bids. If a bid received is above the reserve price and a minimum of 50% of sale proceeds is in cash, and also meets the conditions in the offer document, acceptance of that bid would be mandatory.

70% provisioning coverage ratio as a prudential measure, with a view to augmenting provisioning buffer in a counter-cyclical manner when the banks were making good profits. As a large number of companies are under stress amid an economic slowdown, NPAs and restructured accounts has risen sharply. There is a need to ensure that the banking system recognises financial distress early, takes prompt steps to resolve it, and ensures fair recovery for lenders and investors, the report said.

be credited to the fund would be credit balances in bank deposit accounts that hadn't been operated upon for at least 10 years, or any amount that remained unclaimed for at least 10 years. These accounts include savings bank deposit accounts, fixed or term deposit accounts and current deposit accounts.

The draft also said there would

be a provision to reclaim the amount, as appropriated by the fund. RBI said any amount in foreign currency, payable under any instrument or a transaction, which was unclaimed for at least 10 years would be converted into rupees at the exchange rate prevailing on the date of conversion, and transferred to the fund. In case of a claim, the fund would be liable to refund in rupees. The central bank also said there would be a committee to administer and manage the fund. This

committee would comprise not more than 11 members, as decided by RBI. An RBI deputy governor, nominated by the governor, would be the ex-officio chairperson of the committee, RBI said.

The funds would be used to promote the interests of depositors. For this, the committee may register/recognise various institutions, organisations or associations engaged in activities related to depositor awareness and education, from time to time.

RBI asks banks to strict adherence to NEFT norms

RBI/2013-14/457 DPSS.CO.EPPD No.1583/04.03.01/2013-14 January 21, 2014

RBI has issued directions to all banks participating in National Electronic Fund Transfer (NEFT), under Sec.18 of the Payment & Settlement Systems Act, 2007. The circular states under: "The National Electronic Fund Transfer (NEFT) System, operational since November 2005 has seen an exponential growth in terms of volumes handled by the system, with a vast number of customers (individuals, corporates and Governments) using NEFT to meet their funds transfer requirements. Over a period of time, the Reserve Bank of India has introduced many efficiency enhancement features and customer service requirements in the system so as to meet the expectations of the growing number of users of NEFT.

Some of the above measures

include (i) the facilitation of walk-in customers (those not having an account with that bank) to initiate NEFT transactions to any bank account vide our Circular DPSS (CO) No. 1591/04.03.01/2007-08 dated April 03, 2008; (ii) providing positive confirmation through SMS or e-mail to the remitting customer after the funds have been credited to the account of the beneficiary vide our circular DPSS CO. EPPD No.168/04.03.01/2009-2010 dated February 5, 2010; (iii) payment of penal interest by banks for delays in credit to beneficiary's account or return of uncredited funds to the remitter vide our circular DPSS (CO) EPPD No.477/04.03.01/2010-11 dated September 1, 2010; (iv) furnishing appropriate details in pass book / account statement for credits sent / received by the customers through NEFT vide our circular

DPSS (CO) EPPD No.788 / 04.03.01 / 2010-11 dated October 8, 2010; (v) rationalisation of charges levied to customers for NEFT transactions and indicating the maximum that can be recovered by banks from their customers vide our circular DPSS CO (EPPD) / 98 / 04.03.01 / 2012-13 dated July 13, 2012.

However, in recent times, RBI have been receiving customer complaints on many of these issues. Further, various surveys conducted by RBI and incognito visits to the bank branches at different places revealed that many of bank branches do not adhere to the above guidelines. It was also observed that, in many cases the officers/staff dealing with the NEFT desk at different branches were not aware of many of the above features of NEFT and customers were not guided properly.

As regards the applicable charges for NEFT transactions, it was observed that in many

branches the dealing officials / staff were unaware of the actual charges for NEFT and there was no board or material displaying the NEFT charges for customers wanting to remit funds. It was also observed that few large banks were diverting the walk-in customers / non-account holders / non-home branch customers to customer service points/agents for undertaking such transactions where the customers were being levied charges far higher than those mandated for NEFT transactions. Such non-adherence to instructions, including those on transaction charges, issued by the RBI under the Payment and Settlement Systems Act, 2007, will be viewed seriously as it brings disrepute to the NEFT system. Hence, it is reiterated that the instructions issued by the Reserve Bank should be adhered to by direct as well as sub-member banks in the NEFT, in both letter and spirit.

IDFC, Bandhan get 'in-principle' nod to set up banks

The Reserve Bank of India (RBI), granted 'in-principle' approval to two applicants, IDFC Limited and Kolkata-based Bandhan Financial Services Private Limited, to set up banks. The RBI has also accepted the recommendation of the High-Level Advisory Committee (HLAC), set up by the RBI, to consider the application of the Department of Posts, separately in consultation

with the Central Government.

These licences would be issued under the guidelines on Licensing of New Banks in the Private Sector issued on February 22, 2013 (Guidelines), said RBI in a release. "These two applicants (IDFC and Bandhan) were also recommended as suitable for grant of "in-principle" approval by the HLAC," it added. The "in-principle" approval

granted will be valid for 18 months during which the applicants have to comply with the requirements under the guidelines and fulfil other conditions as may be stipulated by the RBI. “On being satisfied that the applicants have complied with the requisite conditions laid down by the RBI as part of “in-principle” approval, they would be considered for grant of a licence for commencement of banking business under Section 22(1) of the Banking Regulation Act, 1949. Until a regular licence is issued, the applicants would be barred from doing banking business,” said the RBI.

The RBI said that it assessed the quantitative and qualitative aspects of the applicants as per the criteria laid down in the guidelines. This included analysis of the financial statements of the key entities in the group, 10-year track record of running their businesses, proposed business model for the bank as well as the applicants' demonstrated capabilities for running a bank, plan for expanding inclusion, and culture of compliance and integrity

demonstrated by the applicant in its past activities. “Based on all this, the RBI took a view of the “fit and proper” status of the applicant,” it added.

“RBI's approach in this round of bank licences could well be categorised as conservative. At a time when there is public concern about governance, and when it comes to licences for entities that are intimately trusted by the Indian public, this may well be the most appropriate stance,” said the RBI. Going forward, the RBI intends “to use the learning from this licensing exercise to revise the guidelines appropriately and move to give licences more regularly, that is, virtually 'on tap. It will also frame categories of differentiated bank licences, building on its prior discussion paper, and this will allow a wider pool of entrants into banking. The RBI believes that “some of those entities which did not qualify in this round for a full-fledged banking licence could well apply in future rounds or could apply for differentiated licences under the proposed framework.”

Don't seek artificial fixes for bad loans: RBI chief

Corporations and banks should not find artificial fixes for non-performing assets, and it was important for them to clean up their balance sheets and focus on putting the asset back on stream, RBI Governor, Dr. Raghuram Rajan has said. “At the Reserve Bank, we

keep hearing corporations come to us, banks come to us, saying give us some for bearance. Don't call this a bad loan even though it hasn't paid for three years. Allow us to postpone recognition. This is the wrong way to do a problem. Postponing recognition will not

help; if it's not paying today, it won't pay tomorrow. Best thing to do is make sure the asset itself become viable. Focus on putting it back on stream," he said.

He said "Once you focus on putting the asset back on track, the rest is accounting for it. But don't keep postponing the recognition of the problem. I think if we clean up our act, clean up our balance sheets, the markets will be willing to provide finance to the

institutions that have streamlined and create the space for financing going forward. "So, let's not try to find artificial fixes, let's go about fixing in the right way". He said that rather than asking for special concessions, bankers should focus on getting an asset back on stream through interventions on the payments and management side, or finding an alternative use for the asset.

KYC norms need a relook: RBI chief

Reserve Bank of India Governor, Dr. Raghuram Rajan, said it was shameful that so many people in India don't have access to banking, and emphasised the need to make KYC norms less bureaucratic. "Can we do this (KYC) better (without) compromising on security, while allowing ease of access? That is something we need to think about. We have to be innovative," he said. The Governor cited the case of one of his predecessors, who faced hurdles opening a bank account post-retirement. According to media reports, Dr. D. Subbarao faced problems opening a bank account

in Hyderabad, where he has settled down post-retirement, as he could not provide proof of residence. Ironical as it may sound, it was Dr. Subbarao who made KYC (know-your-customer) norms for opening bank accounts and other financial transactions stringent.

The Governor said, "we need to do an assessment of the trade-off between the risk and reward." "I am not saying that the KYC norms are bad. If it becomes a bureaucratic end-in-itself and prevents us from expanding access even while not doing so much to keep the crooks away from the system, we have to re-examine them," Dr. Rajan said,

RBI opposes plan to give Sarfaesi powers to HFCs

The Reserve Bank of India (RBI) has objected to the finance ministry's plan to give Sarfaesi Act-powers automatically to all housing finance companies (HFCs) registered with the National Housing Bank (NHB) to help them

recover dues from borrowers quickly without court intervention.

According to the RBI, the 'stringent' Sarfaesi powers should not be given to institutions without proper due diligence of their management, track-record,

borrower profile and default levels. The RBI does not want the Sarfaesi powers to be misused by the HFCs and harass the borrowers, they added. Besides, since the Sarfaesi Act considers borrowers below a low threshold of ₹1 lakh as 'small borrowers' and exempts them from its purview, the definition of 'small borrower' will need to be amended to accommodate a higher level of borrowing to ensure that it fits in the context of housing loans, the banking regulator said.

Under the Sarfaesi Act, only scheduled commercial banks, public financial institutions (FI) and those lenders notified by the

government as 'FIs' on a case-by-case basis have powers to enforce the security interest by taking possession of the assets from the defaulting borrower, following the expiry of a 60 days since a notice is issued classifying the loan as NPA, without court intervention. Currently, only 20 of the 58 HFCs registered with the NHB have been notified as FIs under the Sarfaesi Act. Under the NHB (Amendment) Bill, 2012, it was proposed that all NHB-registered HFCs be automatically given Sarfaesi powers "to provide them a level playing field."

Ponzi Scheme

A Ponzi can be any scheme in which the returns to promised to older investors are paid from the money collected from new investors, and not actual profits from the investments. Ponzi schemes were named after Charles Ponzi, a clerk in Boston who, almost a century ago, duped thousands of investors into speculating on phenomenal returns from the humble postage stamp.

Those running a Ponzi scheme reel in their first set of investors by introducing them to a great opportunity. They may even pay up the fanciful returns out of their personal funds. But once investors begin to bite, they build a house of cards, using money from the stream of new entrants, to pay the older patrons. Even if profits are made

from the investments, more often than not, the scheme operators siphon it off to private accounts. As long as new investors are willing to sign up, the Ponzi scheme works. But when the flow of fresh money dwindles, the house of cards collapses.

It is one of the easiest ways to lose your money. Take last year's Saradha scam, which was built along Ponzi lines. This illegal 'chit' scheme promised returns of 15 to 50%. Attempts to regulate Ponzi schemes in India have taken the form of SEBI's 'collective investment scheme' regulations. By law, any scheme that amasses more than ₹100 crore requires SEBI's permission. But several such schemes have simply gone ahead and raised money without SEBI's

nod Now, what the ordinance does is to allow SEBI to take action where it comes across an illegal collective investment scheme.

Ponzi schemes can take many forms, from your informal neighbourhood 'fund' that pools money from friends, to pyramid marketing schemes. Watch out for tell-tale signs. High returns is one,

RBI looks to ease loan process

Indian Banks' Association should evolve a set of guidelines for easier and quicker transfer of loans, particularly mortgage/housing loans, said a report submitted by a panel headed by former deputy governor Anand Sinha. There could also be penalties for banks which do not cooperate with borrowers in this regard.' Banks will also have to give their customers the choice of prepaying and exiting a loan, if the recommendations of this committee are implemented.

As per the recommendations, banks will have to give customers the benefit of interest reduction on the principal in case of prepayment of loans. This benefit, the committee said, "should be given on the day the money is received by the bank without waiting for the next EMI cycle date to effect the credit."

To ensure convenience of customers, the committee has also recommended that banks reset the interest rate charged on floating rate loan on dates that are fixed in the covenant, irrespective of changes made to the base rate

especially if they are promised to be consistently high, no matter what the market conditions are. No regulatory stamp of approval, minimal documentation, no information about where the returns will come from and outlandish investment avenues are other hints that a scheme is a potential sinkhole.

within the reset period. The central bank had set up this committee to bring transparency in credit pricing and address customer complaints relating to downward stickiness of the interest rates, discriminatory treatment of old borrowers vis-a-vis new borrowers and arbitrary changes in spreads.

"For retail loans, the customers should have a choice of "with exit" and "sans exit" options at the time of entering the contract. The exit option can be priced differentially but reasonably," the committee said. Customers could avail of the exit option after giving prior notice to the banks and without any impediments. These steps could address issues of borrowers being locked into contracts, serve as a consumer protection measure and also help enhance competition, the committee said. The committee has also recommended that the spread charged to existing customers be increased only if the individual's credit profile deteriorates. "The customer should be informed of this at the time of

contract. Further, this information should be adequately displayed by banks through notices/website," the committee said.

It has also asked the IBA to develop a new benchmark for floating interest rate products, namely, the Indian Banks Base Rate or IBBR, which may be collated and published by IBA on a periodic basis. "Banks may consider offering floating rate products linked to the base rate,

IBBR or any other floating rate benchmark ensuring that at the time of sanction, the lending rates should be equal to or above the base rate of bank. To begin with, IBBR may be used for home loans," said the committee. To avoid discrimination among borrowers, the committee has recommended that banks with overdependence on short-term deposits compute the base rate on the basis of marginal cost of funds.

RBI standardises gold loan norms

The Reserve Bank of India (RBI), said that it had been decided to prescribe a loan-to-value (LTV) ratio of not exceeding 75% for banks' lending against gold jewellery, including bullet-repayment loans against pledge of gold jewellery. "Therefore, henceforth loans sanctioned by banks should not exceed 75% of the value of gold ornaments and jewellery," the RBI said in a notification to all banks. Further, it has been decided that gold jewellery accepted as security/collateral will have to be valued at the average of the closing price of 22 carat gold for the preceding 30 days as quoted by the

India Bullion and Jewellers Association Ltd.

"This would standardise the valuation', and make it more transparent to the borrower," the RBI observed. "If the gold is of purity less than 22 carats, the bank should translate the collateral into 22 carat and value the exact grams of the collateral. In other words, jewellery of lower purity of gold shall be valued proportionately," the RBI added. The central bank reiterated that banks should continue to observe necessary and usual safeguards, and also have a suitable policy for lending against gold jewellery with the approval of their boards of directors.

RBI for two-stage verification for online transactions

Worried over rising number of frauds in online banking, the Reserve Bank of India (RBI) has suggested that banks introduce two-stage authentication to ensure security of transactions. The RBI report on 'Enabling Public Key

Infrastructure (PKI) in Payment System Applications' said banks should also inform customers about risks associated with different types of online banking transaction. "Internet banking applications of all banks should

mandatorily create authentication environment for password-based two-factor authentication as well as P K I - b a s e d s y s t e m f o r authentication and transaction verification in online banking transaction,” the report said. It also said customers should be given the option to choose from different methods of authentication for ensuring security of online transactions.

There are various PKI-enabled electronic payments systems introduced by the RBI such RTGS, NEFT, CBLO, Forex Clearing, Government Securities Clearing, and Cheque Truncation System (CTS). In volume terms, these systems contributed 25.1% whereas these systems contributed 93.7% share to the total payment transactions carried out in 2012-13 in value terms. Non-PKI enabled

payment systems contributed 75% in volume terms but only 6.3% in value terms in 2012-13. “The objective of an effective payment system is to ensure a safe, secure, efficient, robust and sound payment system in the country. In order to secure electronic documents and transactions and to ensure legal compliance, digital technology is used,” it said.

The report said that the banks may carry out in three phases PKI implementation for authentication and transaction verification. “The banks have been mandated to issue EMV (card with chip and pin) to certain category of customers and for the other customers, banks have been given option to either issue EMV cards or adopt Aadhaar biometric authentication as additional factor of authentication,” the report said.

Nachiket panel recommendations make for a good theoretical construct

The Nachiket Mor Panel report takes a holistic view and seeks a dramatic change in the architecture for delivery of financial services / products to the bottom of the pyramid (BOP) segments. Among various issues addressed by the report, the moot question is whether there is a need for an alternative banking framework for financial inclusion, considering that the country already has the infrastructure to resolve this issue.

“The wide range of new institutions recommended make for a good theoretical construct.

But from the standpoint of getting some quick traction on the ground, a more practical approach would have been to leverage the existing institutional framework,” said Alok Prasad, CEO, Micro Finance Institutions Network (MFIN). To illustrate, Mr. Prasad said, in the rural areas the regional rural banks (RRBs) can do much more with improved governance and stronger leadership. In the urban markets, both urban cooperative banks (U C B s) and business correspondents (BCs) have the potential of deepening their

presence. "The SEWA bank model is a good example of what can be achieved by a focused approach," he added.

However, Monish Shah, Senior Director, Deloitte in India said that considering the current state of financial inclusion in the country, an alternate banking framework which addresses the unique issues faced by the under-banked and un-banked population, would be a welcome change and would supplement existing infrastructure. "We have several players who have been piloting in creating a successful rural business, financial inclusion model, as well as alternate channel capabilities to increase access. However, considering the unmet needs and even the un-assessed needs, any framework that adds to the current infrastructure would be value additive."

But Mr. Shah said that while the committee has several radical ideas on an alternate banking

framework, "the viability and adaptability of these ideas will need to be evaluated and will be critical in shaping the next wave of growth in the financial inclusion agenda of India." Further the targets set are indeed brave, particularly in the context of the innate conservatism of the RBI. The report suggests that each Indian above the age of eighteen will have a bank account by January 2016. Nonetheless, such target setting should be seen positively as it puts greater pressure on the Government and other stakeholders to translate the recommendations into action. Nachiket Mor, the Chairman of the Committee believes that the Aadhaar process is adequate to enable every Indian to get a bank account by January 1, 2016. From the standpoint of NBFCs, the report is extremely positive, laying down a road map for those institutions which can move ahead and become National consumer banks.

Inflation a destructive disease, says Dr. Rajan

Reserve Bank of India Governor, Dr. Raghuram Rajan, described inflation as a 'destructive disease', saying prices had to be brought down as inflation hurt the country's growth. "Inflation is a destructive disease. Industrialists complain about high interest rate and when inflation is high at 8%, citizens want to have their savings earning 10% interest to marginally beat inflation. Industrialists want an

interest rate of about 5%. Both cannot be satisfied. The mismatch is because of inflation," he said.

Delivering the 8th R. N. Rao Memorial Lecture, organised by the Research and Analysis Wing (RAW), he said that a long time could be spent in debating the sources of inflation but ultimately inflation came from demand exceeding supply. "It can be curtailed only by bringing both in balance. We need

to reduce demand somewhat without having serious adverse effects on investment and supply," he said. "The point is inflation is hitting the growth in the long run. There can be no trade-off. There is need to bring inflation down," the RBI Governor stressed. He said the policymakers had to face the problem upfront and not keep postponing it. He admitted that last two years had seen a rather high rate of food inflation due to various reasons with the trend spreading across the board to services sector, education and healthcare sectors as well.

He unveiled five pillars of the RBI's developmental measures over the next few quarters. These are: strengthening the monetary policy framework; strengthening banking

structure through new entry; broadening financial markets to increase their liquidity and resilience; expanding access to finance for small and medium enterprises and unorganised sector; and improving the system's ability to deal with corporate distress and financial institution distress by strengthening real and financial restructuring as well as debt recovery. Emphasising that financial services had to reach out to everyone, however remote or small, Dr. Rajan said that financial inclusion meant a safe mode of remunerated savings, and an easy way to make payments and remittances. It meant insurance and pensions. It also meant financial literacy and consumer protection, he added.

RBI switches 30 banks to risk-based supervision

The Reserve Bank of India, scrapping its age-old practice of CAMELS inspection, has switched 30 banks to risk-based supervision, indicating what could be the beginning of the regulator's micro management of banks. The CAMELS (capital adequacy, asset quality, management, earnings, liquidity, and system & control) framework was developed in the early 1970s by the US Federal Reserve to assess the health of a bank. Under this, banks were rated largely on financial parameters and performance. Post the 2008 global crisis, regulators across the world have begun shifting to risk-based supervision

to ensure banks do not take undue risks to maximise profits and boost performance.

Former RBI deputy governor KC Chakrabarty in 2012 had submitted a report on the review of supervisory processes for commercial banks, and had suggested replacing the present compliance-based and transaction testing approach (CAMELS) with the risk-based supervision (RBS) system. Several jurisdictions across the globe have adopted variations of the risk based supervision. The RBI had, in the past, made several failed attempts to migrate to the RBS supervision. It had first tried to introduce it in

2003-04, but the banking system wasn't up to it. "The primitive risk management systems at banks, low levels of technology, inadequate human resource capabilities, and above all, lack of patronage from the board and top management were amongst the primary reasons that led to stalling of the project in our maiden attempt," admitted former RBI deputy governor Chakrabarty.

Major revamp of IIP, WPI planned to get a real picture of economy

To present a more realistic picture of the economy, the Index of Industrial Production (IIP) and Wholesale Price Index (WPI) are to be re-cast. The changes, based on the suggestions made by a high-level committee headed by Saumitra Chaudhuri, Member, Planning Commission and Prime Minister's Economic Advisory Council, will include a shift in the base year and the product list for both the IIP and the WPI. The IIP gives details of the growth of various industrial sectors such as mining, electricity and manufacturing. While the WPI is the price of a representative basket of wholesale goods and its changes are used as a key measure of inflation.

"The effort is to make the two indices more realistic," Chaudhuri told. Adding that the entire exercise was aimed at making the indices reflect each other. On the WPI, the committee has suggested factoring in the price of manufactured goods

In risk-based supervision, there's no emphasis on earnings and focus is on the process and policies that a bank adopts to achieve growth. Under CAMELS inspection, a bank could attain high rating based on earnings, but if it was taking undue risks to achieve higher profitability, it could expose the bank to operational risks.

without the excise duty component. The panel has suggested a change in the base year of both WPI and IIP initially to 2009-10 and subsequently to 2011-12. The current base year for both the indices is 2004-05. The base year value is taken as 100 and the changes are calculated accordingly.

On the IIP, the committee has suggested updating the product mix annually to record changes in production trends. In a particular year, for instance, more basic mobile handsets could be manufactured, but the next year smartphones may takeover the assembly lines. So if the overall IIP is calculated with basic handsets in mind, it would not reflect the right picture. One of the major changes suggested vis-à-vis WPI is doing away with the excise duty component in the price of manufactured products. Currently, WPI is calculated on the basis of price plus excise duty minus premium or discount. But,

according to the recommendation, it will be price minus premium or discount.

Chaudhuri said the change in methodology will also help in using the WPI to deflate the value of output in the IIP, thus capturing the real rise in production. Taking the price without the tax component is significant, as manufactured products have a weightage of 64.97% in the WPI and

75.53% in the IIP. This approach will help policy-makers and the Reserve Bank get a better fix on real improvements in the industrial sector. The WPI also tracks prices in the wholesale market and determines the direction of interest rates. Both sets of data are released on a monthly basis. However, IIP data come with a one-month lag, while there is virtually no lag in the WPI numbers.

Minors above 10 years can operate accounts, ATMs: RBI

Taking its financial inclusion initiative to the next level, the Reserve Bank of India has allowed minors above 10 years of age to open and operate savings bank accounts independently and also use facilities like ATM and cheque books. The step is also to “bring uniformity in opening of such accounts in banks”, the RBI said. “Minors above the age of 10 years may be allowed to open and operate savings bank accounts independently, if they so desire,” the RBI said in a notification to banks.

“Banks are free to offer additional banking facilities like internet banking, ATM/debit card, cheque book facility etc., subject to the safeguards that minor accounts are not allowed to be overdrawn and that these always remain in credit,” the RBI said. Keeping in view their risk management systems, bank may fix limits in terms of age and amount up to which minors may be allowed to

operate the deposit accounts independently, the RBI said. The central bank had earlier permitted minors to open fixed and savings deposit bank account with mothers as guardian. Modifying the guidelines, the RBI said that all minors can now open a savings, fixed and recurring bank deposit account through either his/her natural guardian or legally appointed guardian. The RBI notification has omitted the condition “mother as guardian”.

Further, the banks can also decide on the minimum documents which are required for opening of accounts by minors. On attaining majority, the minor would be required to confirm the balance in his/her account. If the account was operated by the natural/legal guardian, fresh operating instructions and specimen signature of the minor should be obtained and kept on record for all operational purposes, the RBI said. According to RBI document,

considerable difficulty was experienced by women customers in opening bank accounts in the names of minors, with mothers as their guardians. Presumably, banks were reluctant to accept the mother as a guardian of a minor, while father is alive in view of Section 6 of the Hindu Minority and

Guardianship Act, 1956, which stipulates that the father alone should be deemed to be the guardian in such cases. "To overcome this legal difficulty... it was suggested in some quarters that the above provisions should be suitably amended," the RBI document said.

No penalty if minimum balance not kept in dormant bank account

The Reserve Bank of India has asked banks not to penalise account holders for not maintaining minimum balance in their inoperative accounts. The banking regulator had announced its intention in a recent policy statement. "It is advised that henceforth banks are not permitted to levy penal charges for non-maintenance of minimum balances in any inoperative account," RBI said in a circular issued to all commercial banks.

The central bank had said that it proposes to frame comprehensive consumer protection regulations based on domestic experience and global best practices in its annual policy statement in April. "Banks should also not take undue advantage of customer difficulty or inattention," said the governor's policy statement. "Instead of levying penal charges for non-maintenance of minimum balance in ordinary savings bank accounts, banks should limit services available on such accounts to those available to basic savings bank deposit accounts. But they should

restore the services when the balances improve to the minimum required level."

Basic savings bank deposit accounts are those that banks have mandated to offer without any minimum balance requirement. But such accounts can be used only for cash deposit and withdrawal; there are no other services such as cheque books. The central bank had also said that banks should limit the liability of customers in electronic banking transactions in cases where banks are not able to prove customer negligence.

It also said that banks should consider allowing their borrowers the possibility of prepaying floating rate term loans without any penalty. At present, each bank has its own policy with regard to non-maintenance of minimum balances. Among the many other initiatives, RBI has also directed banks to calculate interest rate paid on savings banks on the daily minimum balance instead of the earlier practice of paying interest on quarterly balances.

Don't levy pre-payment fee on floating loans: RBI to banks

In a major relief to retail borrowers, the Reserve Bank of India (RBI) directed banks not to levy any penalty on individual borrowers for pre-paying floating rate loans. The RBI measure is applicable only for individual borrowers, indicating that the same benefit is not applicable for corporate clients. "It is advised that banks will not be permitted to charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to individual borrowers, with immediate effect," the RBI said in a notification.

In the first bi-monthly monetary policy statement for FY15, the RBI had said banks should consider allowing their borrowers the facility of pre-paying floating rate term loans without any penalty in the interest. Some banks are charging pre-payment penalty of up to 2% of the outstanding loans. Two years ago, the RBI had barred banks from levying foreclosure charges or pre-payment penalties on home loans on floating interest rate basis.

Floating rate loans are popular in auto, personal and home loan segments. The Committee on Customer Service in Banks, headed by former Sebi chairman M Damodaran, had observed that foreclosure charges levied by banks on prepayment of home loans are resented upon by home loan borrowers across the board

especially since banks were found to be hesitant in passing on the benefits of lower interest rates to the existing borrowers in a falling interest rate scenario. As such, foreclosure charges are seen as a restrictive practice deterring the borrowers from switching over to cheaper available source. "The removal of foreclosure charges/prepayment penalty on home loans will lead to reduction in the discrimination between existing and new borrowers and competition among banks will result in finer pricing of the floating rate home loans," the RBI said. Though many banks have in the recent past voluntarily abolished pre-payment penalties on floating rate home loans, there is a need to ensure uniformity across the banking system, it said.

According to Damodaran panel, consumer organisations alleged that all bank charges are exorbitant and cited in particular the 'Average Quarterly Balance (AQB)' requirement and the penalties for non-maintenance of the same. Further, some of the charges levied by the banks could be deemed to be 'irrational'. Charges levied for the reason of no transaction in a quarter, collection of loan processing charge even in a case where the loan is not sanctioned and charges levied without any prior notice to the customer are examples of this. The organisations

also suggested that the RBI should prescribe a benchmark service

charge, with an operating band for each of the services.

The challenges to sell bad loans to ARCS

As the non-performing assets of banks mount, there is a readymade option to lighten up this burden in the form of Asset Reconstruction Companies (ARCs). They were formed to buy out distressed assets from banks and financial institutions and sell them at a reasonable price. But they haven't proved effective. Recently, the RBI has proposed new guidelines on early recognition of stressed assets, and fair recovery for lenders and investors.

ARCs were formed under Section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002, to help banks manage and recover NPAs by securitizing financial assets and empowering banks and financial institutions to take possession of the securities and to sell them without the intervention of the court. The Debt tribunal or civil courts present earlier were not

very effective and fast. So, ARCs were set up to enable faster recovery without the intervention of the court.

All the rights and privileges that banks have will be applicable to ARCs. If the case is already in Debt Recovery Tribunal (DRT), then we can substitute our name or we can ourselves file recovery suit in DRT if the bank had not already done it. However, there is one limitation. The maximum resolution period allowed by the RBI is five years, which can be extended up to eight years, if need be, with the approval of the Board. Banks can take any amount of time to recover bad loans under various routes. Under the Trust structure, if ARCs do not resolve the NPAs within the maximum period of eight years, the investment has to be written off. However, the resolution process will continue, said MD & CEO Arcil-India's first ARC.

Mann Deshi Mahila Bank Chetna Vijay Sinha wins the 2013 social entrepreneur of the year India award

The 2013 Special Entrepreneur of the Year (SEOY)- India award to Chetna Vijay Sinha, founder member of the Mhaswad, Maharashtra based all women Mann Deshi Mahila Sahakari Bank. The Schwab Foundation, a sister organization of the World Economic Forum, in partnership

with Jubilant Bhartia Foundation, jointly presented award.

Setting up a women's bank in rural Maharashtra was a daunting task in the 90s, and Chetna Vijay Sinha, Founder and Chairperson, Mann Deshi Mahila Sahakari Bank and Mann Deshi Foundation in Maharashtra's Satara District had

to battle many stereotypes. Finally, in 1997, the Reserve Bank of India issued the first licence for a rural women's co-operative bank. Sinha will be invited to join Schwab Foundation's global community of over 250 social innovators. The Mann Deshi Mahila Sahakari Bank and Mann Deshi Foundation run by

Sinha are working to create around 1 million rural women entrepreneurs across India by 2020. Over 200 applicants entered ninth annual social entrepreneur of the year selection process for India, and four finalists emerged after several stages of rigorous assessment.

RBI permits UCBs to assign 'zero' risk weight to advance guaranteed by Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH)

RBI / 2013-14 / 370
UBD.BPD.PCB.Cir No.37 /
09.22.010 / 2013-14 Nov.14,2013
RBI in its notification addressed to primary urban coop banks states as under:

“The Ministry of Housing and Urban Poverty Alleviation, Government of India has set up the Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH) vide their notification No.O-1703/122/2009-H dated June 21, 2012. On the issue of assignment of appropriate risk weight for loans guaranteed by CRGFTLIH, it has been decided as under:

i) Risk Weight - UCBs may assign

'Zero' risk weight for the guaranteed portion of the housing loan extended by them to eligible borrowers. The balance outstanding in excess of the guaranteed portion would attract a risk-weight as appropriate to the counter-party.

Provisioning - In case the advance covered by CRGFTLIH guarantee becomes non-performing, no provision need be made towards the guaranteed portion. The amount outstanding in excess of the guaranteed portion should be provided for as per the extant guidelines on provisioning for non-performing advances.

RBI cautions users of Virtual Currencies against Risks

The Reserve Bank of India has today cautioned the users, holders and traders of Virtual currencies (VCs), including Bitcoins, about the potential financial, operational, legal, customer protection and security related risks that they are exposing themselves to. The Reserve Bank has mentioned that it has been looking at the

developments relating to certain electronic records claimed to be “Decentralised Digital Currency” or “Virtual Currency” (VCs), such as, Bitcoins, litecoins, bbqcoins, dogecoins etc., their usage or trading in the country and the various media reports in this regard.

The creation, trading or usage of VCs including Bitcoins, as a medium for payment are not authorised by any central bank or monetary authority. No regulatory approvals, registration or authorisation is stated to have been obtained by the entities concerned for carrying on such activities. As such, they may pose several risks to their users, including the following:

- ▶ VCs being in digital form are stored in digital/electronic media that are called electronic wallets. Therefore, they are prone to losses arising out of hacking, loss of password, compromise of access credentials, malware attack etc. Since they are not created by or traded through any authorised central registry or agency, the loss of the e-wallet could result in the permanent loss of the VCs held in them.
- ▶ Payments by VCs, such as Bitcoins, take place on a peer-to-peer basis without an authorised central agency which regulates such payments. As such, there is no established framework for recourse to customer problems / disputes / charge backs etc.
- ▶ There is no underlying or backing of any asset for VCs. As such, their value seems to be a matter of speculation. Huge volatility in the value of VCs has been noticed in the recent past. Thus, the users are exposed to potential losses on account of such volatility in value.
- ▶ It is reported that VCs, such as Bitcoins, are being traded on exchange platforms set up in various jurisdictions whose legal status is also unclear. Hence, the traders of VCs on such platforms are exposed to legal as well as financial risks.
- ▶ There have been several media reports of the usage of VCs, including Bitcoins, for illicit and illegal activities in several jurisdictions. The absence of information of counterparties in such peer-to-peer anonymous/ pseudonymous systems could subject the users to unintentional breaches of anti-money laundering and combating the financing of terrorism (AML/CFT) laws.

The Reserve Bank has also stated that it is presently examining the issues associated with the usage, holding and trading of VCs under the extant legal and regulatory framework of the country, including Foreign Exchange and Payment Systems laws and regulations.

Need for more specialized banks to promote financial inclusion, says Nachiket Mor

Nachiket Mor, Chairman of the RBI's committee on financial inclu-

sion, has strongly defended the need to have specialised banks

compared to new full service banks. He said the idea of financial inclusion will be better served in the medium term if specialised banks like the payments only bank and lending only banks are allowed to flourish.

Mor said his committee's recommendations are building on what is already happening in the financial inclusion space in the country. While conceding that new banks and large banks are of course required to solve the problem of financial exclusion quickly, Mor said existing payment providers and business correspondents should be given more freedom. Mor, who is also a director on the RBI's central board, said that non-banking financial companies (NBFCs) have a very important role to play in financial inclusion.

"Despite the public perception that NBFCs are poorly governed, the fact is that their cost structure is much more superior to that of banks...Even their NPAs are so low compared to banks even in the same geographies that both operate in," he added. He said that while drafting the report, they came across instances where some cooperative banks were very poor

lenders but had huge customer deposits. He asked, "why not make such banks more sharply focused on collecting deposits and making payments when it is obvious that they cannot do both?"

He said that banks should also be allowed to open accounts on the basis of know-your-customer verification done by mobile companies, if such companies or their subsidiaries are allowed to become a payments bank. There are approximately 70 crore unique mobile subscribers in India. The recommendations of the committee on financial inclusion have yet to be notified by the RBI. According to KC Chakrabarty, Deputy Governor, RBI, the regulator will accept everything that is viable from the recommendations.

Nachiket Mor, said the postal bank model had been a success globally. In a report by the committee, Mor had advocated differentiated banks and a new structure for priority sector lending. While India Post had applied for a bank licence, there are differences within the government on whether the entity should be allowed to enter the sector.

Changes in ARDBs

- | | |
|---|--|
| <p>i) Shri Avdhut A. Tanksali (I/C), has assumed charge as Managing Director of the Goa State Cooperative Bank Ltd., w.e.f. 2nd May, 2014.</p> | <p>ii) Shri A.K. Chavhan, has assumed charge as Liquidator of the Maharashtra State Coop. Agriculture Rural Multipurpose Dev. Bank Ltd., w.e.f. 27th May, 2014.</p> |
|---|--|



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(As on 31.03.2012)

(As on 31.03.2013)

| | | |
|------------------------------------|---------------------|-------------------|
| • Paid up Share Capital & Reserves | : ₹ 7425.37 lakhs | ₹ 9071.97 lakhs |
| • Deposits | : ₹ 118361.93 lakhs | ₹ 133496.14 lakhs |
| • Loans & Advance | : ₹ 42223.38 lakhs | ₹ 61498.25 lakhs |
| • Investments | : ₹ 47239.12 lakhs | ₹ 53578.70 lakhs |
| • Money at Call & Short Notice | : ₹ 41609.52 lakhs | ₹ 36055.34 lakhs |
| • Net Profit | : ₹ 1117.82 lakhs | ₹ 1451.51 lakhs |
| • Working Capital | : ₹ 145392.22 lakhs | ₹ 163452.92 lakhs |

Our Banking Products & Services

- | | |
|---|---|
| <ul style="list-style-type: none"> • Current Deposits • Savings Bank Deposits • No Frills Savings Deposits • Fixed Deposits • Recurring Deposits • Monthly Income Deposits • Double Benefit Scheme • Cash Certificates • Fixed Deposit linked with RDs • Housing Loan Linked Deposits • Children Education Deposits • Crop Loans for Agriculture through KCC / SHG / JLG Cooperatives • Term Loans for Agril. & Allied Agriculture • Aquaculture Development One Thousand Ponds Scheme • Loans for Housing / Housing Complex • Loans for SRT0 | <ul style="list-style-type: none"> • Consumer Durables Loans • Loans to Technocrats & Professionals • Loans to educated unemployed youths • Cash Credit & Overdraft Facilities • Loans for Children Education • Loans for women through WDC Cell • Integrated Village Development Scheme • Term Loan for Tourism Development • Personal loan to salary earners • Bank Guarantee • Safe Deposit Lockers & Other Ancillary Services • Loans to Tribals under NSTFDC Schemes • Loans to Physically Challenged under NHFDC |
|---|---|

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AGRICULTURAL NEWS

A simple, low-cost unit for manure production

Present day intensive agricultural practices depend largely on external inputs such as fertiliser and pesticides. But the inputs do not come for free. They are priced high and the rising production costs and negative impact on the soil environment have been leading several farmers to think of alternate practices that are environmentally safe and sustain soil fertility. "For getting a good yield the soil must be fertile. To maintain or restore the soil back to health is a time consuming but must practice for farmers. The soil is home to millions of beneficial microorganisms that aid plant growth. There is no use of dumping chemicals in the field killing these beneficial organisms and expecting a bountiful yield," says Dr. P. Alagesan, Programme Coordinator, Myrada, Gobichettipalayam, Erode District.

The need of the hour therefore is to make a conscious move towards sustainable practices that do not affect the environment and at the same time help growers to get a good yield. Thulasiammal Farm near Chennimalai in Erode is nearly 20 acres large. The manager of the farm Mr. A. Alagesan is an innovative progressive farmer in organic farming practices and is credited to have developed an effective liquid manure manufacturing technology from cow dung and cow urine. Labelled as a manure factory this

technique is presently a huge hit among farmers in the region.

A 200 litre plastic barrel and three plastic gate valves are the requirements. Two quarter inch plastic gate valves are fixed one about a quarter inch below the top of the barrel and the second a quarter inch above the bottom. The third one inch valve is fixed behind the barrel at the bottom. Fresh desi cow dung and urine should be mixed well with 10 parts of water in the barrel and allowed to ferment for a day. Add one kg of jaggery for the next day along with decomposed fruits, vegetables or practically any vegetative matter available in the farm. Close the mouth of the barrel using a thin piece of cloth to prevent mosquitoes or other insects from laying their eggs. "Only indigenous cow dung and urine must be used because the microbial activity in local cow waste is more than in other cross bred animals," says Mr. Alagesan. Leave the solution undisturbed for a week. After a week farmers can use this solution by opening the valve at the top and allowing fermented liquid to flow freely along with irrigating water or through drip irrigation.

Once in ten days water must be added to increase the solution level in the barrel and can be used. Every 20-25 days the barrel must be cleaned and the sediments allowed to wash out by opening the valve at the back. Apart from reduction in cost of

cultivation, this technology increases the water holding capacity of the soil and improves

the beneficial micro organisms present in the soil.

Nematode management in polyhouses

Polyhouse technology for growing high value crops is gaining popularity among the farmers of Tamil Nadu. But the soil conditions are highly conducive for nematode infestations of the crops. The most economically important nematode is root-knot nematode. This nematode causes characteristic galls in the roots resulting in damages and dislocation of xylem vessels which impair the movement of water and minerals. The characteristic symptoms are stunted growth and formation of small and chlorotic leaves.

In most cases, problems arise from contaminated soil or soil mixture used as a component of the growing medium, monocropping and infested planting materials. Commonly followed nematode management practices such as summer ploughing, fallowing and crop rotation which are meant for nematode suppression in field crops are not practicable in polyhouses. Therefore, nematode management here must be considered primarily as exclusion or avoidance. Once nematodes are introduced it is difficult to manage them.

Electricity generation from cattle waste

A project for electricity generation for cattle during is being run at the Guru Agad Dev, Veterinary & Animal Sciences

Some measures

- Drenching the soil with 0.5% formalin at 100 ml/kg soil followed by covering with polythene tarps for two weeks before sowing/planting.
- Growing cowpea (trap crop for root-knot nematode) closely to the main crop and removing the plants out of polyhouse at 45 days after sowing.
- Raising marigold (antagonistic to nematodes) and incorporating in situ after plucking flowers.
- Adding well decomposed farm yard manure at rate of 20 tonnes per hectare to enrich soil.
- Incorporating neemcake at 250 kg/ha soil two weeks before sowing/planting.
- Filtering irrigation water using mesh sieves before usage.

Applying *Pseudomonas* fluorescence/*Trichoderma viride* @ 2.5 kg/ha mixed with 50 kg farmyard manure ten days before sowing/planting and use chemical pesticide like carbofuran 3G at rate of 1 kg/ha

University, Ludhiana. The University has been encouraging farmers to use cattle dung for both bio gas generation and electricity

production. As a demo model the University set up a plant with a capacity of 4,500 kg (daily) cattle dung in its campus for farmers to see for themselves.

As of now the plant generates 240 KW hours of energy daily and with this a 40 KW bio gas operated generator is being run for six hours daily to produce electricity. The electricity is being used for chaffing green fodder, machine milking; operating the fans, coolers and foggers installed inside the animal sheds. The waste slurry obtained from the bio gas plant is used as

manure for crops. The slurry is a better fertilizer than the farm yard manure for crops. A tractor operated vacuum tank of 8,000 litre capacity removes the slurry from the unit and spreads it on the fields. This results in more green fodder yield and reduced dependence on chemical fertilizers for growing the crops.

The Ministry of renewable energy is giving a subsidy of ₹8 lakhs for such projects and the Punjab Dairy Development Board is also giving a subsidy of ₹3.5 lakhs for farmers interested in setting up such units.

TomTato: A plant that can grow tomatoes, potatoes

A bizarre new plant which produces cherry tomatoes and potatoes at the same time has been launched in the UK. The hybrid plants 'TomTato' are not genetically modified but entirely natural, according to the Ipswich-based horticultural firm Thompson and Morgan.

The makers even claim that the tomatoes from the plant are tastier than most shop-bought tomatoes. Many of these plants created by a technique known as grafting has been created before but taste had previously been a problem, said Guy Barter, of the Royal Horticultural Society.

"It has been very difficult to achieve because the tomato stem and the potato stem have to be the same thickness for the graft to work," Paul Hansord said. It is a very highly skilled operation. We have seen similar products, however on closure inspection the potato is planted in a pot with a tomato planted in the same pot our plant is one plant and produces no potato foliage," he added. The firm said the plants last for one season and by the time the tomatoes are ready to picking. The potatoes can be dug up.

Caring for mulberry nurseries: some tips

Mulberry is propagated mainly through saplings obtained from disease-free nurseries. When mulberry cuttings are planted in nurseries, several soil borne pathogens cause various diseases.

Stem-canker, cutting-rot, collar-rot and die-back are the major nursery diseases, which cause more than 30% mortality of cuttings and saplings in nursery.

For destroying the various soil borne pathogens during summer months, the land selected for nursery preparation should be deeply ploughed and solarised by covering the plots with transparent polythene sheets for about a month. If soil is infested with nematode/ root rot pathogens soil fumigation should be done with Durofume (Ethylene dibromide + methyl bromide, 1:1) at rate of 9 ml / lt. Application of Organophosphate and Carbamate nematicides like Furadan 3G (Carbofuran) at the rate of 4.0 kg or Rugby 10G (Sebufos) at the rate of 3.0 kg/acre of nursery bed is recommended.

The farm implements used in nursery preparation should be dipped in Kerosene or 5% formaldehyde solution before next use. For avoiding occurrence of soil borne diseases, a bioformulation

nursery guard should be applied. One kg of nursery guard is mixed thoroughly with 60 kg of well-decomposed farmyard manure (sufficient for 2,000 stem cuttings) and added to 10-12 litres of water to maintain the 15-20% moisture. The mixture is stored under the shade for one week by covering with gunny cloth to enhance the multiplication of trichoderma colony. It is then broadcasted in nursery beds at the rate of 2 kg/m and incorporated into the soil by light digging before planting the cuttings. Planting material from healthy plots only should be used.

Weed removal :- Stem-cuttings should be soaked in 0.2% Dithane M-45 for half an hour before plantation in nursery beds. Weeds around the nursery beds should be periodically removed and properly disposed of.

A sustainable model for small and marginal ryots

Adilabad is one of the largest cotton growing districts in the country. As a consumption oriented development model took root, small farmers in the region took to cultivating cash crops like cotton, to meet social needs beyond food requirements. However, over the last two decades, hunger for higher cotton yields gradually transformed into a monocropping culture, in which farmers completely stopped growing food crops and were growing only cotton, making Adilabad one of the largest cotton

growing districts in the country.

The monocropping culture severely compromised on food security of small farmers. In the years when crops failed, they were left with no cash and had to depend on money lenders. Debts kept piling, pushing many farmers over the brink. Today the region is a farmers' suicide hotspot, according to him. However, in this narrative of loss and despair there is a story of hope that stands up like a candle in the dark. Like many others a tribal farmer Madavi Mahadu Patel in the

village detested the use of chemicals but was forced into the system. Productivity of his land was declining every year and yields were low. Traditional wisdom and common sense told him that organic life in soil was critical for healthy growth of crops. But the extension system was telling him otherwise. It was a time when farmers in neighbouring villages were committing suicides. The alarm bells were ringing loud and clear.

In 2004 as part of a Supply Chain Intervention Programme, Chetna Organic initiated activities in neighbouring Choupanguda village, organising farmers into self-help groups (SHG) and offered socio-technical and marketing support for organic cotton. Chetna was organising Farmer Field Schools (FFS) training, workshops, field days and demo plots to encourage farmers to take up soil and water conservation measures, diversified cropping and mixed cropping practices where food crops like jowar, paddy, red gram, vegetables, maize, green gram and others could be grown alongside cotton.

Mr. Patel was curious to know how realistic this approach was. Apparently, this initiative seemed to address all his concerns no chemicals, improved soil fertility, low input costs, good income and food security for the entire year. Interested, he attended the

trainings, and what began as curiosity, transformed into a conviction making him join Chetna Organic in 2005 as a member farmer. Today, his seven acre field is a manifestation of Chetna's vision. In six acres he has created a model that can teach the world what sustainable agriculture means, and how it can change the script for farmers with small holdings. In four acres, following intercropping and mixed cropping patterns, the farmer grows a combination of food crops and cash crops like cotton, wheat, maize, groundnut and millets like jowar and sorghum. Legumes, vegetables like tomato, brinjal, chilli, gourds, beans, onion, garlic and leafy vegetables and oil seed crops are grown organically.

In one acre teak and henna are planted. In the remaining acre mango, guava, custard apple, berries and orange are grown. Glyricidia, pongamia and neem are also grown for mulching into the soil for biomass. Mr. Patel has devised a strategy to ward off contamination from hybrid cotton crops to the ones grown in his field, an approach he feels is critical to market his cotton at a higher price. He has created layers of shields, restricting the cotton crop to the inner circle of the farm and surrounded it with trap crops like castor, okra and marigold. In the second circle he grows vegetables and other crops and in the

outermost periphery he grows trees like Teak. This strategy has worked

well for him and there has been no contamination issue.

Management of rice leaf folder pest

Two major limiting factors in rice cultivation are adverse weather and pest epidemics. Yield loss due to insect pest attack in rice cultivation is considerably high. Among the pests attacking rice, leaf folder causes much damage between 30 and 60 days after transplanting. Before the introduction of high yielding and nitrogenous responsive varieties this pest was sporadic in most of the rice growing tracts.

With the expansion in rice area due to modern agricultural practices, high yielding varieties and indiscriminate use of nitrogenous fertilizers the pest has now attained major status. Cloudy weather with low sunlight favours pest build-up. In case of severe infestation, the leaf margins and tips became dry and crop gives a whitish appearance. The damage is more conspicuous during active tillering to booting stage. Flat oval yellowish eggs are laid singly or in pairs on the under surface of tender leaves. The eggs hatch within 4 to 7 days.

Larvae are yellowish green with dark brown heads and turn into

actively moving caterpillars. They pupate in loosely woven silk threads inside the leaf roll. Adult moth emerges in 6 to 8 days. It is yellowish brown with several dark wavy lines on the wings.

Management:-

Split the fertilizer application during the growing season and apply nitrogenous fertilizer judiciously. Remove grassy weeds to prevent the buildup of rice leaf folders which act as the alternative hosts. Release the egg parasitoid *Trichogramma chilonis* at 5 cc/ha on 37, 41 and 51 days after transplanting. Spray any one of the following insecticides: cartap hydrochloride 50% SP at 2 gm/lit or profenofos 50 EC at 1.5 ml/lit or chlorpyrifos 20% EC at 2 ml/lit or indoxacarb 15.8 EC at 0.7 ml/lit or azadirachtin 10,000 ppm at 2 ml/lit of water. Add sticking agent at 1 ml per litre of water. Avoid excess application of carbofuran and phorate as far as possible as these will result in resurgence of the pest.

A group of farmers have come up with their own brand '5aab'

A Cluth of farmers of Phidde village in Ferozepur district have come up with their own brand of organic products '5aab', an obvious reference to Punjab which

means a land of five rivers. It is the brainchild of the Farmers' Food Processors Society that was formed three years back. They sell their products, the main attraction being

low-sugar flour, in a mandi board shop located in Moga.

Gurbinder Singh Kang, a Canada-based NRI who settled back in his native village about three years back is the president of the society. "This herbal flour is made of 60% of organic wheat while the rest are guar, bitter melon, black gram, moong, soyabean, fenugreek, choker, rose petals, jamun seeds, bajra and a few more herbs. We have priced this flour at ₹50 a kg and to our surprise, we are selling about 100 bags of 5 kg each daily," says Kang. "This flour is the best for diabetic patients. We are preparing it on our own. Most of the herbs are grown by farmers while a few come from Rajasthan."

A branded wheat flour in the

market comes in the range of ₹27-30 a kg. Kang justifies the higher price of their brand of wheat by saying that herbs add to the cost. Besides wheat, the society also sells pulses, squash varieties, pickles, mustard oil, milk and milk products, besan, spices, etc. Chamkaur Singh, a farmer from Ghoolia village in Moga, says, "We have tie-ups with farmers' societies in Hoshairpur and in other parts of Ferozepur as well. We keep exchanging our products so as to add varieties." Singh said they had done farming on about 1,000 acres with wheat 1582 variety and are now looking at the response. More farmers have joined hands and this time the area under organic wheat will expand, he added.

Integrating poultry, fish and rice to triple income

Instead of growing only a single crop, farmers can try and diversify agricultural activities like dairy, bio-gas, mushroom, fish, poultry, silkworm rearing, or apiary along with crops to get a higher income. This also helps in effective recycling of waste products from the animals and birds as manure for crops and cuts down input cost to a major extent.

The feasibility of such a model integrating rice/fish and poultry was taken up by Annamalai University, Tamil Nadu, and its impact on the farmers' lifestyle is being studied for the last 15 years. It was found that the model, apart from being helpful in generating

some revenue, also helps in weed control by 40% and pest incidence by 30% in paddy crops. "The model was field tested in different villages during 2004-07. At present it is being implemented in Cuddalore, Villupuram and Nagapattinam districts. Nearly 600 farmers have adopted this model in the last five years, and the annual income of these small cultivators has gone up from ₹30,000 (only crop cultivation in 1-2 acres) to ₹60,000," says Dr. R.M. Kathiresan, Professor and Head, Dept of Agronomy, Faculty of Agriculture, Annamalai University.

Resource-poor farmers adopting low input agriculture are the main beneficiaries of this system. The

simple reason is that it offers multiple benefits like bio-control of pests, infestations, weeds, and better crop growth because the fish feed on the pests and insects attacking the rice plant and poultry droppings are constantly washed into the field making it more fertile and conducive for healthy crop growth. Replicating this model is quite easy, according to him. For example in an acre (100 cents) beneficiary farmers are growing paddy in 90 cents. In five cents they grow fishes like grass carp, common carp, rohu, cutla in a trench (one feet depth and width) on one side of the field. In the remaining five cents poultry cages propped up on concrete poles are erected fitted with wire meshes. The

cage is erected in such a way that a part of the cage is above the water-filled trench and the remaining part over the paddy crop.

A part of the bird droppings falls directly into the water as feed for fishes and the remaining on the fields as manure for the crop. During single rice cropping season (about 5-6 months) poultry can be reared three times. Common NPK fertilizer schedule for rice is being followed as basal input, but farmers are cautioned not to practice split application of the chemical fertilizers as it may affect good fish growth. Also as plant protection measures, neem kernel extract is used instead of spraying chemical insecticides.

A machine for dehulling millets

Dehulling (removal of husk) millets is a difficult task owing to its small size and husk. Without husk removal, it is impossible to explore the full potential of the grains. Traditionally, women do this unpleasant, laborious and inefficient hard work. Manually a woman with a pestle and mortar can dehull about 1.5 kg per hour providing a non-uniform poor keeping quality kernel.

The dry, moistened or wet millet grain is normally pounded with a wooden pestle in a wooden or stone mortar for making flour which is slightly wet due to moisture. Aiming to eliminate this drudgery the Central Institute of Agricultural

Engineering (CIAE, ICAR), Bhopal has developed a machine for millet processing. The machine has a capacity of grinding 100 kg in an hour at 10-12% moisture content. It operates with one horse power single phase electric motor and can process even one kg of grains. The separation of the husk is simultaneous with a suction arrangement and cyclone separator attached to the machine.

It is suitable for dehulling foxtail, little, kodo, proso and barnyard millets and is provided with provisions to adjust between the dehulling surfaces to suit the different sizes of minor grains. The dehulling efficiency of the machine

is about 95% and is priced at ₹50,000. It is eco-friendly, because it does not allow the dehulling husk mass to escape into the air directly and is gently trapped and collected. While being operated the noise

pollution is kept under control unlike other hulling machines that produce a lot of sound. It does not require any hard labour and is worker-friendly.

University of Agriculture Sciences, Bangalore develops new varieties

Scientists at the University of Agricultural Sciences Bangalore, have developed new variety of rice (paddy) KRH-4. "The new variety has shorter duration of 130-135 days and has higher yield of 7-8 tonnes per hectares compared with traditional variety which has 150 days and 4-5 tonnes per hectare yield," M.A. Shankar, Director Research, UAS-B.

"The new variety of paddy has also advantage of higher straw of 8-9 tonnes per hectare and is suitable for irrigated situations," he said. The university also has developed new improved crop varieties in hybrid chilli (KBCH-1). This new variety offer higher yield of 35 tonnes per hectares (green chillies) compared with 25-30 tonnes per hectares and is tolerant to anthracnose, bacterial wilt and powdery mildew diseases.

Community managed system sows the seeds of success

Like many other farmers across the country, preserving and using seeds is a major issue for Andhra Pradesh groundnut cultivators. In Anantapur district, farmers mostly grow groundnut. The crop diversity in this region earlier included many

New variety of ragi (KMR-204), according to Shankar has 104 days duration and has yield of 35-40 quintal per hectares in irrigated condition and 30-35 quintals per hectare in rainfed conditions.

The UAS-B is also releasing pigeon pea (BRG-10-2) which has yield of 14 quintals per hectare and is suitable for late planting and delayed monsoon conditions. Sesame (GT-1) shorter duration of 86 days has yield of 6.2 quintal per hectares and oil content of 54%. Vegetable Cowpea (AV-5) has 16% higher yield than PKB-6 with 9.6 tonnes per hectares and is suitable for August-September and January-February sowing. It is resistant to bacterial leaf blight and rust. Fodder oats (OS-6) has yield of 285 quintal per hectare and contains 4.48 quintal of crude protein and leaf to stem ratio: 0.43.

dry land crops like sorghum, finger millet, pearl millet, foxtail millet and groundnut. Farmers used to grow various crops and groundnut was alternated between red gram, coriander, sesame, sorghum and finger millet. But over time,

groundnut became a major crop in the region due to its commercial value.

Farmers could raise only one good crop every three years. Being already in debt they sold off the harvested nuts for repaying loans and other expenses rather than preserving the seeds for next season. Also, absence of proper storage facilities posed a serious problem; many felt that the seed from the same land will not grow well if sown for the next season. Subsidised government seeds are available at half the price in the market so farmers preferred to buy those seeds rather than save some for themselves. Every year soon after the monsoon season farmers start to queue up for buying subsidised seeds from Government cooperatives. Each farmer has a passbook which he needs to show in order to get the seeds. Very often, a farmer ends up making at least three to four trips to the town to buy the seeds.

In 2006-07, Centre for Sustainable Agriculture (CSA), Hyderabad and Rural Environment Development Society (REDS), Kadiri, initiated groundnut seed production through women self help groups as part of the 'Community Managed Sustainable

Agriculture' programme in different villages. Different farmers' groups took responsibility for managing the entire programme. However, seed subsidy could not be extended as the Department of Agriculture was not ready to support farmers own seeds. In 2011 another initiative, a community managed seed system (CMSS) was started in partnership with WASSAN (Watershed Support Services Network) a Hyderabad based NGO with the objective of meeting the requirements of both seed producers and consumers. The programme was started in 2011 during rabi season to supply seeds for 2012 kharif. The foundation seed was supplied with 50% subsidy from the department of agriculture.

The Government agreed to facilitate the process of exchanging the seeds at farmers' level and extended subsidy for them. The seed production, supply and distribution, administration are localized within a cluster of villages where the overall control is by the farmers. This model helped many growers get access to good quality seeds at affordable prices and also saved enormous expense for the Government.

Management of pod borer in pigeonpea

Pigeonpea is one of the most important grain legume crops of tropical and subtropical environments. More than 200

species of insects live and feed on pigeonpea, though relatively few cause heavy annual yield losses. Among the important insect pests,

podborer has become serious production constraint in pigeonpea.

The caterpillars destroy buds, flowers and pods. Larva feeds on pods by making holes, and is seen feeding with the head alone inside and rest of the body hanging out. If flowers and pods not available, larvae will feed on foliage also. Medium sized light brown moths measuring about 40 mm across the wings have a dark speck and dark area on the forewings. Hind wings are light in colour with a dark patch at the outer end.

Management:

- Summer ploughing to expose the hidden stages of the pest to natural predation.

- Installation of *H. armigera* pheromone traps at 3-4 traps /acre.

- Fixing of bird perches with branched tree twigs to attract predatory birds for insect

predation. Sow redgram mixed with pundi or local sorghum for attracting birds.

- Hand collection of grownup larvae of the pod borer by manually shaking the plants and dislodging them.

- First spray can be taken up with Thiodicarb 75 WP 0.6 g or Profenophas 50 EC 2 ml or methomyl 40 SP 0.6 g per litre of water to control eggs

- Second spray with spraying of 5% neem seed kernel extract

- Third spray with viral pesticide, HaNPV at 100 LE /acre along with 0.5% jaggery and 0.1% boric acid.

If the infestation is severe, new insecticide molecules like 0.3 ml indoxacarb 14.5 SC or 0.1 ml spinosad 45 SC or 0.75ml Navaluron 10 EC or 2.5ml chlorpyrifos 20 EC can be applied. For one hectare area around 500 litres of spray solution is recommended.

A special feed increases milk yield in cattle

Unlike full time agriculture, dairy farming alone does not prove to be financially rewarding. The main reason is the feed cost which burns a big hole in the pocket. Availability of dry straw and green fodder is a must, all through the year for dairy animals. Especially during summer or when the monsoon fails, it is common for cattle owners in Kerala to try sourcing paddy straw at a high price from nearby states such as Karnataka or Andhra Pradesh. And

providing commercial feeds all round the year are just not financially feasible for a small farmer. Against this backdrop a new type of cattle feed that can also be used for small ruminants like goats called TMR (Total mixed ration) has been introduced in Aluva, Kerala, on a very small scale.

“TMR feed concept is an old one being practiced in large farms across U.S. and some other foreign countries. I came to know of this feed while I was working in Jaipur,

Rajasthan. "One of the specialists working there had given this idea/formula to a progressive farmer and shared this information with me and I took it further from there," says Dr. R. Unnikrishnan, Veterinary Surgeon, Animal Husbandry Department, Govt of Kerala. TMR helps in enhanced milk production, quality, good reproductive health and overall physical condition of an animal. Animals fed with this ration require only small quantities of green fodder or dry straw as supplements. Each mouthful of TMR feed that an animal consumes contains the right amount of ingredients for a balanced ration. For animals fed with this special ration it has been observed that the milk production increases to five per cent more than those fed with commercial or conventional feeds.

Also there is no question of overfeeding. In conventional or commercial feeds, a farmer may not know whether he is overfeeding or

underfeeding his animal, according to Dr. Murlidharan Nair, former Assistant Director, Govt of Kerala, Thiruvananthapuram. Priced at ₹17 a kg, it is a complete feed by itself. There is no need for any extra supplement. However green grass is a must for the animals along with this feed. An animal weighing 300 kg and yielding 20 litres of milk per day requires 13-14 kg of TMR and 5 kg of green fodder. "In Western countries green fodder is mixed well with TMR and used. But here in India the scenario is different. Green fodder is not mixed because it affects the 'keeping quality' of the feed and reduces its shelf life," says Dr. Unni. Some of the ingredients that go into making of this feed include ground nuts, sesame, red gram along with molasses, toxin binder, salt and vitamin mineral mixtures. When given as feed the animal cannot consume more or less thus limiting expense for a farmer.

Controlling giant African snail menace

The Giant African Snail *Achatina fulica* is an exotic pest introduced from East Africa to India in 1847 itself. It is very active during monsoon, nocturnal in behaviour and damages crops like papaya, brinjal, beans, okra, cole crops, areca nut, rubber buds, coffee seedlings, orchids, etc. The snail eats the leaves, stems, fruits and flowers of host plants causing severe damage to the young saplings especially in nurseries. It

also contaminates leafy vegetables with its excrement. It frequently climbs on papaya and banana plants and clings on the leaf surface thus interfering with cultural operations and affecting the aesthetic value of kitchen gardens and roof gardens too.

This snail is a hermaphrodite and lays 50-200 yellowish eggs on soil surface. Hatching takes place in about a week's period and the young ones grow up to a year and

reach sexual maturity. The life span of this snail is 3-5 years. And those hatching towards the end of rainy season take a long time to mature as they undergo hibernation and aestivation.

Management:

- The locations of hiding places and snails are to be destroyed.
- Hand collection and destruction will be effective during early phase of infestation.
- Cut pieces of papaya stems may be placed for attracting and trapping the snails.
- Use wet gunny bags and papaya leaves as bait to collect

and destroy them.

- Marigold can be raised as trap crop around vegetable fields.
- Lime or bleaching powder may be sprinkled in the infested area.
- Common salt may also be spread on the snail infested area. Predatory snails, hermit crabs and millipedes are found to feed on this snail and check the increasing population.
- Spread the bait mixture of rice bran and metaldehyde (5%) to cover the paths of snails or sprinkle 5% metaldehyde pellets around the infested plants.

Management of canker infestation in citrus

Acid lime variety is highly susceptible to citrus canker. Yield losses range from 5 to 30%, depending upon the variety. The disease attacks seedlings and grown up trees. In young plants in the nursery, the disease causes serious damage. Badly cankered leaves fall down and in serious infestation the entire plant dies. The disease affects leaves, twigs, thorns, older branches and fruits. On the leaves the disease first appears as a small, watery, translucent yellow coloured spot. As the spots mature, the surface becomes white or grey in colour and finally ruptures in the centre giving a rough, hard, corky and crater-like appearance.

The infection spreads to the fruits on which spots are formed.

The cankers may be scattered all over the surface or several cankers may occur together forming an irregular scurfy mass. Gumming is sometimes associated with spots on fruits. Canker has never been observed occurring naturally on roots of even badly diseased trees. However the disease has been found on grape fruit roots exposed above ground surface.

Management:-Dropped off canker affected leaves and twigs should be collected and burnt. Disease-free nursery stocks should be used for planting in new orchards. The plants before planting in new orchards should be sprayed with Bordeaux mixture 1.0%. In old orchards pruning of affected plant parts before the onset of monsoon and spraying with Bordeaux

mixture 1.0% at periodical intervals depending upon weather conditions controls the disease. Spraying should be done immediately after the appearance of every new flush of leaves. The

vigour of the plant should always be maintained by proper fertilization and irrigation. Manuring should be done in such a way that its maximum effect is felt during wet weather.

A smooth, efficient, low cost silk cocoon deflosser

A study by Jagadguru Sri Shivarathrishwara (JSS) KVK (Krishi Vigyan Kendra) in Nanjanagud Taluk, Mysore revealed a steady decline in mulberry cultivation area in Mysore district. The decline was from over 15,000 hectares in 1998 to just about 1,500 hectares in 2013 nearly 90%. This drastic slide has been attributed to fluctuation in cocoon prices and also non-availability and high cost of skilled labourers who remove the outer floss of the cocoons before sending them to the market.

The outer layer of the cocoon is usually covered by a thin, loose layer of floss which hides the cocoon's beauty. Removal of this layer is an important process before farmers take the product to the market. The problem is more pronounced in white cocoons (bivoltine) than in yellow cocoons (cross bred worms). "Cocoons from silkworm rearing are the end products in sericulture which fetch a regular income. Traditionally silkworm farmers used to defloss the cocoons by hand before sending them to the market. The way a cocoon looks is quite important to get a good price from the reelers,"

says Mr. Arun Balamatti, Programme Coordinator, JSS Krishi Vigyan Kendra, Suttur.

Though there are some cocoon deflossing devices available in the market today, their cost is quite high and the efficiency leaves a lot to be desired. An innovative sericulture farmer, Mr. Malaih from Alambur munti, in Nanjangud taluk, Mysore district has developed a simpler and cheaper device for this process. Initially he fitted a 10 mm iron rod to a table and connected it to a bicycle. By peddling the cycle the rod can be rotated which in turn would defloss the cocoons. As this machine required labour for peddling, Mr. Malaih thought of powering this with a 0.25 HP motor and improvised on the machine by attaching a wire mesh.

Not all cocoons are of the same size in a batch as cocoons come in different sizes. So the farmer tried using a 6 mm stainless steel rod and found after some trials that it runs well without getting stuck. Says the farmer about his machine, "It is simple to operate, portable and can remove about 80 kg of floss a day." Advantages of the device developed by the farmer over the

ones presently available in the market are: it is easier to operate and saves times since it has double the capacity i.e., it can defloss 80 kg of cocoons compared to 40 kg by other machines. It is smooth and steady in its operation and there are

no stoppages while operating. It is available at a price five times lesser than the ones in the market with double the efficiency. It is motor-operated and even unskilled persons can operate this device easily, according to Mr. Balamatti.

Management of chilli thrips and mites

Chilli (*Capsicum annuum*) is one of the important vegetable and commercial spice crops grown throughout the tropics and warm temperate regions of the world. Although there is a scope to enhance the productivity of chilli, a number of limiting factors have been attributed for the low productivity, among which, the damage caused by insect pests and mites is of paramount importance. More than 293 insects and mite species attack the crop in field as well as storage. Amongst these, the thrips, *Scirtothrips dorsalis* and yellow mite, *Polyphagotarsonemus latus* are the most important.

These have become regular pests of the crop in traditional chilli growing tracts, known for monocropping resulting in the qualitative and quantitative crop loss. The indiscriminate use of insecticides has led to insecticide resistance, pest resurgence, environmental pollution besides upsetting the natural ecosystem. Further the presence of pesticide residues in chillies is a major non tariff barrier against export.

Chilli thrips and mites,

characterised by relatively short life cycles, can complete several generations on a crop. Adults and nymphs of these pests suck sap from the leaves and growing shoots. Affected leaves curl upwards and downwards resulting in damage called chilli leaf curl or chilli murda complex. As a result of thrips infestation, leaves become smaller, thickened and brittle. Mite infestation is characterised by elongation of leaf petiole and clustering of tender leaves at the tip of branches.

Pest management:

- ▶ Seed treatment with imidacloprid at 5 grams per kg seed is effective.
- ▶ Spray with acaricides such as dicofol at 5 ml per litre or wettable sulphur 3 grams per litre or diafenthiuron at 1 gm per litre or Vertemic at 0.5 ml per litre.
- ▶ Utilisation of indigenous materials have confirmed that garlic chilli kerosene extract [GCK at 0.5%] + nimbecidine (2.5 ml/lit) can effectively combat the problem.

Controlling fruit fly menace in bitter gourd

Cucurbit fruit fly is the most destructive pest of bitter gourd throughout the country. The pest attacks other cucurbitaceous vegetables such as bottle gourd, cucumber, tinda, pumpkin, gherkin, etc. Adult fly punctures the early tender fruit tissues and lays its eggs. The infestation often reaches cent per cent leading to complete loss of the crop. The maggots feed on the contents of fruits and cause premature dropping of fruits.

Infested fruits can be identified by the presence of brown resinous juice which oozes out of the punctures made by the flies. The punctures serve as entry for various bacteria and fungi and as the result of the infection, fruits start rotting, get distorted, malformed and fall prematurely. The fly breeds throughout the year. Females thrust around 50 eggs as groups into tender fruits. The eggs hatch in 1-9 days and the maggots bore into the pulp forming galleries.

Seven days old pale white mature larvae come out of the rotten fruits and bury themselves about 5cm deep into the soil and pupate. Barrel shaped brown puparium emerge as adult flies in two weeks. Adult flies are reddish

brown in colour. They feed on honey dew and juices of ripe injured fruits. There are several generations in a year. The population of the pest is low in hot dry conditions and high during rainy season.

Control measures:

- ▶ Grow fruit fly tolerant bitter gourd varieties.
- ▶ Collect and destroy infested fruits such as fallen, deformed and stunted fruits.
- ▶ Frequently rake up or plough the soil to expose pupae to their natural enemies and detrimental weather.
- ▶ Grow maize as border crop as the flies have the habit of resting on such tall plants. Maize alone can be sprayed with insecticides.
- ▶ Use ribbed gourd as trap crop and apply carbaryl 0.15% or malathion 0.1% on congregating adult flies on the under surface of leaves.
- ▶ Apply bait containing 50ml of malathion + 0.5kg of gur/sugar in 50 litre of water and it may be repeated at weekly interval if the attack is serious.
- ▶ Use traps citronella oil, eucalyptus oil, vinegar (acetic acid) and lactic acid to trap flies.

2016 will be International Year of Pulses - UN

The United Nations has proclaimed 2016 as the International Year of Pulses. The UN General Assembly voted in New

York declares 2016 as the International Year of Pulses, providing a shot in the arm for the world's healthiest grain foods. "This

is an extraordinary day for the global pulses industry”, declared Hakan Bahceci, President of CICILS, the Dubai headquartered apex body for the international pulses trade and industry.

Beans, lentils, peas and chickpeas have been the cornerstone of global nutrition for centuries; and having a UN declared year will raise the awareness about pulses and the important role they can play in advancing health and nutrition, food security and environmental sustainability, he said. CICILS has set aside \$1.1 million as preliminary reserve to fund activities related to the Year. A series of national committees are being formed around the world by

the members-associations of CICILS to work with growers, manufacturers, retailers, governments, NGOs as well as health and science organisations. With rates of diabetes and obesity on the rise, the UN declared international year presents an opportunity to recognise pulses for their exceptional potential to offer nutritional wellbeing to people everywhere, Bahceci asserted.

From an Indian perspective, pulses are the most economical source of vegetable protein, especially for the poor to fight protein deficiency. India is the world's largest producer of pulses (18.5 million tonnes), largest importer (3.5 million tonnes) and largest consumer (22.0 million tonnes).

Harnessing plant, animal and human waste as effective inputs

The waste generated in a village, if properly utilised, can help a farmer save some money by not having to buy fertilizers and generate income. “The main concept is to integrate the animal, plant and human wastes into useful components for the manufacture of crop inputs such as vermicompost, pest repellents and biogas, thereby reducing input cost for farmers. Nothing goes waste. If farmers start practising this type of cultivation it can definitely assure them cent per cent self sustainability,” says Dr. P. Alagesan, Programme Coordinator, Myrada Krishi Vigyan Kendra, Gobichettipalayam, Erode district. Among the several farmers who have been introduced into this

concept by Myrada, Mr. M. Nagesh, from M. P. Doddi village of Talavadi block is considered the best. Initially he set up a biogas unit to replace the demand for firewood. He used to carry 45-50 kg of firewood daily from a nearby reserve forest. But after the unit installation the farmer's drudgery has been reduced and he is able to save about ₹500 a month by not buying LPG gas. His family requirement is about 15 kg of cow dung daily to produce the gas and once every 2-3 months the cow dung slurry is recycled through a vermi-compost process unit. Farm wastes like leaves, crop residues etc are also added to the slurry.

“With the amount of vermicompost

I generate in my own unit, I can easily supply the inputs for my three acres. I do not depend or buy outside inputs for my crops. Beyond being a farmer's friend earthworms have become our family friend," he says. The farmer grows crops like potato, onion, turmeric and garlic. Daily 20 kg of cow dung and 10-15 litres of cow urine are collected effectively in modern cattle shed he has constructed from which 40 litres of Panchagavya and 20 litres of pest repellent are produced.

A unique feature in the farm is the rain-water harvesting component. Usually it is rare for a farmer to adopt rain-water harvesting structures since many opine that their open fields are natural rain-water harvesting units but Mr. Nagesh has built a cement tank (ten thousand litre capacity) which he keeps open during the rains. The

water is later used during summer (April- July) for feeding cattle, cooking, washing and other household purposes. The water tank is fitted with an airtight lid to protect water from direct sunlight exposure thus preventing algae from growing on them.

The farmer has further experimented with the implementation of eco san toilet as an alternative approach to safe and efficient management of human waste. The waste converted into manure from the toilet is used for growing his fodder crops. "We started an awareness programme for eight families nearly a decade back on the importance of harnessing the wastes as useful inputs. Initially it was met with a lukewarm response with many shying away or expressing their unwillingness to do it. But today nearly 60 villages and 800 families are using this concept.

Hydroponics fodder as livestock feed

It is a well accepted fact that feeding dairy animals is incomplete without including green fodder in their diet. However, the major constraints in production of green fodder are decreasing land size for fodder cultivation, scarcity of water more labour requirement, non-availability of same quality green fodder round the year, requirement of manure/fertilizer and natural calamities. As an alternative to conventional method of green fodder production, hydroponics technology is coming up to grow

fodder for farm animals.

The word hydroponics has been derived from the Greek word 'water working'. Hydro means 'water' and ponics means 'working' and it is a technology of growing plants without soil, but in water or nutrient rich solution for a short duration. The hydroponics green fodder production unit consists of a green house and a control unit. The size of the green house is approximately 25 feet (length) x 10 feet (width) x 10 feet (height) and has a potential to produce 600 kg of

green fodder daily in seven days. Inside the green house, racks are present and each rack contains a number of rows, in which trays containing soaked seeds are accommodated. Pipes containing micro-foggers are fitted just above the trays for water fogging, which ultimately maintains the green house humidity.

To save water through recycling, one water tank is provided inside each green house with pump facility. Tubelights are fitted both in walls and roof of the green house to optimise the light requirement of the plants. The control unit

regulates input of water and light automatically through sensors. Different types of fodder like maize, wheat, cow pea, etc. can be grown by hydroponics technology. The yield of the hydroponics green fodder is highly influenced by the type and quality of seed, cleanliness and hygienic condition of the green house. Hydroponics fodder is more nutritious than the conventional green fodder. In the situations where fodder cannot be grown farmers can produce hydroponics green fodder for their animals.

Pest management in precision farming nurseries

Farmers are less sensitive to price when they are sure of quality planting material, its exclusiveness and the monetary compensations that will acquire from higher production. In the protray nurseries, pest management practices needs to be adopted in the following components such as nursery area, protrays, the substrate and spatial arrangement.

The soil inside the shadenet nursery must be free from weeds and other unwanted materials as this would serve as alternate host for many insect and diseases. The elevated substrate/soil where the protrays are kept must be drenched with disinfectant like sodium hypochlorite or formalin and fungicide like carbendazim. The hybrids of different crops and different age group seedlings must be kept separately.

This will avoid the spread of the insect pests from the older seedlings to the young ones. Many growers use protrays containing insect pest and disease infected seedlings are being reused without any treatment. This will serve as recurrent inoculums for the ensuing batch of seedlings. Hence these trays must be treated with 0.1% sodium hypochloride or 0.1% carbendazim solution to disinfect the trays. Decomposed cocopeat is mostly used as substrate for growing seedlings the substrate must be free from pest and disease incidence.

The nursery growers must remove the pest infested seedlings and the respective substrate from the nursery area and disinfect the trays. *Pseudomonas fluorescens* mixed with cocopeat at 2.5 kg for 300 kg of media to avoid disease

incidence in seedlings. The moisture content in the root medium must be kept optimum. The lower moisture content attracts ant incidence, whereas higher moisture content causes disease. Different hybrids of crops have to be

arranged age wise. The treatment given, batch details, variety name, company details must be mentioned in the labels. This kind of arrangement will help to discard the insect and disease infected lot from the nursery area.

Farm loan: Govt revises eligibility norm for interest relief

Loans under the Kisan Credit Card Scheme will only be granted to meet short-term credit requirements of farmers for cultivation of crops and post-harvest expenses under its interest subvention scheme, a Reserve Bank of India notice said on a government clarification. The revision in norm for farm loan by the government means loans will not be granted for consumption needs of farmer household, working capital for maintenance of farm assets, and activities allied to agriculture. Interest subvention of 2 % per annum is be made available to public sector and private sector banks for short-term crop loans up to ₹3 lakh per farmer, provided the banks make available the short-term credit at 7% per annum.

The interest subvention will be available to small and marginal

farmers holding Kisan Credit Card for a further period of up to six months post harvest on the same rate as available to crop loans against negotiable warehouse receipt for keeping their produce in warehouses, the RBI said. Farmers who are making prompt payments on their short-term crop loans will get an additional interest subvention of 3% subject to some conditions, it said. Such farmers will effectively be paying 4% per annum in 2013-14. However, this benefit would not accrue to those farmers who repay after one year of making use of such loans, the RBI said. The RBI has asked banks to submit their claims for the 2% interest subvention on a half yearly basis. The claims have to be accompanied by an auditor's certificate certifying that claims for subvention are true and correct.

Multipurpose solar pest manager for brinjal and jasmine growers

Continuous power supply is essential for any type of agricultural activity. Particularly in villages where the concept of invertors or generators is yet to attain a major breakthrough, electricity disruption means temporary suspension of any

activity till power supply resumes. Though the Government has been harping on need to harness solar power and grants subsidies for installing solar units for farm related activities, the concept is yet to gain momentum.

But for some individuals like Mr.

David Raja Beula, Assistant Director of Horticulture, Kadayam in Tirunelveli district, Tamil Nadu, electricity disruption does not seem to be a major issue since he has developed several solar powered farming equipment. Among his recent innovations is the multipurpose solar pest manager and garden light. The device according to him was developed to help brinjal and jasmine cultivators in the region control fruit borer and white fly pest in their crops.

The height of the solar light is about eight feet. It has a solar panel, a battery, two five watt bulbs and an insect collection stainless steel tray on which a sticky paste of castor oil and shampoo mix is smeared. "Brinjal and jasmine farmers in Kadayam region in the district were struggling to control the fruit borer and white fly pests for a long time. They sprayed pesticides once in seven days to control the problem. During this time I had developed

the multipurpose solar pest manager and introduced it to the participants at a meeting. About 35 farmers who attended the meeting were given one device to experiment the efficiency of the device," says Mr. Beula.

The collection of killed fruit borer moths started at the rate of three moths and gradually increased to 500 moths a day and white flies from 100 numbers to 700 a day. "We also found that the frequency of pesticide spray was reduced from once in seven days to once in 15 days and finally once in 30 days, thereby bringing down the expense from ₹10, 000 to ₹5,000 for an acre of brinjal and from ₹24,000 to ₹12,000 for jasmine," he explains. Priced at ₹15,000 a piece, it can be used to control pests in other crops also, according to him. Since the device has also a light facility attached, it can be used to light the fields and garden in which it is used.

Short duration green gram variety

Coastal Saline Research Centre of the Tamil Nadu Agricultural University, Ramanathapuram has released a new variety of greengram called Co (Gg) 8 that matures in 55-60 days. The crop is ideal for rainfed conditions. Due to early maturity it escapes terminal drought and ensures sustainable yield.

Determinate growth and synchronised maturity are other specialities of this variety, which is amenable for single harvest saving labour and time. This variety shows

resistance to mungbean yellow mosaic and stem necrosis; field tolerance to sucking pests like aphids, stemfly and spotted pod borer.

The newly released variety was grown at Krishi Vigyan Kendra campus farm during Kharif 2013. During the season the crop received limited rainfall of 120 mm and three supplementary drip irrigations. The CO 8 variety matured uniformly in 60 days with 25-30 pods per plant. From this variety 900 kg/ha of seed

yield was obtained. This shows the ability of this variety to escape terminal drought and high per day water productivity.

Application of rhizobium, phosphobacteria four packets per acre will facilitate the availability nitrogen and phosphorous to plant. Most of the greengram cultivable lands are starved with micronutrient deficiency, hence application of micronutrient mixture ensure better growth of

plants with enhance pods and seed setting.

Foliar application of TNAU 'pulse wonder' at 2.25 kg per acre in 200 litres of water during flowering and pod formation stages increases pod setting and seed size. 'Pulse wonder' is available at Department of Crop Physiology, Tamil Nadu Agricultural University, Coimbatore. In case of non-availability of 'Pulse wonder' about two % DAP can be sprayed.

The next billion-dollar basmati?

Scientists, farmers and exporters are banking on a new variety Pusa-1509, a new high-yielding basmati developed by the Indian Agricultural Research Institute (IARI), was planted in around 5,000 hectares in the 2013 kharif season. "I expect it to reach one million hectares (mh) in the coming season, replacing a large part of the 1.4 mh now covered under Pusa-1121," says Ashok K. Singh, Project Leader (Rice) at IARI and the main breeder of Pusa-1509.

According to Singh, who was also involved in developing Pusa-1121, the main advantage of the new variety is its maturing in just 115-120 days from the time of sowing in the nursery bed to harvesting the grain. "Both Pusa-1121 and Pusa Basmati-1 (an older improved basmati) take 140-145 days. Thirty days less time means farmers needn't transplant the seedlings in the peak mid-June summer. "They can do it in mid-July with the onset of the monsoon rains, saving 5-6

irrigations," he pointed out.

Alternatively, they could raise an additional crop say, a 60-day moong or green gram between harvesting of wheat in mid-April and transplanting Pusa-1509 in mid-July. Moreover, the average paddy yields in Pusa-1509, at 25 quintals an acre, are more than the 20 quintals for Pusa-1121. The main reason: a lower plant height of 80 cm as against 120 cm for Pusa-1121.

"Lower height enables more fertiliser application. You can apply 2-3 bags of urea in Pusa-1509 for the entire season. "Pusa-1121 cannot tolerate more than one bag. The plant will simply lodge and the grains, too, may shatter or drop from the panicles," Singh explained.

Preetam Singh, a farmer from Urlana Khurd in Haryana's Panipat district, said that the 30-day early maturity and 25 % extra yield made Pusa-1509 an attractive proposition. Also, since there is no

lodging or grain-shattering, the entire crop can be harvested using combines.

What about grain quality? “Pusa-1509 scores over Pusa-1121 in aroma, but probably not as much as in fluffiness and linear elongation on cooking. “The percentage of broken on milling is also higher in Pusa-1509 for the raw white rice, though not for the

par-boiled rice that India predominantly exports,” said Anil Kumar Mittal, CMD of the Rs. 2,100-crore KRBL Ltd. But these minute quality parameter differences may not matter vis-à-vis the vastly superior returns for farmers from growing Pusa-1509. “Pusa-1121 may still survive, but Pusa-1509 will definitely be the farmer's first choice,” he added

Control of giant African snail in horticultural crops

The giant African snail is the biggest land snail among snail species having a protective shell and measuring about 19 cm in length. It is very active during rainy seasons, nocturnal in nature and damages crops like papaya, brinjal, beans, okra, cole crops, areca nut, rubber buds, coffee seedlings, orchids, etc. The snail eats away leaves, stems, fruits and flowers of host plants causing severe damage to young saplings especially in nurseries.

It also contaminates leafy vegetables with its excrement. It frequently climbs on papaya and banana plants and clings on the leaf surface thus interfering with cultural operations and affecting the aesthetic value of kitchen gardens and roof gardens too. It is a hermaphrodite and lays 50-200 yellow coloured eggs on soil surface.

Hatching takes place in about a week's period and the young ones grow up to a year and reach sexual

maturity. The life span of this snail is 3-5 years. Snails hatching towards the end of rainy season take a long time to mature as they undergo hibernation and aestivation.

Management

- Locate hiding places and destroy hiding snails.
- Hand collection and destruction will be effective during the early phase of infestation.
- Cut pieces of papaya stems may be placed for attracting and trapping the snails.
- Use wet gunny bags and papaya leaves as bait to collect and destroy them.
- Marigold can be raised as trap crop around vegetable fields.
- Lime or bleaching powder may be sprinkled in the infested area.
- Common salt may be spread on the snail infested area.
- Predatory snails, hermit crabs and millipedes are found to feed

on this snail and check the increasing population.

- Spread the bait mixture of rice bran and metaldehyde (5%) to cover the paths of snails or sprinkle 5% metaldehyde

pellets around the infested plants.

- Spray 1% copper sulphate, 0.5% carbaryl or fenitrothion and broadcasting of 1.3% lindane dust at 20 kg/ha.

A proven technology to retain and attract youth to agriculture

What is it that spurs an individual to quit a Government job and take up farming as a full time profession? Or why does an MBA student be more interested to become a full time farmer than work in a company?

“If the annual agriculture income is more than a salaried income, youngsters will take the plunge into it. Unlike the old adage that agriculture comprises only old people into their 60's, today the interest among present day educated youth and their dedication towards farming is an encouraging sign that the agriculture scene is going through a renaissance,” says Dr. B. J. Pandian, Director & Nodal Officer (TN-IAMWARM Project), Tamil Nadu Agricultural University, Coimbatore.

Dr. Pandian is presently in charge of the project for entire Tamil Nadu, where precision technologies are offered to willing farmers. Under this technology, drip lines, tanks, mulching sheets, soluble fertilizers, seedlings and a good market source are supplied under a partnership mode free of cost for the first year. The farmer on his side needs to invest about

₹10,000. From the second year, the farmers will have to buy the inputs. But the specialist team would be helping him with the right market linkages.

“Apart from the inputs marketing is the most important factor. Mere technologies and advice without marketing help will not secure a cent per cent success for any field-based project,” says Dr. Pandian.

An MBA graduate, Mr. B.Karthikeyan was one of the first to adopt this precision technology, initially in 40 cents in Marakanam village. In three months he was able to earn nearly ₹50,000 as income. Today he is growing fruits in his entire four acres and earns ₹12 lakh a year from an acre. In addition he has taken up dealership of micro irrigation tubes for helping other farmers under the scheme in the region.

“If I had been working in a private company I would have been drawing a gross salary of ₹50,000 a month. In a year, I would have earned about ₹6 lakh but in three months I am able to earn ₹2 lakh from muskmelon under this project,” he says with a smile. A bus conductor, Mr. S.Venkatesan, in

Alankuppam village used to get ₹700 day as collection money. But after trying this project he quit his job and is presently a full-time farmer.

Mr. N. Thirumal from Alankuppam village owned only two acres of land with annual income of ₹18,000. After witnessing the many successful farmers in his village, he

started capsicum cultivation during 2011. Now he has bought an additional two acres for ₹12.6 lakh and two plots close to Puducherry at an investment of ₹27 lakhs. At present the University is organizing field days, trainings and exposure visits to create a massive impact among the farmers about this technology.

Raised bed nursery for onion seedlings

About 55-60% of onion comes from Rabi season and 40-45% from Kharif and late Kharif season. Generally farmers sow onions in nursery in flat beds raised on the fields. But during khariff a sudden rainfall washes away the raised mud beds and affects the crops. For successful Kharif onion production, the National Horticultural Research and Development Foundation (NHRDF), Nashik developed a technique.

The field is ploughed well and nursery beds made. The nursery bed should be raised 1520 cm height from the ground level with width 0.80-1.0 meters. The length can be kept as per convenience. Distance between two beds should be about 60 and 75 cm. Surface of beds should be smooth and well levelled. About 15-20 gm of single super phosphate (SSP) must be applied at the time of bed preparation for each bed.

The beds should be irrigated for 15-20 days, before sowing and covered with 250 gauge

transparent polythene for soil solarisation. Application of *Trichoderma viride* fungal culture at 5 kg/ha is recommended to manage damping off and raising healthy seedlings. The *Trichoderma viride* should be mixed in 25 times decomposed well sieved farmyard manure for application.

Seed bulbs should be treated with thiram at rate of 2 gm/kg of seed. Sowing of seeds should be done in lines at a proper spacing 5-7 cm row-to-row. For one metre square area 5-7 gm of seeds would suffice. For planting in one hectare 7-8 kg seeds are required. Seeds after sowing should be covered with fine powdered compost followed by light watering. The beds should be covered with dry straw or grass or sugarcane leaves to maintain required temperature and moisture.

Watering should be done till germination. Mulching materials should be removed immediately after germination is completed. The

seedlings become ready for transplanting after 6-7 weeks. Ideal time for sowing in Kharif is

February-April in South, May-June in Maharashtra and other parts of the country.

Farm workers, small farming should be central to agricultural policy

Farm workers and rain-fed farming should be the central consideration while formulating agriculture policies, but at the same time, small-time farmers must also remember that experimentation and science can make farming a profitable business, said experts at the concluding session of the seminar, *Sheti ani Pragati* (Farming and Progress)

Small farmers will have to take the co-operative route to face the changing economics of modern times, they added. The seminar was organized as part of the third leg of the Badalta Maharashtra initiated by *loksatta* and Saraswat Bank. The session was attended by Congress leader Balasaheb Vikhe Patil along with agriculture expert Umesh Chandra Sarangi agricultural economy expert Milind Murugkar. Also present were experts from irrigation sector and farmers who narrated their experiments to portray the changing scenario in the field of agriculture.

“Co-operative farming is the only way ahead if small farmers want to withstand the challenges thrown by big private players,” said Vikhe Patil. Murugkar said to make

farming profitable, farmers need to transform themselves into an agri-businessmen. He expressed concerns about the negligence shown towards food security, employment guarantee and watershed schemes, which have tremendous potential to bring about reforms in agricultural economy.

Sarangi said that 'variations in methods of growing crops' is the specialty of Maharashtra have always responded quickly to the transitions that farming has undergone from time to time. He said the increase in production of soybean from 1 Lakh tonne in 1990 to 35 Lakh tonne in 2013 is a positive change. “Educated youngsters should look towards agriculture as career,” he said.

“Average production of sugarcane is presently 27 tonne. Some farmers, with their experiments have proved it can be increased to 150 tonne. In such a scenario, only one-third of the present area under sugarcane cultivation in the state will be required to produce the same amount of sugarcane. This will save water,” said Dnyandev Hapse, sugarcane expert.