

Compromise Settlements and Technical Write-offs by ARDBs

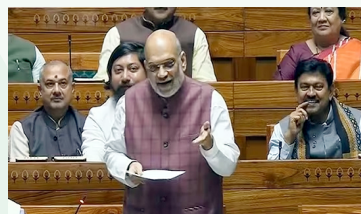
RBI in June 2023 issued guidelines on Framework for Compromise Settlements and Technical Write offs. These guidelines were issued to entities regulated by RBI and hence are not directly applicable to ARDBs. Compromise settlements and technical write-offs are part of normal banking practices to address the issue of NPAs. ARDBs also have to carry out compromise settlements and technical write-offs as they need to reduce NPAs substantially, to increase borrowing capacity, particularly eligibility for NABARD's refinance. Since SCARDBs are regulated by RCS, the compromise settlements and technical write-offs on the lines of RBI guidelines, can be implemented by them with the approval of RCS.

Compromise settlements in common parlance are also called One Time Settlements, which is defined as 'any negotiated arrangement with the borrower to fully settle the claims of the regulated entity (the lender) against the borrower in cash'. Such settlements always involve some sacrifice/waiver of the amount due from the borrower. The extent of such waiver has to be decided on the basis of norms fixed by the bank taking into account the value of underlying security and likelihood of recovery by selling the security and also the opportunity cost of time-lag in recovery through legal recourse.

The second part of the framework laid down by RBI deals with technical write offs. In technical write-off, the non-performing loans will remain outstanding in borrowers loan account but are written-off fully or partially by the lender only for accounting purpose, without any waiver of claims against the borrower and without prejudice to the recovery of the same. Full provisioning against the non-performing loan being written off and the loan account being written off remains NPA for atleast 4 years are the two important requirements for technical write-off. The Bank also needs to have a Recovery policy as approved by the Board that sets down the manner of recovery of dues, norms adopted for OTS and technical write-offs and period-wise targeted level of reduction in NPAs.

K.K. Ravindran
Managing Director

Shah lists IT reliefs offered to cooperatives in Lok Sabha



The GOI has introduced several measures to provide tax relief to cooperative societies, aligning with the vision of 'Sahakar se Samridhi.' These steps include a reduction in tax

rates on various activities and an increase in the threshold for Tax Deducted at Source (TDS) on cash withdrawals, said Union Minister of Cooperation, Shri Amit Shah, in a written reply to the Lok Sabha. One significant change is the reduction in the surcharge on cooperative societies' income, which has been decreased from 12% to 7% for incomes between ₹1 crore and ₹10 crore. This reduction aims to enhance the income of cooperative societies and their members, particularly those from rural and farming communities. Additionally, the Alternate Minimum Tax rate for cooperatives has been lowered from 18.5% to 15%, aligning it with the rate applicable to companies, thus creating a level playing field between the two. The govt. has also clarified the application of Section 269ST, which limits cash receipts over ₹2 lakh. Previously, Milk Cooperative Societies faced penalties when receiving cash from distributors on bank holidays, as the Income Tax Department treated these transactions as a single event. A recent clarification by the Central Board of Direct Taxes (CBDT) now allows these societies to aggregate such receipts across multiple days without incurring penalties. New manufacturing cooperative societies established by 31.03.2024, will benefit from a lower tax rate of 15%, similar to new manufacturing companies. This concession aims to encourage the establishment and growth of manufacturing cooperatives. Moreover, Section 269SS of the Income Tax Act, which prohibits cash loans or deposits over ₹20,000, has been amended for Primary Agricultural Credit Societies (PACS) and Primary Cooperative Agricultural and Rural Development Banks (PCARDB). Now, deposits or loans in cash up to ₹2 lakh from or to members are exempt from penalties, easing financial transactions for these cooperatives. Furthermore, the threshold for cash withdrawals without TDS for cooperatives has been raised from ₹1 crore to ₹3 crore per year, enhancing liquidity for these entities. Specific relief measures have also been extended to sugar cooperatives. They can now claim deductions for payments made to sugarcane farmers before the assessment year 2016-17, and the process for



filing related applications has been standardized. This change resolves long-standing tax issues, providing a cumulative benefit of approximately ₹43,407 crore to cooperative sugar mills and sugarcane growers. Additionally, cooperative societies that missed claiming deductions under Section 80P due to delays in filing income returns for assessment years from 2018-19 to 2022-23 can now seek condonation of these delays. The CBDT has authorized Chief Commissioners and Directors General of Income-tax to address these applications, particularly where delays were beyond the societies' control or due to statutory audit delays. These measures, outlined by the Minister of Cooperation, Shri Amit Shah, in a written reply to the Lok Sabha, reflect the government's commitment to supporting cooperative societies and fostering economic growth within these communities. (Source: Indian Cooperative)

India's agri transformation a lesson for others: Modi

Inaugurating the triennial conference organised by the International Association of Agricultural Economists on 03.08.2024 in New Delhi. Prime Minister Shri Narendra Modi said India's experience is valuable for discussions on transforming the food system and is sure to benefit the Global South. India is hosting the conference for the second time after a gap of 65 years. The Prime Minister said from a newly independent nation facing challenges to ensure food security 65 years ago, India has now become a food surplus country, the largest producer of milk, pulses and spices, and the second largest producer of food grain, fruits, vegetables, cotton, sugar, tea and farmed fish. He said during the last conference held in India, the country's food security was a matter of concern for the world while today, India is providing solutions to global food and nutrition security. "Therefore, India's experience is valuable for discussions on food system transformation and is sure to benefit the Global South. India does not view the health of humans, plants and animals "in silos". Challenges before sustainable agriculture and food systems can only be tackled under the holistic approach of One Earth, One Family and One Future", said Shri Modi. Agriculture is at the centre of India's economic policies and said small farmers are the biggest strength of India's food security. He claimed that the positive results of promoting chemical-free natural farming on a large scale can be seen in the country. He told agricultural scientists from around the world who are attending the conference that India handed over 1,900 new climate-resilient varieties of seeds to farmers in the last 10 years. He also talked about 'a huge campaign' for the digitisation of land where farmers will be given a digital identification number for their land and on the use of drones in farming. Union Agriculture Minister Shri Shivraj Singh Chauhan, Member of NITI Aayog Shri Ramesh Chand, conference president Shri Matin Qaim and Director-General of Indian Council for Agricultural Research (ICAR) Shri Himanshu Pathak were present on the occasion. The theme for this year's conference is

'Transformation Towards Sustainable Agri-Food Systems'. Professor Chand said agriculture has been a key focus area of development strategy in India, and the country has achieved historically the highest growth rate of 5% during the seven-year period from 2016-17 to 2022-23. Agricultural growth in the last 15 years has saved many countries from economic collapse. Due to the poor effort of industry in pulling the labour force out of agriculture, the onus of remunerative employment for the large workforce still remains on agriculture.

Shah for more DCCBs in Chhattisgarh to keep pace with PACS' resurgence



Union Home and Cooperation Minister, Shri Amit Shah emphasized the transformative role of cooperatives in rural life during a high-level review meeting held in

Raipur on 25.08.2024. The meeting, which focused on the expansion of cooperatives in the state, also saw the launch of Primary Agriculture Credit Societies (PACS) across 33 districts, which will now function as Water Committees. During the meeting, Shri Shah underscored the govt's commitment to realizing Prime Minister Shri Narendra Modi's vision of "Sahkar Se Samridhi" (Prosperity through Cooperation). He highlighted the significant strides being made in Chhattisgarh, where all 2058 PACS have adopted Model Bye-Laws. He also introduced a new initiative that positions PACS as multipurpose units, capable of functioning as dairy and fisheries cooperatives in addition to their primary roles. Shri Shah proposed the introduction of a new public dairy scheme with a focus on tribal development, urging the state government to take the lead. He also recommended that PACS across the state be computerized and converted into Common Service Centers (CSCs) to ensure the benefits of cooperative activities reach every rural household. In a significant move to boost maize cultivation, he called for contracts between the National Cooperative Consumers' Federation (NCCF), National Agricultural Cooperative Marketing Federation of India (NAFED), and the state government for ethanol production. He assured farmers that the central government would purchase all their maize at the Minimum Support Price (MSP), further encouraging the shift towards maize farming, which he noted is cost-effective. Additionally, he stressed the importance of registering all PACS on the NAFED and NCCF portals to streamline the sale of farmers' produce. He also announced plans to set up multi-feed ethanol production plants in Chhattisgarh's cooperative sugar mills, with the central government providing support for these initiatives. To bolster the cooperative banking sector, Shah recommended the establishment of at least





four more District Cooperative Central Banks (DCCBs) to complement the existing six, in light of the anticipated expansion of PACS in the state. He concluded by advocating for a collaborative approach among the state's Animal Husbandry, Agriculture, Tribal Affairs, and Cooperative departments to drive economic development in rural and tribal areas, ensuring a holistic upliftment of the community. The event was attended by several key figures, including Chhattisgarh's Chief Minister Shri Vishnu Deo Sai, Union Minister of State for Cooperation Shri Murlidhar Mohol, Deputy Chief Minister of Chhattisgarh Shri Arun Sao and Secretary, Ministry of Cooperation Dr. Ashish Kumar Bhutani. (Source: Indian Cooperative)

Shah hails Co-op's Ethanol initiatives; targets 20% blending by 2025-2026



Ministry of Cooperation
Union Home Minister and Minister of Cooperation Shri Amit Shah chairs a review meeting regarding expansion of cooperatives in the state, in Raipur, Chhattisgarh today
A cooperative society is being formed in every panchayat of the country to realize Prime Minister Shri Narendra Modi's dream of 'Sahkar Se Samridhi'
Every PACS, after computerisation, should start working as a Common Service Centre, so that the benefits of various activities through PACS reach the rural people
There should be 100% registration by PACS on NAFED and NCCF portal for the sale of agricultural products
Every trader of all the markets, all PACS and cooperative societies should have an account in the District Cooperative Banks
Chhattisgarh government should establish 4 new District Cooperative Central Banks for expansion of PACS
Shri Amit Shah launches PACS to work as Water Committees in all 33 districts of Chhattisgarh

Union Home and Cooperation Minister Shri Amit Shah, underscored the significant role of the cooperative movement in driving India's economic growth at the

Sugar Industry Symposium and National Efficiency Awards 2022-23 held in New Delhi on 10.08.2024. During the event, he honoured cooperative sugar mills with National Efficiency Awards, recognizing their contributions across eight cooperative sectors. He praised the govt's strategic decision to promote ethanol blending, highlighting the broad benefits this policy has generated across multiple sectors. He said that Prime Minister Shri Narendra Modi is personally overseeing the ethanol blending initiative through a dedicated Group of Ministers, ensuring that targets are achieved ahead of schedule. The govt is now aiming for a 20% ethanol blending target by 2025-26, advancing the original deadline set for 2030. He also emphasized the necessity of making sugar mills economically viable and announced the govt's commitment to supporting the establishment of multifaceted biofuel production plants. He provided statistics illustrating India's progress in sugarcane cultivation over the past decade. The area under cultivation has expanded by 18%, while production has surged by 40%, leading to a 58% increase in sugar output. Ethanol production, which was negligible in 2013-14, has now grown substantially, with 4.5 million tonnes of sugar



being diverted for ethanol production. This boost in ethanol production has delivered direct financial benefits to farmers, reduced the country's petrol import bill,

improved environmental conditions, and enhanced the profitability of sugar mills. Shri Shah further announced that NAFED will procure 100% of maize and pulses from farmers at the Minimum Support Price (MSP), reinforcing the govt's commitment to farmer welfare. He also highlighted that the highest rate for ethanol produced from maize and bamboo has been set at ₹71.86 per litre. The Minister called for an increase in cooperative sugar mills' contribution to ethanol supply, which stood at 8% in 2022-23, urging this figure to rise to 25%. He advocated for the expansion of cooperative sugar mills, with a focus on ensuring that all profits are transferred directly to farmers' bank accounts. He emphasized the union's role as a vital link between the mills, govt policies, and market innovations. Reflecting on the historical roots of the cooperative movement in India, he stated that states like Gujarat, Maharashtra, Tamil Nadu, and Karnataka have been at the forefront. Despite its deep cultural roots, the cooperative movement had stagnated post-independence and was limited to a few states. However, this trajectory has changed under Prime Minister Shri Narendra Modi's leadership, particularly with the establishment of the Ministry of Cooperation, which has spurred significant developments in the sector. The event highlighted the govt commitment to rural empowerment, energy security, environmental sustainability, and the growth of the cooperative sector. (Source: Indian Cooperative)

MoS Finance lists RBI measures to diversify business of co-operative banks



Union Minister of State for Finance Shri Pankaj Chaudhary announced that the GOI and the Reserve Bank of India (RBI) have initiated several measures to diversify the

business operations of cooperative sector banks. These measures aim to enhance the role of State Cooperative Banks (StCBs), District Central Cooperative Banks (DCCBs), and Primary (Urban) Cooperative Banks in various sectors, particularly housing and MSMEs. Shri Chaudhary highlighted that StCBs and DCCBs are now permitted to extend Commercial Real Estate-Residential Housing (CRE-RH) loans within their housing finance limits, set at 5% and 10% of total assets, respectively. Additionally, the RBI has raised the individual housing loan limits for these banks. For banks with a net worth of less than ₹100 crore, the limit has increased from ₹20 lakh to ₹50 lakh, and for banks with a net worth of ₹100 crore or more, the limit has increased from ₹30 lakh to ₹75 lakh. Furthermore, StCBs and DCCBs can now become co-branding partners of card issuers without prior RBI



approval, as per an amendment dated 07.03.2024, in the Master Direction on Credit Card and Debit Card (Issuance and Conduct Directions, 2022). In a move to further diversify their portfolios, the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) has included StCBs and DCCBs as Member Lending Institutions (MLIs). This inclusion allows these banks to expand their lending to the Micro, Small, and Medium Enterprises (MSME) sector. He also informed that StCBs and DCCBs are now eligible for various GOI schemes, including the Agriculture Infrastructure Fund (AIF), PM Vishwakarma Scheme, PM Surya Ghar: Muft Bijli Yojana, and the PM Formalisation of Micro Food Processing Enterprises (PMFME) Scheme, facilitating credit penetration in underserved sectors. Additionally, the National Bank for Agriculture and Rural Development (NABARD) has launched several refinance schemes, such as the Special Long-Term Refinance for Primary Agriculture Credit Societies (PACS) as Multi Service Centres and Special Refinance Schemes (SRS) for promoting micro food processing enterprises and WASH activities. He emphasized that these initiatives provide cooperative banks with new business avenues and enhance their role in the housing sector, supporting the broader goal of affordable housing for all. (Source: Indian Cooperative)

Addressing variations in provisions for NPAs: RBI issues new norms

The Reserve Bank of India (RBI) has issued new norms for the uniform treatment of the Bad and Doubtful Debt Reserve (BDDR) among co-operative banks, addressing variations in provisions for non-performing assets (NPAs). The RBI aims to standardize the accounting practices of these reserves for prudential purposes, prescribing specific steps for rectification and smoother transition to accounting standards compliance. According to provisions in the respective State Co-operative Societies Acts, several co-operative banks have established BDDRs. In some instances, these reserves are created by recognizing an expense in the Profit and Loss (P&L) Account, while in other cases, they are established through appropriations from net profits. The RBI emphasized that, under Accounting Standard (AS) 52, all recognized expenses should be included in determining the net profit or loss for the period. Failing to recognize necessary provisions for NPAs as an expense in the P&L Account contradicts existing Accounting Standards. The treatment of BDDR for regulatory capital and the recognition of net NPAs has varied across banks, often diverging from regulatory norms. To bring about uniformity, the RBI's revised instructions on BDDR specify that, starting from the fiscal year 2024-25, all provisions under the Income Recognition, Asset Classification, and Provisioning (IRACP) norms must be charged as an expense in the P&L Account. This includes provisions previously accounted for under BDDR or any other account head. These provisions will remain eligible for regulatory capital purposes as defined by current guidelines on capital adequacy. Post recognition of all applicable provisions in the P&L Account, banks may

appropriate net profits to BDDR if required by applicable statutes. The RBI also outlined a one-time measure to facilitate the transition to an Accounting Standards compliant approach. By 31.03.2025, banks must identify and quantify balances in BDDR as of 31.03.2024, created through net profit appropriations instead of recognizing them as expenses. These identified amounts should then be appropriated directly from the P&L Account or General Reserves to provisions for NPAs. Such provisions may be netted off from gross NPAs to calculate net NPAs. If balances in BDDR exceed statutory requirements, they can be transferred to General Reserves or the P&L Account. After these adjustments, BDDR balances can be considered Tier 1 capital. However, BDDR balances should not be deducted from gross NPAs to determine net NPAs. Banks must adhere to the relevant State Co-operative Societies Acts or the Multi-State Co-operative Societies Act, 2002, as applicable. These guidelines are effective immediately and apply to all Primary (Urban) Co-operative Banks, State Co-operative Banks, and Central Co-operative Banks. (Source: Indian Cooperative)

Bhutani in Gujarat to popularize new initiatives; Sanghani & Patel chip in



Union Ministry of Cooperation Secretary Shri Ashish Bhutani chaired a comprehensive review meeting at the headquarters of Gujarat State

Cooperative Bank (GSC Bank) in Ahmedabad on 17.08.2024. The meeting was convened to assess the performance and challenges faced by various cooperatives in the state, with a particular focus on the implementation of welfare schemes launched by the Union Ministry of Cooperation. The review meeting saw the participation of prominent leaders from the cooperative sector, including COBI Chairman Shri Ajay Patel, Nafed Chairman Shri Jethabhai Bharwad, Gujcomasol Vice-Chairman Shri Bipin Patel, and Banas Bank Chairman Shri Savsi Chaudhary, who were physically present at the meeting. The meeting also included virtual participation from Chairmen, CEOs, and other senior officials from district central cooperative banks, district-level milk unions, and federations across Gujarat. NCUI President Shri Dileepbhai Sanghani, who also serves as Chairman of Amreli District Cooperative Bank, joined the meeting virtually. Shri Sanghani emphasized the fruitful nature of the discussions, which centered on how citizens of Gujarat could fully benefit from the welfare schemes provided through dairy and





cooperative banks. “The meeting was very fruitful,” he said, underlining the productive dialogue that took place. Shri Tejash Patel, Chairman of Kaira District Cooperative Bank also highlighted the positive outcomes of centrally sponsored schemes for cooperatives. The cooperatives are becoming financially vibrant and growing. So far, 8 lakh new accounts have been opened in district cooperative banks, and these banks have mobilized deposits of around ₹6,600 crore. The meeting also aimed at advancing the “Cooperation Among Cooperative Institutions” initiative, a key focus of the Union Ministry of Cooperation. The discussions and outcomes of this meeting highlighted the critical role that cooperative institutions play in Gujarat’s economic and social development. By addressing challenges and leveraging opportunities, the meeting paved the way for a more robust and dynamic cooperative sector in the state. It bears recalling that Union Home and Cooperation Minister Shri Amit Shah also reviewed the progress of DCCBs and dairy cooperatives of Gujarat on the occasion of 102nd International Cooperative Day. (Source: Indian Cooperative)

Gujarat CM inaugurates new boardroom of Kheti Bank



Gujarat Chief Minister Shri Bhupendra Patel inaugurated the newly developed paperless boardroom of Gujarat State Cooperative Agriculture and Rural

Development Bank Ltd (Kheti Bank) on 04.08.2024. It was inaugurated in a glittering function organized at the bank’s headquarters in Ahmedabad in the presence of Kheti Bank & NAFCARD Chairman Shri Dolar Kotecha and other representatives from Kheti Bank. On this momentous occasion, Shri Patel planted a tree as part of the “Ek Ped, Maa Ke Naam” initiative launched by the Prime Minister Shri Narendra Modi. This initiative reinforces the bank’s dedication to environmental sustainability and growth. The event



marks not only a milestone for Kheti Bank but also a pivotal step towards a greener, more sustainable Gujarat. It bears recall that recently, Kheti Bank’s head office was equipped with all the modern facilities’, which was recently renovated. Though it is a farmer’s bank, its new look may beat the look of corporate offices in India. (Source: Indian Cooperative)



Story of Karimnagar DCCB’s turnaround & how it mentors PACS

Telangana-based Karimnagar District Cooperative Bank, which is headed by the well-known Cooperator Shri K.



Ravinder Rao, is not only helping PACS avail the benefits of initiatives launched by the Union Ministry of Cooperation but also has a remarkable turnaround story. There are 130 PACS in the Karimnagar district, and out of these, only one is incurring a loss, while the rest are earning a profit. The bank is not only catering to their financial needs but also assisting them in adopting new technologies, ensuring they remain competitive and efficient in the changing market. The bank, which had an accumulated loss of ₹57.92 crore as of 31.03.2006, earned a gross profit of ₹120 crore in the 2023-24 fiscal year. Shri Ravinder Rao’s tenure has proven fortunate for the bank, and under his leadership, it has consistently remained on a growth path. The bank, which primarily serves farmers, is effectively managed with a corporate-style approach, combining professionalism with its commitment to agricultural development. The bank’s CEO, Shri N. Satyanarayana Rao said, “As of 31.03.2006, the bank’s business mix was around ₹400 crore, with an accumulated loss of ₹57.91 crore. However, as of 31.03.2024, the business mix and net profit of the bank stood at ₹6,499 crore and ₹53.89 crore, respectively. The bank has set a target to achieve a business mix of ₹7,795 crore by the end of the current financial year. In a bid to support Karimnagar Dairy, the bank has sanctioned ₹40.45 crore term loan and a ₹20 crore cash credit limit for the dairy’s 3 LLD expansion project. Additionally, the bank has issued non-agricultural gold loans totalling ₹448.38 crore, with 36 PACS currently engaged in the gold loan business. It is worth mentioning that the bank is the first in Telangana to have registered all affiliated PACS to serve as Common Service Centers (CSCs). NABARD has chosen our bank for the computerization of PACS affiliated with it on a pilot basis in India, and all 130 PACS are computerized and online.” The Karimnagar DCCB is also providing bank guarantees to PACS for obtaining fertilizers, pesticides, and seeds from supply companies on credit. The PACS in Karimnagar have diversified their business activities, offering various non-agricultural services such as gold loans, housing loans, vehicle loans, education loans, and more. A few PACS in the Karimnagar district have established RO water plants in their operational areas, supplying clean water to rural communities at minimal prices. Karimnagar DCCB Chairman Shri K. Ravinder Rao expressed some disappointment that the RBI is not granting permission for opening new branches and ATMs, which is becoming a roadblock in expanding the bank’s presence in untouched areas. (Source: Indian Cooperative)



FEDERATION NEWS

175th Meeting of the Board of Management of the Federation in conjunction with Annual General Meeting on Thursday, 29th August 2024 at Gujarat SCARDB, Ahmedabad.



Inaugural session : Dignitaries on the dais (from left) – Shri Narhari Amin, MP, Rajya Sabha, Dr. Bijender Singh, Vice – President of NCUI, Dr. Chandrapal Singh Yadav, President ICA-AP and Shri Dolar Kotecha, Chairman, NAFCARD & Gujarat SCARDB.



View of the 175th Board Meeting & AGM : Seen on the dais (from left) – Shri K.K. Ravindran, MD, NAFCARD, Shri Dolar Kotecha, Chairman, NAFCARD & Gujarat SCARDB and Dr. Bijender Singh, Vice–President of NCUI.



175th Board Meeting & AGM : Participants view



Inaugural session : Participants view



Strengthening PACS

- The Ministry of Cooperation has made Primary Agricultural Credit Societies (PACS) multipurpose.
- Now, most of the PACS are becoming economically viable by starting some new activities.
- Union Home and Cooperation Minister Shri Amit Shah ji has said that when International Cooperative Day will be celebrated in 2029, there will not be a single panchayat in the country where PACS will not be available.

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Grain Storage Plan Ensuring Food Security

- Farmers will be able to store their produce in godown constructed at PACS
- They can also avail bridge finance for the next cycle of crop
- Farmers can sell the produce at a time of their choice
- They can also choose to sell their whole crop to the PACS at MSP
- Farmers can also get various agri inputs & services at the Panchayat/ village level itself

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Financial assistance by NCDC for Deep Sea Trawlers

- NCDC has taken up the task of financing deep sea trawlers. Various financial assistances have been sanctioned by NCDC.
- Rs. 11.55 crores for purchase of 14 deep sea trawlers in Maharashtra at a block cost of Rs 20.30 crores.
- Rs 37.39 crores to Rajmata Vikas Macchimar Sahakari Sanstha Limited, Mumbai for setting up a seafood processing unit at a Block Cost of Rs.46.74 crores.
- Rs. 32.69 crores for Integrated Fisheries Development Project (IFDP) of Government of Kerala.
- NCDC has sanctioned the proposal of Shri Mahavir Macchimar Sahakari Mandali Limited, Gujarat for purchasing 30 deep sea trawlers with a block cost of Rs.36.00 crores.

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Strengthening PACS

- The Government of India has approved a total financial outlay of ₹2,516 crore for Computerization of functional PACS
- This entails to bring all functional PACS in the Country onto a common ERP based National software
- It will also link PACS with NABARD through State Cooperative Banks (StCBs) & District Central Cooperative Banks (DCCBs)
- So far, ₹794 crore (approx) has been disbursed during the project

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Relief to Cooperative Societies in the Income Tax Act

- Surcharge reduced from 12% to 7% for cooperative societies having income between ₹1 Cr to ₹10 Cr
- MAT reduced for cooperatives from 18.5% to 15%
- Relief in cash transactions under section 269ST of the Income Tax Act
- Tax cut for new manufacturing Cooperative societies
- Increase in limit of TDS in cash withdrawal from ₹1 cr to ₹3 cr per year

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DID YOU KNOW?

In the Union Budget 2023-24, Government made a provision wherein sugar cooperatives have been allowed to claim as expenditure their payments to sugarcane farmers for the period prior to the assessment year 2016-17, giving them a relief of more than Rs.10,000 crore.

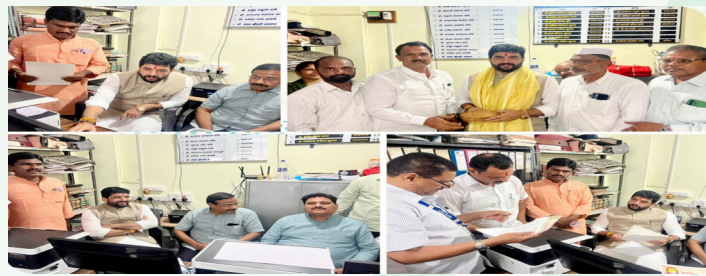
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Hon'ble Union Home & Cooperation Minister Shri Amit Shah signed the contract between National Cooperative Organics Limited (NCOL) and Uttarakhand Organic Commodity Board, in New Delhi on 30.08.2024.



Hon'ble Union Minister of State for Cooperation, Shri Muralidhar Mohol held discussions on 22.08.2024 to take stock of the issues related to One Time Settlement of SDF loan pertaining to Cooperative Sugar Mills.



Union Minister of State for Cooperation, Shri Murlidhar Mohol visited cooperative societies in Pune, Maharashtra on 13.08.2024. He interacted with the members of PACS and instructed the officials to resolve their problems quickly.



On 23.08.2024, H.E. Mr. M. Ismael Nabe, Minister of Planning & International Cooperation, Republic of Guinea met with Dr. Ashish Kumar Bhutani, Secretary, MOC at New Delhi.

AGRICULTURE NEWS

PM Modi releases 109 climate-resilient seed varieties to boost farm yield, nutrition

Prime Minister Shri Narendra Modi on 11.08.2024 released 109 high-yielding, climate-resilient, and bio-fortified seed varieties of agricultural and horticultural crops, aiming to enhance farm productivity and farmers' income. Developed by the Indian Council of Agricultural Research (ICAR), these varieties span 61 crops, including 34 field crops and 27 horticultural crops. Shri Modi unveiled the seeds at three experimental agriculture plots at Delhi's Pusa Campus, where he also interacted with farmers and scientists. The field crop varieties include cereals, millets, forage crops, oilseeds, pulses, sugarcane, cotton, and fiber crops. For horticulture, the Prime Minister released new varieties of fruits, vegetables, plantation crops, tubers, spices, flowers, and medicinal plants. Since 2014, Shri Modi has advocated for sustainable farming practices and climate-resilient methodologies to bolster farmers' income. He has consistently emphasized the promotion of bio-fortified crop varieties, linking them to govt initiatives like the Mid-Day Meal scheme and Anganwadi services to combat malnutrition in India.

Centre launches Krishi-DSS, a digital platform on farming

The Union Agriculture Ministry has launched a digital geo-spatial platform, Krishi-Decision Support System (DSS) in New Delhi on 16.08.2024, which will share real-time data-driven insights on weather patterns, soil conditions, crop health, crop acreage and advisories with all stakeholders such as farmers, experts and policymakers. The Ministry said the system was "a significant milestone" in the

country's agricultural innovation landscape. The platform provides seamless access to comprehensive data, including satellite images, weather information, reservoir storage, groundwater levels and soil health information, which can be easily accessed from anywhere at any time. Krishi-DSS includes several advanced modules designed to support comprehensive agricultural management. With crop mapping and monitoring, we will be able to understand cropping patterns by analysing parcel-level crop maps over the different years. This information helps in understanding crop rotation practices and promotes sustainable agriculture by encouraging the cultivation of diverse crops. The DSS can also be helpful in drought monitoring and it will provide near real-time information on various indicators, i.e. soil moisture, water storage, crop condition, dry spells, etc., and will inform the stakeholders about how weather is impacting the crops, crop harvest status, crop residue burning, etc. From flood impact assessment to crop insurance solutions and many more, Krishi-DSS is a holistic solution. It's about empowering our farmers, informing our policies, and nourishing our nation.

Gujarat govt announces ₹350 cr relief package for farmers affected by July rains

The Gujarat govt on 23.08.2024 announced a relief package of ₹350 crore for farmers who suffered losses due to heavy rains in several parts of the state in July this year. The relief package was announced by state agriculture minister Shri Raghavji Patel in the assembly on the last day of monsoon session after a loss assessment survey was carried out in 45 talukas of Junagadh, Porbandar, Devbhumi Dwarka, Rajkot, Anand, Bharuch, Surat, Navsari and Tapi districts. Incessant and heavy rains were



recorded in these nine districts between July 18 and 24, which resulted in damage to standing crops, horticulture produce and fruit trees such as mango on an area of nearly 4 lakh hectares. Under the relief package, farmers who lost 33% or above of their total non-irrigated Kharif crop will get assistance of ₹11,000 per hectare in the limit of two hectares, while the compensation will be ₹22,000 per hectare, in the limit of two hectares, for damage to irrigated crops. For annual horticulture crops, the govt. has fixed a compensation of ₹22,000 per hectare in the limit of two hectares if the loss is equal or above 33%. The compensation will be ₹22,500 per hectare in case of perennial horticulture crops that have a life of three or more growing seasons. In case of total damage or uprooting of fruit trees in the perennial category, farmers will get additional compensation of ₹1.02 lakhs per hectare if more than 33% of trees are damaged.

12% penalty for delay in Fasal Bima settlement

Insurance companies will have to pay a penalty of 12% to farmers on the claims if there is a delay in claim settlement beyond stipulated period under the Pradhan Mantri Fasal Bima Yojana (PMFBY) agriculture minister Shri Shivraj Singh Chouhan said on 06.08.2024. "If there is a delay, the insurance company will pay a 12% penalty, which will go directly to the farmer's account. If we look at the reasons for the delay, the biggest reason is the delay in releasing their share of the premium subsidy by most states. Many

times the yield data is received late and in some cases, disputes arise between the insurance company and state. It has been made mandatory to assess the loss not visually but through remote sensing at least 30% of crops covered," he said in Lok Sabha. Earlier delays in settlement of farmer's claims under crop insurance were not tracked as there was no centralised information system. However with the launch of a common portal settlement time for insurance claims by the farmers can be assessed on a real time basis. According to the guidelines of PMFBY, states or union territories will not be allowed to implement the crop insurance scheme in subsequent years in case of considerable delays by states in releasing the requisite premium subsidy to concerned insurance companies. The cut-off date for invoking this provision for kharif and rabi seasons is March 31 and September 30 in the succeeding year respectively. In FY24, enrollment under the PMFBY crossed a record 39.7 million, and it is projected to increase significantly in the current fiscal. The crop insurance scheme is gradually moving towards a subscription-based model rather than a loan-based scheme. More than 42% of farmers who are enrolled under the crop insurance are those who had not availed loans from the banks. Several insurance companies, both in the public and private sectors, are implementing the crop insurance scheme. The PMFBY is the third largest insurance scheme globally in terms of premium and shields farmers from crop losses or damage arising out of unforeseen events.

INTERNATIONAL NEWS

India permits export of 200k tonne of non-basmati white rice to Malaysia

The govt. has permitted exports of two lakh tonne of non-basmati white rice to Malaysia, through National Cooperative Exports Limited (NCEL). Though exports of non-basmati white rice have been banned since 20.07.2023, to boost domestic supply, exports are allowed on the basis of permission granted by the govt. to certain countries to meet their food security needs on request. "Exports of 2,00,000 MT of non-basmati white rice to Malaysia is permitted through NCEL," the Directorate General of Foreign Trade (DGFT) has said in a notification.

India has earlier also allowed these exports to countries like Nepal, Cameroon, Cote D' Ivore, Guinea, Malaysia, Philippines, and Seychelles. NCEL is a multi-state cooperative society. It is jointly promoted by some of the leading cooperative societies in the country, namely, Gujarat Cooperative Milk Marketing Federation (GCMMF) popularly known as AMUL, Indian Farmers Fertiliser Cooperative Ltd (IFFCO), Krishak Bharati Cooperative Ltd (KRIBHCO) and National Agricultural Cooperative Marketing Federation of India Ltd (NAFED).

NEWS FROM MEMBER BANKS

Gujarat SCARDB

On 15.08.2024, Gujarat SCARDB celebrated 78th Independence Day at their head office. Championing Prime Minister Modi Ji's visionary "Har Ghar Tiranga" mission the bank distributed national flag among their staff and community. In the presence of GSCARDB Chairman, Shri Dolar Kotecha, the national flag was hoisted by Shri Jitu Bhai Vyas, Chief Editor of Sahakar Chetna and former Rashtriya Mahamantri of Sahkar Bharti.



Uttar Pradesh SGVB

Uttar Pradesh SGVB hoisted flag at their head office in Lucknow on the occasion of 78th Independence Day on 15.08.2024.

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