

UNION BUDGET 2025

Economic survey 2025 observed that though fundamentals of the economy are strong and robust there are key challenges in achieving required growth to realise the goal of 'Viksit Bharat' in 2047. Slowdown in investments and uncertainty in consumer demand particularly urban middle class expenditure are underlined as the two major concerns.

The Finance Minister in the Union Budget 2025 which was presented on the above background made a bold and sincere attempt to address these concerns.

The most talked about decision to raise income tax exemption limit to ₹12 lakhs, apart from uplifting middle class sentiments is expected to give much needed push in demand. The budget gives special focus on Agriculture, MSMEs, Investment and Exports as the four main engines of growth to reach the goal of Viksit Bharat by 2047.

Productivity enhancement, crop diversification and post-harvest value addition through storage and strengthening supply chain are the thrust areas in agriculture. The budget has proposed a number of programmes and missions for achieving these objectives as part of a long term strategy to meet the food and nutrition needs of a growing population and to become a major exporter of food by 2047. A special programme to increase agriculture productivity in 100 districts with low productivity, covering 1.7 crore farmers under PM Dhan-Dhaanya Krishi Yojana, rural prosperity and resilience programme for creating full time employment for all in the rural sector, special programme to become self-sufficient in certain varieties of pulses such as Tur, Urad and Masoor which at present are imported in large quantities to meet domestic demand. This programme includes arrangement for procurement of these crops directly from farmers by NAFED and NCCF. A special programme for fruits and vegetables to ensure remunerative prices to farmers, developing high yielding pest resistant and climate resilient seeds, sustainable harnessing of fisheries with focus on using the huge untapped potential in Andaman & Nicobar and Lakshadweep Islands, special programme for improving productivity of cotton are some of the major initiatives in agriculture announced in the budget.

To improve availability of credit in the sector, the government has announced increasing the loan limit of Kisan Credit Card with interest subvention from ₹3 lakh to ₹5 lakh, a bigger role for India Post in financial inclusion through its network of 1.5 lakh rural post offices and enhanced support to NCDC to expand the lending activities of cooperative sector.

MSMEs sector which provides employment to 5.7 crore people and accounting for 36% of manufacturing and 45% of exports is considered as one of the major engines of the government. It is proposed to enhance the investment and turnover limits for classification of MSMEs by 2.5 and 2 times respectively. Credit guarantee cover to MSMEs has been increased to ₹10 crore and in the case of start-ups to

₹20 crore with reduced guarantee fee of 1%.

Investments and Exports are the other two major engines of growth listed in the budget. The budget proposed to accelerate investments in human resources in a big way and identified important areas like nutrition support to children, improving infrastructure and quality of school education, skill development of youths, etc. as areas of focus. The budget proposes to boost investments in infrastructure through PPP mode and through support to State governments by providing 50 year interest free loans. Jal Jeevan Mission for providing drinking water which has already covered 80% of the population and will continue to cover 100% of the population by 2028.

It is also proposed to set up Urban Challenge Fund of ₹1 lakh crore to convert cities as growth hubs, speeding up power sector reforms to increase distribution deficiency and improving financial health of electricity boards, nuclear energy mission to generate minimum 100 GW nuclear energy by 2047 and developing small modular reactors indigenously. In shipping, ship building is identified as a priority area. Government will also set up Maritime Development Fund to increase the domestic shipping capacity which is far short of demand. The UDAN Scheme will be modified for better regional connectivity. Tourism development including developing top 50 tourist centres and generating quality jobs for youths in tourism, etc. are other important areas identified for accelerated investments. Budget also gives special focus on investments for innovations and has listed a number of areas for the same.

Export is listed as the fourth engine of growth in the budget. The budget contains a number of proposals to boost exports in order to minimise the widening gap between exports and imports. Ensuring better access to export credit, incentives to MSMEs for increasing exports, setting up digital public infrastructure for trade documentation, supporting domestic manufacturing sector for integration with global supply chains, developing warehousing facilities for air cargo to boost export of horticultural produce, etc. are the major proposals for promoting exports. The budget proposes to take forward financial sector reforms further through a number of new initiatives. Raising FDI in insurance from 74% to 100%, expanding services of India Post Payment Bank, credit expansion by National Bank for Financing Infrastructure and Development (NaBFID), developing Grameen Credit Score framework to meet the credit needs of SHGs and rural sector are among the major proposals to deepen financial sector reforms.

Budget also proposes to constitute a high level committee for non-financial sector reforms for improving ease of doing business and to address slowdown in investments. The budget seeks to bring down fiscal deficit to 4.4% in 2025-26 from estimated 4.8% in 2024-25. The total expenditure projected during 2025-26 is ₹50.65 lakh crore which will be met out of total receipts (excluding borrowings) of ₹34.96 lakh crore with a fiscal deficit of ₹15.69 lakh crore.



177th Board Meeting of NAFCARD at Chandigarh on 10th January 2025



NAFCARD held 177th Board Meeting in Chandigarh on 10th January 2025 on the invitation of Punjab State Cooperative Agricultural Development Bank Ltd. The Board considered in detail the

proposal of NABARD/MOC for restructuring of ARDBs involving merger of viable institutions with the State Cooperative Banks and District Central Cooperative Banks and liquidation of unviable institutions in the structure.

The Board felt that the proposal of NABARD is neither practical nor beneficial to the rural credit system and farmers. These proposals, if implemented will mark the end of the existing channel for Long term finance to farmers, without any alternative arrangements. The merger of ARDBs with SCBs and DCCBs will significantly impact the flow of investment credit as these institutions are not engaged in direct lending to rural sector and depend entirely on PACSs for rural outreach. Merger at State and district level, however does not increase the capacity of PACSs to expand Long term financing in the rural sector. Moreover, with the adoption of model Byelaws and thrust on non-credit businesses PACS are unlikely to take much interest in long term financing to agriculture. The Board also rejected the idea of liquidation

of unviable PCARDBs, due to its financial implications on SCARDBs on account of 100% provisioning requirement against their entire loans with PCARDBs. The Board felt that the entire structure in all States

would attain sustainable viability within 3 to 5 years with the implementation of reforms recommended by NABCONS study team and urged MOC to take urgent steps in that direction.

The Board, in this meeting also decided to observe International Year of Cooperatives 2025 declared by United Nations under the theme 'Cooperatives Build a Better World' and finalized the IYC action plan and calendar of programmes of the Federation.

The meeting was chaired by Shri Dolar Kotecha, Chairman and was also attended by Vice-Chairpersons Shri K. Ravinder Rao (Telangana State Cooperative Apex bank Ltd.), Dr. Moinul Hassan (West Bengal State Cooperative Agriculture & Rural Development Bank Ltd.), Dr. A.R. Shivaram (Karnataka State Cooperative Agriculture & Rural Development Bank Ltd.) and Shri Suresh Kumar Goyal, who is also the Chairman of the host bank, delegates from



various other States and Shri K.K. Ravindran, Managing Director.

NAFCARD's Action Agenda of IYC 2025

NAFCARD has formulated Action Agenda and Calendar of Programmes to observe International Year of Cooperatives 2025. The Calendar of Programmes includes 8 State Level Seminars on IYC theme, 'Cooperatives Build a Better World' with focus on empowering women and youths. The yearlong programmes at State and District levels will culminate with IYC National Conference of ARDBs in November 2025, in which performance awards of SCARDBs and PCARDBs will also be presented. Agroforestry /Tree Plantation in a massive scale is an important activity taken up by NAFCARD during the IYC. ARDBs will encourage and support farmers financed by them to undertake tree planting along the boundaries of agriculture fields, which apart from being an additional source of income helps to moderate temperature levels in the farm lands.

Shri Amit Shah inaugurates IYC 25; Moots 12-month program of co-op growth



Union Home and Cooperation Minister Shri Amit Shah inaugurated the International Year of Cooperatives (IYC) 2025 calendar and launched the National Urban Cooperative Finance and Development Corporation (NUCFDC) office in Mumbai on 24.01.2025. This event also marked the initiation of training for 10,000 new Multipurpose Primary Agricultural Cooperative Societies (M-PACS) members. Key dignitaries, included Shri Murlidhar Mohol, Union Minister of State for Cooperation, Maharashtra Deputy Chief Ministers Shri Eknath Shinde and Shri Ajit Pawar, Dr Ashish Kumar Bhutani, Secretary MOC and Shri Pankaj Bansal, Additional Secretary MOC were present. Shri Shah announced that the Ministry of Cooperation has developed a 12-month program to celebrate IYC 2025, aimed at expanding the cooperative sector, ensuring transparency and enhancing inclusivity. He highlighted that by the end of the International Year in December 2025, India's cooperative movement would grow symmetrically, significantly contributing to the nation's vision of 'Sahkar Se Samriddhi' (Prosperity through Cooperation). He emphasized the cooperative sector's pivotal role in achieving India's long-term goals of becoming a global economic powerhouse and a developed nation by 2047. He highlighted the importance of social harmony, equality, and inclusivity in advancing cooperatives. The launch of NUCFDC aims to bring urban cooperative banks to par with national and private banks within three years, enhancing services such as digital banking, mobile banking, and international trade transactions. The





corporation will integrate over 1,465 urban cooperative banks and 8.25 lakh cooperative institutions, focusing on improving resources, banking processes and unifying accounting systems. Shri Shah also highlighted the govt's efforts to resolve issues with urban cooperative banks through coordination with the Reserve Bank of India. The umbrella organization will enable seamless financial transactions among cooperatives, improving trust and business opportunities. He noted that the principle of 'Cooperation Amongst Cooperatives' would strengthen the sector's self-reliance and enhance economic outcomes. The govt has invested ₹2,500 crore to computerize PACS and modernize operations. A ranking system covering PACS, dairy, fisheries, urban cooperative banks, and other sectors has been introduced, evaluating parameters such as audits, financial performance and branding to improve funding access and transparency. He also highlighted the cooperative sector's success in ethanol production, boosting sugar mill profitability, and the recent approval of 10 lakh tonnes of sugar exports, benefiting Maharashtra's cooperatives. He revealed plans to establish the Tribhuvan National Cooperative University, named after Gujarat cooperative leader Tribhuvan Das Patel, to develop skilled professionals for cooperatives and rural development. He reiterated the govt's commitment to 'Samriddhi Se Aatmanirbharta' (Self-reliance through Prosperity), envisioning a future where cooperatives play a significant role in driving employment, agriculture, and rural development across India. (Source: Indian Cooperative)

PM Modi bats for small business to get rural jobs done right



Prime Minister Shri Narendra Modi said the govt's vision is to empower rural India so that people there have ample livelihood opportunities within the village itself without having to migrate to the cities for jobs. In his inaugural address at the Grameen Bharat Mahotsav 2025 on 04.01.2025, he urged organisations working in rural areas to help diversify incomes there by establishing simple enterprises. The PM said Farmer Producer Organisations (FPOs) are helping cultivators get better prices for their produce and urged that more of these be set up, along with bolstering the cooperative movement. Also, there is a need to work towards creating 5-6 more cooperatives like Amul, which have a presence across the country. The Mahotsav is organised by the National Bank for Agriculture and Rural Development (NABARD) and its associates. Citing the results of the latest Household Consumption Expenditure Survey (HCES), he noted that consumption in rural India has nearly tripled since 2011, indicating that people are spending more on the things they want, rather than the bare essentials. Earlier, villagers had to spend more than 50% of their income on food, but for the first time since

independence, this had fallen below that level. This indicates that people are now spending on other things they desire, reflecting an improvement in the quality of life. The HCES has shown that the gap in consumption between urban and rural areas has narrowed. This disparity has been slashed through continuous efforts. The average estimated monthly per capita consumption expenditure (MPCE) in rural India was ₹4,122 in FY24 compared with ₹6,996 in urban areas. The urban-rural gap in MPCE declined to 69.7% in FY24 from 83.9% in FY12. He also highlighted the importance of drafting economic policies that take into account every section of society to strengthen the rural economy. Emphasising the need to diversify rural incomes, he noted the importance of making irrigation affordable, promoting micro-irrigation, creating more rural enterprises, and maximising the benefits of natural farming for the rural economy, urging time-bound efforts in this direction. The govt had implemented a programme in each village to ensure basic amenities. Toilets have been built as part of the Swachh Bharat Mission, and millions of people in rural India have been given pucca houses as part of the Pradhan Mantri Awas Yojana. Safe and clean drinking water was being provided through the Jal Jeevan Mission. Healthcare facilities are being provided in more than 1.5 lakh Ayushman Arogya Mandirs to the people. Telemedicine, assisted by digital technology, has ensured access to the best doctors and hospitals in the villages. Millions of people in rural areas have benefited from telemedicine through e-Sanjeevini.

Economic Survey sees crucial role for cooperatives & FPOs



The Economic Survey for 2024-25 was tabled by Finance Minister Smt Nirmala Sitharaman in Parliament on 31.01.2025, highlighting the crucial role of cooperatives in

India. Cooperative societies play a vital role across multiple sectors, including agriculture, credit and banking, housing, and women's welfare. These societies are instrumental in promoting financial inclusion, particularly by extending credit to farmers and small entrepreneurs who often face challenges in accessing conventional banking services. To strengthen the cooperative sector, the Indian govt has implemented various strategic initiatives. These include introducing Model Bye-Laws for Primary Agricultural Credit Societies (PACS) to provide a structured framework for their operations. The govt has also prioritized the computerization of PACS to enhance efficiency and transparency. There is also an ongoing effort to establish new multipurpose PACS, as well as





dedicated dairy and fishery cooperatives to meet diverse community needs. Another key focus is transforming PACS into Common Service Centres (CSCs), which aim to provide services beyond financial assistance. Other noteworthy measures to enhance the cooperative landscape include setting up retail petrol and diesel outlets and installing micro-ATMs within cooperative societies to improve access to banking services. Moreover, the issuance of RuPay Kisan Credit Cards specifically for dairy cooperatives is expected to strengthen their financial capabilities and benefit their members. The achievements of these initiatives have been significant. Over 9,000 new PACS, dairy, and fishery cooperatives have been established in underserved panchayats, with support from various federations. As part of the govt's push for greater accessibility, 240 PACS have applied to operate retail petrol and diesel outlets, with 39 already selected. Additionally, 35,293 PACS have been transformed into Pradhan Mantri Kisan Samriddhi Kendras (PMKSK), which provide essential fertilizers and related services to farmers, directly contributing to agricultural productivity. Furthermore, 1,723 micro-ATMs have been distributed, enhancing doorstep financial services and improving accessibility for rural populations. Improving price discovery and market efficiency is another critical priority. Strengthening market infrastructure is essential for achieving this goal. This can be facilitated by effectively utilizing e-NAM, an online platform that provides farmers access to broader markets. Additionally, supporting the establishment and operational capabilities of Farmer Producer Organizations (FPOs) and enabling cooperatives to play a more active role in agricultural markets will help foster a more inclusive and efficient market environment. (Source: *Indian Cooperative*)

Agriculture and allied sectors set to grow at 3.5% to 4% this year

Union Agriculture Minister Shri Shivraj Singh Chouhan on 04.01.2025 chaired a virtual review meeting of various schemes being run by his Ministry with Agriculture Ministers of States and Union Territories across the country, where he said the growth rate of the agriculture and allied sectors is likely to be between 3.5% - 4% this year. Shri Chouhan said "In the new year with new resolutions, we will take forward the work of agricultural development and farmer welfare at a fast pace. There is continuous progress in the agriculture sector and we are all constantly making efforts for it." The Union Minister went on to add that the govt has designed a six-point strategy for farmer welfare and development in the agriculture sector, which included measures to increase production, reduce costs, raise incomes, pay attention to legalisation of crops, and promote natural farming, among others. Highlighting a host of schemes run by the Union Agriculture Ministry, such as the PM Kisan Samman Nidhi, PM Crop Insurance Scheme, Minimum Support Price scheme, Agri Infra Fund, and the progress made under them. He added that

the meeting was primarily called to get inputs from Agriculture Ministers in States and UTs on suggestions for the upcoming Budget.

Crop Insurance Schemes to continue

The Union Cabinet on 01.01.2025 extended two crop insurance schemes, the Pradhan Mantri Fasal Bima Yojana (PMFBY) and the Restructured Weather Based Crop Insurance Scheme (RWBCIS) by one more year till 2025-26 to align their implementation with the 15th Finance Commission period. The total outlay for PMFBY and RWBCIS has been increased to ₹69,515 crore for 2021-22 to 2025-26, from ₹66,550 crore for FY21 to FY25. The cabinet committee on economic affairs also created a separate Fund for Innovation And Technology (FIAT) of ₹824.77 crore for technology infusion in the implementation of these flagship schemes. "FIAT will help in the use of technology for faster assessment of crop damage, claim settlement and lesser disputes. It will also help in using digital technologies for easier enrolment and greater coverage," said Shri Ashwini Vaishnaw, Information and Broadcasting Minister. The agriculture ministry said the special fund will be utilised towards funding technological initiatives as well as research and development studies. Agriculture Minister Shri Shivraj Singh Chouhan said the insurance companies will have to pay a penalty of 12% to farmers on the claims if there is a delay in claim settlement beyond the stipulated period under the PMFBY. Insurance claims of ₹1.7 lakh crore have been paid to farmers against ₹34,000 crore premium paid under PMFBY since its launch in 2016, according to agriculture ministry data. Participation in PMFBY is optional for farmers. PMFBY is currently implemented in 23 states and Union territories. In FY24, enrolment under PMFBY crossed a record 4 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 55% of farmers who are enrolled under the crop insurance are those who had not availed loans from the banks in FY24.

RBI announces steps to encourage cross-border transactions in Indian rupee

The Reserve Bank of India (RBI) on 16.01.2025 announced liberalised norms to encourage use of Indian Rupee and local/national currencies to settle cross border transactions. The decision comes at a time when the domestic currency is sliding and touched an all-time low of 86.70 per \$ on 13.01.2025. The Reserve Bank has already signed Memorandum of Understanding (MoU) with the central banks of the United Arab Emirates, Indonesia and Maldives to encourage cross-border transactions in local currencies, including Indian Rupee. To encourage greater use of Indian Rupee (INR) for trade transactions, in July 2022, an additional arrangement in the form of Special Rupee Vostro Account (SRVA) was introduced. Several foreign banks have since opened SRVAs with banks in India. "Overseas branches of Authorized Dealer banks will



be able to open INR accounts for a person resident outside India for settlement of all permissible current account and capital account transactions with a person resident in India," the RBI said while announcing the changes made in the extant FEMA regulations. Under the liberalised FEMA regulations, person's resident outside India will be able to settle bona fide transactions with other non-residents using the balances in their repatriable INR accounts such as Special Non-resident Rupee account and SRVA, they will also be able to use their balances held in repatriable INR accounts for foreign investment, including FDI, in non-debt instruments. RBI further said Indian exporters will be able to open accounts in any foreign currency overseas for settlement of trade transactions, including receiving export proceeds and using these proceeds to pay for imports.

Ombudsman disposed of 95% of complaints received in Fy24

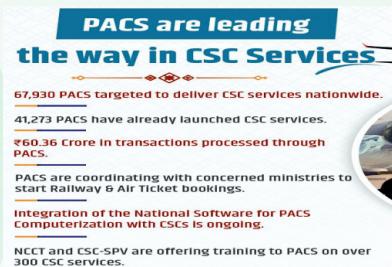
The RBI on 24.01.2025 said the ombudsman disposed of 95.10% of the complaints it received between 01.04.2023 and 31.03.2024. Under the Reserve Bank - Integrated Ombudsman Scheme (RB-IOS), a total of 9,34,355 complaints were received by the Office of Reserve Bank of India Ombudsman (ORBIOs) and the Centralised Receipt and Processing Centre (CRPC), said the Annual Report of the Ombudsman Scheme for FY 2023-24. A total of 2,84,355 complaints were disposed by the ORBIOs during the year, thereby achieving a disposal rate of 95.10%. Out of the total complaints received at the ORBIOs, 88.77% were received through digital modes, including on the online Complaint Management System (CMS) portal, email and Centralised Public Grievance Redress and Monitoring System (CPGRAMS). The share of complaints from individuals in the total complaints was the highest at 2,56,527 (87.27%) in the FY 2023-24. Complaints against banks and NBFCs represented 82.28% and 14.53% of the total complaints, respectively. Loans and advances formed the largest category (29.01%) under which complaints were received. During the year, 82 appeals were received by the Appellate Authority against the decisions of the RBI Ombudsmen, of which 72 appeals were received from the complainants and 10 appeals were received from the regulated entities (REs). CRPC witnessed a significant rise in complaints, receiving 7,66,957 complaints (including assigned to ORBIOs/CEPCs), which was 30.10% higher as compared to the previous year. Of these, 7,58,483 complaints were disposed at CRPC. While 6,31,876 complaints were closed as non-complaints/non-maintainable complaints.

PACS to become hubs for Organic Farming; Shah chairs review meeting



Union Home and Cooperation Minister Shri Amit Shah chaired a review meeting of National Cooperative Organic Limited at the Ministry of Cooperation

in New Delhi on 01.01.2025 which was attended by MoS Shri Murlidhar Mohol, Secretary Dr. Ashish Kumar Bhutani, Additional Secretary Shri Pankaj Bansal, Chairman and Managing Director of National Cooperative Organic Limited Dr Meenesh Shah, Chairman of NABARD Shri Shaji K.V. and senior officials of the Ministry. During the meeting, Shri Amit Shah stated that all PACS in the country should be linked to the organic mission, and a campaign should be launched to promote organic products. He emphasized giving special attention to identifying sources of organic products and ensuring their



purity. He also said NCOL should focus on building a strong supply chain of authentic organic products from farmers to customers under its 'Bharat Organics' brand. NCOL must

ensure mandatory testing of each batch of 'Bharat Organics' products to guarantee purity and authenticity for customers. He also suggested encouraging farmers associated with Amul dairies and NDDB institutions to adopt organic farming. Highlighting that farmers should receive fair and attractive prices for their organic products to encourage organic farming, he instructed NCOL and the MOC to hold discussions with Amul to determine the prices of organic flour and organic Arhar dal in farmers' interest, motivating them to adopt organic farming practices. Increased awareness and effective marketing would drive demand for organic products nationwide. Appealing for promoting organic products during upcoming festivals, he called for PACS to become sources of organic agricultural products, centers for the sale of organic products and centers for seed sales, thereby promoting institutions like NCOL, NCEL and BBSSL, with inclusion of at least one young farmer in each of the 2 lakh cooperative societies will strengthen local cooperative structures. Additionally, he emphasized the importance of training PACS members and farmers, directing NABARD in collaboration with the MOC to develop a mechanism ensuring loans are available to farmers according to their financial capacity. (Source: Indian Cooperative)

Cooperative Rehabilitation, Reconstruction and Development Fund

The Central Registrar of Cooperative Societies and Additional Secretary, MOC, Shri Rabindra Kumar Agarwal, chaired a pivotal meeting with representatives of national-level cooperative institutions and federations to deliberate on the draft guidelines for the Cooperative Rehabilitation, Reconstruction and Development Fund (CRRDF). This newly established fund aims to support the rehabilitation and development of cooperative societies across the country. The





meeting brought together MDs, CEOs and other representatives of national cooperative institutions who shared their insights and suggestions on the proposed guidelines. The final draft of the guidelines would be ready by the end of this month. The discussions revolved around creating a robust framework to ensure the CRRDF effectively addresses challenges faced by cooperatives, including financial instability and modernization needs. The CRRDF is expected to play a pivotal role in addressing the challenges faced by cooperatives, fostering their growth, and aligning with the govt's vision of empowering cooperative institutions as engines of economic growth, social upliftment and also to simplify the procedures for accessing the fund ensuring that even sick cooperatives could benefit without bureaucratic hurdles. The Cooperative Rehabilitation, Reconstruction, and Development Fund was established under Section 63A of the Multi-State Cooperative Societies (MSCS) Act. The Act mandates that profitable multi-state cooperatives contribute annually to the fund, with a cap of ₹1 crore or 1% of their net profits from the last three financial years, whichever is less. In addition, all MSCS will contribute 0.005% to 0.1% of their net profits to ensure a steady flow of resources. These funds will be utilized to revive sick cooperatives and support development projects, ensuring sustainability and resilience in the sector. The MOC reiterated its commitment to strengthening the cooperative movement and stakeholders expressed optimism about the fund's potential to create a significant impact. The finalized guidelines are expected to be released soon, setting the stage for a new era of cooperative rehabilitation, reconstruction and development. (Source: Indian Cooperative)

GH Amin re-elected as GSCU Chairman for 12th term



Shri Ghanshyambhai H. Amin, veteran co-operator and ex-President of NCUI was elected again as the Chairman of the Gujarat State Co-operative Union (GSCU) for a record 12th term at elections held on 01.01.2025. GSCU, the apex co-operative institution in Gujarat, represents various sectors such as dairy, banking, sugar, credit, and women's cooperatives through 28 elected seats. Co-operators including Shri Dilip Sanghani, President of NCUI, Shri Dolar Kotecha, Chairman of NAFCARD and Gujarat SCARDB and Shri Narharibhai Amin, Rajya Sabha MP extended their congratulations. (Source: Indian Cooperative)



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NCDC cuts loan rates; move to benefit 5 crore sugarcane farmers

The National Cooperative Development Corporation (NCDC) has taken a significant step towards

transforming India's agricultural landscape by announcing revised interest rates under the Central Sector Scheme to strengthen Cooperative Sugar Mills (CSMs). This initiative is a part of the vision of Prime Minister Shri Narendra Modi to enhance the role of cooperatives in driving rural and agricultural development. Under the new rates, working capital loans will now be available at 8%, while term loans will be offered at 8.5%. These competitive rates aim to reduce the financial burden on sugar cooperatives, enabling them to enhance operational efficiency and make strategic investments. With over 5 crore farmers directly connected to these cooperatives, the move is expected to provide a major boost to their livelihoods, offering stability and opportunities for growth. The sugar industry holds a crucial position in India's agricultural economy, contributing significantly to rural employment and income generation. The financial support provided under the revised scheme will help cooperative sugar mills modernize their infrastructure, adopt advanced technologies and implement sustainable practices improving productivity and ensuring fair returns for farmers while maintaining stable sugar prices for consumers. As a leading development financial institution under the MOC, the NCDC has consistently supported the cooperative movement across various sectors. This initiative further reinforces its commitment to empowering cooperatives and promoting inclusive growth in agriculture. By reducing interest rates, the NCDC is facilitating greater access to affordable credit for sugar cooperatives, which will have a cascading effect on the rural economy. The revised interest rates underline the govt's focus on strengthening farmer-centric policies and fostering the growth of self-reliant cooperatives. By integrating financial support with long-term development objectives, the scheme not only drives the transformation of the sugar industry but also contributes to the broader vision of 'Aatmanirbhar Bharat.' This proactive measure is set to elevate the role of cooperatives as key drivers of economic progress and social welfare in India. (Source: Indian Cooperative)

Despite reduction in balance sheets, SCARDBs' Net Interest Income rose

In its latest report, the RBI highlighted the performance of long-term credit cooperatives, noting that SCARDBs have lower accumulated losses and a higher share of loans and advances in total assets. During 2022-23, the income of PCARDBs grew by 18.8%, while their expenditure declined, resulting in net profits. As of March 2023, SCARDBs operated in 13 states and Union Territories, with Uttar Pradesh accounting for 46.7% of their branches. Borrowings made up 45.2% of SCARDBs total liabilities, with over 80% of these borrowings sourced from NABARD due to their limited deposit base. After two years of growth, the consolidated balance sheet of SCARDBs contracted in 2022-23, driven by a decline in





loans and advances. On the liabilities side, borrowings decreased, accompanied by a slowdown in deposit growth. Despite the reduction in their balance sheet, SCARDBs Net Interest Income (NII) rose by 25.3% in 2022-23, as interest income grew faster than interest expenses. This increase in NII, coupled with a rise in non-interest income, led to a substantial increase in net profits, albeit from a low base. The Gross Non-Performing Assets (GNPA) ratio of SCARDBs increased during 2022-23, even as their recovery ratio improved. The southern region reported the lowest GNPA ratio and the highest recovery ratio. At the end of March 2023, 608 PCARDBs operated across eight states and Union Territories. The consolidated balance sheet of PCARDBs contracted during the year, reflecting a decline in loans and advances on the assets side and borrowings on the

liabilities side. In 2022-23, the income of PCARDBs grew by 18.8%, driven by both interest and non-interest income, while their expenditure decreased due to reduced operating costs, particularly wage bills. This resulted in net profits. However, of the eight states and Union Territories with PCARDBs, five recorded consolidated net losses. The GNPA ratio of PCARDBs declined marginally in 2022-23 due to reductions in sub-standard and doubtful loans. However, it remained high at over 40%, as the loss category of loans expanded. In contrast to other regions, the GNPA ratio in the northern region increased, making it the region with the highest GNPA ratio and the lowest recovery-to-demand ratio in contrast with the southern region, which had the lowest GNPA ratio and the highest recovery-to-demand ratio. (Source: Indian Cooperative)



Hon'ble Union Home and Cooperation Minister, Shri Amit Shah addressed the Cooperation Conference of 25,000 members, organized by Ex-Servicemen and Farmers, by virtually launching Cashew Factory and inaugurating Venkateshwara Cooperative Free Soil Testing Center on 24.01.2025 at Nashik, Maharashtra, along with Shri Murlidhar Mohol, Hon'ble Union Minister of State for Cooperation, Hon'ble Deputy Chief Minister Shri Eknath Shinde, and other esteemed dignitaries.

AGRICULTURE NEWS

10 million farmers now have digital IDs linked to land records

To develop a database of farmers which is linked to their land records, the agriculture ministry in collaboration with states has provided digital IDs to 10 million farmers across 10 states as on 07.01.2025. The move to create farmers digital registry is part of the govt's digital agriculture mission, which would enable farmers to access benefits from a host of schemes. The unique IDs or referred as Kisan Pehchaan Patra contains the details of the farmers land holding, crops grown in the field and other details, so that it would be easier for the govt to provide direct cash benefits, sanction credits. Out of 10 states who have initiated the programme, most of the farmers IDs are generated in the states viz. Gujarat (32 lakh), Uttar Pradesh (30 lakh) and Madhya Pradesh (28 lakh). Maharashtra, Rajasthan, Assam, Chhattisgarh, Odisha, Andhra Pradesh and Bihar are the other states who have started the programme for providing IDs. Under Agri Stack, 110 million farmers will be given a digital identity similar to Aadhaar, over the next couple of years. In FY26 and FY27, 30 million and 20 million farmers would get their IDs respectively. There are 140 million farmers in the country and out of these around 35% – 40% do not own lands and are engaged in tenancy farming. Sanctioning credit and crop insurance using unique IDs of the farmers would be faster

while cash transfer under the Pradhan Mantri Kisan Samman Nidhi (PM Kisan) is likely to be linked to these IDs. Most of the states have digitized the land records. At present, under the PM Kisan, API based software checks the land records of the farmers who claim benefits.

Agri credit scales new high, to cross ₹28 lakh crore in FY 2025

Credit to the agriculture sector by commercial banks and regional rural banks is likely to cross ₹28 lakh crore, a new record, in the current fiscal due to an increased formalisation of the rural credit structure. "In the last 10 years, the average annual growth in the flow of agricultural credit has been in double digits at 13%. We will be crossing ₹28 lakh crore of credit flow in the current fiscal," said Shri Shaji KV, Chairman of NABARD on 05.01.2025. The agri-credit disbursement target of a record ₹27.5 lakh crore was set for 2024-25, 31% higher compared with the target of ₹21 lakh crore for FY24. Banks had disbursed ₹25.49 lakh crore in 2023-24 under term and crop loans, a rise of 15% compared to FY23. The growth this year is seen to be around 10%. "With a rise in the agri-credit flow, the share of the informal sector in credit disbursement is declining. This indicates formalisation of rural credit which would ensure a lot of margins with the rural population," said Shri Shaji.



Amul Dairy-associated milk producers excel in Honey production



Under the 'Mission Bee' program in Gujarat, 284 Amul Dairy-associated milk producers have produced approximately 16,000 kg of honey. Launched in 2022-23 by the Horticulture Department, the initiative encourages farmers in Anand, Kheda, and Mahisagar districts to adopt beekeeping. Farmers were provided ₹10,000, 10 bee boxes, and a honey extractor for every five members. Amul Dairy has processed around 2 tonnes of honey so far, while participants earned additional income through sales, recovering 75% of their investment in just a year. Beyond honey, beekeeping generates income from wax, royal jelly, and bee venom.

Tamil Nadu's drone didis' spray fields in a jiffy

Ms. Nandhini Sugumar, 27, a postgraduate in mathematics, has always had a fascination for drones. Having only seen the gadget whirring overhead, she is now among the women drone pilots who have been trained to expertly manoeuvre drones to assist farming operations in the predominantly agrarian Kallakurichi

district. Her typical sortie consists of spraying fertilizers from drone's payload hovering above a sugarcane field covering in just seven minutes, for which she charges ₹400 per acre. She is among the first batch of women self-help group members from Tamil Nadu selected under the Central govt's Namo Drone Didi scheme, aimed at empowering rural women by training them to be drone pilots and making them integral stakeholders of the local farming supply chain. She underwent a 5 days hands-on training workshop on the operation and maintenance of drones held by Garuda Aerospace Private Limited in Chennai. After completing the Remote Pilot Training Classes, she was given a free drone worth ₹7 lakh, equipped with two tanks and a battery set. Having graduated as a skilled drone pilot, she is excited to embrace the technology to meet a wide range of farmers' requirements, to spray fertilizers and pesticides and water the fields. The spraying of liquid fertilizers and pesticides through a drone is very cost-effective and takes around seven minutes to cover an acre of farmland.



NEWS FROM MEMBER BANKS

Gujarat SCARDB

Shri Dolar Kotecha visits headquarters of Haryana SCARDB



Haryana SCARDB's Chairman, Shri Amar Pal Singh Rana, Managing Director Smt Suman Balhara and Director Shri Dalip Singh, welcomed Shri Dolar Kotecha, Chairman of NAFCARD and Gujarat SCARDB during his visit to its headquarters in Panchkula on 10.01.2025. Shri Kotecha commended Haryana SCARDB for its efforts in rural empowerment and agricultural development. He reaffirmed NAFCARD's commitment to support the cooperative sector nationwide. (Source: Indian Cooperative)



NABARD conducted a training programme for Gujarat SCARDB's master trainers on DCT under the Centrally Sponsored Project for the Computerization of ARDBs (CSPCA) on 22.01.2025 at NICM, Gandhinagar. Shri B.K. Singal, Chief General Manager, NABARD inaugurated the event. Nearly 100 participants from GSCARDB and representatives from SPMU attended the session.



Gujarat SCARDB celebrated 76th Republic Day on 26.01.2025 at their headquarters in Ahmedabad. Shri Genabhai Patel, a Padma Shri awardee was the chief guest for the event. The event was attended by former Managing Directors, senior officers and employees of the bank.

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