



GOVERNMENT OF KERALA

THIRTEENTH FIVE-YEAR PLAN
(2017-2022)

WORKING GROUP ON

COOPERATION AND AGRICULTURE FINANCE

REPORT

AGRICULTURE DIVISION
STATE PLANNING BOARD
THIRUVANANTHAPURAM
MARCH 2017

PREFACE

In Kerala, the process of a Five-Year Plan is an exercise in people's participation. At the end of September 2016, the Kerala State Planning Board began an effort to conduct the widest possible consultations before formulating the Plan. The Planning Board formed 43 Working Groups, with a total of more than 700 members – scholars, administrators, social and political activists and other experts. Although the Reports do not represent the official position of the Government of Kerala, their content will help in the formulation of the Thirteenth Five-Year Plan document.

This document is the report of the Working Group on Cooperation and Agriculture Finance. The Chairpersons of the Working Group were Shri P Venugopal, IAS and Shri N Ratheendran. The Member of the Planning Board who coordinated the activities of the Working Group was Professor R Ramakumar. The concerned Chief of Division was Dr P Rajasekharan.

Member Secretary

CONTENTS

Chapter 1 Cooperation And Agriculture Finance	1
Introduction	1
Credit Cooperatives	3
Marketing/Processing Cooperatives	4
Consumer Cooperatives	4
Housing Cooperatives	5
Scheduled Caste Scheduled Tribe cooperatives	5
Educational Cooperatives	5
Hospital Cooperative Societies	6
Chapter2 Performance during 11th and 12th Plan –A Review	7
Eleventh Plan – Overview	7
Major Schemes in the Plan Period.....	7
Achievements during the Plan Period.....	8
Twelfth Plan – Overview	10
Major Schemes Implemented during the 12th Plan	10
Achievements.....	12
Issues	15
Chapter 3 Best Practices	18
Kizhathadiyoor Service Cooperative Bank Ltd No.1995, Pala, Kottayam (Dist), Kerala.....	18
The Palakkad District Cooperative Hospital and Research Centre	18
Uralungal Labour Contract Cooperative Society Ltd. (ULCCS)	19
Calicut City Service Cooperative Bank Ltd No.D 2777, Chalappuram (P.O), Kozhikode-	22
N.S Cooperative Hospital.....	23
The Mannarkkad Rural Service Coop. Bank Ltd	24
PACS Working As Multi Service Societies.....	25
Technology Adoption by PACS	28
Chapter 4 Suggestions for the 13th Five-Year Plan	32
Restructuring of Cooperative Credit Structure.....	32
Cooperative Entrepreneurship- Start-up Ventures.....	32
Project Proposal for Marketing of Vegetables in Vattavada and Kanthalloor Panchayaths.....	33
Assistance to Model Cooperatives	36
Interest subsidy for Agricultural Loans	36
Farmers Service Centres.....	36
Suvarnam Shop.....	37
Strengthening SC/ST Cooperatives	38
Project Proposal for Comprehensive Health Care to Attappady Tribal Population.....	39
Comprehensive Project to Improve the Health and Nutritional Status of Scheduled Caste Population of Mayanad Panchayat, in Kollam District	42
Project for the Exclusive Production of Patent Medicines at Ayurdhara, Thrissur, Operated by SC/ST Federation.....	46
Other Projects.....	49
Other form of Assistance To SC/ST Societies	52
Strengthening Hospital Cooperative Societies.....	52
Primary Housing Societies and Housing Federation.....	53
Revamping of Consumer Cooperatives.....	53
Strengthening and Restructuring of School/College Cooperative Societies	53
Strengthening Vanitha (Women) Cooperative Societies.....	55
Modernisation of Cooperative Sector.....	55

Modernisation of Department of Cooperation.....	56
Marketing Portal (CO-OPKART) for Cooperative Marketing Societies in Kerala.....	58
Share Capital Assistance for maintaining CRAR	61
Assistance to Cooperative Academy of Professional Education.....	61
Rejuvenation of SPCS	61
Training Centre for the Department Staff.....	62
Strengthening Labour Contract Societies/ Federations.....	62
Tourism Societies/ Federations.....	63
Integrated Cooperative Development Project.....	63
Alternate Models for Sustaining Vegetable Production in Kerala	64
Chapter 5 Agriculture Credit.....	67
Introduction	67
Banking Profile of Kerala	67
Cropping Systems in Kerala	67
Bank Finance to Agriculture Sector in State.....	68
Ways and Products for Better Credit Delivery to Farmers	69
Annexure 1.....	75

CHAPTER 1
COOPERATION AND AGRICULTURE FINANCE

Introduction

1. The Cooperative movement in Kerala began in the early years of the 20th century. However, it has gained momentum only in the period since independence. It was started as basically a credit movement but has diversified its activities to several areas of socio economic fronts in the state over the years. Today with more than 14000 cooperatives, the cooperative movement in Kerala has spread its wings in almost all parts of the state and most spheres of life. Cooperatives play an integral role in mobilizing people, pooling their resources so as to realize the common needs of the members and in turn their overall development. They provide a self-regulated institutional framework for the social and economic development of the society. They play a vital role in the socio-economic upliftment of the people particularly the weaker and down trodden in rural areas. The total number of Cooperatives is classified according to the area/nature of work, authorities/functions undertaken by them. As on 31.03.2016 there are 15287 cooperative societies under the administrative control of Registrar of Cooperative Societies; of which 11908 societies are working and undertake various promotional activities in this sector

Table 1 *Abstract of Number Statement*

Sl. No	Type of Societies	Number of Societies	Of which		
			Working	Dormant	Under Liquidation
I	Apex Societies / Banks	12	12	0	0
1	Kerala State Cooperative Bank	1	1		
2	Kerala State coop. Agrl. Development Bank	1	1		
3	Kerala State SC/ST Federation	1	1		
4	Kera Karshaka Sahakarana Federation	1	1		
5	Kerala State coop. Marketing Federation	1	1		
6	Kerala State Rubber Marketing Federation	1	1		
7	Kerala State coop. Consumer Federation	1	1		
8	Kerala State coop. Housing Federation	1	1		
9	Kerala State coop. Hospital Federation	1	1		
10	Kerala State Women coop. Federation	1	1		
11	Kerala State Coop. Tourism Federation	1	1		
12	Kerala State Labour Coop. Federation	1	1		
II	Federal Societies	4	4	0	0
13	Regional Agro Industrial Development Coop. of Kerala	1	1		
14	Kerala State Integrated Marketing & Processing Societies:	1	1		
15	Kerala State Agro Cooperative Societies	1	1		
16	Kerala State Rubber Cooperative Ltd.	1	1		
III	Central Banks	14	14	0	0
17	District Cooperative Bank	14	14		
IV	Credit Societies / Banks	4045	3631	289	125

18	Primary Agricultural Development Bank	78	75		3
19	Primary Agricultural Credit Societies	1611	1551	26	34
20	Farmers Service Cooperative Societies	36	36		
21	Rural Cooperative(a) Banks	38	38		
	(b) Societies	111	108	2	1
22	Agricultural Improvement Societies	313	304	6	3
23	Urban Cooperative Banks BR Act	58	58		
24	Urban Cooperative Banks Non BR Act	121	110	4	7
25	Employees Credit Coop. Societies BR Act	2	2		
26	Employees Credit Coop. Socs Non BR Act	1120	928	142	50
27	Primary Non Agrl. Credit Societies Others	160	125	28	7
28	Primary Housing Cooperative Societies	397	296	81	20
V	Consumer Societies	20	15	1	4
29	Regional Central Coop. Store. for School Socs.	2	1		1
30	Central Cooperative Stores	4	4		
31	Wholesale Consumer Stores	14	10	1	3
VI	Primary Societies	4651	4028	484	139
32	Primary Consumer Stores	617	187	306	124
33	College Cooperative Stores	188	161	21	6
34	School Cooperative Stores	3846	3680	157	9
VII	Marketing and Processing Socs.	615	268	300	47
35	General Marketing Societies	407	188	190	29
36	Special Marketing Societies	172	65	91	16
37	Processing Cooperative Societies	36	15	19	2
VIII	Miscellaneous Societies	5926	3936	1642	348
38	Poultry Cooperative Societies	44	12	31	1
39	Other Live Stock Cooperative Societies	5		5	
40	Collective Farming Cooperative Societies	9	5	1	3
41	Joint Farming Cooperative Societies	77	35	24	18
42	Labour Contract Cooperative Societies	641	318	273	50
43	Forest Labourers Cooperative Societies	4	1	1	2
44	Irrigation Cooperative Societies	13	6	6	1
45	Other Industrial Cooperative Societies	2	2		
46	Transport Ex-Service men Societies	6	1	4	1
47	Transport Cooperative Societies Others	140	45	69	26
48	Land Colonisation Cooperative Societies	2	2		
49	Better Farming Cooperative Societies	22	12	9	1
50	Rubber Plantation Cooperative Societies	1	1		
51	Rubber Karshaka Cooperative Societies	5	2	2	1
52	Agricultural Others Cooperative Societies	68	50	15	3
53	Scheduled Caste Cooperative Societies	736	370	306	60

54	Scheduled Tribe Cooperative Societies	98	59	36	3
55	Women's Cooperative Societies	1152	865	261	26
56	Auto rickshaw Cooperative Societies	63	20	30	13
57	Lime Shell Cooperative Societies	17	12	2	3
58	Lime Burners Cooperative Societies	1			1
59	Washer men Cooperative Societies	4	2	1	1
60	Hospital & Dispensaries Coop. Societies	202	102	68	32
61	Literary Writers Cooperative Societies	14	7	7	
62	Printing Cooperative Societies	71	37	23	11
63	Taxi-Drivers Cooperative Societies	21	13	7	1
64	Chethuthozhilaly Cooperative Societies	110	44	57	9
65	Canteen Cooperative Societies	69	28	32	9
66	Social Welfare Cooperative Societies	876	794	74	8
67	Educational Cooperative Societies	133	93	34	6
68	Tailors Cooperative Societies	34	10	21	3
69	Mangalya Soothra Cooperative Societies	1	1		
70	Non Agrl. Cooperative Societies Others	1285	987	243	55
TOTAL		15287	11908	2716	663

Credit Cooperatives

2. The credit cooperative societies are most vibrant and viable in the State. 4045 credit cooperatives includes the State Cooperative Bank, 14 District Cooperative Banks, 1611 Primary Agricultural Cooperative Societies, 36 Farmers Service Cooperative Societies, 60 Urban Cooperative Banks, 121 Urban Cooperative Societies, 149 Rural Credit Societies and Banks, 1120 Employees Cooperative Credit Societies, 313 Agricultural Improvement Societies, Kerala State Cooperative Agriculture & Rural Development Bank and 78 Primary Cooperative Agricultural Rural Development Banks.
3. The Cooperative Credit structure in the state comprises of :
 1. Short Term Credit Structure
 2. Long Term Credit Structure.
4. The Short Term Agricultural Credit Structures mainly comprises the Kerala State Cooperative Bank (KSCB) at the apex level, 14 District Cooperative Bank(DCB) at the district level 1611 Primary Agricultural Cooperative Societies(PACS) at the bottom level. These cooperatives are basically self-governing institutions with total accountability to the borrower members and in whose management they have a voice. The principle of federalism which characterizes its super structure with the primary cooperatives at the base accountable to the individual borrowers who are not only their borrowing clientele but their owners as well, the DCBs at the secondary level accountable to the primary cooperatives which are their constituents as well as owners and the apex level bank(the Kerala State Cooperative Bank) accountable to the Central Cooperative Banks which in turn own the apex bank, thus constitute a pyramidal structure with total self-government at all levels. In addition to tree-tire cooperative banking, there are well developed network of Urban Cooperative Banks in the State.

5. In the long-term credit, Kerala State Cooperative Agriculture & Rural Development Bank (KSCARDB) at the top and 78 Primary Cooperative Agricultural Rural Development Banks (PCARDB) at the bottom level. KSCARDB is playing an important role in promoting capital formation in agriculture and rural sectors in the State through its long term investment loans. The survival of KSCARDB and affiliated Primary Cooperative ARDBs in the long run depends on their ability to raise funds at reasonable cost that permits financing of farmers and other rural sections at affordable interest rates and to offer a complete range of credit and financial services to them.
6. The Cooperative Credit and Banking system in Kerala have many unique features compared to other States in the Country. The average owned funds, deposits and loan outstanding of Cooperative Banks, especially PACS, in the State are several times more than the national averages. The loan portfolio of cooperatives has been improved considerably during the last 5 years with a CD Ratio of about 70%, whereas the CD Ratio of other Commercial Banks in Kerala on an average is around 62% only.

Marketing/Processing Cooperatives

7. Marketing Cooperatives are mainly engaged in marketing of agriculture products. They owe a special importance in Kerala economy because farmers here are struggling to find enough market for their products, resulting in lack of demand in one place and artificial scarcity in other. Hence marketing cooperatives can play a crucial role by bridging this gap and by freeing the farmers from exploitation by middlemen. They are organized as two tier structure in Kerala: Marketing Federation at the apex level and Primary Marketing societies at the base level. There are 3 Apex marketing federations in the state. 1) Kerala State Cooperative Marketing Federation Ltd. (Market fed) for marketing agriculture produce as well as supplying agriculture inputs like fertilisers and pesticides 2) Kerala State Cooperative Rubber Marketing Federation Ltd. (Rubber mark) for supplying and stocking natural rubber in the country as well as for rubber processing 3) Kerala State Kera Karshaka Sahakarana Federation (Kera fed) (for producing and supplying coconut oil as well as other coconut products) At the base level there are 567 Primary marketing cooperatives and 36 Processing cooperatives .For the revival of existing processing units, Government/NCDC are giving financial assistance, to the cooperative marketing societies in the form of share, loan and subsidy for marketing & processing activities

Consumer Cooperatives

8. The overall aim of the consumer cooperative is to supply essential commodities at economic prices. These societies act as principal agents in the public distribution system by providing essential and consumer articles to the general public at a reasonable rate, than the rate prevailing in the open market. The organizational set up under the consumer cooperative segment consists of the Kerala State Cooperative Consumer Federation (apex) at the state level with 14 District Wholesale Stores and 643 Primary consumer stores at lower levels. The Kerala State Cooperative Consumer Federation (apex) makes bulk procurements and supplies these to District Wholesale stores, Department stores named *Triveni* and primary stores. The District whole sale stores and primary stores in turn cater to the needs of the consumer through their own outlets, super markets, and departmental stores. The Kerala State Cooperative Consumer Federation is engaged in the wholesale business of textile goods, groceries and stationary items as well as retail business. In addition to this there are various school and college cooperative stores catering to the needs of the students.

9. Triveni super markets is one important segment under consumer cooperatives intending to save the public from the exploitation of middlemen by dealing with wholesale of Food & Grocery, Cosmetics, Household & Electrical, Textiles etc. There are 268 Triveni Super markets with 134 mobile Triveni units, 7 floating Triveni super stores, 8 Triveni Coffee houses and 1 unit of Triveni Noon meal scheme operating at present Another major project started is to open directly run Nanma Stores in Panchayath and Municipal Wards having no Nanma Stores run by primary societies at present. The scheme is to distribute 10 items of essential commodities at subsidised rates through the network of 2180 Retail Outlets. 1311 of them are run by selected Cooperative Societies and 869 by the Triveni Wing of Federation. Here the items are sold at less than 20% of market rates.
10. The Neethi Scheme started as per directions of Government of Kerala in 1997 is being successfully implemented through 1000 odd selected Primary Agricultural credit societies in all the districts of Kerala for the distribution of consumer goods at the lowest prices, especially in rural areas., Nanma stores was started to distribute 10 items of essential commodities at subsidized rates through network of 2180 retail outlets mainly aiming at the extremely poor and downtrodden in the society. Currently there are 751 Nanma stores run by the Consumer fed itself. Neethi medical stores were started for –providing medicines at subsidized rates. Consumer fed procures and distributes medicines at whole sale rates as per the requirement of the Neethi medical stores. At present there are 94 Neethi Medical Stores directly run by Federation in addition to the 600 odd stores run Primary Cooperative Societies. Triveni notebooks-manufacture and sale of notebooks are other schemes under consumer cooperatives.

Housing Cooperatives

11. Housing is an important activity supported by the cooperative sector. There are about twenty public agencies supporting housing schemes in the state. The major agencies are the Kerala state Housing Board, Rural development department, Kerala state Cooperative Housing Federation, Kerala State Agriculture and Rural development banks and nationalized banks. The Kerala State Cooperative Housing federation at the apex level has 207 primary housing societies at its base. The federation raises funds for lending by way of share capital from member societies and from Government and in the form of borrowing from institutions like LIC, HDFC, HUDCO and NHB The primary object of the Federation is to grant loans to the member Cooperative Housing Societies for issue of loans to their individual members for construction of houses on such terms.

Scheduled Caste Scheduled Tribe cooperatives

12. These cooperatives have been organized with particular focus on the welfare of the weaker sections of the society. At present there are 736 scheduled caste cooperative societies and 98 scheduled tribal cooperative societies in our state, of which 370 scheduled caste cooperative societies and 59 Scheduled Tribe Cooperative Societies are working. An apex institution of Primary SC/ST Cooperatives called Kerala State Federation of Scheduled Caste and Scheduled Tribe Cooperatives was also established

Educational Cooperatives

13. The Educational Cooperatives have significant role in promoting the educational progress of the people of Kerala. From among the 133 registered Educational Cooperative Societies, 93 societies are working in a desirable manner. A large number of Societies entered in the Professional Education sector provides good quality education and also supports the socially and economically backward

classes for their educational needs. The Cooperative Academy of Professional Education (CAPE) is the premier institution working in professional, technical education field having 8 Engineering Colleges, one MBA College, one Finishing School, One Super Specialty Hospital and one nursing college.

Hospital Cooperative Societies

14. As on 31.03.2016 there are 102 Cooperative Hospitals working under the administrative control of the Registrar of Cooperative Societies. It occupies a prominent place among the medical institutions in the State. Its aim is to provide advanced medical care and treatment to the public at much lesser and affordable costs, compared to other private hospitals. On an average each hospital has 9 departments, 9 Doctors, 31 Paramedical staff and 8 administrative personnel. It also provides facilities of health care and allied services to its members and public. Hospital Societies are permitted to conduct paramedical courses. In this sector NABH Accredited Multi-Disciplinary Super Speciality Cooperative Hospitals like EMS Memorial Cooperative Hospital & Research Centre, Perinthalmanna are functioning with multifarious Departments Hospital Societies are co-ordinated by their apex institution, 'Kerala Cooperative Hospital Federation'.

Table 2 District wise details of health infrastructure under Cooperative sector during -2015

Sl. No.	Name of Circle	No. of hospitals	No. of beds	No. of doctors	No. of other Paramedical staff including Nurses	No of patients treated during the year	
						IP	OP
1	Trivandrum	1	9	3	5	47	63
2	Kollam	7	307	46	282	53235	208145
3	Pathanamthitta	1	40	1	10	573	32930
4	Alapuzha	5	20	0	0	0	0
5	Kottayam	2	50	14	30	1870	48000
6	Idukki	2	200	24	133	6486	93854
7	Ernakulam	4	403	42	57	20525	89701
8	Thrissur	12	591	18	475	113161	126535
9	Palakkad	6	230	45	146	16942	199438
10	Malappuram	11	842	141	1061	43453	710411
11	Kozhikkode	24	998	168	565	65535	899340
12	Wayanad	0	0	0	0	0	0
13	Kannur	17	3067	415	1896	144790	1743213
14	Kasaragod	6	230	22	174	16978	187118
Total		98	6987	939	4834	483595	4338748

CHAPTER2
PERFORMANCE DURING 11THAND12THPLAN–A REVIEW

Eleventh Plan–Overview

15. The total outlay earmarked for the sector in the Eleventh Plan was Rs 113 crores against an overall outlay of Rs 100 crores envisaged for the 10th plan. However, the budgeted outlay for the XI Plan was Rs 135.60 crores, but Rs 144.02 crores was expended (106 %) mainly because of Rs 40 crores received as SDG for 2009-10 and 2011-12. The Year wise outlay and expenditure of the sector for the 11th Plan is given in the table below.

Table 3 Outlay and Expenditure of 11th Plan in rupees crore

year	Outlay	Expenditure	(%)
2007-08	14.80	7.66	51.8
2008-09	15.30	13.80	90
2009-10	20.00	32.11	160
2010-11	42.50	57.24	134
2011-12	43.00	33.19	77
Total	135.60	144.02	106

16. SDG received of Rs 20 crores in the 3rd year was for rehabilitation of weak but potential cooperatives and Rs 20.87 crores additional fund received in the fourth year for the Tsunami Rehabilitation Programme and Cooperative Risk fund. But for that the expenditure has not been to the mark. The sub sector wise outlay and expenditure shows that it has been largest for the credit cooperatives (Rs 22.85 crores) followed by RIDF (Rs 25 crores). However, on the expenditure front, for the latter it has been 85 percent, but for RIDF it has been only 1.86 percent, the reasons for the same are to be looked into.

Major Schemes in the Plan Period

Assistance to Credit Cooperatives/Banks Rs 27.85 Crores

17. The outlay is mainly for assistance to the Primary agricultural credit societies in the form of share capital; subsidy .It also includes incentive for those PACs providing short term agricultural loans for paddy cultivation, for the purchase of harvesting machine etc. Moreover, Rs 1 crore was earmarked for providing interest subsidy on interest free loan to paddy farmers as part of food security project .The expenditure for the scheme for the Plan as a whole was 88.76 percent.

Market Intervention Support and Processing Rs 23.45 Crores

18. The scheme was started in 2010-11 for protecting the interests of paddy and coconut growers in the state. The objective of the scheme was to provide fair price to paddy and coconut cultivators through procurement of their produce by assuring minimum price. Farmers are forced to sell their produce to the intermediaries at a reduced price during the periods of surplus production due to lack of proper procurement system. Hence as per this scheme Civil Supplies Corporation procures paddy from the identified districts through cooperatives based on the procurement price fixed by the government. It also provides for establishing paddy processing units and rice mills in the state under selected cooperative societies.

19. With regard to coconut, the scheme focuses on procurement and processing of coconut. The outlay was provided for procuring green coconut as well as copra and also for assisting societies in establishing coconut processing units at appropriate places during 2011-12 and through it product diversification can be achieved by the production of coconut milk, virgin coconut oil, coconut cream, shell powder and shell charcoal etc.
20. The selection of societies was based on eligibility and prioritization criteria. The outlay for the scheme in the 11th Plan was 23.45 cores and the expenditure was 99.94 percent for both the years.

Miscellaneous Cooperatives Rs 12.80 Crores

21. The provision is for providing assistance to various categories of cooperatives in the form of share capital contribution, managerial grant, subsidy and loan. It includes share capital and subsidy assistance to cooperative hospitals and dispensaries, to women cooperatives, to educational cooperatives for starting professional colleges offering modern job oriented courses, share capital assistance to SC/ST cooperatives for taking up new projects etc. In addition to these assistance is also given to motor transport cooperatives, auto rickshaw /taxi driver cooperatives, labour contract cooperatives etc.
22. Rs 12.80 crores was allocated for the scheme in the 11th Plan but Rs 14.27 crores was spent (111.5%) on account of re-appropriation of Rs 100.35 crores during 2007-08 (Rs 41.95 lakhs), 2009-10 (Rs 14.40 lakhs), and 2010-11 (Rs 44 lakhs)

Assistance for Model-Cooperatives (new) Rs 6.10 Crores

23. The scheme was started in 2009-10 as a move to promote and develop model cooperatives in order to encourage innovations and novel ideas in the sector. The societies which are promoting innovations in the cooperative sector and functioning as models are eligible for assistance in this scheme. The scheme was started in 2009-10 with an outlay of Rs 2.30 crores. For the 12th plan as a whole, an amount of Rs 6.1 crores was earmarked and the expenditure has been near to 100 percent. The list of cooperatives to be considered was prepared based on transparent criteria and rules evolved for the purpose. Only healthy societies with a positive net worth for five years consistently were considered. The innovations and models evolved for scaling up were to be popularized subsequently.

Assistance to Cooperative Academy of Professional education (new) Rs 7 Crores

24. The scheme was started in 2010-11 to give assistance to CAPE to develop infrastructural facilities of institutes under it. The Cooperative Academy of Professional Education (CAPE) is an organization promoted by the department of Cooperation for running professional institutes in engineering, medicine and various allied disciplines. Engineering college in Punapra and nursing college in Aluva were started .The expenditure has been 100 percent.

Achievements during the Plan Period

Agriculture

1. During the period, Rs 7894.81 crores was disbursed as loan for agricultural purposes via cooperatives .A new scheme was introduced for providing interest free loan to paddy farmers

- as part of the food security programme and the interest of the societies was reimbursed by the govt.
2. In order to compensate for the shortage of labourers in the agriculture sector, incentive was given to the cooperative societies in the form of grant for purchasing harvesting machines subject to a maximum of 20 percent of the cost of the machine or Rs 4.00 lakh whichever is lower. During 2007-11, Rs 39.26 lakhs was sanctioned to the societies and the following societies purchased harvesting machines. Ponga service Cooperative bank Rs 800000/, Chathurthiakari service Cooperative Bank Rs 1200000/-, Arunoottimangalam service cooperative bank Rs 400000/- Karuvatta Vadakk service Cooperative bank -Rs 400000/- Nooranad Service cooperative bank - Rs 400000/- Polpully Service Cooperative Bank Rs 326575/- Vellikulangara Service Cooperative Bank-Rs 400000/-
 3. As per the GO dated 13.11.2007, the govt had ordered to take over the liabilities of farmers who have committed suicide consequent to debt and the amount was disbursed to the societies. An amount of Rs 1.47 crores was sanctioned to 543 loanees during the period.

Education

25. A number of new colleges and courses were started by various Cooperative institutions during the 11th plan.
 1. Peroorkada SCB, Thiruvananthapuram – MBA college and Bsc nursing
 2. Mayyanad Regional SCB, Kollam- Industrial Training Institute
 3. Kerala Institute of Coop Management, Tvm—MBA
 4. District Cooperative Hospital , Kozhikode – Homeo medical College
 5. Taluk Coop College, SulthanBathery, Wayanad—TTC, B.Ed, BBA, MCA
 6. EMS Cooperative Hospital , Perinthalmanna – Bsc Nursing, Bsc (MLT)
 7. AKG Coop Hospital – Nursing College , Kannur
 8. Hospitalfed – M.Sc Nursing, Thalassery

Health

26. With regard to the health sector, the govt aimed to strengthen the Cooperative hospital for providing quality treatment at low cost. Among the 140 Cooperative hospitals in the state, the performance of Pariyaram medical College hospital, Kochi Cooperative medical college hospital , Perinthalmanna EMS hospital, AKG Cooperative hospital, Kannur; Thalassery Cooperative hospital , Vadakara cooperative hospital, Kozhikode district Cooperative hospital, Kochi Indira Gandhi Cooperative hospital, Punnapra Cooperative hospital, NS Memorial Cooperative hospital are appreciated. During the XIth Plan, an amount of Rs 395.79 lakh was sanctioned by the government to 30 Cooperative hospitals under various societies.
27. Marketing/consumer cooperatives
 1. *Festival markets conducted by Kerala state Cooperative Consumer Federation.* The consumer fed is the apex body of the consumer cooperatives in the state. 16615 Onam markets, 9511 Ramzan markets, 7450 Vishu markets, 9364 Christmas markets were organized by the consumer fed during the 11th Plan.
 2. Floating Triveni supermarket in Kuttanad backwaters and mobile Triveni unit in Kollam was introduced for easy access for people residing in remote areas and areas that are unapproachable due to the peculiar terrain.

Twelfth Plan – Overview

28. In the Twelfth Plan, it was felt that the cooperatives lacked in professional management. Hence steps were taken to make them vibrant democratic organizations with professional management and economic viability. The approach and strategies followed in the XIIth plan are shown below:
1. Strengthening of cooperatives to take up large scale marketing
 2. Introduction and expansion of farmer service centres at block level through cooperatives for taking up services like labour support, mechanization, planting material production, biopharmacy, soil testing services etc.
 3. Encouragement and support for the creation and effective functioning of health cooperatives in all areas
 4. Modernisation of the sector with the state of the art facilities using ICT. Widening of the cooperative base to bring more people in the cooperative fold
 5. Supporting to the SC/ST, Women, and Fishermen cooperatives
 6. Cooperatives for the marginalized sections will be encouraged
 7. Interest rates to be restructured such that farm loans through cooperatives are disbursed at reduced rates.
 8. Preparation of Panchayath Credit Plan under the leadership of PACS
29. The year wise outlay and expenditure of the sector is given in the table below

Table 4 Year wise Outlay and Expenditure in the 12th Plan in rupees crore

Year	Outlay	Expenditure	(%)
2012-13	62	53.62	86
2013-14	75	64.85	86
2014-15	83.39	171.39	205
2015-16	85.39	82.86	97
2016-17	95	14.36	15.1
Total	400.78	387.08	96.58*

*Note:**as on 31.10.2016

30. In the above table, the year wise outlay and expenditure of the sector is shown. In the first two years the expenditure is 86 percent. In the year 2014-15, expenditure shows 205 percent on account of Rs 106.39crores received as SDG for share capital distribution for District Cooperative banks. However, for the current year, it is just Rs 14.36 crores *i.e.* 15 percent. The following are the major schemes implemented in the 12th Plan
31. As can be seen from the table below, one fourth of the outlay in the 12th Plan was allocated for credit cooperatives the expenditure for which has been 77 percent .Miscellaneous cooperatives consisting of hospital cooperatives, women cooperatives, educational and SC/ST cooperatives comes second in line with the second largest share in outlay, however, the expenditure has been just above fifty percent. Rs 31.6 crores was allocated for establishing and functioning of Farmer Service Centre (noval scheme of the Plan period), the expenditure of which has also been good. Around 20 crores was earmarked for model cooperatives and SCST Cooperatives each, however the expenditure has been just average. The expenditure for marketing cooperatives has been poor.

Major Schemes Implemented during the 12th Plan

Table 5 Major schemes implemented during the 12th Plan in rupees crore

Sl No:	Name of the scheme	Outlay	Expenditure	%
1	Assistance to credit Cooperatives	100.99	78.24	77.47
2	Miscellaneous cooperatives	59	32.97	55.88
3	Assistance to CAPE	38.5	28.43	73.8
4	Farmer Service Centre	36.1	31.53	87.5
5	RIDF	31.6	28.88	91.3
6	Assistance to model cooperatives	20.5	13.6	66.3
7	Assistance to SC/ST cooperatives	27.8	19.37	69.6
8	Assistance to Marketing Cooperatives	17.5	4.25	24.2
9	Others	68.79	154.45	
	TOTAL	400.78	391.45	97.6

Credit Cooperatives (Rs 100.99crores)

32. The outlay is mainly for assistance to the Primary agricultural credit societies in the form of share capital for the promotion of self-help groups. It also includes incentive for those PACs providing short term agricultural loans for paddy cultivation, for the purchase of harvesting machine etc. Moreover, Rs 2 crore was earmarked for providing interest subsidy on interest free loan to paddy farmers as part of food security. A deposit Guarantee scheme was also in operation for giving thrice to deposit mobilisation. The District Cooperative Banks assisted under the deposit guarantee scheme. The deposit mobilisations by the Cooperatives have increased as a result of operating this scheme. The State cooperative Bank, District cooperative bank and PACS were also assisted in computerization and moving to Core Banking solutions, installation of ATM facility and acquisition and up gradation to modern technologies for the effective and hassle free functioning of the banks. An amount of Rs 74.52 crores have been expended for assisting the credit cooperatives

Farmer Service Centre (new scheme) (Rs 36.1 crores)

33. This scheme provides for the establishment of Farmer Service centres in each block of the state so as to a)act as a nodal agency at the block panchayath level for co-ordinating the agricultural activities in all grama panchayaths within the block in association with the department of agriculture b) for providing information to farmers regarding credit, interest rate debt waiver schemes and other need based information, c) to act as a centre of mechanization for proving necessary machinery and other assistance. The scheme was started in 2012-13 with Rs 10 crore received as one time ACA for setting up 40 farmer service centres .Later 20 more FSCs were started in 2013-14 taking the total number of FSCs to 60. In the subsequent years amount was allocated in supporting the already established FSCs and for project based assistance for innovative activities undertaken by the societies and for setting up of soil testing labs in the FSC.
34. Farmers were given training in state of the art technology and techniques through FSCs with support and assistance from Mannuthy Agriculture University. FSCs have also helped the farmers in getting quality seeds and seedlings, manure and fertilisers as well as insecticide and pesticides FSCs have also helped in producing high quality seeds /seedlings as well as modern agricultural technologies like polyhouse and green house through which organic agriculture has been promoted. Agriculture equipments like tillers tractor and other machinery were also provided to farmers via these FSCs .Soil testing labs and tissue culture labs were started in Thrissur, Malapuram, Pathanmathitta,

Kottayam. In addition to this under the supervision of the FSCs large scale vegetable cultivation were also taken up in majority districts of the state in public places like schools and colleges etc. In certain Farmers Service Centre, there are 25 expert persons called 'Harithasena' providing agricultural service to the farmers at affordable rate.

Miscellaneous Cooperatives (Rs 59 crores)

35. The provision is for providing assistance to various categories of cooperatives in the form of share capital contribution, managerial grant, subsidy and loan. It includes share capital and subsidy assistance to cooperative hospitals and dispensaries, to women cooperatives, to educational cooperatives for starting professional colleges offering modern job oriented courses, share capital assistance to SC/ST cooperatives for taking up new projects etc. In addition to these assistance is also given to motor transport cooperatives, auto rickshaw /taxi driver cooperatives, labour contract cooperatives etc. Rs 59 crores was provided in the 12th Plan period for the scheme the expenditure for the same has been Rs 32.97 crores.

Assistance to Model Cooperatives (Rs 20.5 crores)

36. At present, Government provides financial assistance to Model Cooperatives for encouraging new innovation in the field of cooperation and starting up new ventures. Those cooperative societies having the features of running profitably for the last five years continuously, dividend declared regularly, having positive net worth, has a provision in the bye-law for accepting Government assistance and is totally free from any irregularities for the past five years are selected as model cooperatives. Through this scheme financial assistance of not more than 25 lakh rupee is provided to each society by way of share, loan and subsidy in the ratio of 2:2:1 respectively. During 2012-13, 11 societies; 2013-14, again 11 societies; 2014-15, 18 societies and in 2015-16, 17 model cooperatives were getting financial assistance in this scheme. Rs 20.5 crores was allocated for the scheme in the 12th Plan period and Rs 13.6 crores was expended.

Consumer Cooperatives (Rs 9.25 crores)

37. The Cooperative consumer network system consists at the Consumer federation at the apex level and primary consumer societies at the grass root level. The consumer network in rural and urban areas needs reorganization and strengthening for effective functioning of the system. The assistance was provided in the form of share capital contribution, loan and subsidy based on specific project proposals. The activities which were assisted during the Plan period include supply of essential commodities at subsidized price through the own depots of the Consumer federation, reorganization /revitalization of district wholesale stores and primary stores, setting up of cooperative canteens/restaurants, development of consumer cooperatives in urban and rural areas and the development of the business of student stores/college stores university cooperative stores. Neethi medical and Neethi stores were opened by the Consumer federation for the distribution of quality consumer items and medicines at reasonable prices. An Amount of Rs 4.38 crores has been expended during 2012-17 against a budget provision of Rs 9.25 crores.

Achievements

38. Provision of interest free loans to paddy farmers to encourage paddy cultivation and curtail the falling area under paddy. During the Plan Period 2012-16 an amount of Rs 550.00 lakh was provided for sanctioning interest free loan to paddy farmers as part of the food security project. The scheme is

implemented in association with Department of Agriculture and the amount to be utilized to give interest free loans. Total Loans disbursed by the PACS for Agricultural purpose during the year 2014-2015 is Rs 3800.04 crores of which Rs 183.27crores was for paddy cultivation and Rs 186.24 crores was for vegetable cultivation.

39. *Kissan Credit Cards.* During the year, 2014-15 District Cooperative Banks have issued 23412 Kissan Credit Cards through PACS and the total number of cards issued by the Cooperative Societies comes to 767768 with a total loan outstanding of Rs 2485.32 crore.
40. *Farmer's Service Centres.* Setting up of Farmer Service Centres to provide need based information and services to farmers relating to credit, planting material, seedlings and machinery. There are 60 Farmers Service Centres functioning under the supervision of Cooperative Societies in different block area. In association with Block Panchayat and the Department of Agriculture, Farmers Service Center act as a Nodal Agency for providing all assistance to farmers such as supply of seeds, fertilizers, pesticides, modern agricultural equipments like, tractors, tillers, harvesting machines, Soil Testing and Tissue culture lab facilities, etc. They also provide credit literacy to the farmers. During this period 60 PACS were selected for starting Farmers Service Centres at block level and an amount of Rs 31.10 Crores was sanctioned to the said centres.

Table 6 No. of Farmer's Service Centres in Each Districts

District	No. of Centres
Thiruvananthapuram	5
Kollam	4
Pathanamthitta	4
Alappuzha	5
Kottayam	4
Idukki	4
Ernakulam	4
Thrissur	5
Palakkad	5
Malappuram	7
Kozhikkode	4
Wayanad	2
Kannur	4
Kasaragode	3
Total	60

41. Setting up of soil testing centres to diagnose plant culture problems, to improve its nutritional balance and to conserve energy and money by applying only the right amount of fertilizers. During the Plan period an amount of Rs 234.05 lakh provided to 4 societies for starting soil testing centre and tissue culture lab. Soil testing labs and tissue culture labs were started in Thrissur, Malapuram, Pathanmathitta, Kottiyam. Cultivation of vegetable as well as other crops was taken up.

Education

42. An amount of Rs 3850.00 lakh provided for the assistance of Cooperative Academy for Professional Education for establishing infrastructural facilities in the Colleges of CAPE during 2012-16.
1. During 2012-13 the assistance was utilized for the construction of Building of Cochin Medical College (Rs 500.00 Lakh), PG and Mechanical Block of Perumon Engineering College (Rs 200.00 Lakh) and Central Engineering Block of Pathanapuram Engineering College (Rs 100.00 Lakh). During 2013-14, the assistance was provided for the construction of Electrical Engineering Block of Pathanapuram Engineering College (Rs 200.00 Lakh), Academic Block

of Kidangoor Engineering College (Rs 200.00 Lakh) and P.G. Block of Vadakara Engineering College (Rs 100.00 Lakh).

2. During 2015-16 outlay is provided for the assistance of Cooperative Academy for Professional Education for the development of infrastructure facilities of Institutions under CAPE, Government assistance being limited to 25% of the infrastructure cost. The amount is proposed for the construction of Hostel for Girls, College of Engineering, Pathanapuram, Hostel for Girls, College of Engineering, Vadakara, Academic and Administrative Blocks (Phase II) for College of Engineering, Wadakkancherry, Academic and Administrative Blocks (Phase II) for College of Engineering, Aranmula.

Health

43. *Construction of Palakkad District Cooperative Hospital and Research Centre.* As NCDC scheme an amount of Rs 46.80 Crores was sanctioned to the said Hospital Society for the establishment of a 500 bedded hospital. The total cost of the project was 52 crores. During this plan period an amount of Rs 40.95 crores was released to the society. A balance amount of Rs 5.85 crores is pending for release.
44. *Kollam District Cooperative Hospital Society.* For the construction of Cancer Centre Geriatric Centre and Ayurvedha Hospital an amount of Rs 115.8092 Crores was sanctioned to the said Hospital Society by NABARD. The total cost of the project was 136.2461 crores. As per G.O.No. 118/2015/Coop. dt. 12.02.2015 the Government have accorded sanction for Rs 23.16184 crore as mobilising advance to the said society. During this plan period an amount of Rs 12.00 crores was released to the society.
45. Computerisation of PACs, SCBs/DCBs and installation of core banking and ATM facilities as well as up gradation and acquisition of modern technological devices for effective hassle free functioning of the banking system. As per G.O (Ms) No. 20/2013/Coop. dt. 2.2.2013, a new scheme was introduced for providing assistance to PACs/Primary Credit Cooperatives /State Cooperative Bank/District cooperative Banks for Computerisation, Core Banking Solution, Installation of ATM facility and Up gradation of Technology and Acquisition of Modern Technological devices for the functioning of the Banks/Cooperatives. During this plan period an amount of Rs 13.83 crores was sanctioned to 137 Cooperative institutions.
46. During the XIIth Plan period, Rs 284.50 Crores was provided to Consumer Federation for conducting festival markets for distributing consumer goods to common public at subsidized rates (Non-Plan).

NCDC Schemes

47. There are three NCDC assisted schemes in the sector
 1. Assistance to PACS wholesale stores and federations for starting processing units, running neethi stores, for the purchase of computers, and for the development of infrastructure for credit related activities. It also includes assistance for vanita, tourist, hospital transport cooperatives etc. Rs 104.crores were allocated for this scheme in 2012-2016 period. But Rs 126.55 crores was expended.
 2. Assistance to Primary marketing societies and federations: Assistance is mainly for marketing cooperatives in the form of share capital assistance, for reviving weak marketing cooperatives, for preparing projects, for the establishment of farmer service centres etc. Rs 51 crores was allocated in the Plan period for the scheme , Rs 19.13 crores was spent

3. ICDP: During 2012 to 2017, Idukki District Cooperative Bank, Wayanad District Cooperative Bank, Palakkad District Cooperative Bank, Thrissur District Cooperative Bank and Pathanamthitta District Cooperative Bank will be assisted under this scheme

48. *Year wise assessment.* In Annual Plan 2014-15, out of the total outlay of Rs35 crores, the expenditure has been 74.5 crores and in Annual Plan 2015-16 the expenditure percentage is 80 per cent. Although the expenditure percentage has been high, the utilization of NCDC loans is to be studied more so since the NCDC loan is a high cost loan with interest rate ranging from 10.5 per cent to 12.5 per cent.

Table 7 Year Wise Assessment

NCDC assisted schemes	Annual Plan 2012-13		Annual Plan 2013-14		Annual Plan 2014-15		Annual Plan 2015-16		Annual Plan 2016-17	
	Outlay	Exp	Outlay	Exp	Outlay	Exp.	Outlay	Exp.	Outlay	Exp
1 Assistance to primary agricultural credit societies, Primary cooperatives, whole sale stores and federations	35	29.96 (85.5%)	22	21.92 (99.96%)	11.25	56.73 (-504%)	18	16.79 (93%)	18	0.99
2 Assistance to Primary marketing societies and federations	12	4.58 (38.6%)	5	3.83 (76.6%)	10	5.67 (56.7%)	12	4.98 (41.5%)	12	0.07
3 Integrated cooperative development project (ICDP)	3	1.66 (55%)	3	1.99 (66.3%)	13.75	12.1 (88%)	15	14.18 (94.5%)	15	0.16
Total (NCDC)	50	36.2	30	27.74	35	74.5 (-212%)	45	35.95 (80%)	45	1.22 (2.7%)

Issues

Low Expenditure Schemes

49. Two schemes –Promotion of Processing cooperatives as well as Assistance to marketing cooperatives have been consistently low performing for the 1st three years of the Plan. Though the expenditure has slightly picked up in the fourth year, still it is not up to the mark.

SC/ST Cooperatives

50. As per the department of Cooperation, there are 736 SC societies, of which only 370 are working, 306 are dormant and 60 under liquidation. The number of ST societies, are 98, out of which, 59 are working, 36 are dormant and 3 are under liquidation. Thus, 50 percent of the SC/ST societies are only functional. The causes for this are to be investigated and rectified especially because they can play a very decisive role in the upliftment of SC/ ST community.

Health Cooperatives

51. As per the department of Cooperation there are 202 health and dispensary cooperatives in the state, of which only 102 are working, 68 are dormant and 32 are under liquidation. However, some of the best hospitals providing low cost but effective treatment are in the cooperative sector. Hence steps are to be taken to revive the remaining hospital cooperatives.

Farmer Service Centres

52. 60 Farmer. Service Centres (40 in 2012-13 and 20 in 2013-14) were established in 14 districts to provide need based information and services to farmers relating to credit, planting material, seedlings and machinery so as to increase agriculture production and for the overall development of agriculture sector in the state. Farmers were given training in state of the art technology and techniques through FSCs with support and assistance from Mannuthy Agriculture University. FSCs have also helped in producing high quality seeds /seedlings as well as modern agricultural technologies like polyhouse and green house through which organic agriculture has been promoted. Soil testing labs and tissue culture labs were started in Thrissur, Malapuram, Pathanmathitta, Kottayam. Vegetable cultivation was also taken up by these centres in schools colleges, libraries and other public places. More monitoring and handholding support are required to strengthen the FSCs.

Marketing Cooperatives

53. The main problem faced by farmers in Kerala is lack of sufficient markets for their produce. Hence farmers are forced to sell their produce at throw away price. Though there are 615 marketing and processing societies in Kerala only 268 are functional, 300 are dormant and 47 are under liquidation. Active involvement of the cooperative societies in procuring, processing as well as marketing can be thought of for ensuring timely payment to the farmers for their produce.

Model Cooperatives

54. The Model cooperatives were developed to encourage innovations in the sector. The areas where they have successfully developed can be identified and expanded.

NCDC Schemes

55. In Annual Plan 2014-15, out of the total outlay of Rs 35 crores, the expenditure has been 74.5 crores and in Annual Plan 2015-16 the expenditure percentage is 80 per cent. Although the expenditure percentage has been high, the utilization of NCDC loans needs to be examined closely so since the NCDC loan is a high cost loan with interest rate ranging from 10.5 per cent to 12.5 per cent. A prioritisation of NCDC projects also to be made to focus on need based areas.

CHAPTER 3 BEST PRACTICES

Kizhathadiyoor Service Cooperative Bank Ltd No.1995, Pala, Kottayam (Dist), Kerala

56. The Kizhathadiyoor Service Cooperative Society Ltd. was formed and registered under the then Travancore-Cochin Cooperative Societies' Act. The society had its beginning in the year 1934. In 1987 the bank started its Morning and Evening branch for the benefits of the customers and established a consumer store for the distribution of essential commodities at a very fair and reasonable rate. The population of Pala Municipality which comprises of the area of operation of the bank is about 22000 and at present 19768 of them are members of the bank. The bank has opened six branches, one is functioning throughout the week and two other branches are functioning from 8am to 8pm. For the past several years, this bank stands at the first place in Kottayam District in the deposit mobilization campaign organized by the Cooperative Department.. This bank was honoured by the State Government of Kerala being the Best Performing Cooperative Institutions in the State of Kerala during 2012-13. This bank has core banking facility, ATM, RTGS, FOREX and Tele-Banking, Net Banking facilities. Major activities include
1. Mass campaign for the eradication of rabies, by supplying anti rabies vaccine as well as educating the people
 2. Construction of check dams across Meenachil River
 3. Kizhathadiyoor Palliative and Social Service Society" with the objective of providing free medicine and medical equipments for cancer patients and bed ridden and terminal patients. It is worth mentioning that within a span of five years this unit has provided medicines and equipment worth Rs 5.00 lakhs to the needy
 4. Formation of a blood donors forum and Blood bank
 5. Launching of the ambulance service in Pala
 6. Establishment of KISCO diagnostic centre. The unit was inaugurated on 14th June 2010. Within a period of six years, this unit has provided clinical investigations to more than 2,00,000 patients.
 7. KISCO scan and Dialysis unit with NCDC assistance in 2012
 8. Setting up of Oushadhi and Jan oushadhi stores
 9. Setting up of KISCO Farmer service centre as well as soil and water testing labs

The Palakkad District Cooperative Hospital and Research Centre

57. The Palakkad District Cooperative Hospital and Research Centre Ltd., No. P. 878 was registered in 1984 under the Kerala Cooperative Societies Act, 1969, with its area of operation covering the whole of Palakkad District. This Hospital caters to the medical needs of the common, downtrodden and unprivileged classes of Palakkad District. At present the hospital is functioning with all specialty departments and IVF Clinic and Dialysis Unit. Installation of Cath Lab is under Progress. All these departments are well run under the guidance of eminent, able and service minded doctors, who are assisted by sincere, dedicated and experienced staff. Besides this, the hospital is providing facilities like Pharmacy, Ambulance, X Ray, E.C.G., Laboratory, CT Scanning, I.C.C.U., N.I.C.U., C arm, Ventilator, Birth and Death Kiosk, Colposcopy, Laproscopy, Hystroscopy, Video Endoscopy, Cryo Surgery, Maxylo Facial Surgery, Public Telephone Booth, Canteen etc. Auxilliary units like P Balan Memorial Pain and Palliative Care Centre, Blood Bank and Physiotherapy are also functioning under the hospital. Medicines are sold through the pharmacy at 5% below the M.R.P. More than ten lakh rupees per annum is being allowed as discount on medicines. Poor patients who are members of the Cooperative Institutions, which took shares in the Cooperative hospital, are also given concessions

for the treatment received by them from the hospital. These concessions allowed also comes to more than ten lakh rupees per year. Thus the hospital is providing immense service to the people belonging to the lower strata of the society. The goodwill created by the institution with its past 24 years of dedicated service to the human community, attracts a large number of patients from the nook and corner of Palakkad District for their medical needs. The hospital has a second unit at Kallekkad in Palakkad with 600 bed capacity in the building complex constructed in 9 acres of land, situated just 6 kms from Palakkad Town in the Palakkad – Ottappalam Road.

58. The Construction of the building complex was commenced during the year 2012 with the funds available with the hospital. The first instalment of assistance under NCDC Scheme was released to the hospital on 01-08-2012. The civil construction has been completed with an area of 4500 Square Metres. The hospital has commenced functioning partially with bed facilities for 250 patients with all specialty departments on 19-12-2013. More over a Dialysis Unit and IVF Clinic are also commenced functioning.
59. A sum of Rs 40.95 crores (Rupees 20.80 Crores as Share Capital Contribution and Rs 20.15 crores as Term Loan) has been utilised by way of NCDC financial assistance for the construction of the hospital building complex. A sum of Rs5.85 lakhs is still pending payment towards loan from the Government. Rs52,80,09,018 /- (Rupees Fifty two Crores eighty lakhs nine thousand and eighteen only) had been invested for the construction of the building and for providing other infrastructure facilities with the NCDC financial assistance and the amount of working capital available with the hospital up to 31-03-2016.
60. At present the hospital is having 10 acres of paddy field adjacent to the new hospital complex, which has been leased out. The management proposes to get back the land and start organic farming of vegetables and cultivation of paddy in that land after the completion of the building work and to utilize the agricultural produce in the canteen for preparing nutritious and hygienic food for the patients. Other than this the hospital has got five acres of dry land having trees. In this place the hospital proposes to plant trees to give eco friendly atmosphere.

Uralungal Labour Contract Cooperative Society Ltd. (ULCCS)

61. The Uralungal Labour Contract Cooperative Society Ltd.(ULCCS), hails from a rural pocket in Malabar region in North Kerala is acknowledged as the best Labour Cooperative Society in India. It is one of the oldest labour contract societies in India. It was started in 1925. ULCCS is a model cooperative society in India staying true to its objective of uplifting and empowering the poor workers and backward sections of the society.

Table 8

Sl. No.	Name of Works	Amount (Rs crores)	Name of Awarder
1	Construction of Calicut Bypass PHASE II Reach II from Ch: 0/000 to 5/100 (New NH 66) in the state of Kerala.	152.00	SE,NH North Circle Kozhikode
2	Improvements to Taliparamba-Coorg Border road from Km 0/00 to 36/985 in Kannur District	45.00	SE PWD Roads & Bridges NC Kozhikode
3	Construction of Indian Institute of Infrastructure and Construction in Chavara	54.00	Managing Director, KASE, TVM
4	Construction of Office complex for the Registrar of Cooperative Societies at Thiruvananthapuram.	89.00	Registrar of Cooperative Society
5	Construction of Calicut Bypass PHASE II From Ch: 5100 to 11960 on NH 17 in the State of Kerala	32.62	Superintending Engineer, PWD NH Division Kozhikode
6	NABARD RIDF -XVI-Construction of Pookkotumanna Regulator cum Bridge across Chaliyar River in Chungathara Panchayath Malappuram district	28.11	Superintending Engineer, Minor Irrigation Circle
7	Improvements to Malapuzha Dam Ring Road From Mariya junction to dam Gate Ch 0/00 to 26/520 in Palakkad District	20.88	Managing Director RBDCK LTD., KOCHIN
8	Road Improvement Works in Kozhikode and Construction of Fly over in Kozhikode	37.00	PM,KSUDP, Kozhikode
9	Construction of Software Development Building at ULCCS Ltd SEZ Area for UL Cyber Park Kozhikode	44.60	Managing Director, ULCCS IT Infrastructure PVT Ltd.
10	Stimulus Package - Improvements to Francis road Junction to Vengali gate road (Beach road) with four lane traffic and Beautification	25.00	SE, PWD Roads and Bridges, North Circle, Kozhikode
11	Land Development and Road work – Cyber Park at Kozhikode	19.63	Kerala State IT Infrastructure Ltd

62. The Society focuses on construction of roads and bridges in Kerala. Major clients of the Society include National Highway Department for Highway projects, Public Works Department of Govt. of Kerala for State Road Development, Ministry of Panchayat Raj for rural roads under PMGSY Scheme and Local Self Governments and Kerala State Sustainable Urban Development Projects for building rural infrastructure. The Society has completed over 6500 major projects and is currently implementing over 150 projects. The annual turnover was around Rs 400 Crores during 2014-15 with a growth rate of 20-35% per annum in recent years. In the current financial year it handles projects worth over Rs 1500crores.The Society owns state-of-the-art Plant & Machinery and equipment along with several granite quarries, crusher units and brick making units to provide vital inputs to civil construction. The Society provides employment to over 2500 labourers throughout

the year, of whom 1616 are its members. Direct participation in the projects of the Society is a necessary condition for membership. Major activities include

1. Setting up a Special Economic Zone (the first and only one in India set up by a Labour Cooperative Society).
2. UL Technology Solutions to provide IT product development & solutions, Sargaalaya to promote the handicraft sector and also expanded to other sectors of growth like agriculture, hospitality, health care, etc. so as to create meaningful and progressive work to the labour force in the country.
3. Recognitions - National Level
4. NCDC Excellency Award 2008 by the Government of India through National Cooperative Development Corporation for Best Performance.
5. National Award for the “Best Labour Cooperative Society in India” by the National Labour Cooperative Federation of India Ltd., New Delhi.(2013)
6. National Award for the “Best Labour Cooperative Society in India” by National Cooperative Union of India, presented on the occasion of the 16th Indian Cooperative Congress held from June 25 to 26, 2013.

Recently Completed Projects

63. Considering the meritorious service performance of the Society, the Government of Kerala appointed ULCCS as an Accredited Agency in the following departments for execution of projects without tender procedure.

Table 9

Sl. No	Department	Government Order No.
1	Finance Department	G.O.(MS) No.18/2014/PWD dated 22-02-2014
2	Local Self Government Department	GO(RT)No.1928/14/LSGD dated 23.07.2014
3	Tourism Department	GO(RT) No.5287/09/TSM dated 23.07.2009
4	Labour Department	GO(RT) No.39/2014/LBR date 09.01.20014
5	Cooperation Department	GO(RT)No.386/2013/Coop dated 17.06.2013
6	MLA work	GO (P)No.492/2006/Fin dated 08.12.2006

Subsidiaries of ULCCS

1. *UL Cyber Park.* UL Cyber Park is an ambitious project of ULCCS Ltd, by creating the first IT SEZ Park in Malabar region, which is also the first of its kind developed by a labour contract cooperative society in the world. M/s Nikken Sikkie, Japan, one of the world’s leading architects, had prepared the master plan of the campus with a total built-up area of 2.7 million sq.ft and the campus is getting developed in phases. The first building in the campus is ready for operations with all support services and can house 5000 professionals. The building is constructed as per the IGBC-LEED guidelines, with all state-of-the-art energy efficient equipment’s and installations. The building is rated as the best in the region in terms of architectural, functional and efficiency parameters .The abundant availability of talent and advanced social infrastructure in the region has made UL Cyber Park a natural destination for IT/ ITES companies and a lead in making Kozhikode a destination for knowledge based industries.
2. UL Technology Solutions ULTS, incubated by ULCCS in 2012 with four professionals, has grown into a successful IT solutions company employing over 65 professionals today. ULTS provides IT consultancy and services and operates from Trivandrum and Kozhikode, with a

turnover of over INR 250 million in FY 15. In a short period ULTS has proved its leadership in the GIS domain undertaking and implementing multiple projects in India and Middle East. ULTS also has the expertise in the areas of Healthcare, Logistics, ERP, Business Intelligence and Analytics.

3. ULTS has launched three ERP products in the areas of Hospital Management, Fleet and Logistics Management, Utilities Mapping and Management
4. ULCCS Housing to offer housing facilities to clients assuring value for their investment.
5. UL Centre for Urban Planning and Sustainability
6. UL Academy for Skill Development and Entrepreneurship
7. UL Agro Farms
8. *'Sargaalaya' the craft village.* This is a project conceived, developed, commissioned and managed by ULCCS for the Department of Tourism, Government of Kerala in the historical place 'Iringal', 38 km away from Kozhikode. It was developed at an abandoned mining quarry in an area of 20 acres. Selected artisans and craftsmen from the country have been allotted 30 cottages and supporting facilities for craft production and a common centre was made for the display and sale of their finished products.

Calicut City Service Cooperative Bank Ltd No. D 2777, Chalappuram (P.O), Kozhikode

64. Calicut city service cooperative bank Ltd No. D 2777 was registered on 24/07/2002 and started functioning on 25/07/2002. It is the leading service co operative Bank in the state. Accepting deposits, Issuing loans and doing the various social, economical, charitable & developmental activities not only to its members but also for the poor, downtrodden people in the society. The Bank has been classified as super grade with effect from 01/04/2013 as per section 80(1) of KCS Act and classified as 'A' for the last many years as per audit continuously from 2010-11 onwards and dividend is given to members @ 25% of net profit.
65. The Bank has 26 branches including one mobile branch and one gold loan extension counter. Besides one extension counter at MVR Cancer Centre at Choolur and one cash collection centre at Peringolam in order to assist the MRCMPU and their distributing agents. Out of the 26 branches, 21 branches are working in two shifts and 2 branches work for 365 days. One ATM counter is functioning at Railway station, Link Road. Core Banking, RTGS, and NEFT, facilities in collaboration with Axis Bank and Federal Bank, and Money transfer through Western UNION Money transfer' is also available The Bank has introduced various schemes for the upliftment of women and poor in the area of operation. Some of the projects are detailed below.
 1. *Vanitha selfy.* Loan up to Rs 50000/- on personal security to poor ladies on easy terms and conditions for repayments introduced during 2015-16. An amount of Rs 33.22 cr has been disbursed to 9414 ladies during 2015-16.
 2. *City star.* In order to attract low cost deposit a new system of savings deposits introduced. The customers will be benefitted Rs 1 Lakh on accidental death and Rs 25000/- medical expenses for victims of accidents, will be provided under this scheme. The Insurance premium is paid by the Bank. As on 31/03/2016 an amount of Rs 3.98 cores is outstanding against this account.
 3. The Bank has implemented new schemes by providing loan under Ponvila, KanakaSuraksha, Kulirma, Karshaka Mithra etc., in order to improve the agricultural production. The scheme to grant loans to ladies for two wheeler Vehicles ("Lady Freedom" scheme) and loans under "Lady Cool" scheme (loans for purchasing Air Conditioners) has attracted a lot of women members residing within the area. This helped to improve their socio economic condition.

The project of implementing various Schemes for the organic farming and marketing their products is pending sanction from the department.

66. The Bank is distributing butter milk to the needy people during hot season from 1 st April to the beginning of rainy season continuously for the last few years. About 5000 packets are daily distributed in the Kozhikode Railway station premises and medical college premises. This action has helped to impress the role of cooperatives for the welfare of people. The bank distributes 1000 umbrellas and other study material to the poor students through school authorities in the area of operation of the Bank since few years. Besides charity donations to various cultural, social and educational institutions are given.
67. The most remarkable and outstanding work by the Bank is starting a Dialysis unit to the poor patients on free of charges. This is being done to 18 patients daily and alternatively to 36 patients (18*2). A new building for dialysis is being constructed and the same is nearing completion. So that the numbers of patients are expected to get free dialysis is 72 alternatively. The project cost comes around 6 Crores.
68. The Bank has owned a mobile ICU in order to help the poor citizens who cannot afford high rent. The mobile ICU is equipped with all facilities including Doctor, Nurse, Oxygen supply etc at a very low cost. So many people are using the service of the Medical ICU facility. Two Neethi medical outlets are working under the Bank. During 2015-16 the sale was Rs 2.18 crores. 6 employees are working under Neethi medical store and 12 employees are working in Dialysis unit. The Bank has constructed an apartment having 50 flats out of this 49 have been sold out. In addition Bank finances two major ventures namely 1) Ladder 2). Care project with prior approval of Govt. The cancer centre situated at Choolur in chathamangalampanchayath is expected to inaugurate during 2017. Government have accorded permission to issue cash credit loan of Rs 350 Crores towards its venture out of this Rs 180 Crores has been already disbursed.
69. This bank has funded Rs 1 crore to the building of Sahakarana complex building at Trivandrum and Rs 20 lakh towards Cooperative Department building at Kozhikode (Sahakarana Bhavan) during 2014-15. The statutory audit of this Bank is conducted by a team of Cooperative Departmental auditors consisting of 1 Deputy Director, 1 Asst. Director & 1 Senior auditor. Also the Income Tax Audit is done by using a Chartered Accountant. Besides 1 Special Sale Officer is also serving in this Bank from Cooperative Department.

N.S Cooperative Hospital

70. N.S Memorial Institute of Medical Sciences (N S Cooperative Hospital) started in the year 2006 with the memory of late N Sreedharan an illustrious humane and a great politician. As a Cooperative hospital it is running under Kollam District Cooperative Hospital Society Ltd No Q 952, situated in Palathara, Kollam. It is a 250 bedded Hospital with more than 25 Multi-Super Specialty Departments. The institution has been envisioned with the aim of bringing to the community the highest standard of medical care along with education and training. It is governed under the guiding principles of providing medical services to patients with care, compassion and commitment.
71. The hospital running with the capital collected as shares and loans from the public, State government and the NCDC. The previous year share capital was Rs 29,39,70,200/- (Rs 23,52,60,200/- share capital received from 4824 members, 1,79,91,000 from 87 institutions,

35,50,000 from state government and 3,71,69000 from NCDC),As per the audit certificate our last year net profit was Rs 46079623/- and the audit classification raised our hospital to “A Grade”.

72. Comparatively the hospital is considered as one of the best hospitals in cooperative sector with an annual patient count of 284781(Out-patient) and 66070 (In-Patients). The future plans include starting Interventional Cardiology Surgery, Interventional Cardiology, Neuro Surgery, Oncology & Palliative care. The construction works already started.
73. N.S Cooperative Hospitalis functioning under Kollam District Cooperative Hospital Society, which is controlled and carried by a 11 Member Board of Directors, who are elected every 5 years as per cooperative norms. The head of all the 11 members is the President, following the Vice President and the other board members. The hospital provides discount facilities for BPL category patients with a reduction of 30% in overall bill. The hospital stands with a vision to serve the poor as a social service.
74. N.S Memorial Ayurvedic Hospital, N.S Memorial Institute of Nursing College, N.S Memorial Institute of Nursing School is the other institutions under Kollam District Cooperative Hospital Society. The hospital offers cutting edge technology and state of the art treatment facilities designed to deliver healthcare at an affordable cost. It is driven by patient needs, comfort and trust.

The Mannarkkad Rural Service Coop. Bank Ltd.

75. One of the leading Service Cooperative Banks in Kerala, in its outlook and approach, has the objective of progress and prosperity of all. From a humble beginning in 17-May-1989 as a Cooperative Credit society with a share capital of a merely Rs 30,000/- held by 305 members, today The Mannarkkad Rural Service Cooperative Bank Ltd. has become one of the leading Service Cooperative Banks.
76. The area of operation is extended only 2 villages. Currently, it has seen a tremendous growth in deposits. The loans and advances are more than 100 crores. The growth rate of the bank compares well with that of others in the sector. The Bank has maintained a steady growth. The bank has been paying dividend @ 20% to its members which is maximum permissible as per the Kerala Cooperative Societies Act.
77. The Bank has launched different loan schemes tailor-made to suit the prosperity of members. The schemes aim at providing loans for the growth of agricultural sector, repair / renovation of house property. One of the loan schemes, viz. "Interest Free Paddy Loan" is specially designed for the benefit of small and marginal farmers. The procedure for sanctioning of loans under the schemes has been simplified and relaxed with a view to attract new customers and facilitating speedy sanction of loans.
78. The Bank has total 3 branches including a Morning and Evening with working on holidays. Bank is committed to spread service throughout the area of operation, which has been deprived of the lack of banking facilities. The Bank has total 3 branches including a Morning and Evening with working on holidays. 24 Hours fully computerized services and 7 days working.
79. Innovative Banking is another area of operation that Bank is currently focusing on for a sustainable long term growth. The Bank has always endeavored for providing satisfactory customer service with the help of the latest technology. The Bank has provided fully computerized services to its valued

clients. Bank is offering EK Nayanar Memmorial Neethi Medical Center- Providing X-ray, Scanning, Ecg, Pharmacy, Medical Lab Etc.

80. The bank is having a wide range of organic farming of 8000 Sqft in the roof top and also having three rain shelters of 700 sqft each for various vegetable cultivation. As a part of this bank also running SUVARNAM ORGANIC SHOP near to the head office. The products includes organic vegetables, Certified organic products, all organic fertilizers, organic pesticide, quality seed and seed-links, Kudumbasree products like curry powder etc and Agricultural implements and more.
81. In addition to this, there are various examples of PACS serving as Multi service societies.

PACS Working As Multi Service Societies

Trivandrum

82. Marayamuttam SCB is running 5 fertiliser depots, 5 rubber depots, 4 neethi provision stores, 1 MILMA store, 1 neethi medical store, one textiles/garment unit, chitty business, 2 pathological labs and one IOC petrol pump/Kissan Seva Kendra, library, ambulance, mobile mortuary etc, in addition to normal banking business. The PACS has formed one FPO and has provided requisite forward and backward linkages to all the 400 farmers covered under this project, for which the bank had firmed up arrangements for supply of BV 380 variety of layer birds (with M/s SNS Industries); readymade cage attached with egg collection tray, feeding tray, nipple drinker etc. (with M/s Sara Poultry Equipments) and good quality poultry feed (with M/s SKM Feeds), to all the member farmers. Tie up for marketing of eggs and meat has been done with Travancore Meat products. In addition, the society has appointed coordinators, a veterinary doctor, collection agents, etc. for the overall supervision of the project. A pick-up van for collection of eggs/distribution of feeds to the farmers has been purchased out of grant support from NABARD for input supply, collection and marketing of eggs from the producers.

Kozhikode

83. The Karassery Service Cooperative Bank Ltd is on Core banking solution with own ATM. For the last 17 years in a row, the bank is running in profit and distributed 25% dividend in 2012. The bank is the first ISO 9001: 2000 certified cooperative bank in Kerala with RTGS facility with tie up with IDBI Bank. The PACS is offering a wide range of services to its customers. The bank has secured many awards for excellence in performance like, Banking frontier National Award for innovation in marketing, HR, best data centre, networking, IT, best social project etc. Moreover, the bank is the only PACS in Kerala, which received the “Cooperative Excellence Award” of NCDC in 2010. The bank is having a website namely www.karasserybank.com. The bank is running a Neethi Medical Store. The bank is also carrying out non-banking services through a charitable society namely Social Mission for improvement of Life and Environment, formed in 2012. The SCB has financed around 100 JLGs for 4 activities, viz., Dairy, Poultry, rabbit rearing and Male Buffalo fattening (25 JLGs each).
84. The Chakkittapara Service Cooperative Bank is maintaining one fully computerized Agri-trade centre with modern facilities like conference hall, auditorium, one Neethi Super market, one Fertiliser depot, an innovative tourism project called ‘Green Holidays’, four NB approved Farmers’ Clubs, etc., in addition to normal banking business. The PACS has also been identified for establishment of a KisanSeva Kendra, by the GoK. The projects in pipeline include a Ventilated poly house, Bio-

control lab, Nursery, Green Army, etc. The Chakkittapara SCB has around 200 Kudumbhasree sponsored NHGs, involving about 3000 women members, under its fold. The bank, in association with the Grama Panchayat and Kudumbhasree, has formed JLGs/Activity Oriented Income Generating groups in the allied agricultural sector. It has extended support to 210 JLGs. The SCB is also acting as POPI under PRODUCE Fund for promoting an FPO of coconut farmers.

Idukki

85. Thudanganad PACS is presently engaged in various non-banking businesses, viz., 02 consumer stores, 01 neethi store and a fertilizer depot. The present turnover from its existing non-banking business works out to Rs 60.02 lakh and the society has targeted to increase the same to Rs 100.00 lakh within the next 7 years. The PACS has created multi-purpose rural infrastructure facilities, as part of its modernization/diversification/expansion plan, involving Farmer service/training center, Consumer store, Fertilizer depot and Rural banking.
86. The society, intends to increase the banking business/outreach and ensure rural development through extending/expanding credit delivery to JLGs/ SHGs/ Farmers groups, etc. The PACS is also setting up a farmer service center/farmer training center in the new building, to provide various services to the member farmers, including training on agri marketing, grading, standardization etc. to enable them to fetch maximum price for their produce.

Alappuzha

87. Cherthala South Service Cooperative Bank runs a Neethy Store, Provision store, Manure depot, an 'A' grade library and a free dispensary. The PACS has a good network of 500 SHGs in the area. The Cherthala South Service Cooperative Bank, Alappuzha is implementing a project for "Integrating aquaculture with vegetable farming under confined environment for increasing food production", involving on lending for setting up of fish-rearing tank (10 sq.m area) and cultivation of vegetables in grow bags in the fields of 150 farmers having at least 20 cents of garden land. The project is based on the success of a project implemented by GSGSK with assistance under NABARD's FSPF. The PACS had earlier implemented a project which benefited 40 Self Help Groups (SHGs) for taking up various income generating activities like Coir, fisheries, goat farming, dairying, vegetables, banana cultivation etc.

Thrissur

88. Peringandur Service Cooperative Bank is successfully managing a Green Maître Peoples' Bazar, a super market. The bank is using this super market as the fulcrum, around which various farmer-centric interventions have been planned/implemented by the bank. In addition to normal banking activities, the bank undertakes (i) distribution of inputs to members, (ii) runs a Neethi medical store and a textile shop, (iii) conducts village market melas during festival seasons, (iv) supports 110 SHGs and 29 JLGs, etc. The bank is in the process of setting up a coconut processing complex now, for which GoK assistance has been received by the bank.
89. The PACS has a coconut processing unit for converting raw coconut into copra (dried coconut) and by products like coconut water in biogas plants. Recently they have started producing and marketing coconut vinegar under the brand name 'karshaka'.

90. The Peringandur SCB is implementing Ksheerasagaram project, which envisages, in addition to providing financial support, scientific management of cattle shed, feeding, fodder cultivation, waste disposal, disease management, etc., on an end-to end solution basis. A biogas unit has been planned as part of the project, which ensures energy security to the farmers by way of providing cooking gas required for daily use. The project targets to increase milk procurement from the existing level of 1500 litres of milk per day to the level of 10000 litres a day, within a period of five years. The marketing of the milk is done through Green Maithri Super market, set up with NABARD assistance. The milk is procured in the main collection centre located near the super market and 4 to 5 sub-centres located in different parts of the project area and transported to the packing unit at KVASU, Mannuthy in the reefer van available with the SCB. The packed milk is transported back to the Green Maithri supermarket, the Trichur Medical College campus at Athani and other institutions, for sale.
91. Kuttikkad FSCB has 2 consumer stores and 3 manure & pesticide shops. The bank also runs a neethi store, onachanda and maveli store. The Kuttikkad FSCB is implementing the 'Nattunanma' project involving onlending to 250 JLGs, for taking up various agri and allied activities like cultivation of paddy, banana, vegetables, fruits, flowers and also animal husbandry activities. Under PACS as MSC, NABARD had extended financed a project "onlending for Setting up of Poultry Broiler units, Backyard poultry units, Goat rearing units, poultry grower unit and retail marketing outlets" to the Kuttikkad FSCB

Kannur

92. Anjarakandy Farmers' Cooperative Society at Anjarakandy, Kannur has received support for Coconut Processing facility under PACS- MSC scheme from NABARD, and the same has commenced operations from Oct 2016. Anjarakandi SCB has been in the field of Coconut processing from the year 2002 onwards and has been marketing coconut oil in the name of Sahakari Agmark Coconut Oil, which is a popular brand in the wholesale market of Kannur district. As part of its efforts to build an efficient supply chain, the SCB is also acting as the POPI for an FPO in coconut processing sector (Anjarakandy Agro Farmers Producer Company Ltd.), with financial assistance from PRODUCE Fund of NABARD. The FPO will be entrusted with procurement of coconut from farmers for supply to FSCB and marketing of coconut based products.
93. Kadirur SCB which started in 1956 with just 2 branches , Rs 3 .00 crore as deposit and Rs 2.00 crore as advance has 11 branches and has reached a level of Rs196.00crore with regard to deposits and Rs 141.00 crore as advances as on 31.3.2016. The SCB has ATM facility at its main branch, issues DDs, provides NEFT/RTGS facilities through IDBI, extends locker facilities, has morning to night branches and some Sunday branches. The bank has around 8 loan products and provides 5% discount on interest to customers prompt in repayment. The bank has a library, Neethi Medical Store, Margin Free and Consumer Market, Manure depots and two conference halls for letting out. The bank has forayed into the housing sector by extending loans for house construction and house renovation.

Kottayam

94. The Chengalam PACS has earned the distinction of becoming the first cooperative bank in Kerala to have met 100% power requirements from solar power production Presently, the PACS has a total connected load of 12 KW and the solar lighting system set up in the PACS has 18 KWP composite capacity with multi crystalline SPV module. The PACS have created solar roof top panel of about

1500 Sq. feet covering their bank, market outlet and farmers' training centre. The normal cost of power for this load as per the present commercial tariff of the KSEB would be Rs60000 per month and with the solar system in place the PACS is required to pay only Rs2500 per month to KSEB as minimum charge.

95. The Athirampuzha PACS is creating infrastructure for direct marketing, to benefit both farmers and consumers of the village by reducing middle men's margin. The efficacy of the direct agricultural marketing infrastructure facility will be increased by providing common facilities for proper weighing, cleaning, grading and packaging of agricultural produce, being brought to the market yard by the farmers for sale. This will also increase the consumption at the local market level. The proposed market complex with collection and auction centres, weighing platform, storage space, and other related amenities would provide market infrastructural facilities for marketing of rubber, scrap rubber, spices, fruits and vegetables. The project envisages a meeting space for the Farmers Clubs also. The project would also facilitate prompt realization of sale proceeds to the farmers and result in reduced transportation cost.

Technology Adoption by PACS

96. Thenhipalam Cooperative Rural Bank (TCRB), Malappuram is one of the PACS who have gone ahead with technology adoption to suit modern day banking. The TCRB not only provides normal banking facilities of PACS such as opening savings bank deposits account, recurring deposit accounts, fixed deposit accounts, loans for various purposes to their customers, but also provides modern banking facilities such as ATM cum debit card services which can be used in their ATM as well as micro ATMs, an app that can be accessed over internet and mobile for bill payments, recharge options, IMPS (outgoing only), e-wallet services, etc. The bank has employed a Farmers Club as their Business Correspondent (BC) for improving their business. The TCRB has set up Customer Service Points (CSP) and utilises the services of BCs for providing banking services to the customers of SCB using micro ATMs.
97. Thenhipalam CRB started with 100 members and Rs 75000/- as the capital and their area of service is three-panchayats, viz., Thenhipalam, Peruvallur and A R Nagar. They started their functioning with low customer base, bad publicity, poor business, inadequate and untrained staff, etc. The scenario continued to be the same till 2009. A new management took over and they started implementing new measures for improving their customer base, overall business, new and modern banking facilities to their customers. The bank decided to utilise the services of Green Earth Farmers Club as their BC since the FC was already well known among them.

Towards Technology Adoption and Adaption

98. The bank has become completely CBS in 2012. Initially, the customers were issued with plastic ID cards. Since 2015, they have been providing ATM cum debit cards. They also have installed one ATM near their office, have opened 04 CSPs and uses nine (09) micro ATMs (2013) for providing banking services. The bank provides passbook statement, mobile app, online applications (ruralbank.org), RTGS / NEFT services, IMPS (outgoing) and e-wallet services since 2015.
99. The bank uses handheld devices / POS machines only for transaction purposes. The micro ATM has a card swipe option for doing transactions. Their CBS vendor is M/s. Sesame Software Tech. The CBS has deposit modules, viz., SB a/c, RD, FD, loan modules for Medium Term loan against property, subsidy loan for SHGs, loans for housing, vehicle, etc., give SMS services to the customers.

100. The bank is providing online DTH, mobile recharge, RTGS / NEFT (through IDBI) and IMPS (outgoing) through e-wallet services. They are in talks with ICICI bank for providing IMPS (incoming). This will be provided with Corporate IFSC.
101. The incoming IMPS will be through RTGS / NEFT to the ICICI Corporate Office account. From there it will be transferred to the nearest ICICI bank branch (near TCRB). Simultaneously, an email will be sent to the TCRB about the transaction details. In the meanwhile, the ICICI branch transfers the fund to TCRB customer account.
102. The bank also has a complaint cell set up in their HO. The customers can submit their complaints through calls or in person. The cell initiates an email and calls the customer after their complaint has been settled. In case of non-settlement of complaint or customer not satisfied, it is escalated further to ensure that the service is rectified within 2-3 days of receipt of complaint.
103. The bank has its own Data Centre with server, network rack, switch and firewall. They have their DR site at Bangalore of M/s. Next Gen and sharing it with 03 other PACS and Urban Cooperative Banks. The bank is being charged Rs 16,000/- per month. M/s. Maximus is their switch provider (only for micro ATMs) and has got a 24 port for providing the services. They charge 10% AMC for all software and network. The bank paid Rs 50,000/- as onetime fee for ATM controller.
104. The bank while opening the account for the customer, forwards the customer information to their service provider, M/s. Maximus for issuing personalised card. While issuing the card to the customer, using the app, the bank will generate a PIN. The customer is given a notice with instructions as to how to change the PIN in the ATM. They are now planning to go for non-personalised cards. It takes a maximum of 10 days for customisation and personalisation of cards. So far they have issued more than 2000 cards. The card is charged at Rs 38/- per card.
105. The CSPs are provided with computer, micro ATM and internet connection. The CSP facilitates loan applications, collect deposits from daily collection agents, pigmy deposits, provide railway / air ticket booking, utility bill payments, etc. In case, the customer wants to credit the amount through the CSP and has not brought their card with them, the CSP verifies the name and account number of the customer and credits the amount into the account. The daily agents deposit their collection with the CSPs. The bank deposits / collects the excess cash from the CSPs on a daily basis. CSPs on an average handles Rs 3-4 lakh per day.
106. The transactions provided through micro ATMs are given below:
1. Transactions can be done for SB A/c, OD A/c (Rs 5000/- on credit) and CA/c, Debit and Credit transactions, Fund transfer within the bank (is being incorporated), Balance enquiry, Mini statement (The micro ATMs belong to M/s. Zenith and are provided by M/s. Vision Tek, costing around Rs 22,000/-. This has no camera / biometric option and can be used only for transactions. This can be used for chip card / magnetic stripe cards and has USB port, Ethernet and GPRS).
107. The transactions through ATMs are :
1. Transactions for SB a/c and C A/c, Only debit transactions, Ministatement, Balance enquiry, PIN change, Withdrawal of cash – Fast cash. The limit per customer per day is Rs 30,000/- in ATM as well as micro ATM. In some cases, Rs 50,000/- has been allowed.

108. The IMPS service is provided through the mobile app and also at the bank counter. The e-wallet services are linked with API interface. This service is being provided by a vendor named M/s. SMSponnus.com from Malappuram district itself. The service is connected to ICICI platform. This is like a pool account of the bank. Anybody wants to do fund transfer or recharge mobile / DTH, pay utility bills, etc., the pool account of the bank is debited and the transaction is completed. For IMPS transactions, the e-wallet is debited and the beneficiary account. On the other hand, the customer account is debited and the bank's pool account is credited. The bank based on the average number of daily transactions and the amount being transferred on a day, loads the e-wallet for daily transactions. The customer can transfer a maximum of Rs 10,000/- per month and the maximum transaction time is 5 seconds. SMS is sent to both the parties.

109. The mobile application known as my Bank is provided with a m-PIN security. For fund transfer OTP is generated for additional security. It cost the bank around Rs 2.5 lakh. The commission per transaction depends on the amount transferred. A slab wise commission rate is provided by the wallet service provider which is debited to the customer account.

Cash Management

110. *ATM.* In case of ATM, the bank themselves do the transferring of cash. An average of Rs 6-7 lakh is being replaced every 2 days. They have two cassettes – Rs 500/- and Rs100/-.

111. *Micro ATM.* This is with the CSPs and they are usually balanced with the deposits collected from the customers. The bank delivers around Rs 3-4 lakh per day to CSP and collects Rs 5 lakh from the CSPs.

112. Also, the bank has insured Rs 10 crore for cash in transit with New India Insurance.

Number of transactions

ATMs	-	average 30 hits per day
Micro ATMs	-	20 transactions per day (including all 04 micro ATMs)
CSPs	-	on an average 30 customers visit per day

Commissions

BCs with micro ATMs –Rs 2/- per transaction 4% of RD a/c
Loan repayment – Rs 20/- per account

113. In case of chit fund deposit or otherwise known as Group deposit account, the BC gets a commission of Rs 1000/- per new customer (Rs 500/- immediately and the balance Rs 500/- after completion of cycle).

114. CSPs – receive a standard salary. It is paid by the Farmers Club since they are employed by FC. The standard salary is around Rs 5000 – 6000 per month and based on commission, they earn around Rs 9000/-.

Green Earth Farmers Club as Business Correspondent

115. The bank has appointed Green Earth Farmers Club as their Corporate BC and the FC in turn has appointed 109 BC Agents on the field. All the agents are provided with a Palm Tec machine for transactions. According to them daily 10-12 transactions take place.

New and Improved Services

116. After new management took over, they overhauled the entire working process of the bank. They used the BC services to gain publicity and goodwill of the customers. They came up with a plan to increase their customers by way of convincing the local milk man, paper business person, to open up their accounts with them. Then these people convinced their customers to open accounts with TCRB and requested them to pay their monthly / fortnightly dues through the account. This brought in new customers, higher transactions and good business.

117. Thanks to the change in technology, new initiatives, pro-active staff, positive customer service and business correspondents, the bank now operates with more than 30000 customers. According to them, around 30-40% of these transactions are by younger generation. The bank does not charge the customers for the usage of micro ATM, ATM or cards. The bank paid Rs36 lakh as commission to Green Earth Farmers Club last year. They are in talks with ICICI Bank for providing IMPS outgoing services too.

CHAPTER 4 SUGGESTIONS FOR THE 13TH FIVE-YEAR PLAN

Restructuring of Cooperative Credit Structure

118. All the 14 District Cooperative Banks and Kerala State Cooperative Bank will be integrated as one and the Apex Bank will be strengthened in all aspects i.e. economically and technologically, during the 13th plan period. In order to explore the possibility of such integration, a high level expert committee under the Chairmanship of Prof M S Sriram is appointed. The Committee conducted number of sittings. A reorientation of cooperatives is expected by establishing an apex bank in the cooperative sector.

Cooperative Entrepreneurship- Start-up Ventures

Capital Subsidy Scheme for Employment Generation Projects

119. *Concept.* Employment generation is one of the priority agenda of the State Government. As the cooperatives are capable of starting production – value addition schemes in rural area, a scheme is envisaged in line with the State priority. In the next five years, one lakh employment opportunities are proposed to be created through cooperatives by starting various ventures. It is proposed to develop cluster based schemes and then to establish centralised processing, value addition and marketing units. There are 1611 Primary Agricultural Cooperative Societies (PACS) in the State of which 100 Strong PACS covering 14 districts will be selected for starting projects. Through the selected PACS, production clusters will be formed based on locally available/ important agricultural produces. As the clusters are formed and supported by the PACS of that area, the produce will collect/ buy back by that society. The collected produce will be processed/value added and marketing also will be done by that society.

Proposed Schemes

120. These Ventures are intended to cover the fields of Agriculture & Allied activities, Dairy farming, Poultry, Bee keeping, Comprehensive Horticulture, Plant Nursery, Soft toys making, Food processing & Bakery products, Embroidery, Fabric Painting, Two Wheeler/Four Wheeler Servicing Centre, Farming Ornamental Birds and Fishes, Organic Farming, manufacturing and marketing of paper bags and jute bags, Beauty Parlours, Health Clubs and Aerobics Centers in urban areas, LED bulb making and marketing, self-employment schemes to the women with disabilities, Poultry Farms, Cattle Farms for their own production of hygienic and edible food products, Aluminium Fabrication Work, Manufacturing of Inter Lock/ Hollow Bricks, Dry Cleaning Center, etc. This will be achieved through different cooperative societies such as PACS, SC/ST Societies, Vanitha Societies, Labour Contract Societies, and Hospital Societies etc.

Employment Generation

121. Each selected PACS have to develop 10 production clusters of 100 persons/families each. At least one person from a family shall be ensured regular employment through this cluster. Then one cluster can provide 100 direct and regular employments through this scheme. In aggregate, one selected PACS can generate 1000 direct employment. Then, 100 PACS altogether can generate 100000 direct

employments. In addition, 100 processing/value addition and marketing units can create another 40000 - 50000 direct employment.

Financial Aspects

122. The selected PACS will be supported by the Government by providing capital subsidy for the establishment of centralised processing/value addition and marketing unit. Each selected PACS will be eligible to receive 50% of total Capital Investment cost or Rs 1.00 crores, whichever is less, for establishing a centralised processing /marketing unit. In addition Rs 10.00 lakhs to each PACS will be provided for developing 10 clusters (Rs 1.00 lakh for each cluster)/giving support to cluster members. So, total cost of each scheme will be Rs 1.10 crores to the Government. Then total cost for the entire scheme (100 projects) will be Rs 110 crores. Exclusive DPR for each project have to prepare at PACS level and detailed appraisal have to be done by the Government before funding.

123. Benefits of the Scheme

1. Creation of direct employment above 100000.
2. Enhancement of production base of the economy.
3. Quality products available locally.
4. PACS – Government joint efforts for successful implementation of the scheme.

Project Proposal for Marketing of Vegetables in Vattavada and Kanthalloor Panchayaths

124. Idukki District produces substantial amount of vegetables. This is possibly the only district in the State producing cool season vegetables. These include potato, carrot, cabbage, cauliflower, French and butter beans, tomato and chilly grown at high altitudes in four Panchayats under Devikulam taluk. It also produces a few tropical vegetables like bitter melon and cowpea in large scale and French bean and tubers in small scale. The cool season fruits cultivable in the district are orange, apple, passion fruit, strawberry, cherry, guava, tree-tomato, kiwi, mango, egg fruit, peach, and gooseberry.

125. Vegetable production statistics of the district is incomplete and fragmentary. According to figures the area under vegetables is approximately 3500 ha. It is reported that more than 1600 ha is grown with cool season vegetables mainly in Vattavada, Kanthalloor, Marayur and Munnar Panchayats. Tropical vegetables are grown fairly under intensive practices at plains and low elevations, while the cool season vegetables are grown largely by traditional and low management methods under many constraints. The cool season vegetable growing region lies in a rain shadow region receiving less than 1300 mm rainfall in the eastern side of the Western Ghats.

126. The region is economically backward with poor road, no irrigation, technology servicing, marketing or storage facility, apart from social amenities like bank, schools, hospitals, drinking water and other essential services. Many crops are raised during only one growing season. Augmenting irrigation facility through check dams, soil conservation, improving roads, creating market linkages and godown facilities, strengthening technology servicing for quality seeds, package of practices, inputs and credits are measures badly required to promote production of cool season vegetables and fruits and for enhancing the employment and income of the poor tribal people behind these crops. With such strengthening the vegetable production capacity of the district can be substantially enhanced and thus promote the self-reliance of the State in vegetables. The people are heavily depending on the private moneylenders and input suppliers from neighbouring Tamil Nadu. Mostly the inputs are taken on credit from the lenders on condition that the produce will be sold exclusively to the

lenders. There is urgency to invest funds for promoting infrastructure, production, marketing, cold storing, value addition and capacity building as well as for strengthening the services from other development departments including a very supportive attitude from the Forest department. Vattavada, Kanthalloor, Marayur and Munnar are the four panchayaths engaged in the cultivation of these fruits and cool season vegetables.

Vattavada

127. Vattavada is situated in the high ranges of the Western Ghats which borders Kerala on the eastern side. The area lies between 9° 15' and 10° 21' N latitude and 76° 37' and 77° 25' E longitude at an altitude of 7200 feet above MSL. Total land area is approximately 68 sqkm, 25 percent of which is still under forest cover. Vattavada is a large village located in Devikulam of Idukki district, Kerala with total 901 families residing. The Vattavada village has population of 3292 of which 1690 are males while 1602 are females as per Population Census 2011. The inhabitants are mainly migrants from plains who have sought refuge in the mountains in times of extreme insecurity or instability. The population include Muthuva tribes who live far away up the hills. Agriculture is the main source of livelihood for the people. Cultivation is being done on the stable terraced fields made all along the hills. Major crops include cereals viz. rice, wheat and finger millet; vegetables viz. cabbage, carrot, peas, beans, garlic and potato.

Kanthalloor

128. Kanthalloor is a village nestled in the Western Ghats of India. The salubrious climate and the picturesque landscapes and wide variety of tropical crops coupled with the close proximity of Munnar (a major hill station), has transformed this village into a tourist destination. Kanthalloor is a large village located in Devikulam of Idukki district, Kerala with total 1778 families residing. The Kanthalloor village has population of 6758 of which 3339 are males while 3419 are females as per Population Census 2011. Kanthalloor is famous for its wide variety of crops which is not seen on the other parts of Kerala, which includes varieties of Apple, Orange, Strawberry, Blackberry, Plums, Gooseberry, Egg fruits, peach & passion fruits, etc.

Munnar

129. Munnar is situated at around 1,600 metres (5,200 ft) above sea level, in the Western Ghats range of mountains. The name Munnar is believed to mean "three rivers", referring to its location at the confluence of the Mudhirapuzha, Nallathanni and Kundaly rivers. Munnar town is situated on the Kannan Devan Hills village in Devikulam taluk and is the largest panchayat in the Idukki district covering an area of nearly 557 square kilometres (215 sq mi). The nearest major railway stations are at Ernakulam and Aluva (approximately 140 kilometres (87 mi) by road). Total number of household in munnar is 14134. The Munnar village has population of 55738 of which 27973 are males while 27765 are females as per Population Census 2011. In 2011, literacy rate of Kanthalloor village was 76.88% compared to 94.00% of Kerala. In Kanthalloor Male literacy stands at 83.21% while female literacy rate was 70.63%.

Marayoor

130. Marayur is the only place in Kerala that has natural sandal wood forests. Ancient dolmens and rock paintings in Marayur date back to the Stone Age. The terrain is highly undulating with altitudes ranging from 500 m at Chinnar to over 2300 m at Nandalamalai, and the same varying topography

of Marayur can be observed in Marayur with mountains, rain forests, deciduous forests, riparian forests, scrub forests, brooks, Paddy Fields, river, waterfalls, rocky hills, sholas and hamlets. Natural vegetation includes tropical evergreen forests and grasslands. Soil type is forest loam with high organic matter content. Total number of households in marayoor village as per 2011 census was 3307. The marayoor village has population of 12399 of which 6192 are males while 6207 are females as per Population Census 2011. Marayur is famous for its sugarcane cultivation and jaggery it produces along with the vegetables and fruits.

Identification of the Problem

131. Even though the four panchayaths are the only geographical region in the state producing cash rich cold season vegetables and fruits, the region is also characterised by economic backwardness with poverty, poor infrastructure etc. It is regularly reported that the farmers are often at mercy of the local money lenders as they decide the price of the produces. The market and prices are important factors contributing to the economic distress of Idukki farmers. The district with its hilly terrain, high ranges, and poor communication system and transport infrastructure poses major challenge to marketing agricultural produces, crops and animal. This provides a favourable field for play of middlemen, denial of fair price and wide fluctuations in day-to-day prices. The situation denies bargaining power to farmers and they are forced to make distress sale.
132. The situation can be attributed to the following major reasons,
1. Absence of customised and timely credit delivery mechanism: Each of these crops and fruits have its own peculiar cultivation patterns and the financial requirements and the timeliness of the credit depends on the crops too. For example, farmers need fertilisers or seeds immediately after a rain and financial institutions do not have loan products with such inbuilt features and this pushes the farmer to a local money lender
 2. The vicious presence of local money lenders: The local money lenders are always available with support for inputs like seeds and fertilisers. The peculiarity of this region is that most of the farmers buy these inputs directly on credit with an agreement that the right to purchase the produce belongs to the money lender. These money lenders loot the poor farmers at the input end as well as at the output end.
 3. Absence of modern and scientific agriculture practices contributes to low productivity which in turn leads to financial struggles for the farmer
 4. Absence of proper storage space and non-adoption of agricultural marketing practices contribute significantly to the poor plight of the farmers.
133. One of the major issues requiring immediate attention is the absence of proper storage facility in the area. Since the produces are perishable and the traditional farmers adopt mass harvesting practices, farmers are forced to sell their produces at throw away prices too.
134. In order to find a long and standing solution to the problems of poverty and under development in the region, the following suggestions are also presented.
1. Coordinated involvement of multiple agencies including financing institutions, agriculture input providers, agriculture research agencies, agricultural marketing agencies etc
 2. Community participation need to be involved through SHGs, JLGs and a community based participative decision making system needs to be implemented.
 3. Area and crop based and customised financial products need to be developed
 4. The cold storage facility is only a partial solution for the problem and a system of cold chain needs to be implemented with the support of Nation Centre for Cold Chain Development.

5. The cold storage should be able to buy the produces on current market prices and the profits, if any of the sale proceeds should be distributed to the farmers.
 6. A special purpose vehicle, under the Chairmanship of the District Collector, may be formed
 7. Special attention needs to paid to the infrastructure facilities including roads
 8. A market information system and online marketing system may also be introduced
135. Under the circumstance, it is proposed to provide assistance in the form of loans to the farmers by the District Cooperative Bank, Idukki, to the tune of Rs100 crore and it is also decided to supply manures to the farmers. The marketing of the products will be done under the supervision of the Agriculture Department. It is proposed that the Government will provide assistance in the form of subsidy to the farmers, at the rate of 4% (Budgetary assistance to the tune of Rs 400 lakh is required).

Assistance to Model Cooperatives

136. At present, Government provides financial assistance to Model Cooperatives for encouraging new innovation in the field of cooperation and starting up new ventures. Those cooperative societies having the features of running profitably for the last five years continuously, dividend declared regularly, having positive net worth, convene its Annual General Body meeting regularly, there is a provision in the bye-law for accepting Government assistance and it is totally free from any irregularities for the past five years are selected as model cooperatives. Through this scheme financial assistance of not more than 25 lakh rupees is provided to each society by way of share, loan and subsidy in the ratio of 2:2:1 respectively. During 2012-13, 11 societies; 2013-14, again 11 societies; 2014-15, 18 societies and in 2015-16, 17 model cooperatives were getting financial assistance in this scheme. During the coming plan period it is intended to provide financial assistance to model cooperatives for setting up new ventures.

Interest subsidy for Agricultural Loans

137. The Agricultural loans disbursed during the year 2015-16 constitute Rs 3800 crore to the farmers. Interest subvention at the rate of 3 percent is available on agricultural loans through refinance facility from Central Government. The refinance available to KSCB during 2016-17 is Rs 950 crore. This will lead to an amount of Rs 3000 crore as agricultural loans at farmer level.
138. During the next Five Year Plan, the Government of Kerala, Cooperative Department, intends to increase the agricultural operation by providing interest free loans to farmers. It is proposed to provide an amount of 70 crore for giving interest subsidy to farmers on prompt repayment of agriculture loans during 2016-17. It is expected to disburse an amount of Rs 15000-20000 crore as agricultural loans during the Plan period, at 0% (zero percent) interest.

Farmers Service Centres

139. Agriculture is the backbone of the Indian Economy as nearly 60% of the population of the country depends on agriculture and it contributes 18% to the GDP. Tenth Five Year Plan and National Agriculture Policy documents envisage a growth level of 4% in Agriculture as against the average growth of less than 2% in the last 50 years. For sustained 4% growth in agriculture there is need to improve productivity and cut down on costs by improving efficiency. For transmitting the latest agriculture techniques to the Farmers' field, orienting them to establish better relationship with banks, adoption of latest post-harvest handling technology, value addition, etc. and enjoy the

benefits of collective bargaining power both for procuring inputs and select their produce the Farmers' Service Center is an appropriate and most suitable strategy initiated by Government of Kerala.

140. Farmers Service Centers are functioning at Block Level under the supervision of selected Cooperative societies. There are 60 Farmers Service Centres functioning in different Block area. As a co-ordination mechanism at the block level it is developed in association with Block Panchayat and the Department of Agriculture. It acts as a Nodal Agency for providing all assistance to farmers as they require such as supply of seeds, fertilizers, pesticides, modern agricultural equipments such as, tractors, tillers, harvesting machines, Soil Testing and Tissue culture lab facilities, etc. They also provide credit literacy to the farmers. In each Farmers Service Center, there are 25 expert persons called 'Harithasena' working for providing agricultural service to the needy farmers in all times at affordable rate.
141. The major functions of the centre:
1. Act as nodal agency at block panchayat level to co-ordinate agriculture services in all Grama Panchayat within the block in association with Department of Agriculture.
 2. Provide information to the farmers regarding agriculture credit, interest rate debt waiver scheme and the need based information.
 3. Act as a centre of 'Mechanization of Agriculture at Block Panchayat Level'. The centre have their own agricultural equipments and machineries like tractor, tillers, harvesters, threshing machine etc. and they provide training and make arrangement for necessary spare parts and repair facilities.
142. With the formation of the Farmers Service Center, agricultural cultivation increased considerably. Moreover it provided employment opportunities to the ordinary farmers. Therefore, it is expected to start Farmers Service Center in rest of the Block in the coming Financial Year. There by the farmers of the entire State will be benefited through these service centers in respect of agricultural inputs and services, nurseries and soil testing labs, etc.

Suvarnam Shop

143. Green Revolution leads our country to self-sufficient production of food grains. It taught the farmers to adopt modern and mechanized cultivation methods to improve production. But the extensive and uncontrolled use of chemical fertilizers and pesticides brought adverse results later. This also started affecting our health. In order to overcome this situation and the produce healthy, organic food grain and vegetable to the people of Kerala, the Cooperative Department stated the initiative named '*Suvarnakeralam*' to promote organic farming. The Cooperative Societies started cultivation of vegetables on their available land and on the roof-top of buildings. This resulted in production of large quantities of vegetables. For the sale of these products, these Societies had to find markets. To overcome the problem, the Primary Cooperative Societies started '*Suvarnam Stores*' with the initiative of the department. Through the stores, the Societies intend to market the organic vegetables and allied products to the common people at reasonable rate. Suvarnam shops will be started through the PACS under the auspices of Farmers Service Centres. Products available in Suvarnam Stores. Organic vegetables of all kinds and traditional food products, Fruits, Egg (hen, duck, quail), Coconut oil, Groundnut oil, Gingelly oil, Rice, Gingelly seeds, peas, Products of the Self Help Group/Kudumbasree Units such as chips, Pickles, Chilli powder, Coriander powder, Turmeric Powder, Rice Powder, etc., Products from the farms of Agriculture Department such as

sauces, Pickles, etc, Ayurveic products, Dahasamini, Agarbathis, Seeds and fertilizers, Growbags, Bio pesticides, Pumpsets, simple agricultural machines etc Neera.

Strengthening SC/ST Cooperatives

144. Scheduled Caste and Scheduled Tribes groups which are included in Section 341 of the Constitution of India have, for historical reasons, remained socially and economically backward, and hence concerted efforts have been made to raise their social and economic status. Socially disadvantaged groups of Scheduled Castes/ Scheduled Tribes have received special focus over the years for their social and economic advancement. Government have taken several steps for framing appropriate policies needed to design and implement various welfare programmes for achieving the objective of creating favourable environment to ensure speedy socio economic development of SCs/ STs.
145. The majority of tribal areas have remained isolated and backward. With their low levels of training, skills and technology which have remained largely traditional, the natural resources of tribal areas have remained unexploited for the development of tribals. Tribal areas are, further, characterised by socio-economic exploitation by non-tribals. Cooperative Sector provided great contribution for the development of SC/ST communities through the functioning of Primary SC/ST Cooperative Societies and the Apex Federation.

Health Issues among Tribals

146. The health and medical care of the tribal people are serious issues in the State. Inadequacy of funds, lack of proper utilization of funds, unawareness of people etc. may be pointed out as some of the reasons for increased infant death, malnutrition among infants and pregnant women in tribal areas. The people in the tribal colonies of Attappadi of Mannarkkad Taluk, Nilamboor, Amminikkad of Perinthalmanna, Wayanad etc, depend on the EMS Hospital at Perinthalmanna for their medical treatment. Even though there are a number of welfare schemes, the tribal people face many constraints with respect to their health and sanitation. Some of the issues:
1. They do not have cash in their hands for food, medicine and hospital expenses.
 2. They are ignorant of the formalities of the hospital. This brings difficulties in OP as well as IP.
 3. Because of the lack of transportation facilities or ambulances, many are brought to the hospital in critical stage.
 4. Due to the scarcity or lack of money, they may be starving even during treatment.
 5. Most often, the patients do not have by standers or if they have will be non-educated or illiterate.
 6. Refusing to carryout investigations, not taking in medicine as prescribed.
 7. Not having money to travel back their colonies etc.
147. Due to these reasons, the patient as well as the hospital staff has many hurdles. The proper and effective treatment will not be possible. To overcome the situation, schemes are to be planned and implemented which include:
1. To engage health Volunteers/Workers in each colony.
 2. To send doctors and paramedical staff to the colonies at definite intervals.
 3. Medicines, equipments to conduct lab tests, ambulance facilities etc. may be made available in the colonies by the hospitals.
 4. During emergency situations, to make available transportation/Ambulances by the hospital
 5. Hospital expenditure may be met by the Government.

6. To provide food and nutrients to the pregnant women and children.

148. In these circumstances, a pilot project is proposed to implement for comprehensive health care to Attappady tribal people during the period of budget, 2017-2018.

Project Proposal for Comprehensive Health Care to Attappady Tribal Population

149. *Preamble.* Despite efforts by various agencies, the tribal population at Attappady is plagued by various problems. Although many of them are social issues, health problems are also found in significant numbers. Health issues in Attappady were highlighted in the media and public domain during the last two years and neonatal deaths were projected as one of the major health issues. The public, media and political leaders expressed the view that health care needs of the people of Attappady were not being met with adequately. It is in this context a Project Proposal is submitting for Comprehensive Health Care to Attappady Tribal population.

150. *Introduction.* Attappady is situated to North of Palakkad and spans about 745 Sq.Km. Attappady is the name given to area consisting of Agaly, Sholayar and Puthur Grama Panchayaths. It has a population of about 67000 of which 29000 belongs to Tribal Community (*i.e.* more than 40% of population). The Tribal community consists predominantly of Irula (77%), Muduga (13%) and Kurumba (10%) tribes. They live in hamlets in and around hills of Attappady. There are about 10983 tribal families in 192 hamlets. The non-tribal population consists of settlers from Kerala and Tamil Nadu. They cultivate a wide variety of crops from spices to pulses and vegetables. The earnings from Agriculture are inconsistent due to vagaries of nature like drought, flash floods, heavy winds and devastation by wild animals.

151. Out of total of 16151.14 acres of land cultivated by tribals 10,106.19 (62.57%) had been alienated. The literacy rates are less than 50% and school dropouts are high. The human development index of Attappady tribals is 0.37 while that of Kerala population is 0.771.

152. Attappady tribals face various health problems such as

1. Malnutrition
2. Alcohol / substance abuse
3. Congenital anomalies
4. Inherited disorders like sickle cell anaemia
5. Communicable diseases
6. Tuberculosis
7. Maternal –child health problems
8. Trauma due to injuries and animal attacks etc.

153. In the Agaly Community health Centre attrition rate of doctors and staff is high and rest of the posts remain vacant. Antenatal and labour losses are referred to tribal specialty hospital. 500 tribal women deliveries occur annually out of which 10 - 20 % are home deliveries. Regular visits of tribal promoters, JHI and JPHN are not taking place in the hamlets. Anganwadies have poor attendance. It is intended to implement the Project of “Comprehensive Health Care to Attappady Tribal population” in cooperation with EMS Memorial Cooperative Hospital and Research Centre, Perinthalmanna.

About EMS Memorial Cooperative Hospital and Research Centre

154. In the short span of less than two decades since its inception in 1998, EMS Memorial Cooperative Hospital & Research Centre has grown from a 50 bedded general hospital to a 500 bedded multi super-specialty tertiary-care hospital integrated with research and academic activities. It is now standing as one of the leading high-tech hospitals in cooperative sector in India as well as Asia and is still expanding. EMS Memorial Cooperative Hospital & Research Centre continues to be the places where health sciences and technology meets life; where, the advancement of science and technology is available to the common man at an affordable price.
155. The hospital is equipped with almost all the speciality and super specialty departments. Facilities and equipments such as Cath Lab, MRI, CT Scan, Fully Automated Medical Laboratory, Neuro Physiology, State of Art operation theatre complex, various intensive care units with nearly 100 intensive care beds, dialysis unit, Physiotherapy department, Round the clock ambulance and trauma unit, Pharmacy etc are the main features of the hospital.
156. The daily patient volume is about 1500 out patients from Kerala as well as from neighboring states and even abroad with 90 percent inpatient occupancy. Annual patient turnover touches an incredible figure of over 333145 outpatients and nearly 32067 inpatients in 2015 -2016.
157. The Hospital is a recognized centre of treatment under Prime Ministers Relief Fund for economically backward Patients, ECHS for ex servicemen, for the staff members of BSNL, KSFE, Kerala Government servants, Airport Authority of India, treatment under Karunya benevolent fund etc. EMS Memorial Cooperative Hospital & Research Centre offers total and comprehensive health solutions comparable to the best hospitals in the country. The Academic section of the Hospital also is functioning with excellent track records to cater any kind of training needs in the existing health care scenario.
158. The hospital is located at Panambi in Perinthalmanna – Palakkad National Highway. It is situated 2 KM away from Perinthalmanna Town and is about 50 KM away from the proposed area called Attappadi which is a driving distance of 1 to 1.5 hours.

Components of Project

159. EMS Cooperative Hospital and Research Centre will provide training to health professionals and workers of Attappady.
160. The key groups identified for training are
1. Medical Officers
 2. Staff Nurse
 3. JPHN
 4. HI / JHI
 5. Public Health Nurses
 6. Anganwadi Workers
 7. ASHA Workers
 8. Tribal health promoters.
161. EMS Hospital will collaborate with Kerala State Institute of Health and Family Welfare which is the apex training institute in providing the training.

162. Antenatal Care, Intranatal care, Neonatal Care, Postnatal Care, Nutrition, Child growth monitoring and Adolescent health care. Specialised training like Sonography, blood banking, emergency obstetric care, new born resuscitation, BIS, ACLS, NLS, PLS etc to Medical officers, Staff Nurse and technicians.

163. *Supplementing Medical Manpower & Infrastructure:*

1. Initial and periodic Health and Family Welfare assessment monitoring
2. Conducting regular clinics at Attappady by specialists like, Psychiatrists Cardiologists, Ophthalmologists, ENT etc (Once a week).
3. Periodic Multispecialty Camps (Once a month)
4. Weekly Radiology services
5. Nursing/ Public Health Nursing services.
6. Technicians
7. Physiotherapists.

164. *Providing Hospital Services:*

1. Speciality and Super speciality services. The hospital is equipped with almost all the speciality and super speciality departments. Facilities and equipments such as Cardiology and Cardiothoracic Surgery, Cath Lab, MRI, CT Scan, Fully Automated Medical Laboratory, Neuro Physiology, Geriatric Services, Burns Unit, Pulmonology, State of Art operation theatre complex, various intensive care units with nearly 100 intensive care beds, dialysis unit, Physiotherapy department, Round the clock ambulance and trauma unit, Pharmacy, variety of Health Insurance services, Insurance against Zoonosis and Dog menace etc
2. Lab services
3. Transport services
4. Mobile ICU
5. Ambulance
6. Other vehicle for Doctors /Services
7. Telemedicine Facility.

165. Support Manpower requirements:

Project Officer	1
Liaison Officer	1
Office Staff	2
Drivers	3
Helpers	as needed

166. Office / Administrative and Infrastructure Requirements

Mobile ICU	1
Ambulance	1
Other Vehicles /Jeep	1
UPS	1
Computers	3
Laptop	1
Scanner	1
Printers	2
Furniture	as needed

Table 10 *Financial outlay in rupees lakhs*

Items	1 st year	2 nd year	3 rd year	4 th year	5 th year	
Infrastructure development						
Ambulance services	14					
Mobile icu	20					
Other vehicles	10					
Computers-3, scanners printers networks, ups etc	6					
Total	50					50
Recurring expenses						
1 Medical treatment cost	200	180	180	160	160	880
2 Health promotion and nutritional services	30	30	25	25	25	135
3 Preventive services and immunisation	8	8	8	6	5	35
4 Transportation and vehicle maintenance	8	8	8	8	8	40
5 Initial assessment / comprehensive surveys and monitoring	4	2	1	1	1	9
6 Training expenses	6	4	2	2		14
7 Salary to staff	10	10	12	13	14	59
8 Stationary and other expensesdpr	5	5	4	5	2	21
9 Project publicity	4	3				7
Total expenses in lakh	325	250	240	220	215	1250
Tentative hospital contributions	30	20	20	20	10	100

167. The project aims at reaching out the community and fulfilling its mission, “Healing Each within His Reach” to provide outstanding and affordable medical care in a patient-friendly environment.

Comprehensive Project to Improve the Health and Nutritional Status of Scheduled Caste Population of Mayanad Panchayat, in Kollam District

Aim

168. A comprehensive project to improve the Health and Nutritional Status of Scheduled Caste Population of Mayanad Panchayat in Kollam District is aims at improving the overall Health and Nutritional Status of all the target population to the same standards as that of the General population in association with the NS Memorial Institute of Medical Sciences.

NS Memorial Institute of Medical Sciences

169. N.S Memorial Institute of Medical Sciences (NSMIMS) is a multispecialty Cooperative hospital located in N.H bypass, Palathara, Kollam committed to bringing back the ‘care’ into healthcare. NSMIMS is one of the first ventures of Kollam District Cooperative Hospital Society. The hospital started functioning in February 2006. It is governed by the guiding principle of providing medical services to patients with care, compassion and commitment. NSMIMS brings together an outstanding pool of doctors, management personnel, paramedical and non paramedical staffs to foster collaborative, multi disciplinary investigations, inspiring new ideas and translating these into new ways of diagnosing and treating patients and preventing diseases. One full range of primary and specialty care medical services enables cross-specialty consultation, which assures outstanding treatment for each patient. More than 300 highly trained, skilled and motivated medical and

paramedical staff utilizes their expertise to the best interests of the patients. There are 23 specialty departments and 50 doctors including 25 post graduate doctors.

170. The finance capital contributed for the hospital is from 4600 shares collected from the public and Institutions, National Cooperative Development Corporation (NCDC) and State Govt-Central Govt. The hospital is providing discount facilities for BPL category patients with reduction of 30% in over bill (excluding medicine cost). NSMIMS offers cutting edge technology and state-of-the-art treatment facilities designed to deliver healthcare at an affordable cost. It is driven by patient needs, comfort and trust.

The Situation

171. The Census of 2011 counted Kerala's population at 3,34,06,061. Out of this population 1,60,27,412 (48 per cent) are males and 1,73,78,649 (52 per cent) are females. The SC population of Kerala is 30,39, 573 constituting 9.1% of the total population. The sex ratio of Kerala according to census 2011 is 1084. The sex ratio among SC is less at 1057. Kerala has the highest effective literacy rate of 94 per cent among Indian states. The literacy rate in Kollam is 94.1%. The literacy rate among SC population is 88.7% with female literacy of 85.07% and male literacy of 92.64%. The scheduled caste population of Kollam is 1,57,801 males and 1,70,462 females making a total of 3,28,263 which is 12.46% of the population as compared to the state average of 9.1%

Need of Special Programme to Improve Health and Nutritional Status of Scheduled Caste

172. The National Family Health Survey (NFHS) 2005-06 clearly shows that at the National level the IMR, Neonatal mortality, Pre-natal mortality, Child Mortality and under 5 mortality among SC population is much more than the National average. Similarly the percentage of Institutional Deliveries, full immunization coverage and proper antenatal check up among SC population is less than that of the general population.
173. Studies have shown that the nutritional indicators connected with under nutrition and underweight are very high among the marginalized communities in Kerala also. There is also a high difference in the degree and severity of malnutrition between boys and girls among the marginalized communities. This gender difference is insignificant in case of OBC and other caste groups. Adequate nutrition and support for adolescent girls to prevent anemia, therapeutic feeding of children with acute malnutrition, immunization and bi annual Vit A supplementation with deworming and age appropriate foods for children from 6 months to 5 years is needed.
174. There have been special programmes for education, for improving the economic status and social upliftment of SC families but a focused approach to deal with the health and nutritional problems is lacking.
175. Article (46) of the Constitution states that the State shall promote with special care for the educational and economic interest of the weaker section of the people and, in particular, of the Scheduled Castes and Scheduled Tribes and shall protect them from social injustice and all forms of exploitation.
176. Despite Constitutional directives and a number of legislative and executive measures taken by the Government since independence, there are large gaps between the living conditions of the general population and those of Scheduled Castes and Scheduled Tribes. Successive Five Year Plans have

attempted to reduce these gaps. The persistence of socio-economic backwardness of Scheduled Castes and Scheduled Tribes, in spite of the development efforts warranted a special and focused strategy, to enable them to share the benefits of overall economic growth in a more equitable manner.

The Proposal

177. Mayanad Panchayat of Mukhathala Block with an area of 17.57 Sq Kms has 573 SC families with a population of 2501 residing in 23 colonies. In order to bring up the health and nutritional status of these SC persons to that of others, it is proposed that the NSMIMS will take up a pilot project with Government assistance for a period of 5 years. The project will be implemented in close liaison with the Panchayat, Health Services Department and SC development department. The beneficiaries will be limited to SC population of the Panchayat.

The Activities

1. Conduct of an initial socio, economic, health & nutritional assessment survey
2. Maintenance of Health card system
3. Weekly medical check-up, detection of diseases if any by camp approach at fixed time and fixed locations
4. Treatment of diseases detected
5. Basic laboratory & radiological investigations required
6. Specialist consultation and treatment for those in need by transporting them to the hospital
7. Supply of medicines free of cost
8. To provide Iron folic acid and Vit A as required
9. To attain 100% immunization coverage
10. To attain 100% antenatal care
11. To detect Nutritional deficiencies and rectification of the same
12. To make provision to provide supplementary nutrition to the needy
13. To improve health awareness and bring about change

178. The project will be carried out by camp approach method. Medical camps will be conducted on 5 days every week. One day is kept apart for Health awareness classes and also to cover up shortcomings in case of holidays/festivals in any of the other days. Hospitalization expenses will not be covered. Discussions will be held with insurance firms to explore the possibility of including the beneficiaries under group health insurance scheme to cover hospital expenses.

Infrastructure and Man Power Requirements

179. Since the project is to be implemented by camp approach a vehicle to transport the medical team is required. It is proposed that a traveler type vehicle be purchased and used exclusively for the project. The vehicle will also be used to transport patients requiring specialist treatment to and from the hospital.

180. Man power requirements include the following:

- | | |
|----------------------------------|----------------------|
| 1. Medical Officer | MBBS |
| 2. Coordinator cum social worker | MSW |
| 3. Staff Nurse | GN or B Sc Nursing |
| 4. Pharmacist | B. Pharm or D. Pharm |

5. Driver cum Assistant

181. Since the Medical camps will be conducted 5 days a week these staff will work exclusively for the project. In case any person is on leave he/she will be substituted by staff of same category from the hospital. Nursing students will also be included in the team as part of their learning process.

182. All attempts will be made to make maximum use of the existing Government facilities for the project. The project will act as a gap filling measure to cover deficiencies in the facilities provided now and to take the services to the door step on a regular basis. Cancer detection camps will also be conducted. Attempts will be made to provide nutritional supplements to the needy through public contribution and existing schemes of the Government.

Table 11 Financial Requirements

Costing	Capital	1st year	2 nd	3rd	4th	5th	TOTAL
Capital cost							
Vehicle	10,00,000						10,00,000
Initial health survey	15,000						15,000
Health card	30,000						30,000
Recurring cost							
Salary							
Medical Officer		4,80,000	5,28,000	5,80,800	6,38,880	7,02,768	29,30,448
Coordinator cum social worker		3,60,000	3,96,000	4,35,600	4,79,160	5,27,076	21,97,836
Staff Nurse		1,32,000	1,45,200	1,59,720	1,75,692	1,93,261	8,05,873
Pharmacist		1,08,000	1,18,800	1,30,680	1,43,748	1,58,123	6,59,351
Driver cum Assistant		96,000	1,05,600	1,16,160	1,27,776	1,40,554	5,86,090
Fuel & vehicle related expenses		3,60,000	3,96,000	4,35,600	4,79,160	5,27,076	21,97,836
Cost of Medicines		4,80,000	5,28,000	5,80,800	6,38,880	7,02,768	29,30,448
Cost of Investigations		1,20,000	1,32,000	1,45,200	1,59,720	1,75,692	7,32,612
Specialist consultation costs		60,000	66,000	72,600	79,860	87,846	3,66,306
Health awareness		60,000	66,000	72,600	79,860	86,587	3,65,047
Documentation costs		12,000	13,200	14,520	15,972	17,569	73,261
Unforeseen expenses		18,000	19,800	21,780	23,958	26,354	1,09,892
Total	10,45,000	22,86,000	25,14,600	27,66,060	30,42,666	33,45,674	150,00,000
Source of funds							
Government assistance							125,00,000
Hospital share		5,00,000	5,00,000	5,00,000	5,00,000	5,00,000	25,00,000
Total							150,00,000

183. The total cost of the project for 5 year period will be 1.5 Cr.

184. Budgetary assistance required for 2017-2018 is Rs- 10,45,000 (Initial capital)

- 17,86,000

-28,31,000

=====

185. Expected Outcomes

1. Reliable data on health and nutritional status of the target population
2. Improvement of overall health status of the target population
3. Reduction in IMR and MMR
4. Cent percent coverage of antenatal care
5. 100% immunization coverage
6. Improvement of Nutritional status of the community
7. Reduction of life style diseases

186. It is also proposed to implement the similar project in SC/ST colonies of other districts with the initiation of good working cooperative Hospitals.

Project for the Exclusive Production of Patent Medicines at Ayurdhara, Thrissur, Operated by SC/ST Federation

Introduction

187. Ayurvedic medicines are being popular day by day because these medicines are used in the treatment of different kind of diseases. Ayurvedic sesting medicines is as old as the vedic age. Nowadays people give preference to the Ayurvedic medicines as the allopathic medicines are costlier and of having side effects. Ayurvedic medicines are based on plants animals extracts and minerals both in single ingredient drugs and compound formulation. Kerala State SC/ST Federation has an Aurvedic production unit in Trissur district.

Main Activities of Ayurdhara

188. It is the main objective of Kerala State Federation of SC/ST to boost the activities through Financial and Technical means. Most of the MFP can be used to prepare Ayurvedic medicines. These MFP, purchased by private companies by minimum cost makes huge profit. Thus ST people are being looted to some extent. To put an end to this with the help of NCDC, Federation started Ayurdhara Pharmaceuticals at Ancheri on 21-5-2000. Now the unit produces around 242 medicines. More than that, a Panchakarma unit is functioning at Ancheri under the Ayurdhara unit. Ayurdhara has got patent for 5 medicines such as Ayurdharadiab, Ayurdharalin, Ayurdhara X powder, Ayurdhara Balm, Pookuladi kalpam. The sales of medicines are done through Government Ayurvedic dispensaries as well as limited private agencies. There is standing order to purchase ayurvedic medicines from Aburdhara as per order No.1737/2014 dt. 8-7-2014. Now, the medicine production in Ayurdhara unit has been stopped on account of various reasons. In order to boost up the business of Ayurdhara unit, a revitalization of the unit is urgently necessary. In order to run the unit profitably and to provide employment to many SC/ST candidates a specific project is proposed.

Project Objective

189. Project aims at exclusive production of patented medicines namely Ayurdharadiab, Ayurdharalin, Ayurdhara X powder, Ayurdhara balm, Pookuladi kalpam.

Financial Outlay of the Project

Drier	--	500000.00
Vehicle for Marketing	--	3000000.00
Computer & Software	--	100000.00

		3600000.00

Staff and labour

Manager cum Manufacturing Chemist	1	25000.00
Quality Controller	1	25000.00
2 nd supervisor Doctor/Production Manager	2	50000.00
Skilled Worker	40	120000.00
Unskilled Worker	10	20000.00
Sales Representatives	6	90000.00

		330000.00

Raw materials

Pookkuladi	50 batch	42020.00
Ayurdhara X Powder	48 batch	47760.00
Ayurdhara Diab	6 batch	90612.00
Ayurdhara Balm	10 batch	106100.00
Ayurdhara Lin	6.6 batch	152427.00

		438919.00

Other expenses

Furnace Oil and Electricity	10000.00
Transportation & Marketing	60000.00
Postage and Stationery	1000.00
Bottles and Labels	25000.00

	<u>96000.00</u>

Total recurring expenses

Staff & Labour	330000.00
Raw Material	438919.00
Other expenses	<u>96000.00</u>
TOTAL	864919.00

Fixed Capital	3600000.00
Working Capital for 12 months (864919x12)	<u>10379028.00</u>
Total Capital Investment	13979028.00

Cost of Production PA

Recurring expenses	10379028.00
Depreciation on plant (1 lakhs existing)	<u>150000.00</u>
	10529028.00

=====

Turnover By Sales

Pookkuladi Kalpam	7392600.00
X Powder	9630720.00
Diab	1641600.00
Linn	649440.00
	<u>6960000.00</u>
TOTAL	19314360.00

=====

Profit per year 19314360.00 – 10529028 = 8785332.00

NET PROFIT = 8785332.00

Percentage of profit on sales = $\frac{8785332.00 \times 100}{19314360.00} = 45.48$

Installed Facilities of AYURDHARA

Product categories:

1. Asavarishtams
2. Thailams
3. Lehyams
4. Kashaya Choornams
5. Choornams
6. Gulika
7. Ghruthams
8. Liquid Kashayams (concertrated)

Facilities.

1. 5 nos: Drug Boilers for preparation of Kashayams for Asavarishtams; Liquid Kashayams; Thailams and Lehyams.
2. 8 nos: Evaporating Pans for preparation of Thailams and Lehyams.
3. 2 nos: Micro Pulvarisers for Choornams and for Kalkan preparation of Thailams and Podi Marunnu preparation for Lehyams, and prakshepa choornams for Asavarishtams.
4. 1 no. Disintegrator for Kashaya Choornams and pre processing for all Choornams.
5. 1 no. 2 Ton capacity – oil fired Steam Boiler for the steam requirement of Drug Boilers and Evaporating Pans.
6. 36 nos: of Sintex Tanks of 500 litres capacity each for Fermentation and Sedimentation of Asavarishtams.
7. Separate filling machines for Asavarishtam, Thailam, Kashayam and Lehyam – 1 each.

Market.

1. Fast Moving Product Categories are 1 to 5 above, Gulika; Ghrutham and Liquid Kashayams are slow moving product categories.
2. Product Category Volume hierarchy is Asavarishtams (30%); Thailams (20%); Kashaya Choornams (15%); Lehyams (18%); Choornams (6%) and balance by rest.

3. Based on the above, in Ayhurdhara, there is an imbalance on Asavarishtam capacity which is constrained by the Tanks. Provision of another few Tanks of variable holding capacities to meet output requirement of another 20,000 litres are required.

Capacity based on Shifts.

	1 shift with 3 hours	3 shifts with 2 hours	
	extended (9am to 8pm)	extended (9pm to 8am)	
1.	Asavarishtam	8000 litres per month	8000 litres per month
2.	Thailams	7000 litres per month	15000 litres per month
3.	Lehyams	1500 litres per month	3000 litres per month
4.	Kashaya Choornams	3000 Kgs. per month	5000 Kgs per month
5.	Choornams	2000 kgs per month	3500 kgs per month
6.	Kashayams	1500 litres per month	2500 litres per month
	Total	23000 kgs/ltr Per month	37000 kgs/ltr per month

190. The capacity utilization in 3 shifts working will double the outputs except for Asavarishtams. This is a quick appraisal of the present situation. If properly planned another 15 to 20% increase can be made.

191. Boiler is continuous rated equipment and it is suggested to run nearly 22 hours a day.

Other Projects

192. For the revival of Scheduled Caste and Scheduled Tribe Cooperative Societies, the following schemes, based on specific projects are proposed to implement during the budget period 2017-2018.

Major projects are:

1. Goat rearing unit
2. Prawn fry unit
3. Electro light LED solar emergency assembling unit
4. Food processing unit
5. MFP collection
6. Pineapple cultivation
7. Vegetable cultivation
8. Hire service unit
9. Panthal decoration unit
10. Tailoring unit
11. Poultry farm
12. Soap and Lotion manufacturing unit
13. Cow rearing unit
14. Two Wheeler/ Four Wheeler Workshop
15. Manufacturing of inter lock/ Hollow bricks
16. farming Ornamental Birds, Fishes
17. Poultry Farms
18. Production of hygienic and edible food products
19. Aluminium Fabrication,
20. Printing and Binding unit
21. Traditional Medical Treatment (*'paramaryachikiltsa' including tribal practitioners*),
22. Offset printing press and binding units, etc.

193. Maximum Assistance Proposed for each project is Rs 20 lakh (Share- Rs 5 lakh and subsidy –Rs 15 lakh)

Table 12 Details of project submitted by SC/ST societies

Sl. No.	Name of Society	District	Project	Amount
1.	Parasuvaikkal SC-SCS	Thiruvananthapuram	Hire service unit	50 lakhs
2.	Maruthoorkonam SC-SCS	"	Goat rearing unit	20 lakhs
3.	Chenkai SC-SCS	"	Cow rearing unit	20 lakhs
4.	Nedumangad Taluk ST-Vanitha CS	"	Vegetable cultivation	20 lakhs
5.	Manoor SC-SCS	"	Goat rearing	20 lakhs
6.	Nedumangad SC-SCS	"	Goat rearing	30 lakhs
7.	Ulloor SC/ST-SCS	"	Cow rearing	20 lakhs
8.	Attukal SC-SCS	"	Cow rearing	20 lakhs
9.	Bharathannoor SC-SCS	"	Goat rearing	20 lakhs
10.	Valikod SC-SCS	"	Goat rearing	20 lakhs
11.	Kuzhivila SC-SCS	"	Goat rearing	25 lakhs
12.	Karimkulam SC-SCS	"	Cow rearing	25 lakhs
13.	Killi SC/ST SCS	"	Diary unit	69.75 lakhs
14.	Aryankavu ST-SCS	Kollam	MFP Collection	30 lakhs
15.	Punaloor SC/SCS	"	Offset Printing and lamination machine	90.67 lakhs
16.	Vayalar SC-SCS	Alappuzha	Hiring of concrete building materials	25 lakhs
17.	Ezhupunna Panchayath SC-SCS	"	Food processing unit	25 lakhs
18.	Erumeli SC-SCS	Kottayam	Loan to SHG groups	25 lakhs
19.	Erumapra ST-SCS	"	Cow rearing unit	20.02 lakhs
20.	Aymanam SC-ST multipurpose CS	"	Computer Centre, DTP, Photostat and Internet café	20 lakhs
21.	Elankunnapuzha SC/ST SCS	Ernakulam	Mini supermarket	25 lakhs
22.	Kunnathunadu SC-SCS	"	Printing and Binding unit	22 lakhs
23.	Balusseri SC-SCS	Kozhikode	Cow rearing	21 lakhs
24.	Payyoli SC-SCS	"	Cow rearing	21 lakhs
25.	Moodadi SC-SCS	"	Cow rearing	21 lakhs
26.	Vilangad ST Labour Contract CS	"	Purchasing and Hiring of Road roller	40 lakhs
27.	Kolakkad ST- SCS	Kannoor	Diary unit	28.36 lakhs
28.	Mattannoor SC-SCS	"	Offset printing press and binding units	20 lakhs
29.	Nedumpana SC-SCS	Kollam	Goat rearing unit	22 lakhs
30.	Kottankara SC-SCS	"	Goat rearing unit	22 lakhs

Computer Training Centre

194. It is proposed to provide financial assistance to SC/ST cooperative societies for establishing training centres for imparting training to SC/ST youths in recognized courses of KGTE/Other Government

approved agencies. Maximum amount proposed for each centre is Rs10 lakh (Share Rs 3 lakhs and Subsidy Rs 7 lakhs).

Other form of Assistance To SC/ST Societies

Maintenance of Building

195. Buildings owned by SC/ST societies which were constructed on or before 31.03.2005 shall be given Repairs and maintenance grant upto a- maximum of Rs5 lakhs as subsidy.

Government Share Capital

196. Share Capital Assistance shall be given to SC/ST societies having provision in its bye law for getting State participation in the share capital. The Maximum amount of Government Share Capital to each society proposed is Rs 4 lakh.

Managerial Subsidy

197. It is proposed to give managerial subsidy to meet the salary of the staff as approved by the Department at the rates given below:

1. If the SC/ST society has paid staff, Rs 10,000/- per month for the first five years.
2. If the society is on profit, Rs15,000/- per month will be sanctioned as managerial subsidy for the next three years.

Working Capital Grant

198. It is proposed to give working capital grant of Rs 5 lakh (Subsidy) to SC/ST cooperative societies for the uplift of its working. (For the implementation of all the above projects, budgetary assistance to the tune of Rs 2050 lakh is required).

Strengthening Hospital Cooperative Societies

199. A significant institutional development is the development of cooperative institutions in the state which has penetrated in several spheres. Quite unique is the development of hospitals in the cooperative sector including setting up of institutions for modern medical education. Most of the hospitals have set up X-ray, ICU, ECG facilities etc, a few of them set up scanning facilities with super specialty departments. These hospitals mainly provide medical aid to rural and urban areas and extend services of qualified medical and paramedical personal, especially in rural areas.

200. Most of the Cooperative Hospitals relied on heavy borrowings and the borrowings was also primarily from cooperative banks. In the emerging era where the private sector is playing a leading role especially in offering medical services of the super specialty the cooperative sector should act as a controller by offering some competition. It is noted that the Government is spending hardly one percent of the total health sector outlay for cooperative sector. Computerization of certain cooperative hospital is yet to be completed for collecting and storing Health Management Information System (HIMS) to become a part of E-Health Scheme of our Nation. In this circumstance, the quantum of assistance from Government should be sizably increased for the following purpose:

1. Involvement in preparation of health cards (share + subsidy up to Rs25000)

2. Setting up of health clubs and physiotherapy centers, financial support with subsidy up to 50% of consulting fee (share + loan + subsidy)
3. Modernization of hospitals (share + loan + subsidy)
4. Proper sanitation in schools/ colleges, conducting special classes, Eye tests (share + subsidy)
5. Establishment of blood bank, lab, and ambulance (share + subsidy)

Primary Housing Societies and Housing Federation

201. The two-tire cooperative housing structure is playing a useful role in meeting the house needs of the homeless. Since the majority of housing cooperatives confine themselves only to providing housing finance, their business space is getting increasingly squeezed as a host of rival organizations, including other cooperatives, are engaged in housing finance. Under these circumstances, housing cooperatives are to be encouraged to expand their business to cover activities like trading in building materials, consultancy in designing and interior decoration, providing loans for purchase of durable house-hold articles, development of land for setting of housing colonies including flats and building of houses etc. More over the housing societies requires financial assistance for the following:
1. Taking steps to return the title deed of the members who have closed their loan
 2. Construction of housing flats (subsidy) and financial aid to the societies conducting credit business (loan + share)

Revamping of Consumer Cooperatives

202. Consumer Cooperatives will be given all sorts of support to make it viable and functional, so that poor and middle class people will be saved from the consumer market fluctuations and unethical practices like hoarding and black marketing. Financial assistance is necessitated for the following:
1. Expansion of operation of Neethi Medical Stores and Neethi Stores (subsidy, share and loan)
 2. Subsidy for the Consumer stores and whole sale stores to compete with the price fluctuation in the open market (subsidy)
 3. For the sale of consumer products at subsidised rate during festival seasons (subsidy)
 4. For the development and expansion of Thriveni Supermarkets (share + subsidy)
 5. For running mobile Thriveni stores (share + subsidy)
 6. For development and expansion of operation of whole sale stores (share + subsidy)
 7. For expanding business of Primary Consumer Stores (share + subsidy)
 8. For running Special stores for providing consumer items to fishermen at subsidised rates during the time of trawling ban (subsidy)

Strengthening and Restructuring of School/College Cooperative Societies

203. School and College Cooperative Societies contribute to initiating the youth to the cooperative movement. Efforts therefore are to be made to strengthen these societies and encourage them to take up activities which will make a lasting impact on the impressionable minds of the youth.
204. The School/College Cooperatives will be reorganized / restructured in order to make them functional and viable. The operation of the existing school societies shall be extended so that the students of the Higher Secondary classes and the public can enjoy the benefit. In the coming year one School Society and one College Cooperative Society in each legislative constituency will be strengthened and restructured with the following scheme:

Cost of the Scheme (1Unit)

Fixed Assets:	Rupees in lakh
Furniture (Table, Chair, Almira, Rack)	1.00 lakh
Fittings (light, Fan, etc.)	0.25 lakh

Total	1.25 lakh
	=====

Fixed cost for one year

Managerial subsidy (Rs6000 X 12)	0.72 lakh
Electricity, water, Telephone, Stationary etc.	0.28 lakh

Total	1.00 lakh
	=====

Initial Working Capital	1.00 lakh
Total cost for one unit	3.00 lakh
	=====
Total Cost of 280 Unit	
140 School CS&140 College CS,280 X 3 lakh	840. Lakh
	=====

205. The room/building facilities will be provided by the School/College Authorities.

206. A qualified paid Secretary will be appointed by providing managerial subsidy for the initial years.

207. All consumer articles required for the society should be procured from Consumer Federation.

208. Excess working capital, if required, will be obtained from the District Cooperative Bank

Benefits

1. Provision of Direct employment for 280 persons
 2. It will act as collection and distribution net work of Consumer Federation
 3. It will increase many indirect employment
 4. Inculcate Cooperative awareness among the students
 5. Developing the habit of thrift and savings among the students.
209. In addition to the above the operation of the existing school societies shall be extended with the following assistance.
1. Honorarium will be given by the society for the first two years and thereafter from the net profit, if the honorary secretary is a school teacher (share + subsidy)
 2. To provide proper sanitation to the students, conduct training and classes in proper nutrition and food habits, importance of regular exercise, good habits, self improvement, personality development etc. (subsidy)
 3. Development of smart class room and library and purchase of furniture (subsidy)

210. Financial assistance to the students who win 1st, 2nd and 3rd places in the District Youth Festival for the preparation to participate in the State Youth Festival (Subsidy). To provide 50% of the travel expenditure of the students in participating international competitions (subsidy)

Strengthening Vanitha (Women) Cooperative Societies

211. Empirical evidences suggest that women in rural areas are more adversely affected by poverty than men. It is true that “when women move forward the family moves, the village moves and the nation moves”. It is essential as their thought and their value systems lead the development of a good family, good society and ultimately a good nation. As a step towards empowering women and as a remedial measure for the unemployment and under-employment among the women in Kerala, the Government has formulated schemes by organizing Women (Vanitha) Cooperatives under the Cooperative Department. These Vanitha Cooperatives are formed with the objective of eradicating rural poverty by providing employment opportunities to the women people by pooling their meager resources and government assistance and to promote self-help, thrift and savings for achieving the ultimate aim of self-reliance. Government extends financial assistance to the Societies by way of share capital; loan and subsidy in order to boost up the financial as well as social upliftment of women. The working of Vanitha Cooperatives are co-ordinated by their apex institution, ‘Kerala State Women Cooperative Federation (VANITHAFED)’.

212. Vanitha Societies and its Apex Federation as a venue to improve women’s social status and economic conditions, it requires the following financial assistance:

1. Financial aid to the Societies which are engaged in cattle farming for their own or with the help of Self Help Groups or Residents Associations (share + subsidy)
2. Financial assistance to the societies which are interested in running hostels to provide accommodation to the women employees who are working away from their homes (share + subsidy)
3. Loans with subsidy to the members for farming ornamental birds and fishes, organic farming, compost etc. (share + subsidy+ loan)
4. Financial aid to the societies which takes over the manufacturing and marketing of paper bags and jute bags (share+ subsidy)
5. Financial aid to the societies which are interested in running beauty parlours, health clubs and aerobics centres in urban areas (share + subsidy + loan)
6. Auto Rickshaw loan to the women who have driving licence (share + subsidy + loan)
7. LED bulb making and marketing (share + subsidy + loan)
8. Distribution of sanitary napkins and napkin wending machines and incinerators in girl’s schools/ women’s colleges (subsidy)
9. Financial aid to the self-employment schemes to the women with disabilities (share + subsidy)
10. Marriage loan (*mangalysootra loan*) to the marriage of women belonging to BPL category to the tune of Rs1 lakh at rate of interest 4% (loan)

Modernisation of Cooperative Sector

213. The Government of Kerala have implemented a Scheme for the payment of financial assistance by way of Loan, Share and Subsidy to Primary Credit Cooperative Banks, Primary Agricultural Cooperative Societies and State Cooperative Bank/District Cooperative Banks for computerization, Core Banking of Societies, Installation of ATM facility of Banks/Cooperatives. The Maximum assistance payable under the Scheme is limited to Primary Credit Cooperatives Banks/PACS Rs 10

lakhs or 90% of the project cost whichever is less. State Cooperative Banks/District Cooperative Banks Rs 100 lakhs or 90% of the project Cost whichever is less.

214. During 2014-15 financial year an amount of Rs 2.14865 crores has been provided for Sanctioning Financial assistance under the scheme and the same has been disbursed to 28 Cooperative Societies. During the financial year 2015-16 in this scheme an amount of Rs 4.8772 crores has been provided to 68 societies by way of subsidy, share and loan. By the end of 31.03.2017, it is intended that all the PACS in the State will be computerized and Core banking solutions implemented on a phased manner. It is aimed to establish linkage with the Apex bank and PACS. By the end of the Plan period all cooperatives in our State will be computerised and all their operations will be modernized, so that they will be able to transact with Government welfare schemes and also can associate with the sister concerns of other states.

Modernisation of Department of Cooperation

215. The modernisation of the Cooperation Department emphasizes on integrated and comprehensive planning for modernization of Registrar Office, 14 District Offices (including Joint Registrar and Joint Director Offices) and all circle offices with a view to promote efficiency and effectiveness in government functioning. For the last few years budgetary provisions have been made for this purpose and the process of modernisation is progressing in a phased manner. In order to improve the efficiency of the department, an “Integrated Cooperative Department Management System (ICDMS)” is being implemented in the Cooperative Department. This is meant for enabling transformation and improving the activities with efficiency to achieve the large objectives of strengthening the Cooperative movement in Kerala. C-Dit has been entrusted for developing the ICDMS and the development of pilot modules for this project is in its final stage. The District and Taluk level offices of Thiruvananthapuram District has been provided with all infrastructure facilities including Servers, Computers, Laptops, Thin-client systems with networking and UPS /Inverter systems.
216. As part of implementing Digital Filing System it has been decided to implement e-Office system of National Informatics Centre in all offices of the Department. As the first step, proposal has been submitted for implementing e-Office in Thiruvananthapuram District including the Registrar Office. NIC has proposed a system which costs around 15 Lakhs Rupees for each 250 user. It is assumed that around 2000 to 2500 users are there in the Department across the State.
217. As a part of modernisation, provisions made in the budgets for procurement of hardware for offices of Thiruvananthapuram and Malappuram Districts. The remaining districts also need to be included in the scheme in the coming years. This procurement includes providing Servers, Computers, Laptops, Thin-Client System, Printers, Scanners, Photocopy machines, networking and UPS/Inverters, Internet/ EPABX facilities etc. Similarly focus need to be given for onsite, hands-on training for all officials on the department for hassle free use of ICDMS Project modules and e-Office systems.

Auditing the Accounts of Cooperative Societies through Software

218. Operations in cooperative and governmental organizations in the world over are increasingly computerized for the purpose of swift processing of increasing amount of operations as well as their adequate control. With the introduction of computers, conventional accounting systems and methods using papers, pens, and abacus have undergone drastic changes, therefore exerting a great

impact on internal control system which ensures accuracy of operations the number of records which can be read only when processed by computers is increasing while intermediary and legible records which existed in conventional manual accounting processes are decreasing in number, also there are many cases in which audit trails are not available. Therefore, audit procedures had to be revised to cope with these problems.

219. It is high time to make refinement in the thinking process on auditing of cooperatives adopted computerized information system by the Cooperative Auditors. Information system audit is the process of collecting and evaluating evidence to determine whether a computer system safeguards asset maintains data integrity and achieves organizational goals effectively and consumes resources effectively. The objectives of auditing and accounting information system are collection and evaluation of evidence to test the assertions in the financial statements. The computers shall be used to test the assertions made in financial statements are: Completeness, Accuracy, Existence, Cut-off, Valuation, Rights and obligations, Presentation and disclosure.
220. Cooperative organization in the state has been advanced in a greater extend. The history of computerization by cooperatives has got a history of 15 years. Cooperatives made further advancement in the information technology. But audit follows the conventional method. In the absence of computerized auditing, fraud and misappropriation will not be detected with the time limit. Therefore, it is high time to make auditing of cooperatives adopted Computer Assisted Audit Tool (CAAT) by the Cooperative Auditors with the financial assistance from the Government.
221. An information technology audit or information system audit is an examination of the management controls within an Information technology (IT) infrastructure. The evaluation of obtained evidence determines if the information systems are safe guarding assets, maintaining data integrity, and operating effectively to achieve the organization's goals or objectives. These reviews may be performed in conjunction with vouching of transactions, financial statement, internal audit, or other forms of attestation engagement. IT audits also known as "automated data processing (ADP) audits" and "computer audits". They were formerly called "Electronic Data Processing (EDP) audits".

Research and Analysis Wing under Cooperative Department

222. With the growth and development of IT and technology in all sectors of the economy, it becomes highly important for the banking and other cooperatives to keep pace with the changing times. In order to be more updated with the changes happenings across the banking and other sector, all kind of cooperative societies/banks and institutions have to make their work more efficient. Also customers are required to change and adapt as per the need of the time. In these circumstances setting up of Research and Analysis Wing under Cooperative Department is highly essential.

Strengthening of Apex Federations

223. Apex Federations will be strengthened by providing adequate financial and administrative support and also will be facilitate for E-commerce. During 2017-18 it is proposed to provide assistance to Market Fed and Rubber Mark in the form of subsidy, share and loan, on specific project basis.

E-Commerce

224. For enabling the producers to get reasonable prices to their products, e-commerce will be implemented in cooperatives which will in turn help the consumers also for getting unadulterated products in a reasonable cost.

Marketing Portal (CO-OPKART) for Cooperative Marketing Societies in Kerala

225. Cooperative Societies require support in selling the produce collected from the society members and to broadcast to the general public about the availability of products that are in stock. Department, after discussions with various experts in this domain, has decided to develop a portal where the societies shall maintain their produce, the quantity and the price (price is not mandatory). Other societies or the general public shall access the portal to get to know the availability of a product and directly contact the society and make arrangements for the purchase. The initial version of the portal shall only cater to the information sharing. It will not facilitate online sales or payments.

Scope

1. Create and maintain an account (registration) for every cooperative society (account maintenance shall be permitted only to societies who want to market their products). Address and contact details of the societies are captured here. Registration will be based on invitation.
2. Societies, who are registered in the portal, can upload their products and the quantity available. Price information can also be maintained, but shall not be made mandatory.
3. Facility to post enquires for products, directly with a society or an open enquiry. Open enquiries can be picked by any society who has the product and can directly contact the enquirer. The contact details of the enquirer shall be mandatorily captured. If the enquiry is directly addressed to a society, the portal shall trigger an email to the registered email id. Enquires shall expire after a fixed number of days. The application will automatically exclude enquires that are incomplete. Usage of Captcha shall be implemented to avoid bogus data entries.
4. There shall be facility to search for products. The search result will have the name of the society, address and contact details (email and phone number). The list will be sorted based on the location from where the product is searched, with the nearest location appearing at the top. The portal shall display the location of the society on a map.
5. Facility to promote certain products on the landing page of the portal shall be provided and this shall be done by the portal administrator based on requests from the societies.
6. Administrator functions to maintain the portal.

Implementation

226. The portal development is proposed to be done using Java with MySQL or PostgreSQL as the backend. The deployment shall be done on a server space identified by the Department.

227. Communication to the societies to register themselves on the portal shall be the responsibility of the Department.

228. A pilot run with 10 to 12 societies registering on the portal is envisaged. This shall be completed in 2 weeks. ULCCS shall provide the necessary support from a support center which shall be operated

either from ULCCS office in Techno park Trivandrum or from the Department of Cooperation in Trivandrum.

229. The portal is intended to go-live after the pilot run before 1st September 2016 (provided the order is issued by the Department to commence the work before end of June 2016).

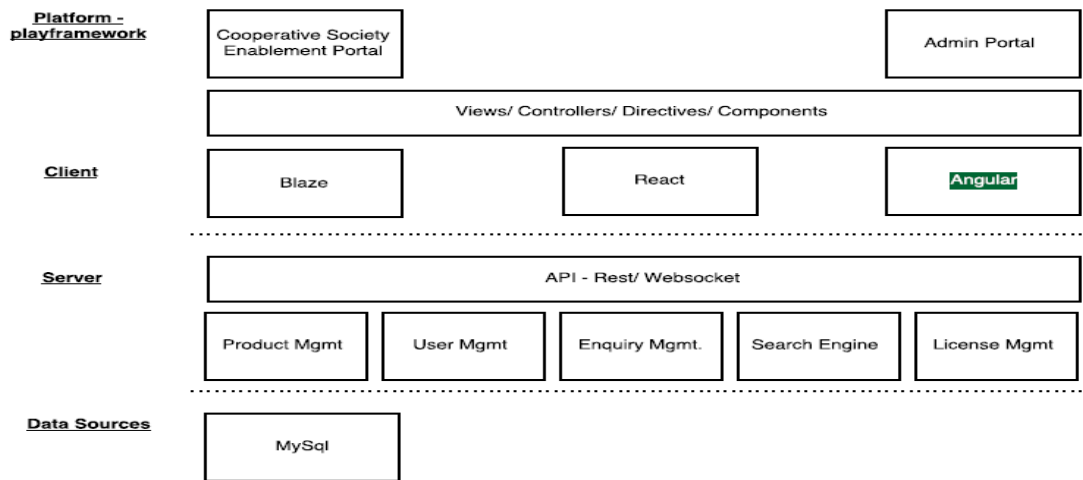
Application Deployment

230. The deployment is planned to be done in 2 phases - (i) Pilot phase and (ii) Final phase. Conducting a pilot run with 10 to 12 societies actively participating in it provides a test run in live and productive conditions. It can secure the product from a serious failure when the application is exposed to many societies and the general public.

231. ULCCS intends to deploy 5 field resources to support the society staff during the pilot phase. To ease the support work, we propose to identify societies which are within 50 kilometres travel radius.

232. ULCCS proposes to rollout this portal for use in the final phase by 100 to 120 societies. Support for this rollout using field staff shall also be provided by ULCCS. Rollout to additional societies shall be done by Department in consultation with their internal team trained during the application deployment phase. ULCCS is happy to extend its support on a chargeable basis to rollout the solution to any number societies in Kerala.

Figure 1 Proposed Architecture



Training

233. ULCCS agrees to impart an administrator level training and a user level training. The user level training shall be done centrally in the office of the Department of Cooperation in Trivandrum. Each training session shall span 3 hours. No printed training materials shall be provided.

Helpdesk

234. ULCCS shall maintain a helpdesk operating from its office in Techno park, Trivandrum for a period of 1 year (One year) after the go-live. It will be a remote support to manage the technical issues only. Issues can either be emailed or can be intimated via telephone call. The society initiating the call shall make necessary arrangements to remotely connect to their system (PC or laptop) to help the helpdesk do the trouble shooting. Onsite visit to society premises is not envisaged as part of the helpdesk support.

Commercials

Table 13 *Application Development*

Sl.No	Description	Rate
1	Development and deployment of Marketing Portal for the cooperative marketing societies in Kerala	13,00,000
3	Total	13,00,000

Table 14 *Manpower for Promotion and Successful implementation*

Sl. No	Manpower Details	Numbers	Months	Salary	Amount
1	Executives	5	1	24,000	120,000
2	Promoting Executives	10	2	24,000	480,000
3	Total for Promotion				600,000
4	Help Desk	2	12	15,000	360,000
5	Sub Total				9,60,000

Table 15 *Costing Summary*

Sl. No	Description	Rate
1	Application Development	1,300,000
2	Manpower for Promotion Activities	600,000
3	Help Desk for One year	360,000
4	TotalAmount	2,260,000
5	Tax	3,39,000
6	Project Cost Including Tax	25,99,000

Amount in words: Rupees Twenty-Five Lakhs Ninety-Nine Thousand Only

Share Capital Assistance for maintaining CRAR

235. With respect to the CRAR (Capital to Risk weighted Asset Ratio) Government has sanctioned an amount of Rs 106,39,90,000/-to 6 District Cooperative Banks as State Government equity to achieve CRAR adequacy stipulated by RBI. The amount was sanctioned on the condition that equivalent amount shall be mobilised from Cooperative Sector as treasury deposit before actual fund is released. A special treasury deposit scheme was started for the release of funds to State Cooperative Banks.

Assistance to Cooperative Academy of Professional Education

236. The Cooperative Academy of Professional Education (CAPE), promoted by the Department of Cooperation, Government of Kerala was registered as a Society under the Travancore Cochin, Literary, Scientific and Charitable Societies Act, 1955 with the main object of establishing and carrying on the administration and management of institutions in various professional disciplines such as Engineering, Medicine and Management. There are 6 Engineering Colleges, a Medical College, a Management Institute, a Nursing College, a Nursing School, a Finishing School and a Hospital which is a Satellite Hospital to its Medical College functioning under CAPE.

237. It is intended to start more Professional Courses under CAPE College. Infrastructure facilities will be improved and the Engineering College will be brought to be the level of Centre of Excellence in all respects.

Rejuvenation of SPCS

238. Sahithya Pravarthaka Cooperative Society will be rejuvenated more books will be published by SPCS. Assistance will be given to the SPCS for regain its old significance and worthiness.

Training Centre for the Department Staff

239. It is highly essential to improve the performance of all staff of Cooperative Department to cope with the emerging needs and changes of the Cooperative Societies/Banks/Institutions and to inculcate strong work ethics among the staffs by developing constructive attitude towards work and making good relationship with co-workers. All employees-new and old- learn and receive training throughout their stay in the Department. For the purpose:

1. to undertake and assist in the organization of training and study courses, conferences, workshops, seminars etc. for the functionaries of the Cooperative Department;
2. to undertake, aid , promote and co-ordinate research through its own or through other agencies;
3. to analyze and propose solution of specific problems encountered in the area of Cooperation;
4. To give a sense of satisfaction to all employees of the Department and makes them feel that they are being properly cared for. As a result, the employees morale and their relations with superiors improve;
5. To make the employees committed and loyal to the Department by educating them about the culture, philosophy and policies of the Department.
6. to impart thorough knowledge among the Auditors about the latest developments in Accountancy and Book-keeping and thereby assist and guide the societies to maintain systematic accounts and introduce latest techniques, practices and procedures in accounting;
7. to equip the Auditors and Inspectors of the Department with adequate knowledge to perform their duties with due skill and diligence;
8. to act as an advisory agency to the State Government in the area of cooperation;
9. to collaborate with similar institutions, associations and societies in India and abroad and to offer fellowships, scholarships prizes etc. in furtherance of the objects of the society;
10. to establish centers for study, orientation training and instruction, research and evaluation and such other activities as may be necessary;

240. A training centre for providing modern management training to the cooperative department staff will be set up during this financial year itself.

Strengthening Labour Contract Societies/ Federations

241. Labour Contract Societies play a key role in nation-building. From the conventional role of an employee earning only wages by doing a civil work, the members of labour contract societies play a more active role by taking the contract for the entire work and sharing the profits earned. As the work is directly contracted to people who are responsible to execute the work, i.e. the labourers, the benefits accruing from this collective labour will be divided only among the worker members of the Society. Since the primary objective of the society is to generate employment by executing construction works strictly adhering time, quality and standards more financial aid is required for strengthen these societies. The assistance required for the following purpose.

1. Financial aid to the societies for the purchase of machinery such as JCB, Road Roller based on works taken over and on classification (share + subsidy + loan)
2. Financial aid for manufacture of Inter Lock/ Hollow bricks (share + loan)
3. Financial aid for Aluminium Fabrication Work(share + loan)

4. Financial aid for units which provide equipments for construction work and panthal on rental basis (share + subsidy + loan)

Tourism Societies/ Federations

242. Financial aid for running tourist resorts, house boat, operating tour packages and other tours, starting handicrafts units operating tour packages for schools/ colleges, operating tours in hired vehicles, running home stays (loan + share). (Budget assistance required –

Integrated Cooperative Development Project

243. Integrated Cooperative Development Project (ICDP) is a unique scheme assisted by National Cooperative Development Corporation for the comprehensive and integrated development of selected district through cooperative network. The scheme of ICDP was introduced by National Cooperative Development in the 7th Five-Year Plan for the overall development of selected districts through cooperative efforts in the sphere of agriculture and allied sectors. The other objectives of the scheme are to develop Primary Agricultural Credit Societies to viable multipurpose societies by increasing value and range of business, strengthening the existing cooperative structure by providing vertical and horizontal business linkage among cooperative revamping the agricultural and credit sector to cater the needs of small and marginal farmers and weaker sections etc. Moreover Human Resources Development (HRD) initiative to restore the principle of cooperative movement is another objective of the scheme.
244. With the introduction of ICDP scheme, infrastructural facilities of the cooperative institutions have been strengthened remarkably. Several processing units came into existence. Under ICDP, Idukki, a crumb rubber factory, milk pasteurization plant, a neem cake factory (Bio-fertilizer) have been started. Under ICDP Pathanamthitta, three Rubber Processing Units and a Wheat Processing Units have been started. Two processing units namely Copra Drying Unit and a Coconut Expeller Unit under ICDP Kannur and a coconut expeller unit under ICDP, Kasaragod were also started. Under ICDP scheme in Thiruvananthapuram district, an Ice cream and milk based processing unit, a Food processing unit and a Tender Coconut water processing unit have been started. Under ICDP Kollam, two copra processing units and a rubber processing units have been started. Under Kozhikode ICDP two Coconut oil processing units, two Copra processing units and Cement Hollow Bricks processing unit were started. Under ICDP Alappuzha diversified activities have been implemented. Implementation of Bio-fertilizer unit, a Tender coconut water processing unit, two Rubber sheet processing units, Coconut wood furniture processing unit, Coir Dye House processing unit, Coconut processing unit, Rubberised coir mat unit and two Agri-Tourism projects under ICDP (Alappuzha) were started. Since it is a time bound programme which is keenly monitored by the State Government, Cooperative Institutions have been benefited immensely in facilitating infrastructural development, consequently economic viability of the society has also enhanced considerably.
245. The first project in Kerala was implemented in 1987-1988 in Wayanad District. The ICDP scheme was successfully implemented in all Districts, and the 2nd phase of ICDP in Wayanad District was completed in March 2013.
246. The second phase of ICDP in Idukki District was sanctioned by NCDC on 29-11-2013 for a total outlay of Rs 61.24 crores and started functioning on 31.07.2014. So far Rs 20.66 crores has been

released to Idukki DCB for the implementation of the projects which includes Rs 3.34 crores for the implementation of Core Banking in PACS.

247. ICDP Palakkad phase II was sanctioned by NCDC on 29.12.2014 for a total outlay of Rs 61.92 crores and started functioning on 3-12-2015. An amount of Rs 8.18 crores has been released to Palakkad DCB for the implementation of the project.

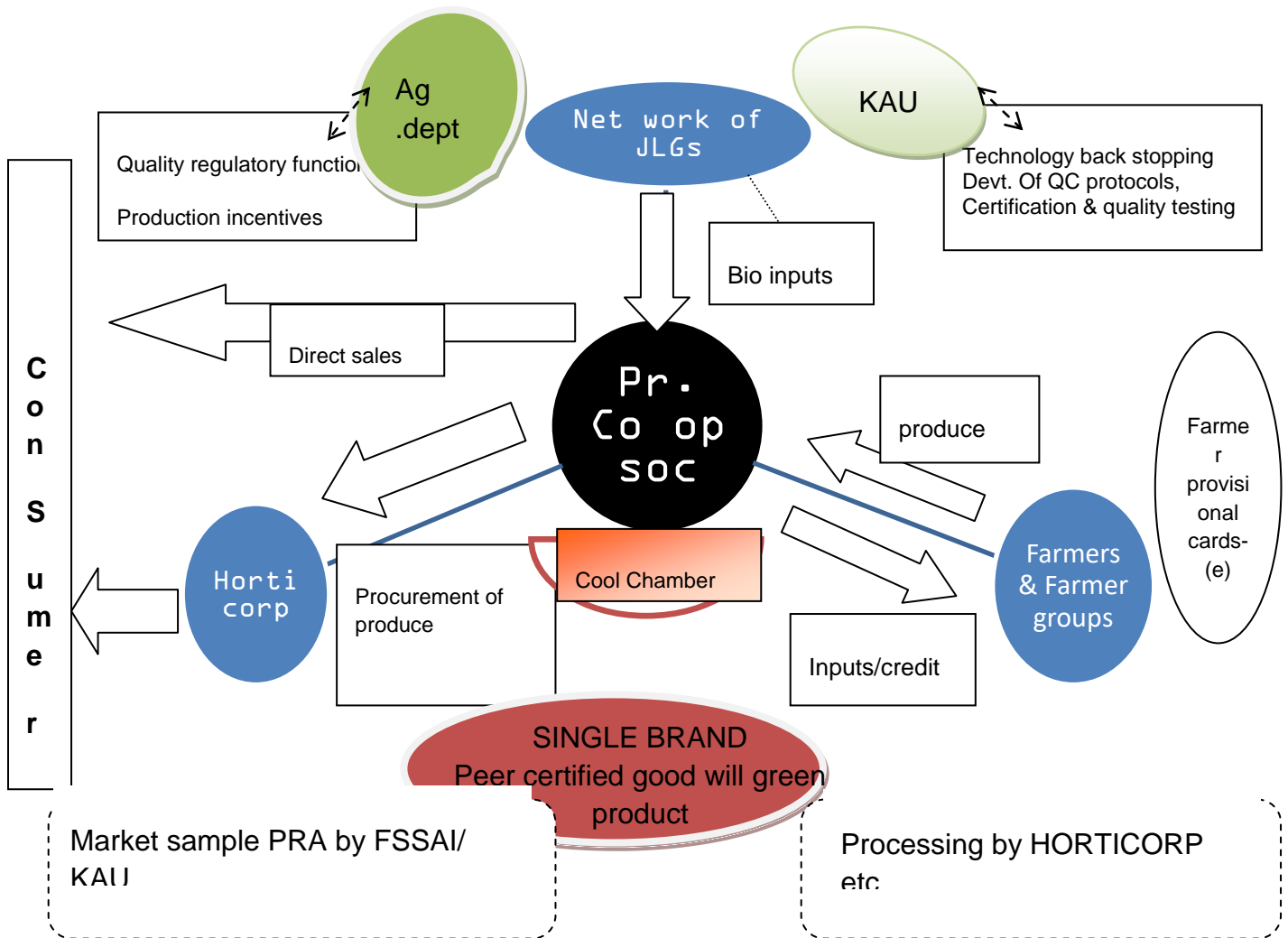
248. In Thrissur District, ICDP phase II was sanctioned by NCDC on 30.10.2015 for a total outlay of Rs 80.03 crores. The project will commence after the constitution of project implementation team

Alternate Models for Sustaining Vegetable Production in Kerala

Supply Chain Network- Through Cooperatives

249. Any market intervention in the state to benefit the producer should accommodate the mutually exclusive concern of two major categories of producers viz., 'Livelihood farmers' and 'emotional farmers'. The two groups differ in their aims, scale of operation and means of production. However, the basic requirements and challenges faced by them in farming remain almost the same.

Figure 2 The Livelihood Farmer Model: Supply Chain Network through Cooperatives



- Producer's provisional card system will be introduced through which*
1. Interest free production loan advanced by coop society
 2. 50% of the value of the produce at the time of purchase will be paid to farmers by society
 3. Material inputs will be provided to producers on credit basis , which will be adjusted in the sale proceeds
 4. Loan repayment also will be adjusted in the balance sale proceeds or through loan renewal
 5. An exclusive web portal linking all the coop societies
 6. E- notification of marketable surplus at each co operative through social media net work
- Price fixing*
1. Daily market price will be announced by HORTICORP through web portal/ Social media net work
 2. Individual societv can fix the price based on local market price also: within a given price range

Cooperatives and Agriculture

250. Cooperatives, especially the PACS play the lead role in sustaining and promoting agriculture in rural areas and thereby for local economic development. Whatever be the limitations, the cooperatives are a source of finance capital which if effectively channelized could bring diverse meanings to cooperation- hand holding. The leverage of cooperatives through the 'administrative mechanism' to

make democratic decisions regarding its functioning within the existing broad frame work is worth mentioning. Taking clues from the successful models set by successful banks like Peringadoor SCB, Venginisseri SCB and the like in Thrissur district, some points for consideration

1. PACS should focus on local economic development and building local alternatives to sustain our culture and tradition.
2. Cooperatives have surplus fund- the effective utilization of this surplus fund for sustaining agriculture, local infrastructure development and improving rural livelihoods
3. A consortium of cooperatives – for specific purpose especially agro based activities (for instance, a consortium of banks in Kole areas of Thrissur, so that the fund, land and human resource consolidation is possible . eg: kole brand rice and make it available to the people of Thrissur. Producers need support for production, ensure a fair price, timely procurement and payment at the same time consumers get local rice of their taste grown in front of them-Good quality , healthy food- Large Silos)
4. A hub and spoke model can be introduced for further value addition bringing in SHGs/ JLGs and providing common kitchens / common processing centres, common storage, common brand. Thus increasing employment opportunities, with the cooperative consortium at the centre.
5. The above model could also be used for providing agro inputs and services- trained hands are sufficiently available. What they need is capital for establishment, which is readily available with the cooperatives.
6. How, when, where and what – could be synthesised after going through the successful and failed cases in front of us.

Can the Surplus Funds be made Use for the Development Activities of Local Bodies?

251. As over drafts which could be recouped as and when they receive funds – for timely interventions. Scope for integration with development departments, universities, educational institutions, NABARD and so on. Extent to which PPP models could be successful.

CHAPTER 5 AGRICULTURE CREDIT

Introduction

252. Kerala State with a total geographical area of 38.86 lakh ha is endowed with adequate resources. But, it is dependent elsewhere for food and consumer goods. The tertiary sector contributes 71% of the total GSDP with agriculture sector contributing only 9.17%. (at constant prices).
253. The agricultural sector in the state is unique and distinct from other states in terms of land utilization and cropping pattern. 90% of the State's Gross Cropped Area constitutes Plantation and Horticulture crops. There has been a continuous decline in the average size of land holding indicating fragmentation of holdings. The predominance of small and marginal holdings increases the vulnerability of farmers to market forces and makes their operations unviable. The falling prices of cash crops have had a serious impact on the lives of the small and marginal farmers.
254. But the agriculture sector is important to the state's economy as about one fifth of the state's workforce is in the primary sector, directly dependent on agriculture and allied services. Agriculture in Kerala is distinct from that of the rest of India in terms of cropping pattern as 90% of the cropped area is under Plantation and Horticulture crops.

Banking Profile of Kerala

255. The banking network in the State, as on 31 March 2016, comprised 44 Commercial Banks (27 Public Sector Commercial Banks and 17 Private Sector Commercial Banks), one RRB, Kerala State Cooperative Bank (KSCB) with 14 affiliated District Cooperative Banks (DCBs), 1638 Primary Agriculture Cooperative Societies (PACS) and Kerala State Agriculture and Rural Development Bank with 44 Primary Cooperative Agriculture and Rural Development Banks (PCARDBs).
256. Banking services in the State are provided through a network of 8640 branches (5594 branches of Commercial Banks, 595 branches of RRB and 2551 Branches in Cooperative sector) with per branch population of about 4800 persons as against all India average of 11000. In addition various banks have tied up with Akshayacentres for providing basic banking services in sub-service area. Kerala accounts for about 5.0% of the total no. of bank offices, 3.53% of the total deposits and 3.15% of the total advances of the country.

Cropping Systems in Kerala

257. In Kerala, four major types of cropping systems are followed
1. rice based system in low lands with single or two crops of paddy, summer vegetables, pulses or oil seeds with or without aquaculture component,
 2. coconut based mixed cropping system comprising a number of intercrops like pepper, arecanut, cocoa, clove, banana, vegetables, green manures and cover crops,
 3. mono crop rubber/tea/coffee plantations and
 4. homesteads, unique to Kerala comprising a large number of components like trees, food and fodder crops, livestock, fishery and poultry.

258. Further, the productivity of most of the crops cultivated in the State is very low which calls for specific steps for improving productivity like improving irrigation, farm mechanisation, providing better planting material etc..
259. Though known to be an agrarian state, agriculture cannot be considered as the principal economic activity in Kerala. Kerala had the least percentage share of agricultural households in the country i.e.; about 27.3 per cent and nearly 61% of the agricultural households are reported to have earned income from activities other than agriculture.

Bank Finance to Agriculture Sector in State

260. Paradoxically, in spite of the gloomy picture of agriculture sector in the state, the indebtedness of agricultural households in the state is very high. About 77.7% of the households in the state are reported to be indebted against the national average of 52%. Further, the average amount of loan outstanding of Kerala households is much higher at Rs 213600 against the national average of Rs 47000.
261. Currently, Banks are extending credit facilities to farmers by way of short term loans and term loans in a one-size-fit-all approach. The credit schemes for agri sector need to be fine-tuned to suit the special needs of the Kerala farming community.
262. As evident from the table below, there is a decline in the agri. loans outstanding in the state which calls for urgent steps to reverse the trend.

Table 14 amount in rupees crores

Loan O/s as at	Agri. Advances	% to Total advances
31.03.2014	48812	25.42
31.03.2015	57656	26.30
31.03.2016	54888	23.62

Source SLBC data

263. There is a wide scope for developments in agriculture and allied activities which in turn can improve volume of agriculture production and related sectors. The state shall not stop at achieving self-sufficiency in agriculture production but shall aim at surplus productions to make farming profitable so as to sustain the activities.
264. The credit needs of farmers in the state are more cropping systems specific than crop specific and more composite as most of the farming the state are of the nature of homestead farming. Hence there is a need to formulate credit schemes specifically suited to the cropping systems and needs of the farmers of the state. Further, the credit schemes so devised shall be made easily accessible to the farming community through adoption of technology.

Bank Credit – Biased towards Short Term Loans

265. The share of production credit (short term loans) in the total agricultural credit has been going up whereas the share of investment credit has come down from 21 per cent in 1999-2000 to 11% in 2011-12. This is not favourable for accelerating agricultural growth. This could be the result of the distortion due to interest subvention currently being available for crop loans. A balance between

short term and long term investment credit ought to be brought in to maintain sustainable agricultural growth. The declining share of investment credit indicate that farmers seem to borrow more short term credit in order to meet their input needs to maintain continuity in agricultural operation and do not pay adequate attention to capital formation for agriculture. Also, the government has not made available the benefit of subvention for investment credit resulting in relatively high cost of the same (13%).

Ways and Products for Better Credit Delivery to Farmers

266. Factors to be considered while addressing the issues of ways and products for better credit delivery to farmers are
1. Suitability of credit schemes
 2. Cost of the credit
 3. Availability/accessibility of the credit schemes
 4. Need for augmenting investment credit
 5. Need for policy initiatives and credit schemes for encouraging lease land farming
 6. Encouraging new generation to take up farming
 7. Need for improving Marketing support
 8. Appropriate Credit planning
 9. De-risking agriculture through various insurance schemes

Suitability of Credit Schemes

267. Though many credit schemes as Kissan Credit Card scheme for short-term needs, medium term and long term loan schemes are being implemented by banks in the state, there is a need to area specific schemes suited for the peculiar agriculture activities in the state.
268. Flexi-credit schemes, earlier devised by some banks, need to be reintroduced with changes suiting the changed needs of the farmers in the state. Such schemes should be tailor made suiting the cash flows generated by the farms with sufficient repayment holiday periods and flexible repayment options with medium to long term repayment periods.
269. Banks may also extend need based loans to for allied activities and agro processing.
270. Standard models for homestead farming may be developed by banks covering the following indicative activities which are normally undertaken in a homestead for which unit costs/loan amounts be finalized .

Table 15

Sl. No	Items of investment in a homestead
1	Well renovation
2	Land Development & Bunding
3	Pipeline system
4	Improvements in Vegetable cultivation/Poly bag cultivation
5	Improvements in Poultry/Goats/ Dairy
6	Organic Manure/ Compost making
7	Purchase of Agri. implements

Cost of the Credit

271. Of late it is observed that the share of production credit (which accounts for major portion of the credit) in the total agricultural credit has been going up whereas the share of investment credit has come down. The major reason for this imbalance towards short term credit is the availability of the interest subvention scheme for crop loans which make such loans cheaper at about 4% against the interest rate upwards of 10.5% for investment credit. There is a need for making available benefit of subvention for investment credit also so as to make such scheme more attractive.
272. NABARD had launched the Long Term Rural Credit Fund (LTRCF) which was announced in the Union Budget 2014-15 for facilitating more term loans to agriculture sector by Cooperative Banks and Regional Rural Banks (RRBs) at concessional rates. The state government may strive for increased allocation of such funds so that interest rate on term loans to agriculturists in the state can be reduced.

Availability/ Accessibility of the Credit Schemes

273. Fragmented land holdings and lease land farming necessitates SHG/JLG based loans schemes. To make such clean loans schemes attractive to banks digitization of the existing SHGs and JLGs shall be done expeditiously with NABARD assistance. Such a digitized record will prevent recent tendencies of multiple loans and higher indebtedness and curb the tendencies for mis-utilisation of such loans.
274. The state has embarked upon an ambitious scheme for preparing a farmer database through a registration process at Krishi Bhavans. The field experience points out the fact that the database preparation is only a partial success with proper KYC could not be established for the registered farmers. This is hindering easy access of credit schemes. There is a need for making this database Aadhaar enabled so that banks can easily dispense the credit scheme among the needy farmers. Such farmers with aadhaar enabled identity can be given pre sanctioned KCC loans linked with Rupay debit cards for ensuring easy availability and accessibility of low cost loans to farmers
275. Banks may augment automating their processes facilitating transactions through Smart Cards, ATMs and mobile banking services to conduct transactions faster, at lower cost per transaction, and in more dispersed locations than branch staff can do. Micro ATMs are gaining currency in the banking sector and Business correspondents with such devices can provide basic banking services like opening of accounts, dispensing small value loans/DBT at the door-steps of the rural community. Banks may be encouraged to spread the micro ATM network in the state to provide easy and cost effective accessibility to small value loans to the farming community.
276. Further banks may be encouraged to install micro ATMs in Krishi Bhavans and Ration shops to improve accessibility and ease of transactions.

Need for Augmenting Investment Credit

277. A major portion of bank finance for agriculture is directed towards crop loans. Bankers need to devise schemes for providing agricultural term loans for agriculture and allied activities to farmers to boost capital formation in agriculture. Considering the fragmented land holdings, there shall be emphasis on high-tech agriculture for ensuring increased production and productivity leading to better income for the farming households.

278. Banks shall devise area specific and need based term loan schemes for the following purposes:
1. Raising of Plantation Crops/Long duration Crops.
 2. Minor Irrigation Development
 3. Land Development & Soil Conservation Structures.
 4. Investment in Animal Husbandry Activities like, Dairy, Poultry, Piggery, etc.
 5. Investment in Fisheries, both Inland Fishery & Marine Fishery
 6. Purchase of Farm Machinery such as Tractor, Power Tiller, other Farm machineries, etc.
 7. Purchase of Farm land/Agricultural land and Development thereon.
 8. High Tech farming/Poly house farming
 9. Any other Farm Investment/Developments of long term nature, such as, Sericulture, Bee-Keeping, Mushroom cultivation, Agricultural Nursery etc.
279. Assistance of Krishi Bhavans to be taken to assess the need of the area and banks may devise schemes accordingly. The schemes shall be devised so that farmers shall get sufficient repayment period to repay based on their income generation from their long term crops/activities.
280. Poly house farming is a unique activity where limited resources generate high yields. Kerala State is depending on its neighbouring states to meet its increasing need for vegetables. As we know the producers of most of these vegetables are adopting unhealthy practices of production methods and using heavy dosage of pesticides which are become great hazards to human health.
281. There is a scope for Organic Farming and which also to be encouraged by extending financial assistance.
282. The State Horticulture Mission (SHM) is encouraging farmers to make Kerala self-sufficient in vegetable production. As a part of the same, SHM may be encouraged to devise more credit linked subsidy schemes for encouraging cultivation of vegetables in Poly Houses for homesteads.

Need for Policy Initiatives and Credit Schemes for Encouraging Lease Land Farming

283. One of the declared aims of the state government is to increase the area under farming by encouraging farming activities in fallow lands. To achieve this aim, there shall be policy initiatives for encouraging lease land farming. Appropriate legislative mechanism may be evolved for promoting lease of agriculture land/fallow land to facilitate credit flow for farming. Digitisation of land records facilitating easy transfer of usage rights and ownership rights will also be give a fillip to the agricultural sector. Banks also shall chip in with innovative tech-enabled products for ensuring easy accessibility of loan schemes for lease land farming.
284. NABARD may be encouraged to complete digitization of SHGs in the state so that proper credit records could be available for banks for lending to SHGs/JLGs.

Encouraging New Generation to Take Up Farming

285. To improve competitiveness of agriculture in the state there is a need to shift the farming from sustenance to value chain based agri-business approach. There shall be an integrated agricultural credit approach linking credit with supplies [inputs] and services [technology, transport, storage, processing & marketing] to improve productivity and add value to the farm products. Further this will encourage young/new farmers by meeting their increased income aspiration.

286. This value chain approach shall be aimed at promoting agriculture- livestock integration, increase in productivity, promoting sustainable agriculture, promoting producer collectives, ensuring appropriate backward and forward integration etc. further the state aims to become a fully organic state shortly. Banks can devise schemes suiting these needs and augment the flow of credit to such areas.

Need for Improving Marketing Support

287. APMC Act is not implemented in the state. Private trade is predominant in agriculture for various commodities and exploitation of farmers by the middle men is widely reported. Recent examples in the Vattavada- Kanthalloor area in Idukki district point to the need for appropriate intervention in the area. There has been some success in the state in area through setting up of farmers market as the farmers' share in the consumer price is more in those markets. Expansion of farmers markets, setting of cold storage facilities as well as local cool chambers and other infrastructure support for the markets are highly essential to support the marginal and vulnerable farmers. This will encourage banks to lend more to the sector through schemes like financing against warehouse receipts etc which will ultimately improve farmer income.

Appropriate Credit Planning

288. As farm sector is highly risk prone there shall be an integrated approach for credit planning with the following objectives

1. To improve the efficacy of the bank lending schemes and to minimize costs both at bank and borrower level as well as mitigate credit risks to an extent possible.
2. Bring an orderly and planned development of the rural area and thereby increase the production, productivity and income levels of the rural people.

289. Bankers shall lend their experience and expertise to assess the banking, credit and other non-financial service needs of rural populace. To improve the credit planning exercise at grass-root level, effective involvement of bank staff along with the line department staff is necessary such that the credit needs of the area can be properly addressed.

290. Loan products should be designed through studies of rural households' economic needs and their cash flow. Credit should not be restricted to agriculture only since a large number of landless laborers with no land and marginal farmers with limited land holding can be provided credit for diversified and multiple purposes viz. income generating activities in agriculture, animal husbandry, poultry, fisheries, sericulture, non-farm sector [rural / cottage industries, hand-loom, handicrafts, coir industries, service and business segments], for housing, consumer durables, social, religious, health, education and debt swapping purposes etc. taking into account their credit history, willingness and capacity to repay the loan.

291. Banks shall, with the help of LSGs, properly identify households presently depending upon non-institutional sources of credit partially or fully and help them switch over to banks for their credit needs through schemes for debt swapping.

292. Massive publicity efforts are needed to create “awareness” among all categories of rural households on the availability of bank’s financial services and procedures to avail them. For this purpose, Gram sabhas to be involved for organizing village level seminars and meetings on a regular basis.

De-risking Agriculture/Agriculturists through Various Insurance Schemes

293. Removing or minimising the risk from agriculture is a priority social and economic need for rural areas. Crop/farm insurance is vital for farmers as agriculture is prone to many risks arising from adverse weather and other factors. The Fazal BimaYojana devised the central government has to be implemented in letter and spirit in the state so that both farmers and banks will be compensated in case of any untoward incidents covered under the scheme.

294. This new crop insurance scheme has some advantages which earlier insurance schemes did not have. It merges all existing farm-related insurance schemes and gives cover for most risks related to production. It covers major crops, though only small and marginal farmers are covered in the initial phase. The mandatory use of technology might help in better and more efficient data collection and faster claim settlement. Drones with remote sensing equipment and mobile phones, are to be used for crop assessment, and this can ensure assessment of individual farms and not just localities, as is being done now. This can also reduce frauds and lead to faster settlement of claims. Quick settlement is important because most farmers are unable to invest in the next crop if one crop fails. If implemented well, it can reduce the lack of security and safety connected with agriculture.

295. The state government may take steps to ensure coverage of all major crops of the state in all the districts under the Fazal BimaYojana.

296. *Coverage under the social security schemes of the govt. of India.* GoI has implemented three social security schemes under the PMJDY programme viz., Jeevan Jyothi Bima Yojana (Life Insurance), Suraksha Bima Yojana (accident Insurance) and Pension Yojana. The state government shall endeavour to ensure maximum coverage of all eligible farmers/registered farmers under all these three schemes which are guaranteed by the GoI. By this in case of a mishap, the onus of compensating the affected shall be shared with the GoI thereby reducing the burden on the state government.

Ideal Agri Loan Scheme Bouquet of a Bank

297. Ideally a bank branch in the state shall have the following schemes for financing agriculture sector in Kerala

1. A Kisan Credit Card scheme with comprehensive coverage of all short term needs of a farmer with ATM enabled debit card for ease of operation- such a scheme shall be enabled to be dispensed through micro ATMs/BCs also for ensuring timely accessibility.
2. A Flexi Credit scheme for financing homesteads for investment purposes- such a scheme shall be customer friendly and easy to dispense at branches with lesser appraisal capabilities required for Bank officers.
3. Term loan schemes for long/medium term encompassing all agri-horticulture activities, allied activities, agro-processing etc.

298. To conclude, the World Bank in its sector policy paper as back as in 1975 has aptly reiterated “credit is often a key element in the modernization of agriculture. Not only can credit remove financial constraint but it also accelerates the adoption of new technology. Credit facilities are also an integral part of the process of commercialization of the rural economy. However, no amount of credit even

at the most reasonable rates can guarantee higher productivity or income among the rural poor, as the success depends upon many factors including the availability of inputs and services, sound credit policies, well-managed institutions and appropriate delivery channels”.

ANNEXURE 1

**PROCEEDINGS OF THE MEMBER SECRETARY
STATE PLANNING BOARD
(Present: Sri V S Senthil IAS)**

Sub: Formulation of 13th Five Year Plan – Constitution of Working Groups – reg.
Ref: Note No. 260/2016/PCD/SPB dated 06.09.2016 of the Chief (i/c), Plan Co-ordination
Division, State Planning Board

Order No. 300/2016/AGRI (W5)/SPB

Dated: 03.10.2016

As per the reference cited, State Planning Board has constituted Working Group on 'Cooperation and Agriculture Finance' to formulate the draft proposals in the sector for inclusion in the Thirteenth Five Year Plan.

The Working Group on '**Cooperation and Agriculture Finance**' is hereby constituted with the following members.

Co-Chairperson

Sri P Venugopal IAS, Special Secretary, Cooperation

Co-Chairperson

Sri. N. Ratheendran, 'Karthik', TC 5/1613, Ambalamukku, Peroorkada, Thiruvananthapuram

Members

1. Smt. S Lalithambika IAS, Registrar of Cooperatives, Thiruvananthapuram
2. Representative of NABARD
3. Representative of SLBC
4. Sri R K Menon, Director, ICM, Trivandrum
5. Managing Director, KSC Bank, Thiruvananthapuram
6. Omalloor Sankaran, Chaitanya, Omalloor PO, Pathanamthitta – 689647.
7. General Manager, Kerala State Cooperative Agriculture and Rural Development Bank, Thiruvananthapuram.
8. Dr Shaheena, Associate Professor & Head, College of Cooperation, Banking and Management, Vellanikkara, Thrissur
9. Dr A Prema, Professor, KVK, Thrissur
10. Sri Kishore Kumar, State Director, RSETI, 108 GC Nagar, Peroorkada, Thiruvananthapuram
11. Sri Upendra Rao, Director, IOB, RSETI, Forest Office lane, Vazhuthakkadu, Thiruvananthapuram
12. Sri Shaji KV, Chairman, Kerala Gramin Bank, Malappuram

Convener

Dr P Rajasekharan, Chief (Agriculture), State Planning Board

Co-convener

Smt Anila T, Research Assistant, State Planning Board

Terms of reference

1. To review the development of the sector with emphasis as to progress, achievements, present status and problems under its jurisdiction during the 11th and 12th Five Year Plan periods.
2. To evaluate achievements with regard to the Plan projects launched in the sector, both by the State Government and by the Central Government in the State during these plan periods.
3. To list the different sources of data in each sector and provide a critical evaluation of these data sources, including measures for improvement.
4. To identify and formulate a set of output and outcome indicators (preferably measurable) for each sector and base the analysis of the previous plans on these indicators.

5. To examine the potential for intervention of cooperative institutions in agricultural production, input provision, credit and marketing, and in other spheres including credit, production and services in non-agricultural sectors.
6. To suggest, in particular, a set of projects that can be undertaken during the 13th Plan period in the sector.
7. The Co-Chairperson is authorised to modify terms of reference with approval of State Planning Board. The Co-Chairperson is authorised to invite, on behalf of the Working Group, experts to advise the Group on its subject matter. The non-official members of the Working Group will be entitled to travelling allowances as are applicable to class I officers of the Govt. of Kerala. The class I officers of GoI will be entitled to travelling allowances as per rules if reimbursement is not allowed from Departments.
8. The working group will submit its draft report by 1st December 2016 to the State Planning Board.

Sd/-
Member Secretary

To

The Person concerned
The Sub treasury Officer, Vellayambalam

Copy to:-

The Accountant General, Kerala (A&E) with C/L
All Divisions, State Planning Board
PS to VC
PA to Member Secretary
Stock file

Forwarded by order
Sd/-
Chief (Agriculture)