



CAB CALLING

Volume 47 | Issue 4 |
October - December 2023

Articles :

- Institutional Credit to Agriculture Sector in Maharashtra :
A District Level Analysis
- An Assessment of Performance of Asset Reconstruction Companies in India
- Financing of Farmer Collectives – Challenges, Prospects and Way Forward

Book Review :

- Roller Coaster - An Affair with Banking

Special Feature :

- Conference on Priority Sector Lending -
October 12-13, 2023



सीएबी कॉलिंग CAB Calling

अक्तूबर- दिसंबर 2023 / Oct. - Dec. 2023

Volume 47 Issue 4 / 2023

Regn. No. R.N. -31642/77

कृषि बैंकिंग महाविद्यालय, पुणे की त्रैमासिक पत्रिका

Quarterly Journal of the
College of Agricultural Banking, Pune



कृषि बैंकिंग महाविद्यालय, भारतीय रिज़र्व बैंक

College of Agricultural Banking, Reserve Bank of India

विद्यापीठ मार्ग University Road, पुणे Pune - 411 016, भारत India

फोन Phone: 91-20-25582303, 25582363

फैक्स Fax : 91-20-25538959

वेबसाइट Website: <https://cab.rbi.org.in/>

ईमेल Email: principalcab@rbi.org.in

CABCalling@rbi.org.in

मुख्य संपादक/Editor-in-Chief

श्री वी जी सेकर/Shri V G Sekar

कार्यकारी संपादक/Executive Editor

डॉ. के सुब्रमनियन/Dr. K. Subramanian

संपादक मंडल/Editorial Board

श्री आनंद उपाध्याय/Shri Anand Upadhyay

श्री राजेंद्र कुमार/Shri Rajender Kumar

श्री नारायण/Shri Narayan

श्री संतोष कुमार पाण्डे/Shri Santosh Kumar Pandey

श्रीमति निवेदिता द्विवेदी/Smt. Nivedita Dwivedi

श्री सचिन काम्बले/Shri Sachin Kamble

संपादकीय सहायक/Editorial Assistant

चैतन्य श्रीश्रीमाल/Chaitanya Shrishrimal

पाठकों के लिए सूचना

आलेखों में व्यक्त किए गए विचार लेखकों के अपने हैं। इसका उस संस्थान से जिससे वे संबद्ध हैं अथवा भारतीय रिज़र्व बैंक और/या कृषि बैंकिंग महाविद्यालय से कोई संबंध नहीं है।

पत्रिका के लिए आलेख भेजना

जो लेखक इस पत्रिका के लिए अपना आलेख भेजना चाहते हैं वे आलेख की पांडुलिपि हस्ताक्षर के साथ संपादक, कृषि बैंकिंग महाविद्यालय, विद्यापीठ रोड, पुणे 411 016 के नाम भेजें। आलेख की प्रतिलिपि ई-मेल से cabcalling@rbi.org.in के पते पर भेजी जा सकती है।

अप्रकाशित पांडुलिपियां लौटायी नहीं जाएंगी।

अंशदान

ई-मेल – cabcalling@rbi.org.in
डाक से – संपादक, सीएबी कॉलिंग, कृषि बैंकिंग महाविद्यालय, विद्यापीठ मार्ग, पुणे 411 016.

एक प्रति का दर

भारत में –	₹ 50
विदेश में –	US\$ 5

वार्षिक अंशदान (वैयक्तिक)

भारत में –	₹ 150
विदेश में –	US\$ 20

वार्षिक अंशदान (संस्थाओं के लिए)

भारत में –	₹ 250
विदेश में –	US\$ 40

प्रकाशनाधिकार

कॉपीराइट©2023, कृषि बैंकिंग महाविद्यालय
सर्वाधिकार सुरक्षित

आलेखों का पुनर्मुद्रण

पूर्व अनुमति लेकर आलेख पुनर्मुद्रित किए जा सकते हैं

सम्पादक को पत्र/पूछताछ

ई-मेल: cabcalling@rbi.org.in

NOTE TO READERS

The views expressed in articles are those of the authors and not necessarily of the institutions they are associated with or that of the Reserve Bank of India and/or the College of Agricultural Banking.

SUBMISSIONS

Prospective authors can submit signed manuscripts to the Editor, CAB Calling, College of Agricultural Banking, University Road, Pune - 411 016. Soft copies can be submitted by e-mail to cabcalling@rbi.org.in

Unpublished manuscripts will not be returned.

Subscription

E-mail: cabcalling@rbi.org.in
Write to: The Editor, CAB Calling, College of Agricultural Banking, University Road, Pune - 411 016.

Rates Per Copy

INDIA	₹50
OTHER COUNTRIES	US\$ 5

Rates Per Year (Individuals)

INDIA	₹150
OTHER COUNTRIES	US\$ 20

Rates Per Year (Institutions)

INDIA	₹250
OTHER COUNTRIES	US\$ 40

Reproduction

Copyright©2023, College of Agricultural Banking.
All rights reserved.

Article Reprints

Articles can be reprinted with the prior written permission from the CAB.

Letters To Editor / Enquiries

E-mail : cabcalling@rbi.org.in

Form IV : Statement about ownership and other particulars concerning 'CAB Calling'

1. Place of Publication Pune
2. Periodicity of Publication Quarterly
3. Publisher's Name V G Sekar
Nationality Indian
Address Principal and Chief General Manager
College of Agricultural Banking
Reserve Bank of India, Pune - 411016
4. Printer's Name Dhanraj Printers
Nationality Indian
Address 114, Mahatma Phule Peth, Pune 411 042
5. Names and addresses of Individuals who own the Journal College of Agricultural Banking
Reserve Bank of India, Pune - 411016

I, V G Sekar, hereby declare that the particulars given above are true to the best of my knowledge and belief.

Sd/-
Signature of Publisher

Date : December 31, 2023

Editorial Board		
Name	Designation	Email ID
Shri V G Sekar	Editor-in-Chief, CGM & Principal	vgsekar@rbi.org.in
Dr. K Subramanian	Executive Editor, DGM & Member of Faculty	ksubramanian@rbi.org.in
Shri Anand Upadhyay	Member, Editorial Board GM & Member of Faculty	aupadhyay@rbi.org.in
Shri Rajender Kumar	Member, Editorial Board GM & Member of Faculty	rajenderkumar@rbi.org.in
Shri Narayan	Member, Editorial Board DGM & Member of Faculty	narayan@rbi.org.in
Shri Santosh Kumar Pandey	Member, Editorial Board DGM & Member of Faculty	skpandey@rbi.org.in
Smt. Nivedita Dwivedi	Member, Editorial Board DGM & Member of Faculty	ndivedi@rbi.org.in
Shri Sachin Kamble	Member, Editorial Board DGM & Member of Faculty	sachinkamble@rbi.org.in

College of Agricultural Banking
Reserve Bank of India, Pune
<https://cab.rbi.org.in>

Readers' Feedback

*Great Material for latest updates
and knowledge of Agro Economy
in India as well as World*

Shri Ilesh Kharadi
Bank of India

*Colour contrast of the cover of CAB Calling
can be made greener. All columns have
come up well. Can project RBI Archives in
light by displaying very old photograph of
historical value of every RO/TE alphabetically.*

Shri S. Balamurugan
ZTC, RBI, Chennai

*CAB Calling is an excellent magazine with
wide coverage of subjects and quality articles. It is
a reference material for the bankers, planners and
those who are dealing with banking in many other
forms. I have seen many students and researchers
using it during their presentations.*

Dr. P. Selvaraj,
Retd. CGM, NABARD



Readers may share their valuable feedback on the journal through
following direct link or scanning the above QR code.

<https://forms.office.com/r/2viNUGcByE>

CONTENTS

From the Desk of Editor-in-Chief

Article

- | | | |
|--|--|----|
| Institutional Credit to Agriculture Sector in Maharashtra :
A District Level Analysis | Dr. Vinod Kumar | 09 |
| An Assessment of Performance of Asset
Reconstruction Companies in India | Santosh Kumar Pandey
Rajender Kumar | 24 |
| Financing of Farmer Collectives -
Challenges, Prospects and Way Forward | Sachin Kamble | 35 |

Book Review

- | | | |
|---|-------------------------|----|
| Roller Coaster - An Affair with Banking | Murlee Krishna M | 53 |
|---|-------------------------|----|

Special Feature

- | | |
|---|----|
| Conference on Priority Sector Lending - October 12-13, 2023 | 55 |
|---|----|

Regular Feature

- | | |
|-----------------------------|----|
| Campus Capsule | 63 |
| Gist of Important Circulars | 69 |



मुख्य संपादक की कलम से

From the Desk of Editor-in-Chief

प्रिय पाठकगण,

सीएबी कॉलिंग के इस अंक में महत्वपूर्ण विषयों पर ध्यान केंद्रित करने वाले तीन शोध पत्रों नामतः महाराष्ट्र में कृषि क्षेत्र के लिए संस्थागत ऋण, भारत में आस्ति पुनर्निर्माण कंपनियों का कार्य निष्पादन, और किसान समूहों के वित्तपोषण की संभावनाएं और चुनौतियां का एक संग्रह शामिल है।

इस अंक का पहला पत्र महाराष्ट्र में कृषि ऋण की स्थिति पर प्रकाश डालता है। यह राज्य के भीतर कृषि ऋण के प्रवाह का एक व्यापक विश्लेषण प्रस्तुत करता है जिसमें कृषि में ऋण वितरण के संबंध में ऐतिहासिक आंकड़ों, हाल के वर्षों में देखे गए रुझान और राज्य में कृषि ऋण के वितरण में क्षेत्रीय असमानताएं शामिल हैं। पत्र विभिन्न उपायों के माध्यम से कृषि क्षेत्र में वित्तीय समावेशन को बढ़ाने का सुझाव देता है जिसमें ग्रामीण सहकारी समितियों को डिजिटल क्षमताओं के साथ मजबूत करना, वंचित क्षेत्रों में बैंकिंग तंत्र स्थापित करना, कृषि ऋण वितरण प्रणाली को डिजिटल बनाना और भूमि अभिलेख पर ऑनलाइन चार्ज लगाने की सुविधा प्रदान करना शामिल है।

दूसरा पत्र भारत में आस्ति पुनर्निर्माण कंपनियों (एआरसी) के कार्य निष्पादन का विश्लेषण करता है। यह पत्र इस बात पर प्रकाश डालता है कि कैसे नियामक परिवर्तनों ने एआरसी को पुनर्प्राप्ति प्रयासों को प्राथमिकता देने के लिए शुल्क-आधारित तंत्र से दूर जाने के लिए बाध्य किया है। उनके असंतोषजनक पुनर्प्राप्ति निष्पादन के बावजूद, पत्र का तर्क है कि एआरसी मॉडल प्रासंगिकता बनाए रखता है क्योंकि एआरसी दवाबग्रस्त संपत्तियों के

Dear Readers,

This edition of CAB Calling features a collection of three research papers focusing on important topics, namely, Institutional Credit to the Agriculture Sector in Maharashtra, Performance of Asset Reconstruction Companies in India, and Prospects and Challenges in Financing Farmer Collectives.

The first paper of this edition delves into the status of agricultural credit in Maharashtra. It offers a comprehensive analysis of the flow of agricultural credit within the state, drawing upon historical data regarding credit disbursement in agriculture, trends observed over recent years, and the regional disparities in the distribution of agricultural credit in the State. The paper proposes enhancing financial inclusion in the agricultural sector through various measures, including bolstering rural cooperatives with digital capabilities, establishing banking networks in underserved regions, digitizing the agriculture credit delivery system, and facilitating online charge creation on land records.

The second paper analyzes the performance of Asset Reconstruction Companies (ARCs) in India. It highlights how regulatory changes have compelled ARCs to move away from a fee-based model towards prioritizing recovery endeavors. Despite their unsatisfactory recovery performance, the paper argues that the ARC model maintains relevance as ARC serves as a permanent institutional framework

अदालत के बाहर त्वरित समाधान की सुविधा के लिए एक स्थायी संस्थागत ढांचे के रूप में कार्य करता है। पत्र सुझाव देता है कि एआरसी को अपनी समाधान रणनीतियों को मजबूत करना चाहिए जिससे दबावग्रस्त व्यवसायों के बदलाव की सुविधा प्रदान करें और उनकी स्थिरता सुनिश्चित करें।

किसान उत्पादक संगठन (एफपीओ), मुख्य रूप से छोटे और सीमांत भूमिधारकों से संबंधित बड़े पैमाने की व्यवस्थाओं से संबंधित चुनौतियों का समाधान करने के लिए महत्वपूर्ण समुदाय-आधारित संस्थागत तंत्र के रूप में उभरे हैं। तीसरा पत्र एफपीओ के वित्तपोषण में अवसरों और चुनौतियों पर व्यापक रूप से चर्चा करता है। एफपीओ के वित्तपोषण में तेजी लाने में महत्वपूर्ण बाधाओं के रूप में कम पूंजी आधार, व्यावसायिकता की कमी, बाजार अनुकूलन के अभाव और कारोबार योजना, कार्यान्वयन, बहीखाता और अनुपालन संबंधी चुनौतियों पर जोर देते हुए कई समाधान प्रस्तावित करता है। इनमें एफपीओ पर एक केंद्रीकृत डेटाबेस की स्थापना, कार्यशील पूंजी आवश्यकताओं तक पहुंच बढ़ाना, अभिसरण अवसरों की खोज करना और एफपीओ के माध्यम से कृषि मूल्य श्रृंखला वित्तपोषण में तेजी लाना शामिल है।

यह अंक अक्टूबर 2023 के दौरान सीएबी में प्राथमिकता क्षेत्र ऋण पर आयोजित सम्मेलन की झलक भी प्रस्तुत करता है। इसके अलावा, इसमें श्री तमाल बंद्योपाध्याय द्वारा लिखित “रोलर कोस्टर – एन अफेयर विद बैंकिंग” पर एक पुस्तक समीक्षा भी शामिल है। इसके अलावा, इसमें अक्टूबर-दिसंबर, 2023 के दौरान भारतीय रिज़र्व बैंक द्वारा जारी महत्वपूर्ण नियामक परिपत्रों का सार और उसी अवधि के दौरान महाविद्यालय द्वारा आयोजित प्रशिक्षण कार्यक्रमों से संबंधित कैपस कैप्सूल जैसी नियमित फीचर भी शामिल हैं। हमेशा की तरह आपकी टिप्पणियों और प्रतिक्रिया का स्वागत है।

– वी जी सेकर

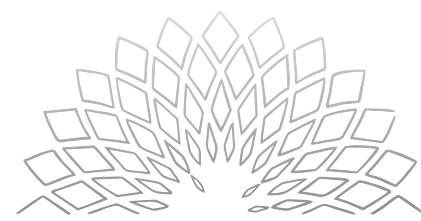
for facilitating swift out-of-court resolutions of stressed assets. The paper suggests that ARCs should strengthen their resolution strategies that facilitate the turnaround of distressed businesses and ensure their sustainability.

Farmers Producers Organizations (FPOs) have emerged as important community-based institutional mechanisms for addressing the challenges related to economies of scale associated with predominantly small and marginal landholders. The third paper covers comprehensively the opportunities and challenges in financing the FPOs. By emphasizing the low capital base, lack of professionalism, absence of market orientation, and challenges in business planning, implementation, bookkeeping, and compliance as significant hurdles in expediting the financing of FPOs, the paper proposes several solutions. These include the establishment of a centralized database on FPOs, enhancing access to working capital requirements, exploring convergence opportunities, and accelerating agricultural value chain financing through FPOs.

The issue also presents glimpses of the conference on Priority Sector Lending held at CAB during the month of October, 2023. Besides, it carries a book review on “Roller Coaster - An Affair with Banking” authored by Shri. Tamal Bandyopadhyay. In addition, it contains regular features such as the gist of important regulatory circulars issued by the Reserve Bank of India during October–December, 2023 and the campus capsule related to training programmes conducted by the College during the same period.

Your comments and feedback are welcome, as always.

– V G Sekar



Institutional Credit to Agriculture Sector in Maharashtra : A District Level Analysis

- Dr. Vinod Kumar¹

Agricultural credit plays a vital role in the economy of the State. The institutional credit to agriculture in Maharashtra increased by an annual growth rate of 13.69 per cent, surpassing the national growth rate of 12.96 per cent during the period from 2011-12 to 2022-23. During the same period, Cooperative Banks' share decreased notably from 42.00 per cent to 16.89 per cent, while Commercial Banks' share rose from 54.16 per cent to 79.55 per cent, and RRBs' share remained largely stable. The proportion of long-term credit also saw a significant rise, from 22.48 per cent to 38.81 per cent at the national level and from 21.49 per cent to 56.72 per cent in Maharashtra. Moreover, there was a remarkable increase in per hectare credit intensity, with figures climbing from Rs. 26,100 and Rs. 11,063 in 2011-12 to Rs. 99,727 and Rs. 58,209 in 2022-23 for India and Maharashtra, respectively.

The disparities in agriculture credit disbursement among districts and regions within the state are very significant. Across districts, the variation in per-hectare credit availability is considerable, ranging from Rs. 12,786 in Osmanabad (Dharashiv) district to Rs. 338,234 in Thane district. Analysis of the regional distribution of agriculture credit disbursement reveals that the Mumbai region holds the largest share at 24.40 per cent, followed by the Western Maharashtra region at 22.93 per cent, and the Vidarbha region at 17.98 per cent, with the lowest share recorded in the Konkan region at 4.89 per cent.

There is a need to sensitise all ground level bank officials to saturate all eligible and willing farmers with KCCs with special focus. Further, strengthening of the rural cooperative institutions, computerisation of PACS, providing banking networking uncovered and remote areas, digitisation of agriculture credit delivery system, online charge creation on land records will improve financial inclusion, faster and hassle-free delivery of credit and also ensure linking of production and marketing systems. Banks will have to integrate 'sustainability' into their business strategy and decision-making processes in order to support environmentally responsible and sustainable projects in the agriculture sector. For this, banks will have to undertake innovative agricultural financing models so that environment friendly and sustainable projects can be supported.

Keywords : Agriculture, Agricultural Credit, Regional Disparity, Maharashtra

JEL Classification : Q14

1.0 Introduction :

Agriculture plays a crucial role in the development of the State as well as National economy. Though the share of agriculture in national income has come down since the beginning of planning era in the economy, it still has a

substantial share in the country's Gross Domestic Product/Gross Value Added (GDP/GVA). The contribution of agriculture and allied sector activities in GDP, which was 55.4 per cent in 1950-51, now stands substantially reduced to only 18.00 per cent in 2023-24 (National Account Statistics,

¹General Manager, NABARD, Department of Economic Analysis and Research, Mumbai. The views expressed are those of the author and not of the organization he belongs to. Usual disclaimer applies. Corresponding E-mail of Author: vinod.vidyarthi4@gmail.com

An Assessment of Performance of Asset Reconstruction Companies in India

- Santosh Kumar Pandey¹ and Rajender Kumar²

The objective of the paper is to analyse the performance of Asset Reconstruction Companies (ARCs) in India. ARCs were envisioned in early 2000s to reduce the Non-Performing Assets in banks' books. During the early phase of working of ARCs, they focused more on a management fee-based model and recovery performance was not very encouraging. However, regulatory changes forced them to move away from fee-based model to greater focus on recovery efforts. Despite unsatisfactory performance of ARCs so far in terms of recovery made, the ARC model remains relevant. It is a permanent institutional infrastructure to ensure quick out of court resolution of stressed assets. The ARC model seems to be the only tool which allows investors to have exposure to stressed debt through their investments in Security Receipts (SRs). However, ARCs need to focus on resolution strategies which allow stressed businesses to get turned around. There has been significant improvement in their functioning such as increase in their assets being acquired, improvement in acquisition cost, and diversification in the credit risk being taken in the system away from banks to FIIs and other domestic entities.

Key Words : Non-Performing Assets, Resolution of bad debts, market based mechanism

JEL Classification : G21, G23, G28

1.0 Introduction :

Robust management of credit risk is essential for sustainable profitability of a financial institution such as a bank engaged in the business of granting credit. Banks which are not able to manage credit risk ultimately go into stress jeopardising their continuance as a sustainable entity. One of the important aspects of credit management is minimising the creation of Non-Performing Assets (NPAs) and quickly resolving them if they come on the balance sheet. The quick resolution and reasonable recovery from NPAs in the books of lenders are important to ensure efficiency of the intermediation, efficient allocation of resources and financial stability. Banks which are not able to resolve NPAs quickly suffer in terms of higher provisioning requirements, lower profitability,

lower asset quality and invite greater supervisory/market concern. High NPAs have been responsible for lower profitability and capital positions of many PSBs in recent years necessitating Government of India (GoI) to infuse capital in them. Higher NPAs, lower profitability and capital position in India also have been responsible for risk aversion in many banks resulting them not able to grow their loan book. Reduction in outstanding amount of NPAs is possible, if banks are able to quickly resolve NPAs, resulting in better recovery.

The establishment of Asset Reconstruction Companies (ARCs) in India can be traced to one of the recommendations of the Committee on Banking Sector Reforms of 1998 which held that hiving off the NPA portfolio from the balance sheet

¹DGM and Member of Faculty, College of Agricultural Banking, RBI, Pune

²GM and Member of Faculty, College of Agricultural Banking, RBI, Pune

The views expressed are those of the author and not of the organization he belongs to. Usual disclaimer applies. Corresponding E-mail of Author: skpandey@rbi.org.in



Financing of Farmer Collectives - Challenges, Prospects and Way Forward

- Sachin Kamble¹

Farmers Producers Organisations (FPOs) have emerged as important community-based institutional mechanisms for addressing the challenge related to economies of scale associated with predominantly small and marginal landholders. There has been a substantial focus by Governments for scaling up the FPO formation and by various institutions including NABARD, SFAC and Banks for supporting it through credit. The number of FPOs has grown substantially in the last two years and the number of FPOs under the Companies Act (amended), 1956 and under respective State Co-operative Acts has reached about 25,000. The government has created various incentive mechanisms for promoting and developing FPOs, supporting the financing, and making them eligible under various schemes for farm and non-farm activities. However, low capital base, lack of professionalism, lack of market orientation, issues in business planning and implementation, bookkeeping and compliances, etc. are major challenges for accelerating the Financing of FPOs. The paper aims to look at these challenges and suggests various measures to address them.

Keywords : FPC, FPO, FPO Finance

JEL Classification : Q 13, Q 14, J 54

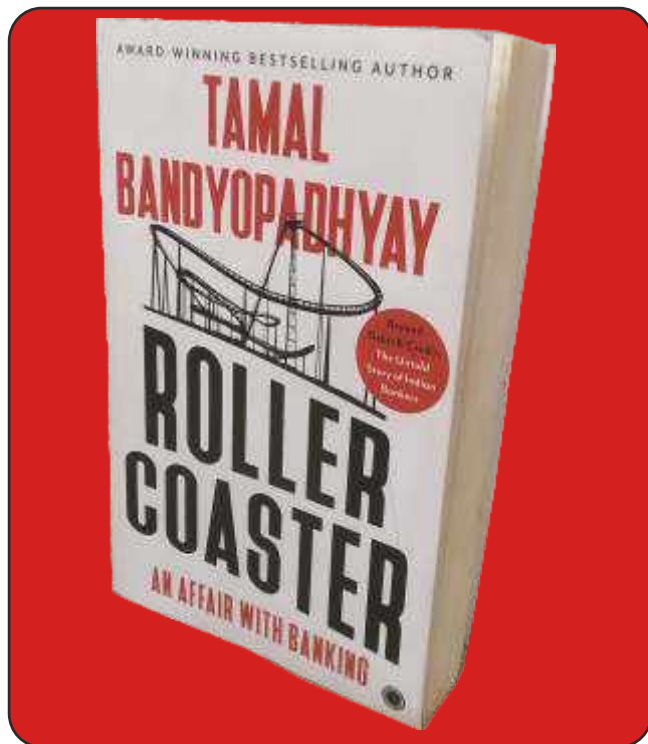
1. Introduction

The challenges faced by Indian agriculture in terms of decreasing size of farm holding (average size of farm holding 1.08 ha), the predominance of small and marginal farmers (about 86%) and dryland farming systems, unorganised value chains except for few commodities as well as lack of grass root agriculture infrastructure, necessitates collectivisation to achieve the economies of scale and to reduce transition cost for both farmers, service providers and other stakeholders. The farmers' collectives offer a value proposition for improving access of the farmers to quality and cheaper inputs, farm operation management and related services, collective marketing and post-harvest management as well as access to credit.

Aggregation models, where small farms jointly access credit, inputs, information, and product markets are not new to global agricultural systems (*Abraham et al., 2022*). For over a century, agricultural cooperatives worldwide have tried rectifying small farm disadvantages in market access. In the last two decades, newer aggregation models such as Farmer Producer Organizations (FPOs), farmer groups, enterprises, and companies have increased.

The farmers' collectivisation in India initially developed as cooperative institutions and made a good impact on the development of value chains for small and marginal farmers specifically in commodities like milk, sugarcane, etc. However, factors such as government control or intervention,

¹Deputy General Manager & Member of Faculty, College of Agriculture Banking, RBI, Pune. The views expressed are those of the author and not of the organization he belongs to. Usual disclaimer applies. Corresponding Email of author: (sachinkamble@rbi.org.in)



Title of the Book
Roller Coaster - An Affair with Banking

Author
Tamal Bandyopadhyay

Publisher
Jaico Publishing

Number of Pages
314

Price:
Rs. 499/-

Reviewed by
Shri Murlee Krishna Marthandan
DGM, Member of Faculty, College of
Agricultural Banking, RBI, Pune

The name 'Tamal Bandyopadhyay' does not need an introduction to the readers of financial newspapers in India. During a career spanning over four decades, Shri Bandyopadhyay had worked with leading business dailies including The Economic Times, Business Standard and The Mint. He is also a well-known author with seven books to his credit with "Roller Coaster - An Affair with Banking" being the latest in the line.

The book takes a unique approach to the world of Indian banking, offering a personal, anecdotal, and often humorous account of the banking industry's key players and its evolution over the past few decades. Tamal Bandyopadhyay has had a Bird's Eye view on the happenings in the world of Indian Banking, mainly due to the close connect he developed as Journalist with the who's who of banking. In this book, the author recounts in an amusing way, the experiences that he had, while covering the banking industry in India from the mid-1980s, when his career started with The Times of India. The book commences with

Bandyopadhyay's personal journey as a reporter covering political and cultural stories, his departure from Mumbai, and his eventual return to the city as a banking reporter.

The book has been divided into four parts and in the first part, the author takes us down the memory lane to the 1980s, the period when he started his career in Mumbai. He has lucidly captured his experiences as a Journalist settling down in Mumbai, while also painting a nostalgic picture of the city as it existed then. He proceeds to recount his experience working in Calcutta (as Kolkata was known then) and also how he started his tryst with writing on banking related matters.

In the second part, the author humorously delves into the personalities of individuals within the Indian banking industry. He describes in detail the era preceding the advent of data-driven, number-centric, performance-linked banking and the landscape which was dominated by the public sector banks. He recounts as to how some bankers

Conference on Priority Sector Lending - October 12-13, 2023

Background

College of Agricultural Banking (CAB), RBI, Pune organised the Conference on Priority Sector Lending on October 12 & 13, 2023 for the heads of Priority Sector and MSME verticals of commercial banks at its campus in Pune. The theme of the Conference was **“Fostering Economic Growth through Sustainable Finance: Strategies & Approaches under Priority Sector Lending Framework.”** Considering the importance of priority sector lending for promoting inclusive and equitable growth under RBI’s policy framework, CAB has continuously endeavoured to build capacity for financial institutions. It has designed and delivered various targeted and customised capacity-building initiatives for financial institutions. The Conference was aimed to deliberate upon the strategies and approaches for enhancing the flow of credit to Priority Sectors, understand the emerging paradigms of Agri and MSME lending ecosystems and opportunities for leveraging technology through innovations, discuss approaches to address climate risk and understand financing opportunities under the overall framework of Priority Sector. The conference was addressed by eminent speakers from RBI, the Government of India, the World Bank, financial institutions and sector experts. The conference was attended by forty-eight delegates from public and private sector banks, Regional Rural Banks, Urban Cooperative Banks, Small Finance Banks, as well as foreign banks involved in priority sector lending. Officials from RBI and NABARD also attended the conference.

Welcome Address

Shri V G Sekar, CGM & Principal, CAB, in his welcome address, highlighted the various initiatives

undertaken by CAB, Pune to enhance the capacity of financial institutions and provide leadership in priority sector lending and sustainable finance. He elaborated on the tailored training programs aimed at key segments like agriculture, MSMEs, and emerging areas such as climate finance and group lending models like Farmer Producers’ Companies. Outlining the objectives of the conference, he briefed on the issues and challenges of priority sector lending as well as emerging opportunities in light of the advent of digital technologies. He emphasized the conference's role in fostering the exchange of best practices and experiences across regions.

Keynote Address

Shri J Swaminathan, Deputy Governor, RBI inaugurated the conference and delivered the key note address on **“Fostering Economic Growth through Sustainable Finance: Strategies & Approaches under Priority Sector Lending Framework.”** In his address, the Deputy Governor, RBI elaborated on emerging paradigms of sustainable finance and its interface with financial inclusion imperatives and the need for equitable and inclusive growth. He discussed various initiatives of RBI in the area of sustainable finance and priority sector lending. He expressed the need for the development of the necessary institutional frameworks by financial institutions for addressing emerging challenges such as climate change and exploring sustainable finance opportunities.

The Deputy Governor, RBI, elaborated on the strong interplay between sustainable finance and priority sector lending. He mentioned that Sustainable finance, often referred to as responsible or green finance, is a concept that has gained

Summary of Select Programmes, Seminars and Conferences Organised during October 2023 - December 2023

Management Development Programme (MDP) for Branch Managers of Urban Cooperative Banks

The four-day in-campus MDP was conducted by the CAB during October 03-06, 2023 for Branch Managers of Urban Cooperative Banks. Thirty-two participants had attended the programme. The objective was to help the participants gain knowledge and insight into their own personality and how personality orientation manifests in one's own behaviour in relation to others. Further inputs on development of appropriate soft skills such as inter-personal relationships, communication, influencing ability, capacity for conflict resolution, teamwork, etc. for delivering superior performance were shared.

Programme on Operational Risk Management for SCBs

Programme on Operational Risk Management for Scheduled Commercial Banks (SCBs) was conducted by the CAB through online mode, during October 04-06, 2023. Fifty-one officers from different SCBs actively participated in the programme. The programme was designed with the objective to sensitise the participants about the significance of operational risk management function in banks, to explain the key concepts and techniques of operational risk management in banks and to update the participants about the latest developments in operational risk management functions (KYC, Fraud, Internal Controls, Cyber Security, etc.).

Programme on Governance, Measurement, and Management of Interest Rate Risk in Banking Book (IRRBB) for Officers of Scheduled Commercial Banks

The programme for Officers of SCBs was organized, on-campus, on October 09, 2023. The programme was attended by forty-nine officers from the various SCBs. The programme was designed with the objective of discussing the importance of measurement and management of IRRBB, to explain various approaches of measurement of IRRBB, to brief the participants on RBI guidelines on IRRBB and practical issues associated with the implementation of guidelines.

Programme on Credit Management for officers of UCBs

The Programme on Credit Management for Officers of UCBs was organized by the College, through online mode, during October 09-13, 2023. Forty officers from various UCBs attended the programme. The programme was designed with the objective of imparting knowledge on the latest RBI guidelines on loans & advances, such as exposure norms, priority sector lending norms, lending to MSMEs, IRAC&P norms, restructuring norms, etc. and to build their skills relating to effective credit appraisal, credit monitoring, loan documentation, recovery of loans and advances etc. so as to ensure a healthy credit portfolio in UCBs.

6th Programme on Digitalization and Financial Inclusion (in collaboration with CICTAB)

The College conducted the 6th Programme on Digitalization and Financial Inclusion (in collaboration with CICTAB) for CEOs/Senior Executives of Agricultural Banking, Rural Financing Institutions, Cooperatives and Rural Development Organisations/Institutions in the countries of SAARC Region during October 09-13, 2023 at its campus. The objectives of the

Gist of Circulars : October – December 2023

UDGAM Portal

https://www.rbi.org.in/scripts/FS_PressRelease.aspx?prid=56498&fn=2

The Reserve Bank on October 5, 2023 informed that the search facility in UDGAM portal has been made available for 30 banks on September 28, 2023, which covers around 90 per cent of unclaimed deposits (in value terms) in Depositor Education and Awareness (DEA) Fund.

Gold Loan - Bullet Repayment

https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=12542&fn=2755&Mode=0

The Reserve Bank on October 6, 2023 increased the monetary ceiling of gold loans that can be granted under the bullet repayment scheme, from ₹ 2.00 lakh to ₹ 4.00 lakh for the UCBs who met the overall Priority Sector Lending target and sub targets as on March 31, 2023.

Prompt Corrective Action

https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=12543&fn=14&Mode=0

The Reserve Bank on October 10, 2023 reviewed and extended “Prompt Corrective Action (PCA) Framework for Non-Banking Financial Companies (NBFCs)” to Government NBFCs (except those in base layer) with effect from October 1, 2024, based on the audited financials of the NBFC as on March 31, 2024 or thereafter.

Reverse Repo Transactions

https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=12548&fn=2&Mode=0

The Reserve Bank on October 16, 2023 clarified that the banks should adhere to the below-mentioned practice for presentation of Reverse Repo transactions in the Form ‘A’ Return :

1) Reverse Repo transactions with the banks should be reported as under:

i. For original tenors up to, and inclusive of, 14 days

a. Item III (b) of Form A (i. e., Money at call and short notice) and;

b. Memo item 2.1 of Annex A to Form A (i. e., under Inter Bank Assets)

ii. For original tenors more than 14 days

a. Item III (c) of Form A (i. e. advances to banks) and;

b. Memo item 2.1 and 2.2 of Annex A to Form A (i.e., under Inter Bank Assets)

2) Reverse Repo transactions with non-banks (other institutions) for all tenors should be reported under Item VI(a) of Form A [i.e., loans, cash credits and overdrafts under bank credit in India (excluding inter-bank advances)].

Appointment of Whole-Time Director(s)

https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=12551&fn=2&Mode=0

The Reserve Bank on October 25, 2023 advised the banks to ensure the presence of at least two Whole Time Directors (WTDs), including the MD and CEO, on their Boards. The number of WTDs shall be decided by the Board of the bank by considering factors such as the size of operations, business complexity, and other relevant aspects. Further, banks that currently do not meet the minimum requirement as above are advised to submit their proposals for the appointment of WTD(s) under Section 35B(1)(b) of the Banking Regulation Act, 1949, within a period of four months from the date of issuance of the relevant circular.

Presentation of Unclaimed Liabilities

https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=12552&fn=2&Mode=0

The Reserve Bank on October 25, 2023 advised that all co-operative banks shall present all unclaimed liabilities (where the amount due has been transferred to DEA Fund) under ‘Contingent Liabilities-Others’. Further, all banks shall specify in

Guidance for Authors

1. Proposals are invited for unpublished and original feature articles, features-in-brief, research papers, and book reviews (either in English or in Hindi), from practitioners, domain experts, bankers, academics, researchers and scholars on relevant topics.
2. The articles/papers submitted should have a strong emphasis on realistic analysis, development of critical perspectives and use of empirical evidence (except for Book Reviews). It should demonstrate fresh thinking, whose practical application has been thought through in clear and jargon-free language. While the topics vary, it should be possible for the ideas presented to be translated into action. For a book review, the purpose should be to give readers an engaging, informative, and critical discussion of the author's work.
3. The article should be accompanied by a summary (100 to 200 words) and it should answer the following questions:
 - a. What is the central message of the article? What are the important, useful, new or counter-intuitive aspects of the idea? Why do readers need to know about it?
 - b. How can the idea be applied in banking policy making today?
 - c. What research is available to support the argument?
 - d. What are the academic, professional sources of work referred to?
 - e. What personal experiences have been drawn upon?
4. Preference will be given to articles having an action-bias, whether by way of reporting a best-practice, innovative use of resources or by way of enhancing functional and/or managerial effectiveness. Authors are encouraged to include specific details, examples and actual photos to increase authenticity and credibility. Also encouraged is the use of illustrations which enhance readers' interest while making a point.
5. All CAB Calling articles are expected to give credit to all direct quotations, paraphrased statements, and borrowed ideas. To improve the flow of the prose, we prefer that attributions are incorporated into the text whenever possible. Please be sure to clearly bring out exactly which ideas, and what language, are yours and which ones are drawn from someone else.
6. It is the responsibility of the author to obtain written permission for a quotation from unpublished material, or for all quotations in excess of 250 words in one extract or 500 words in total, from any work still in copyright.
7. Authors must disclose if they have a financial relationship with the organization that sponsored the research. They should also state that they have full control of all primary data and that they agree to allow CAB Calling to review their data if requested.
8. The CAB reserves the right to edit the articles accepted for publication to determine which aspects need to be expanded and which need to be compressed or omitted, to make them interesting to read. Authors can however own copyright for the article, subject to acknowledgement of its first publication in CAB Calling.
9. The CAB reserves the right of use of the published articles for academic purposes, with due acknowledgement of authors' credit.
10. CAB Calling deeply appreciates the time and energy required to prepare an article for our publication, and we are grateful to you for that investment. We are always looking for new and useful ideas that can contribute to human development and the practice of development banking.
11. We wish to assure the authors/contributors that we look into each contribution closely, and, if the idea is compelling, we will do our best to see how best their articles can suit our readers. However, articles which are not published in three successive issues after their submission will normally be treated as not suitable for publication in CAB Calling. The decision regarding whether or not an article will be published rests with the editors.
12. Authors are requested to submit their manuscripts, duly formatted as per guidelines given in the **Annex**, to the office of the Editor. The manuscript must be accompanied by a "Letter of Submission", a sample of which can be found at our website (www.cab.org.in). Advance copies of the articles can be submitted by email to cabcalling@rbi.org.in.

We thank you again for your interest.



Annex: Guidelines for Formatting

Before submitting the manuscript of the articles, authors are requested to follow the guidelines given below:

1. Please attach a short abstract of 100 to 200 words. The abstract should not contain any undefined abbreviations or unspecified references.
2. Title of the article should be as precise as possible.
3. The first page of the manuscript should also contain at least two classification codes according to the Journal of Economic Literature Classification.
4. Particulars of the authors should be given in the footnote before the usual disclaimer on the first page. Symbol * should be used for providing this footnote.
5. Papers, referred to external referees, should acknowledge comments provided by anonymous referees.
6. All subsequent footnotes, if any, should be numbered consecutively. Footnotes should be precise to the extent possible.
7. Manuscripts should be 1.5 spaced, with 1" margins on paper of A4 or letter size.
8. All pages should be numbered consecutively. Roman numerals should be used while ordering the Sections (e.g., Section II). Sections numbers and its title should be centrally aligned.
9. Figures and tables should be numbered consecutively (e.g., Figure 1, Figure 2, Table 1, Table 2, etc.). Figures should be submitted in excel files along with the manuscript. In case of Tables, data source should be clearly mentioned, wherever required.
10. Appendix Tables/Figures, if any, should be given before the list of references.
11. Empirical results should be properly tabulated.
12. References within the text should be cited as illustrated at (a) below.
13. References should appear at the end and should be listed in alphabetical order by author's name.
14. References should be verified carefully. They must correspond to the citations in text. No reference should be missing from the list.
15. If an unpublished article is cited, please include the web site address in the reference list, giving the full "http://" link. The date of access should also be indicated.
16. In case of single author, the reference should appear as illustrated at (b) and © below.
17. In case of multiple authors (e.g., Jörg Rieskamp, Jerome R. Busemeyer and Barbara A. Mellers), the reference should appear as illustrated at (d) below.
18. In case of a book, the reference should appear as illustrated at (e) below.
19. In case of an edited book, the reference should appear as illustrated at (f) below.
20. The length of text for book review should be about 1000-1500 words. The header of your review should include:
 - Author(s) or editor(s) first and last name(s) (please indicate if it is an edited book)
 - Title of book
 - Year of publication
 - Place of publication
 - Publisher
 - Number of pages
 - Price (please indicate paperback or hard cover) if available
 - ISBN

Illustrations:

- a. "Several recent papers have sought to directly analyse the impact of an increase in import openness or competitive pressures on inflation in an empirical framework, by employing reduced-form equations and/or industry-level data [Gamber and Hung (2001); Kamin et al (2004); Pain et al (2006); and Chen et al (2007)]."
- b. Mishkin, Frederic S. 2006. "How Big a Problem is Too Big to Fail? A Review of Gary Stern and Ron Feldman's Too Big to Fail: The Hazards of Bank Bailouts." *Journal of Economic Literature*, 44(4): 988–1004.
- c. Ausubel, Lawrence M. 1997. "An Efficient Ascending-Bid Auction for Multiple Objects." University of Maryland Faculty Working Paper 97–06.
- d. Rieskamp, Jörg, Jerome R. Busemeyer, and Barbara A. Mellers 2006. "Extending the Bounds of Rationality: Evidence and Theories of Preferential Choice." *Journal of Economic Literature*, 44(3): 631–661.
- e. Nordhaus, William D. 1994. *Managing the Global Commons: The Economics of Climate Change*. Cambridge, MA: MIT Press.
- f. Arrow, K.J. et al. 1995. "Intertemporal equity, discounting, and economic efficiency." In *Climate Change 1995: Economic and Social Dimensions of Climate Change, Contribution of Working Group III to the Second Assessment Report of the Intergovernmental Panel on Climate Change*, eds., Bruce J., Lee H., Haites E. Cambridge,



(Please furnish the author/lead author's address and contact details and e-mail here)

The Editor, CAB Calling
College of Agricultural Banking (CAB)
Reserve Bank of India
University Road
Pune - 411016, India

Dear Sir,

Letter of Submission - Manuscript entitled _____
Disclosure of Potential Conflict of Interest and other Requirements

I am submitting the captioned article in manuscript form to be considered for publication in the CAB Calling. I am the sole author/lead-author of the said manuscript and I am aware of its contents. The name(s) of the co-authors are as under:

2. I certify that the article is unpublished and original and that the manuscript has been formatted in conformity with the guidelines of CAB Calling.
3. I certify that I have obtained written permission for quotation(s) from unpublished material, or for all quotations in excess of 250 words in one extract or 500 words in total, from any work having copyright.
4. I declare that I have a financial relationship with the organization, namely _____, that sponsored the research on which this article is based.

Or

I declare that I have no financial relationship with any organization towards sponsoring of this research on which this article is based.

5. I confirm that I have full control of all primary data and that I agree to allow CAB Calling to review the data if requested.
6. I understand that the decision of the Editor regarding suitability of the article for publication will be final. I further understand that if the article is not published in three successive issues after its submission it will be deemed as not suitable for publication and that no separate communication may be issued in this regard.
7. I understand that the CAB Calling reserves the right to edit the articles accepted for publication and determine and modify aspects that need to be expanded/compressed/omitted, to make them interesting to read. I further understand that the College of Agricultural Banking (CAB) reserves the right of use of the published article for academic purposes, with due acknowledgement of authors' credit.

Yours faithfully,
Author Signature
(Author Name)
Date:
Encl: Article as above

Strike off portions that are not applicable.
Please sign and e-mail a scanned copy to: cabcalling@rbi.org.in





‘सीएबी कॉलिंग : अंशदान फार्म’

अंशदाता सं.
(केवल कार्यालय के उपयोग के लिए)

संपादक
‘सीएबी कॉलिंग’
कृषि बैंकिंग महाविद्यालय
भारतीय रिज़र्व बैंक
पुणे - 411016

यदि अंशदाता कार्यक्रम के सहभागी हैं तो
कार्यक्रम का नाम

अंशदान दर	एक वर्ष	दो वर्ष
व्यक्तिगत सदस्य (भारत में)	₹ 150	₹ 300
व्यक्तिगत सदस्य (विदेश में)	US\$ 20	US\$ 35
संस्थागत सदस्य (भारत में)	₹ 250	₹ 400
संस्थागत सदस्य (विदेश में)	US\$ 40	US\$ 70

महोदय,

मैं/हम एक/दो* वर्ष के लिए ‘सीएबी कॉलिंग’ की सदस्यता का नवीकरण करना/ग्राहक बनना चाहता हूँ/ चाहते हैं।

मैंने दिनांक _____ को, ₹ _____ का NEFT किया है जिसकी UTR संख्या _____ है।

कृपया निम्नलिखित तिमाही से ‘सीएबी कॉलिंग’ के अंक मुझे / हमें भेजें

नाम (स्पष्ट अक्षरों में) श्री/श्रीमती/कुमारी _____

पता (स्पष्ट अक्षरों में) _____

केंद्र _____ पिन कोड _____

टेलीफोन नं. (कार्यालय) _____ (निवास) _____

फैक्स नं. _____ एसटीडी कोड _____

ई-मेल पता _____

अंशदाता सं. (यदि कोई हो तो) _____

दिनांक: _____ 20 _____

(हस्ताक्षर)

*जो लागू नहीं है उसे काट दें।

NEFT Details for Payment:

Name of the Account: Bank's Publications

Account Number: 8024129

Name of Bank: RBI;

IFSC Code: RBIS0PUPA01 (0 means Zero)

Type of Account: Current

Name of Branch: CAB, Pune





CAB CALLING - SUBSCRIPTION FORM

SUBSCRIBER NO.
(For office use only)

The Editor
"CAB CALLING"
College of Agricultural Banking
Reserve Bank of India
PUNE 411016

To be filled if subscriber is a participant
Name of the programme

Subscription Rates	One Year	Two Year
Individual Members (India)	₹ 150	₹ 300
Individual Members (Abroad)	US\$ 20	US\$ 35
Institutional Members (India)	₹ 250	₹ 400
Institutional Members (Abroad)	US\$ 40	US\$ 70

Dear Sir

I/We wish to subscribe / renew subscription* to "CAB CALLING" for one /two* years.

I have made an NEFT transaction for an amount of ₹ _____ with UTR number _____ dated _____

Please send my /our copy of "CAB Calling" starting from the quarter:

NAME (IN CAPITALS) _____

ADDRESS (IN CAPITALS) _____

CITY _____ PIN _____

TEL NO. (OFF) _____ TEL NO. (RESI) _____

FAX NO. _____ STD CODE _____

EMAIL ADDRESS _____

SUBSCRIBER NO. (IF ANY) _____

DATE: _____

(SIGNATURE)

*Strike off whichever is not applicable

NEFT Details for Payment:

Name of the Account: Bank's Publications

Account Number: 8024129

Name of Bank: RBI;

IFSC Code: RBIS0PUPA01 (0 means Zero)

Type of Account: Current

Name of Branch: CAB, Pune





वित्तीय क्षेत्र में क्षमता निर्माण एवं विकास

भारतीय रिजर्व बैंक द्वारा वर्ष 1969 में ग्रामीण एवं सहकारी बैंकिंग में प्रशिक्षण इनपुट प्रदान करने के लिए कृषि महाविद्यालय (सीएबी) की स्थापना की गयी। इसके बाद, भारतीय वित्तीय क्षेत्र की बदलती आवश्यकताओं को ध्यान में रखे हुए, महाविद्यालय द्वारा कृषि बैंकिंग, एमएसई वित्त पोषण, वित्तीय समावेशन और साक्षरता, मानव संसाधन और नेतृत्व आदि जैसे अन्य क्षेत्रों में प्रशिक्षण प्रदान करने के लिए अपने दायरे का विस्तार किया गया। अक्टूबर 2021 से महाविद्यालय द्वारा चार फोकस एरिया (4C) यथा कॉर्पोरेट गवर्नेन्स, साइबर सुरक्षा, उपभोक्ता संरक्षण और अनुपालन प्रबंधन पर अधिक ध्यान दिया गया है ताकि वित्तीय प्रणाली में मजबूती प्रदान करने और सेवा मानकों में वृद्धि करने के लिए बैंकों तथा फाइनेंशियल प्रोफेशनलों का क्षमता वर्धन किया जा सके।

महाविद्यालय द्वारा FAO, APRACA, CICTAB, UNDP और राष्ट्रमंडल सचिवालय जैसी अंतर्राष्ट्रीय एजेंसियों के सहयोग से कार्यक्रम और अनुसंधान सम्मेलन भी आयोजित किए जाते हैं। इसी के साथ महाविद्यालय द्वारा राष्ट्रीय और अंतर्राष्ट्रीय संस्थानों के लिए उनकी आवश्यकतानुसार कस्टमाइज्ड प्रशिक्षण कार्यक्रम भी आयोजित किए जाते हैं।

वर्ष 2015 से एमएसएमई वित्त पोषण के क्षेत्र में विशेषीकृत नैमकेब कार्यशालाएं आयोजित करने के लिए नोडल संस्थान के रूप में नामित किए जाने के साथ ही वर्ष 2021 में मिशन 'अवतु' के अंतर्गत साइबर सुरक्षा पर सहकारी बैंकों के विभिन्न स्टेकहोल्डरों के प्रशिक्षण प्रदान करने के लिए महाविद्यालय को 'नोडल संस्थान' के रूप में नामित किया गया है।

Building & Enhancing Capabilities in the Financial Sector

Reserve Bank of India established the College of Agricultural Banking (CAB) in 1969 to provide training inputs in Rural and Cooperative Banking. Subsequently, recognizing the changing needs of the Indian financial sector, the College expanded its scope to provide training in other areas like agricultural banking, MSME financing, Financial Inclusion & Literacy, Human Resources & Leadership, etc. From the Academic Year 2021, the College has enhanced thrust on four focus areas (4Cs), namely Corporate Governance, Cyber Security, Consumer Protection and Compliance Management, to build capacity amongst the bankers and financial professionals to enhance the robustness and service standards in the financial system.

The college also conducts programmes and research conferences in collaboration with international agencies like FAO, APRACA, CICTAB, UNDP and the Commonwealth Secretariat. The College further conducts customized training programmes for institutions, both national and international, as per their specific requirements.

The college has been nominated as the 'Nodal Institution' for imparting training to various stakeholders of UCBs on cyber security under the Mission 'AVTU' in 2021, apart from being nominated as the Nodal Institution to impart specialised NAMCABs workshops in the area of MSME financing, since 2015.



College of Agricultural Banking
<https://cab.rbi.org.in/>