SRI DHARMASTHALA MANJUNATHESHWARA COLLEGE

(Autonomous), UJIRE – 574 240

(Re-Accredited by NAAC with ‘A++’ Grade)

DEPARTMENT OF COMMERCE

A Study on Farmer Friendly Agricultural Schemes in India

AS PART OF THE STUDENT RESEARCH PROJECT

2023-24

CERTIFICATE

This is to certify that the following students of II B.Com 'D' have completed the project entitled as ‘A Study on Farmer Friendly Agricultural Schemes in India’ as a Student Research Project under the guidance of Mr. Harish Shetty Department of Commerce, SDM College, Ujire during the year 2023-24.

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DECLARATION

We hereby declare that the project entitled ‘Farmer friendly Agricultural Schemes in India’ which is being submitted as a Student Research Project to SDM College, Ujire is a record of original work done by us under the guidance of Mr. Harish Shetty, Department of Commerce, SDM College, Ujire. We also declare that the result of this research has been reported and submitted by us and is not being used for any purpose elsewhere.

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INTRODUCTION TO AGRICULTURE

Agriculture in India stands as a testament to the nation's rich heritage, economic significance, and cultural identity. From ancient times to the modern era, agriculture has been integral to India's social fabric, sustaining livelihoods, ensuring food security, and shaping the country's landscape. This essay endeavors to provide an extensive examination of agriculture in India, spanning its historical evolution, current state, challenges, governmental interventions, technological advancements, socio-economic impacts, and future prospects.

Historical Evolution:

The roots of agriculture in India can be traced back to the ancient civilizations of the Indus Valley, where evidence of farming practices dates back over 5000 years. The Harappan's cultivated a variety of crops, including wheat, barley, rice, and pulses, and developed sophisticated irrigation systems to support agricultural activities. Subsequent civilizations, such as the Vedic period and the Mauryan Empire, further refined agricultural techniques and emphasized the importance of land cultivation and management.

During the medieval period, India witnessed the flourishing of agricultural practices under the patronage of empires like the Gupta and Mughal dynasties. The Mughals introduced innovative techniques such as the cultivation of cash crops like cotton and sugarcane, alongside traditional staples like wheat and rice. However, the advent of British colonial rule in the 18th century brought significant changes to Indian agriculture, with the introduction of cash crops for export, commercialization of agriculture, and exploitative land tenure systems that led to the impoverishment of Indian farmers.

Post-independence, India embarked on a journey of agricultural development, guided by visionary leaders such as Pandit Jawaharlal Nehru and Lal Bahadur Shastri. The Green

Revolution of the 1960s marked a watershed moment in Indian agriculture, characterized by the adoption of high-yielding varieties of seeds, mechanization, and the use of chemical fertilizers and pesticides. This transformative phase propelled India from a food-deficient nation to one of the world's largest producers of food grains.

Current State of Agriculture:

Today, agriculture remains the backbone of the Indian economy, employing over half of the country's workforce and contributing significantly to GDP. The agricultural sector encompasses a wide range of crops, including cereals, pulses, oilseeds, fruits, vegetables, and cash crops. India's diverse agro-climatic zones enable the cultivation of a vast array of crops, making it one of the most agriculturally diverse countries in the world.

Despite advancements in technology and productivity, Indian agriculture faces numerous challenges. Small and fragmented land holdings, lack of access to irrigation facilities, declining soil fertility, water scarcity, pest and disease outbreaks, and climate change impacts are some of the major challenges confronting farmers. Additionally, the agrarian distress, characterized by farmer suicides, indebtedness, and low remuneration, highlights the vulnerability of India's farming community.

Governmental Interventions:

The Indian government has implemented various policies and initiatives to address the challenges facing the agricultural sector and promote rural development. The National Agricultural Policy, launched in 2000, aimed to enhance agricultural productivity, ensure food security, and improve farmers' livelihoods. Subsequent initiatives such as the Rashtriya Krishi Vikas Yojana, Pradhan Mantri Krishi Sinchai Yojana, and Soil Health Card Scheme have focused on infrastructure development, water management, soil health, and farmer welfare.

Other interventions include subsidies on fertilizers, seeds, and agricultural machinery, crop insurance schemes to mitigate risks, minimum support prices (MSPs) to safeguard farmers' incomes, and initiatives to promote organic farming and agro-processing industries. The recent introduction of farm laws aimed at liberalizing agricultural markets has sparked debate and protests among farmers, highlighting the complexities of agricultural policy-making in India.

Technological Advancements:

Technological advancements have played a pivotal role in transforming Indian agriculture and enhancing productivity. Mechanization, irrigation systems, improved seeds, fertilizers, pesticides, and biotechnology have revolutionized farming practices, enabling farmers to achieve higher yields and improve efficiency. Information and communication technologies (ICTs) have also been leveraged to disseminate agricultural knowledge, provide weather forecasts, access market information, and facilitate e-commerce platforms for farmers

Socio-Economic Impacts:

Agriculture not only sustains livelihoods but also shapes the socio-economic fabric of rural India. It serves as a primary source of income for millions of smallholder farmers, agricultural laborers, and rural communities. The prosperity of the agricultural sector has a ripple effect on other sectors of the economy, including agro-processing industries, transportation, and trade. However, the socio-economic dynamics of agriculture are also marked by disparities in land ownership, access to resources, and income distribution, exacerbating inequalities in rural areas.

Challenges and Opportunities:

Despite its significance, Indian agriculture faces numerous challenges that threaten its sustainability and resilience. Climate change, water scarcity, soil degradation, pest and disease outbreaks, and market volatility pose significant risks to farmers' livelihoods and food security. Moreover, the agrarian distress, characterized by farmer suicides, indebtedness, and lack of access to credit and markets, underscores the urgency of addressing systemic issues in the agricultural sector.

However, amidst these challenges lie opportunities for innovation, growth, and transformation. Sustainable agricultural practices, such as organic farming, conservation agriculture, and agroecology, offer pathways to enhance productivity while minimizing environmental impacts. Investments in rural infrastructure, irrigation facilities, research and development, and skill development can empower farmers and promote inclusive growth.

Future Prospects:

The future of agriculture in India hinges on embracing sustainable practices, leveraging technology, and fostering inclusive growth. By promoting climate-smart agriculture, enhancing resilience to climate change, and strengthening market linkages, India can ensure food security, poverty alleviation, and rural prosperity. Moreover, empowering smallholder farmers, promoting women's participation in agriculture, and fostering agripreneurship can unlock the untapped potential of India's agricultural sector.

OBJECTIVE OF THE STUDY

The main objective of conducting this study is to introduce the farmers about various agricultural schemes which are available to them from government of India's Ministry of Agricultural and Farmer's Welfare.

These schemes usually aid a farmer by providing funds, seeds,fertilizers, insurance on their crops, subsidies and irrigation facilities and many more. These schemes also enhances the GDP of a nation. It aids in development of rural market and rural development.

Till date, there are many agricultural schemes in India, these schemes should benefit farmers and ensures these schemes reach people at a faster pace.These schemes ensures that it increases the quality of agricultural products of farmers.

ROLE OF AGRICULTURE IN THE INDIAN ECONOMY

The Indian Economy holds the sixth position in the world's top economies. The majority of the country's population depends on agriculture for their livelihood. The agriculture sector contributes roughly 14% of the country's total GDP. Although the agriculture sector plays a crucial role in the Indian Economy, there is a constant drop in this sector while the service sector is comparatively improving.

Agriculture Sector in Indian Economy:

The Indian Economy is an Agro-Economy; the difficulty with such an agro economy is that the agriculture sector is highly dependent on the cycle of production, distribution, and consumption. Another problem with the Agro-economy is productivity. Currently, Indian Farmers produce 2.4 tonnes of rice per hectare of land, far behind its actual potential. On the other hand, China and Brazil produce 4.7 and 3.6 tonnes of rice per hectare. Despite so many disadvantages of the agriculture sector, it is still the most crucial sector for the Indian Economy.

Importance of Agriculture in the Indian Economy:

Almost half of the population of India indulged in agriculture. The agriculture sector holds an important place in the economy. Agriculture provides employment opportunities to rural agricultural and non-agricultural labourers. It plays a significant role in international trade and import and export activities.

The role of the agricultural sector in the Indian Economy :

1. **Contribution in GDP :**

   Since the time of Independence, the agriculture sector has been the major contributor to the country's GDP. In the financial year 1950-1951, agriculture and other related activities had a share of 59% of the country's total GDP in that financial year. Although there is a constant drop in the agriculture sector, it is still one of the most crucial sectors in the Indian Economy. On the other hand, in developed countries such as the UK and USA, the agriculture sector contributes only about 3% of the country's total GDP.

2. Largest Employee Sector :

In India, the agriculture sector has more than half of the total population of the country engaged, which makes it the sector with the most number of employees in the country. Comparing it with the developed nations, India has about 54.6% of the total population in the agriculture sector engaged, while in developed nations such as the UK, USA, France, and Australia, only 2%-6% of its total population is engaged in the agriculture sector.

3. Source of Food :

India is the second-most populous country in the world. And to feed such a huge population, there is always a constant need for a supply of food. Therefore, there is a need for agriculture and a need for less dependency on the agriculture sector for the Economy.

4. Relation between Agricultural and Industrial sector :

For the continuous manufacturing of products, there is a constant need for raw materials, and to fulfil this need, most of the industries in the country collect this raw material directly from the agricultural fields.In India, around half of the income generated in the industrial sector comes from agricultural-based industries. So, in India, the industrial sector is highly dependent on the agricultural sector.

5. Commercial Significance :

Indian Agriculture is important for the industrial sector and trading purposes both internally and externally. Agro-products such as tea, coffee, sugar, cashew nuts, spices, etc., which are edible and textile products such as jute, cotton, and others contribute 50% and 20% respectively to the total export of the total country. These add up to around 70% of the country's total export and help the country in earning foreign exchange.

6. Contribution to the Government's Revenue :

Agriculture is the most significant source of income for the central and state governments. The government of the country has substantial revenue from rising land revenue. Also, the movement of agricultural goods helps generate revenue for the Indian railways, which helps the government in revenue generation.

MINISTRY OF AGRICULTURE AND FARMERS WELFARE

The Ministry of Agriculture and Farmers Welfare plays a pivotal role in the development and sustenance of India's agrarian sector, which serves as the backbone of its economy. With a vast and diverse landscape, India's agriculture sector faces multifaceted challenges ranging from technological modernization to socio-economic disparities. This essay explores the significance, functions, challenges, and initiatives of the Ministry of Agriculture and Farmers Welfare in addressing these issues.

सत्यमेव जयते
Ministry of Agriculture & Farmers Welfare
Government of India

Significance of the Ministry :
The agrarian sector in India sustains over half of the country's population, directly contributing to food security, employment generation, and rural livelihoods. The Ministry of Agriculture and Farmers Welfare serves as the apex body responsible for formulating policies, implementing schemes, and regulating activities related to agriculture, horticulture, and allied sectors. Its significance lies in ensuring sustainable agricultural practices, enhancing productivity, and improving the socio-economic conditions of farmers across the nation.

Functions of the Ministry :

1. **Policy Formulation and Implementation:**
   At the core of the Ministry's functions is the formulation and implementation of agricultural policies that address the diverse needs and challenges faced by farmers. These policies encompass a wide range of areas, including crop production, irrigation, soil health, agricultural marketing, and rural development. The Ministry works closely with various stakeholders, including state governments, agricultural research institutions, and farmer organizations, to design and implement policies that promote sustainable agricultural practices, enhance productivity, and improve the overall well-being of farmers.

2. **Agricultural Research and Development:**
   Promoting agricultural research and development is essential for driving innovation, increasing productivity, and addressing emerging challenges in the sector. The Ministry supports a network of agricultural research institutions and universities across the country, such as the Indian Council of Agricultural Research (ICAR), to conduct research on crop improvement, soil management, water conservation, and agricultural technology adoption. These efforts aim to develop new varieties of crops, improve farming practices, and disseminate knowledge and technologies to farmers.

3. **Crop Production and Productivity Enhancement:**
   Ensuring adequate crop production and enhancing productivity are central to achieving food security and increasing farmers' incomes. The Ministry implements various programs and schemes to promote sustainable agriculture, including the adoption of high-yielding crop varieties, efficient water management practices, and the use of organic farming techniques. Additionally, initiatives such as the National Mission for Sustainable Agriculture (NMSA) and the National Food Security Mission (NFSM) aim to increase the production of food grains, pulses, oilseeds, and horticultural crops through targeted interventions and incentives.

4. **Market Support and Price Stability:**
   Stable prices and efficient marketing channels are critical for ensuring that farmers receive fair prices for their produce and are incentivized to invest in agriculture. The Ministry works to strengthen agricultural marketing infrastructure, including the development of market yards, cold storage facilities, and transportation networks. Additionally, price support mechanisms such as minimum support prices (MSPs) and procurement operations are implemented to provide price stability and protect farmers' incomes, particularly for essential commodities like wheat, rice, and pulses.

5. **Rural Infrastructure Development:**
   Investments in rural infrastructure play a vital role in improving agricultural productivity, reducing post-harvest losses, and enhancing market access for farmers. The Ministry supports the development of rural roads, irrigation systems, storage facilities, and agro-processing units to create an enabling environment for agricultural growth. Initiatives such as the Pradhan Mantri Krishi Sinchai Yojana (PMKSY) and the Rural Infrastructure Development Fund (RIDF) aim to address infrastructure gaps in rural areas and promote inclusive growth in the agricultural sector.

6. **Credit and Financial Support:**
   Access to credit and financial services is essential for farmers to invest in agricultural inputs, machinery, and technology adoption. The Ministry works in collaboration with financial institutions, such as commercial banks and regional rural banks, to provide credit to farmers at affordable rates through schemes like the Kisan Credit Card (KCC) and the Agricultural Debt Waiver and Debt Relief Scheme. Additionally, initiatives like the Interest Subvention Scheme and the Pradhan Mantri Fasal Bima Yojana (PMFBY) provide insurance coverage and risk mitigation measures to protect farmers from crop losses due to natural calamities.

7. **Farmers' Welfare and Social Security:**
   Ensuring the well-being and social security of farmers is a priority for the Ministry, given the inherent risks and vulnerabilities associated with agriculture. Various welfare programs and schemes are implemented to provide support to farmers in times of distress, including assistance for medical emergencies, education, and housing. Additionally, initiatives such as the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) provide direct income support to small and marginal farmers through cash transfers, thereby improving their financial resilience and livelihoods.

AGRICULTURE POLICY

1. **Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020 :**
The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020 was an act of the Indian Government that permits intrastate and inter-state trade of farmers' produce beyond the physical premises of Agricultural Produce Market Committee (APMC) market yards (mandis) and other markets notified under state APMC Acts. The Act was collectively passed as part of the 2020 Farm Bills.

Agricultural reform:
The essential commodities Act 1955 amended. The Act of 1955 has been amended to help both farmers and consumers while bringing in price stability. The following benefits are expected from this reform move:

- Commodities like cereals, pulses, oilseeds, edible oil, onion and potatoes will be removed from list of essential commodities
- Freedom to produce, hold, move, distribute and supply.
- It will help drive up investment.In situations such as war, famine, extraordinary price rise and natural calamity, such agricultural foodstuff can be regulated.
- Barrier free trade. Like The farming produce trade and commerce (promotion and facilitation) Act 2020 (status of the Act is Halted)
- Freedom to engage with buyers. Like Farmer (empowerment and protection) agreement on price assurance and farm services Act 2020.
- Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act.

This Act, along with the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, was promulgated by the Union Cabinet on 5 June 2020. The Lok Sabha approved the bills on 17 September 2020,[5] and Rajya Sabha on 20 September 2020.

Provisions:
Prior to the 2020 legislation, agricultural trade in India could only be conducted in APMC market yards (mandis). This Act, however, also allows trading in "outside trade areas" such as farm gates, factory premises, warehouses, silos, and cold storages and prohibits state governments from levying any market fee or cess on farmers, traders; it also aims to provide electronic-trading platforms for trading the produce of farmers in such areas.The Act seeks to facilitate lucrative prices for farmers through competitive alternative trading channels to promote barrier-free inter-state and intrastate trade of agriculture goods. It also permits the

electronic trading of farmers' produce in the specified trade area, facilitating direct and online buying and selling of such products through electronic devices and internet.

Criticism:

The Act bypasses the Agricultural Produce Market Committee altogether, creating a separate structure of trading. Before the Act, state governments levied taxes for agricultural produce that was bought outside the designated APMC mandi; this Act prohibits this and creates an incentive for buyers to purchase products outside the regulated APMC mandi.

The new Bills give the impression that farmers had unnecessary restrictions to trade freely for agricultural products, and mandis were the designated space for all transactions.[9] Accordingly, the amendment of the APMC Act, and the ensuing political uproar, are mostly significant for farmers in Punjab and Haryana, where mandis are the central place of transaction.[9] In contrast, NSSO data from a 2012–13 "situation assessment survey" of farmers reveals that most households in India sell off their crops through private traders or input dealers, rather than mandis or cooperatives.

2. **The Farmers (Empowerment and Protection) Agreement of Price Assurance and Farm Services Act:**

The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020 was an act of the Indian Government that creates a national framework for contract farming through an agreement between a farmer and a buyer before the production or rearing of any farm produces.

3. **The Essential Commodities (Amendment) Act:**

The Ordinance provides that the central government may regulate the supply of certain food items including cereals, pulses, potato, onions, edible oilseeds, and oils, only under extraordinary circumstances. These include:

(i) war,
(ii) famine,
(iii) extraordinary price rise and
(iv) natural calamity of grave nature.

The Essential Commodities (Amendment) Ordinance, 2020 allows the central government to regulate the supply of certain food items only under extraordinary circumstances (such as war and famine). Stock limits may be imposed on agricultural produce only if there is a steep price rise. The Act gives powers to the central government to add or remove a commodity in the schedule. The Centre, if it is satisfied that it is necessary to do so in the public interest, can notify an item as essential, in consultation with state governments.

AGRICULTURE SCHEMES IN INDIA

The Ministry of Agriculture in India plays a pivotal role in enhancing the nation's agrarian output and ensuring food security. Recognizing the challenges faced by farmers, it has launched numerous schemes to promote sustainable farming and boost productivity. Initiatives like the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) provide direct income support, while the Rashtriya Krishi Vikas Yojana (RKVY) aims for holistic agricultural growth. The National Food Security Mission (NFSM) focuses on increasing staple food production. Each scheme, meticulously designed, reflects the Ministry's commitment to transforming India's agricultural landscape and empowering its farming community.

The below mentioned are some of the major Agricultural Schemes in India:

1. **Pradhan Mantri KISAN Samman Nidhi (PM-KISAN):**

   The Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) Yojana is a farmer welfare scheme launched by the Government of India. Under this scheme, the government provides a direct benefit of Rs 6,000 per year to all small and marginal farmers in the country. This benefit is provided in three installments every 4 months. The objective of the PM-KISAN scheme is to promote farmers' income and make them self-reliant.

The eligibility criteria for the PM-KISAN scheme are as follows:

- The farmer must be a citizen of India.
- The farmer must be the owner of the land.
- The size of the farmer's land should not exceed 2 hectares.
- The farmer must have a bank account.

To avail of the benefits of the PM-KISAN scheme, the farmer has to apply online on the official website of the scheme. Along with the application, the farmer has to upload his/her Aadhaar card, bank account details, and land ownership documents.

The PM-KISAN scheme is an important farmer welfare scheme. This scheme will benefit crores of farmers in the country. This scheme will increase the income of farmers and make them self-reliant.

The benefits of the PM-KISAN scheme:

- It will provide financial assistance to small and marginal farmers.
- It will help to increase the income of farmers.
- It will help to make farmers self-reliant.
- It will help to reduce the burden on farmers.

The PM-KISAN scheme is a very important initiative by the Government of India. This scheme will have a positive impact on the lives of millions of farmers in the country.

2. Pradhan Mantri Fasal Bhima Yojana:

The Pradhan Mantri Fasal Bima Yojana (PMFBY) is a crop insurance scheme launched by the Government of India in 2016. The scheme aims to provide financial protection to farmers against crop losses due to natural calamities, pests, and diseases.

The scheme is mandatory for all farmers cultivating notified crops in notified areas. The premium for the scheme is shared between the government and the farmers. The government bears 50% of the premium for small and marginal farmers, while the farmers bear the remaining 50%.

The scheme provides coverage against crop losses due to drought, flood, hailstorm, cyclone, pests, and disease. The scheme also provides coverage against post-harvest losses due to fire, theft, and other unforeseen events.

The scheme is administered by the National Agricultural Insurance Company (NIAC) and its subsidiaries. The scheme has been well-received by farmers and has helped to reduce their vulnerability to crop losses.

The benefits of the PMFBY scheme:

- It provides financial protection to farmers against crop losses due to natural calamities, pests, and diseases.
- It helps to reduce farmers' vulnerability to crop losses.
- It helps to improve the income of farmers.
- It helps to stabilize the agricultural sector.
- It helps to promote sustainable agriculture.

The PMFBY scheme is a major step towards ensuring food security in India. The scheme has helped to reduce farmers' vulnerability to crop losses and has helped to improve their income. The scheme is a major boost to the agricultural sector and is helping to promote sustainable agriculture.

3. Pradhan Mantri Krishi Sinchai Yojana:

The Pradhan Mantri Krishi Sinchai Yojana (PMKSY) is a centrally sponsored scheme launched by the Government of India in 2015. The scheme aims to provide financial assistance to farmers for the installation of micro-irrigation systems.

The scheme is open to all farmers who own less than 2 hectares of land. The financial assistance is provided in the form of a loan, which is to be repaid over a period of 5 years. The loan is interest-free for the first two years.

The scheme has been well-received by farmers and has helped to increase the adoption of micro-irrigation systems. The scheme has also helped to improve the efficiency of water use and has led to an increase in crop production.

The benefits of the PMKSY scheme**:**

- It provides financial assistance to farmers for the installation of micro-irrigation systems.
- It helps to increase the adoption of micro-irrigation systems.
- It helps to improve the efficiency of water use.
- It leads to an increase in crop production.
- It helps to reduce the cost of production.
- It helps to improve the quality of produce.
- It helps to increase the income of farmers.
- It helps to reduce the burden on farmers.

The PMKSY scheme is a major step towards ensuring food security in India. The scheme has helped to increase the adoption of micro-irrigation systems and has led to an increase in crop production. The scheme is a major boost to the agricultural sector and is helping to promote sustainable agriculture.

4. E-NAM (National Agriculture Market) :

E-NAM, or the National Agriculture Market, is a pan-India electronic trading portal that networks the existing APMC (Agriculture Produce Marketing Committee) mandis to create a unified national market for agricultural commodities. It was launched on April 14, 2016, by the Ministry of Agriculture and Farmers' Welfare, Government of India.

E-NAM aims to address the challenges faced by farmers in the traditional agricultural markets, such as:

- Lack of transparency in price discovery
- High transaction costs
- Lack of access to a wider market
- Inadequate infrastructure

E-NAM provides a number of benefits to farmers, traders, and buyers, including:

- Real-time price discovery based on actual demand and supply
- Reduced transaction costs
- Increased access to a wider market
- Improved infrastructure and facilities
- Greater transparency and accountability

As of March 8, 2023, there are 1,260 mandis on boarded on the eNAM platform in 22 states and 3 union territories. The platform has facilitated trade of over 120 million MT of agricultural commodities worth over Rs. 1.2 trillion.

The biggest agriculture market in India is the Enumamula Agriculture Market in Warangal, Telangana. It is the largest wholesale market for turmeric in the world.

Some of the key features of E-NAM:

- It is a single-window platform for all APMC-related information and services.
- It provides real-time price discovery for agricultural commodities.
- It facilitates the online trading of agricultural commodities.
- It reduces transaction costs for farmers, traders, and buyers.
- It increases access to a wider market for farmers.
- It promotes transparency and accountability in the agricultural market.

E-NAM is a major government initiative to improve the agricultural market in India. It can potentially revolutionize the way agricultural commodities are traded in the country.

5. Pradhan Mantri Kisan Maan-Dhan Yojana (PM-KMY) :

Pradhan Mantri Kisan Maandhan Yojana (PM-KMY) is a voluntary and contributory pension scheme for small and marginal farmers in India. The scheme was launched on 12 September 2019 by Prime Minister Sri.Narendra Modi.

The main objective of the PM-KMY is to provide a guaranteed monthly pension of Rs.3,000 to small and marginal farmers after they reach the age of 60 years. The scheme is open to all small and marginal farmers who are between the ages of 18 and 40 years and who have cultivable land up to 2 hectares.

To join the scheme, farmers need to open a pension account with the Life Insurance Corporation of India (LIC). The minimum monthly contribution to the scheme is Rs.55 and the maximum monthly contribution is Rs. 200. The contribution amount is fixed for the entire period of 20 years or until the farmer reaches the age of 60 years, whichever is earlier.

The government will match the contribution made by the farmer up to a limit of Rs. 1,000 per month. This means that if a farmer contributes Rs. 55 per month, the government will contribute Rs. 55 per month. If a farmer contributes Rs. 200 per month, the government will contribute Rs. 1,000 per month.

After the farmer reaches the age of 60 years, he/she will start receiving a monthly pension of Rs. 3,000. The pension will be paid for the rest of the farmer's life.

The PM-KMY is a unique and innovative scheme that will provide a guaranteed monthly pension to small and marginal farmers in India. The scheme is expected to benefit millions of farmers and will help to improve their financial security in old age.

6. Green Revolution – Krishonnati Yojana :

The Indian government introduced the Krishonnati Yojana in 2005, aiming to holistically uplift the agricultural sector. The central objective is to use scientific approaches to improve farmers' incomes and to enhance agricultural production and returns. This flagship initiative comprises 11 distinct schemes under one umbrella:

- **Mission for Integrated Development of Horticulture (MIDH):** Focuses on the overall growth of the horticulture sector, boosting production, improving nutritional security, and augmenting farmer incomes.
- **National Food Security Mission (NFSM):** Aims to expand the production of staples like rice, wheat, pulses, and commercial crops while restoring soil fertility and reducing edible oil imports.
- **National Mission for Sustainable Agriculture (NMSA):** Dedicated to promoting sustainable agriculture, tailored to specific agro-ecologies, emphasizing integrated farming and resource conservation.
- **Submission on Agriculture Extension (SMAE):** Targets food and nutritional security, encourages effective stakeholder linkages, and utilizes innovative media and ICT tools.
- **Sub-Mission on Seeds and Planting Material (SMSP)**: Focuses on augmenting the production of certified seeds, reinforcing the seed multiplication chain, and introducing advanced seed-related technologies.
- **Sub-Mission on Agricultural Mechanization (SMAM):** Aims to make farm mechanization accessible to small farmers. It promotes custom hiring centers and introduces high-tech farm equipment.

- **Sub-Mission on Plant Protection and Plan Quarantine (SMPPQ):** Seeks to safeguard crops from pests and diseases and ensures agricultural bio-security, thus aiding Indian agricultural exports.
- **Integrated Scheme on Agriculture Census, Economics, and Statistics (ISACES):** Focuses on agricultural censuses, cost studies of principal crops, and improving agricultural statistical methodologies.
- **Integrated Scheme on Agricultural Cooperation (ISAC):** Aims to financially uplift cooperatives, remove regional disparities, and bolster the development of cooperative entities, especially for cotton growers.
- **Integrated Scheme on Agricultural Marketing (ISAM):** Seeks to enhance agricultural marketing infrastructure, introduce novel technologies, and create a unified online market platform for nationwide agricultural trading.
- **National e-Governance Plan in Agriculture (NeGP-A):** Prioritizes farmers by providing them with timely and pertinent information throughout crop cycles, leveraging technology to maximize agricultural productivity.

CONCLUSION

In conclusion, while Indian agriculture faces formidable challenges, including fragmented land holdings, water scarcity, and climate change, there are also significant opportunities for growth through technology adoption, diversification, and infrastructure development. By adopting a holistic approach that combines technological innovation, policy reforms, and capacity building, India can unleash the full potential of its agricultural sector, ensuring food security, improving rural livelihoods, and driving economic growth. Only through concerted efforts and sustained investment can India realize its vision of a prosperous and sustainable agricultural future.

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DEPARTMENT OF COMMERCE

TOPIC: - A STUDY ON SIRI PRODUCT AND SERVICES

AS A PART OF THE STUDENT RESEARCH PROGRAMME

2023-2024

CERTIFICATE

This is to certify that the following students of 1st B. Com" A" have completed the project entitled as "A STUDY ON SIRI PRODUCT AND SERVICES" as a co-curricular activity under the guidance of Dr. Rathnavati.K Department of commerce, SDM College, Ujire during the year 2024-2025.

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Department of commerce
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ACKNOWLEDGEMENT

We consider it a great privilege to express a deep sense of gratitude to Dr. Rathnavathi. K, HOD, Department Of commerce, for his valuable guidance in this project work. We are grateful to him for giving us an opportunity to work in this student research program. It is a great pleasure to thank Dr. Rathnavathi. K, H.O.D of commerce Department, who guided us in doing this project. We whole-heartedly thank our college principal Dr. Kumara Hegde and all other lecturers for their encouragement throughout our work.

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DECLARATION

We hereby declare that this student research project entitled “A STUDY ON SIRI PRODUCT AND SERVICES” has been prepared by us during the year 2024-2025 under the guidance of Dr. Rathnavathi. K, department of commerce, sdm college (Autonomous), ujire. We also declare that the result of this research has not been reported and submitted by us for any purposes elsewhere.

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CHAPTER-01
COMPANY PROFILE

Dr. D. Veerendra Heggade, Dharmadikari, Dharmasthala has taken a number of initiatives to address the problem of poverty & unemployment amongst the youth, which resulted in the establishment of RUDSET Institutes providing free training to unemployed youth, and Sri Kshetra Dharmasthala Rural Development Project (SKDRDP), empowering rural youth, especially women, through the formation of self-help groups and providing financing for various income-generating activities. However, when these rural women from SHGS started producing various products, they faced difficulties in pricing, packaging, and marketing, leading to a decrease in their motivation to continue their activities.

To address this problem and provide a platform for rural entrepreneurs, especially women, to sell their products, Dr. Heggadeji promoted a 'Not-for-Profit' Company known as 'Sri Dharamasthala SIRI Gramodyoga Samsthe' (SIRI) in 2004 at Belthangady Taluk, Dakshina Kannada District. Over the last 17 years, SIRI has been engaged in promoting products produced by over 3,000 Women Self Help Groups in various districts of Karnataka State.
Currently, SIRI offers a wide range of product categories such as Garments, Agarbattis, Millets, Bakery products, Food products, Chemical products, and Rexin Bags. These manufacturing units are located in 50 interior locations across Dakshina Kannada, Haveri, and Dharwad Districts. SIRI achieves an annual turnover of approximately Rs. 25 Crore through its own 13 outlets, 13-line sales, and around 300 active franchise shops across Karnataka.

Income tax act

SIRI being a non-profit organization falls under section 80G of the Income Tax Act.

Women empowerment

This economic empowerment programme is mainly focused on the Micro Enterprises for rural women. The plummeting Beedi rolling industry in D.K district has motivated SKDRDP to shore up Micro-Enterprises among the rural women.

CHAPTER-02
HISTORY & SIRI BRANCHES

SIRI is as a 'not-for-profit' organization under Section 80G of the Companies Act started in 2004 at Belthangady Taluk, DK District, Karnataka to provide a platform for people from economically weaker sections of the society (especially women from Self-Help Groups (SHGs) to sell their goods.

SIRI has been engaged in promoting the products produced by over 3,000 Women Self Help Groups from various Districts of Karnataka. Apart from SHGs, certain goods are also produced in-house at the manufacturing facilities spread across 50 interior locations in Dakshina Kannada, Haveri and Dharwad districts.

2004

SIRI has been engaged in promoting the products produced by over 3,000 Women Self Help Groups from various Districts of Karnataka. Apart from SHGs, certain goods are also produced in-house at the manufacturing facilities spread across 50 interior locations in Dakshina Kannada, Haveri and Dharwad districts.

Siri, they have several Manufacturing units are located in 50 interior locations across Dakshina Kannada, Haveri, and Dharwad Districts, which helps to produce a greater number of product and service to their ultimate customer.

Vision

Encourage rural women belonging to weaker and neglected sections of the society, minorities, SC & ST to take up income generating activities locally. Produce high quality products at effective costs that are far supreme compared to competitors.

Mission

Siri encourage rural women belonging to weaker and neglected sections of the society, minorities, SC & ST to take up income generating activities locally. Help prevent migration of villagers to cities in search of jobs by creating congenial atmosphere for taking up self-employment actives in the village itself.

Goal

Extend the required support in making incremental improvements in the quality of products produced and also the processes adopted to achieve a greater degree of success and a higher level of customer satisfaction. Produce high quality products at effective costs that are far supreme compared to competitors.

Importance of women employment

Women's employment can work well for rural communities in several ways:

Economic Empowerment:

Women's employment can contribute significantly to household income in rural areas. This additional income can help alleviate poverty and improve the overall economic well-being of the family.

Skill Development:

By engaging in employment, women have the opportunity to develop new skills and gain valuable work experience. This can enhance their employability and enable them to access better job opportunities in the future.

Community Development:

Women who are employed often invest a portion of their income back into their families and communities. This can lead to improved infrastructure, better access to education and healthcare, and overall community development.

Gender Equality:

Promoting women's employment can help challenge traditional gender roles and promote gender equality in rural areas. When women have access to employment opportunities, they are better able to assert their rights and participate in decision-making processes within their families and communities.

Diversification of Rural Economies:

Women's employment can contribute to the diversification of rural economies by expanding the range of available industries and services. This can help reduce dependency on traditional agricultural activities and create a more resilient local economy.

Social Cohesion:

Women's employment can foster social cohesion within rural communities by providing opportunities for networking, collaboration, and mutual support among women. This can strengthen community ties and promote a sense of belonging and solidarity.

Overall, women's employment can play a crucial role in promoting sustainable development and improving the quality of life in rural areas. By empowering women economically and socially, it is possible to create more inclusive and equitable societies where everyone has the opportunity to thrive.

SIRI BRANCHES & CAFE

Siri millet café

Siri Millet Cafe is a millet-focused restaurant in Belthangady that serves a variety of millet dishes, including masala dosa, idly, and vada. The cafe also offers herbal juices, coffee, and Savory dishes. Siri Millet Cafe also shares unique millet recipes with customers and educates them on the benefits of millet.

15 Siri branches are available

- Bejais
- Moodbidri
- Bolar
- Puttur
- Belthangady
- Sullya
- Kasaragod
- Dharmasthala
- Bengaluru
- Dharwad
- Rayapura
- Hasana
- Mysore
- Kengeri

CHAPTER-03

PROMOTIONAL ACTIVITY & PRODUCT

Advertisement it is very important aspect for every business to promote their product and service in various advertisement or media platform.

Siri, they have also promotional activity to promote the product and service to various media to reach the ultimate customer and also it helps to give awareness about the product and appeal them the information and to make buy the product.

Siri, they provide the promotional activity in various media or digital bill boards platform. Some of the advertisement appeared in Television, Siri website, social media, Banners billboards, newspaper and also provide in Magazine.

Various products

Siri Agarabatti (Insane sticks)

- Vibhuti
- Shri Gandha
- Dharshana
- Champa

Siri Pickle

- Lemon pickle
- Mixed pickle
- Tamarind pickle
- Mango pickle

Millets

- Finger millet
- Foxtail millet
- Barnyard millet
- Little millet
- Proso millet
- Pearl millet

Cleaning agents

- Black phenyl
- White phenyl
- Rose phenyl
- Lemon phenyl
- Siri detergent
- Siri maxima

Awards

The company has received numerous awards for performance as a manufacturing unit, dynamic workplace culture, safety standard, contributions to the community and environment. Here are some of the Recognitions and achievements.

- SIRI Organic Fertilizer has been awarded Ujwala Udjyami Award.
- SIRI Organic Fertilizer has been awarded Zee News Business Icon Award.

Objectives

1) Encourage rural women belonging to weaker and neglected sections of the Society, Minorities, SC & ST to take up income generating activities locally.

2) Help prevent migration of villagers to cities in search of jobs by creating congenial atmosphere for taking up self-employment actives in the village itself.

3) Establish production centres equip with all the required infrastructure and machinery and manned by women which helps in boosting the self-confidence of women besides opening new job opportunities to them.

4) Continuous improvement in the marketing to achieve a better return on investment.

5) Extend the required support in making incremental improvements in the quality of products produced and also the processes adopted to achieve a greater degree of success and a higher level of customer satisfaction.

6) Constantly assess the changing customer preferences / requirements and meet them to gain market share and leadership position.

7) Produce high quality products at effective costs that are far supreme compared to competitors.

CHAPTER-04

SIRI ANNUAL REPORT

Here is a summary of financial information of SRI DHARMASTHALA SIRI GRAMODYOGA SAMSTHE for the financial year ending on 31 March, 2023.

- Revenue / turnover of SRI DHARMASTHALA SIRI GRAMODYOGA SAMSTHE is INR 1 cr - 100 cr
- Net worth of the company has increased by 174.83 %
- EBITDA of the company has increased by 115.62 %
- Total assets of the company have increased by 11.84 %
- Liabilities of the company has increased by 4.87 %

Particulars	Amount in (%)
Operating revenue	Inr 1 cr - 100 cr
Ebitda	115.62 %
Net worth	174.83 %
Debt/equity ratio	7.44
Return on equity	63.61 %
Total assets	11.84 %
Fixed assets	9.67 %
Current assets	14.29 %
Current liabilities	4.87 %
Trade receivables	10.37 %
Trade payables	48.36 %
Current ratio	0.89

Conclusion

The Siri outlet in Dharmasthala stands as more than just a retail space; it is a vibrant hub of connectivity, innovation, and community spirit. Through our study, we've unearthed the heartbeat of this establishment, pulsating with the rhythm of satisfied customers, dedicated staff, and the buzz of technological advancement.

In Dharmasthala, where tradition meets modernity, the Siri outlet serves as a bridge between the past and the future. It's not just about selling products; it's about empowering individuals' women employment with the tools they need to navigate the ever-changing landscape of the women empowerment so here it helps a lot for the development.

Our study has been more than just an academic endeavour; it's been a voyage of discovery into the heart of consumer behaviour, market trends, and the dynamics of retail entrepreneurship. From the neon-lit storefronts to the intimate interactions between customers and staff, we've unravelled the intricate tapestry of the retail experience.

As we bid adieu to our exploration of the Siri outlet in Dharmasthala, let us not forget the stories shared, the connections made, and the dreams ignited within its walls. May it continue to serve as a beacon of inspiration and a symbol of progress for generations to come, reminding us that in every corner of the world, innovation thrives, and community flourishes.

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SHRI DHARMASTHALA MANJUNATHESHWARA COLLEGE

(Autonomous)

(Re-Accredited A Grade with CGP 3.61 by NAAC)

UJIRE D. K.574240

DEPARTMENT OF COMMERCE

TOPIC: STUDY ON CONSUMER ATTITUDE TOWARDS RECENT DEVELOPMENTS IN MARKETING

AS A PART OF THE STUDENT RESEARCH PROGRAMME 2023-2024

CERTIFICATE

This is to certify that the following students of B.com have completed their project entitled as "Study on Consumer attitude towards recent developments in marketing" as Co-Curricular Activity under the guidance of **Ms. Akshatha** Department of Commerce, SDM College Ujire during the year 2023 24.

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PREETHI MG	220603
PREKSHA SS	220604
RAGHAVENDRA J	220606

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ACKNOWLEDGEMENT

We consider it a great privilege to express a deep sense of gratitude to **Ms. AKSHATHA**, Assistant Professor Commerce Department, for her valuable guidance in this project work. We are grateful to her. Forgiving us an opportunity to work in this student research programme. It is a great pleasure to thank **Ms. RATHNAVATHI**, HOD of Commerce Department. Who guided us in doing this project.

We whole heartedly thank our college principal **Dr. B.A KUMARA HEGDE,** and all other Lecturers for their encouragement throughout our work.

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We hereby declare that the Student Research project entitle “Consumer attitudes towards recent development in marketing” has been prepared by us during the year 2023 - 2024 under the guidance of Ms. Akshatha., Department of Commerce, SDM College (Autonomous) Ujire. We also declare that the result of the of this research has not been reported and submitted by us for any purposes elsewhere.

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INDEX

INTRODUCTION :

Consumer attitude refers to a set of emotions, behavioural intentions, and beliefs that a consumer has toward behaviour or product. It can be changed by influencing one or more of its three compartments; behavioural, affective, and cognitive Retailers use different strategies to influence customer behaviour. Some of these strategies include offering huge discounts on many items during Black Friday or Memorial Day. Such days experience a drastic increase in the number of purchases since customers are satisfied with buying items at a lower price than the standard one. If a retailer sells items such as electronics on such days, they market the offer as having a limited time. This makes the customers fear missing out, thus making them purchase items that they would not purchase under normal circumstances.

Consumer attitudes describe a set of emotions, behavioural intentions, and cognitive beliefs regarding behaviour or product. When customers purchase one item, they may fall for shopping momentum where they purchase other unrelated items. This shows the power of big sales in influencing consumer attitudes.

OBJECTIVES:

1.Insight Generation: By understanding consumer attitudes, businesses can gain valuable insights into how their target audience perceives and reacts to new marketing strategies, technologies, and trends. This insight helps in refining marketing campaigns and product development strategies.

2.Enhanced Engagement: Knowing consumer attitudes allows businesses to tailor their marketing efforts to resonate more effectively with their target audience. This can lead to higher levels of engagement, increased brand loyalty, and improved customer satisfaction.

3.Competitive Advantage: Businesses that are attuned to consumer attitudes can stay ahead of competitors by anticipating shifts in consumer preferences and adapting their marketing strategies accordingly. This proactive approach can help maintain or gain market share in competitive industries.

4.Brand Reputation Management: Consumer attitudes towards marketing developments can impact brand reputation. By monitoring and responding to consumer sentiment, businesses can mitigate negative perceptions and enhance their brand's image.

5.Innovation and Adaptation: Understanding consumer attitudes towards new marketing technologies and trends can inspire innovation and drive strategic adaptation within organizations. Businesses can identify opportunities to leverage emerging technologies and consumer preferences to stay relevant in a rapidly evolving marketplace.

6.Long-Term Relationships: Building trust and credibility with consumers is essential for fostering long-term relationships. By aligning marketing efforts with consumer attitudes and values, businesses can cultivate stronger connections with their audience, leading to sustained loyalty and advocacy.

Overall, the objectives of studying consumer attitudes towards recent developments in marketing are centred around improving strategic decision-making, enhancing customer experiences, and ultimately driving business growth and success

What is Consumer Behaviour?

Consumer behaviour is the action a consumer takes while choosing and buying a product. Consumers have different attitudes toward purchasing different products and use different thought processes when making a decision. Understanding consumer behaviour is crucial since it can help in consumer differentiation to identify the target group. It can also help design market campaigns and keep customers happy to retain them. Different aspects of consumer behaviour influence a customer to make a purchase. Include their thought processes, culture, influence by personality, and the buying scenario.

Consumer Behaviour Decision-Making

When consumers make a decision regarding a purchase, they undergo a certain thought process. This begins with becoming aware and identifying one's needs, after which one collects information on how different products can help address the need. One then evaluates the available alternatives, decides on the most suitable product or service, and then evaluates the purchase.

Suppose a person wants to purchase a house. One would need to understand the house that would suit them best. Afterward, the consumer would research the best location and compare the available houses before making a purchase. After making the decision, the customer would evaluate their decision to confirm that they made the right choice

Changing Customer Attitudes

There are three components that influence consumer attitudes; behavioural, affective, and cognitive. The affective component is concerned with the emotions and feelings toward a product. The cognitive aspect is concerned with beliefs and thoughts, while the behavioural component is concerned with the tendency to behave in a certain way toward a product. One can change a customer's attitude by altering one or more of these components.

Changing Belief

A consumer's belief regarding a product or service is shaped by personal experiences or the information available. Brand managers can use different strategies to influence a customer's beliefs regarding a product. An example is reinforcing a positive attribute of a product. By identifying the attribute that people like the most regarding a product, a business can use strategies to reinforce it. Another effective strategy is comparing a product with those of the competitors to make consumers believe that one product is superior to the others

Consumer attitudes refer to a set of behavioural intentions, cognitive beliefs, and emotions regarding a product or behaviour. Consumer attitudes are influenced by three different components: behavioural, affective, and cognitive. The affective component describes one's feelings and emotions towards a product. The cognitive component is concerned with thoughts and beliefs regarding the product, and the behavioural component deals with the behaviour. Altering any of these three compartments can alter customers' attitudes.

What Are Consumer Attitudes?

Consumer attitudes is a composite of three elements: cognitive information, affective information, and information concerning a consumer's past behaviour and future intentions. In other words, attitude consists of thoughts or beliefs, feelings, and behaviours or intentions towards a particular thing, which in this case is usually a good or service. For example, you may have a very positive view of a particular sports car (for example, you believe it performs better than most), it makes you feel good, and you intend to buy it.

Changing Consumer Attitudes

Basically, if you want to change a consumer's attitude, you need to change one or more of the three elements composing it. Let's take a brief look at each.

Changing Belief

You can try to change a current belief by providing evidence to support the change, such as facts and logic. If the beliefs are strongly held, you'll encounter a significant degree of resistance. You can also try to change the importance of a belief. For example, you may be able to get people to buy an electric car because it will save them money in fuel, which may induce consumers to purchase the car because It becomes an important means of saving money verses because they think it will help the environment, which may be less important to them.

It's often easier to add beliefs than to change them, such as convincing consumers that a product has a unique feature that is valuable. This may improve their perception of the product's utility. Finally, you may try to change a culturally accepted ideal. This is very hard to do. A fast-food company, for example, may try to convince people that thin is out, and a robust figure is in.

Recent developments in marketing have brought about both advantages and disadvantages:

Advantages:

1.Personalization: Advanced data analytics and AI technologies enable marketers to tailor messages and offers to individual preferences, enhancing customer experiences and increasing conversion rates.

2.Targeting: With the help of big data and machine learning, marketers can identify and target niche audiences more effectively, resulting in higher ROI for marketing campaigns.

3.Social Media Influence: Platforms like Instagram, Tiktok and YouTube offer unparalleled opportunities for brands to engage with their target audience and build brand awareness at a relatively low cost.

4.Content Marketing: The rise of content marketing allows brands to create valuable, relevant content that attracts and retains a clearly defined audience, establishing thought leadership and trust.

5.**Automatio**n: Marketing automation tools streamline repetitive tasks, allowing marketers to focus on strategy and creativity while improving efficiency and scalability.

Disadvantages:

1.Privacy Concerns: The collection and utilization of vast amounts of consumer data raise concerns about privacy and data security, leading to regulatory scrutiny and consumer distrust.

2.Information Overload: Consumers are bombarded with marketing messages across multiple channels, leading to fatigue and scepticism, making it harder for brands to cut through the noise and capture attention.

3.Ad Blocking: The widespread adoption of ad-blocking software limits the reach of traditional digital advertising methods, reducing the effectiveness of certain marketing strategies.

4.Fake News and Misinformation: The proliferation of fake news and misinformation on social media platforms can tarnish a brand's reputation and undermine trust in marketing communications.

5.Tech Dependency: Overreliance on technology may lead to a loss of personal touch and human connection in marketing efforts, potentially alienating some consumers who prefer more authentic interactions.

CONCLUSION

In conclusion, consumer attitudes towards recent developments in marketing are multifaceted and dynamic, reflecting a complex interplay of perceptions, behaviours, and societal trends. As businesses navigate the evolving landscape of marketing, understanding and responding to consumer attitudes will be crucial in shaping successful strategies and building meaningful connections with audiences. By prioritizing transparency, authenticity, ethical integrity, and consumer privacy, businesses can foster positive attitudes and strengthen trust in an increasingly digital and interconnected marketplace. Ultimately, consumer-centricity will remain paramount in driving brand loyalty and long-term success amidst rapid technological advancements and shifting consumer preferences.

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SHRI DHARMASTHALA MANJUNATHESHWARA COLLEGE

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DEPARTMENT OF COMMERCE

STUDY ON PUBLIC PROVIDENT FOUNT (PPF)

AS A PART OF THE STUDENT RESEARCH PROGRAMME

2023-2024

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This is to certify that the following students of **2nd B.com A** have completed the project entitled as "**Study on public provident fund** " as a co-curricular activity under the guidance of **Ms. Ashwini , Department of commerce**, S.D.M College, Ujire during the year 2023-2024

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ACKNOWLEDGEMENT

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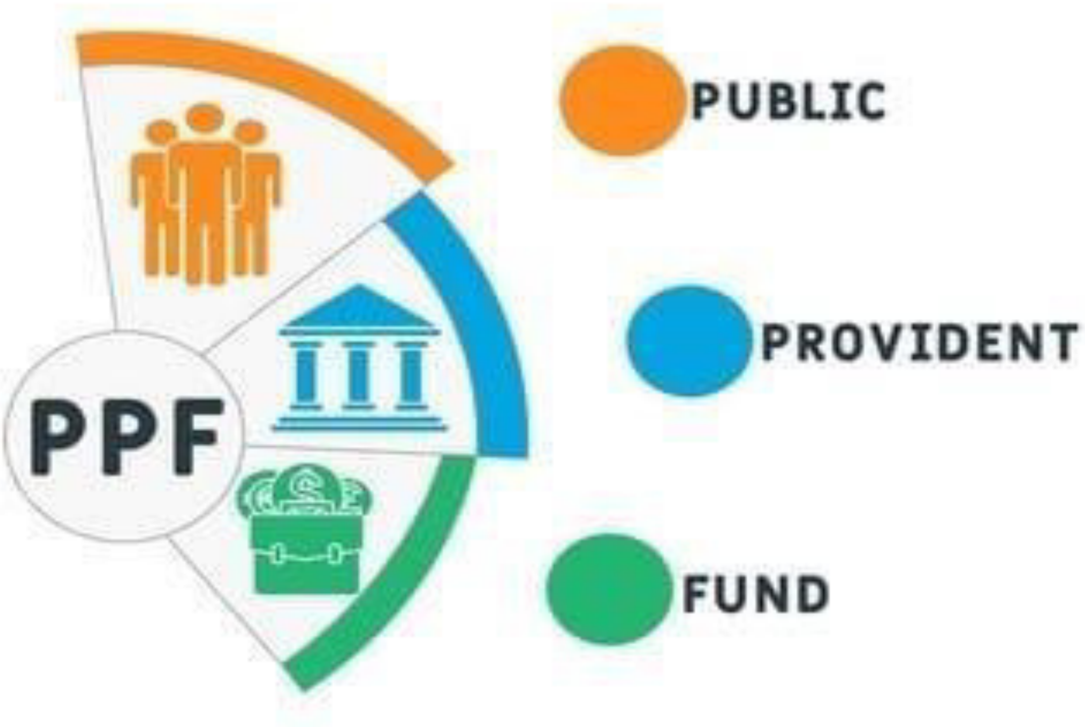
INDEX

A PUBLIC PROVIDENT FUND

INTODUCTION

The Public Provident Fund (PPF) is a savings-cum-tax-saving instrument in India,[1] introduced by the National Savings Institute of the Ministry of Finance in 1968. The main objective of the scheme is to mobilize small savings by offering an investment with reasonable returns combined with income tax benefits.[2] The scheme is offered by the Central Government. Balance in the PPF account is not subject to attachment under any order or decree of court under the Government Savings Banks Act, 1873. However Income Tax & other Government authorities can attach the account for recovering tax dues.[3]

The 2019 Public Provident Fund Scheme, introduced by the Government on 12 December 2019, resulted in the rescinding of the earlier 1968 Public Provident Fund Scheme.



MEANING

PPF meaning can be simply stated as a long-term investment scheme, popular among individuals who want to earn high but stable returns. Proper safekeeping of the principal amount is the prime target of individuals opening a PPF account.

When a PPF scheme is opened, the PPF account is scheduled for the applicant where the money is deposited every month and interest is compounded.

Who started PPF in India

The Public Provident Fund (PPF) is a savings-cum-tax-saving instrument in India, introduced by the National Savings Institute of the Ministry of Finance in 1968

ELIGIBILITY

As of August 2018, according to the Indian Ministry of finance (Department of Economic Affairs), NRIs (Non resident Indians) are not allowed to open new PPF accounts. However, they are allowed to continue their existing PPF accounts up to its 15 years maturity period.[4] An amendment to earlier rules allowing NRIs to invest in PPF was proposed in the 2018 Finance Bill, but has not yet been approved.[5]

In October 2017, a notification was passed by the Ministry of Finance regarding an amendment to the PPF scheme of 1968, which would deem a PPF account closed from the day a person became a non resident.[6] This led to much confusion.[7] Subsequently, the ministry issued an office memorandum in February 2018 keeping the above notification in abeyance until any further order on this matter, thus the situation remained unchanged.[8]

INVESTMENT AND RETURNS

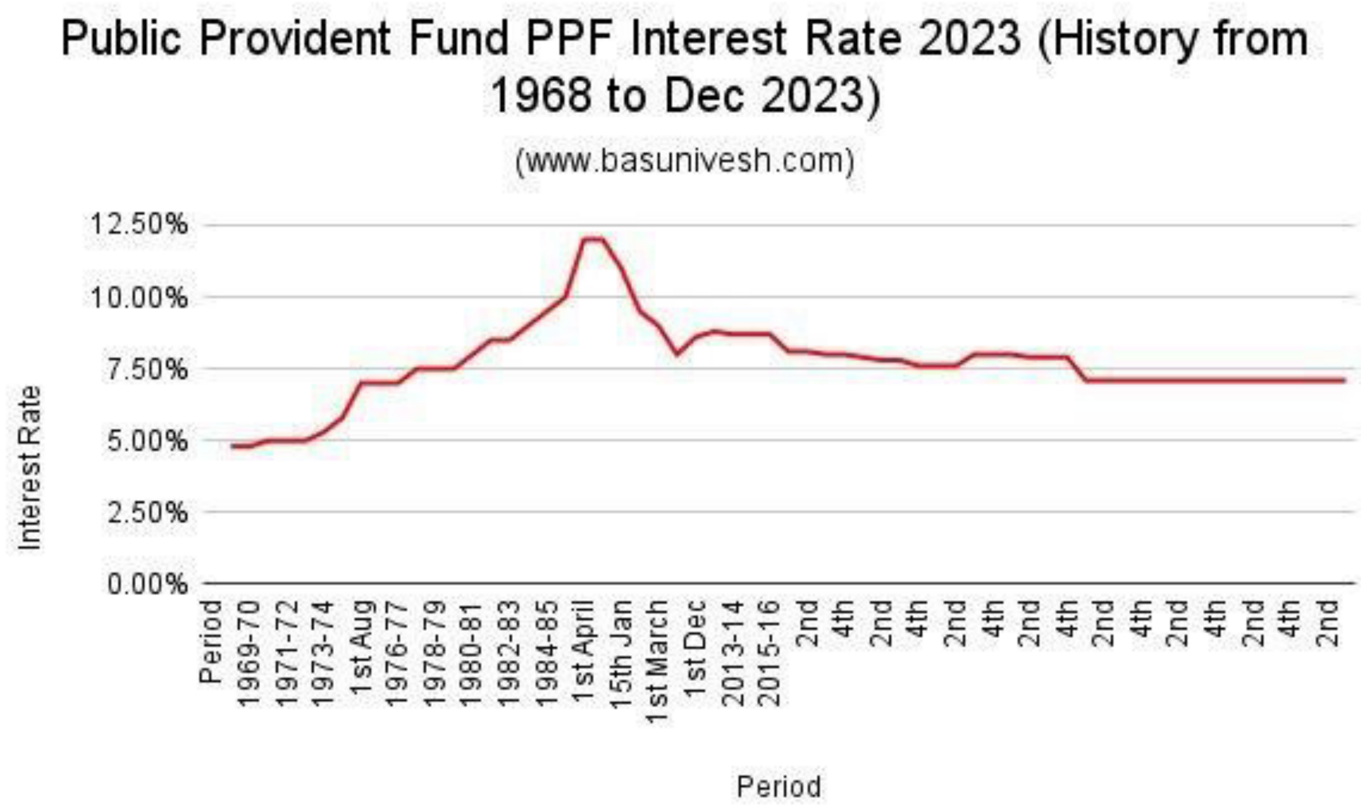
A minimum yearly deposit of ₹500 is required to open and maintain a PPF account. A PPF account holder can deposit a maximum of ₹1.5 lacs in his/her PPF account (including those accounts where he is the guardian) per financial year. There must be a guardian for PPF accounts opened in the name of minor children. Parents can act as guardians in such PPF accounts of minor children. Any amount deposited more than ₹1.5 lacs in a financial year will not earn any interest. The amount can be deposited in lump sum or installments per year. However, this does not mean a single deposit is made once a month.

The Ministry of Finance, Government of India announces the rate of interest for PPF account every quarter. This interest is compounded annually and is paid in March every year. Interest is calculated on the lowest balance between the close of the fifth day and the last day of every month.

INTREST RATE

1986–2016

Period	Interest Rate
April 1986 – January 2000	12.0%
Januyary2000-february2001	12.0%
March2001-february2001	11.0%
March 2002 – February 2003	9.5%
March 2003 – November 2011	9.0%
December 2011 – March 2012	8.05%
April 2012 – March 2013	8.6%
April 2013 – March 2016	8.8%
April2016-september2016	8.1%



Features of PPF account

Below are the essential features of PPF

1.Tenure:

The PPF has a minimum tenure of 15 years, which can be extended in blocks of 5 years as per your wish.

2.Investment limits:

PPF allows a minimum investment of Rs 500 and a maximum of Rs 1.5 lakh for each financial year. Investments can be made in a lump sum or in a maximum of 12 instalments.

3.Opening balance:

The account can be opened with just Rs 100 a month. Annual investments above Rs 1.5 lakh will not earn interest and will not be eligible for tax savings.

4.Deposit frequency:

Deposits into a PPF account have to be made at least once every year for 15 years.

5.Mode of deposit:

The deposit into a PPF account can be made either by way of cash, cheque, demand draft (DD) or through an online fund transfer.

6.Nomination:

A PPF account holder can designate a nominee for his account either at the time of opening the account or subsequently.

7.Joint accounts:

A PPF account can be held only in the name of one individual. Opening an account in joint names is not allowed.

8.Risk factor:

Since PPF is backed by the Indian government, it offers guaranteed, risk-free returns as well as complete capital protection. The element of risk involved in holding a PPF account is minimal. As the returns from PPF accounts are fixed, they are used as a diversification tool for the investor's portfolio.

9.Tax benefit:

The PPF interest and maturity amount are tax-free under section 80C of the Income Tax Act, 1961.

10.Partial withdrawal:

PPF amount can be withdrawn partially from the seventh financial year onwards.

Reasons to Invest in a PPF Account

1. Interest Rates

The PPF interest rates are fixed at 7.1% for the third quarter of FY 2022-2023, meaning the 1st of October 2022 to the 31st of December 2022. The interest amount is calculated based on your lowest balance each month. The lowest balance is considered between the 5th and last day of the month. That's why, if you are investing in PPF, make contributions before the 5th day of the month.

2.Long Tenure

PPF scheme is a long-term investment and has no maximum maturity age. The initial holding period of the PPF scheme is 15 years. You can further extend this period in blocks of 5 years. So, you can continue your PPF account for a lifetime after it matures.

3. High Investment Limit

The minimum and maximum limits to investment are set in PPF. However, this bracket is broad enough for any investor. The minimum amount that you can invest in PPF is Rs 500 pa and the maximum amount is Rs. 1.5 lakhs pa.

4. Investment Flexibility

Once you start investing in a PPF account, you can invest any amount within the given investment limits in the account. You do not have an obligation to invest a fixed sum every month or year. However, it's better to maintain a disciplined investment streak.

5. Tax-Free Returns

As we have mentioned earlier in the article, the returns you gain from Public Provident Fund are completely tax-free. You don't have to pay taxes on the money you earn through the interest on your PPF investment. This can help you as a tax-saving tool.

6. Loan Against PPF

You can take a loan against your PPF account balance. The only condition is that you can take this loan after 1 year of starting a PPF account and before the expiry of 5 years.

The amount of loan that you can take is 25% of your PPF balance at the end of the second year. Otherwise, the balance of the year preceding the year in which you applied for the loan is considered.

PPF deposit limit

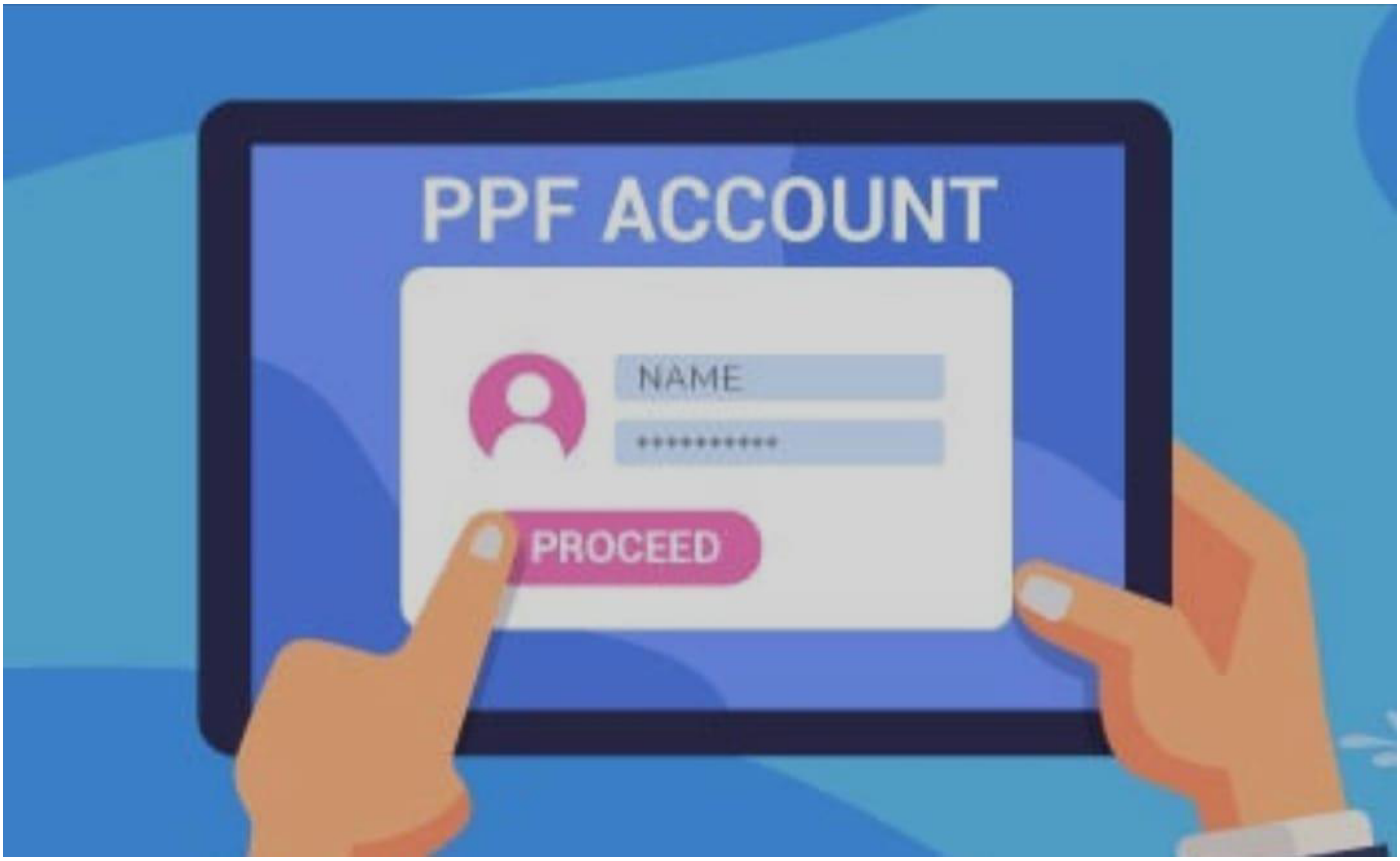
While the minimum annual amount required to keep the account active is Rs 500, the maximum amount that can be deposited in a financial year is Rs 1.5 lakh. One can open a PPF account in one's own name or on behalf of a minor of whom he is the guardian. This is the combined limit of self and minor account.

If contributions are in excess of Rs 1.5 lakh in a year, the excess deposits will be treated as irregular and will neither carry any interest nor will this excess amount be eligible for tax benefit under Section 80C. This excess amount will be refunded to the subscriber without any interest.

How to Open a PPF Account

Now that you know what PPF is, you must know how to start your Public Provident Fund account:

How to open PPF account in online



1. Log In to the internet banking portal
2. Click on “Open a PPF Account”
3. Choose between “Self-Account” or “Minor Account”

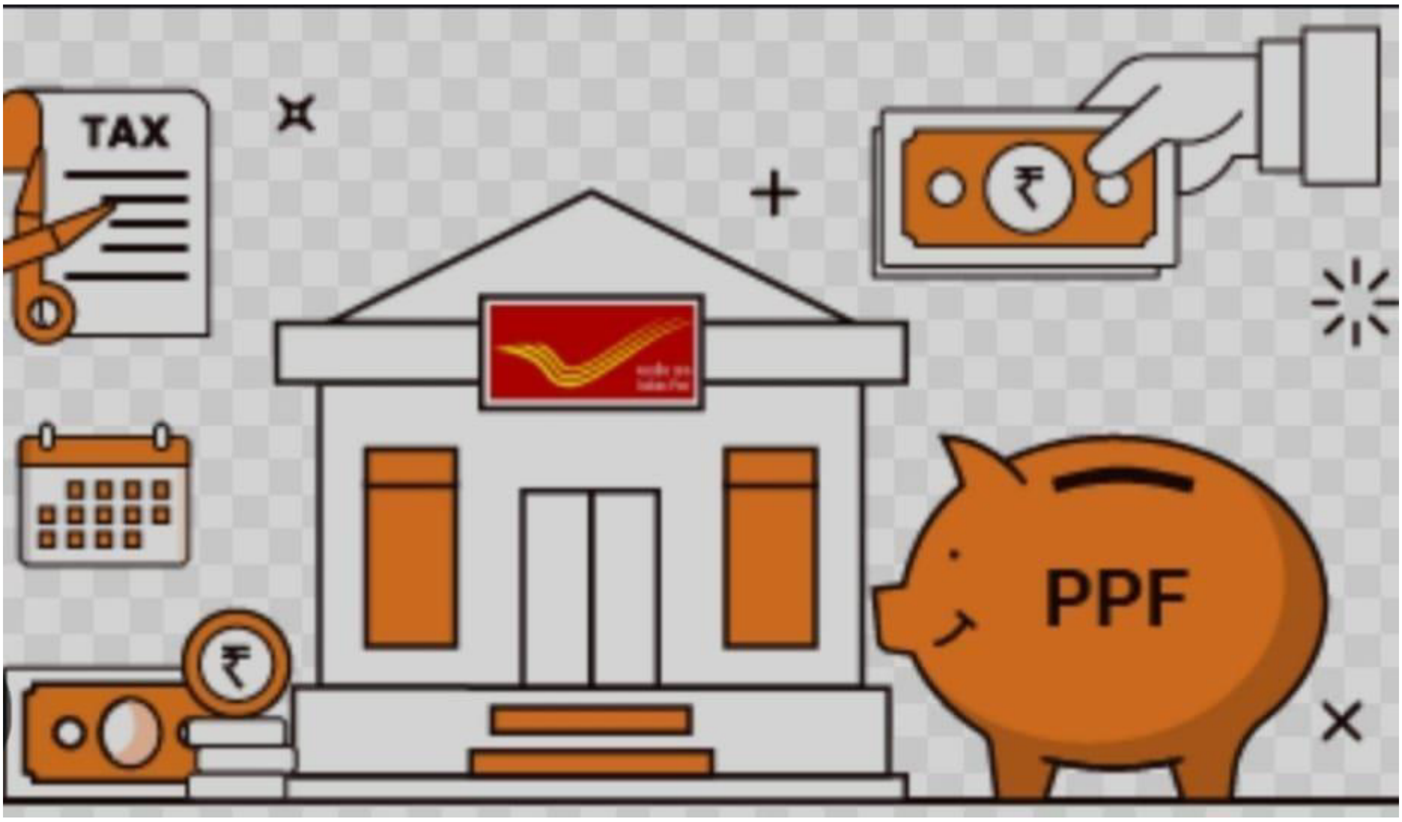
4.Enter all the information asked on the form

4. Verify the details. E.g. PAN Number and Address
5. Now, enter the initial deposit amount for the PPF account
6. Set up standing instructions allowing your bank to periodically deduct the fixed amount from your account
7. You will receive an OTP. Enter that OTP in the appropriate field 9. Submit

Your PPF account is now open and all set. Apart from the online process, you can open your PPF account via a bank branch or Post Office as well.

For opening a PPF account offline you will need to fill out the appropriate account opening form and submit signed copies of all KYC documents

How to open PPF in post office



1.Obtain the PPF account opening application form from the nearest the Post office branch

2.Submit the dully filled application form

3.Submit the KYC (Know Your Customer) documents along with passport-sized photograph

4.Make the deposit to activate the account

5.Deposit amount ranges between Rs.500 to Rs.1.5 lakh per year

6.PPF account passbook will be given to the accountholder after the account has been created successfully

Which documents are required to open a PPF account

Here are the documents required for a PPF account opening in India.

An identity proof which can be a Voter card, Pan card, or Aadhaar card

PPF Scheme Application form

Proof of residence

Pay-in slip available at bank branch or post office

Signature

Passport size photographs

Nomination form

The documents required for the PPF account in a post office are the same as above. All you will need to do is self-attest the copies of the documents that you provide

How to link Aadhaar with a Public Provident Fund account online

Step 1: Log into the internet banking account.

Step 2: Select 'Registration of Aadhaar Number in Internet Banking'

Step 3: Type in the 12-digit Aadhaar number and click 'Confirm'.

Step 4: Choose the Public Provident Fund account you want to link with your Aadhaar card

Step 5: Click on 'Inquiry' to check if the Aadhaar linking is done.

Investment Tenure

A PPF account has a lock-in period of 15 years on investment, before which funds cannot be withdrawn completely. An investor can choose to extend this tenure by 5 years after the PPF lock in period is over if required.

Principal Amount

A minimum of Rs. 500 and a maximum of Rs. 1.5 Lakh can be invested in a provident fund scheme annually. This investment can be undertaken on a lump sum or installment basis. However, an individual is eligible for only 12 yearly instalment payments into a PPF account.

Investment in a PPF account has to be made every year to ensure that the account remains active.

Loan against Investment

Public provident funds provide the benefit of availing loans against the investment amount. However, the loan will only be granted if it is taken at any time from the beginning of 3rd year till the end of the 6th year from the date of activation of the account.

The maximum tenure of such loans against PPF is 36 months. Only 25% or less of the total amount available in the account can be claimed for this purpose.

Eligibility Criteria

Indian citizens residing in the country are eligible to open a PPF account in his/her name. Minors are also allowed to have a Public provident fund account in their name, provided it is operated by their parents.

Non-residential Indians are not permitted to open a new PPF account. However, any existing account in their name remains active till the completion of tenure. These accounts cannot be extended for 5 years – a benefit available to Indian residents.

Interest on a PPF Account

The interest payable on public provident fund schemes is determined by the Central Government of India. It aims to provide higher interest than regular accounts maintained by various commercial banks in the country.

Interest rates currently payable on such accounts stand at 7.1%, and are subject to quarterly updates at the discretion of the government.Features of a PPF Account

The key characteristics of a public provident fund scheme can be listed as follows.

Benefits of PPF (Public Provident Fund):

Why PPF Is Best Investment?

A Public Provident Fund is one of the most widely invested because of the PPF investment benefits it provides. The scheme's maturity period is 15 years. It allows full withdrawal after five years for reasons, such as life-threatening diseases, higher education, etc. However, you can make a partial withdrawal after seven years.

Apart from these PPF benefits and features, below are further advantages that answer why to invest in a PPF.

1. **Extension of Tenure**

Although the scheme comes with a tenure of 15 years, investors can extend the tenure in blocks of five years. Investors are required to fill out Form H to extend their tenure after 15 years.

2. **Tax Benefits on PPF**

A major objective of tax-paying Indian citizens to invest in instruments such as PPF is to lower their total taxable income, thereby increasing savings.

The tax benefits are offered by the scheme under Section 80C of the Income Tax Act of 1961. As PPF investments fall under the Exempt-Exempt-Exempt (EEE) category, it provides tax deductions on the invested amount subject to a limit of Rs 1.5 lakh annually. Another PPF benefit is the tax-free nature of the accumulated amount and interest at the withdrawal time.

3. **Investment Security in PPF**

One of the best PPF benefits is the investment security provided by the Indian government through Public Provident Funds. Extending the PPF investment benefits, the Indian government backs all the investments made by investors with a sovereign guarantee.

With a sovereign guarantee, the government legally promises to discharge the liability and provide the invested amount along with interest payments to investors in case of default. Furthermore, the investment scheme backed by the Indian governmentis unlikely to have negative cash flow, making it one of the safest investment schemes available for earning returns.

4. **Facility of Loans Against PPF**

Many people rely on loan products offered by lenders to ensure they can protect their savings for future expenses and can still cover immediate expenses effectively. Loan products such as medical, housing, education, and business loans have allowed raising immediate and adequate capital to tackle financial emergencies without losing hard-earned savings.

However, lenders have created eligibility criteria for various secured loan products that require applicants to pledge any valuable asset as collateral to get their loan application approved.

A vital PPF benefit is its facility to work as collateral as per the amount invested by the investor for a certain period. You can leverage your PPF account and take loans between the third and the sixth year for a tenure of up to 36 months. The loan amount provided against the PPF amount can be 25% maximum of the total invested amount.

For example, if you have invested Rs 5,00,000 after the completion of the third year, you can take a loan against this amount, which will be a maximum of 25% of Rs 5,00,000, i.e., Rs 1,25,000.

Furthermore, the government has extended the PPF benefit of taking a loan against the PPF by allowing investors to take a second loan on the invested amount before the sixth year. However, you can take the second loan only after you have repaid the first loan completely before the sixth year.

5. **Partial Withdrawals**

The main objective of Public Provident Funds is to multiply the invested wealth through the compounding effect. Wealth-building aims to ensure adequate corpus to cover financial emergencies or high planned expenses. However, as life is uncertain, any eventualities may require immediate funds to cover the expenses.

The Indian government, under the PPF benefits, has created an option to partially withdraw the invested amount in PPF account in case the investors need immediate funds for personal expenses. However, some rules are set by the government for partial withdrawals in PPF.

Per the PPF withdrawal rules, investors can fully withdraw the invested amount only upon maturity, after the completion of 15 years from the date of starting the account. However, if investors need funds, they can withdraw a partial amount after the completion of the sixth year, i.e., from the beginning of the account.

If any investors want to make a premature withdrawal, the PPF scheme allows a maximum of 50% of the invested amount till the completion of the fourth year. It means that you can withdraw 50% of the amount invested till the fourth year after completing the sixth year. Moreover, investors are only allowed to make a partial withdrawal once in a financial year.

6. **PPF As A Pension Tool**

The pension rule differs with employers as most private companies do not offer pension benefits to their employees. Hence, PPF benefits include investing in a PPF account to use the future corpus as a regular pension.

Since a PPF offers regular interest payments based on the set interest rate, the interest payout can become an alternative to a pension for individuals who do not have pension benefits in their current employment. This PPF benefit is highly advantageous for individuals to ensure a burden-free financial future without a regular income source.

7. **Transparency in Calculation**

PPF investment benefits not only provide return benefits but also create a system of utmost transparency. The Indian government sets the interest rate after duly reviewing the market scenario and communicates the interest rate beforehand to investors. The interest rate is paid automatically without delay at regular intervals.

8. **PPF Can Help You Create Wealth**

One of the most critical PPF benefits is its nature to help investors create wealth by multiplying their corpus after every interest payment cycle. Wealth creation is possible through the compounding PPF investment benefit that provides compound interest on the invested amount.

Rather than a fixed interest on the initial principal amount, PPF provides interest on the principal amount plus all the interest paid till now, thereby creating wealth in the process.

Disadvantages of PPF

Although the PPF benefits outweigh the few disadvantages of PPFs, here are a few drawbacks

1. **Fixed Interest Rate**:

Although the Indian government regularly reviews and changes the interest rates, once set, the rates remain fixed for a certain period. In the case of high inflation, fixed interest rates may force investors to lose a chunk of their investment value.

2. **Lower Returns Than Mutual Funds, NPS**:

Public Provident Fund is not market-linked and does not base the interest rate and returns on an underlying asset such as equities. However, investment instruments such as mutual funds and National Pension System (NPS) have an equity component and may offer higher returns in a bull market.

3. **Less Flexible**:

Compared to other investment instruments, a lower flexibility undermines the PPF benefits. PPF has numerous limitations on the withdrawal amount, which is also capped at 50% of the total investment. Furthermore, the withdrawal process requires various calculations and submission of forms, making it a tedious task.

4.Lock-in Period:

PPF has a lock-in period of 15 years, which is longer than other tax-saving investments like Equity Linked Saving Scheme (ELSS) with a lock-in period of just three years. This extended lock-in period can pose challenges in case of emergencies or when there is a need for funds during the investment period. As discussed earlier, premature withdrawals are allowed in PPF, but there are restrictions and regulations on when and how much you can withdraw. Therefore, it's important to ensure that you can commit to investing in a PPF account for 15 years.

5.Moderate Interest Rate:

The interest rate offered on PPF accounts is not very high, especially considering it is a long-term investment scheme. In contrast, ELSS has the potential to provide double-digit returns to investors.

6. No Joint Holding:

PPF accounts cannot be held jointly, which can be a limitation if you intend to open a joint account with your spouse or other family members.

7. Investment Limit:

The maximum amount that can be invested in a PPF account in a year is ₹1.5 lakh. However, there is no limit to the amount you can invest in other tax-saving instruments like ELSS funds, NPS, or FDs, although the maximum tax benefit that can be claimed remains the same at ₹1.5 lacks under Section 80C.

8. NRI Restrictions:

While resident Indians can open new PPF accounts, this option is unavailable for NRIs. If you had a PPF account as a resident Indian and have become an NRI, you can continue making deposits into the account, but you cannot open new PPF accounts.

Duration of scheme

Original duration is 15 years. Thereafter it can either be closed and the entire amount can be withdrawn or on application by the subscriber, it can be extended for 1 or more blocks of 5 years each, with or without making further contributions.

PPF maturity options

Complete withdrawal.

Extend the PPF account with no contribution – PPF account can be extended after the completion of 15 years, subscriber doesn't need to put any amount after the maturity. This is the default option meaning if subscriber doesn't take any action within one year of his PPF account maturity this option activates automatically. Any amount can be withdrawn from the PPF account if the option of extension with no contribution is chosen. Only restriction is only one withdrawal is permitted in a financial year. Rest of the amount keeps earning interest.

Extend the PPF account with contribution - With this option subscriber can put money in his PPF account after extension. If subscriber wants to choose this option then he needs to submit Form H in the bank where he is having a PPF account within one year from the date of maturity (before the completion of 16 yrs in PPF). With this option subscriber can only withdraw maximum 60% of his PPF amount (amount which was there in the PPF account at the beginning of the extended period) within the entire 5 yrs block. Every year only a single withdrawal is permitted.

Loans

loan facility is available from 3rd financial year up to 5th financial year. The rate of interest charged on loan taken by the subscriber of a PPF account on or after 12 December 2019 shall be 1% more than the prevailing interest on PPF.

Public Provident Fund Scheme, 2019 has reduced the interest spread to 1 (one) percent form earlier spread of 2 percent

Up to a maximum of 25 percent of the balance at the end of the 2nd immediately preceding year would be allowed as loan. Such withdrawals are to be repaid within 36 months.

A second loan could be availed as long as you are within the 3rd and before the 6th year, and only if the first one is fully repaid. Also note that once you become eligible for withdrawals, no loans would be permitted. Inactive accounts or discontinued accounts are not eligible for loan.

WITHDRAWALS FROM PPF ACCOUNT

There is a lock-in period of 15 years and the money can be withdrawn in full after its maturity period. However, pre-mature withdrawals can be made from the start of the seventh financial year. The maximum amount that can be withdrawn pre-maturely is equal to 50% of the amount that stood in the account at the end of 4th year preceding year or the end of immediately preceding year whichever is lower.

After 15 years of maturity, the full PPF amount can be withdrawn which is tax free, including the interest amount as well.

How to Withdrawal Funds from Your Public Provident Fund

Follow these steps to withdraw money from your Public Provident Fund account:

Step 1: You should fill in an application form with Form C and enter the required information.

Step 2: Then, submit the application to the required bank branch where the PPF account is.

Participating Banks Offering PPF account in India

Here is the list of all the participanting bank that are offering PPF account:

Axis Bank

Bank of Baroda

Bank of India

Bank of Maharashtra

Central Bank of India

Dena Bank

HDFC Bank

ICICI Bank

IDBI Bank

Kotak Mahindra Bank

Oriental Bank of Commerce

Punjab National Bank

State Bank of India

Union Bank of India

Transfer of PPF account

The account can be transferred to other branches/ other banks or Post Offices and vice versa upon request by the subscriber. The service is free of charges

Step 1 – Approach the bank or post office branch where the PPF account is held and ask for the form for making the transfer. The bank or post office will provide you with a form which is to be filled.

Step 2 – The existing bank will then forward the certified copy of the account, the account opening application, nomination form, and specimen signature. It will also forward the cheque/dd for the outstanding amount in the PPF account to the new bank at the branch specified by the customer.

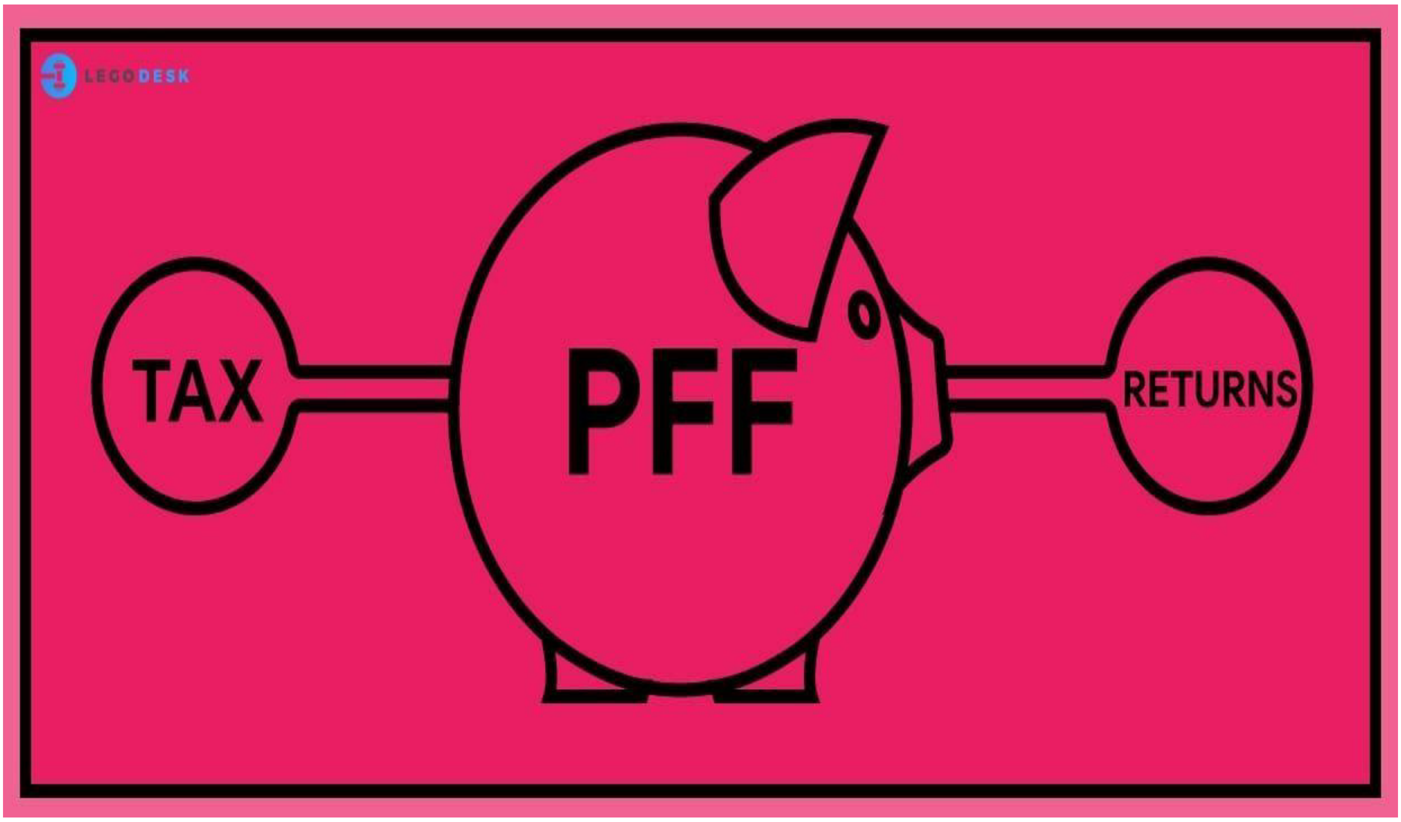
Step 3 – Once your bank receives these documents, the bank will inform you and ask you to submit a new PPF account opening form along with the old PPF passbook. You can also provide nominations for this new account. You will also be required to submit the KYC documents.

Step 4 – If you hold an internet banking facility with your bank, after a few weeks, check that the transferred PPF account now shows up under the PPF account tab/link in your login. If that is not the case, inquire the local bank branch.

Who should invest in PPF

PPF suits those investors who do not want volatility in returns akin to equity asset class. However, for longterm goals and especially when the inflation-adjusted target amount is high, it is better to take equity exposure, preferably through equity mutual funds, including ELSS tax saving funds.

PPF Tax concessions



Annual contributions qualify for tax deduction under Section 80C of income tax as per the old Tax regime. The tax benefit is capped at ₹1.5 lacs per financial year.

PPF falls under EEE (Exempt, Exempt, Exempt) tax basket. Contribution to PPF account is eligible for tax benefit under Section 80C of the Income Tax Act in the old Tax Regime. Interest earned is exempt from income tax and maturity proceeds are also exempt from tax.[3]

According to R.K. Mohapatra, General Manager-Finance,[47] IRCON International,[48] and author of the award-winning book ‘Retirement Planning: A Simple Guide for Individuals’, in the falling interest rate era, investment in PPF make senses for people who are in higher income tax brackets because of the advantages of exempt-exempt-exempt (EEE) scheme, which means they get tax deduction under Section 80C when they invest, and the accrual of interest as well as withdrawal is completely tax-free

CONCLUSION

After all, the principal and the interest earned have a sovereign guarantee and the returns are tax-free. The principal invested in the PPF qualifies for deduction under Section 80C of the Income Tax Act, 1961 and the interest earned is tax exempt as well under Section 10.

The Public Provident Fund or PPF is one of the most popular savings-cum-investment products in India. They are ideal for risk-averse investors who are also seeking long-term capital appreciation. In addition, PPF's tax benefits on both, investment and returns make it a compelling choice.

The current interest rate for Q4 (January-March) FY 2023-24 for PPF accounts has been fixed at 7.1%, compounded annually. As compared to the corresponding fixed deposit (FD) rates in many banks, Public Provident Fund gives higher interest benefits to its subscribers.

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