

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:1927
ANSWERED ON:29.11.2002
BEST PERFORMING COOPERATIVE BANKS
UMMAREDDY VENKATESWARLU

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) whether NABARD have launched a scheme to select and reward the best performing cooperative banks in the country;
- (b) if so, the criterion adopted by NABARD for selecting the banks;
- (c) whether smaller banks are unable to get attention from NABARD for their performance; and
- (d) if so, the steps taken by the NABARD to have a broad-based team to select such banks?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

(a) and (b) National Bank for Agriculture and Rural Development (NABARD) has reported that it has a scheme for awarding prizes every year to the best performing cooperative banks at national and state level since 1995-96. NABARD constitutes a selection committee consisting of experts in the field of rural development, rural economics and cooperation for selecting the best banks for awards. The criteria adopted for selection of cooperative banks includes, the performance indicators, leadership aspects and the developmental role played by the bank in its area of operation, systems and procedures, profitability, asset quality, recovery levels, business, owned funds, etc. Further, the banks should also not be incurring operational losses in the performance year, should comply with Section 11(1) and Section 24 of Banking Regulation Act, 1949 in maintaining the minimum capital and reserves, should comply with the credit monitoring arrangement norms prescribed by NABARD and should have no serious adverse features/findings in the inspection conducted by NABARD.

(c) The cooperative banks are not selected on the basis of size but on the basis of the criteria mentioned above. Smaller banks also qualify for the awards on the basis of their performance. NABARD also has a separate award category for District Central Cooperative Banks (DCCBs) and Primary Cooperative Agricultural and Rural Development Banks (PCARDBs) operating in dryland/rainfed areas since 1999-2000.

(d) NABARD has reported that the selection committee is constituted every year and it is ensured that it is a broad based committee and includes eminent bankers and experts.