

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5865
ANSWERED ON:30.04.2010
LOANS BY CO-OPERATIVE BANKS
Ahir Shri Hansraj Gangaram

Will the Minister of FINANCE be pleased to state:

- (a) whether the share of co-operative banks is decreasing constantly in providing loans to the agriculture and ancillary sectors;
- (b) if so, the details thereof;
- (c) the details of the loans disbursed to agriculture and ancillary sectors during 2009-10 in comparison to the 2008-09;
- (d) whether the Government has identified the obstacles being faced by co-operative banks in providing loans to the agriculture and ancillary sectors; and
- (e) if so, the details thereof and the steps taken/being taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI NAMO NARAIN MEENA)

(a) to (c): National Bank for Agriculture and Rural Development (NABARD) has reported that the share of cooperative banks in providing credit to agriculture and allied sector has increased from Rs.45,965.61 crore as on 31.3.2009 to Rs.52,292.11 crore as on 28.2.2010.

(d) & (e): The Government of India (GoI) constituted a Task Force in 2004 under the Chairmanship of Prof. A. Vaidyanathan for suggesting an implementable plan for the revival of the short term cooperative credit institutions. Based on the recommendations of the Vaidyanathan Task Force-I Report, the Government in January, 2006 formulated a revival package for the Short Term Co-operative Credit Structure (STCCS). The package envisages financial assistance for wiping out the accumulated losses as on 31st March, 2004, subject to legal and institutional reforms. The package is to be contributed to by GoI, State Governments and the Cooperative Credit Structure (CCS). The package also envisages training and capacity building, introduction of Common and Standard accounting and monitoring systems and computerization.