

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3410
ANSWERED ON:13.08.2010
LOSSES OF COOPERATIVE CREDIT SYSTEM
Bairwa Shri Khiladi Lal

Will the Minister of FINANCE be pleased to state:

- (a) whether the Cooperative Credit System has suffered losses on account of disbursement of short-term credit at concessional rates to the farmers;
- (b) if so, the details thereof for the last three years and the current financial year, State-wise; and
- (c) the corrective steps taken/being taken by the Government to make good the losses of such banks?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (Shri S.S. Palanimanickam)

(a) to (c): The Government of India provides interest subvention to the Cooperative Credit Structure(CCS) to ensure that farmers receive Short Term Crop loans at 7% p.a. upto Rs.3 lakh. NABARD is also extending refinance assistance to cooperative banks @4% for crop loans as part of the Government of India's Interest Subvention Scheme. The Govt. is implementing a revival package for Short Term Rural Cooperative Credit Structure (STCCS). The total financial assistance under the Revival Package is estimated at Rs.13,596 crore. The package is under implementation in 25 States, which cover more than 96% of the STCCS units in the country.