

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1556  
ANSWERED ON:04.03.2011  
LOSSES OF COOPERATIVE BANKS  
Bairwa Shri Khiladi Lal;Meghwal Shri Bharat Ram

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the cooperative credit institutions are running into losses on account of late reimbursement of funds by National Bank for Agriculture and Rural Development (NABARD) under Agriculture Debt Waiver and Debt Relief Scheme and because they have been brought under the purview of income-tax;
- (b) if so, the details thereof for the last three years and the current financial year, State-wise;
- (c) whether the Government proposes to provide interest free loans to such institutions to make good their losses and further lend crop loans at a subsidised rate of interest;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the other corrective steps taken/being taken by the Government in this direction?

**Answer**

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

(a) to (e): The Government of India's Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008 aimed at de-clogging the lines of credit that were clogged due to the debt burden on the farmers and to entitle these farmers for fresh credit. All agricultural loans disbursed by Scheduled Commercial Banks (SCBs), Regional Rural Banks (RRBs), Cooperative Banks (including Urban Cooperative Banks) and Local Area Banks (LABs) up to 31st March, 2007, overdue as on 31st December, 2007 and that remained unpaid until 29.02.2008 were covered under the Scheme. In terms of the ADWDRS guidelines, "the lending institutions shall not charge any interest on the eligible amount for any period after 29th February, 2008. However, in case of 'Other Farmers' who defaults in paying their share of the eligible amount on or before 30th June, 2009 and becomes ineligible for OTS relief, the bank may charge interest for the period after 30th June, 2009".

As per the ADWDR Scheme, the lending institutions including Cooperative Credit Institutions are reimbursed the waiver and relief claims by the Government of India on the basis of duly certified and audited claims made through the respective nodal agencies by the lending institutions [Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD) are the Nodal agencies for the Scheme] in installments. These payments have been made through RBI and NABARD to all lending institutions implementing the Scheme (including the Cooperative Banks) since 2008-09. The Government of India (GoI) has so far released an amount of Rs.51,340.47 crore to the lending institutions as reimbursement under the Agricultural Debt Waiver and Debt Relief Scheme, 2008.

NABARD the nodal agency for Regional Rural Banks and Cooperative Banks has reported that the funds received from GoI in installments were utilized for settling the audited claims under ADWDRS, 2008 to the Cooperative Banks without any delay.

NABARD has reported the position of funds released in respect of Co-operative Banks as under:

(Rs. in Crore)

| 2008-09 | 2009-10 | As on 17 | Grand Total |
|---------|---------|----------|-------------|
|         |         | February |             |
|         |         | 2011     |             |

| Debt Waiver | Debt Waiver | Debt Relief | Debt Waiver | Debt Relief | Debt Waiver | Debt Relief |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|

|           |          |        |        |          |           |          |
|-----------|----------|--------|--------|----------|-----------|----------|
| 12,753.70 | 6,095.31 | 238.98 | 117.13 | 2,519.27 | 18,966.14 | 2,758.25 |
|-----------|----------|--------|--------|----------|-----------|----------|

Further, due to the staggered schedule drawn up by the GoI for reimbursing the claims of the lending institutions, the GoI is also paying interest on the delayed reimbursement to lending institutions under this Scheme. NABARD has reported that Rs. 220.86 crore has been paid so far to Cooperative Banks as interest on the delayed reimbursement of audited claims under ADWDRS, 2008.