

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3949

ANSWERED ON:31.07.2009

CO OPERATIVE BANKS

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;Verma Shri Sajjan Singh

Will the Minister of FINANCE be pleased to state:

- (a) whether the share of Co-operative Banks loans for agriculture and related sectors has reduced considerably;
- (b) if so, the details thereof and the reasons therefor;
- (c) the details of loan disbursed by Co-operative Banks during the last three years, State-wise;
- (d) whether Co-operative Banks have sufficient funds for the loan waiver scheme;
- (e) if not, the number of Co-operative Banks running in loss during the last three years and the reasons therefor, State-wise;
- (f) the amount of loss incurred by such Banks; and
- (g) the corrective steps taken by the Government in this regard?

Answer

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

(a) to (c): No, Sir. In fact, the agricultural and related loans extended by the cooperative banks have shown a continuous increase during the years 2006-07 to 2007-08 over respective preceeding years. The details of loans disbursed by Co-operative Banks during the last three years, State-wise, are at Annex.

(d) to (g): The Government has taken the following steps to enhance the liquidity position of the cooperative banks in the aftermath of implementation of Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008:

The Government has, so far, released Rs. 21,000 crore to National Bank for Agriculture and Rural Development (NABARD) as reimbursement against ADWDRS for further release to Cooperative Banks and Regional Rural Banks. The Government has also decided to pay interest on the balance amount of 2nd, 3rd and 4th installments of reimbursable claims to the lending institutions under the ADWDRS.

In order to enhance the availability of concessional refinance to Cooperative Credit Institutions, the Government set up a Short Term Cooperative Rural Credit (STCR.C) Fund in NABARD with an initial corpus of Rs. 5,000 crore.

In addition, NABARD decided to extend refinance to the extent of 75% of actual crop loan disbursed during MKharif 2008, as against 35% in earlier years.

NABARD enhanced its refinance budget to cooperative banks / RRBs from Rs. 18,432 crore in 2007-08 to Rs. 21,500 crore in 2008-09.

NABARD has deferred the dues repayable by State Cooperative Banks upto 6 months and sanctioned liquidity support to Cooperative Banks and RRBs.

Under the Vaidyanathan Package for the revival of the Short Term Cooperative Credit Structure (STCCS), Government has released Rs. 7,430.63 crore to NABARD for further release to STCCS.

NABARD extended Liquidity support to Cooperative Credit Institutions during 2008-09 with interest subvention @ 4.5% p.a.