

Government of India
Ministry of Finance
Department of Financial Services

RAJYA SABHA

Unstarred Question No. 233

Answered on Tuesday, July 19, 2022/Ashadha 28, 1944 (Saka)

LOANS DISBURSED BY COOPERATIVE BANKS

233. SHRI K.C. VENUGOPAL:

SHRI SANJEEV ARORA:

Will the Minister of FINANCE be pleased to state:

- (a) whether the percentage of loans disbursed by the cooperative banks in the agriculture sector has increased over the last few years;
- (b) if so, the details thereof, including targets set and achievements made against the targets, State-wise including Tamil Nadu; and
- (c) whether Government has identified any constraints being faced by the cooperative banks in disbursing loans, and if so, the details thereof and the action taken by Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KARAD)

(a) & (b): As apprised by National Bank for Agriculture and Rural Development (NABARD), the quantum of loan disbursed by cooperative banks and their share in the total loan disbursed in the agriculture sector has witnessed a steady increase over the last 3 years. The details of loans disbursed by the Cooperative Banks in the Agriculture sector during the last three years are given below:

Year	Loan Disbursed in Agriculture Sector (in Rs. Crore)	% share of Loans disbursed by Cooperative Banks in total loan disbursed in Agriculture sector
2019-20	1,57,367	11.3
2020-21	1,90,682	12.1
2021-22(P)	2,17,849	12.8

State-wise target and achievement for the last three years including Tamil Nadu is Annexed.

(c): The major constraints being faced by the Cooperative Banks in meeting the credit needs of their customers, inter-alia, include limited avenues for raising/augmentation of capital, governance and management issues, low level of technological adoption and limited outreach.

Some of the initiatives taken by the Government of India to address the above-mentioned issues are as follows:

- (i) With a view to augmenting the lending resources of Rural Cooperative Banks, Government has set up the Short Term Cooperative Rural Credit (Refinance) Fund in NABARD. Through this Fund, NABARD provides concessional short-term refinance to Cooperative Banks for extending loan to farmers for agriculture and allied activities. An amount of Rs. 45,000 crore has been disbursed by NABARD under the said fund during 2021-22.
- (ii) Similarly, Government has set-up a Long-Term Rural Credit Fund (LTRCF) in NABARD for the purpose of providing long term refinance support to Cooperative Banks and Regional Rural Banks at concessional rate of interest for their lending towards investment activities in agriculture. Government has allocated Rs. 15,000 crore to this Fund during 2021-22.

- (iii) To support the continued flow of concessional credit in the aftermath of COVID-19 pandemic, an additional amount of Rs. 16,800 crore was sanctioned by NABARD in 2020-21 to the cooperative banks out of a special refinance facility. This was followed by a release of another Rs. 15,053 crore to cooperative banks as a special refinance facility in 2021-22.
- (iv) Many provisions of the Banking Regulation Act relating to governance, regulation and supervision applicable to banking companies were not applicable to cooperative banks previously. Banking Regulation (Amendment) Act, 2020 extends such provisions to Co-operative Banks. While ensuring better management with proper regulation, these amendments aim to ensure that the affairs of the co-operative banks are conducted in a manner that protects the interests of the depositors, by increasing professionalism, enabling access to capital, improving governance and ensuring sound banking through the RBI.
- (v) Computerisation of Cooperative Banks has also been undertaken with financial assistance from GoI and NABARD. As a result, 100% Core Banking Solution (CBS) adoption by cooperative banks has been completed.
- (vi) Recently, GoI has also announced financial assistance for computerization of all 63000 functional Primary Agricultural Credit Society (PACS) i.e., the grassroots tier of rural cooperative banking. This scheme is being implemented by NABARD.
- (vii) Financial support was also provided under Financial Inclusion Fund (FIF) for various technology interventions, such as, RuPay cards, mobile demonstration vans, PoS devices, microATMs, etc.

State-wise Agriculture Credit Target and Disbursement by Cooperative Banks in last 3 years

(in Rs. Crore)

S.No.	State/UT	2019-20		2020-21		2021-22(P)	
		Target	Disbursement	Target	Disbursement	Target	Disbursement
1	Delhi	11	2	15	6	15	0
2	Haryana	10696	11285	9545	12330	10434	11038
3	Himachal Pradesh	3929	1794	4587	1874	4500	1660
4	Jammu and Kashmir	563	22	686	13	648	4
5	Punjab	18577	10769	18589	10418	18714	8561
6	Rajasthan	22518	9803	21876	15639	21930	17335
7	Ladakh	-	-	-	-	17	0
8	Arunachal Pradesh	171	5	172	3	175	2
9	Assam	182	28	179	27	160	26
10	Manipur	57	43	54	19	52	257
11	Meghalaya	91	32	79	24	72	19
12	Mizoram	46	15	72	18	67	11
13	Nagaland	148	128	122	20	124	30
14	Sikkim	46	7	36	4	37	6
15	Tripura	399	222	584	24	597	25
16	Andaman and Nicobar Island	105	8	120	9	112	11
17	Bihar	3493	3205	4992	6104	4860	37196
18	Jharkhand	466	6	536	3	531	12
19	Odisha	12953	13274	13336	15328	13416	10427
20	West Bengal	6272	5070	7050	5346	7120	5709
21	Chhattisgarh	4695	4432	4768	5059	4855	2464
22	Madhya Pradesh	16250	11561	16663	14933	16826	15340
23	Uttarakhand	1445	1577	2255	1472	2295	1501
24	Uttar Pradesh	13722	6201	14408	7109	14658	7065
25	Goa	236	38	254	39	259	35
26	Gujarat	18643	14689	19921	16499	20707	20635
27	Maharashtra	20432	11273	24578	18495	25116	18443
28	Dadra and Nagar Haveli	10	0	13	0	13	0
29	Daman and Diu	12	0	13	0	13	0
30	Andhra Pradesh	12046	11858	18000	12667	18910	15820
31	Telangana	7830	5749	9020	7184	9212	7113
32	Karnataka	12524	13842	15886	17474	16164	18499
33	Kerala	6023	4240	7820	5244	7970	5835
34	Puducherry	32	9	34	10	35	1
35	Tamil Nadu	7877	16181	9684	17290	9928	12767
36	Lakshadweep	-	-	-	-	-	-
37	Chandigarh	-	-	-	-	-	-
	Grand Total:	202500	157367	225946	190682	230543	217849

- No Target/Disbursement

Source: NABARD