

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA

UNSTARRED QUESTION NO. 1665

ANSWERED ON TUESDAY, 10 DECEMBER, 2024/ 19 AGRAHAYANA, 1946 (SAKA)

DIVERSIFYING BUSINESS OF COOPERATIVE SECTOR BANKS

1665. SHRI DINESH SHARMA:

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

- (a) the steps taken to diversify the business of Cooperative Sector Banks;
- (b) whether these banks have been permitted to provide commercial real estate residential housing loans;
- (c) if so, the details thereof; and
- (d) the benefits which these Cooperative Sector Banks would accrue from being allowed to provide commercial real estate residential housing loans?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): The Government has taken various initiatives to diversify the business of Cooperative Sector Banks which, *inter-alia*, include:

- i. Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) has notified State Cooperative Banks (StCBs) and District Central Cooperative Banks (DCCBs) as Member Lending Institutions (MLIs) on 03rd February 2022 which has encouraged Cooperative Sector Banks to increase their lending to MSME sector.
- ii. An upward revision of the limit of housing loan to be extended by StCBs, DCCBs, and Urban Co-operative Banks (UCBs) has been done by RBI vide notification dated 08 June 2022.
- iii. StCBs and DCCBs have been made eligible financial institutions under various Government Schemes viz Agriculture Infrastructure Fund (AIF), PM Vishwakarma Scheme, PM Surya Ghar Muft Bijli Yojana, PM Formalisation of Micro food processing Enterprises (PMFME) Scheme for increased credit penetration to underserved sectors.
- iv. Model Byelaws have been framed to enable Primary Agriculture Cooperative Society (PACS) to diversify their business activities by undertaking more than 25 business activities, including dairy, fishery, floriculture, setting up godowns, procurement of foodgrains, fertilizers, seeds etc.

(b) to (d): Both primary (urban) co-operative banks and rural cooperative banks (state cooperative banks and district central cooperative banks) have been permitted to extend commercial real-estate residential housing (CRE-RH) loans within the overall housing finance limits. This has increased the scope of Cooperative Sector Banks for lending towards the housing segment by providing affordable housing to the people through its vast branch network
