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As per the ISS provisions the banks should submit their audited claims to NABARD and RBI on a half yearly basis and these are forwarded to the Government for settlement on quarterly basis. The Government clears the audited claims as and when these are received from NABARD/RBI. There is no proposal to provide 90% of the claim amount in advance.

(d): The following measures have been taken by NABARD to provide financial support to strengthen finances of Cooperative Banks:-

(i) In order to improve the capital of the banks NABARD has issued guidelines to achieve 9% Capital to Risk (Weighted) Assets Ratio (CRAR) stipulated by RBI and has also urged State Governments to provide capital support to cooperative banks in case the banks fall short in their capital mobilization.

(ii) The Government has approved an assistance package for 23 unlicensed District Central Co-operatives Banks (DCCBs) to strengthen their financial position to enable them to secure RBI license and a total assistance of Rs 2560.29 crore was released to these banks with State Government share of Rs. 1998.22 crore and Central Government share of Rs 562.07 crore. As a result, 20 DCCBs improved their CRAR and received license from RBI.

(iii) NABARD is providing refinance to Cooperative Banks for financing short term {Seasonal Agricultural Operations (SAO)} loans to farmers as per the funds allocated by Government of India from time to time.

(iv) In view of banks facing liquidity constraints due to reasons like drought conditions and increased demand, withdrawal of deposits by Central Cooperative Banks (CCBs), etc. NABARD has provided additional short-term refinance for SAO to State Cooperative Banks over and above normal short term (SAO) limit during the year 2016-17.

(v) On lines with RBI instructions, Cooperative Banks were advised by NABARD to act with empathy and consider restructuring and granting fresh loans without waiting for the receipt of the insurance claims.

(vi) Refinance for Medium Term conversion of short-term loan on account of natural calamity is provided to Cooperative Banks making farmers eligible for fresh short term (SAO) finance.

(vii) Refinance support to Cooperative Banks is also provided for financing short term (Weavers) / short term-other purposes.

(viii) Long Term/ Medium Term loan is also provided to enable Cooperative Banks to provide loans to farmers for undertaking all eligible agriculture and allied activities such as Dairy, Poultry, Minor Irrigation, Farm Mechanization, Land Development, Plantation & Horticulture, etc.
