

Government of India
Ministry of Finance
Department of Financial Services
LOK SABHA
Unstarred Question No. 3024
To be answered on Friday, January 05, 2018/Pausha 15, 1939 (Saka)

Payments by Cooperative Banks

3024. SHRI S.P. MUDDAHANUME GOWDA and SHRI B.V. NAIK.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware that a number of cooperative banks and rural banks are not in a position to pay money deposited by poor farmers in their accounts;
- (b) if so, the number of such banks and number of farmers/ depositors suffering, State-wise;
- (c) whether the Government has taken up this matter to settle the issue of defaulter banks and if so, the details thereof and if not, the reasons therefor; and
- (d) the steps taken by the Government to help the poor farmers in this regard?

Answer

The Minister of State in the Ministry of Finance
(Shri Shiv Pratap Shukla)

(a) to (d): National Bank for Agriculture & Rural Development (NABARD) has reported that as on 31.3.2017, the total deposits with 404 Rural Cooperative Banks (RCBs) comprising 33 State Cooperative Banks (StCBs) and 371 District Central Cooperative Banks (DCCBs) were ₹4,46,400 crore. Out of this, 17 RCBs have negative net worth. However, these banks are presently servicing their depositors.

The steps taken by the Central Government for revival of Rural Cooperative Banks are as under:

i. Based on the recommendation of Vaidyanathan Committee, Government implemented a revival package for Short Term Cooperative Credit Structure (STCCS) encompassing legal and institutional reforms, measures to improve the quality of management and financial assistance as necessary for their democratic, self-reliant and efficient functioning. Under the revival package, Government of India released Rs. 9,245 crore. The said package was closed on 30th June, 2011.

ii. Recognizing the need to revamp ailing Cooperative Banks so that they are able to cater to the needs of farmers at their doorstep, the Union Government in 2014 announced implementation of the Scheme for Revival of 23 Unlicensed DCCBs in four States viz. 16 in Uttar Pradesh, 3 in Jammu & Kashmir, 3 in Maharashtra and 1 in West Bengal. The total capital infusion required for revival of these 23 DCCBs was assessed to the tune of Rs. 2375.42 crore, out of which the commitment from Central Government was for Rs. 673.29 crore, for State Governments Rs.1464.59 crore and for NABARD it was Rs.237.54 crore. The entire share of Central Government under the Scheme has been released to NABARD for onward transmission to Cooperative Banks according to the terms and conditions prescribed in the Memorandum of Understanding governing the Scheme.