

LOK SABHA

Unstarred Question No. 3372

Answered on Monday, 16 December, 2024/ 25 Agrahayana, 1946 (Saka)

Diversifying the business of Cooperative Sector Banks

†3372. Shri Shankar Lalwani:

Will the Minister of FINANCE be pleased to state:

- (a) the steps taken to diversify the business of cooperative sector banks;
- (b) whether the said banks have been granted the permission to offer commercial real estate and residential housing loans;
- (c) if so, the details thereof; and
- (d) the benefits likely to accrue to the cooperative sector banks as a result thereof?

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) 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.