

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**LOK SABHA
UNSTARRED QUESTION NO.3471
TO BE ANSWERED ON 17th DECEMBER, 2024**

Credit Flow in the Cooperative Sector

3471. Shri Janardan Singh Sigriwal:

Will the Minister of Cooperation (सहकारिता मंत्री) be pleased to state:

- (a) the manner in which the long-term loan structure works for credit flow in the Cooperative sector;
- (b) whether the farming banks/agricultural banks work in the form of cooperative societies; and
- (c) the names of the States across the country where farming banks are functional and the details of the extent of their country-wide presence?

ANSWER

THE MINISTER OF COOPERATION

सहकारिता मंत्री (SHRI AMIT SHAH)

(a): The Long-Term Cooperative Credit Structure (LTCCS) through Agriculture and Rural Development Banks (ARDBs) has been in operation primarily through two structural variants Viz., Federal and Unitary.

Federal structure follows the principle of organizing cooperative at base level and accordingly Primary Credit Agriculture and Rural Development Banks (PCARDBs) have been organized at district, block or taluk levels as standalone cooperative societies. All these societies federate at state level to form State Credit Agriculture and Rural Development Banks (SCARDB) as the apex society for provision of long-term loan to farmers. Under this structure, farmers or ultimate borrowers are members of a PCARDB and secure loans from the PCARDB. The PCARDBs, as members of SCARDB, get their loans refinanced from the SCARDB. SCARDBs exercise control over PCARDBs through their supervisory units and in some states PCARDBs have even opened a few branches.

The Unitary structure on the other hand operates as a state level ARDB with a branch network all over the state to provide credit to farmers. In order to supervise the functioning of the branches, SCARDB have also established regional offices at appropriate locations.

These banks advance mainly long-term loans of 5 to 15 year tenure for investments in agriculture and rural sectors on the security of land. Minor irrigation, farm machinery, plantation and horticulture, Rural housing, rural non-farm sector activities etc are main purposes for which loans are given. These institutions don't have banking licence and depend mainly on national level public financial institutions like NABARD and NCDC for funding support.

(b): SCARDBs & PCARDBs are cooperative societies registered under the state cooperative societies Act in various states except in the case of Bihar & Jharkhand SCARDB which is registered under Multi State Cooperative Societies Act.

(c): At present, out of 16 SCARDBs, 13 SCARDBs are functional with a network of 1,868 PCARDBs/branches of SCARDBs at ground level. These banks have a total membership of 1,02,79,500 rural households. The States where 13 SCARDBs are functioning are Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Punjab, Rajasthan, Tamil Nadu, Tripura, Uttar Pradesh, West Bengal and Union Territory of Puducherry.
