

LOK SABHA

Unstarred Question No. 64

ANSWERED ON MONDAY, 21 JULY, 2025/ ASHADHA 30, 1947 (SAKA)

Co-operative Banks Running in Losses

†64. Shri Arun Kumar Sagar:

Will the Minister of FINANCE be pleased to state:

- (a) whether a number of co-operative banks, particularly in backward areas, are running in losses;
- (b) if so, the details thereof;
- (c) the amount of loss incurred by each of these banks in the last three years and the current year and the reasons thereof;
- (d) the details of the administrative expenditure incurred by these banks during the said period; and
- (e) the action being taken/proposed to be taken to prevent such losses?

Answer

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

(a) to (e): As informed by RBI & NABARD, the details of losses incurred by State Cooperative Banks (StCBs), District Central Cooperative Banks (DCCBs) and Urban Cooperative Banks (UCBs) along with operating expenses in the past three financial years is given at **Annexure I**. NABARD has implemented the Turn Around Plan (TAP) to improve the financial performance and prevent/reduce losses in StCBs and DCCBs. TAP aims to reduce financial losses and improve the overall health of these cooperative banks by adopting a comprehensive approach which *inter-alia* includes review and monitoring of financial parameters, business diversification, internal checks and controls, governance, cost rationalization, human resource development, technology adoption, financial inclusion, etc.

Further, RBI has also taken several measures to strengthen the financial health of UCBs, which *inter-alia*, include:

- i. Increased Housing Loan limits for individuals
- ii. Increased lending to remunerative areas in non-priority sector also (upto 40%)
- iii. Relaxation in prudential norms for UCBs – change in definition of small value loans to loans of value not more than ₹25 lakh or 0.4 per cent of their Tier I capital, whichever is higher, subject to a ceiling of ₹3 crore per borrower.

Annexure I

**Statement referred to in part (a) to (e) of Lok Sabha Un-Starred Question No. 64 on
“Co-operative Banks Running in Losses” due for answer on 21.07.2025**

Sr No	Period	Bank Type	No of banks in losses	Operating Expenses (₹ crore)	Loss amount (₹ crore)
1	FY 2021-22	StCBs	3	73.15	-50.25
		DCCBs	49	58030.48	-996.17
		UCBs	198	3319.60	-1194.19
2	FY 2022-23	StCBs	2	56.75	-59.83
		DCCBs	46	73858.23	-997.91
		UCBs	134	4426.01	-1468.10
3	FY 2023-24	StCBs	2	55.54	-35.46
		DCCBs	39	80406.16	-1,403.46
		UCBs	104	2958.01	-1236.37
4	FY 2024-25*	UCBs	105	1714.27	-885.14

* Data for StCBs & DCCBs for FY 2024-25 is not available yet

** Data for Cooperative Banks for current year is not available