

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

STARRED QUESTION NO:247
ANSWERED ON:07.03.2003
NABARDS ASSISTANCE TO COOPERATIVE BANKS
PRABODH PANDA

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) the schemes introduced by NABARD to assist cooperative banks functioning in rural areas, State-wise;
- (b) whether the assistance rendered has produced the desired result; and
- (c) if so, the outcome thereof during last three years?

Answer

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH):

(a) to (c) National Bank for Agriculture and Rural Development (NABARD) assists cooperative banks under three broad areas viz. refinance facilities, institutional development and promotional assistance to improve their functioning. Under refinance facilities, NABARD provides refinance to cooperative banks for their financing of short term/medium term/long term activities under farm and non-farm sector in rural areas. Such refinance support made available to the cooperative banks State-wise during the last three years are given in the enclosed Statement. For institutional development, NABARD encourages cooperative banks to prepare Development Action Plans (DAPs) indicating a clear road map for attaining current and sustainable viability by diversifying and expanding the loan portfolio, mobilizing low cost deposits, improving recoveries, professionalising management, etc. NABARD further provides assistance to cooperative banks for development of their infrastructure, training of employees, etc. As on 31st Dec, 2002, NABARD had sanctioned an assistance of Rs. 55.28 crore to co-operative banks under this facility.

This package of support extended by NABARD has enabled cooperative banks to enhance their credit delivery to agriculture and allied activities in rural areas. The ground level credit disbursed by cooperative banks to agriculture during last three years is as under:

Year	Ground level credit disbursed (Rs.crore)	Growth rate (Percent)
1998-1999	18259.86	15.05
1999-2000 (Provisional)	20699.67	13.36
2000-2001 (Estimated)	27080.14	30.82