

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:349  
ANSWERED ON:17.03.2006  
ASSISTANCE TO CO OPERATIVE BANKS  
Singh Shri Sitaram

**Will the Minister of FINANCE be pleased to state:**

- (a) the details of the schemes launched by NABARD for providing assistance to co-operative banks working in rural areas;
- (b) the amount of assistance provided to cooperative banks during the last three years, State-wise;
- (c) whether the assistance so provided has yielded the desired results; and
- (d) if so, the details thereof?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI P.CHEDEMBARAM)

(a) to (d) : A Statement is laid on the Table of the House.

Statement referred to Parts (a) to (d) of Lok Sabha Starred Question No. 349 to be answered on 17th March, 2006, regarding Assistance to Co-operative Banks, tabled by Shri Sitaram Singh.

(a) : NABARD extends refinance assistance as well as promotional/ developmental assistance to Cooperative Banks. The details of various schemes are at Annexure-I.

(b) : The state-wise details of refinance assistance provided by NABARD to Rural Cooperative Banks during the last three years is furnished in Annexure-II. Further, the state-wise amount of assistance provided to Cooperative Bank under Cooperative Development Fund (CDF) and for Cooperative Training Institute is at Annexure-IV & V.

(c) & (d): Yes, Sir. The refinance support by NABARD supplements the resources of Cooperative Banks and helps them in expanding their lending operations. Further, the assistance under investment credit leads to the creation of income, generating assets, increased production, employment opportunities, improved income and better standard of living in rural areas, besides contributing to private capital formation.

**ANNEXURE-I**

**THE DETAILS OF VARIOUS SCHEMES OF NABARD**

**1. REFINANCE SCHEMES OF NABARD:**

NABARD provides refinance support to Cooperative Banks against their Short Term (Production Credit), Medium Term & Long Term Loans (Investment Credit) extended to borrowers for various eligible activities under Agriculture and Allied Sectors, Rural Non Farm Sector, Services Sector, Rural Housing, Self Help Groups, SGSY, ETC., which provide employment and income generation opportunities to the farmers and others in rural areas.

**2. COOPERATIVE DEVELOPMENT FUND (CDF)**

Cooperative development fund (CDF) has been constituted to provide assistance for strengthening the cooperative credit institutions in the country. Assistance is provided for infrastructure development, computerisation, advance for purchase of vehicles, establishment of business development department, strengthening the Management Information System (MIS) and Human Resource Development. Assistance is also extended for publicity initiatives for popularising Kisan Credit Cards.

**3. TRAINING SUPPORT:**

NABARD provides financial support and technical guidance to cooperative training institutions (CTIs), viz. Agricultural Cooperative Staff training Institutes (ACSTIs) and Integrated Training Institutes (ITIs) set up by the State Cooperative Banks (SCBs) and Junior Level Training Centres (JLTCs) set up by the State Cooperative Agriculture and Rural Development Banks (SCARDBs), under the Scheme for Financial Assistance to Training Institutes of Cooperative Banks (SOFTCOB) to meet the training needs of staff of State Cooperative Banks (SCBs), District Central Cooperative Banks (DCCBs) and Agricultural Rural Development Banks (ARDBs),

Recurring expenditure incurred by banks on these training institutes is being reimbursed under the scheme. Assistance to acquire personal computers, audio-visual aids and office equipments is also extended under the scheme.

#### 4. BUSINESS DEVELOPMENT DEPARTMENT :

Ten SCBs and five SCARDBs have been provided financial support to the extent of Rs.247.42 lakh for establishing Business Development Department (BDD) as on 31 March 2005. The salaries of professionals / technical experts appointed are reimbursed for a period of five years.

#### 5. WOMEN DEVELOPMENT CELL(WDC)

Cooperative Banks are provided grant assistance for establishing women development cell with the objective to strengthen their institutional capabilities in addressing the gender issues in credit and support services. So far 10 CCBs and 1 SCB have established WDC.