# Credit access constraints for Cooperative Societies in Uttar Pradesh

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NABARD releases refinance to State Cooperative Banks (StCBs) against the loans disbursed by eligible District Central Cooperative Banks (DCCBs) to Primary Agriculture Credit Societies (PACS)/Member farmers.

NABARD does not release refinance directly to cooperative societies including PACS. The refinance is provided on demand basis to the State Cooperative Bank.

Further, the refinance assistance extended through NABARD to cooperative banks for the last five years in Uttar Pradesh is given below:

(Rs. crore)

| **Financial Year**<br><br>**Agency** | **2020-21** | **2021-22** | **2022-23** | **2023-24** | **2024-25** |
|---|---|---|---|---|---|
| Cooperative banks (Short Term) | 2,414.60 | 3,550.00 | 2,980.00 | 3,796.43 | 2,300.00 |
| Cooperative banks (Long Term) | 109.20 | 214.36 | 694.40 | 729.01 | 544.46 |

Refinance from NABARD is provided in accordance with the extant guidelines and eligibility criteria. Cooperative societies are members (regular/ordinary or nominal) of District Central Cooperative Banks (DCCBs) and are linked to them for credit purposes. Accordingly, their loan/credit proposals are considered by the concerned Cooperative Banks in accordance with the prescribed norms, procedures and eligibility conditions.

Further, the norms and eligibility criteria/securities for release of refinance to StCBs are liberal in order to ensure adequate and timely credit to PACS and members farmers. The refinance is extended under various schemes and for various purposes under Agriculture and Rural development activities in a hassle-free manner. Hence, the question regarding rigid collateral norms and procedural conditions under refinance model and rejections due to it does not arise.

Refinance is provided by NABARD to StCB, which are responsible for on-lending to DCCBs and further to primary cooperative societies. As regards the State of Uttar Pradesh, no such gap has been reported in refinance.

The Government has undertaken various measures to strengthen the cooperative credit structure and improve access to credit, including the computerisation of Primary Agricultural Credit Societies (PACS) and Agricultural and Rural Development Banks (ARDBs), with a view to enabling their integration with higher financing institutions.

To upgrade the technological infrastructure of Cooperative Banks, reduce loan processing time and enhance service delivery, Sahakar Sarathi Private Limited (SSPL) for Rural Cooperative Banks and the National Urban Cooperative Finance and Development Corporation Limited (NUCFDC) for Urban Cooperative Banks have been established with the approval of the Reserve Bank of India (RBI). SSPL has introduced various digital initiatives, including Digi KCC, e-KCC and Sahakar Setu, aimed at facilitating and streamlining rural institutional credit delivery.

Further, refinance support from NABARD to State Cooperative Banks (StCBs) is extended under various funds and schemes. Short-term refinance is provided under the Short-term Cooperative Rural Credit (STCRC) Fund, while additional support for enhancing credit flow to the agriculture sector is provided through Additional Seasonal Agricultural Operations (ASAO).

Concessional refinance for long-term loans in the agriculture sector is supported under the Long-term Rural Credit Fund (LTRCF). Additional support, as required, is also extended through other long-term refinance products. Refinance is provided based on demand and subject to applicable norms.

This information was given by Union Minister for Home and Cooperation Shri Amit Shah in a written reply in Lok Sabha.

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**AK/AP**

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