

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1937
ANSWERED ON:26.07.2002
CO OPERATIVE CREDIT
IQBAL AHMED SARADGI

Will the Minister of FINANCE be pleased to state:

(a) whether only those States which modernize and align their state co-operative legislation with the new Multi-state Co-operative Societies Act passed recently by the Parliament will be extended the financial package for revamping of the co-operative credit structure;

(b) if so, how many States have taken action on this Act;

(c) the number of States have been provided financial assistance as required under this law?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANT G. GEETE)

(a): Union Government have made a provision of Rs.100 crore in the Budget 2002-2003 for providing revitalization assistance to cooperative credit institutions. The Joint Committee, which looked into the funding mechanism, has laid down reform preconditions to be fulfilled by States and institutions for becoming eligible to receive revitalization assistance. These preconditions include

Â» Adoption of essential features of Model Co-operative Act especially removal of duality of control and conduct of regular elections;

Â» Abolition of common cadre systems of Primary Agriculture Credit Society

(PACS) Secretaries;

Â» Audit by Chartered Accountants;

Â» Transparent Human resource policies;

Â» Autonomy to Co-operative Credit Institutions.

(b): National Bank for Agriculture and Rural development (NABARD) has reported that five States viz. Andhra Pradesh, Goa, Jammu & Kashmir, Madhya Pradesh and Delhi have either adopted or incorporated the essential features of the Model Cooperative Act. Seven more States are in the process of adopting the Model Act.

(c): No State has been provided revitalisation assistance under the scheme so far.