

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:355
ANSWERED ON:25.02.2000
COOPERATIVE CREDIT INSTITUTIONS
SUBODH MOHITE

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government propose to constitute a task force to examine the problems being faced by cooperative credit institutions and suggest measures for making them viable in the long run;
- (b) if so, the details thereof alongwith problems being faced by them;
- (c) whether the State Governments have been given representation in the task force;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) :

(a) and (b) Government has constituted a Task Force headed by Deputy Governor, Reserve Bank of India to study the functioning of co-operative banks in the country and to suggest package for their revival/restructuring. The other members of the Task Force are Managing Director, National Bank for Agriculture and Rural Development, Joint Secretary, Ministry of Finance, Banking Division and Joint Secretary, Ministry of Agriculture. The terms of reference of the Task Force are :

- i. To review the functioning of the cooperative credit structure and suggest measures which would make them member driven professional business enterprises;
- ii. To study aspects relating to the costs, spreads and effectiveness at various tiers of cooperative credit structure and make suitable recommendations for their rationalisation and improvements;
- iii. To study the financial performance of the cooperative bodies and make recommendations for improving their financial health so that they can become -efficient and cost effective instrument for delivery of rural credit;
- iv. To review the existing supervisory and regulatory mechanism for cooperative credit institutions and suggest measures for strengthening the arrangements.

(c) to (e) There are no representatives of the State Governments in the Task Force. However, the Task Force has had extensive consultation with State Governments, Co-operative Banks and representatives of the co-operative sectors.