

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2080  
ANSWERED ON:30.11.2007  
LOAN FOR COOPERATIVE BANKS  
Ahir Shri Hansraj Gangaram

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

- (a) whether some state Governments have sought financial assistance to improve the conditions of their respective cooperative banks;
- (b) if so, the details thereof, State-wise; and
- (c) the action being taken by the Government in this regard?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI PAWAN KUMAR BANSAL)

(a) to (c) : The Government of India (GoI) has approved a revival package to strengthen Short Term Rural Cooperative Credit Structure (STCCS). The States willing to implement the package are required to sign a Memorandum of Understanding (MoU) with Central Government and National Bank for Agriculture and Rural Development (NABARD) for carrying out certain legal and institutional reforms.

Financial assistance for STCCS under the package is available for cleansing of Balance Sheet as on 31st March 2004 and increasing the capital to a specified minimum level subject to legal and institutional reforms. In order to ensure that STCCS continues on sound financial, managerial and governance norms, technical assistance is to be provided to upgrade institutional and human resources of STCCS, computerization and setting up proper internal control and accounting systems.

NABARD, is the principal implementing agency of the package. So far, 18 States and one Union territory have agreed to implement the Package, out of which, 13 States, viz. Andhra Pradesh, Arunachal Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Madhya Pradesh, Maharashtra, Rajasthan, Orissa, Uttarakhand, Uttar Pradesh and West Bengal have signed the MoU with GoI and NABARD. These states cumulatively cover 64% of the Primary Agricultural Credit Societies (71,125) and 75% of the District Central Cooperative Banks in the country.

An amount of Rs. 423.63 crore has been released to Andhra Pradesh and Rs. 240.35 crore to Haryana as GoI contributions towards recapitalisation of eligible PACS.