

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

STARRED QUESTION NO:223

ANSWERED ON:15.12.2008

STRENGTHENING OF CO-OPERATIVES

Gadhavi Shri Pushpdan Shambhudan;Patil Smt. Rupatai Diliprao Nilangekar

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government has announced/proposes to announce any package for revival of co-operative societies in rural areas;
- (b) if so, the details thereof;
- (c) whether the State Governments have submitted proposals for strengthening the said societies through special package;
- (d) if so, the details thereof, State-wise;
- (e) whether the recommendations made by the Vaidyanathan Committee have been taken into account while announcing the said package; and
- (f) if so, the details thereof?

Answer

MINISTER OF AGRICULTURE (SHRI SHARAD PAWAR)

(a) to (f): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF LOK SABHA STARRED QUESTION NO. 223 DUE FOR REPLY ON 15TH DECEMBER, 2008.

(a) to (f): Concerned with the need to strengthen the rural cooperative credit institutions, the Government of India constituted a Task Force under the chairmanship of Prof. A Vaidyanathan to recommend, inter alia,

- (i) an implementable action plan for reviving the rural cooperative credit institutions and
- (ii) to suggest an appropriate regulatory framework and the amendments necessary for the purpose, in the relevant laws. Based on the recommendations made by the Task Force on revival of Rural Cooperative Credit Institutions (Chairman: Prof. A. Vaidyanathan) and further consultation with the states on these recommendations, a revival package for the Short Term Cooperative Credit Structure has been approved by the Government of India. It envisages a total outlay of Rs.13,596 crore to be shared by Government of India, State Governments and the Cooperative Credit Structure (CCS) in the ratio of 68:28:4. The assistance will be available for

- (a) wiping out accumulated losses,
- (b) covering invoked but unpaid guarantees given by State Governments,
- (c) increasing the capital adequacy ratio to a minimum level of 7% and
- (d) technical assistance (including cost of special audit, training, computerization etc).

The release of funds by Government of India under the package is dependent mainly upon:-

- (i) State Government accepting the Package;
- (ii) State Government signing MoU with GoI & NABARD;
- (iii) State Government amending the Cooperative Societies Act through Ordinance/Bill; and
- (iv) State Government releasing its share.

25 states viz. Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Haryana, Jammu & Kashmir, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Rajasthan, Orissa, Punjab, Sikkim, Tamil Nadu, Tripura, Uttarakhand, Uttar Pradesh, and West Bengal have executed the MOU with NABARD and Government of India for implementing the Package for which Rs.4,970.37 crore has been released by the Government of India to NABARD. Of this, Rs.4,448.68 crore has already been released to the States by the NABARD. Details of the amount released are as under:-

(Rs. in Crore)

State No. of PACS Total Recap.
Asst. GOI share released State Govt. share released CCS share

Andhra Pradesh 2461 1939.84 1,558.13 218.08 163.63

Gujarat 4890 166.20 142.31 10.53 13.36

Haryana 1596 482.95 432.04 20.32 30.59

Madhya Pradesh 1985 652.79 561.59 38.44 52.76

Maharashtra 12998 1061.77 820.07 28.18 213.52

Orissa 2528 710.11 593.69 67.44 48.98

Uttar Pradesh 3710 581.63 340.85 44.12 196.66

Total 30168 5595.29 4448.68 427.11 719.50

Besides, NABARD has spent Rs.70.55 crore on special Audit, HRD, technical assistance, etc. for implementation of this package leaving a balance of Rs.451.14 crore with NABARD.