

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:5476
ANSWERED ON:06.09.2011
RECOMMENDATION OF VAIDYANATHAN COMMITTEE
Mishra Shri Govind Prasad

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Vaidyanathan Committee has recommended for Central assistance to the various State Governments;
- (b) if so, the details thereof;
- (c) whether the proposal to release the said assistance to the States including Madhya Pradesh is pending with the Government;
- (d) if so, the details thereof, State-wise; and
- (e) the time by which the said proposals are likely to be cleared?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE, FOOD PROCESSING INDUSTRIES AND PARLIAMENTARY AFFAIRS (SHRI HARISH RAWAT)

(a) & (b): To strengthen the Rural Cooperative Credit Institutions, the Government of India had constituted a Task Force in 2004 under the Chairmanship of Prof. A. Vaidyanathan. The Task Force on Short Term Co-operative Credit Structure (STCCS) broadly recommended for (i) a financial package for STCCS covering accumulated losses and assistance to bring all Short Term Co-operative Credit institutions including PACS (Primary Agriculture Cooperative Societies) to minimum Capital to Risk-Weighted Assets Ratio (CRAR) of 7%, (ii) Technical assistance to cover the cost of training and capacity building to improve the financial management skills, (iii) computerization and (iv) legal and Institutional reforms.

(c) to (e): National Bank for Agriculture and Rural Development (NABARD) has informed that under the revival package for STCCS, proposals for release of Government of India share from States of Assam, Bihar, Chattisgarh, Haryana, Madhya Pradesh, Maharashtra, Tripura, Uttar Pradesh and West Bengal are pending due to non-fulfillment of one or more of the benchmark activities specified in the revival package (i.e. amendment of the cooperative societies act, release of committed liabilities, appointment of Chief Executive Officer and co-option of professional directors in Cooperative Banks as per by the Fit and Proper criteria, holding elections in STCCS wherever due, release of State Government share of recapitalization assistance etc.) by the concerned State Governments.