

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1742

ANSWERED ON:23.03.2012

QUESTION REVIVAL OF LAND DEVELOPMENT BANKS

Ahir Shri Hansraj Gangaram;Kalmadi Shri Suresh;Rani Killi Krupa

Will the Minister of FINANCE be pleased to state:

- (a) whether the land development banks in the country are on the verge of closure due to their poor financial conditions;
- (b) if so, the details thereof, State-wise and the reasons therefore;
- (c) whether the Government has received proposals from State Governments for revival of the said banks in their respective States;
- (d) if so, the details thereof, State-wise including Maharashtra and Andhra Pradesh alongwith the action taken on such proposals so far; and
- (e) the other steps taken/being taken by the Government for revival and strengthening of the said banks.?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (e): Reserve Bank of India (RBI) has reported that the Long Term Cooperative Credit Structure (LTCCS) comprises State Co-operative Agriculture and Rural Development Banks (SCARDBs) and Primary Co-operative Agriculture and Rural Development Banks (PCARDBs). This structure does not come under the regulatory jurisdiction of Reserve Bank as it is not covered under the Banking Regulation Act, 1949 (AACS).

Based on the recommendations of the Vaidyanathan Task Force-II, the Government had approved the Revival Package for Long Term Cooperative Credit Structure (LTCCS) in February, 2009. However, a Task Force was constituted to examine the impact of the Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008 and the implementation of the revival package for the Short Term Cooperative Credit Structure (STCCS) in the 25 implementing States on the Revival Package for the LTCCS. The Task Force has submitted its report. The Package is under consideration of the Government.