

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:206

ANSWERED ON:17.07.2009

LAND DEVELOPMENT BANKS

Adhalrao Patil Shri Shivaji; Adsul Shri Anandrao Vithoba

Will the Minister of FINANCE be pleased to state:

- (a) whether the Union Government has received proposals for revival of Land Development Banks in the States including Maharashtra;
- (b) if so, the details thereof;
- (c) the action taken by the Union Government thereon; and
- (d) the time by which the said proposals are likely to be approved?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PRANAB MUKHERJEE)

(a) to (d): A Statement is laid on the Table of the House.

Statement referred to in reply to Parts (a) to (d) of Lok Sabha Starred Question No. 206 to be answered on 17th July, 2009 regarding Land Development Banks, tabled by Shri Adhalrao Patil Shivaji and Shri Anandrao Adsul.

(a) to (d): To strengthen the rural cooperative credit institutions, the Government of India (GoI) constituted a task force in 2004 under the chairmanship of Prof. A Vaidyanathan. Based on the recommendations of Vaidyanathan Task Force- I Report, Government approved a revival package, with a financial outlay estimated at Rs.13,596 crore to be shared by Central Government, State Governments and the Cooperative Credit Structure, for Short Term Cooperative Credit Structure (STCCS) throughout the country.

Similarly, based on the recommendations of Vaidyanathan Task Force- II Report, Government of India, after consultation with the State Governments, approved a Revival Package for Long Term Cooperative Credit Structure (LTCCS) on February 26, 2009 with a financial outlay estimated at Rs.3,070 crore to be shared by Central Government, State Governments and the LTCCS. In the meanwhile, General Elections 2009 were announced and 'Model Code of Conduct' came into force. The matter was, therefore, referred to the Election commission of India (ECI). The ECI directed to defer the implementation of the Package till the completion of the election process. Subsequently, in the Union Budget 2009-10, the last date for payment of 75% of eligible overdue amount under the One Time Settlement (OTS) Scheme by 'other farmers' under Agricultural Debt Waiver and Debt Relief (ADWDR) Scheme, 2008, has been extended from June 30, 2009 till December 31, 2009. Since the extension of ADWDR Scheme has a bearing on the LTCCS Package, its financial implication is being assessed.

Meanwhile, an amount of Rs. 20 crore, provided in the Budget 2008-09, has been released to National Bank for Agriculture and Rural Development (NABARD). Further, a Budget provision of Rs. 1,000 crore exists in the Budget Estimates 2009-10.