

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1236
ANSWERED ON:18.07.2014
RESTRUCTURING OF STCCS
Nete Shri Ashok Mahadeorao

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has received requests from various State Governments seeking financial package as recommended by the Vaidyanathan Committee for restructuring of Short Term Cooperative Credit Structure (STCCS) including Primary Agricultural Cooperative Credit Societies (PACCS) in the recent past;
- (b) if so, the details thereof, State-wise including Maharashtra along with the present status of such requests;
- (c) the time by which such financial packages are likely to be released by the Government; and
- (d) the other steps taken/being taken by the Government to strengthen such STCCS including PACCS?

Answer

The Finance Minister (Shri Arun Jaitley)

(a) to (d) : A revival package for the Short-Term Cooperative Credit Structure(STCCS) was approved by the Government of India in 2006. Assistance under the Package was to be released in phases, on completion of agreed benchmark activities, as per the Memorandum of Understanding (MoU) signed by respective State Governments with Government of India and NABARD.

The Government of India's share under the Package amounting to Rs.9245.28 crore was fully released to the extent of completed benchmark activities, including Rs.1444.54 crore to the State Government of Maharashtra.

As per MoU, the period of implementation of the Revival Package was for three years from the date of signing of MoU, which was extended till 30th June, 2011 for all the States.

In the recent past, the State Governments of Arunachal Pradesh, Bihar, Gujarat, Maharashtra, Rajasthan and Uttar Pradesh have, inter alia, requested for release of funds under the Package. However, since the Package was closed on 30th June, 2011, no further financial assistance to any of the States under the Package could be released.

The National Bank for Agriculture & Rural Development Bank (NABARD), in coordination with respective State Governments, takes various supervisory, promotional and capacity building measures to strengthen the Short Term Cooperative Structure in the country.