

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:1304

ANSWERED ON:03.03.2015

FINANCIAL CRUNCH IN COOPERATIVE SOCIETIES

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**Will the Minister of AGRICULTURE be pleased to state:**

(a) whether various primary cooperative societies/committees are facing financial crunch in some States in the country including Maharashtra and Rajasthan;

(b) if so, the details thereof, State-wise; and

(c) the steps taken/being taken by the Government to bail out such societies from financial crunch in the country?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI MOHANBHAI KUNDARIA)

(a) to (c): Yes, Madam. 'Cooperative' is a State subject and the State Governments are primarily responsible for development of cooperative societies in their respective areas.

The financial condition of the Primary Cooperative Societies / Committees including Primary Agricultural Cooperative Societies (PACS) in the country including in Maharashtra and Rajasthan and has been affected due to several factors which, inter-alia, include low resource base, poor recoveries, lack of business diversification, huge accumulated losses, lack of professionalism in the management, lack of skilled manpower, poor internal control system etc.

Concerned with the need to strengthen the rural cooperative credit institutions, the Government of India has implemented a revival package for the short term cooperative credit structure for providing financial assistance for cleansing balance sheets of Primary Agricultural Cooperative Societies (PACS), District Central Cooperative Banks (DCCBs) and State Cooperative Banks (StCBs) as on 31.03.2004 and strengthening their capital base for attaining capital adequacy of 7% as on 31.03.2004. Details of Government of India assistance for recapitali- zation of 52902 eligible PACS in seventeen States is annexed.