

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1284  
ANSWERED ON:08.03.2002  
CREDIT TO FARMERS  
BRAHMANAND MANDAL

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

(a) whether the Patil Committee has made recommendations for providing financial assistance to the Government financial institutions operating in rural areas at all levels with a view to strengthen them; and

(b) if so, the details thereof?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL):

(a) and (b) A Joint Committee headed by the Union Minister of State for Finance was appointed by the Government to review the recommendations made on 'revitalization', 'funding mechanism' and 'delaying' made by the Task Force under Shri Jagdish Capoor, former Deputy Governor, Reserve Bank of India (RBI) to study the cooperative credit system and suggest measures for its strengthening. The Joint Committee has recommended that revitalization assistance should be provided to bring the cooperative credit institutions to 'take off' stage and enable them to stand on their own. The Committee has also identified items to be included in the assistance at different levels and has recommended that the amount of assistance should be shared in the proportion of 60:40 between Central Government and State Governments for both short-term and long cooperative credit structure. The Committee has also laid down reform preconditions to be fulfilled by States and institutions for becoming eligible to receive revitalization assistance. These preconditions include:

# Adoption of essential features of Model Cooperative Act especially removal of duality of control and conduct of regular elections;

# Abolition of common cadre systems of Primary Agriculture Credit Society (PACS) Secretaries;

# Audit by Chartered Accountants;

# Transparent Human resource policies;

# Autonomy to Co-operative Credit Institutions.