

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

STARRED QUESTION NO:351
ANSWERED ON:21.08.2006
RURAL COOPERATIVE CREDIT SYSTEM
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Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Task Force set up to examine the Rural Cooperative Credit System has submitted its report;
- (b) if so, the details of the recommendations accepted by the Government;
- (c) the details of the recommendations on which action has been taken so far; and
- (d) the time by which the remaining recommendations are likely to be implemented?

Answer

MINISTER OF AGRICULTURE (SHRI SHARAD PAWAR)

- (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. 351 DUE FOR REPLY ON 21ST AUGUST, 2006.

- (a): Yes, Sir. The Task Force has submitted its report on Short Term Cooperative Credit Structure.

(b): The Task Force has recommended a Revival Package encompassing financial assistance as well as legal and institutional reforms. The financial assistance to the Short Term Cooperative Credit Structure (STCCS) comprising State Cooperative Banks (SCBs), District Central Cooperative Banks (DCCBs), Primary Agricultural Cooperative Societies (PACS), Large Adivasi Multipurpose Societies (LAMPS) and Farmers Service Societies (FSS) would cover cleaning of the balance sheets, support for minimum capital requirements, developing uniform accounting system, computerization and training. Funding the financial package, estimated at Rs.13596 crore will be shared by the Central Government, State Governments and the Cooperative Credit Structure (CCS). The Government of India have accepted the recommendations of the Task Force in principle.

- (c): The details of the action taken on the recommendations of the Task Force are given as under:-

- (i) The Revival Package was communicated to the State Governments on 5th January, 2006 by the Hon`ble Finance Minister.

- (ii) Seven States viz., Maharashtra, Madhya Pradesh, Gujarat, Rajasthan, Orissa, Andhra Pradesh and Sikkim have communicated their, in principle, acceptance of the Revival Package.

- (iii) NABARD has been designated as the implementing Agency for implementation of the Revival Package in all the States. A Department for Cooperative Revival and Reforms has been set up in the Head Office of NABARD for facilitating the implementation process.

- (iv) For guiding and monitoring the implementation of the Revival Package a National Level Implementing and Monitoring Committee (NIMC) has been set up under the Chairmanship of the Governor, Reserve Bank of India. Other members of the Committee are Deputy Governor, Reserve Bank of India, two Secretaries of

Government of India, Chairman NABARD, representatives of implementing States and two cooperators. The first meeting of the NIMC was held on 30th May, 2006. A State Level Implementation Committee (SLIC) has been constituted in Maharashtra.

- (v) A Memorandum of Understanding (MoU) was prepared and sent to all the State Governments. Government of India Communicated on 18th April, 2006 a format of the MoU to be executed among the Government of India, State Governments and NABARD for implementing the package.

- (vi) Formats and working manuals have been designed by NABARD to facilitate the exercise of a special audit for arriving at the amount of assistance. The same have been sent to all States.

- (vii) The training of the Master Trainers for creating of trainers for conducting Special Audit in PACS/DCCBs has been completed in Rajasthan, Orissa, Maharashtra and Gujarat.

(viii) Training modules for training of the elected Directors and staff of the CCS are being designed by NABARD.

(ix) A common accounting system is being designed in NABARD for the STCCS which will ensure transparency and prudent accounting methods.

(d): The time taken to implement would depend, inter-alia, on the action taken by the States. States have been given time of two years to take decision for acceptance of the Revival Package; thereafter, the time for implementation of the Revival Package would be three years.