

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE, COOPERATION AND FARMERS WELFARE

LOK SABHA
UNSTARRED QUESTION NO. 2335
TO BE ANSWERED ON THE 2ND JANUARY, 2018

PACKAGE FOR REVIVAL OF CREDIT COOPERATIVE STRUCTURE

2335. SHRI DEVUSINH CHAUHAN:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

(a) whether it is true that Rs. 828.69 crore was sanctioned to Gujarat as revival package of credit cooperative structure under Prof. Vaidhyathan Committee recommendations and Central Capitalisation Assistance of Rs. 260.91 crore is yet to be provided to 11 District Central Co-operative Banks and Primary Agriculture Co-operative Societies in accordance with the Vaidhyathan Revival Package by the Union Government, since all benchmark activities as per the MoU have been completed;

(b) if so, whether it is a fact that Gujarat State Co-operative Bank Ltd. had filed SCA before High Court of Gujarat, wherein Union of India was respondent and High Court disposed off the petition and directed Union of India to decide the representation made by Gujarat State Cooperative Bank Ltd. through NABARD within a period of 8 weeks from the date of receipt of order dated 06/05/2015; and

(c) if so, the time by which this amount is likely to be released so that the State Government of Gujarat can financially strengthen the capital base of its Primary Agriculture Cooperative Societies (PACS) and District Central Cooperative Banks?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्रालय में राज्य मंत्री (SHRI PARSHOTTAM RUPALA)

(a) to (c): The Revival Package for Short Term Cooperative Credit Structure (STCCS) was announced in 2006, based on the report of the Vaidyanathan Committee. Under this Scheme, the share of Central Government in respect of the State of Gujarat, based on the special audit, was assessed at Rs.828.69 crore.

Release of funds under the Revival Package was contingent upon completion of benchmark activities stipulated in then Memorandum of Understanding (MoU). State Government of Gujarat signed the MoU on 21st December, 2006 with Government of India and National Agriculture Rural Development Bank Ltd. (NABARD) for implementation of the Revival Package in Gujarat. As per the conditions of MoU, an amount of Rs.567.78 crore was released as Gol's share to State of Gujarat under the package out of total assessed Gol's share of Rs.828.69 crore. The Scheme was closed on 30.06.2011. Since the State of Gujarat could not complete all the benchmark activities by the date of closure of the Scheme, i.e. 30th June, 2011, it was not eligible for any further support under the Package.

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Gujarat State Cooperative Bank Ltd. had filed a Special Civil Application No. 8319 of 2015 on 6th May, 2015 before the Hon'ble High Court of Gujarat, praying to issue an appropriate writ order or direction requiring the respondent authorities to disburse the remaining grant payable to the petitioner under the Vaidyanathan Revival Package,. Department of Agriculture & Cooperation, Ministry of Agriculture, Government of Indian and Ministry of Finance, Government of India were arrayed as respondent No. 1 and 2 respectively. The High court of Gujarat passed an order dated 13th May, 2015 directing that the respondent No. 1 and/or respondent No. 2 shall decide the representation made by the petitioner received through NABARD as expeditiously as possible. Accordingly, the Government through its speaking order, vide letter dated 25.08.2015, conveyed, inter alia, to Gujarat State Cooperative Bank Ltd that there has to be a time frame for any Scheme, and schemes involving financial implications cannot be kept open ended. However, the demand of various States, including Gujarat, for extending the period of implementation of the package was duly considered by Government of India, but it was not found to be feasible. Though the Gujarat State Cooperative Bank has been requesting, through NABARD, for release of the remaining central share of Rs.260.91 crore under the package on the ground that the benchmark activities have now been completed, the fact remains that these benchmark activities were not completed even by the extended time limit upto June 2011. Hence, the amount of Rs.260.91 crore being demanded by the State cannot be considered by Government of India.
