

CHAPTER 10

COOPERATION

10.1 The Cooperative Movement in Rajasthan started about 90 years back, primarily to cater to the credit needs of the agriculturists. But, over a period of time it has spread its wings in many other sectors of the economy. Presently, the activities of cooperatives include providing short term credit for raising crops; investment loans for increasing productivity of land; supply of agricultural inputs like fertilizers, seeds, insecticides/pesticides; marketing of agricultural produce; setting up of agro processing units; providing storage facilities; consumer business including public distribution system; providing housing infrastructure and urban consumer credit. In fact, the cooperatives have been the flagship of both 'Green Revolution' and "White Revolution" in the country and the State. The contribution of the Cooperative Sector in the economy of Rajasthan is immense. About 90% of the institutional credit to the farmers is being provided by Cooperatives. About 70% of the District Credit Plan is fulfilled by Cooperative Banks. 30% of the total agricultural inputs is being supplied by the Cooperative marketing organisations. India leads the world in milk production. The contribution of the cooperative sector in milk production and distribution is about 95%. Looking to these significant contributions, if we take the agriculture and allied sector as a whole, then even on a conservative estimate cooperative sector contribution is about 50% to this sector. The share of the agriculture sector in the State Domestic Product is about 48% and if the plan outlay of the Cooperative Sector is decreased by 50% this will lead to a fall of 12% in the State Domestic Product of the State. Thus the increase in the plan outlay of the Cooperative Sector is directly proportional to the increase in the State Domestic Product.

PLAN OUTLAY OF THE COOPERATIVE SECTOR:

S.No.	Plan	Outlay of the Cooperative Sector (Rs. in Crores)	% share of total State Plan Allocation
I	First Plan (1952-56)	3.30	5.27
II	Second Plan (1957-61)	14.26	7.84
III	Third Plan (1962-66)	16.91	7.23
IV	Fourth Plan (1970-74)	8.12	2.67
V	Fifth Plan (1975-80)	15.41	1.67
VI	Sixth Plan (1980-84)	25.53	1.20
VII	Seventh Plan (1985-90)	46.20	1.50
VIII	Eighth Plan (1992-97)	120.00	1.30
IX	Ninth Plan (1997-2002)	150.00	0.54

10.2 From the above table it is clear that except during the first three plans, the percentage share of the Cooperative outlay in the total State Plan Allocation has been on a decrease with a minor rise in the Seventh Plan. The cooperatives, on the other hand, have recorded multiple increase in their coverage of services, especially, rural credit, supply of farm inputs and essential commodities and many other aspects of economic development.

During the Ninth Plan, the yearwise outlay and expenditure was as under:

(Rs. in lakhs)

Year	Target	Expenditure
1997-98	2200.00	2357.18
1998-99	1500.00	1478.95
1999-2000	3200.00	3207.44
2000-2001	1990.00	1613.93
2001-2002	336.37	151.42 (Upto 15 Jan., 2002)

10.3 If we analyse the expenditure in the annual outlay for the IXth Plan of Cooperative Department assuming that expenditure of Rs. 336.37 lakhs outlay for 2001-02 is done fully, it works out to only Rs. 8993.87 lakhs (approximately 60%) against Rs. 15000 lakhs originally allocated against State Plan. Thus, there is all the more need to increase the size of the plan outlay of the Cooperative Department in 2002-03, as also in the TFYP.

10.4 The Plan proposals of the Cooperative Department for the TFYP 2002-2007 and Annual Plan 2002-03 are proposed in the light of the recommendations of the Working Group on Cooperation for the TFYP. The Working Group on Cooperation for TFYP, in its report submitted to the Planning Department, had proposed an outlay of Rs. 26546.20 lakhs for TFYP and Rs. 5958.00 lakhs for Annual Plan 2002-03. But, keeping in mind the instructions of the State Government for formulation of plan proposals and also keeping in mind the precarious financial position of the State, the amount required for Annual Plan 2002-03 was projected as Rs.2015.00 lakhs. But, as per directions of the Planning Commission/ Planning Department of GOR the spillover liability of revenue expenditures of Plan are to be transferred to Non-Plan, which amount to Rs.546.69 lakhs, therefore Rs.1468.31 lakhs for Annual Plan 2002-03 and Rs.23800.00 for TFYP (2002-07) was proposed but because Planning Department restricted TFYP up to Rs.20.855 crores (out of which Rs.10.00 crores are agreed for LTO Fund) and Annual Plan up to Rs.7.35 crores (out of which Rs.5.40 crores are agreed for LTO Fund), the revised proposals for TFYP and Annual Plan 2002-03 are being proposed as under:-

(Rs. in lakhs)

Sector	TFYP Proposed Outlay in Working Group Report	2000-2001 Expenditure	2001-2002 Provision	Proposed Provisions TFYP 2002-2007	Proposed Provisions Annual Plan 2002-2003
I - Direction & Administration	2981.19	187.33	152.46	541.09	113.38
II - Credit Cooperatives	20337.99	1167.19	92.53	1433.41	606.60
III- Warehousing & Marketing Cooperatives	50.00	-	-	2.00	0.01
IV- Processing Cooperatives	537.00	190.00	0.01	25.00	-
V - Consumer Cooperatives	299.00	-	-	1.00	0.01
VI- Cooperative Education & Training	661.02	68.96	60.00	27.00	5.00
VII- Misc. Cooperatives (Women Cooperatives)	1456.00	0.45	20.00	56.00	10.00
	26546.20	1613.93	336.37	2085.50	735.00

10.5 The targets for various institutional activities in Cooperative Sector during 2001-2002 and first year of TFYP, i.e. 2002-03, are as under:-

(Rs. in Lakhs)

Detail of Activity	Achievement 2000-01	Target 2001-02	Proposed Target 2002-03
1. Short Term Loans distribution	818.30	1100.00	1200.00
2. Medium Term Loans distribution	80.37	100.00	100.00
3. Long Term Loans distribution	234.47	267.50	291.00
4. Distribution of Agriculture inputs like Fertilizers etc.	151.63	250.00	250.00
5. Marketing of Agriculture Produce	389.64	450.00	400.00
6. Sale of Consumer goods (Both control and non-control items)	668.67	800.00	800.00

DIRECTION AND ADMINISTRATION

Departmental Staff and Expenditure on Direction, Superintendence, Audit

10.6 Creation of new posts and upgradation of existing posts - According to the zero based budget report submitted by the Cooperative Department to the State Government, the posts proposed to be created and existing posts proposed to be upgraded are as follows:-

- i) Creation of 7 DR posts in districts
- ii) Creation of 1 DR post for DR (Women Cooperatives) in RCS Office.
- iii) Creation of 4 posts of Stenographers.
- iv) Creation of 105 posts of Class-IV employees.
- v) Creation of 1 post of Analyst-cum-Programmer, 9 posts of Programmers, 2 posts of Computer Operators and 73 posts of Data Entry Operators for computerization programme proposed under computerization scheme at RCS Office, Zonal JR Offices and various Unit DR/AR Offices.
- vi) Creation of posts of 1 Cameraman, 1 Lineman and 1 Darkroom Assistant for the establishment of Electronic News Gathering (ENG) unit, proposed under Publication and Publicity Scheme.
- vii) Upgradation of 7 RAO posts from DR to JR.
- viii) Upgradation of 2 posts of Dy. CA in RCS Office from DR to JR.

- ix) Upgradation of 23 posts of AR units from AR to DR.
- x) Upgradation of 24 posts of SA units from AR to DR.
- xi) Upgradation of 7 posts of Office Assistants to Office Suprintendents.

10.7 If the creations and upgradation of various posts submitted to the State Government under zero based budget are agreed, an amount of approximately Rs.600.00 lakhs would be required for expenditure over their salaries, allowances, etc. under State Plan during the X Five Year Plan.

10.8 Expenditure on establishment of new office of DR (women) in RCS office (alongwith furniture and fixtures), and upgradation of seven AR offices to DR offices at Dholpur, Bundi, Hanumangarh, Rajsamand, Baran, Dungarpur and Jaisalmer would require Rs. 12.00 lakhs. Therefore, a sum of Rs. 12.00 lakhs is proposed under state plan during the X five year plan.

10.9 As the state govt. is not allowing the purchase of new vehicles for Zonal and unit field offices, as well as RCS office, and as vehicles are necessarily required for supervision and control over cooperative institutions, monitoring and recovery of loans etc., a provision of Rs. 25.00 lakhs is proposed for hiring of vehicles, under state plan during the X five year plan. This expenditure would eliminate the expenditure over purchase of vehicles, expenditure over their maintenance and salaries of driver etc.

10.10 Replacement of existing photocopying machines has become necessary. Ten new photocopying machines – One for RCS Office, Seven for zonal level JR offices, and Two for DR (legal) offices at Jaipur and Jodhpur offices are urgently required. Therefore, a provision of Rs. 11.00 lakhs for purchase of 10 new photocopying machines (at Rs. 1.10 lakhs each) is proposed under State plan for X five year plan.

10.11 Purchase of 3 electric vacuum cleaners for cleaning carpets of RCS room , committee room and for cleaning rooms of the three storied building is required. Therefore, a provision of Rs. 0.20 lakhs is proposed for this purpose under State Plan during X five year plan.

10.12 Expenditure for purchase of furniture and fixtures, almirahs, racks, electric duplicating machines, electrical equipment (fans, tubelights, coolers etc.), typewriters for RCS office and various field level offices would require a provision of Rs. 57.00 lakhs under state plan during X five year plan.

10.13 The various posts created before the IX five year plan have not been transferred to Non Plan head and 37 posts still continue under Plan expenditure. It is proposed that expenditure of these posts be transferred to Non plan, but if these posts are decided to be continued under plan, a sum of Rs. 300 lakhs would be required under state plan during the X five year plan. However, the same have been proposed to be transferred from Plan to Non-Plan as per guidelines/directions of the Planning Commission/Planning Department, GOR.

10.14 Therefore, a total requirement of Rs. 600 lakhs against new creation/upgradation of posts, and Rs.705.20 lakhs for other establishment expenditure, a total Rs.1005.20 lakhs, as mentioned above, are proposed for "departmental staff and other expenditures on direction, superintendence and audit of the department" under State Plan for the X Five Year Plan. But due to lack of funds Rs. 4.62 lakhs is being proposed for TFYP and Rs.0.84 lakhs for Annual Plan 2002-03.

MIS Staff

10.15 This is an ongoing scheme, under which the expenditure incurred on the salaries, allowances of the staff and vehicles engaged in monitoring the activities and implementation of the Minor Irrigation Scheme in the PLDBs of the State is partly reimbursed by the State Government. as subsidy. There are certain other schemes like FMS, NFS, Diversified Agricultural Activities etc., which have also been introduced and implemented through PLDBs with the existing staff only. The performance of the PLDBs in the State have shown positive results, due to the Annual Action Plans and Business Development Plans prepared and executed effectively by RSLDB and PLDBs.

10.16 In the IX Five Year Plan, an expenditure of Rs. 292.84 lakhs has been incurred in the first four years (97-98 to 200-01) and a provision of Rs.51.34 lakhs has been kept for 2001-02. A sum of Rs.344.71 lakhs required for this scheme during X Five Year Plan. However, the same have been proposed to be transferred from Plan to Non-Plan as per guidelines/directions of the Planning Commission/Planning Department, GOR.

Construction of Cooperative Complexes

10.17 Construction of cooperative complexes at Zonal and District head quarters would not only accommodate all the departmental offices located there, but would also facilitate the public in general. This would provide one contact point, wherein it would be easier to carry out all activities of Cooperative Department, mutually hand in hand. This would not only save the recurring expenditure of rent being paid by these offices and expenses incurred in frequent shifting, but would also provide permanent assets. Therefore, construction of such complexes were proposed at Zonal head quarters and district head quarters in the IX plan. Cooperative Complexes at Udaipur, Ajmer zonal headquarters are complete. Complex at Bikaner head quarter is also almost complete. Completion work is under way at three other Zonal head quarters, namely Kota, Bharatpur and Jodhpur. The estimated cost of these projects is Rs.300 lakhs, out of which Rs.65.72 lakhs has been incurred upto 31.3.2001. This way the likely expenditure upto the end of current plan year is going to be Rs.105.72 lakhs. The remaining amount is required in the first year of TFYP.

10.18 A sum of Rs. 475.97 lakhs is required both for TFYP and for for Annual Plan 2002-03, but due to shortfall of funds these projects can not be completed in the first year of the TFYP. Therefore, a sum of Rs.101.54 lacs is being proposed during Annual Plan 2002-03.

Publication and Publicity

General Publications

10.19 Cooperative movement in the state has progressed by leaps and bounds in various sectors i.e. credit, marketing, processing, consumers and other activities. This could be possible by increasing participation of people and their representatives and directions from the cooperative department and the State Govt. The achievements made in various sectors are to be highlighted for general awareness. Publicity wing of the Department has played a great role in serving the above purpose, by way of such news and material published through newspapers,

Doordarshan, AIR etc. Talks have also been arranged through TV and AIR. Hoardings, pamphlets, folders, Stickers, Posters have also been circulated. This has also helped in creating general awareness regarding cooperative movement amongst the masses. In addition, Sahakar Samachar bulletin, is published and 1500 copies of this bulletin are circulated. An amount of Rs. 16.50 lakhs for TFYP and Rs.3.00 lakhs for Annual Plan 2002-03 would be required for the above purpose under State Plan.

Computerization

10.20 The available computer facilities in the Cooperative Department are outdated and very limited. Computerization is the need of the hour, as it provides error-proof, systematized and speedy information. Currently, there are only three computers in the Department, that too, in the RCS Office. Keeping in view the requirements of the Department, under present scenario, some new computers and computer nodes need to be provided for RCS Office, 7 Zonal Joint Registrar Offices and 32 unit level DR/AR Office.

10.21 In 96-97, a provision of Rs.22 lakhs was made for this purpose, and Rs.15.50 lakhs was sanctioned in 97-98, but expenditure could not be incurred due to the ban on new purchases imposed by the State Government.

10.22 An expenditure of Rs. 16.50 lakhs for Tenth Five Year Plan and Rs. 3.00 lakhs for Annual Plan 2002-03 is being proposed for above purpose.

Maintenance of RCS office in Sahakar Bhawan

10.23 An area of approximate 67000 Sq. Ft., which is 1/3 of the total area of Nehru Sahakar Bhawan Complex, has been allocated for the office of Registrar Cooperative Department, Rajasthan. The complex was constructed with the financial assistance of the State Govt., along with contributions from various National/ State level cooperative institutions. The maintenance and security needs of the complex are being looked after by the "Sahakar Bhawan Prabandh Samiti " on approved rates fixed, for areas occupied by various offices. Amount is to be paid by the department to the "Prabandh Samiti", for the portion occupied by RCS office. Funds are also required for woodwork, tapestry, carpeting, repairs and maintenance of water coolers and air-conditioners, white washing and painting of the occupied portion of the department. A sum of Rs. 27.56 lakhs is required for the above purpose during X five year plan. However, the same have been proposed to be transferred from Plan to Non-Plan as per guidelines/directions of the Planning Commission/Planning Department, GOR. The finance department has not agreed for this. Hence a sum of Rs.27.50 lakhs for Tenth Five Year Plan and Rs. 5.00 lakhs for Annual Plan 2002-03 is being proposed for above purpose.

CREDIT COOPERATIVES

Share Capital Contribution To Cooperative Credit Institutions From National Rural Credit Fund (LTO Fund)

10.24 This is an ongoing scheme, whereby NABARD provides loan to State Govt. to be passed on to the cooperative credit institutions as share capital. State Govt. gets a loan at 9% annual rate of interest, repayable in 12 years and repayment starts after a 3 years moratorium. This scheme is a useful financial resource to the State Govt. and Credit Institutions get considerable support through

this scheme. This assistance is provided to the Cooperative institutions from National Rural Credit Fund (LTO Fund) for strengthening their share capital base to increase their borrowing eligibility and non-credit business. Hence, a provision of Rs.1240 lakhs is proposed for this scheme under State Plan during X Five Year Plan & Rs. 540.00 lakhs for Annual Plan 2002-03.

Rehabilitation Programme of weak CCBs (12 Point Programme)

10.25 This is an ongoing scheme, through which a package of programme of assistance to financially weak CCBs is provided to meet establishment cost of promotional and supervisory cell, strengthening bad and doubtful funds, blocking of loans, accumulated losses. Due to these expenditures the CCBs are recurring losses, thereby violating section 11 of the Banking Regulation Act. As a result, NABARD stops providing any kind of assistance and reimbursement of loans advance by the CCB. To save these institutions from such a situation and to provide solid base to cooperative structure to meet with the enhanced commitments of agricultural credit this scheme provides a package for these institutions implemented by NABARD as a 12 point programme. The scheme was found to be very useful and has shown positive results in all the CCBs assisted under this scheme.

10.26 A sum of Rs.20.00 lakhs is proposed to be provided for the scheme under State Plan for the X Five Year Plan & Rs.0.01 lakhs for Annual Plan 2002-03.

Waiver of interest more than principal

10.27 The State Government is committed to pay off the liabilities of interest more than principal amount against the loanees who have taken crop loan upto Rs. 2000. This liability for the loanees upto Rs. 2000 is required to be borne as per amendments in the Cooperative Act. in 1984. As per section 65 of the Rajasthan State Cooperative Act, 1965. an interest more than the principal amount for short term loans upto Rs. 2000 (other than PLDBs) shall not be recoverable. To write off this loss amount of interest, 60% shall be borne by State Govt., 25% by the Apex Bank and 10% by the concerning CCB. A token provision of Rs. 1.00 lacs is being proposed for this purpose under State Plan during the X Five Year Plan to provide relief to such small / marginal farmers & Rs. 0.01 lakhs proposed as token under Annual Plan 2002-03.

Assistance to weak and non viable PACS

10.28 This is an ongoing scheme for interest free loan as margin money to weak and non viable PACS. Such PACS which are having a lending turnover less than Rs. 3 lakhs are covered under this scheme. The scheme is currently implemented in 10 selected districts The maximum interest free loan given as margin money is upto Rs. 10,000 per society. The loan so provided is returnable after a moratorium of 3 years in five annual installments.

10.29 The scheme is proposed to be continued for the X plan. It is also proposed that 50 Pacs per year be given assistance under this scheme.

10.30 However due to the impractical conditions laid down in the scheme such as

1. Lending turnover of 3 lakhs
2. permanent PACS manager

3. limited to 10 districts
4. only Rs. 10 thousand as margin money

10.31 It is proposed that the scheme may be amended and all district of the state should be covered, margin money should be Rs.20 thousand and the lending turnover of PACS should be Rs.5 lakhs and the condition of permanent manager may be waived. It is proposed that a provision of Rs. 5.00 lakhs may be kept for this purpose under State Plan for the X Five Year Plan & Rs. 0.01 lakhs as token provision in the Annual Plan 2002-03.

Subsidy & Margin Money for PACS Expansion

10.32 The Govt. has banned the opening of new PACS/LAMPS. To solve this problem a scheme was launched for opening of branches of existing PACS/LAMPS, in those areas where two or more Gram Panchayats fall within an area of operation of one PACS/LAMPS. According this scheme, those PACS/LAMPS, who full-fill norms of Rs. 8 lacs lending business annually, have full time paid Secretary and do non Credit business also, are given assistance to open their branches in other Panchayat area. Assistance for additional staff to be provided for opening of these branches and also some margin money for undertaking non farm business, would be provided to the societies so selected.

10.33 As per the scheme, in the first year establishment subsidy of Rs. 4000/- and sum of Rs.6000/- as margin money in the form of interest free loan is provided. In the second and third year only subsidy to the tune of Rs.8000/- and Rs. 4000/- is provided . A sum of Rs. 3.94 lacs were spent against this scheme in the first four years of the IX Plan.

10.34 A token provision of Rs. 1.00 lacs is proposed under State Plan for the X Five Year Plan & Rs. 0.02 lakh under Annual Plan 2002-03.

State share for conversion of ST loans into MT loans

10.35 As per NABARD's policy, short-term loans advanced for a crop are converted into medium term loans against crop failure on account of drought and famine. This scheme is an ongoing scheme. By conversion of ST loans into MT loans farmers would not only become eligible for taking loans for the next crop even after not paying off their outstanding loans on account of crop failure, but would also be able to pay off their outstanding loans in installments extended to a longer period. NABARD has fixed following proportionate share bearing by various agencies for this purpose :-

i.	NABARD	60%
ii.	State Govt.	15%
iii.	Concerning CCB	15%
iv.	Apex Banks	10%

10.36 During IX Five Year Plan Rs. 24.84 crores was provided by State Govt. as its share for converting ST loans into MT loans under the scarcity conditions declared by the State Govt. Since Rajasthan has a history of drought and scarcity therefore, during the X Five Year Plan also it can be presumed that the state may face scarcity and the ST Cooperative Credit Structure may have to convert ST loans into Medium-term loans. Therefore, a token provision of Rs.1 lakh is proposed for this scheme under State Plan during X Five Year Plan & Rs.0.02 lakhs as token for Annual Plan 2002-03.

Assistance to Cooperative Credit Institutions to cover the gap of prevailing imbalance

10.37 This scheme was sanctioned by the State Govt. in 1993-94, to provide assistance to CCBs and PLDBs for wiping off the gap of prevailing imbalances within the next 3 years. However, this scheme was further extended upto 2000-2001.

10.38 Imbalance is the excess difference of outstanding borrowing of members and PACS i.e. outstanding borrowing of member from PACS and outstanding borrowing of PACS from CCBS. The imbalance as on 30.06.1991 stood at Rs. 3989.96 lacs of short term cooperative credit structure. According to this scheme, 60% of the imbalance was to be provided by the State Govt., 30% by concerned DCCB and 10% by RSCB. The share of State Govt., as per the above stipulations, was estimated at Rs. 2393.97 lacs against which Rs. 2134.91 lacs was received from State Govt. The shortfall is Rs. 259.06 lacs. Therefore, the scheme may be extended for another 2 years in the X Five Year Plan period as the Govt. has not fully contributed its share. However, the same has been proposed to be transferred from Plan to Non-Plan as per guidelines/directions of the Planning Commission/Planning Department, GOR

10.39 Besides, as on 31.03.2000, the imbalance stood at Rs. 6507.63 lacs of principal and interest amounting to Rs. 453.44 lacs totaling Rs. 6961.07 lacs. Imbalance can be wiped off when additional income is generated at the level of concerned institutions. Besides an imbalance of Long-term Credit Structure also exists at Rs.1085.44 lacs. Since last 3 years, there was partial or full drought in most of the districts in Rajasthan. The PACS and PLDBs suffered on account of low level of business, particularly lesser cash recoveries and increased level of overdues. Consequently the level of imbalance could not be restricted.

10.40 Therefore, the assistance for removal of imbalances shall be required to be continued during the entire period of X Five Year Plan and for that a provision of Rs. 4581.47 lakhs would be required to wipe out above imbalances as 60% share of the State Government, due to lack of funds with the State Government only Rs.1.00 lakhs as token provision is being proposed for TFYP and Rs.0.01 lakh for Annual Plan 2002-03.

Rajasthan State Cooperative Revitalisation Fund

10.41 The "Cooperative Revitalisation Fund" was created in the year 1993-94, with the objective of providing financial support for marketing of new agriculture produce, financing innovative ventures and, in rare cases, working capital and margin money support for existing activities. Under this scheme, financial assistance in the form of share capital, margin money and working capital is provided from this fund, to needy co-operative institutions. Share contribution upto 80% is contributed to this fund by the State Govt. and 20% by the concerning Apex Co-operative Institution. Loan assistance is provided on an annual rate of interest of 4 to 8%, generally, for a maximum period of 5 years, with a moratorium of one year, which can be extended for two years in special case. However, a sum of only Rs.20.00 lakhs was provided to this Fund in the four years of the IX plan. A sum of Rs.50.00 lacs is being proposed under State Plan, to be contributed by the State Government to this Fund, during the X Plan to assist financially weak Processing Units and Primary Co-op. Marketing Societies (identified under

Sanjeevni Yojna recently launched by the Co-operative Department) which are potentially viable & Rs. 0.01 lakhs for Annual Plan 2002-03.

Rajasthan State Cooperative Renewal Fund

10.42 The "Co-operative Renewal Fund" of Rs.5.00 crores was created in the year 1993-94. Loan is provided from this fund to Co-operative Institutions which are willing to retrench their staff under "Golden Handshake" but are not able to do so from their own funds because of their weak financial position. This loan amount is given interest free to such institutions from this Fund. The loan amount is repayable by the institutions in a period of 7 years, with first two years as moratorium, and remaining in five equal instalments. Under this scheme, the amount of assistance provided out of this Fund is to the extent of 80% of the amount spent by them on payment to the employee. However, in exceptional circumstances, the State Govt. can allow 100% assistance in advance also. During the IX Plan, a sum of Rs. 90.00 lacs were provided in this Fund and Rs.10.00 lakhs have been provided during the current year 2001-02. A sum of Rs. 14.41 lacs is being proposed under State Plan, to be contributed by the State Govt. to this Fund, during the X Plan & Rs.0.01 lakhs for Annual Plan 2002-03.

Integrated Cooperative Development Project (ICDP)

10.43 This is an ongoing scheme through NCDC assistance. Under this scheme presently Banswara, Jalore, Sikar, Alwar, Sawai Madhopur, Tonk and Jhalawar districts of the State have been covered. NCDC provides assistance to the tune of 90% of the project cost (80% as loan and 10% as subsidy). The remaining 10% subsidy is to be provided by the State Government. In Rajasthan under this project, agriculture related primary level cooperative institutions like PACS, LAMPS, KVSS, Fruit and Vegetables Societies, Oilseed growers society, Dairy, Poultry, Fisheries, Handloom and weaker section cooperative societies at panchayat level, Wholesale cooperative bhandars and district level, Bunkar Sangh, CCBs and other institutions of selected districts are covered. Such institutions are provided financial assistance to develop their fundamental facilities and to make them strong enough to provide the needs of rural masses. This project also provides for forward and backward linkages amongst these institutions and implementation of their business plans.

10.44 This project is being implemented in the State since 1993-94 and an expenditure of Rs.275.91 lakhs has been incurred upto 2000-2001 under State Plan and a provision of Rs.60.44 lakhs has been kept for the current year 2001-02.

10.45 During the X Five Year Plan five additional districts of the State, namely, Jhunjhunu, Udaipur, Jodhpur, Ajmer and Bundi are also proposed to be covered under this project. The impact study conducted by the NCDC has shown encouraging results in the ongoing projects. The Working Group on Cooperation for the X Plan has found the scheme to be very useful and has recommended to continue it during the X Five Year Plan.

10.46 The requirements for the scheme during the X Five Year Plan shall be as under:-

Completion of existing projects

(Rs. in lakhs)

Name of existing project	State Plan Share 10% Subsidy	Centrally Sponsored Scheme			
		Subsidy	Loan	Share Capital	Total
Alwar	21.67	21.67	16.77	50.31	110.42
Sawai Madhopur	21.33	21.33	29.45	65.63	137.74
Tonk	53.30	53.30	69.97	149.26	325.83
Jhalawar	51.39	51.39	71.55	190.45	364.78
Total	147.69	147.69	187.74	455.65	930.77

New Projects

(Rs. in lakhs)

Name of new project	State Plan Share 10% Subsidy	Centrally Sponsored Scheme			
		Subsidy	Loan	Share Capital	Total
Jhunjhunu	59.14	59.14	177.40	600.32	896.00
Jodhpur	52.79	52.79	158.35	535.82	799.75
Udaipur	52.79	52.79	158.35	535.82	799.75
Ajmer	52.79	52.79	158.35	535.82	799.75
Bundi	52.79	52.79	158.35	535.82	799.75
Total	270.30	270.30	810.80	2743.60	4095.00

10.47 A sum of Rs.66.47 lakhs is being proposed under state plan for existing projects in the Annual Plan 2002-03

Cost of Preparation of Project Reports of new Projects

10.48 The cost of preparation of the Project Reports for the above mentioned five new projects @ Rs.1.5 lakhs each, total Rs.7.50 lakhs.

10.49 Therefore, a total of Rs.417.99 lakhs is required for this scheme under State Plan during the X Five Year Plan for the completion of existing projects, new projects .

10.50 However, due to shortage of funds, a sum of Rs. 100.00 lakhs for Tenth Five Year Plan and Rs. 66.47 lakhs for Annual Plan 2002-03 is being proposed to meet out the spillover liabilities of existing projects.

Contribution towards corpus fund for the purpose of Deposit Guarantee Scheme

10.51 The external financial assistance is gradually declining and it has become imperative now that the institutions develop their own resources. Therefore, State Coop. Bank and DCCBs have been mobilising their own resources by way of deposit and share capital, but the PACS are lagging behind in mobilising deposits on account of several factors. The foremost reason has been the lack of confidence of the rural masses for depositing their money with the PACS. Therefore, to induce the confidence of rural masses, a deposit mobilisation scheme for the mini banks being run by PACS has been started. Presently the deposit of the PACS stood at Rs 65.00 crores. It is expected that by the end of X Five Year Plan, the deposit will reach at the level of Rs.100.00 crores. As per the provisions of the scheme, 0.60%

of the total deficit is to be paid towards corpus fund of which 0.30% is to be contributed by the State Govt. The remaining 0.30% shall be contributed by PACS, DCCBs and Apex Bank in the ratio of 0.15%, 0.10% and 0.05% respectively. Therefore, it is proposed that as Rs.1.00 lacs, as token provision, be provided for this Scheme under State Plan during X Five Year Plan & Rs. 0.01 lakh for Annual Plan 2002-03.

PACS Managers' Salary Guarantee Fund

10.52 New PACS service conditions are being decided and are likely to be issued after the judgment of Hon'ble Supreme Court. A cabinet memo was prepared with regard to this matter, which was put up before the Cabinet. In the proposed PACS rules enclosed in the Cabinet memo there is a mention about creating a PACS Managers Salary Guarantee Fund, by which deserving and needy PACS can be provided salary assistance for a period of three years.

10.53 In this Cabinet Memo, an amount of Rs.450 lakhs was requested to be given to this Salary Fund as assistance from State Government. The matter is under consideration with the State Govt. and finalisation of policy decision. The State Government might be required to contribute the deficit, since the exact frame work of the rules is yet to be finalised. Therefore, a token provision of Rs.1.00 lakhs is proposed for this purpose under State Plan during the X Five Year Plan & Rs. 0.01 lakh as token provision in Annual Plan 2002-03.

Assistance for cleansing of balance sheet

10.54 Regarding cleansing of balance sheet of SCB, DCCBs, PLDBs, PACS the task force constituted by Govt. of India, that is "Capoor committee", has already submitted its report to the Government of India. As per the information received, the Capoor Committee has recommended for revitalization package for potentially viable units via four dimensional programme encompassing financial operational, organisational and systemic aspects. It has further recommended contribution of 40% by the State Govt. , 40% by the Govt. of India and 20% by way of additional share capital contribution from the members to form the aggregate requirement for rehabilitation. In case of LDBs the ratio has been fixed as 45% of Government of India, 45% of Government of Rajasthan and 10% of Institutions. The report of the task force is yet to be discussed and accepted by the Govt. of India. However as per the information collected by the task force the financial assistance for cleansing of balance sheets of all the units of ST & LT structure as on 31.03.1998 was as under :-

i.	SCB	Rs. 688.72 lakhs
ii.	DCCBs	Rs. 14063.04 lakhs
iii.	PACS	Rs. 13560.99 lakhs
iv.	PLDBs	Rs. 5227.00 lakhs

10.55 The quantum of assistance and modalities to provide the same will be decided only after acceptance of the report by the Govt. of India. However, based on the requirement for cleansing of balance sheet, submitted to the task force, a maximum amount of 13677.00 lakhs as 40% & 45% of the assistance required may be the responsibility of the state govt. There will be no actual flow of funds as such because it will be in the form of bonds bearing reasonable rate of interest. The bonds will be extinguished over a period of 5 years (20% per year) with an initial moratorium of 3 years. The interest rates on such bonds will be decided later on

with the highest possible rate 12% per annum. If accepted the maximum financial burden on state govt. as interest to be paid on bonds will be :-

1 st year	Rs. 16.41 Crores	Rs.72.21 crores
2 nd year	Rs. 16.41 Crores	
3 rd year	Rs. 16.41 Crores	
4 th year	Rs. 13.13 Crores	
5 th year	Rs. 9.85 Crores	
6 th year	Rs. 6.57 Crores	
7 th year	Rs. 3.29 Crores	
Total	Rs. 82.07 Crores	

10.56 Due to paucity of funds with the State Government only token provision of Rs.1.00 lakhs to TFYP & Rs. 0.01 lakh for Annual Plan 2002-03 is being proposed.

Warehousing and Marketing Cooperatives

Share Capital to Primary Cooperative Marketing Societies

10.57 At present there are 164 working PCMS in the state which have done a total business of approximately Rs.981 crores during 2000-01, as follows:-

<u>Details of business</u>	<u>Amount</u> (Rs. in Crores)
Marketing of Agriculture produce	389.64
Supply of Agricultural inputs	151.63
Supply of consumer goods	439.11
	981.38

10.58 Some PCMS have requirements of opening new branches in their area of operation, to facilitate farmers at the base level. Therefore share capital assistance needs to be provided @ Rs.25,000 to 50,000 per society to the existing PCMS for opening their new branches/strengthening the share capital base of existing PCMS. For this purpose, a sum of Rs.1.00 lakh is proposed to be provided under State Plan during the Tenth Five Year Plan & Rs.0.01 lakhs for Annual Plan 2002-03.

PROCESSING COOPERATIVES

Large scale processing units

10.59 Most of the large size processing units are presently facing problem of working capital . The plant and machinery is outdated and is demanding replacement, major repair and maintenance. Without replacement and regular repair/maintenance it cannot be expected that these units run into profit. Following financial proposals are being proposed during X plan for the processing units;-

SPINFED

10.60 Spinfed is running three spinning units, namely Gulabpura, Gangapur and Hanumangarh. Gulabpura unit urgently needs replacement of machinery. Gangapur unit also needs replacement of machinery. Hanumangarh unit would also require the replacement of machinery in near future. NCDC provides financial assistance in the form of share capital to the units. Therefore, Rs.1200 lakhs is proposed to be provided for this purpose under CSS during the X Plan.

10.61 Shortage of Working Capital is a major problem for all the three units of Spinfed. NCDC provides margin money loan to raise working capital to these units through the State Government. Therefore, a provision of Rs.1800 lakhs is proposed to be provided for this purpose, under CSS during the X Plan.

TILAM SANGH

10.62 The running units of Tilam Sangh are facing the crisis of shortage of working capital, without which the units cannot procure raw material in crop season. NCDC provides margin money loan for raising working capital to such units through state government. Therefore, a provision of Rs.1000 lakhs is proposed to be provided for this purpose under CSS during the X Plan.

10.63 Two running units of Tilam Sangh, namely, Kota and Fateh nagar need rehabilitation. NCDC provides assistance in the form of share capital loan to the units through the state government. Therefore, a provision of Rs.800 lakhs is proposed to be provided for this purpose under CSS during the X Plan.

SHRI KESHORAIPTAN SUGAR MILL

10.64 The cane growing in the mill gate area has reduced drastically, resulting in non availability of sugarcane in required quality, without which the mill cannot run in profit. In the study conducted by National Federation of Cooperative Sugar Factories it has been suggested to launch a sugarcane development programme for two years. For this purpose, loan upto 90% is provided by Sugarcane Development Fund (SDF) @ 6% p.a. interest. Therefore, against an overall requirement of Rs.150 lakhs for this purpose, Rs.15 lakhs, as 10% contribution of State Government from State Plan and remaining Rs.135 lakhs, as 90% loan from SDF is proposed for the X Five Year Plan.

10.65 The plant and machinery of the mill requires immediate improvement and replacement. National Federation of Cooperative Sugar Factories, in its study report, has recommended addition of some new machinery besides repair, maintenance and replacement of the existing one for increasing its crushing capacity by 200 MT per day. For this purpose, loan upto 60% is provided by SDF @ 6% p.a interest. Therefore, against an overall requirement of Rs.125 lakhs for this purpose, Rs.50 lakhs, as 40% contribution of State Government from State Plan and remaining Rs.75 lakhs, as 60% loan from SDF is proposed for the X Five Year Plan.

10.66 It has been suggested in the study report of National Federation of Cooperative Sugar Factories that the mill shall be kept closed for two years. The expected loss in this period shall be around Rs.200 lakhs, which is required to be compensated by the State Government, as subsidy. Therefore, a provision of Rs.200 lakhs under state plan, as subsidy for the above purpose, is proposed during the X Plan.

SHRI GANGANAGAR COTTON COMPLEX

10.67 Presently this mill is non operative because of non availability of working capital and funds for repair and maintenance of the machinery. The mill has submitted a rehabilitation plan wherein it is expected from the state government to invest Rs.272 lakhs as share capital. Therefore, a provision of Rs.272 lakhs is proposed to be provided for the above purpose under State Plan during the X Plan.

10.68 Besides share capital assistance from State Government, assistance in the form of loan for repair and maintenance of the plant and margin money for raising working capital is also required. NCDC provides loan for this purpose through the State Government. Therefore, a provision of Rs. 819 lakhs is proposed to be provided for the above purpose under CSS during the X Plan.

10.69 Thus the total requirement for the processing sector would be Rs.6366 lakhs, of which NCDC will provide Rs.5619 lakhs, SDF will provide Rs.210 lakhs and the remaining Rs. 537 lakhs shall be required from the State Government. But due to lack of funds with the State Government, Rs. 25.00 lakhs for Tenth Five Year Plan and no provision for Annual Plan 2002-03 is being proposed for above purpose.

CONSUMER COOPERATIVES

Share Capital Assistance to Confed/Bhandars & Rehabilitation of Weak Bhandars

10.70 There are 30 wholesale upbhokta bhandars in the State, which are presently in a functional state. These bhandars have done a business of Rs.100.40 crores of controlled consumer goods and Rs.74.64 crores of non-controlled consumer goods, totalling overall business of Rs.175.04 crores. Out of these 30 bhandars, there are 10 bhandars which have enough scope to open 13 branches in their area of operation, as follows:-

S.No.	Name of Bhandar	No. of Branches proposed to be opened	Funds required (in lakh Rs.)
1	Kota	2	10
2	Ajmer	1	5
3	Bhilwara	1	5
4	Ajmer	1	5
5	Churu	1	5
6	Jhunjhunu	1	5
7	Udaipur	2	10
8	Chittorgarh	1	5
9	Banswara	1	5
10	Jodhpur	2	10
	Total	13	65

10.71 Since the inception of these bhandars, the infrastructure available for their business is outdated and in present scenario the business requires attractive presentation. Five bhandars, out of the above 13, have been identified to open their branches with renovated set-up.

10.72 Rajasthan State Cooperative Consumer Federation (Confed) is the apex institution in cooperative consumer sector. At present, its business relationship with district wholesale bhandars is limited to only controlled items. However, Confed is providing service to the people at large in Jaipur through its sale outlets. The business turnover of Confed for the year 2000-01 was Rs.32.70 crores controlled goods, Rs.21.75 crore non-controlled goods, totalling an overall business of Rs.54.45 crores. Since Confed needs to strengthen and expand its activities during the X Five Year Plan, the following new areas are proposed :-

- i. Assistance to bhandars in purchase of consumer items

- ii. Increasing the capacity of its masala plant for supply throughout the State
- iii. Setting up of a new I.V. fluid unit, which is a cheap pharmaceutical product that fetches good profit.

10.73 There are 12 Upphokta Bhandars which are running in accumulated losses and are weak. These require financial assistance to conduct their consumer business, which includes general consumable items, pharmaceuticals, stationary, agencies like LPG Gas etc., as also controlled items under PDS. These Upphokta Bhandars are short of their own funds to conduct the above business to facilitate public at large. A sum of Rs. 100.00 lakhs proposed for TFYP & Rs.0.01 lakhs for Annual Plan 2002-03 for the above mentioned consumer cooperative institutions.

Cooperative Education and Training

Training of Departmental Staff

10.74 The Cooperative Department has 437 Gazetted officers and 1525 other subordinate and ministerial staff. Section officer of the department are being sent on deputation to manage cooperative institutions. They require professional training so that the cooperative institutions can be managed in a professional manner. The officers also required training in other areas, which are helpful for the promotion of the cooperative movement. The subordinate and other employees of the department are required to be trained in office administration and procedures.

10.75 For professional training in management, the functional officers of the department are being sent to Rajasthan Institute of Cooperative Education & Management (RICEM) and other institutions in India such as :-

1. Indian Institute of Management, Ahmedabad
2. Bankers Institute of Rural Development, Lucknow
3. National Institute of Rural Development, Hyderabad.
4. Vaikunth Mehta National Institute of Cooperative Management, Pune
5. Administrative Staff College of India, Hyderabad.
6. HCM RIPA, Jaipur.
7. National Productivity Council, Jaipur
8. Tata Management Training Centre, Pune
9. State Institute of Rural Development, Jaipur.

10.76 During the IX Five Year Plan the position of the training for the departmental officers and employees is as under :-

(Rs.in Lacs)

Year	Budget Provision	Training Programmes	Employees Nominate	Employees participated
1997-98	22.00	80	1022	893
1998-99	20.00	71	1003	689
1999-2000	20.00	59	0918	654
2000-2001	15.00	40	0773	610
2001-2002	05.00	14	0236	189
TOTAL	82.00	264	3952	3035

10.77 During 2001-2002 the outlay for training of departmental officers has been drastically reduced to only Rs. 5 lakh and this is highly insufficient. Only a few officers will be trained during this year. It is also pertinent to mention that there is

a ban on training outside State, except Delhi, which has been made by the State Government. It is requested that as a special case this ban should be relaxed for the cooperative sector as training is an important ingredient of Cooperative movement and forms one of the principles of cooperation.

10.78 During the Xth Five Year Plan the requirement of funds for imparting training to officers and employees of the department would be Rs.40.00 lakh & Rs. 5.00 lakhs for Annual Plan 2002-03.

Miscellaneous Cooperatives

Assistance to Women Cooperatives

10.79 This is an ongoing scheme under which women cooperatives of urban/rural areas which are engaged in domestic industries like Papad Mangori, Biscuit Manufacturing, Tie and Dye work etc. and also of the nature of credit and thrift societies are provided financial assistance . Under this scheme newly formed women cooperative societies during the "Sahakar Aapke Dwar Mahabhiyaan" organised by the department this year are also proposed to be assisted.

10.80 The State Govt. would also provide financial assistance to each of the aforesaid societies as follows :-

- i. **Share Capital Contribution** – matching to the women cooperatives own share capital plus deposit subject to maximum of Rs. 40000/- each society given once only
- ii. **Working Capital Assistance** – Rs. 25000/- to be given once only.
- iii. **Managerial Subsidy** – Rs. 10000/- to be given on tapering basis for a period of 3 years.
I year Rs. 5000
II year Rs. 3000
III year Rs. 2000
- iv. **Entry Point Programme** - Rs. 5000/- per society.

(Amount in lac Rs.)

Details	2002-03	2003-04	2004-05	2005-06	2006-07	Total
No. of cooperative society to be assisted	370	400	335	300	270	1675
Share capital contribution @ Rs. 40000 per society	148.00	160.00	134.00	120.00	108.00	670.00
Working capital Assistance @ Rs. 25000 per society	92.50	100.00	83.75	75.00	67.50	418.75
Managerial subsidy @ Rs. 10000 per society	37.00	40.00	33.50	30.00	27.00	167.50
Entry Point Programme @ Rs. 5000 per society	18.50	20.00	16.75	15.00	13.50	83.75
Grand Total	296.00	320.00	268.00	240.00	216.00	1340.00

10.81 Financial implication for women cooperatives under state plan, as above, works up to Rs. 1333.75 lacs during the X Five Year Plan & Rs. 56.25 lakhs for Annual Plan 2002-03. But due to lack of funds with the State Government Rs.100.00 lakhs for TFYP and Rs.10.00 lakhs for Annual Plan 2002-03 is being proposed for above purpose.

Assistance to Women Cooperative Federation

10.82 State Federation is proposed to be formed during X Five Year Plan to coordinate various activities, extension work, training and to assist the women cooperatives.

10.83 Assistance from State Plan for the proposed Women Cooperative Federation.

(Rs. in lacs)

Details	2002-03	2003-04	2004-05	2005-06	2006-07	Total
Share capital contribution	25.00	15.00	15.00	15.00	15.00	85.00
Training	25.00	25.00	25.00	25.00	25.00	125.00
Training material and study material	5.00	5.00	5.00	5.00	5.00	25.00
Conferences Seminars Workshops	2.00	2.00	2.00	2.00	2.00	10.00
Printing of Journals	0.50	0.50	0.50	0.50	0.50	2.50
T.A. D.A. for expert team & Senior expert at Federation	8.00	8.00	10.00	10.00	12.00	48.00
Misc. & contingency expenditure	2.00	2.00	2.00	3.00	3.00	12.00
Total	67.50	57.50	59.50	60.50	62.50	307.50

10.84 The total requirement for proposed Women's Federation under state plan during X Five Year Plan shall be Rs. 307.50 lacs. Expert Teams requirements per year would be 40. One each in all 33 districts of Rajasthan and 7 at the Zonal level. District team would have its office in the Central Cooperative Bank / Distt. Cooperative Union / AR/DR office. The Zonal Team would be placed in the Joint RCS Zones' office. The state womens' federation will function from the office of Rajasthan Cooperative Societies. At present the staff, office and office expenses etc. for the proposed federation would be met out from the existing staff, office and office expenses of the department. However, due to lack of funds a token provision of Rs.1.00 lakhs is being proposed for TFYP.

Schemes Covered Under Macro Management Work Plan

10.85 Government of Rajasthan has decided to implement its schemes through Work Plan and Agriculture Department has been declared nodal agency for their

implementation . The following schemes of Cooperative Department have been covered under Macro Management Work Plan:-

1. Non Overdue Cover Scheme.
2. Agriculture Credit Stabilisation Fund.
3. Assistance to Women Cooperatives.
4. Assistance to SC/ST Cooperatives.
5. Assistance to Weaker Section Cooperatives.

The scheme wise detail is as under:-

Loans to CCB / APEX bank to cover overdues (NODC)

10.86 This is an ongoing scheme under central sector. The scheme covers CCBs which are potentially viable but need non-overdue cover to operate on NABARD credit limits in order to fulfil the loaning programme. Thus credit structure is saved from crumbling down and adverse effect on agricultural production is averted. The scheme is now covered under "Macro Management Work Plan", in which 90% is provided by Government of India and 10% by the State Government . In IX Plan a budget of Rs.306 lacs was made available for the scheme, of which Rs.70 lacs was provided by Govt. of India and Rs.70 lacs by the state govt.

10.87 The interest charged on the loan given under NODC scheme is 12.5%, which needs to be revised, as the interest rate is very heavy as a form of financial assistance.

10.88 A sum of Rs.50 lakhs (Rs.10 lakhs per year) is proposed to be kept as 10% State Govt. share for the X Plan under this scheme & Rs.2.00 lakhs for Annual Plan 2002-03.

Agricultural Credit Stabilization Fund

10.89 This fund is utilised to help conversion of short term loans into medium term loans, due to famine. The fund is kept with Apex bank and is utilised to enable Apex bank to give its share for conversion of ST loans into MT loans. In order to keep the required amount in this fund, Rs. 50 lakhs (Rs.10 lakhs per year) are required under "Macro Management Work Plan", as 10% State Govt. share for the X Plan under this scheme & Rs.5.00 lakhs for Annual Plan 2002-03.

Assistance to Women Cooperatives

10.90 The objective of the Scheme is to assist newly formed Women Cooperative in term of providing share capital, margin money and managerial subsidy. Each society is provided with maximum assistance of Rs.1.00 lakh out of which Rs.0.40 lakh is share capital, Rs.0.40 lakh is margin money loan and Rs.0.20 lakh is managerial subsidy. Pattern of funding from State Govt. to society will be as under:-

10.91 Component No.1:- Under this component, assistance in the form of loan would be provided to the societies through State Govt. for meeting share capital liability of members so as to enable them to obtain loan from the Cooperative Banks.

10.92 Component No.2:- Under this component central assistance in the form of loan would be provided to Societies through the State Govt. for strengthening their working capital base.

10.93 Component No.3:- Under this component managerial assistance will be provided as on tire lump sum grant , subject to a maximum of Rs.20,000/- per society.

10.94 A sum of Rs. 92.00 lakhs during Tenth Five Year Plan and Rs. 5.00 lakhs during 2002-03 is being proposed for this purpose.

Assistance to SC/ST members / Cooperatives

10.95 The objective of this scheme is to provide financial assistance to such societies which have more than 40% of its members belonging to SC/ST. Such societies should be financially viable, should have elected Board of Management, should not default in repayment of loans under state government schemes.

10.96 Assistance is provided in the form of grant to members of such societies as share capital contribution required for borrowing from cooperative institutions. Assistance is also provided to societies to strengthen their share capital base in proportion to their paid up share capital. Assistance is also provided for managerial assistance to such societies for staff required for extention work and preparation of viable schemes.

10.97 This scheme is now covered under Macro-management Work Plan of the Government of India, wherein 90% assistance is provided by GOI and 10% is to be provided by State Government. The following assistance was earlier proposed to be provided during X Five Year Plan :-

(Rs. in lacs)

Type	02-03	03-04	04-05	05-06	06-07	Total
Subsidy to SC/ST members of PACS/LAMPS to purchase share	20.00	25.00	30.00	35.00	40.00	150.00
Share Capital to PACS/LAMPS set up for SC/ST	20.00	25.00	30.00	35.00	40.00	150.00
Work Plan						
10% matching state share under state plan	4.00	5.00	6.00	7.00	8.00	30.00
90% GOI share under CSS	36.00	45.00	54.00	63.00	72.00	270.00
TOTAL	40.00	50.00	60.00	70.00	80.00	300.00

10.98 A sum of Rs. 30.00 lakhs for Tenth Five Year Plan and Rs. 2.80 lakhs for Annual Plan 2002-03 is being proposed for above purpose.

Assistance to Weaker Section Cooperatives

10.99 The main objective of this scheme is to bring the unorganized sector of rural workers within the fold of cooperation. Under this scheme GOI provides assistance to State Govt., of which 80% is as loan and 20% is as subsidy. Each society would be provided assistance of Rs. 1.00 lac, of which 40000/- is in the form of share capital, 40000/- in the form of working capital and 20000/- in the form of managerial subsidy.

10.100 Under this scheme societies for labour contract, vendors, hawkers, rickshaw pullers, barbers, washerman etc are assisted for organizing, developing new societies, revitalization and strengthening existing societies.

10.101 This scheme is now covered under Macro-Mangement Work Plan of Govt. of India where in 90% assistance is provided by GOI and 10% is to be provided by the State Govt. The following assistance was earlier proposed to be provided during X Five Year Plan :-

Type	02-03	03-04	04-05	05-06	06-07	Total
Share capital/working capital/subsidy to weaker section cooperatives	5.00	5.00	5.00	5.00	5.00	25.00
Work Plan						
10% matching state share under state plan	0.50	0.50	0.50	0.50	0.50	2.50
90% GOI share under CSS	4.50	4.50	4.50	4.50	4.50	22.50
Total	5.00	5.00	5.00	5.00	5.00	25.00

10.102 A sum of Rs. 2.20 lakhs for Tenth Five Year Plan and Rs. 0.20 lakhs for Annual Plan 2002-03 is being proposed for the above purpose.

10.103 Under the Work Plan 90% financial assistance is provided by Government of India to the State Government and the remaining 10% is to be born by the State Government. Since this is an ongoing scheme from last two years, the following amounts are proposed to be provided as 10% State Government Share under State Plan for the implementation of the above mentioned five schemes through Macro Management Work Plan during the TFYP 2002-07 & Annual Plan 2002-03:-

(Rs. in lakhs)

Name of scheme	Proposed outlay TFYP 2002-07	Proposed outlay AP 2002-03
a. Non Overdue Cover Scheme (NODC)	50.00	2.00
b. Agriculture Credit Stabilization Fund	50.00	5.00
c. Assistance to Women Cooperatives	92.00	5.00
d. Assistance to SC/ST Members/Cooperatives	30.00	2.80
e. Assistance to Weaker Section Cooperatives	2.20	0.20
Total	224.20	15.00

10.104 Requirement of Funds for Long Term Cooperative Credit Structure through Floatation of Debentures

10.105 The main source of funding long term credit is through floatation of debentures – Ordinary as well as special. The Special Debentures are subscribed by NABARD (90% to 100%), State Govt. (2.5% to 5%) and Central Govt. (2.5% to 5%). Normal debentures are subscribed by State Govt. (10%). And other institutions (80%) like LIC, sister SLDBs and other commercial banks.

10.106 Projections for floatation of debentures during the X Five year Plan period and requirement of NABARD, State Govt. Central Govt. and other institutions contributed in respect of debenture floatation contribution are as under:-

(Rs. In crores)

Year	NABARD	GOI	GOR	Others	Total
2002-2003	266.62	10.99	10.99	2.40	291.00
2003-2004	287.50	11.80	11.80	2.40	313.50
2004-2005	310.20	12.70	12.70	2.40	338.00

Year	NABARD	GOI	GOR	Others	Total
2005-2006	338.00	13.80	13.80	2.40	368.00
2006-2007	370.50	15.05	15.05	2.40	403.00
TOTAL	1572.82	64.34	64.34	2.40	1713.50

10.107 Against the projections for floatation of debenture during the X Five Year Plan period, the State Govt. has to make budgetary provision from out of budget plan ceiling of Cooperative Department to the tune of approximately Rs.6434 lakhs. Year wise details are as under :-

(Rs. in crores)

Year	Special	Normal	Total
2002-2003	10.69	0.30	10.99
2003-2004	11.50	0.30	11.80
2004-2005	12.40	0.30	12.70
2005-2006	13.50	0.30	13.80
2006-2007	14.75	0.30	15.05
TOTAL	62.84	1.50	64.34

10.108 This provision shall be made under the plan ceiling of the Agriculture Department