

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**LOK SABHA
UNSTARRED QUESTION NO. 732
TO BE ANSWERED ON 25/07/2023**

Modernization of Cooperative Institutes

732. PROF. SOUGATA RAY:

Will the Minister of COOPERATION (सहकारिता मंत्री) be pleased to state:

- (a) the details of measures taken by the Government to modernize the functions of cooperative institutes in the country;
- (b) whether any State Government has raised objections regarding modernization of cooperative institutions; and
- (c) if so, the details thereof?

ANSWER

THE MINISTER OF COOPERATION
सहकारिता मंत्री (SHRI AMIT SHAH)

(a) to (c): In order to strengthening cooperative movement in the country; deepening its reach to the grassroots; modernize the functions of the cooperative institutions including cooperative societies from primary to apex level; the Ministry of Cooperation in coordination with State Governments, other Ministries of Government of India, Cooperative Federations and other stakeholders has taken various initiatives such as:

A. Making Primary Cooperatives transparent and economically vibrant (14 initiatives)

1. **Model Bye-Laws for PACS making them multipurpose, multidimensional and transparent entities:** Prepared and circulated to all the States/ UTs for adoption as per their respective State Cooperatives Act to enable PACS to undertake more than 25 business activities. Model byelaws have been adopted by 27 States/ UTs.
2. **Strengthening of PACS through Computerization:** Process to onboard 63,000 PACS on an ERP based national software, with an outlay of ₹2,516 Crore started.
3. **New Multipurpose PACS/ Dairy/ Fishery Cooperatives in uncovered Panchayats:**
A plan has been approved to set up 2 lakh new multi-purpose PACS or primary dairy/ fisheries cooperatives covering every Panchayat/ village in the next five years.

4. **World's Largest Decentralized Grain Storage Plan in Cooperative Sector to ensure food security**: Pilot Project is under implementation to create godowns and other agri-infra for grain storage at PACS level.
5. **PACS as Common Service Centers (CSCs) for better access to e-services**: More than 17,000 PACS onboarded as CSC to improve their viability, provide e-services and generate employment in rural areas.
6. **Formation of new Farmer Producer Organization (FPOs) by PACS**: 1,100 additional FPOs to be formed by PACS in those blocks where FPOs have not yet been formed or the blocks are not covered by any implementing agency.
7. **PACS given priority for Retail Petrol/ diesel outlets**: PACS have been included in the Combined Category 2 (CC2) for allotment of retail petrol/ diesel outlets. Existing PACS with wholesale petrol pump license permitted to convert into retail outlets.
8. **PACS eligible for LPG Distributorship for diversifying its activities**: PACS have now been allowed to apply for LPG Distributorships.
9. **PACS as Jan Aushadhi Kendra for improving access to generic medicines at rural level**: PACS have been allowed to operate Pradhan Mantri Bhartiya Janaushadhi Kendras which will provide additional income source to them.
10. **PACS as Pradhan Mantri Kisan Samridhhi Kendras (PMKSK) for fertilizer distribution**: PACS have been allowed to operate PMKSK for ensuring easy accessibility of fertilizer & related services to farmers in the country.
11. **Convergence of PM-KUSUM at PACS level for energy security**: Farmers associated with PACS can adopt solar agricultural water pumps and install photovoltaic modules in their farms.
12. **PACS to carry out O&M of rural piped water supply schemes (PWS)**: PACS have been allowed to carry out the Operations & Maintenance (O&M) of PWS in rural areas.
13. **Micro-ATMs to Bank Mitra Cooperative Societies for providing doorsteps financial services**: Micro-ATMs now being given to cooperative societies like Dairy, Fisheries by the Cooperative Banks.

14. Rupay Kisan Credit Card to Members of Milk Cooperatives: Rupay Kisan Credit Cards being provided to the members of cooperatives through Cooperative Banks for providing credit at comparatively lower interest rates.

B. Strengthening the Urban and Rural Cooperative Banks (9 initiatives)

15. UCBs have now been allowed to open new branches to expand their business.
16. UCBs have been allowed by RBI to offer doorstep services to their customers.
17. Cooperative Banks have been allowed to make one-time settlement of outstanding loans, like Commercial Banks.
18. Time limit increased to achieve Priority Sector Lending (PSL) targets given to UCBs.
19. A Nodal Officer designated in RBI for regular interaction with UCBs.
20. Individual housing loan limit more than doubled by RBI for Rural and Urban Co-operative Banks.
21. Rural Co-operative Banks will now be able to lend to commercial real estate/residential housing sector, thereby diversifying their business.
22. License fee for onboarding Cooperative Banks to 'Aadhaar Enabled Payment System' (AePS) has been reduced by linking it to the number of transactions.
23. Non-scheduled UCBs, StCBs and DCCBs notified as Member Lending Institutions (MLIs) in CGTMSE Scheme to increase share of cooperatives in lending.

C. Relief to Cooperative Societies in Income Tax Act (6 initiatives)

24. Surcharge reduced from 12 % to 7% for co-operative societies having income between Rs. 1 to 10 Cr.
25. MAT reduced for cooperatives from 18.5% to 15%.
26. A clarification has been issued to remove difficulties in cash transactions by cooperatives under Section 269ST of IT Act.
27. A flat lower tax rate of 15% will be charged, compared with current rate of upto 30% plus surcharge, for new cooperatives commencing manufacturing activities till March 31, 2024.

28. Limit increased from Rs. 20,000 to Rs. 2 lakh per member for deposits and loans in cash by PACS and PCARDBs.

29. Increase in cash withdrawal limit for cooperatives from Rs. 1 Crore to Rs. 3 Crore, per annum, without being subjected to TDS.

D. Revival of Cooperative Sugar Mills (4 initiatives)

30. **Relief from Income Tax to Sugar Cooperative Mills**: Sugar cooperative mills not to be subjected to additional income tax for paying higher sugarcane prices to farmers up to Fair and Remunerative or State Advised Price.

31. **Resolution of decades old pending issues related to Income Tax of Sugar Cooperative Mills**: Sugar cooperatives allowed to claim as expenditure their payments to sugarcane farmers for the period prior to assessment year 2016–17, giving a relief of nearly Rs. 10,000 crores.

32. **Rs. 10,000 crore loan scheme launched by NCDC for strengthening of Sugar Cooperative Mills**: Scheme can be used for setting up ethanol plants or cogeneration plants or for working capital or for all three purposes.

33. **Preference to Cooperative Sugar Mills in purchase of ethanol**: Cooperative Sugar Mills will be put at par with private companies for ethanol procurement by Government of India under the Ethanol Blending Programme (EBP).

E. Three new Multi-State Societies at the National Level (3 initiatives)

34. **New National Multi-State Cooperative Seed Society for certified seeds**: New apex multi-state cooperative seed society established under the MSCS Act, 2002 as umbrella organization for quality seed cultivation, production and distribution under a single brand.

35. **New National Multi-State Cooperative Organic Society for organic farming**: New apex multi-state cooperative organic society established under the MSCS Act, 2002 as umbrella organization to produce, distribute and market certified and authentic organic products.

36. **New National Multi-State Cooperative Export Society for promoting exports**: New apex multi-state cooperative export society established under the MSCS Act, 2002 as umbrella organization to give thrust to exports from cooperative sector.

F. Capacity Building in Cooperatives (3 initiatives)

37. Establishment of the World's Largest Cooperative University :National Cooperative University being established for Cooperative education, training, consultancy, research and development and a sustainable and quality supply of trained manpower.

38. New Scheme of Cooperative Education and Training: To strengthen the cooperative movement, build capacity of faculty of VAMNICOM, NCCT and JCTC, promote quality research and studies on important areas of Cooperative sector, etc. One-time capital grant of Rs. 30 Cr. has also been provided to VAMNICOM for modernization/ construction of hostels, auditorium, sports facilities, cafeteria, etc.

39. Promotion of training and awareness through National Council for Cooperative Training (NCCT): NCCT conducted 3,287 training programs and provided training to about 2,01,507 participants in FY 2022-23.

G. Use of Information Technology for 'Ease of Doing Business' (2 initiatives)

40. Computerization to strengthen the Central Registrar's Office: This will create a digital ecosystem for Multi-State Cooperative Societies, which will assist in processing applications and service requests in a time bound manner.

41. Scheme for computerization of office of RCSs in States and Union Territories: To increase ease of doing business for Cooperative Societies and create a digital ecosystem for transparent paperless regulation in all States/Union Territories.

H. Other Initiatives (7 initiatives)

42. New National Cooperative Database for authentic and updated data repository: Preparation of a database of cooperatives in the country started to facilitate stakeholders in policy making and implementation.

43. Formulation of New National Cooperative Policy: A National level committee comprising 49 experts and stakeholders drawn from all over the Country constituted to formulate the New National Cooperative Policy to create an enabling ecosystem to realize the vision of 'Sahakar-se-Samridhi'.

44. Multi-State Co-operative Societies (Amendment) Bill, 2022: Bill introduced in the Parliament to amend the MSCS Act, 2002 to incorporate provisions of 97th Constitutional Amendment, strengthen governance, enhance transparency, increase accountability and reform electoral process in the Multi State Cooperative Societies.

- 45. Inclusion of Cooperatives as ‘buyers’ on GeM portal:** Cooperatives permitted to register as ‘buyer’ on GeM, enabling them to procure goods and services from nearly 40 lakh vendors to facilitate economical purchases and greater transparency.
- 46. Expansion of National Cooperative Development Corporation to increase its range and depth:** New schemes for cooperatives launched by NCDC in various sectors such as ‘Swayamshakti Sahkar’ for SHG; ‘Deerghavadhi Krishak Sahkar’ for long term agricultural credit; ‘Dairy Sahkar’ for dairy and ‘Neel Sahkar’ for fisheries. Total financial assistance of Rs. 41,024 Crores disbursed by NCDC in FY 2022-23.
- 47. Computerization of Agriculture and Rural Development Banks (ARDBs):** To strengthen the Long-term Cooperative Credit structure, the project of computerization of Agriculture and Rural Development Banks (ARDBs) is being undertaken.
- 48. Refund to Investors of Sahara Group of Societies:** A portal has been launched for making payments to the bona fide depositors of the cooperative societies of Sahara Group in a transparent manner after proper identification and submission of proof of their deposits and claims.
