



**STANDING COMMITTEE ON AGRICULTURE, ANIMAL
HUSBANDRY AND FOOD PROCESSING**

(2024-25)

(EIGHTEENTH LOK SABHA)

MINISTRY OF COOPERATION

DEMAND No. 16

SIXTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

DECEMBER, 2024/AGRAHAYANA, 1946 (*Saka*)

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(EIGHTEENTH LOK SABHA)

MINISTRY OF COOPERATION

DEMANDS FOR GRANTS
(2024-25)

*Presented to Lok Sabha on 17.12.2024
Laid on the Table of Rajya Sabha on 17.12.2024*



LOK SABHA SECRETARIAT
NEW DELHI

DECEMBER, 2024/AGRAHAYANA, 1946(Saka)

COA No. 505

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha
(Seventeenth Edition) and Printed by Lok Sabha Secretariat, New Delhi-110 001

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**COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE, ANIMAL
HUSBANDRY AND FOOD PROCESSING (2024-25)**

Shri Charanjit Singh Channi – Chairperson

MEMBERS

Lok Sabha

2. Shri Patel Umeshbhai Babubhai
3. Smt. Harsimrat Kaur Badal
4. Shri Rajkumar Chahar
5. Smt. Anita Nagarsingh Chouhan
6. Shri Kuldeep Indora
7. Shri Rajpalsinh MahendrasinhJadav
8. Md. Abu Taher Khan
9. Shri Rahul Singh Lodhi
10. Shri Sukanta Kumar Panigrahi
11. Smt. Krishna Devi Shivshankar Patel
12. Shri Naresh Chandra Uttam Patel
13. Shri Narayan Tatu Rane
14. Shri Murasoli S.
15. Shri Dharambir Singh
16. Shri Dushyant Singh
17. Shri Sudhakar Singh
18. Shri Kodikunnil Suresh
19. Shri Tejasvi Surya
20. Smt. Geniben Nagaji Thakor
21. Shri Bhausahab Rajaram Wakchaure

Rajya Sabha

22. Smt. Ramilaben Becharbhai Bara
23. Dr. Anil Sukhdeorao Bonde
24. Shri Banshilal Gurjar
25. Shri S. Kalyanasundaram
26. Shri Nitin Laxmanrao Jadhav Patil
27. Shri Madan Rathore
28. Shri Ramji Lal Suman
29. Shri P.P. Suneer
30. Shri Randeep Singh Surjewala
31. *Vacant**

* Vacant *vice* Shri Krishan Lal Panwar resigned from Rajya Sabha on 14.10.2024.

SECRETARIAT

1. Shri Srinivasulu Gunda — Joint Secretary
2. Shri Khakhai Zou — Director
3. Shri Anil Kumar Sanwaria — Deputy Secretary

INTRODUCTION

I, the Chairperson, Standing Committee on Agriculture, Animal Husbandry and Food Processing, having been authorized by the Committee to submit the Report on their behalf, present this Sixth Report on the Demands for Grants (2024-25) of the Ministry of Cooperation.

2. The Committee under Rule 331E(1)(a) of the Rules of Procedure and Conduct of Business in Lok Sabha considered the Demands for Grants (2024-25) of the Ministry of Cooperation, which were laid on the table of the House on 30 July, 2024. The Committee took evidence of the representatives of the Ministry of Cooperation at their sitting held on 21 November, 2024. The Report was considered and adopted by the Committee at their sitting held on 14 December, 2024.

3. For facility of reference and convenience, the Recommendations/Observations of the Committee have been printed in bold letters in Part-II of the Report.

4. The Committee wish to express their thanks to the Officers of the Ministry of Cooperation for appearing before the Committee and furnishing the information that they desired in connection with the examination of Demands for Grants of the Ministry.

5. The Committee would also like to place on record their deep sense of appreciation for the invaluable assistance rendered to them by the officials of Lok Sabha Secretariat attached to the Committee.

NEW DELHI;
14 December, 2024
23 Agrahayana, 1946 (Saka)

CHARANJIT SINGH CHANNI
Chairperson,
Standing Committee on Agriculture,
Animal Husbandry and Food Processing

**REPORT
PART I
CHAPTER-I
Overview of Ministry of Cooperation**

The Cooperatives are universally accepted as an essential instrument of social and economic policy and have inherent advantage in tackling the problems of poverty alleviation, food security and employment generation. The Cooperatives have immense potential to deliver goods and services at the grass-root level as they are people-centric rather capital-centered organizations and they bring in cohesiveness, community business sense and enhance social bonding Societies through collective efforts.

1.2 The Ministry of Cooperation was created *vide* Cabinet Secretariat's Gazette Notification dated 06th July 2021 and before that the subject of Cooperation was administered through the Cooperative Division of the erstwhile Department of Agriculture, Cooperation and Farmers Welfare under the Ministry of Agriculture and Farmers Welfare.

1.3 There are around 8 lakh cooperative units in India out of which 1.89 lakh units are credit cooperatives and the remaining are non-credit cooperatives carrying out various activities such as produce, processing, consumer, industrial, marketing, tourism, hospital, housing, transport, labour, farming, service, livestock, and multi-purpose cooperatives. The main objective behind creating a separate Ministry is to tap the huge potential of these community owned and members-driven economy as well as to identify and address appropriately the issues faced by the cooperative sector.

Mission and Vision of the Ministry of Cooperation

1.4 The Ministry with the mission to provide a separate administrative, legal and policy framework for strengthening the cooperative movement in the country and also to deepen cooperatives as a true people-based movement reaching up to the grassroots and develop a cooperative based economic model where each member works with spirit of responsibility has made the *Sahkar se Samridhi* (Prosperity through Cooperation) as their vision.

To realize this vision, the Ministry aspire to transform the cooperatives from being a loss-making enterprise into an employment generator especially in the rural areas for

supporting women, marginalized sections of the society and poverty-stricken entrepreneurs at the local level.

1.5 To make the Cooperative Societies effective, efficient and transparent through new policy intervention and to realize the vision of 'Prosperity through Cooperation' a new Cooperation Policy is being formulated in the country. To this end, a 48-member National Level Committee was constituted under the chairmanship of Shri Suresh Prabhakar Prabhu, consisting of experts of the cooperative sector, representatives from National/State/District/Primary level cooperative societies, Secretaries (Cooperation) and RCSs from States/UTs, officers from Central Ministries /Departments to formulate the New National Cooperation Policy. The National Level Committee held 17 meetings and 4 regional workshops throughout the country to elicit suggestions/recommendations. A draft report on the New National Cooperation Policy, prepared by the National Level Committee has been received. The draft policy has been prepared and is under finalization. The policy is expected to provide a roadmap to achieve the vision of “*Sahkar se Samridhhi*”

Schemes and Programmes of Ministry of Cooperation

1.6 According to the Ministry of Cooperation, the implementation of the Central Sector Integrated Scheme on Agricultural Cooperation (CSISAC), which was transferred to it by the erstwhile Department of Agriculture, Cooperation & Farmers Welfare was ceased *w.e.f.* 2022-23. The CSISAC Scheme comprised of following Sub-Schemes for providing assistance to National Cooperative Development Corporation (NCDC), National Council for Cooperative Training (NCCT), National Cooperative Union of India (NCUI) and for Multi-State Cooperative Societies:

- i. Assistance to National Cooperative Development Corporation (NCDC) Programmes for Development of Cooperatives - under this scheme subsidy is provided to cooperative societies through NCDC.
- ii. Assistance to Cooperative Education and Training -This scheme is implemented through the National Cooperative Union of India (NCUI) and the National Council for Cooperative Training (NCCT).
- iii. Assistance to Multi State Cooperative Societies.

1.7 The Ministry of Cooperation had initiated an exercise to revamp and replace the CSISAC Scheme with the proposed New Schemes of (i) Digitalization of PACS; (ii) Education & Training; (iii) Credit Guarantee Fund for Cooperatives and (iv) *Sahkar se Samridhhi Yojana* with following Sub-Components:

- a. Recapitalization of PACS
- b. Seed money for new PACS
- c. Revival of defunct PACS
- d. Transformation of PACS into multi-role cooperatives on the lines of FPOs
- e. Assistance to cooperative societies in branding, marketing and trade
- f. Capital subsidy for creation of basic infrastructure
- g. Creation of National Database of cooperative societies)

Subordinate Organizations

(a) Central Registrar of Cooperative Societies (CRCS)

1.8 The Office of Central Registrar of Cooperative Societies deals with incorporation, regulations and winding up of Multi-State Cooperative Societies. The Office of Central Registrar of Cooperative Societies aims to facilitate the voluntary formation and democratic functioning of cooperatives as people's institutions based on self-help and mutual aid and to enable them to promote their economic and social betterment and to provide functional autonomy as per cooperative principles and legislative framework enshrined in the Multi-State Cooperative Societies Act, 2002.

The following major functions are being performed by the Office of the CRCS:

- (i) Registration of Multi-State Cooperative Societies;
- (ii) Amendment to Bye-laws of Multi-State Cooperative Societies;
- (iii) Registration of Cooperative Societies as Multi-State Cooperative Societies by conversion;
- (iv) Issues relating to management and working of the Multi-State Cooperative Societies, including National level Cooperative organizations, their implementation and follow up;
- (v) Examination of proposals regarding Cooperative legislations;
- (vi) Work related to amendment of Multi-State Cooperative Societies Act and Rules;

- (vii) Redressal of complaints/grievances received from the Multi-State Cooperative Societies and their members;
- (viii) Appointment of Arbitrators and Liquidators in the Multi-State Cooperative Societies;
- (ix) Conduct of inquiry and inspection of Multi-State Cooperative Societies as per Act; and
- (x) Management of Cooperative Education Fund and Cooperative Rehabilitation Reconstruction and Development Fund

(b) National Cooperative Development Corporation (NCDC)

1.9 The National Cooperative Development Corporation (NCDC) was created on the recommendations of the All India Rural Credit Survey Committee for spearheading development of rural economic activities through cooperatives. The NCDC was established in March, 1963 under the provisions of the National Cooperative Development Corporation Act, 1962. The NCDC has the mandate to plan, promote, and finance of programmers for production, processing, marketing, storage, export and import of agricultural produce, foodstuff and certain notified commodities, on cooperative principles. The mandate of the NCDC was enlarged from time to time and it now finances more business activities, like, fishery, poultry, dairy, handloom, sericulture, livestock, Industrial goods, cottage and village industries, handicrafts, rural crafts and services like, water conservation works, irrigation, animal healthcare, disease prevention, agriculture insurance and agriculture credit, rural sanitation and services pertaining to labour cooperatives ,handlooms, coir, jute, sericulture, poultry, fishery, scheduled caste & scheduled tribes.

(c) National Council for Cooperative Training (NCCT)

1.10 The National Council for Cooperative Training (NCCT) is an autonomous society and is responsible for organizing, monitoring and evaluating the arrangements for cooperative training for the members, board members and employees working in the cooperative sector in the country. The NCTC has 20 institutes across the country, namely, Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM), Pune at National level, 05 Regional Institutes of Cooperative Management (RICMs) at Chandigrah, Bangalore, Kalyani, Gandhinagar, Patna, and 14 Institutes of Cooperative Management (ICMs) located across the India. The main objective of the NCCT is to

organize need based training, education and awareness programmes and facilitate the process of human resource development for cooperatives on the country.

Demands for Grants (2024-25)

1.11 The Detailed Demands for Grants (2023-24) of the Ministry of Cooperation as provided in Demand No.16 pertaining to the Ministry has been presented to the Parliament on 30 July, 2024. The Budget Estimates (BE) of the Ministry of Cooperation for the year 2024-25 is Rs.1183.39Crore. The Committee have examined, in-depth, the Demands for Grants of the Ministry for the year 2024-25 and these details are given in succeeding Chapters of the Report. The Observations / Recommendations of the Committee are presented at the end of the Report. The Committee expect the Ministry of Cooperation to take the Committee's observations / recommendations seriously and act on them expeditiously and furnish Action Taken Replies in respect of the observations / recommendations made in the Report within three months from the date of presentation of this Report.

CHAPTER-II

ECONOMIC STRENGTHENING OF CO-OPERATIVE SOCIETIES THROUGH SCHEMES AND PROGRAMMES

2.1 The cooperative movement in India is not uniformly distributed across the country, with differences in outreach and distribution at the state and regional levels. Many States still lack their own cooperation policies, and certain States have multiple Cooperative Acts. To promote the nations' cooperative movement, the regulatory framework must consider the coverage and enforcement measures of the various Acts and strengthen them.

2.2 There are more than 1 lakh Primary Agricultural Credit Societies (PACS) in the country with which around 13 crore small and marginal farmers are directly associated. They serve as the foundation of the rural cooperative ecosystem, fulfilling basic short-term and medium-term credit and other agri-input related needs of their farmer members. It is, therefore, imperative to focus on transforming them into sustainable and vibrant economic entities, capable of serving the varied needs of rural masses.

I. The initiatives taken by the Ministry

2.3 The cooperative sector has gained prominence and significant momentum with the creation of a separate Ministry and since then to fulfill its mandate and vision, the Ministry has taken the following important measures:

- (a) In 32 months, about 54 new initiatives were taken;
- (b) 28 details action plan were prepared;
- (c) Model bye-laws for Primary Agricultural Credit Societies (PACS) were prepared and sent to the State for adoption as per their requirement;
- (d) Bye-laws of 3 newly formed National Cooperative Societies, viz. National Cooperative Exports Limited (NCEL), National Cooperative Organics Limited (NCOL), and *Bharatiya Beej Sahakari Samiti* Limited (BBSSL) were prepared;
- (e) Creation of Worlds' Largest Grain Storage System Scheme; and
- (f) Regular meetings with the Ministries, State Governments, National Cooperative Federations and other stakeholders.

2.4 In order to implement various initiatives taken by this Ministry for strengthening of cooperative societies, in an effective and time bound manner, committees at National, State and District levels have been formed. The National Level Coordination Committee (NLCC) has been formed under the chairmanship of Secretary (Ministry of Cooperation), State Cooperative Development Committees (SCDC) have been formed at State level under the chairmanship of Chief Secretary concerned and District Cooperative Development Committees (DCDC) have been formed at District level under the chairmanship of District Collector concerned.

II. Major Priorities of the Ministry of Cooperation

2.5 When asked about the major priorities of the Ministry of Cooperation for the current financial year, the Ministry replied that presently the following initiatives are the major priorities in the current Financial Year:

A. Computerization of Primary Agriculture Cooperative Societies (PACS) Scheme/Project:

The Ministry of Cooperation is implementing the Scheme/Project for Computerization of functional PACS with a total financial outlay of ₹2,516 Crore, which entails bringing all the functional PACS onto an ERP (Enterprise Resource Planning) based Common National Software, linking them with NABARD through State Cooperative Banks (StCBs) and District Central Cooperative Banks (DCCBs). So far, proposals for computerization of 67,930 PACS from 30 States/UTs have been sanctioned, for which Rs.699.89 Crore has been released as Gol share of Rs.1528 Crore to the States/UTs concerned. Timeline for completion of day-end activities in all the PACS is to be completed by March, 2025.

The National Level Common Software for the project has been developed by NABARD and 40,348 PACS have been onboarded on ERP software. This common ERP software is being provided to all the PACS in the project, across the country, to capture data on all functionalities of PACS, both credit and non-credit. This software is customizable for state specific needs. At the national level, NABARD has engaged a vendor namely National Level PACS Software Vendor (NLPSV) to provide the common software including cyber security and data storage through open bidding as per the relevant procurement guidelines.

- **Progress of the Project:**
 - **Hardware Delivered :56,129**
 - **ERP Onboarded :40,348**
 - **Go-Live :31,459**
 - **Day-End :19,819**
- **Timelines for completion of the task:**
 - **Hardware Delivery: January, 2025**
 - **ERP Onboarded : by December, 2024**
 - **Go-Live : by January, 2025**
 - **Day-End : by March, 2025**

Component	Cost Sharing pattern
Comprehensive software (including cyber security and data storage) and Training	To be shared by Gol and NABARD. NABARD will contribute Rs.252.00 Crore (about 10% of the project cost) and the remaining will be borne by Gol.
Other Components (Hardware, Digitization and support system)	To be shared as per the extant guidelines of Centrally Sponsored Project. <ul style="list-style-type: none"> • Share of GOI: State will be 60:40. • For North eastern and Hilly States share will be 90 (Gol): 10 (State). • For UTs (without legislature)100% by Gol. • For UTs (with legislature) share will be 80 (Gol): 20 (State).
PMU and Administrative Cost	This cost will be borne by Gol upto Rs.50.00 Crore. Any additional expenditure beyond Rs.50.00 Crore will be borne by NABARD.

Funding mechanism:

Overall Status of Fund Release and Utilization

Category	Total amount to be released by Gol (Cr)	Amount released by Gol till date (Cr)	Remaining fund to be released (Cr) (B-C)	% amount released by Gol till date (C/B)	Utilization of fund as released by Gol (Cr)	% Utilization of fund as released by Gol (F/C)
A.	B.	C.	D.	E.	F.	G.
States	1207.21	699.89	507.32	58%	488.92	70%
NABARD	316.48	165.92	150.56	52%	136.90	83%
Total	1,523.69	865.81	657.88	57%	625.82	72%

Outcome of the project:

Stage	Total approved PACS	Total (as on 18.11.2024)
A.	B.	C.
ERP Onboarded	67,930	40,348 (59%)
Go-Live	67,930	31,459 (46%)
Day- End	67,930	19,819 (29%)
HW delivered	67,930	56,129 (83%)

2.6 It was also informed by the Ministry that as the implementing agency for the project, NABARD has been allocated funds for the release of the Government of India (GoI) share to support software development, training, and the Project Management Unit (PMU). According to the Cabinet Committee on Economic Affairs (CCEA) approval, a sum of Rs.316.48 Crore is to be provided to NABARD for software development (including cyber security and data storage), training programs, and PMU and administrative costs.

2.7 The project for Computerization of PACS got approval of Government on 29th June, 2022 and, therefore, funds released to NABARD during FY 2022-23 to 2024-25, are as under:

Sl. No.	Financial Year	Allocation made (Rs. in Crore)	Actual Released (Rs. in Crore)
1.	2022-23	100	100
2.	2023-24	187.97	40.92
3.	2024-25	100	25
	Total	300	165.92 (as on 8.11.2024)

2.8 When asked to furnish the updated data on the total number of PACS identified for being computerized, the number of PACS which have been computerized so far and the number of the remaining PACS which are to be taken up for computerization and the time period within which the process is proposed to be completed, the Ministry replied that total 67,930 PACS have been sanctioned for computerization and total 39,346 have been computerized. State-wise details of the same are as under:

S. No	States	PACS selected for Computerization	ERP Onboarded (as on 18.11.2024)
1.	Maharashtra	12,000	9,090
2.	Rajasthan	6,781	3,008
3.	Gujarat	5,754	3,788
4.	Uttar Pradesh	5,686	2,453

5.	Karnataka	5,491	472
6.	Madhya Pradesh	4,536	4,525
7.	Tamil Nadu	4,532	4,478
8.	Bihar	4,495	4,016
9.	West Bengal	4,167	95
10.	Punjab	3,482	1,499
11.	Andhra Pradesh	2,037	30
12.	Chhattisgarh	2,028	2,019
13.	Himachal Pradesh	1,789	830
14.	Jharkhand	1,500	1,403
15.	Haryana	710	691
16.	Uttarakhand	670	185
17.	Assam	583	569
18.	J & K	537	532
19.	Tripura	268	248
20.	Manipur	232	22
21.	Nagaland	231	33
22.	Meghalaya	112	108
23.	Sikkim	107	104
24.	Goa	58	32
25.	ANI	46	45
26.	Puducherry	45	25
27.	Mizoram	25	25
28.	Arunachal Pradesh	14	14
29.	Ladakh	10	9
30.	DNH & DD	4	-
	Total	67,930	40,348

2.9 It was further informed that it is estimated that the process for Computerization of all the sanctioned PACS including Day-end activity, will be completed by the end of March, 2025

2.10 To the query as to what are the reasons for not releasing any amount to some of the States for computerization of PACS, the Ministry replied that currently, 30 States and Union Territories (UTs) are participating in the project. The following States and UTs have not yet joined, with their current status detailed below:

Sl. No.	State / UT	Present Status
1	Telangana	Proposal awaited from State/NABARD
2	Odisha	Proposal awaited from State/NABARD
3	Kerala	Proceeding with their own Computerization Project
4	Chandigarh	No PACS exists in this UT
5	Lakshadweep	No PACS exists in this UT
6	Delhi	No PACS exists in this UT

B. Strengthening of Cooperatives through IT intervention-

2.11 The Ministry has informed that this Centrally Sponsored Scheme/project has following two components: -

- **Computerization of Agriculture and Rural Development Banks (ARDBs):**The Long-Term Cooperative Credit Structure (LTCCS) consists of Cooperative Agriculture and Rural Development Banks at State and primary levels, which are primarily engaged in providing long term finance to farmers. As on today, fully functional State Cooperative Agriculture and Rural Development Banks (SCARDBs) exist in 13 States/UTs. In order to improve their operational efficiency, bring uniformity in accounting practices and core aspects of the systems followed in lending, recovery and raising resources, and to aid in their business expansion, Government has approved the project of computerization of 1,851 units of Agriculture and Rural Development Banks (ARDBs) including their branches and supervisory units with a total outlay of ₹119.40 Crore.

As per Guidelines of the Project, the expenditure amounting to ₹119.40 Crore on the Project of Computerization of Agriculture and Development Banks (ARDBs) will be shared by the Government of India (GOI), State Government and ARDBs. The GoI share will be provided to States/UTs for procurement of hardware, digitization and establishing support system under the Project as per ratio prescribed in the guidelines.

NABARD is the implementing agency for the project and will develop a common national level software for ARDBs. Hardware, support for Digitization of legacy data, training to the employees, etc. will be provided under the project.

The computerization of SCARDBs and PCARDBs branches, totaling around 1851 in 13 States/UTs, namely Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Puducherry, Punjab, Rajasthan, Tamil Nadu, Tripura, Uttar Pradesh, and West Bengal, and serving approximately 1.2 crore farmers, will be undertaken as part of the Computerization of ARDBs Project. These institutions are crucial for

providing long-term finance in the rural economy. The major outcome of this project is the computerization of these branches, which will be connected to the higher-tier banking system through seamless connectivity. This will result in increased efficiency, accountability, and transparency in the functioning of these rural financial institutions, ultimately benefiting the farmers who rely on them for long-term financial support.

So far, proposals from 10 States/UTs have been received and sanctioned. Further, GOI share amounting to ₹ 4.26 Crore was released to 8 States/UTs in FY 2023-24 and FY 2024-25 for procurement of hardware, digitization and setting up of support system.

- **Computerization of offices of Registrar of Cooperative Societies in States/Union Territories:** To increase the ease of doing business for Cooperative Societies and create a digital ecosystem for transparent paperless regulation in all States/Union Territories, the Ministry of Cooperation has approved a Centrally Sponsored Scheme for computerization of offices of Registrar of Cooperative Societies of all States/UTs. The software developed under this scheme will be based on the cooperative acts of the respective State/UT. The Project was launched on 30th January 2024 in Pusa, New Delhi. As of date, 35 States/UTs have submitted their proposal to the Ministry and 35 States/UTs have been given funds under the project to the tune of about ₹ 11.59 Crore.

C. Establishing and Strengthening Multipurpose PACS, Dairy and Fisheries Cooperative Societies:

2.12 The Government, on 15.02.2023, approved the Plan for strengthening cooperative movement in the country and deepening its reach up to the grassroots. The Plan entails establishment of 2 lakh new multipurpose PACS or primary dairy/ fishery cooperative societies covering all the *Panchayats*/ villages in the country in the next five years with the support of NABARD, NDDB, NFDB and State/UT Governments and by convergence of various existing GOI schemes, including Dairy Infrastructure Development Fund (DIDF), National Programme for Dairy Development (NPDD), *PM Matsya Sampada Yojana* (PMMSY), Fisheries & Aquaculture Infrastructure Fund (FIDF), etc. As of now, 3,421 new PACS, 4,833 new Dairy cooperative societies and 423 new

fisheries cooperative societies have been formed since the Cabinet approval of this Plan on 15.2.2023.

2.13 To pave the way for formation of new M-PACS) / MDCS/ MFCS, a Standard Operating Procedure (*Margdarshika*) highlighting the targets and timeline for all stakeholders, has also been launched on 19.09.2024 with the following objectives:

- (i) Opening of bank account of cooperative societies and their members in cooperative banks: This will ensure that money of the cooperative sector remains in the cooperative banking system, leading to enhanced corpus of deposits in the cooperative banks. This will in turn empower cooperative banks in lending more money to the cooperative sector at affordable interest rates, leading to enhanced economic activities in the sector.
- (ii) Distribution of micro-ATMs to dairy cooperative societies making them *Bank-Mitra* of the DCCBs: This will provide door step banking services to the farmers.
- (iii) Distribution of *Rupay-Kisan* Credit Cards to dairy farmers: This will provide interest free cash credit limit to the dairy farmers. As the farmers presently have to borrow money at interest rate of 24% or more, this will provide substantial saving to them leading to their economic empowerment.

D. World's Largest Grain Storage Plan in Cooperative Sector

2.14 In order to address the shortage of decentralized food grain storage capacity in the country, the Government approved the World's Largest Grain Storage Plan in Cooperative Sector to be rolled out as a pilot project. The plan entails creation of godowns and other agri-infrastructure, including custom hiring center, processing units, etc. at PACS level through convergence of various existing GOI schemes, including AIF, AMI, SMAM, PMFME, etc. Under the Pilot Project, godowns in 11 PACS of 11 States (Uttar Pradesh, Rajasthan, Gujarat, Madhya Pradesh, Maharashtra, Karnataka, Tamil Nadu, Telangana, Assam, Tripura and Uttarakhand) have been constructed.

E. Strengthening of PACS through diversification of business activities:

2.15 Through inter-Ministerial coordination, PACS have been enabled to function as Common Service Centre, providing various e-services to common citizens; as

Pradhan Mantri Bhartiya Janaushadhi Kendra (PMBJK), providing quality generic medicines to rural citizens at affordable rates; as *Pradhan Mantri Kisan Samridhi Kendra* (PMKSK), providing fertilizers and agri-services like soil testing, training, etc. to farmers; as Petrol/ Diesel retail outlets and LPG Distributors; as *Paani Samiti* for providing Operations & Maintenance (O&M) services under rural piped water supply schemes, etc.

F. Formulation of New National Cooperation Policy

2.16 To realize Hon'ble Prime Minister of India's vision of 'Prosperity through Cooperation', The Ministry has decided to formulate a new Cooperation Policy in the country. To this end, a 48-member National Level Committee was constituted under the chairmanship of Shri Suresh Prabhakar Prabhu, consisting of experts of the cooperative sector, representatives from National/State/District/Primary level cooperative societies, Secretaries (Cooperation) and RCSs from States/UTs, officers from Central Ministries /Departments to formulate the New National Cooperation Policy. The National Level Committee held 17 meetings and 4 regional workshops throughout the country to elicit suggestions/recommendations. A draft report on the New National Cooperation Policy, prepared by the National Level Committee has been received. The draft policy has been prepared and is under finalization. The policy is expected to provide a roadmap to achieve the vision of "*Sahkar se Samridhi*"

G. Establishment of a National-level Apex Body

2.17 The Ministry are of the view that planned development and empowerment of the cooperative sector can happen only with trained manpower for which it is being planned to establish a national-level apex body for cooperative education, training, consultancy, research and development. This apex body will ensure a sustainable, adequate and quality supply of trained manpower and work for capacity building of the existing personnel. This apex body will be the first of its kind, a specialized body in the Cooperative Sector.

F. Setting up of three new National Cooperative Societies

2.18 The Ministry of Cooperation have set up three national level multi-state cooperative societies; one each for Exports, Organic produce and quality seeds. These Societies have been registered under MSCS Act, 2002. The cooperative societies of all

levels, which are interested in activities specified for each of above societies, are eligible to become a member. The details are as under:

(i) National Cooperative Exports Limited (NCEL):

As per information provided by NCEL, so far 5,438 cooperatives have been granted membership. NCEL has achieved total export quantity of 11,62,609 Metrictonnes (Rice, Sugar, Maize, Onion and wheat) with an export value of Rs.4,565.40 Cr

(ii) National Cooperative Organics Limited (NCOL):

The NCOL has been set up to provide institutional support for aggregation, certification, testing, procurement, storage, processing, branding, labelling, packaging, logistic facilities, marketing of organic products and facilitate in arranging financial assistance to the organic farmers through its member Cooperatives including PACS/FPOs along with promotional and developmental activities of organic products with the help of various schemes and agencies of the Government.

(iii) *Bharatiya Beej Sahkari Samiti* Limited (BBSSL):

The BBSSL has been set up to undertake production, procurement & distribution of quality seeds under single brand through cooperative network to improve crop yield and develop a system for preservation and promotion of indigenous natural seeds.

G. Assured Purchase from Pulses and Maize Farmers under the *Aatm-Nirbharta* Campaign

2.19The Ministry of Cooperation has initiated a scheme to incentivize the cultivation of pulses (*Tur, Masur, and Urad*) and maize by assuring the purchase of their produce from pre-registered farmers at least at the Minimum Support Price (MSP). To implement this initiative, NAFED and NCCF have launched the following web portals:

1. *e-samridhi* <https://esamridhi.in>
2. *e-samyuti* <http://admin.nccfindia.com>

A total of 25,648 PACS and 19,09,292 farmers have been registered on their portals, and both have purchased 33,161.83 metric tons of *tur*.

Incentivizing Maize Cultivation:

Both agencies have begun registration for the purchase of maize and have guaranteed 100% purchase through advertisements. The purchase and supply situation for maize during the Rabi marketing season of 2024 by NCCF/NAFED is as follows:

Agency	Distilleries with whom the MoU has been signed	Registered Farmers	Registered PACS/ FPO	Procurement (MT)	Demand made by Distilleries (MT)	Total Quantity Supplied (MT)
NAFED	36	60,533	14	3,981	5,525	3902
NCCF	58	4,02,319	12,319	1,308	2,070	1308
Total	94	4,62,852	12,333	5,289	7,595	5,210

H. Role of NCDC in Strengthening of Cooperative Sugar Mills

2.20 The National Cooperative Development Corporation (NCDC) has been providing financial assistance to Cooperative Sugar Mills by way of investment loan, term loan, margin money and working capital loan for the establishment, modernization cum expansion and diversification of sugar mills, sugar by product units like distilleries & cogeneration plant. The Ministry of Cooperation have formulated a scheme namely “Grant-in-aid to National Cooperative Development Corporation (NCDC) for strengthening of Cooperative Sugar Mills (CSMs)”. Under this scheme one time grant of Rs.1000.00 Crore to be provided to NCDC in two installment of Rs.500.00 Crore each in FY 2022-23 & FY 2023-24 for the purpose of borrowing additional fund from the market for providing loans to the tune of Rs.10,000 Crore to CSMs for setting up of Ethanol plant/ Cogeneration plant and for meeting their working capital requirement. During the FY 2023-2024, the NCDC sanctioned and disbursed assistance of ₹3728.23 Crore and ₹2176.31 Crore respectively to sugar cooperatives. Under the scheme as on 30.10.2024, the NCDC has so far sanctioned Rs.7790 Crore to 52 CSMs.

2.21 When asked in how many villages the Primary Agriculture Credit Societies (PACS) have been established since the creation of the Ministry of Cooperation, the Ministry replied that as per National Cooperative Database,4886 Primary Agriculture

Credit Societies (PACS) have been established covering a total 32920 villages in their area of operation since the creation of the Ministry of Cooperation.

2.22 On being asked how many PACS which are already closed were revived since the creation of the Ministry of Cooperation and what kind of difficulties are being faced by the Ministry in revival of these closed PACS and if so, what efforts are being made to remove those difficulties, the Ministry informed that the PACS are registered under respective State/ UT Government Cooperative Societies Acts and are governed as per these Acts and Rules, including the matter of their liquidation.

2.24 When asked as to why there is a lack of enthusiasm for LPG Distribution project through cooperatives as only 24 applications have been received from 4 States, the Ministry replied that in order to diversify the business activities of PACS, they have been enabled to operate as LPG Distributors. As per the procedure, PACS have been enabled to apply online under the Combined Category (CC), as and when locations are advertised by Oil Marketing Companies (OMCs). As per data shared by States/ UTs, only 2 locations in Jharkhand have been advertised under CC category by OMCs. In other States, advertisements issued by OMCs did not include CC category. So far, as informed by States/ UTs, 24 PACS have applied from 4 States under CC/ Open categories – (Madhya Pradesh – 15 applications; Karnataka – 6 applications; Jharkhand – 2 applications and Meghalaya – 1 application).

III. WORLD'S LARGEST GRAIN STORAGE PLAN IN COOPERATIVE SECTOR

2.25 When asked about the measures having been taken to create village-based storage system and other related facilities for sell and purchase of the items produced by Cooperatives at local level to make them more affordable, the Ministry replied that in order to create village-based decentralized storage system and other related facilities for food grains, the Government, on 31.05.2023, approved the World's Largest Grain Storage Plan in Cooperative Sector, to be rolled out as a pilot project. The plan entails creation of various agri-infrastructure at the level of Primary Agricultural Credit Societies (PACS), including godowns, processing units, custom hiring centers, etc., through convergence of various existing Government of India (GoI) schemes such as, Agriculture Infrastructure Fund (AIF), Agricultural Marketing Infrastructure Scheme (AMI), Sub-Mission on Agricultural Mechanization (SMAM), *Pradhan Mantri* Formalization of Micro Food Processing Enterprises Scheme (PMFME), etc.

Creation of decentralized food grain storage capacity will help in reduction of post-harvest losses and transportation costs. Further, farmers will be able to store their produce in the godown constructed at PACS and avail bridge finance for the next cropping cycle and sell the produce at a time of their choice, thus avoiding distress sale of crops and realizing better value for their produce. The plan would also provide forward and backward linkages to farmer members of PACS, thus enabling them to diversify their business activities and earning better income.

IV. GRIEVANCES REDRESSAL MECHANISM

2.26 When asked whether any Grievance Redressal Mechanism related to functioning of the Cooperative Societies has been devised by the Ministry and to provide the details of complaints received since the constitution of the Ministry and the action taken on those complaints, the Ministry replied that

- (a) Cooperation Societies having area confined to only one state is governed by the laws made by the concerned state grievance redressal is relation to these societies are a subject matter of the concerned state. Of the 8 lakh (approx.) Co-Operative Societies, only 1600 (approx.) are Multi State Cooperative Societies which are governed by MSCS Act 2002.
- (b) The Multi-State Cooperative Societies (MSCS) Act, 2002, underwent significant amendments, which were duly notified by the Central Government in August 2023. One of the major amendments related to creation of institution of the Cooperative Ombudsman, specifically to handle the grievances related to the cooperative societies. Further, to make the working of cooperative societies more transparent, the amendment also provides for appointment of Cooperative Information Officer in the Multi-State Cooperative Societies.
- (c) Following these amendments to the MSCS Act, 2002, the Cooperative Ombudsman has been appointed under Section 85A of the Act vide Gazette Notification dated 5th March 2024.

- (d) As per the provisions of the Act, the Cooperative Ombudsman will consider the following categories of complaints and appeals, from the members of MSCS as the case may be: -
- i) Complaints by Members:**
These include complaints regarding members' deposits, equitable benefits arising from the functioning of a Multi-State Cooperative Society, or any other issue affecting the rights and interests of individual members.
 - ii) Appeals Against Orders of Cooperative Information Officer:**
Appeals under Section 106(4) of the MSCS Act, where members contest the decisions or orders passed by the Cooperative Information Officer.
- (e) The amended MSCS Act and Rules thereunder, provide for simple and defined procedure for filing of complaints/appeals before the Cooperative Ombudsman. Significantly, time lines have also been provided under the Act, for filing of grievance, as also their settlement and disposal by the Cooperative Ombudsman.
- (f) The grievance redressal mechanism established under the MSCS Act, 2002, is being implemented in compliance with the provisions of the Act.

V. ENSURING TRANSPARENCY IN THE COOPERATIVE SOCIETIES

2.27 On being asked to furnish the details of the extant mechanism for ensuring accountability of the Office-bearers in running the affairs of the Cooperative Societies, the Ministry replied that the cooperative societies registered under the provisions of the Multi-State Cooperative Societies (MSCS) Act, 2002 function as autonomous cooperative organizations and are accountable to their members. The multi-State cooperative societies are required to function as per the provisions of Multi-State Cooperative Societies Act, 2002 and rules made there under read with approved bye-laws of the society which includes the roles and powers of the members, Board, General Body of the society and Central Registrar of Cooperative Societies (CRCS). Further, MSCS Act, 2002 and Rules made thereunder provides mechanisms to ensure transparency, fair governance and accountability of Board of Directors as under:

- i. Under the provision of section 41(6) of the Act: - Restriction on directors to participate in discussions or votes on contracts in which he or his relative have a direct or indirect interest. Additionally, no relative of any director can be employed by the society, including the Chief Executive.
- ii. Under the provision of section 43 of the Act: - A person is disqualified from being a board member if he holds an office or place of profit in the society, have a vested interest in its business, or owe money pending recovery under a legal order.
- iii. Under the provision of section 47 of the Act: - Removal of elected member by a majority vote of the general body, provided not less than 2/3 of the members present and voting, approve.
- iv. Under the provision of section 45 of the Act: - Establishment of Co-operative Election Authority to oversee and regulate elections within multi-State co-operative societies, ensuring transparency and fairness in the election process.
- v. Under the provision of section 85A of the Act: - Appointment of Co-operative Ombudsman to address grievances and disputes of members, providing an independent and impartial mechanism for resolution.
- vi. Under the provision of section 106 of the Act: - Society is required to appoint a Co-operative Information Officer responsible for providing members with information regarding the society's affairs and management.

CHAPTER-III
DEMANDS FOR GRANTS OF MINISTRY OF COOPERATION FOR 2024-25

I. EVALUATION

3.1 The data on Total Allocations and Expenditure of the Ministry of Cooperation are as given below:

(Rs. In crore)

Year	Allocation proposed by the Ministry	Allocation by the M/o Finance at BE	Percentage increase at BE stage over the previous FY	Allocation by the M/o Finance at RE	Expenditure made by the Dept	Excess/ Shortfall
2022-23	900.00	900.00	NA*	1624.74	1636.52	+ 11.78
2023-24	1945.60	1150.38	27.82%	747.84	688.88	- 58.96
2024-25	519.20	1183.39	2.86%	--	--	--

*The Ministry was created in the year 2021 and it got its separate budgetary allocation from the financial year 2022-23.

3.2 When asked the reason for allocation of Rs.1183.39 Crore as BE for 2024-25, which is an increase of Rs.494.51 Crore over the Actual Expenditure of 2023-24 which was just Rs.688.88Crore, the Ministry stated that the allocation of Rs.1183.39 Crore majorly comprises of the following:-

- (a) Computerization of PACS Scheme project- **Rs. 500 Crore**
- (b) Grant-in-aid to NCDC for strengthening of Cooperative Sugar Mills (CSMs) Scheme- **Rs. 500 Crore**
- (c) Strengthening of Cooperatives through IT intervention Scheme-**88.96 Crore**

3.3 The Ministry further mentioned that they have proposed the above mentioned scheme wise BE for 2024-25 due to following reasons :-

(i) With respect the Computerization of PACS Project, the BE for the project in FY 2023-24 was Rs.968.24 Crore which was reduced at the Revised Estimate (RE) stage for FY 2023-24 to Rs.309.09 Crore due to non-receipt of fund release proposals from several States. Consequently, funds were not disbursed to many States during FY 2023-24, their funding needs were subsequently assessed based on their performance, and request was made for provision of Rs. 500 Crore in BE for FY 2024-25.

(ii) With respect to Grant-in-aid to NCDC for strengthening of Cooperative Sugar Mills (CSMs) for providing one-time grant of Rs.1000.00 Crore to NCDC in two

installments of Rs.500.00 Crore each during FY 2022-23 & FY 2023-24, for the purpose of borrowing additional fund from the market for providing loans to CSMs for setting up of Ethanol plant/Cogeneration plant and for meeting their working capital requirement.

The aforesaid scheme was approved *vide* DOE OM dated 27.03.2023, hence the first installment of Rs.500 Crore for the FY 2022-23 could be released only on 31.03.2023 due to which there was considerable CNA balance under the scheme and only token funds were granted during the 2nd year of the scheme i.e. FY 2023-24.

While the first installment of Rs.500 Crore was released in FY 2022-23, the following challenges were faced in the implementation of the Scheme:

- i. Lack of monsoon rains in the state of Maharashtra and Karnataka, which impacted the sugarcane yield and timely ripening of sugarcane.
- ii. Due to non-ripening of sugarcane, CSMs started their operation in November 2023 instead of October 2023 and there may be early closing of the crushing season resulting in 20-30% reduction in the availability of sugarcane and thus lower demand of working capital fund.

NCDC, therefore, requested to extend the validity period for further one year, *i.e.* upto FY 2024-25 as the grant already given could not be disbursed to CSMs during FY 2023-2024.

Additionally, the full disbursement of the Rs.500 Crore grant was delayed due to the lack of exemption for the utilization of funds allocated under the SC, ST, Assistance to NE Regions, and Other than NE Regions components. However, the necessary exemption was subsequently obtained from NITI Aayog, clearing the way for the release of the remaining funds allocated under the scheme.

In view of foregoing, funding needs were re-assessed and request was made for provision of Rs. 500Crore in BE for FY 2024-25.

(iii) Under the Strengthening of Co-operatives through IT interventions Scheme, it is submitted that the funds under the scheme were allocated in the 4th Qtr of 2023-24 and out of an allocation of Rs.40.91 Crore, only Rs.4.57 Crore could be released to States/UTs. Due to non-readiness of the States/ UTs such as non-opening, non-

mapping of SNA accounts etc. Accordingly, funding needs were re-assessed keeping in view the fact that the major outlay under the scheme was earmarked for FY 2024-25, therefore, request was made for provision of Rs.88.96 Crore in BE for FY 2024-25.

3.4 It was observed that the budgetary allocation at BE stage for the year 2023-24 was reduced by 65% at RE stage and the actuals spent fell short of RE by about Rs.59 Crore. On being asked about the specific reason for not even spending the budgetary allocation given at RE stage during the financial year 2023-24, the Ministry informed that out of Rs.59 Crore majorly, the following amount could not be spent:-

- (a) Rs.10 Crore (approx.) in Computerization of PACS Scheme.
- (b) Rs.36.4 Crore (Approx) in Strengthening of Co-operatives through IT intervention Scheme.
- (c) Rs.7.21 Crore in Grant-in-aid Salary to Grantee Bodies.
- (d) Rs.3.75 Crore under Establishment Expenditure of O/o CRCS.

With respect to (a) above, it is submitted that due to factors such as the non-receipt of proposals for releasing funds, underutilization of funds, and non-compliance with Department of Expenditure (DoE) guidelines for subsequent installment releases, the Ministry was unable to release the allocated funds to these States.

With respect to (b) above, it is submitted that due to non-readiness of the States/UTs such as non-opening, non-mapping of SNA accounts etc. and allocation of funds in the last Qtr. of FY 2023-24, the funds could not be released

With respect to (c) above, it is submitted that funds were allocated to NCCT and VAMNICOM (Grantee bodies) for payment of salaries. As the hiring of Staff could not be done by these bodies and number of vacancies remained high during the year, funds given for salary purpose could not be completely released.

With respect to (d) above, it is submitted that significant funds could not be utilized under object heads salaries, allowances, Advertising and publicity and Minor civil and electrical works due to shortage of staff, a smaller number of advertising proposals and lapse of funds by CPWD.

3.5 On being asked about the reasons for huge increase in allocation at RE stage in 2023-24, the Ministry replied that in the Financial Year 2023-24, a total of Rs.968.24 Crore was allocated under the primary Major Head 3601, including funds designated for NABARD. However, since funds for NABARD can only be released under the 2425 Head, adjustments were necessary. Following a reduction at the Revised Estimate (RE) stage, only Rs.309.09 Crore was allocated to the project for FY 2023-24. Accordingly, funds were reappropriated based on proposals from the States for the release of the Central share, resulting in only Rs.40.92 Crore being available under the 2425 Head for NABARD. Therefore, rather than an increase in funds at the RE stage for the 2425 Head, funds were reappropriated from the 3601 to the 2425 Head to enable releases to NABARD.

3.6 When asked as to what strategies being used to maximize the utilization of budget allocation and minimizing unspent balance with the implementing agencies, the Ministry informed that they primarily release funds on just-in-time basis, keeping the float in CNA/SNA to bare minimum and adopts real-time monitoring through Public Financial Management System (PFMS), which enables tracking of fund flows and expenditure at every level. For States/UTs implementing PACS and ARDBs/RCS computerization projects, PFMS integration ensures complete visibility of transactions, with subsequent instalments being released only after verification of proper utilization through Utilization Certificates (UCs), deposit of interest, compliance of instructions issued by MoF regarding release of instalments. This digital tracking system prevents fund parking, enables quick identification of bottlenecks, and ensures transparency in utilization patterns.

3.7 The implementation framework includes PFMS-based reporting dashboards, and regular review meetings at Secretary/ JS level with States/UTs. As per DOE's guidelines, all implementing agencies are mandated to register on PFMS, with their bank accounts linked to facilitate direct transfer of funds and real-time expenditure monitoring.

3.8 States/UTs have been recently directed to maintain dedicated project teams (Project Management Units- PMUs) for implementation, monitoring, evaluation, and timely course correction, ensuring optimal fund utilization while maintaining focus on quality project outcomes.

II. TRIBAL SUB PLAN (TSP)

3.9 On being asked about data on fund allocation under Tribal Sub Plan and expenditure incurred since 2022-23 to 2024-25, the Ministry informed that:

(Rs. in thousands)

Financial year	Total Budget Allocation	Funds Earmarked (BE) for TSP	% of total Budget Allocation	Funds Earmarked (RE) for TSP	% of total RE Allocation	Actual Expenditure	Funds Surrendered
2022-23	900,00,00	62,79,00	6.98%	85,40,00	9.49%	93,60,24	2,16,00
2023-24	1150,38,00	4,73,00	0.41%	25,80,00	2.24%	0	4,73,00
2024-25	1183,39,00	0	0	0	0	0	NA

3.10 When asked to furnish State/UT wise details of allocations under STSP component for various schemes being implemented by the Ministry for the financial years 2022-23 and 2023-24, the Ministry informed that during the year 2022-23, following schemes were being run by them :

- (a) Central Sector Integrated Scheme on Agriculture Cooperation
- (b) Computerization of Primary Agriculture Credit Societies.
- (c) Grant-in-aid to NCDG for Strengthening of Co-operative Sugar Mills.

Further, during the year 2023-24, following schemes were being run by the Ministry of Cooperation:-

- (a) Central Sector Integrated Scheme on Agriculture Cooperation
- (b) Computerization of Primary Agriculture Credit Societies.
- (c) Grant-in-aid to NCDG for Strengthening of Co-operative Sugar Mills.
- (d) Strengthening of Co-operatives through IT intervention.

3.11 In respect of above, it is submitted that no state/UTs wise allocation under STSP component was made under the Schemes implemented by the Ministry. It is worth mentioning here that the schemes namely; Computerization of Primary Agriculture Credit Societies, Grant-in-aid to NCDG for Strengthening of Co-operative Sugar Mills and Strengthening of Co-operatives through IT intervention have been granted exemption from making mandatory allocation under SCSP, STSP and NER category. Further, similar exemption was granted to CSISAC for the FY 2023-24 as the scheme was run as a case of time over run without cost over run for the FY 2023-24 only.

3.12 When asked to state the reasons for any surrender of funds under STSP, if any, during the financial years 2022-23 and 2023-24, the Ministry informed that the surrender of funds under STSP Component during the FY 2022-23 & 2023-24 is due to non-receipt of proposals under STSP category as well as non-formation of proposed schemes in which allocations were made (in anticipation) during the concerned FY.

III. NORTH-EAST PLAN

3.13 When the details regarding the budget allocation and actual expenditure w.r.t the North-Eastern Areas of the Country were sought, the Ministry informed that no State/UTs wise allocation under NER component was made under the Schemes implemented by the Ministry. It is worth mentioning here that the schemes namely; Computerization of Primary Agriculture Credit Societies, Grant-in-aid to NCDC for Strengthening of Co-operative Sugar Mills and Strengthening of Co-operatives through IT intervention have been granted exemption from making mandatory allocation under SCSP, STSP and NER category. Further, similar exemption was granted to CSISAC for the FY 2023-24 as the scheme was run as a case of time over run without cost over run for the FY 2023-24 only. Despite the above-mentioned exemption, an expenditure of Rs 54.17 Crore was done in North-Eastern Areas in FY 2022-23 and Rs. 7.49 Crore in FY 2023-24.

IV. EMPOWERMENT OF WOMEN

3.14 When asked to furnish the details of the steps taken by the Ministry to address the issue of gender imbalances in the Cooperative Sector and how the gender equality is being promoted in the Cooperatives, the Ministry informed that Ministry itself and its autonomous body National Cooperative Development Co-operation (NCDC) through its untiring efforts are taking various steps to address the issue of gender imbalances in the Cooperative Sector thereby promoting gender equality. In respect of above, it is submitted that in August, 2023 the Ministry has got amended Multi-State Cooperative Societies Act, 2002 comprehensively wherein, inter-alia, for bringing reforms in the Composition of Board, Meetings & Membership of MSCSs, a specific provision has been introduced under MSCS (Amendment) Act, 2023 wherein reservation of two seats for women and one seat for SC or ST in the Board of MSCS has been made mandatory paving the way for gender equal growth in Co-operative Sector.

3.15 Also, Model Bye Laws for the PACS has been prepared by the Ministry of Cooperation and adopted by the States/UTs across the country. It mandates requirement of women Directors in the Board of PACS. This is ensuring representation of women and their decision making in more than 1 Lakh PACS.

3.16 Further, the NCDC, a statutory corporation under the administrative control of Ministry of Cooperation, plans and promotes programmes for production, processing, marketing, storage, supply chain, export and import of agricultural produce, foodstuffs, industrial goods, livestock, commodities and services like tourism, rural housing, renewable energy, banking, hospital & healthcare and education etc. on cooperative principles. The NCDC has been playing a significant role over the years to improve socio-economic status of women cooperatives enabling them to take up business model based activities.

3.17 The NCDC is implementing the following schemes exclusively for women cooperatives:

(i) *Swayam Shakti Shahakar Yojna* – Under this scheme working capital loan for upto 3 years is provided to women Self Help Groups(SHGs) for facilitating adequate bank credit to women SHGs to undertake common/collective socio-economic activities.

(ii) *Nandini Sahakar* – Under this scheme, term loan is provided to women cooperatives for a period of 5-8 years with the interest subvention of upto 2% on term loan. The financial assistance under the scheme is provided for business plan based activity /service mandated to NCDC.

3.18 On being asked as what steps are being taken to empower the rural women through the Cooperatives by encouraging them to engage in producing handicrafts and other products, the Ministry replied that they have undertaken several important initiatives to strengthen the cooperative movement in the country, thus empowering members associated with them, including rural women. The plan for strengthening cooperative movement in the country and deepening its reach up to the grassroots through establishing new Multipurpose PACS, Dairy and Fishery Cooperative Societies covering all the *Panchayats*/ villages across the country, is being implemented by Ministry of Cooperation with the support of NABARD, NDDDB, NFDB and State Governments. In order to ensure its effective and time bound implementation, a Standard

Operating Procedure (SOP) – “*Margdarshika*” indicating the targets and timelines for stakeholders concerned, has also been launched. As per the *Margdarshika*, National Dairy Development Board (NDDDB) has been tasked with the responsibility of formation/ strengthening of around 1,03,000 dairy cooperative societies through convergence of various existing GOI schemes.

3.19 The Government of India is also implementing “Cooperation Among Cooperatives”, in pilot mode in the State of Gujarat, under which, primary Dairy Cooperative Societies are being made Business Correspondent/ Bank *Mitras* of District Central Cooperative Banks (DCCBs) are being provided with Micro-ATMs. Further, members of dairy cooperatives are being provided *Rupay*-KCC by DCCBs, to meet their immediate financial needs. Furthermore, all the cooperative societies are opening their bank accounts in DCCBs, providing a boost in their deposits and lending. In this regard, a Standard Operating Procedure (SOP) has also been launched on 19.9.2024.

3.20 Since a large number of rural women are engaged in dairy cooperatives, these initiatives will provide them with necessary market linkages, thus ensuring their financial and social empowerment.

PART II
OBSERVATIONS /RECOMMENDATIONS

Allocation and utilization of resources

1. The Committee note that the Ministry of Cooperation was allocated Rs.900Crore and Rs.1624.74 Crore at the Budget Estimate (BE) and Revised Estimate (RE) stages, respectively for the year 2022-23 when it got its first separate budget. The Committee appreciate that the Ministry could spend Rs.12 Crore (approx.) more than the RE allocation for various path breaking initiatives taken by them in the Cooperative sector. In the year 2023-24, though higher allocation of Rs.1150.38 Crore at BE stage was made, it was reduced to Rs.747.84 Crore. Out of this amount, the Ministry, however, could spend Rs.688.88 Crore amounting to under-utilization of Rs.59 Crore and this representing 91% of RE allocation. The surrendering was attributed to non-receipt of proposals from the States for computerization of PAC Scheme, non-readiness of the States/ UT in complying with the procedural requirements *i.e.* non opening, non mapping of SNA a/cs, shortage of staff, smaller no of Advts, etc. The Committee also note that allocation of higher BE of Rs.1183.39 Crore *vis-à-vis* that of 2022-23 is to cater to the requirements of various ongoing schemes/projects such as (i) anticipated increase in proposals from State Governments for Computerization of Primary Agricultural Credit Cooperatives (PACs), (ii) Grants in-Aid to the National Cooperative Development Corporation (NCDC), etc. The Committee while suggesting to sensitize the States for fulfilling procedural formalities for releasing the funds for the said schemes through regular review meetings hope that the enhanced fund allocation will be entirely used for the purpose in the current financial year.

New National Cooperation Policy

2. The Committee appreciate that the Ministry of Cooperation has decided to formulate a New National Cooperation Policy to realize the vision of 'Prosperity through Cooperation' and note that concrete steps such as constitution of National Level Committee (NLC), preparation of draft report and its consideration ,etc. The objective of the proposed new policy is to make the Cooperative Societies more effective and efficient and also to bring about improvement and transparency in their functioning leading to

realization of the vision of “*Sahkar se Samridhī*”. The Committee suggest that the new policy may be unveiled at the earliest.

World’s Largest Grain Storage Plan

3. The Committee are happy to note that in order to address the shortage of decentralized food grain storage capacity in the country, the Government has approved rolling out of the World’s largest Grain Storage Plan in Cooperative Sector as a pilot project. As a part of the plan, pilot project has been put in place under which 11 PACs in 11 States. The plan facilitates creation of godowns and other agri-infrastructure, including custom hiring center, processing units, etc. at Primary Agricultural Credit Societies (PACS) level through convergence of various existing Government of India schemes. The Committee while noting the progress made in this regard, suggest that pilot projects may be undertaken in other states also to appreciate its advantages and to enable smooth rolling of the plan at pan India level in the near future.

Computerization of Primary Agricultural Credit Societies (PACS)

4. The Committee note that a project for computerization of functional PACs with a total financial outlay of Rs.2,516 Crore to bring them onto Enterprise Resources Planning (ERP) based common national software, linking them with NABARD through State Cooperative Banks and District Central Cooperative Banks has been initiated and proposals for computerization of 67,930 PACs from 30 States/UTs have been sanctioned so far. The Committee note that so far 40,348 PACs have been on-boarded on ERP software which comes to merely 59%. The remaining 41 % of the targeted PACs are required to be onboarded before March, 2025 as per the Plan. While expressing satisfaction over the progress made so far in the project for computerization of PACS, the Committee recommend the Ministry to pursue the matter vigorously and take all necessary steps for timely completion of the project so as to strengthen the cooperative sector and bring remarkable improvement in their functioning and operations.

Grants in-Aid to NCDC for strengthening of Cooperative Sugar Mills (CSMs)

5. The Committee note that under the scheme “Grant-in-Aid to National Cooperative Development Corporation (NCDC)” for strengthening of Cooperative

Sugar Mills (CSM)’ Rs. 1000 Crore grant was approved for the purpose to be released in two installments (Rs. 500 Crore each)during 2022-23 and 2023-24. This grant is meant for the purpose of borrowing additional fund from the market for setting up of Ethanol/ Cogeneration plant and for meeting working capital requirements. The Committee, however note that first installment of the grant of Rs. 500 Crore could be released only on the last day *i.e.* 31 March, 2023 of the financial Year 2022-23 and due to considerable CNA balances, only token amount was sanctioned for 2023-24. The Committee further note that as certain challenges were faced in implementing the scheme, request was made to M/o Finance to extend the validity of the period by one more year *i.e.* up to 2024-25. As on 30.10.2024, NCDC sanctioned Rs.7790 Crore to 52 CSMs. The Ministry, however, in reply to a connected query furnished that so far 31 CSMs were given loans out of the sanctioned amount of Rs.7,790 Crore. The Committee want the Ministry to clarify the differing data on the working capital loans sanctioned and request to apprise them of the latest outcome in this regard.

Making the PACS self-sustainable by diversification of business activities

6. The path breaking initiative of the Govt. to diversify and augment the sources of income of the small and marginal farmers by enabling the PACs to function as Common Service Centres providing e-services to common citizens, such as *Pradhan Mantri Bharatiya Jan Aushadi Kendra (providing quality generic medicines to rural citizens at affordable rates)*, *Pradhan Mantri Kisan Samridhi Kendra (providing fertilisers and agri-services like soil testing, training,etc. to farmers)* and Distributorship of LPG/CNG/Petrol/Diesel, *Paani Samiti*, etc. (provides O&M services under Rural Piped Water Supply Schemes, etc. will go a long way in the annals of cooperative movement in the country. The Committee, however,note with concern that PACs are allowed to apply for LPG distributorship under Combined Category (CC) of Oil Marketing Companies (OMCs). The number of such distributorships to the said category, the Committee apprehend, may not be in proportion to the huge requirement of PACs. The Committee are of the view that the matter may be taken up with the Ministry of Petroleum and Natural Gas (M/o P&NG) to consider the possibility of increasing the number of LPG distributorship under CC category as they believe that this will be game changer for the fortunes of PACs. The Committee may be apprised of the outcome of the discussions with the M/o P&NG in this regard.

Allocation for SCSP, STSP and NER category

7. The Committee have been apprised that the major flagship schemes being run by the Ministry, viz., computerization of PACS, Grant-in-aid to NCDC for strengthening of CSMs and strengthening of Co-operatives through IT intervention have been granted exemption from making mandatory allocation under SCSP, STSP and NER category. The Committee have further been apprised that no State/UTs wise allocation under NER component was made under the Schemes implemented by the Ministry. The Committee are of the considered view that the upliftment of the members of marginalized sections of the society, like Scheduled Castes and Scheduled Tribes and people living in far-flung areas of the country deserve more focus and attention while formulating and implementing the schemes and programmes by the Government. This is an accepted fact that the participation of the members of Scheduled Castes and Scheduled Tribes in forming the Cooperative Societies and running them is very low and needs to be raised in proportion to their population. Similarly, there is ample opportunity for the cooperative sector to grow in the North-Eastern States and therefore, there is need to encourage the people to set-up Cooperative Societies which would go a long way in giving their economy the much-needed boost. The Committee, therefore, recommend that the Government may consider the exemption granted in respect of mandatory allocation under SCSP, STSP and NER category for the major schemes being run by the Ministry of Cooperation. The Committee would like to be informed of the action taken in the matter.

Revitalization of the Cooperative sector

8. The Committee have been apprised of the various efforts being made by the Government to revitalize the cooperative sector by aligning its activities with those of various government schemes, like Dairy Infrastructure Development Fund, National Programme for Dairy Development, PM *Matasya Sampada Yojna*, Fisheries and Aquaculture Infrastructure Fund. The Committee while appreciating the efforts made by the Government in creating 4833 new Dairy Cooperative Societies and 423 new Fisheries Cooperative Societies and also for creating 03 new National level Cooperative Societies, i.e., National Cooperative Exports Limited, National Cooperative Organics Limited and *Bharatiya Beej Sahkari Samiti* Limited, recommend that there is an urgent need to substantially enhance the role

of Cooperatives involved in farming sectors through measures, like, diversification of crops, organic and natural farming, providing subsidy to cooperatives being run by marginal, small and landless farmers. The Committee also recommend that concerted efforts may also be made to revive the closed or dormant cooperatives by infusing requisite funds and bringing in required structural changes in their working.

NEW DELHI;
14 December, 2024
23 Agrahayana, 1946 (Saka)

CHARANJIT SINGH CHANNI
Chairperson
Standing Committee on Agriculture,
Animal Husbandry and Food Processing.

**MINUTES OF THE TENTH SITTING OF THE COMMITTEE ON AGRICULTURE,
ANIMAL HUSBANDRY AND FOOD PROCESSING (2024-25)**

The Committee sat on Thursday, the 21st November, 2024 from 1600 hours to 1640 hours in Committee Room No G-074, Ground Floor, Parliament Library Building, New Delhi and the following were present:

Shri Charanjit Singh Channi – Hon'ble Chairperson

MEMBERS

LOK SABHA

2. Shri Patel Umeshbhai Babubhai
3. Shri Kuldeep Indora
4. Shri Sukanta Kumar Panigrahi
5. Shri Dharmbir Singh
6. Shri Sudhakar Singh
7. Smt. Geniben Nagaji Thakor
8. Shri Bhausahab Rajaram Wakchaure

RAJYA SABHA

9. Smt. Ramilaben Becharbhai Bara
10. Dr. Anil Sukhdeorao Bonde
11. Shri Ramji Lal Suman

SECRETARIAT

- | | | | |
|----|--------------------------|---|------------------|
| 1. | Shri Srinivasulu Gunda | - | Joint Secretary |
| 2. | Shri Khakhai Zou | - | Director |
| 3. | Shri Prem Ranjan | - | Deputy Secretary |
| 4. | Shri Anil Kumar Sanwaria | - | Deputy Secretary |

WITNESSES

MINISTRY OF COOPERATION

- | | | | |
|----|-----------------------------|---|--|
| 1. | Dr. Ashish Kumar Bhutani | - | Secretary (Cooperation) |
| 2. | Shri Pankaj Kumar Bansal | - | Additional Secretary &
Managing Director (NCDC) |
| 3. | Shri Rabindra Kumar Agarwal | - | Additional Secretary & CRCS |
| 4. | Shri Anand Jha | - | Joint Secretary |
| 5. | Shri Siddharth Jain | - | Joint Secretary |
| 6. | Shri Binod Kumar | - | Chief Controller of Accounts |

2. At the outset, the Hon'ble Chairperson welcomed the Members of the Committee to the sitting convened for taking Oral Evidence of the representatives of the Ministry of Cooperation in connection with examination of Demands for Grants (2024-25) - Demand No.16 - pertaining to the said Ministry. Thereafter, the representatives of the Ministry of Cooperation were called in. After welcoming the representatives of the Ministry to the sitting, the Hon'ble Chairperson apprised them about the provision of the Direction 55 of the Directions by the Speaker, Lok Sabha regarding confidentiality of the proceedings.

3. After introducing themselves, the representative of the Ministry of Cooperation informed the Committee about the schemes, programmes and initiatives being implemented by the Ministry with the budgetary allocation support. They also informed about the progress being made to achieve the desired goals.

4. The Chairperson and the Members of the Committee raised several queries / issues as briefly mentioned below:-

- (i) Necessary steps be taken for proper functioning of the *Pradhan Mantri Kisan Samridhhi Kendras*;
- (ii) Need for optimum utilization of the farm equipments procured through the Primary Agricultural Credit Societies;
- (iii) Call for democratization of the functioning of the Cooperative Societies to free them from the stranglehold of few persons and to make them corruption-free enterprises;
- (iv) Need to frame policies to check the menace of counterfeit and fake seeds;
- (v) Requirement to promote the cooperative societies in the tourism sector;
- (vi) Need to check the prevalence of paper loan transactions in the cooperative sector;
- (vii) Necessity to encourage proper coordination between the Central Cooperatives Banks and District Cooperative Banks and offices of the Registrars of Cooperative Societies, to extend maximum benefits to the farmers;

- (viii) Need to empower the Village Societies for making the village self sufficient and to arrange for sufficient storage facilities for farm produce, fertilizers, etc. and to install RO water facilities to provide potable water in the villages;
- (ix) Necessary steps be taken to minimize the practice of offering different rates for same farm produce by different Mills in one District.
- (x) Need to provide for adequate representation to the members of Scheduled Castes, Scheduled Tribes and women in the cooperative societies functioning in the villages, for their empowerment and to make them self-reliant;
- (xi) Call for suitable action by the central government to strengthen the sugar mills without involving the State Governments;
- (xii) Need to prepare a 5-Year Road-Map and a 10-Year Road Map with futuristic vision by the Ministry to enlarge the scope of cooperative sector in the country.

5. The Representatives of the Ministry responded to most of the queries raised by the Members. The Chairperson, then, thanked the witnesses for sharing valuable information with the Committee on the Subject and directed them to furnish the requisite information on the points/items, which were not readily available with them to the Secretariat.

The Committee then adjourned.

(A copy of the verbatim proceedings of the Sitting has been kept separately.)

**MINUTES OF THE FOURTEENTH SITTING OF THE COMMITTEE ON
AGRICULTURE, ANIMAL HUSBANDRY AND FOOD PROCESSING (2024-25)**

The Committee sat on Saturday, the 14th December, 2024 from 1005 hours to 1050 hours in Committee Room 'D', Parliament House Annexe, New Delhi.

Present

Shri Charanjit Singh Channi –Chairperson

Members

Lok Sabha

2. Shri Patel Umeshbhai Babubhai
3. Shri Rajkumar Chahar
4. Smt. Anita Nagarsingh Chouhan
5. Shri Kuldeep Indora
6. Shri Rajpalsinh Mahendrasinh Jadav
7. Md. Abu Taher Khan
8. Shri Sukanta Kumar Panigrahi
9. Smt. Krishna Devi Shivshankar Patel
10. Shri Naresh Chandra Uttam Patel
11. Shri Murasoli S.
12. Shri Dharambir Singh
13. Shri Dushyant Singh
14. Shri Sudhakar Singh
15. Shri Kodikunnil Suresh
16. Shri Bhausabeb Rajaram Wakchaure

Rajya Sabha

17. Smt. Ramilaben Becharbhai Bara
18. Shri S. Kalyanasundaram

Secretariat

1. Shri Srinivasulu Gunda – Joint Secretary
2. Shri Khakhai Zou – Director
3. Shri Prem Ranjan – Deputy Secretary
4. Shri Anil Kumar Sanwaria – Deputy Secretary

2. At the outset, the Chairperson welcomed the Members to the Sitting of the Committee. Thereafter, the Committee took up for consideration the following Reports:

- * (i) XXXX XXXX XXXX XXXX
- * (ii) XXXX XXXX XXXX XXXX
- * (iii) XXXX XXXX XXXX XXXX
- * (iv) XXXX XXXX XXXX XXXX
- * (v) XXXX XXXX XXXX XXXX

(vi) Draft Report on Demands for Grants (2024-25) pertaining to Ministry of Cooperation.

3. After some deliberations, the Committee adopted the Draft Reports without any modifications and the Committee authorized the Chairperson to finalize and present these Reports to Parliament.

4. The Committee also decided to undertake a tour in the second week of January, 2025.

The Committee then adjourned.

*Matter not related to this report.