

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**LOK SABHA
UNSTARRED QUESTION NO. 2101
TO BE ANSWERED ON 20/12/2022**

Potential of Co-operative Sector

2101. SHRI THIRUMAAVALAVAN THOL:

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

- (a) whether the Government is aware of the potentiality of Co-operative Sector in the country;
- (b) if so, the details thereof;
- (c) whether, after creating a separate Ministry for Co-operation, any appropriate policy, legal and institutional framework has been created to realise the Co-operative sector to bring out its potential benefits; and
- (d) if so, the details thereof?

ANSWER

THE MINISTER OF COOPERATION
सहकारिता मंत्री (SHRI AMIT SHAH)

(a) to (d): Yes Sir, the Cooperative Sector plays a key role in the overall economic development of the country with its member driven approach.

A new “Ministry of Cooperation” was created on 6th July, 2021 for the realization of vision from cooperation to prosperity, strengthening of co-operative movement in the country and deepening its reach up to the grassroots, promotion of co-operative-based economic development model, including the spirit of responsibility among its members to develop the country and creation of appropriate policy, legal and institutional framework to help co-operatives realize their potential.

The Ministry of Cooperation has taken various initiatives such as:

- i. Project for Computerization of 63,000 functional Primary Agriculture Credit Societies (PACS), in next three years, with a total financial outlay of ₹2,516 Crore has been approved by the Cabinet Committee on Economic Affairs vide its decision dated 29th June, 2022. This project entails bringing all the functional PACS onto an ERP (Enterprise Resource Planning) based common software, linking them with NABARD through State Cooperative Banks (StCBs) and District Central Cooperative Banks (DCCBs).

- ii. A committee has been constituted under the chairmanship of Shri Suresh Prabhu for the preparation of New National Cooperative Policy as the socio-economic environment has undergone substantial changes in the last twenty years when the last National Cooperation Policy was formulated in 2002.
- iii. A legislation has been introduced in the Parliament to amend the Multi-State Cooperative Societies Act, 2002 with a view to incorporate the provisions of Ninety-seventh Constitutional Amendment and for strengthening governance, enhancing transparency, increasing accountability and reforming electoral process, etc. in the Multi State Cooperative Societies.
- iv. Model bye laws for PACS have been prepared after detailed stakeholder consultations, including all the States/ Union Territories and Ministries concerned, for adoption by PACS as per their respective State Cooperatives Societies Act. These Model Byelaws of PACS will enable them to undertake more than 25 business activities like dairy, fishery, floriculture, setting up of godowns, procurement of foodgrains, fertilizers, seeds, LPG/ Petrol/ Green energy distribution agency, banking correspondents, common service centres, etc.
- v. On 1st June, 2022, Union Cabinet has taken a decision allowing cooperatives to register as 'buyer' on Government e-Marketing platform, enabling them to procure goods and services from nearly 40 lakh vendors registered on the GeM portal throughout the country. This will help cooperatives in making economical purchases and improving transparency in their procurement system.
- vi. Surcharge on Co-operative societies was reduced from 12 % to 7% for those co-operative societies having a total income of more than Rs. 1 Cr. and up to Rs. 10 Cr. to enhance the income of Co-operative societies and its members.
- vii. Minimum Alternate Tax (MAT) rate was reduced for the Co-operatives from 18.5% to 15% to provide them a level playing field with Corporates.
- viii. In order to provide adequate, affordable and timely credit to the co-operative institutions to give a boost to the co-operative based economic development model, non-scheduled Urban Co-operative Banks, State Co-operative Banks and District Central Co-operative Banks have been notified as Member Lending Institutions in Guarantee Fund Trust (CGTMSE) Scheme vide circular dated 3rd February, 2022.
- ix. Government vide its notification dated 25th October, 2021 offered a major relief to co-operative sugar mills by clarifying that sugar co-operative mills shall not be subjected to additional income tax for paying higher sugarcane prices to farmers upto the Fair and Remunerative Price (FRP) or State Advised Price (SAP), as the case may be.
