

Bill No. 156 of 2026

THE NATIONAL CO-OPERATIVE DEVELOPMENT
CORPORATION (AMENDMENT) BILL, 2026

A

BILL

further to amend the National Co-operative Development Corporation Act, 1962.

BE it enacted by Parliament in the Seventy-seventh Year of the Republic of India as follows:—

1. (1) This Act may be called the National Co-operative Development Corporation (Amendment) Act, 2026.

Short title and
commencement.

5 (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

26 of 1962. 2. In the National Co-operative Development Corporation Act, 1962 (hereinafter referred to as the principal Act), in section 2,—

Amendment of
section 2.

(a) clause (aba) shall be omitted;

(b) after clause (b), the following clause shall be inserted, namely:—

‘(ba) “co-operative development” means planning, promoting and financing programmes, whether directly or through any intermediary entity, to co-operative societies;’;

(c) in clause (c), for the words and figures “the Multi-State Co-operative Societies Act, 1984 or under any other law with respect to co-operative societies for the time being in force in any State”, the words and figures “the Multi-State Co-operative Societies Act, 2002 or under any other law with respect to co-operative societies for the time being in force” shall be substituted;

(d) in clause (da), after sub-clause (viii), the following sub-clauses shall be inserted, namely:—

“(ix) processed food and other edible products;

(x) any other food items as may be notified by the Central Government;”;

(e) in clause (dba), for the words “in the rural area and includes any handicrafts or rural crafts”, the words “including any handicrafts or other crafts” shall be substituted;

(f) after clause (dd), the following clause shall be inserted, namely:—

‘(de) “notification” means a notification published in the Official Gazette and the expression “notify” or “notified” shall be construed accordingly;’.

Omission of section 2A.

3. Section 2A of the principal Act shall be omitted.

Amendment of section 3.

4. In section 3 of the principal Act, in sub-section (4), clause (vii) shall be omitted.

Amendment of section 9.

5. In section 9 of the principal Act,—

(a) in sub-section (1),—

(i) for the words “, through co-operative societies”, the words “for co-operative development” shall be substituted;

(ii) in clause (a), for the words “and notified commodities”, the words “, notified commodities and industrial goods” shall be substituted;

(b) in sub-section (2),—

(i) for clause (b), the following clause shall be substituted, namely:—

“(b) provide funds to State Governments for financing co-operative societies or any entity engaged in co-operative development, for the purchase of agricultural produce, foodstuffs, livestock, poultry feed, industrial goods, notified commodities and notified services on behalf of the Central Government, to the extent such funds are used for co-operative societies;”;

(ii) after clause (d), the following clause shall be inserted, namely:—

“(da) provide loans and grants directly to co-operative societies or any entity engaged in co-operative development to the extent such funds are used for co-operative societies, subject to furnishing security, as may be required by the Corporation;”;

(iii) after clause (f), the following clause shall be inserted,
namely:—

5 “(g) with the approval of the Central Government, participate
in the share capital of co-operative societies other than a
co-operative society referred to in clause (f), or any entity engaged
in co-operative development.”;

(c) after sub-section (3), the following sub-section shall be inserted,
namely:—

10 “(4) The entity engaged in co-operative development shall be such
as may be determined by the Board.”.

6. After section 9 of the principal Act, the following section shall be inserted,
namely:—

Insertion of
new section 9A.

15 “9A. The Corporation may do all such things as may be necessary or
incidental to or consequential upon the exercise of its powers, discharge of its
functions and the performance of its duties, under this Act, or under any other
law for the time being in force.”.

Incidental
powers.

7. After section 13 of the principal Act, the following section shall be inserted,
namely:—

Insertion of
new section
13A.

20 “13A. The Corporation may, for the purpose of the efficient discharge of
its functions under this Act, collect from or furnish to the Central Government,
the Reserve Bank or any banking company or such other financial institution
as may be notified by the Central Government in this behalf, credit
information or other information.”.

Credit
information.

STATEMENT OF OBJECTS AND REASONS

The National Co-operative Development Corporation Act, 1962 was enacted to provide for the incorporation and regulation of the National Co-operative Development Corporation for planning, and promoting programmes, through co-operative societies, for the production, processing, marketing, storage, export and import of agricultural produce, foodstuffs, industrial goods, livestock and certain other commodities and services and for matters connected therewith.

2. The Act was amended in the years 1973, 1974 and 2002 to diversify the sources of funds of the Corporation, expand the scope of its activities, enable direct financing of eligible co-operative societies and include notified services within its mandate. The statutory framework continues to envisage financial assistance either through State Governments or directly to registered co-operative societies.

3. The co-operative sector has expanded and diversified considerably in recent years. Statutory bodies, State Government agencies and other specialised entities are increasingly engaged in providing infrastructure, technology, processing, marketing, financial and other services for the development of co-operatives. Since such entities may not be registered as co-operative societies, the Corporation is presently unable to finance them directly, even where their activities are intended to benefit the co-operative sector. Consequently, such proposals are required to be routed through State Governments or co-operative societies, resulting in procedural delays and limited uptake.

4. The establishment of a separate Ministry of Cooperation in July, 2021 and the initiatives undertaken by the Central Government in furtherance of the vision of “Sahakar se Samriddhi” have substantially enhanced the role of the Corporation in co-operative development.

5. In view of the expanding requirements of the co-operative sector, it is considered necessary to broaden the mandate of the Corporation from planning and promoting programmes through co-operative societies to plan and promote programmes for co-operative development. It is proposed to enable the Corporation to provide loans and grants directly to co-operative societies or any entity engaged in co-operative development to the extent such funds are used for co-operative societies, subject to furnishing security as may be required by the Corporation. The National Co-operative Development Corporation (Amendment) Bill, 2026, provides for the Corporation to participate in the share capital of any co-operatives or any entity engaged in co-operative development, with the approval of the Central Government. The co-operative societies shall continue to remain the primary beneficiaries, while the proposed Bill widens the institutional channels through which assistance may reach and strengthen the co-operative sector.

6. Further, the National Co-operative Development Corporation (Amendment) Bill, 2026, *inter alia*, provides for the following, namely:—

(a) to expand the definition of “foodstuffs” to include any other food items as may be notified by the Central Government;

(b) to remove the geographical restriction applicable to industrial goods so as to enable assistance for such activities irrespective of their location;

(c) to update certain statutory references and omit obsolete provisions relating to institutions and frameworks which are no longer in existence;

(d) to confer upon the Corporation such incidental powers as may be necessary for the effective discharge of its functions;

(e) to enable the Corporation to collect and furnish credit information or other information to specified authorities and financial institutions for the efficient discharge of its functions; and

(f) to enable greater flexibility and legal clarity to the Corporation, facilitate timely and direct financial assistance for co-operative development and to respond effectively to the emerging and diversified requirements of the co-operative sector.

7. The Bill seeks to achieve the above objectives.

NEW DELHI;

AMIT SHAH.

The 7th August, 2026.

FINANCIAL MEMORANDUM

The National Co-operative Development Corporation (Amendment) Bill, 2026, if enacted would not involve any expenditure either recurring or non-recurring from the Consolidated Fund of India.

ANNEXURE

EXTRACTS FROM THE NATIONAL CO-OPERATIVE DEVELOPMENT CORPORATION ACT, 1962

(26 OF 1962)

* * * * *

2. In this Act, unless the context otherwise requires,—

Definitions.

* * * * *

(*aba*) “Central financing institution” means Industrial Development Bank of India established under sub-section (1) of section 3 of the Industrial Development Bank of India Act, 1964 or the Industrial Finance Corporation of India Limited, a company formed and registered under the Companies Act, 1956, or the Industrial Credit and Investment Corporation of India Limited, a Company formed and registered under the Indian Companies Act, 1913;

18 of 1964.

1 of 1956.

7 of 1913.

* * * * *

(*c*) “co-operative society” means a society registered or deemed to be registered under the Co-operative Societies Act, 1912 or under the Multi-State Co-operative Societies Act, 1984 or under any other law with respect to co-operative societies for the time being in force in any State, which is engaged in any of the activities specified in sub-section (1) of section 9 and includes a Co-operative Land Development Bank, by whatever name called;

2 of 1912.

51 of 1984.

* * * * *

(*da*) “foodstuffs”, include—

* * * * *

(*viii*) vegetables;

* * * * *

(*dba*) “industrial goods” means the products of industrial co-operatives or cottage and village industries or products of allied industries in the rural area and includes any handicrafts or rural crafts;

* * * * *

(*dd*) “nationalised bank” means a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 or under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980;

5 of 1970.

40 of 1980.

* * * * *

2A. Any reference in this Act to any law which is not in force, or any functionary not in existence, in the State of Jammu and Kashmir, shall, in relation to that State, be construed as a reference to the corresponding law in force, or to the corresponding functionary in existence, in that State.

Construction of references to any law not in force or any functionary not in existence in the State of Jammu and Kashmir.

* * * * *

3. (1) * * * * *

Establishment of the National Co-operative Development Corporation.

(4) The General Council shall consist of the following members, namely:—

* * * * *

(vii) one member to be nominated by the Central Government from amongst the chairmen of one of the Central financing institutions, *ex officio*;

* * * *

Functions of
Corporation.

9. (1) Subject to the provisions of this Act, the functions of the Corporation shall be to plan, promote and finance programmes, through co-operative societies, for—

(a) the production, processing, marketing, storage, export and import of agricultural produce, foodstuffs, poultry feed and notified commodities;

* * * *

(2) In particular and without prejudice to the generality of the foregoing provision, the Corporation may—

* * * *

(b) provide funds to State Governments for financing co-operative societies for the purchase of agricultural produce, foodstuffs livestock, poultry feed, industrial goods, notified commodities and notified services on behalf of the Central Government;

* * * *

LOK SABHA

A
BILL

further to amend the National Co-operative Development Corporation Act, 1962.

(Shri Amit Shah, Minister of Home Affairs and Cooperation)