

GOVERNMENT OF INDIA  
MINISTRY OF COOPERATION

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 168**  
ANSWERED ON 24/07/2024

**Home banking Facilities by Co-operative Societies**

168. SHRI S. SELVAGANABATHY

Will the Minister of COOPERATION be pleased to state:

- (a) whether the Cooperative Societies are also empowered to provide home banking facilities to their members;
- (b) if so, the details thereof;
- (c) the manner in which Bank Mitras, Dairy and Fisheries Cooperative Societies are ensuring the economic development of their members; and
- (d) whether Government will consider regulating the Co-operative societies to extend satisfied service to the members?

**ANSWER**

THE MINISTER OF COOPERATION  
(SHRI AMIT SHAH)

(a) & (b): Yes Sir, Primary Cooperative Societies like Dairy and Fisheries are empowered by NABARD to become Business Correspondents/Bank Mitras (BCs) of State and District Central Cooperative Banks. In this regard, NABARD has issued a circular dated 11.06.2018 and permitted to engage village level dairy cooperative societies, LAMPs and other non-credit functional societies related to agriculture and allied sector to act as BCs of StCBs/DCCBs subject to StCBs/DCCBs fulfilling the following criteria-

- i. The Banks should be licensed
- ii. It has implemented Core Banking Solutions
- iii. CRAR is not less than 9%
- iv. Gross NPA is less than 10%
- v. The bank should not have defaulted in maintenance of CRR/SLR during the immediate preceding financial year.
- vi. The bank should have made net profit in the immediate preceding financial year.

(c): On the initiative of Ministry of Cooperation, a campaign has been launched in Gujarat since 21.05.2023 and as on 30.6.2024, 2,692 new Business Correspondents/Bank Mitras have been made and Micro-ATMs have been distributed by DCCBs with the help of NABARD.

**Bank Mitra** Cooperative Societies are ensuring the economic development of their members by providing banking services at the door step. These services include:-

- i. Account Opening
- ii. Cash Deposit
- iii. Cash Withdrawal
- iv. Fund Transfer
- v. Balance Enquiry
- vi. Mini Statement
- vii. Enrolment under Pradhan Mantri Suraksha Bima Yojna (PMSBY)
- viii. Enrolment under Pradhan Mantri Jeevan Jyoti Bima Yojna (PMJJBY)
- ix. Enrolment under Atal Pension Yojna (APY)
- x. IMPS
- xi. Recovery/ Collection up to Bank approved limits
- xii. NEFT
- xiii. Term Deposit/ Recurring Deposit Opening
- xiv. Request for new Cheque Book
- xv. Stop Payment of Cheque
- xvi. Cheque Status Enquiry
- xvii. Renewal of Term Deposit/ Recurring Deposit
- xviii. Block Debit Card
- xix. Launch Complaints
- xx. Track Complaints
- xxi. Request for SMS alert/ e-mail statement (if mobile no./ e-mail is already registered)
- xxii. Pension Life Certificate authentication through Jeevan Pramanam (Aadhaar enabled)
- xxiii. Apply for RuPay Debit cards

(d): The Cooperative Societies with objects not confined to one State are governed by Entry 44 of the List I - Union List of the Seventh Schedule to the Constitution and provisions of centrally administered Multi-State Co-operative Societies Act, 2002. Cooperative Societies with objects confined to one State are governed by Entry 32 of the List II - State List of the Seventh Schedule to the Constitution and provisions of respective State Cooperative Societies Act.

The Government of India has enacted Multi-State Co-operative Societies (Amendment) Act, 2023 aimed to amend Multi-State Co-operative Societies Act, 2002 to incorporate the provisions of the 97th Constitutional Amendment and to strengthen governance, increase transparency, increase accountability, improve election process, etc in Multi-State Cooperative Societies.

Further, the administration and business activities of the cooperative societies are governed by their respective byelaws. In order to increase the viability of Primary Agricultural Credit Societies (PACS) and create new employment opportunities in more than 25 new sectors like dairy, fisheries, storage, etc., Model Bye-laws for PACS have been prepared by Ministry of Cooperation after consultation with all States/UTs, National Federations and other stakeholders and circulated on 05th January 2023 for adoption by various States/Union Territories.

Further, Ministry of Cooperation has taken various initiatives to revitalize and strengthen the cooperative sector across the country, the details of which are enclosed at **Annexure**.

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**Brief of 54 initiatives taken by Ministry of Cooperation**

Ministry of Cooperation, since its inception on 6<sup>th</sup> July, 2021, has undertaken several initiatives to realize the vision of “Sahakar-se-Samriddhi” and to strengthen & deepen the cooperative movement from Primary to Apex level Cooperatives in the country. List of initiatives taken and progress made so far are as follows:

**A. Making Primary Cooperatives economically vibrant and transparent**

- 1. Model Bye-Laws for PACS making them multipurpose, multidimensional and transparent entities:** Government, in consultation with all the stakeholders, including States/ UTs, National Level Federations, State Cooperative Banks (StCBs), District Central Cooperative Banks (DCCBs), etc., has prepared and circulated Model Byelaws for PACS to all the States/ UTs, which enable PACS to undertake more than 25 business activities, improve governance, transparency and accountability in their operations. Provisions have also been made to make the membership of PACS more inclusive and broad-based, giving adequate representation to women and Scheduled Castes/Schedules Tribes. So far, 32 States/ UTs have adopted Model Byelaws or their existing byelaws are in line with Model Byelaws.
- 2. Strengthening of PACS through Computerization:** In order to strengthen PACS, project for Computerization of functional PACS with a total financial outlay of ₹2,516 Crore has been approved by the Government of India, which entails bringing all functional PACS in the Country onto a common ERP based national software, linking them with NABARD through StCBs and DCCBs. A total of 67,009 PACS from 30 States/ UTs have been sanctioned under the project. The hardware has been procured by 28 States/UTs. Total 25,674 PACS have been onboarded on ERP Software and 15,207 PACS have gone live.
- 3. Establishing New Multipurpose PACS/ Dairy/ Fishery Cooperatives in uncovered Panchayats:** The plan for establishing new multipurpose PACS or primary dairy/ fisheries cooperatives covering all the Panchayats/ villages in the next five years, with support of NABARD, NDDB, NFDB, NCDC and other National level Federations has been approved by the Government. As per National Cooperative Database, a total of 6,844 new PACS, Dairy and Fishery cooperative societies have been registered across States/ UTs.
- 4. World’s Largest Decentralized Grain Storage Plan in Cooperative sector:** Government has approved a plan to create warehouses, custom hiring centers, primary processing units and other agri infrastructure for grain storage at PACS level, through convergence of various GOI schemes, including AIF, AMI, SMAM, PMFME, etc. This will reduce wastage of food grains and transportation costs, enable farmers to realize better prices for their produce and meet various agricultural needs at the PACS level itself. Under the Pilot Project, godowns have been constructed in 11 PACS of 11 States and the Pilot is now being extended to 500 additional PACS.
- 5. PACS as Common Service Centers (CSCs) for better access to e-services:** An MoU has been signed between Ministry of Cooperation, MeitY, NABARD and CSC e-Governance Services India Limited for providing more than 300 e-services such as banking, insurance, Aadhar enrolment/ updation, health services, PAN card and IRCTC/ Bus/ Air ticket, etc. through PACS.

So far, 37,169 PACS have started providing CSC services to rural citizens which will also result in increase in income of these PACS.

- 6. Formation of new Farmer Producer Organizations (FPOs) by PACS:** Government has allowed 1,100 additional FPOs to be formed by PACS with the support of NCDC, in those blocks where FPOs have not yet been formed or the blocks are not covered by any other implementing agency. Apart from this, 992 FPOs have been formed in the cooperative sector by NCDC. This will be helpful in providing farmers with necessary market linkages and get fair and remunerative prices for their produce.
- 7. PACS given priority for Retail Petrol/ Diesel outlets:** Government has allowed PACS to be included in the Combined Category 2 (CC2) for allotment of retail petrol/ diesel outlets. As per information received from Oil Marketing Companies (OMCs), more than 270 PACS from 25 States/UTs have applied online for retail petrol/ diesel outlets.
- 8. PACS given permission to convert bulk consumer petrol pumps into retail outlets:** Based on the discussions with the Ministry of Petroleum and Natural Gas, guidelines have been issued to convert the existing bulk consumer licensee PACS into retail outlets for increasing the profit of PACS and generate employment opportunities in rural areas. 109 PACS from 4 States having wholesale consumer pumps have given consent for conversion into Retail Outlets, out of which 43 PACS have received Letter of Intent (LOI) from the OMCs.
- 9. PACS eligible for LPG Distributorship for diversifying its activities:** Government has now allowed PACS to apply for LPG Distributorships. This will give PACS an option to increase their economic activities and create new employment opportunities in rural areas. From four States/ Union Territories, a total of 31 PACS have submitted online applications.
- 10. PACS as PM Bharatiya Jan Aushadhi Kendra for improving access to generic medicines at rural level:** Government is promoting PACS to operate Pradhan Mantri Bhartiya Janaushadhi Kendras which will provide additional income source to them and ease the access to generic medicines for rural citizens. So far, 4,341 PACS/ cooperative societies have applied online for PM Bhartiya Janaushadhi Kendras, out of which 2,594 PACS have been given initial approval by PMBI and 674 have received drug licences from State Drug Controllers which are ready to function as PM Bhartiya Jan Aushadhi Kendras
- 11. PACS as Pradhan Mantri Kisan Samriddhi Kendras (PMKSK):** Government is promoting PACS to operate PMKSK for ensuring easy accessibility of fertilizer & related services to farmers in the country. As per the information shared by States/ UTs, 38,141 PACS are functioning as PMKSK.
- 12. Convergence of PM-KUSUM at PACS level:** Farmers associated with PACS can adopt solar agricultural water pumps and install photovoltaic modules in their farms.

**13. PACS to carry out O&M of rural piped water supply schemes (PWS):** In order to utilize the deep reach of PACS in rural areas, on the initiative of the Ministry of Cooperation, Ministry of Jal Shakti has made PACS as eligible agencies to carry out the Operations & Maintenance (O&M) of PWS in rural areas. As per information received from States/ UTs, 1,833 PACS have been identified/ selected by 16 States/ UTs to provide O&M services at Panchayat/ Village level.

**14. Micro-ATMs to Bank Mitra Cooperative Societies for providing doorstep financial services:** Dairy and Fisheries cooperative societies can be made Bank Mitras of DCCBs and StCBs. To ensure their ease of doing business, transparency and financial inclusion, Micro-ATMs are also being given to these Bank Mitra Co-operative Societies with support from NABARD to provide 'Door-step Financial Services'. As a pilot project, about 2,700 Micro-ATMs have been distributed to Bank Mitra cooperative societies in Panchmahal and Banaskantha Districts of Gujarat. This initiative is now being implemented in all the Districts of the State of Gujarat.

**15. Rupay Kisan Credit Card to Members of Milk Cooperatives:** In order to expand the reach of DCCBs/ StCBs and to provide necessary liquidity to the members of Dairy Cooperative societies, Rupay Kisan Credit Cards (KCCs) are being distributed to the members of cooperatives for providing credit at comparatively lower interest rates and to enable them to carry out other financial transactions. So far, 48,000 Rupay KCC have been distributed in Panchmahal and Banaskantha Districts of Gujarat. This initiative is now being implemented in all the Districts of the State of Gujarat.

**16. Formation of Fish Farmer Producer Organization (FFPO):** In order to provide market linkage and processing facilities to fishermen, NCDC has registered 69 FFPOs in the initial phase. In addition, Department of Fisheries, Government of India has allocated the work of converting 1000 existing fisheries cooperative societies into FFPOs to NCDC, with an approved outlay of Rs. 225.50 crore.

## **B. Strengthening the Urban and Rural Cooperative Banks**

**17. UCBs have been allowed to open new branches to expand their business:** UCBs can now open new branches up to 10% (maximum 5 branches) of the existing number of branches in the previous financial year without prior approval of RBI.

**18. UCBs have been allowed by RBI to offer doorstep services to their customers:** Door step banking facility can now be provided by UCBs. Account holders of these banks can now avail various banking facilities at home such as cash withdrawal, cash deposit, KYC, demand draft and life certificate for pensioners, etc.

- 19. Cooperative banks have been allowed to make one-time settlement of outstanding loans, like Commercial Banks:** Co-operative banks, through board-approved policies, can now provide the process for settlement with borrowers, along with technical write-off.
- 20. Time limit increased to achieve Priority Sector Lending (PSL) targets given to UCBs:** RBI has extended the timeline for UCBs to achieve Priority Sector Lending (PSL) targets by two years i.e., up to March 31, 2026.
- 21. A Nodal Officer designated in RBI for regular interaction with UCBs:** In order to meet the long pending demand of the cooperative sector for closer coordination and focused interaction, RBI has notified a nodal officer.
- 22. Individual housing loan limit more than doubled by RBI for Rural and Urban Cooperative Banks:**
- a. Housing loan limit of Urban Cooperative Banks has now been doubled from Rs. 30 lakhs to Rs. 60 lakhs.
  - b. Housing loan limit of Rural Cooperative Banks has been increased to two and a half times to Rs. 75 lakhs.
- 23. Rural Cooperative Banks will now be able to lend to commercial real estate/ residential housing sector, thereby diversifying their business:** This will not only help Rural Cooperative Banks to diversify their business, but will benefit Housing cooperative societies also.
- 24. License fee reduced for Cooperative Banks:** License fee for onboarding Cooperative Banks to 'Aadhaar Enabled Payment System' (AePS) has been reduced by linking it to the number of transactions. Cooperative financial institutions will also be able to get the facility free of cost for the first three months of the pre-production phase. With this, farmers will now be able to get the facility of banking at their home with through biometrics.
- 25. Non-scheduled UCBs, StCBs and DCCBs notified as Member Lending Institutions (MLIs) in CGTMSE Scheme to increase the share of cooperatives in lending:** Cooperative banks will now be able to take advantage of risk coverage up to 85 percent on the loans given. Also, cooperative sector enterprises will also be able to get collateral free loans from cooperative banks now.
- 26. Notification of Scheduling norms for including Urban Cooperative Banks:** UCBs that meet the 'Financially Sound and Well Managed' (FSWM) criteria and have maintained the minimum deposits required for classification as Tier 3 for the last two years are now eligible to be included in Schedule II of the Reserve Bank of India Act, 1934 and get 'Scheduled' status.
- 27. Monetary ceiling doubled by RBI for Gold Loan:** RBI has doubled monetary ceiling from Rs. 2 lakhs to Rs.4 lakh, for those UCBs that meet the PSL targets.
- 28. Umbrella Organization for Urban Cooperative Banks:** RBI has accorded approval to the National Federation of Urban Co-operative Banks and Credit Societies Ltd. (NAFCUB) for the

formation of an Umbrella Organization (UO) for the UCB sector, which will provide necessary IT infrastructure and operational support to around 1,500 UCBs.

### **C. Relief to Cooperative Societies in the Income Tax Act**

- 29. Surcharge reduced from 12 % to 7% for co-operative societies having income between Rs. 1 to 10 Cr.:** This will reduce the burden of Income Tax on Cooperative Societies and more capital will be available with them to work for the benefit of their members.
- 30. MAT reduced for cooperatives from 18.5% to 15%:** With this provision, now there is parity between Cooperative Societies and Companies in this regard.
- 31. Relief in cash transactions under section 269ST of the Income Tax Act:** In order to remove difficulties in cash transactions by cooperatives under Section 269ST of IT Act, Government has issued a clarification that cash transaction of less than Rs. 2 lakhs done by a cooperative society with its distributor in a day will be considered separately, and will not be charged with income tax penalty.
- 32. Tax cut for new manufacturing Cooperative societies:** Government has decided that a flat lower tax rate of 15% will be charged, compared to an earlier rate of up to 30% plus surcharge, for new cooperatives commencing manufacturing activities by March 31, 2024. This will encourage the formation of new cooperative societies in the manufacturing sector.
- 33. Increase in limit of Cash Deposits and Cash Loans by PACS and PCARDBs:** Government has enhanced the limit for Cash Deposits and Cash Loans by PACS and Primary Cooperative Agriculture and Rural Development Banks (PCARDBs) from Rs. 20,000 to Rs. 2 lakh per member. This provision will facilitate their activities, increase their business and benefit members of their societies.
- 34. Increase in the limit of Tax Deducted at Source (TDS) in Cash Withdrawal:** Government has increased the cash withdrawal limit of cooperative societies without deduction of tax at source from Rs.1 crore to Rs.3 crore per year. This provision will save Tax Deducted at Source (TDS) for cooperative societies, which will enhance their liquidity.

### **D. Revival of Cooperative Sugar Mills**

- 35. Relief from Income Tax to Sugar Cooperative Mills:** Government has issued a clarification that cooperative sugar mills would not be subjected to additional income tax for paying higher sugarcane prices to farmers up to Fair and Remunerative or State Advised Price, from April, 2016 onwards.
- 36. Resolution of decades old pending issues related to Income Tax of Sugar Cooperative Mills:** Government has made a provision in its Union Budget 2023-24, wherein Sugar cooperatives have been allowed to claim as expenditure their payments to sugarcane farmers for the period prior to assessment year 2016–17, giving them a relief of more than Rs.10,000 crore.
- 37. Rs. 10,000 crore loan schemes launched for strengthening of Sugar Cooperative Mills:** Government has launched a scheme through NCDC for setting up ethanol plants or cogeneration

plants or for working capital or for all three purposes. Loan amount of Rs. 5746.76 cr. has been sanctioned by NCDC to 36 Cooperative Sugar Mills so far.

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

**39. Reduction in GST on molasses from 28% to 5%:** Government has decided to reduce the GST on molasses from 28% to 5% which will enable cooperative sugar mills to earn more profits for their members by selling molasses to distilleries with higher margins.

#### **E. Three new National Level Multi-State Societies**

**40. New National Multi-State Cooperative Seed Society for certified seeds:** Government has established a new apex multi-state cooperative seed society under the MSCS Act, 2002, namely Bharatiya Beej Sahakari Samiti Limited (BBSSL) as an umbrella organization for quality seed cultivation, production and distribution under a single brand. BBSSL so far has planted breeder seeds of Wheat, Mustard, and Pulses (Gram, Pea) on 366 Hectare land during Rabi season. Similarly, during Kharif season breeder seeds of Paddy, Moong, Soyabean, Groundnut, Jowar and Guar have been planted on 148.26 Hectare land. As on date 11714 PACS/ Cooperative Societies have become member of BBSSL.

**41. New National Multi-State Cooperative Organic Society for organic farming:** Government has established a new apex multi-state cooperative organic society under the MSCS Act, 2002, namely National Cooperative Organics Limited (NCOL) as an umbrella organization to produce, distribute and market certified and authentic organic products. As on date 3,775 PACS/ cooperative societies have become member of NCOL. So far, 12 organic products have been launched by NCOL under “Bharat Organics” brand.

**42. New National Multi-State Cooperative Export Society for promoting exports:** Government has established a new apex multi-state cooperative export society under the MSCS Act, 2002, namely National Cooperative Export Limited (NCEL) as an umbrella organization to give thrust to exports from cooperative sector. As on date, *about 7700 PACS/ cooperative societies have become member of NCEL. A total of 8,15,007 metric tonnes of commodities have been exported by NCEL. Out of which 8,01,790 metric tonnes of rice, 7,685 metric tonnes of onions, 4507 metric tonnes of sugar, 1025 metric tonnes of wheat have been exported.*

#### **F. Capacity Building in Cooperatives**

**43. Promotion of training and awareness through National Council for Cooperative Training (NCCT):** By increasing its reach, NCCT has conducted 3,619 training programs and provided training to 2,21,478 participants in FY 2023-24. From April to June 2024, NCCT has conducted 494 programmes against the quarterly target of 435 programmes and trained 19,591 participants against the target of 10875 participants.



**44. Establishment of the Cooperative University :** Cabinet Note has been prepared by Ministry of Cooperation for setting up of a National Cooperative University for Cooperative education, training, consultancy, research and development and a sustainable and quality supply of trained manpower.

#### **G. Use of Information Technology for 'Ease of Doing Business'**

**45. Computerization of the Central Registrar's Office:** Central Registrar's office has been computerized to create a digital ecosystem for Multi-State Cooperative Societies, which will assist in processing applications and service requests in a time bound manner.

**46. Scheme for computerization of office of RCSs in States and Union Territories:** To increase 'Ease of doing businesses for Cooperative Societies and create a digital ecosystem for transparent paperless regulation in all the States/ Union Territories, a Centrally Sponsored Project for computerization of RCS Offices has been approved by the Government. Grants will be provided for purchase of hardware, development of software, etc. to the States/ UTs.

**47. Computerization of Agriculture and Rural Development Banks (ARDBs):** To strengthen the long-term cooperative credit structure, the project of computerization of 1,851 units of Agriculture and Rural Development Banks (ARDBs) spread across 13 States/ Union Territories has been approved by the Government. NABARD is the implementing agency for the project and will develop a national level software for ARDBs. Hardware, support for digitization of legacy data, training to the employees, etc. will be provided under the project. So far, proposals from 10 States/UTs have been received and sanctioned. Further, GOI share amounting to Rs 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.

#### **H. Other Initiatives**

**48. New National Cooperative Database for authentic and updated data repository:** A database of cooperatives in the country has been prepared with the support of State Governments to facilitate stakeholders in policy making and implementation of programmes/ schemes related to cooperatives across the country. So far, data of around 8.09 lakh cooperatives has been captured in the database.

**49. Formulation of New National Cooperative Policy:** A National level committee comprising 49 experts and stakeholders drawn from all over the Country has been constituted to formulate the New National Cooperative Policy for enabling a vibrant ecosystem to realize the vision of 'Sahakar-se-Samridhi'.

**50. Multi-State Co-operative Societies (Amendment) Act, 2023:** Amendment has been brought in the MSCS Act, 2002 to strengthen governance, enhance transparency, increase accountability, reform electoral process and incorporate provisions of 97<sup>th</sup> Constitutional Amendment in the Multi State Cooperative Societies.

**51. Inclusion of Cooperatives as 'buyers' on GeM portal:** Government has permitted cooperatives to register as 'buyer' on GeM, enabling them to procure goods and services from over 67 lakh vendors to facilitate economical purchases and greater transparency. So far, 559 cooperative societies have been onboarded on GeM as buyers.

**52. Expansion of National Cooperative Development Corporation (NCDC) to increase its range and depth:** NCDC has launched new schemes in various sectors such as ‘Swayamshakti Sahkar’ for SHGs; ‘Deerghavadhi Krishak Sahkar’ for long term agricultural credit and ‘Dairy Sahkar’ for dairy. Total financial assistance of Rs. 60,618.47 Crores has been disbursed by NCDC in FY 2023-24. NCDC has disbursed Rs.19,287.17 crore so far in the financial year 2024-25. Government of India has permitted NCDC to issue bonds worth ₹2000 crore with government guarantee, subject to the adherence of specified terms and conditions. Further, NCDC is setting up sub-offices in 6 North Eastern States – Arunachal Pradesh, Meghalaya, Mizoram, Manipur, Nagaland and Tripura with the objective of taking various national schemes to the cooperative societies at their doorstep.

**53. Financial assistance by NCDC for Deep Sea Trawlers:** NCDC is providing financial assistance for projects related to deep sea trawlers in coordination with the Department of Fisheries, Government of India. Various financial assistances have been sanctioned by NCDC such as; Rs. 11.55 crores for purchase of 14 deep sea trawlers in Maharashtra at a block cost of Rs 20.30 crores, Rs 37.39 crores to Rajmata Vikas Macchimar Sahakari Sanstha Limited, Mumbai for setting up a seafood processing unit at a Block Cost of Rs.46.74 crores, Rs. 32.69 crores for Integrated Fisheries Development Project (IFDP) of Government of Kerala and NCDC has sanctioned the proposal of Shri Mahavir Macchimar Sahakari Mandali Limited, Gujarat for purchasing 30 deep sea trawlers with a block cost of Rs.36.00 crores.

**54. Refund to Investors of Sahara Group of Societies:** A portal has been launched for making payments to the genuine depositors of the cooperative societies of Sahara Group in a transparent manner. Disbursements have already started after proper identification and submission of proof of their deposits and claims.

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