

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**LOK SABHA
UNSTARRED QUESTION NO. 986
TO BE ANSWERED ON 13/12/2022**

Empowering Cooperative Structure

**986. SHRIMATI SARMISTHA SETHI:
DR. NISHIKANT DUBEY:**

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

- (a) whether the Government is taking any steps to empower/strengthen cooperative societies/structure in the country especially in the States of Jharkhand and Bihar, if so, the details thereof;
- (b) whether any amount has been allocated for strengthening the cooperative structure in above mentioned States and if so, the details thereof;
- (c) the manner in which the Government intends to function without diluting the constitutional mandate of cooperative federalism; and
- (d) the details in this regard and the proposed framework, if any?

ANSWER

THE MINISTER OF COOPERATION
सहकारिता मंत्री (SHRI AMIT SHAH)

- (a) Yes, sir. In order to revitalize the cooperative sector, empower cooperative societies and deepening its reach to the grassroots in all States, including the States of Jharkhand and Bihar, 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. 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.
 - iii. 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 savings and improving transparency in their procurement system.

- iv. 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.
- v. Minimum Alternate Tax (MAT) rate reduced for the Co-operatives from 18.5% to 15% to provide them a level playing field with Corporates.
- vi. 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 has been notified as Member Lending Institutions in Guarantee Fund Trust (CGTMSE) Scheme vide circular dated 3rd February, 2022.
- vii. 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 to the Fair and Remunerative Price (FRP) or State Advised Price (SAP), as the case may be.
- viii. National Cooperative Development Corporation (NCDC), a statutory organization under the Ministry of Cooperation, provides financial assistance to the cooperative sector and undertakes various activities such as strengthening share capital base of primary/ District cooperative marketing societies, setting up of processing centres, storage facilities, establishing and modernizing cold chain, creation of cooperative banking units, agricultural services, Integrated Cooperative Development Projects, assistance for computerization of cooperatives, 'Yuva-Sahkar' for cooperative enterprise support and innovation, 'Ayushman Sahkar' covering healthcare sector, 'Nandini Sahkar' to support women cooperatives etc.

(b) All initiatives being taken by the Ministry are oriented towards revitalizing the cooperatives in all sectors at all levels and in all States/ Union Territories, including the states of Jharkhand and Bihar keeping the Constitutional provisions in mind. NCDC has provided financial assistance to the States of Jharkhand and Bihar under the Central Sector Integrated Scheme on Agricultural Cooperation (CSISAC). The details of financial assistance released by National Cooperative Development Corporation (NCDC) as on 07.12.2022 is as follows:

State	Amount (₹ in Crore)
Jharkhand	156.80
Bihar	6652.12

(c) & (d) Cooperatives with objects not confined to one State are governed under List I – Union List, Entry 44 of the Seventh Schedule and Part IXB of the Constitution. Such cooperatives are administered under the provisions of Multi-State Cooperative Societies Act, 2002 and rules made there under. The government has already introduced a legislation 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.
