

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**LOK SABHA
UNSTARRED QUESTION NO. 1600
TO BE ANSWERED ON 26th July, 2022**

National Policy on Cooperation

1600. SHRI RAMESH BIDHURI:

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

- (a) whether the Government has proposed to introduce National Policy on Cooperation;
- (b) if so, the details thereof; and
- (c) the steps the Government has taken for strengthening India's cooperative architecture syncing it with country's economic and social needs?

ANSWER

MINISTER OF COOPERATION
सहकारिता मंत्री (SHRI AMIT SHAH)

(a) & (b): Yes, Sir. The Government is formulating a new national level policy for cooperatives. A two-day National Conference on the new Cooperation Policy was held on 12th and 13th April, 2022 with Cooperation Secretaries / RCSs from all the States/UTs, wherein discussions were inter alia held on legal framework, identification of regulatory, policy & operational barriers; ease of doing business; reforms for strengthening governance; promoting new and social cooperatives; revitalizing defunct ones; making cooperatives vibrant economic entities; cooperation among cooperatives and increasing membership of cooperatives.

Further, suggestions on the draft Policy were sought from the stakeholders including general public through the website of the Ministry.

Based on the comments received from Central Ministries/Departments, States/UTs, Federations, Institutions and general public, and further consultations with stakeholders, the new Policy will be formulated.

(c): Some of the several steps taken by the Government to strengthen India's cooperative architecture include the following:

- i. As per notification dated 25th October, 2021, the Government has provided relief to cooperative sugar mills by clarifying that they shall not be subjected to additional income tax for paying higher sugarcane prices to farmers up to the Fair and Remunerative Price (FRP) or State Advised Price (SAP), as the case may be.
- ii. As per the Budget announcement 2022, the Government reduced the surcharge for cooperative societies from 12% to 7% for those having a total income of more than Rs. 1 crore and up to Rs. 10 crore. Further, to provide a level playing field between co-

operative societies and companies, Minimum Alternate Tax (MAT) rate for co-operative societies was reduced from 18.5% to 15%.

- iii. As per notification dated 3rd February 2022 by Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), non-scheduled Urban Co-operative Banks, State Co-operative Banks and District Central Co-operative Banks as Member Lending Institutions of the scheme with specified eligibility criteria. This will help in providing adequate, affordable and timely credit to the co-operative institutions to give a boost to the co-operative based economic development model.
- iv. As per the approval of the Union Cabinet on 1st June 2022, the mandate of Government e-Marketplace – Special Purpose Vehicle (GeM - SPV) has been expanded to allow cooperative societies to register as buyers on the GeM platform.
- v. As per the approval of the Government on 29th June 2022, a centrally sponsored project for digitalization of 63,000 functional Primary Agriculture Credit Societies (PACS), with a budgetary outlay of Rs 2,516 crore, has been sanctioned to revitalize the cooperative sector. The implementation of this project has already begun.
- vi. In order to diversify the business activities of PACS and make them vibrant multi-purpose economic entities, draft model Bye-Laws are being prepared in consultation with State Governments, National Cooperative Federations and other stakeholders.
- vii. A new scheme titled “Cooperation to Prosperity” is being formulated in consultation with all the stakeholders for all-round development of cooperatives at all levels.
- viii. In order to facilitate the Government to make appropriate policy interventions, a National Co-operative Database is being created in consultation with State/UT Governments, National Co-operative Federations and other stakeholders.
- ix. In order to modernize and professionalize the education and training in the cooperative sector, steps are being taken to reorient the training and educational Cooperative Institutions in consultation with all the stakeholders.
