

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**LOK SABHA
UNSTARRED QUESTION NO. 4019
TO BE ANSWERED ON 25th MARCH, 2025**

New Cooperative Societies

4019. Shri Brijmohan Agrawal:

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

- (a) whether the Government proposes to establish new cooperative societies in villages and cities and strengthen the existing ones;
- (b) whether the Government proposes to formulate any policy to improve the functioning of cooperative banks in Chhattisgarh and to provide easy credit to small farmers and traders;
- (c) whether the Government proposes to implement any scheme to develop cooperative dairy network for milk producers and to get them fair prices;
- (d) whether the Government is running special training programmes to promote self-employment and entrepreneurship among women and youth through cooperative organizations; and
- (e) whether the Government is providing financial assistance to promote agro-based industries (such as food processing) through cooperative model?

ANSWER

**THE MINISTER OF COOPERATION
सहकारिता मंत्री (SHRI AMIT SHAH)**

(a): Yes, Sir. The Government on 15.2.2023, has approved the plan to establish and strengthen 2 lakh multipurpose PACS, Dairy, and Fishery Cooperative Societies, covering all the Panchayats and villages across the country over a period of five years, which is being implemented with the support of NABARD, NDDDB, NFDB and State Governments.

(b): The Government has undertaken several measures to strengthen both Urban and Rural Cooperative Banks across the country, including in State of Chhattisgarh ensuring their expansion and enhancing financial accessibility, which are enclosed at **Annexure**.

(c): The Ministry of Cooperation has launched a Cooperative-led "White Revolution 2.0" initiative which aims at expanding the share of dairy cooperative societies in organized dairy sector, provide market access to small dairy farmers and contribute to employment generation & women empowerment. The objective of this initiative is to increase the milk procurement of dairy cooperatives by 50% from the present level over next five years. In this regard, a Standard

Operating Procedure (SOP) has also been launched on 19.11.2024. As on 27.1.2025, 8,294 new Dairy Cooperative Societies have been registered in the country.

(d): In order to promote self-employment and entrepreneurship among women & youth through cooperatives, National Cooperative Development Corporation (NCDC), a statutory corporation of Ministry of Cooperation, is implementing the following schemes:

- SWAYAM SHAKTI SAHAKAR YOJNA: The scheme aims to provide financial assistance to Agricultural Credit Cooperatives for providing loan/ advances to Women Self Help Groups (SHGs).
- NANDINI SAHAKAR: The scheme aims to improve the socio-economic status of women and supports the entrepreneurial dynamism of women through women's cooperatives. It converges critical inputs of women's enterprise, business plan formulation, capacity development, credit and subsidy, and/ or interest subvention of other schemes.
- YUVA SAHAKAR- Cooperative Enterprise Support and Innovation Scheme: The scheme aims at encouraging newly formed cooperative societies with new and/ or innovative ideas.

In addition to the above, NCDC- Laxmanrao Inamdar National Academy for Cooperative Research and Development (LINAC) along with Regional Training Centres has conducted a total of 1,370 training programs in the last five years (i.e. from 2020-21 to 2024-25) on subjects like Business Development and Assets Management, General Management in PACS, Role of Women Directors in Governance and Business Development in Cooperatives/SHGs, Accounts and Book Keeping and various programmes through which around 1,90,894 participants including 38,179 women participants have benefitted.

(e): NCDC is also an implementation agency of various Centrally sponsored/ Central sector Schemes of Government of India, under which financial assistance is provided to promote agro-based industries (such as food processing) through cooperative model, such as Agricultural Marketing Infrastructure (AMI)- a sub-scheme of Integrated Scheme on Agriculture Marketing (ISAM), Pradhan Mantri Formalisation of Micro Food Processing Enterprises Scheme (PMFME), Agriculture Infrastructure Fund (AIF), National Beekeeping Honey Mission (NBHM) and Farmer Producer Organizations (FPO). In FY 2024-25, NCDC has released an amount of Rs. 89,750 crores for the development of cooperative societies, including processing sector.

**Measures taken by Ministry of Cooperation, GoI to strengthen the Urban and Rural
Cooperative Banks**

- 1. Urban Cooperative Banks (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.
- 2. 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.
- 3. 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.
- 4. 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.
- 5. 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.
- 6. 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.
- 7. 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.
- 8. 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.

- 9. 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.
- 10. 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.
- 11. Monetary ceiling doubled by RBI for Gold Loan:** RBI has doubled monetary ceiling from Rs. 2 lakhs to Rs.4 lakhs, for those UCBs that meet the PSL targets.
- 12. 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.
