

Government of India
Ministry of Finance
Department of Financial Services

LOK SABHA
Unstarred Question No. 535
To be answered on February 26, 2016/Phalgun 7, 1937 (Saka)
Development of Cooperative Sector

535. SHRI RADHESHYAM BISWAS:

Will the Minister of FINANCE be pleased to state:

- (a) whether Government has received representations from various State Governments and social organisations with regard to development of cooperative sector;
- (b) if so, the details thereof; and
- (c) whether the Government has any plan to exempt farmers from agricultural cooperative loans, if so, the details thereof?

Answer

The Minister of State in the Ministry of Finance
(Shri Jayant Sinha)

(a) & (b): Yes, Madam, Government has been receiving references with regard to development of cooperative sector. Details of some of the major issues involved are given in Annexure.

(c) There is no proposal under consideration of Government for waiver of the agricultural loans taken from cooperative banks. However, to ease the burden of farmers, the Government implements the Interest Subvention Scheme, under which the short term crop loan upto Rs.3 lakh taken from banks including Cooperative Banks is available at the interest rate of 7% p.a. and the same gets reduced to 4% in case of timely repayment.

Annexure

Major issues involved in references regarding development of cooperative sector

Sr.No	Issue
1	Withdrawal of exemption from paying Income Tax under Section 80(p) of the Income Tax Act
2	Income recognition norms for non-scheduled cooperative banks u/s 43D of Income Tax Act
3	Exemption to Primary Agricultural Credit Societies (PACS) Banks from Section 133(6) of the Income Tax Act
4	Central assistance for maintaining the CRAR position of Cooperative Banks
5	Cooperative Banks are required to complete the audit and finalize the accounts within six months of close of financial year. Extension of time limit for completing the audit is sought.
6	Recent conditions imposed by RBI/Gol have proved to be detrimental to cooperative banks and they are finding it difficult to raise the deposits. The same conditions as applicable now to nationalised banks should be extended to cooperative banks also.
7	The eligibility condition fixed by NABARD under NRC-LTO that government share holding should be less than 25% of capital is against the interest of the Cooperative Banks, and same should be removed.
8	Maintainance of Cash Reserve Ratio(CRR)/Statutory Liquidity Ratio (SLR) by Cooperative Banks

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DRAFT REPLY
(TO BE TYPED IN HALF MARGIN DOUBLE SPACE)

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<p>535. SHRI RADHESHYAM BISWAS:</p> <p>Will the Minister of FINANCE be pleased to state:</p> <p>(a) whether Government has received representations from various State Governments and social organisations with regard to development of cooperative sector;</p> <p>(b) if so, the details thereof; and</p> <p>(c) whether the Government has any plan to exempt farmers from agricultural cooperative loans, if so, the details thereof?</p>	<p>To be answered by The Minister of State in the Ministry of Finance (Shri Jayant Sinha)</p> <p>(a) & (b): Yes, Madam, Government has been receiving references with regard to development of cooperative sector. Details of some of the major issues involved are given in Annexure.</p> <p>(c) There is no proposal under consideration of Government for waiver of the agricultural loans taken from cooperative banks. However, to ease the burden of farmers, the Government implements the Interest Subvention Scheme, under which the short term crop loan upto Rs.3 lakh taken from banks including Cooperative Banks is available at the interest rate of 7% p.a. and the same gets reduced to 4% in case of timely repayment.</p>

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