

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION No. 2179
TO BE ANSWERED ON FRIDAY, THE 29th JULY, 2016
7, SRAVANA, 1938 (SAKA)

EXEMPTION FROM DIRECT TAXES CODE

2179. SHRI RAM CHARAN BOHRA:

Will the Minister of **FINANCE** be pleased to state:

- (a) whether a proposal has been received from the State Government of Rajasthan to exempt all kinds of co-operative Committees/societies from direct taxes code;
- (b) if so, the details thereof and the response of the Union Government thereon;
- (c) the total loss suffered by the societies while bringing agriculture business of co-operative credit societies with poor credit including the details thereof;
- (d) whether the Union Government proposes to provide exemption to the co-operative societies from their income of agriculture business; and
- (e) if so, by when and if not, the reasons therefor?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a)to(b) Madam, Direct Taxes Code Bill, 2010 was introduced in the Lok Sabha on 30th August,2010 but it lapsed with the dissolution of 15th Lok Sabha.

(c)to(e) Under section 80P of the Income-tax Act,1961, deduction in respect of profit and gains are already available to cooperative societies engaged in specified activities including carrying on the business of banking or providing credit facilities to its members, marketing of agricultural produce grown by its members, the purchase of agricultural seeds, livestock or other articles intended for agriculture for the purpose of supplying them to its members, the processing, without the aid of power, of agricultural produce of its members.

It is not feasible to estimate the loss suffered by cooperative societies while bringing agriculture business of cooperative credit societies with poor credit under the Income-tax Act.

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