

Ministry of Cooperation

Budget Webinar Session 4

Theme: Sahakarita se Samridhi

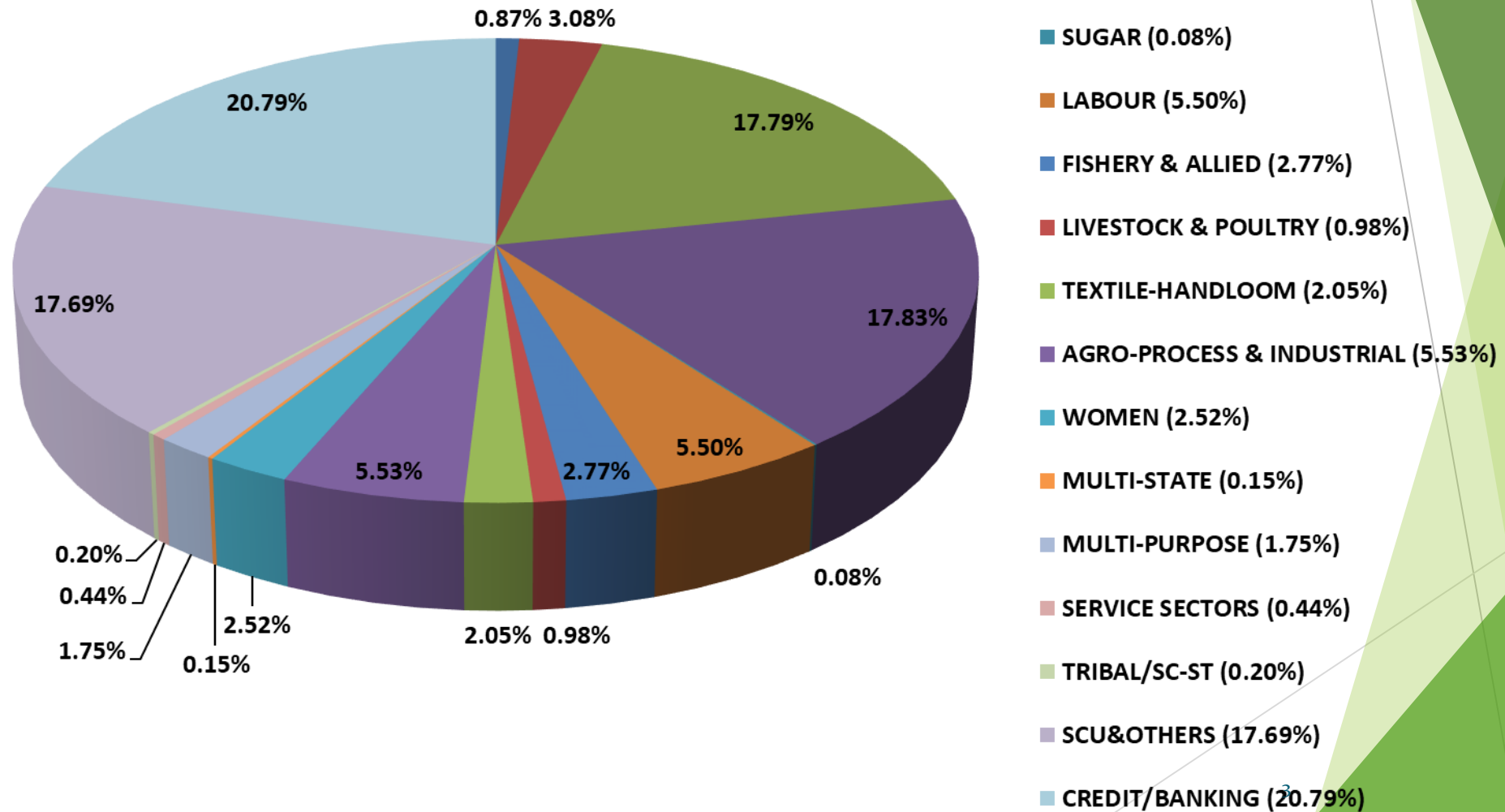
Overview of the Ministry of Cooperation

- ▶ Created on 6th July 2021
- ▶ With the objective of **Sahkar se Smridhi (prosperity through cooperatives)**, deepening cooperative movement in the country and develop it into an economic model
- ▶ **Mandate of the Ministry - as per Government of India (Allocation of Business) Rules, 1961 (Notification dated 6 July, 2021)**
 - ▶ General Policy in the field of Co-operation and Co-ordination of co-operation activities in all sectors
 - ▶ Realisation of vision “from cooperation to prosperity”
 - ▶ Strengthening of cooperative movement in the country and deepening its reach up to the grassroots
 - ▶ Promotion of cooperative-based economic development model, including the spirit of responsibility among its members
 - ▶ Creation of appropriate policy, legal and institutional framework to help cooperatives realise their potential
 - ▶ Matters relating to National Co-operative Organisation
 - ▶ National Co-operative Development Corporation
 - ▶ Incorporation, regulation and winding up of Co-operative societies with objects not confined to one State including administration of ‘Multi-State Co-operative Societies Act, 2002,
 - ▶ Training of personnel of co-operative departments and co-operative institutions

Different Cooperative Sectors in India at a glance (in %)

(As per the statistical profile of Indian Cooperatives 2018 published by NCUI)

Total Number of Cooperatives in India : 8,54,355



Budget announcements for the cooperative sector

- ▶ Reduction of Minimum Alternate Tax on Cooperative Societies from 18.5% to 15% to have level playing field with other corporate entities.
- ▶ Reduction of surcharge on Cooperatives Societies from 12% to 7% having income between Rs. 1 to 10 Crores on similar lines as FPO.
- ▶ Separate Budget of Rs. 55 Crore provided for Education and Training.
- ▶ Separate Budget provided to VAMNICOM, to convert it into a full-fledged independent institution with its own budgetary allocation. Earlier its budgetary requirements were met through the Grants-in-aid released to NCCT.
- ▶ Significant amount of Rs. 350 Cr. provided for digitization of Primary Agriculture Cooperative Societies. The scheme aims to computerize 63000 PACS to increase efficiency, transparency & accountability in the working of PACS.
- ▶ Rs. 274 Cr. provided for an Umbrella Scheme “Prosperity through Cooperatives” which would have a number of subcomponents with the aim of all round development of cooperatives in the Country

New initiatives

2. New proposed scheme on Cooperative Education and Training

A centrally sponsored scheme for cooperative education and training

1. Computerization of PACS

A centrally sponsored scheme to computerize 63000 PACS over 2022-23 to 2026-27 (5 years)

3. New proposed scheme on collateral Free credit guarantee

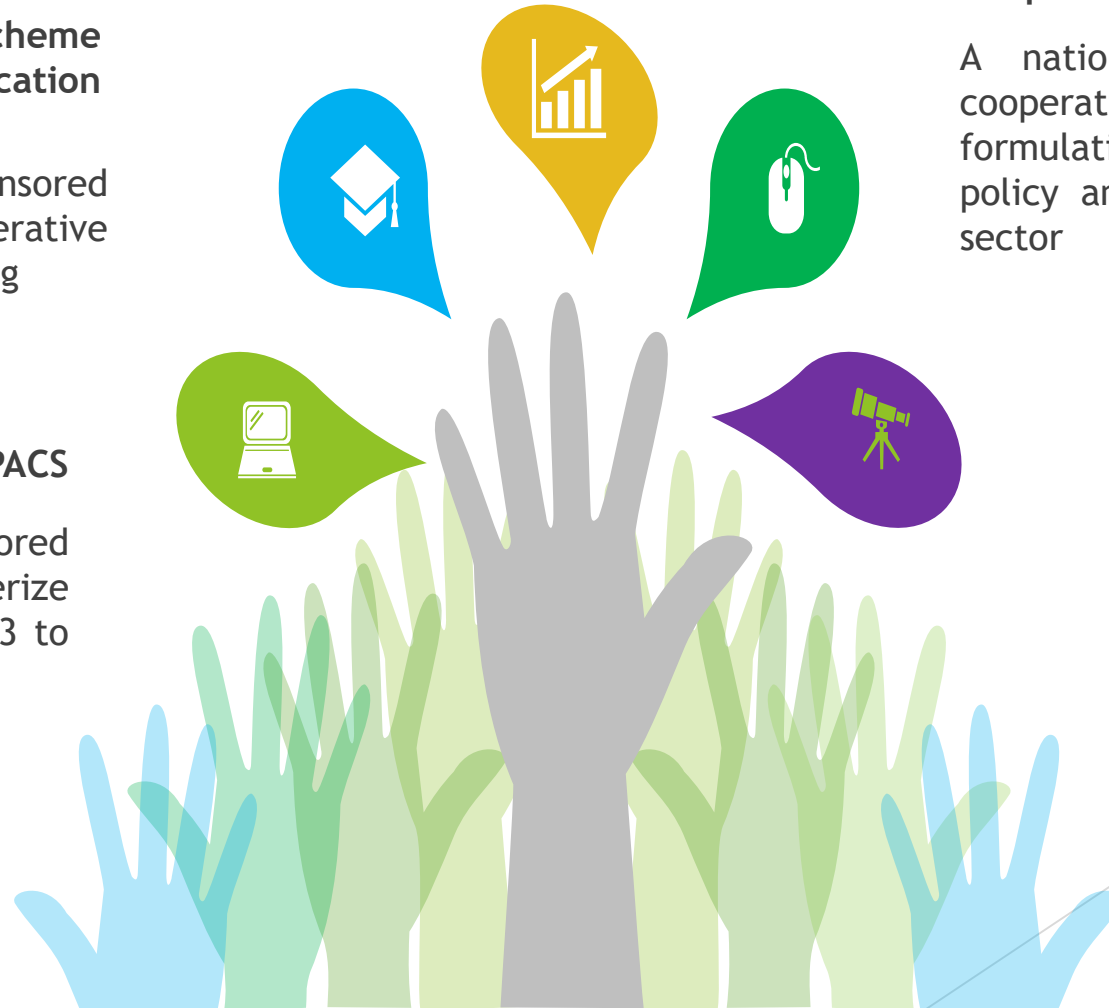
A Central sector scheme to provide guarantee on loans of PACS & other primary cooperative societies

4. Database on Cooperatives

A national database on cooperatives to help formulation of appropriate policy and schemes in the sector

5. New Cooperation Policy

To decide long term objective of the ministry and guide in policy making



New initiatives - Computerisation of PACS

- ▶ Ministry is in the process of rolling out a project for computerization of PACS across the country with budget outlay of rupees 2516 crore. Public Investment Board (PIB) has appraised the project.
- ▶ 63000 functional PACS will be computerised under this project along with training and hand holding Support
- ▶ NABARD has been proposed as the implementing agency for the project
- ▶ Project aims to increase efficiency and improve transparency in the operations of PACS thereby increasing their growth and development
- ▶ Budget outlay of rupees 350 crore has been proposed for this project for 2022-23

Cooperative education and training scheme

- ▶ Human resources is the most important factor for an organisation
- ▶ Objective of the scheme would be capacity building of human resources in the cooperative sector and deepening of cooperative movement in the country
- ▶ Budget outlay of Rs. 55 crore has been proposed for this scheme for 2022-23
- ▶ Concept paper on the scheme has been circulated to all stakeholders for their suggestions

Umbrella scheme of prosperity through cooperative

- ▶ Government is in the process of formulating an umbrella scheme namely *Sahkar se Samridhi*.
- ▶ The scheme shall include a number of interventions to address the challenges in the Cooperative sector for heralding a cooperative movement in the country.
- ▶ Budget allocation of Rs. 247 crore has been proposed for this scheme for 2022-23
- ▶ Some of proposed interventions of the scheme are:-
 - ▶ Seed money for formation of new Cooperative Societies.
 - ▶ Recapitalization of Cooperatives.
 - ▶ Diversification of the business of Cooperatives.
 - ▶ Business plan development assistance.
 - ▶ Technology adoption plan assistance.
 - ▶ Assisting cooperatives in branding
 - ▶ Assistance for marketing
 - ▶ Development of leadership/managerial skills of Cooperatives.
 - ▶ Innovation, promotion of startups and incubation centers
 - ▶ Development of social cooperatives
 - ▶ Export promotion

New Cooperation Policy and national cooperative database

- ▶ Ministry is formulating a New Cooperation Policy in consultation with various stakeholders in the Cooperative sector
- ▶ The New Cooperation Policy shall focus on both short-term and long-term vision of the government for the development of Cooperative sector
- ▶ Government is planning to develop National database of cooperative societies
- ▶ Database will help in formulation of welfare schemes and programmes for the members of the Cooperative societies

Thank you

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