



**STANDING COMMITTEE ON AGRICULTURE, ANIMAL HUSBANDRY
AND FOOD PROCESSING
(2022-23)**

SEVENTEENTH LOK SABHA

MINISTRY OF COOPERATION

**DEMANDS FOR GRANTS (2023-24)
(DEMAND NO.16)**

FIFTY SIXTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI
MARCH, 2023/PHALGUNA, 1944(SAKA)**

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(DEMAND NO.16)

Presented to Lok Sabha on	13.03.2023
Laid on the Table of Rajya Sabha on	14.03.2023



LOK SABHA SECRETARIAT
NEW DELHI
MARCH, 2023/PHALGUNA, 1944(SAKA)

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Contents		PAGE
Composition of the Committee (2022-23).....		(iii)
Introduction.....		(v)
Report - Part- I		
Chapter -I	An Introduction to the Ministry of Cooperation	
	Mandate of Ministry of Cooperation	1
	Schemes and Programmes of Ministry of Cooperation	2
	Autonomous Bodies & Implementing Agencies of Ministry of Cooperation	4
	Demands for Grants (2023-24)	6
Chapter -II	Issues and Challenges in the Cooperative Sector of the Country	
	Cooperation Policy	7
	Administration of Cooperative Societies	7
	National Level Data Repository	8
	Management of Multi-State Cooperative Societies	9
	Multipurpose Cooperative Societies	11
	Credit Needs of Cooperative Societies	12
Chapter -III	An Analysis of Demands for Grants of Ministry of Cooperation for 2022-23 & 2023-24	
	Proposed Outlays for Schemes & Programmes in 2023-24	16
	Budgetary Allocations for Schemes during 2021-22 to 2023-24	19
	Implementation of Digitalization of Primary Agricultural Cooperative Societies	21
	Central Sector Scheme - Integrated Scheme on Agricultural Cooperation	23
	Liquidation of Committed Liabilities of NCDC	24
	New Central Sector Scheme	25
	Funds Utilization by Ministry of Cooperation in 2022-23	29
	Schemes & Programmes Implemented by Other Ministries/Departments	32
Report - Part-II		
	Observations and Recommendations	37-45
Annexure		
Annexure-I	State/UT-wise Details of Allocations made for Project on Computerization of PAC	46
Appendices		
I. Minutes of the Ninth Sitting of the Committee held on 22.02.2023		47-49
II. Minutes of the Twelfth Sitting of the Committee held on 06.03.2023		50-51

**COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE, ANIMAL
HUSBANDRY AND FOOD PROCESSING (2022-23)**

SHRI P.C. GADDIGOUDAR- CHAIRPERSON

MEMBERS

LOK SABHA

2. Shri Afzal Ansari
3. Shri Horen Sing Bey
4. Shri A. Ganeshamurthi
5. Shri Kanakmal Katara
6. Shri Abu Taher Khan
7. Shri Ram Mohan Naidu Kinjarapu
8. Shri Mohan Mandavi
9. Shri Devji Mansingram Patel
10. Smt. Sharda Anilkumar Patel
11. Shri Bheemrao Baswanthrao Patil
12. Shri Shriniwas Dadasaheb Patil
13. Shri Vinayak Bhaurao Raut
14. Shri Pocha Brahmananda Reddy
15. Shri Rajiv Pratap Rudy
16. Mohammad Sadique
17. Shri Devendra Singh *alias* Bhole Singh
18. Shri Virendra Singh
19. Shri V.K. Sreekandan
20. Shri Ram Kripal Yadav
21. VACANT*

RAJYA SABHA

22. Smt. Ramilaben Becharbhai Bara
23. Shri Masthan Rao Beeda
24. Dr. Anil Sukhdeorao Bonde
25. Shri S. Kalyanasundaram
26. Shri Surendra Singh Nagar
27. Shri Kailash Soni
28. Shri Randeep Singh Surjewala
29. Shri Ram Nath Thakur
30. Shri Vaiko
31. Shri Harnath Singh Yadav

**Vacant w.e.f. 10.10.2022 due to demise of Shri Mulayam Singh Yadav on 10.10.2022 vide Bulletin- Part II, Para No. 5316 dated 14.10.2022.*

SECRETARIAT

- | | | | |
|----|---------------------------|---|----------------------|
| 1. | Shri Shiv Kumar | - | Additional Secretary |
| 2. | Shri Naval K Verma | - | Director |
| 3. | Shri Uttamchand Bharadwaj | - | Additional Director |
| 4. | Shri N. Amarathiagan | - | Under Secretary |

INTRODUCTION

I, the Chairperson, Standing Committee on Agriculture, Animal Husbandry and Food Processing, having been authorized by the Committee to submit the Report on their behalf, present this Fifty Sixth Report on the Demands for Grants (2023-2024) of the Ministry of Cooperation.

2. The Committee under Rule 331E(1)(a) of the Rules of Procedure and Conduct of Business in Lok Sabha considered the Demands for Grants (2023-24) of the Ministry of Cooperation, which were laid on the table of the House on 13 February, 2023. The Committee took evidence of the representatives of the Ministry of Cooperation at their Sitting held on 22 February, 2023. The Report was considered and adopted by the Committee at their Sitting held on 06 March, 2023.

3. For facility of reference and convenience, the Recommendations / Observations of the Committee have been printed in bold letters in Part-II of the Report.

4. The Committee wish to express their thanks to the Officials of the Ministry of Cooperation for appearing before the Committee and furnishing the information that they desired in connection with the examination of Demands for Grants of the Ministry.

5. The Committee would also like to place on record their deep sense of appreciation for the invaluable assistance rendered to them by the officials of Lok Sabha Secretariat attached to the Committee.

NEW DELHI;
06 March, 2023
15 Phalguna, 1944(Saka)

P.C. GADDIGOUDAR
Chairperson,
Standing Committee on Agriculture,
Animal Husbandry and Food Processing

CHAPTER-I

An Introduction to the Ministry of Cooperation

Cooperative Societies form a distinct separate group among the societies. The International Cooperative Alliance (ICA) defines a Cooperative as an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

1.2 The Ministry of Cooperation was created vide Cabinet Secretariat's Gazette Notification dated 06th July 2021. The Ministry of Cooperation is responsible for providing a separate administrative, legal and policy framework for strengthening the cooperative movement in the country. Its aim is to deepen co-operatives as a true people-based movement reaching up to the grassroots and develop a cooperative based economy model where each member works with a spirit of responsibility.

Mandate of Ministry of Cooperation

1.3 The Mandate of the Ministry as contained in the Gazette Notification dated 6th July, 2021 issued for creation of this Ministry are as under:

1. General Policy in the field of Co-operation and Co-ordination of co-operation activities in all Sectors,
2. Realization of vision "from cooperation to prosperity",
3. Strengthening of cooperative movement in the country and deepening its reach up to the grassroots,
4. Promotion of cooperative-based economic development model, including the spirit of responsibility among its Members to develop the country,
5. Creation of appropriate policy, legal and institutional framework to help cooperatives realize their potential,
6. Matters relating to National Co-operative Organization,
7. National Co-operative Development Corporation,
8. Incorporation, regulation and winding up of Co-operative societies with objects not confined to one State including administration of 'the Multi-State Co-operative Societies Act, 2002 (39 of 2002)',

9. Training of personnel of Co-operative Departments and Co-operative Institutions (including education of members, office bearers and non-officials).

Schemes and Programmes of Ministry of Cooperation

1.4 According to the Ministry of Cooperation, the implementation of the Central Sector Integrated Scheme on Agricultural Cooperation (CSISAC), which was transferred to it by the erstwhile Department of Agriculture, Cooperation & Farmers Welfare was ceased w.e.f. 2022-23. The CSISAC Scheme comprised of following Sub-Schemes for providing assistance to National Cooperative Development Corporation (NCDC), National Council for Cooperative Training (NCCT), National Cooperative Union of India (NCUI) and for Multi-State Cooperative Societies :

- i. Assistance to National Cooperative Development Corporation (NCDC) Programmes for Development of Cooperatives - under this scheme subsidy is provided to cooperative societies through NCDC.
- ii. Assistance to Cooperative Education and Training -This scheme is implemented through the National Cooperative Union of India (NCUI) and the National Council for Cooperative Training (NCCT).
- iii. Assistance to Multi State Cooperative Societies.

1.5 The Ministry of Cooperation had initiated an exercise to revamp and replace the CSISAC Scheme with the proposed New Schemes of (i) Digitalization of PACS ; (ii) Education & Training ; (iii) Credit Guarantee Fund for Cooperatives and (iv) Sahkar se Samriddhi Yojana with following Sub-Components :

- a. Recapitalization of PACS
- b. Seed money for new PACS
- c. Revival of defunct PACS
- d. Transformation of PACS into multi-role cooperatives on the lines of FPOs
- e. Assistance to cooperative societies in branding, marketing and trade
- f. Capital subsidy for creation of basic infrastructure
- g. Creation of National Database of cooperative societies)

Schemes and Programmes Proposed to be implemented in 2023-24

1.6 On being asked about the details of Schemes/Programmes proposed to be implemented during 2023-24, the Ministry of Cooperation furnished the following details :

"Although most of the schemes are under formulation / appraisal, Computerization of PACS was approved by Cabinet in June, 2022, details of which are as under:-

(Rs. in Crore)

Major Head	Central Sector Schemes	BE	Centrally Sponsored Schemes	BE
3451*				
2425			Computerization of Primary Agricultural Credit Societies (PACS)	159.66
2552				797.77
3601				10.81
4059**				
5475*	-		-	
*Establishment expenditure ; **Capital outlay				

A New Central Sector Scheme namely, "Grant-in-aid to NCDC for Strengthening of Cooperative Sugar Mills (CSMs)" is under appraisal. DoE has agreed in-principle for grant of Rs. 1000 Cr to NCDC for one year. EFC memo has been circulated to all concerned. The Scheme will be implemented through NCDC."

Status of Proposed New Schemes under Formulation

1.7 On being asked about the present status of formulation of other three new Schemes of (i) Education & Training (ii) Cooperative Credit Guarantee Scheme and the (iii) Sahkar Se Samridhhi Yojana, the Committee were furnished a written reply as under :

" (i) **Cooperative Training:** The scheme is primarily targeted at the capacity building and awareness of general body members, board members and employees of cooperative societies. The scheme is envisaged to have all-India coverage; training programs under the scheme will be delivered through offline and online modes. The scheme is proposed for a period of four financial years (FYs) starting from FY 2022-23. The scheme for cooperative training is under advanced stage of formulation.

(ii) Cooperative Credit Guarantee Scheme - Against the proposal of this Ministry to formulate this new scheme, Department of Expenditure had stated that there are multiple schemes for providing Credit Guarantee which includes cooperatives too; and, advised this Ministry to take up the matter with the Ministries having such schemes for suitable amendments in scheme guidelines for making them easily accessible for cooperatives. In view of the above, Ministry withdrew the proposal of a separate Credit Guarantee Scheme for Cooperatives and did not seek any fund for this in BE 2023-24.

Further, Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) has included Scheduled Urban Co-operative Banks, Non-Scheduled Urban Cooperative Banks, State Cooperative Banks and District Cooperative Banks as Member Lending Institutions vide Circular No. 165 dated 18.02.2019 and Circular No. 194 dated 03.02.2022.

(iii) Sahkar se Samridhhi - This Ministry circulated a Concept Note by name, 'Capital infusion for Strengthening of Cooperative Sugar Mills (CSMs)', seeking grant-in-aid of Rs. 5000 Cr on 05.11.2022. DoE vide their OM dated 30.11.2022, agreed in-principle for grant of Rs. 1000 Cr. Accordingly, draft EFC memo was circulated by the Ministry. The proposal of the Ministry for a new Sub-component (Capital infusion in NCDC for

Strengthening of CSMs) under scheme 'Prosperity through Cooperatives' was not agreed to by DoE since the umbrella scheme was not appraised earlier.

Therefore, it may be observed that the Ministry of Cooperation initiated action to formulate a scheme under the umbrella scheme, 'Sahkar se Samriddhi', i.e. 'Prosperity through Cooperation', however, keeping in view the observations of Department of Expenditure, Ministry of Finance, the same could not be materialized during current financial year. Ministry of Cooperation will initiate further timely action to formulate a consolidated scheme for 'Sahkar se Samriddhi', keeping in view the observation of DoE during FY 2023-24."

Autonomous Bodies and Implementing Agencies of Ministry of Cooperation

1.8 When asked about the details of Autonomous Bodies and Implementing Agencies of the Ministry of Cooperation, the Committee were furnished a written reply as under :

"National Council for Cooperative Training (NCCT) - NCCT is an autonomous society under Ministry of Cooperation, conducts trainings through its 20 constituent institutes which are - a national-level Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM) Pune, 5 Regional Institutes of Cooperative Management (RICMs), 14 Institutes of Cooperative Management (ICMs) located in different States. NCCT has been in existence for decades and has been imparting training to cooperatives across India through its network of 20 constituent institutes. It plays a central role in the implementation of cooperative training & awareness schemes of the Ministry.

National Cooperative Development Corporation (NCDC) - NCDC is an apex Level Statutory Institution under the Ministry of Cooperation. NCDC was established in March 1963 under an Act of Parliament (NCDC Act, 1962) and amended in 1974 and 2002. The scope of activities has been further enlarged time to time.

A major objective of the Corporation is to promote, strengthen and develop farmer cooperatives for increasing production and productivity and establishing post harvest facilities. The Corporation's focus is on programmes of agricultural marketing and inputs, processing, storage and marketing of agriculture produce and supply seeds, fertilizer and other agricultural inputs etc. In the Non-farm Sector, the Corporation's endeavour is to equip cooperatives with facilities to promote income generating activities, with special focus on weaker sections such as dairy, livestock, handlooms, coir, jute, sericulture, poultry, fishery, scheduled caste & scheduled tribes, women cooperatives etc.

NCDC lends through the State Government or directly to cooperative societies on certain prescribed terms and conditions. NCDC provides financial assistance in the form of loan (both term loan and investment loan) and subsidy (subject to availability from Government of India).

NCDC has launched new schemes for cooperatives in various sectors such as 'Swayamshakti Sahkar' for SHG; 'Deerghavadhi Krishak Sahkar' for long term agricultural credit; 'Dairy Sahkar' for dairy and 'Neel Sahkar' for fisheries. "

Process of Creation of the Ministry of Cooperation

1.9 As regards the present status the process of creation of the Ministry of Cooperation, the Committee were informed inter-alia as follows :

"Against the sanctioned strength of 197 posts, 65 regular staff are in position. Apart from that 2 officers from Indian Economic Service and 2 officers from Indian Statistical Service are also working in the Ministry. .. Out of 65 regular staff in position, 43 staff are posted with the Ministry and 22 staff are working in the Office of CRCS.

Department of Personnel and Training (DOPT) and Department of Official Languages, the Cadre Controlling Authorities of different sanctioned posts, are being requested regularly for posting of officers against the vacant posts. Draft Recruitment Rules of 32 technical posts in the Office of Central Registrar of Cooperative Societies (CRCS) have been approved by DOPT and presently are pending with UPSC. In addition, Staff Selection Commission has been requested to fill up the vacant posts of Multi-Tasking Staff and Data Entry Operators in the Ministry.

A new office space for Ministry of Cooperation including the Office of CRCS in Atal Akshay Urja Bhawan was allotted on 14.7.2022 and all the offices earlier scattered in different buildings have been shifted to one place. However, the available space is not sufficient and accordingly it has been decided on 14.12.2022 to acquire additional space for the Office of Central Registrar of Cooperative Societies at World Trade Centre, Nauroji Nagar New Delhi. The allotment of space is expected by the end of March, 2023.

Hence, the process of creation of the Ministry of Cooperation is underway."

1.10 The Committee desired to know about the Action Plan of the Ministry to overcome the functional difficulties of shortage of Office-space & manpower in order to ensure optimal utilization of budgetary allocations for different Schemes and Programmes. In response the Committee have been informed as follows :

"It is informed that to resolve the issue of shortage of office space this office is purchasing office space for the Office of Central Registrar of Cooperative Societies (CRCS) at World Trade Centre, Nauroji Nagar, New Delhi. The total cost of this office space is Rs. 175 Crore (Approx.), out of which 165 Crore (Approx.) are to be met from the Budget of Current Financial Year and the remaining will be met from the Budget of next financial year. The offices of proposed Cooperative Election Authority and proposed Cooperative Ombudsman will also be accommodated in this office space.

Further, with regard to shortage of manpower it is informed that 71 posts have been sanctioned by the government for the Office of the Central Registrar. Recruitment rules for 32 vacant technical posts have been framed and the draft has been sent to UPSC after approval of DoP&T. In view of the urgency, approval has been obtained from UPSC to fill up these 32 technical posts by deputation. Vacancy circular for

filling up of these posts on deputation shall be advertised within a week. Matter is also being followed with DoP&T for filling other administrative posts. Further, appointment of 'Young Professional' as short-term measure is also being taken up. The Ministry has been constantly pursuing with the Dept. Personnel and Training (DoPT), and Dept. of Official Languages, Cadre Controlling Authorities of different sanctioned posts in the Ministries for posting of officers against the vacant posts. In addition Staff Selection Commission has been requested to fill up vacant posts of MTS and DEOs as well. In the situation of unavailability of regular staff, contractual staff have been engaged in the Ministry to ensure that the activities of the Ministry are not hampered. "

Budgetary Allocations in 2022-23

1.11 The Committee note that during the financial year of 2022-23, which was the first budget year for the Ministry of Cooperation, an allocation of BE of Rs.900 Crore was made to the Ministry and the budgetary support was upwardly increased to Rs.1624.74 Crore at the RE Stage.

1.12 On being asked whether the budgetary support provided for the year 2022-23 was sufficient for the implementation of Schemes & Programmes of the Ministry, the Committee were furnished a written reply as under :

"Despite stress on Government resources owing to pandemic induced shock, global economic scenario, etc. Ministry has been provided with an allocation of Rs.1624.74 Cr at RE stage against a BE of Rs.900 Cr, which is sufficient for meeting the desired objectives/ outcomes of various Schemes/ Programmes of Ministry. "

Demands for Grants (2023-24)

1.13 The Detailed Demands for Grants (2023-24) of the Ministry of Cooperation as provided in Demand No.16 pertaining to the Ministry has been presented to the Parliament on 13th February, 2022. The Budget Estimates (BE) of the Ministry of Cooperation for the year 2023-24 is Rs.1150.38 Crore. The Committee have examined, in-depth, the Demands for Grants of the Ministry for the year 2023-24 and these details are given in succeeding Chapters of the Report. The Observations / Recommendations of the Committee are presented at the end of the Report. The Committee expect the Ministry of Cooperation to take the Committee's observations / recommendations seriously and act on them expeditiously and furnish Action Taken Replies in respect of the observations / recommendations made in the Report within three months from the date of presentation of this Report.

CHAPTER-II

ISSUES AND CHALLENGES IN THE COOPERATIVE SECTOR OF THE COUNTRY

COOPERATION POLICY

According to the Ministry of Cooperation New Cooperation Policy is being prepared through extensive consultations with stakeholders. A two-day National Conference was organized by Ministry of Cooperation on 12th & 13th April, 2022 in which Cooperation Secretaries / RCSs from all the States/UTs participated. During the conference, discussions were also 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. Suggestions on the draft Policy were also sought from stakeholders including general public through my Gov portal and the website of the Ministry.

2.2. On being asked about the present status of 'New Cooperation Policy', the Committee were furnished a written reply as under :

"A National level committee has been constituted on 2nd September 2022 under the chairmanship of Shri Suresh Prabhakar Prabhu, consisting of experts of the cooperative sector, representatives from National/ State/ District/ Primary level cooperative societies, Secretaries (Cooperation) and RCSs from States/UTs, officers from Central Ministries/ Departments to formulate the New National Cooperation Policy. The formulation of New National Cooperation Policy will help in realising the vision of 'Sahakar se Samridhhi', promoting the cooperative based economic development model, strengthening the cooperative movement in the country and deepening its reach up to the grassroots. In this regard, consultations were earlier held with stakeholders and suggestions for formulating the new Policy were invited from the Central Ministries/ Departments, States/UTs, National Cooperative Federations, Institutions and also from the general public. The National level committee will analyse the collated feedback, policy suggestions & recommendations to formulate the draft of the new Policy. A number of meetings have already been held by the Committee and its report is expected by the end of February, 2023."

Administration of Cooperative Societies

2.3. Cooperative Societies of different types exist in different Sectors such as retail, banking, housing, marketing, agriculture, fisheries, manufacturing, etc. As regards

administration of different categories of Cooperative Societies in the country, the Ministry of Cooperation informed the Committee as under :

"There are two types of Cooperative Societies in the Country- one whose area of operations is limited to a state and are administered by the State's Cooperative laws under the administrative control of States' Registrar of Cooperative Societies and other with objectives not confined to one State and serving interest of members in more than one State, which are registered under the Multi-State Co-operative Societies (MSCS) Act, 2002. The Office of Central Registrar of Cooperative Societies, Ministry of Cooperation governs Multi-State Co-operative Societies."

National Level Data Repository

2.4. The Ministry of Cooperation has initiated the process of developing an exhaustive digital database of cooperative societies namely National Cooperative Database for having an authentic & updated data repository of cooperatives working in different sectors across the country. The proposed Database will facilitate all stakeholders in policy making & implementation to strengthen the cooperative movement in the country. It would also help the cooperative sector for its better positioning in the business environment. The proposed database would also bring synergy among various databases maintained by Central line Ministries and State Governments. The data fields of database were finalised after extensive discussions and consultations with various stakeholders viz. State/UT RCS, National Cooperative Federations and other Stakeholders at various levels (Primary to Apex).

- ❖ Ministry set up Project Monitoring Group (PMG) in collaboration with NIC for software development.
- ❖ Ministry also constituted Steering Committee and Advisory Committee incl. State RCS, National Federations and regulatory Boards.
- ❖ About 1100 Nodal Officers at District & State level were nominated by State RCS/Functional Registrars for monitoring and data validation.
- ❖ In order to make cooperatives as a true people-based movement reaching upto the grassroots levels, it was decided to use services of 560 local interns enrolled on All India Council for Technical Education (AICTE) Portal for data collection.

2.5. Ministry decided to develop National Cooperative Database in a phased manner. For Phase-I of National Cooperative Database, data collection of three cooperative sectors i.e. Primary Agricultural Credit Societies (PACS), Dairy and Fisheries started from 1st December, 2022. Out of about 2.61 lakh registered PACS, Dairy & Fisheries Cooperative Societies, the

data of about 2.58 lakh (about 99%) Cooperative Societies have been collected so far. After validation and certification by various stakeholders, the database would be available soon.

2.6. The Committee desired to know whether the budgetary provision of Rs.100 Crore earmarked for NABARD for the establishment of National Level Data Repository, includes the programme of preparation of State & District-wise data on Cooperative Societies in the Country. In this regard, the reply of the Ministry is reproduced below:

"Ministry has initiated the process of developing an exhaustive digital data of Cooperative Societies in collaboration with NCUI and NIC. The proposed data base will facilitate all stakeholders in policy making and implementation. It would also bring synergy among various data base Ministries maintained by Central Ministries and State Cooperatives. Ministry has decided to develop the database in a phased manner. For Phase -1, data collection of 3 cooperative societies, viz. PACS, Dairies and Fisheries started from 01.12.2022. Out of about 2.61 lakhs Cooperative Societies, data of about 2.58 lakhs have been collected so far.

NABARD being the implementing agency for the Centrally Sponsored Project Computerization of PACS, is developing the National Level Software for which it has finalized the National Level PACS Software Vendor (NLPSV) and Project Consulting Agency (PCA) for the project. In addition, NABARD has also initiated various other activities such as training, PACS data repository related work specific to computerization of PACS, studies, field visits, evaluation and testing of modules, etc. for implementation of the project.

An amount of Rs. 100 crores has been earmarked for NABARD for development of software, establishment of National Level Data Repository (NLDR) and Project Management Unit. Both the National Level Data Repository (NLDR) and Project Management Unit are specific to the National Level Software being developed for computerization of PACS."

Management of Multi-State Cooperative Societies (MSCS)

2.7. According to Ministry of Cooperation there are about 1481 Multi-State Cooperative Societies (SCS) in the country and winding up proceedings were underway against 77 of non-functional MSCSs. The Committee sought to know the present status of the 77 defunct MSCSs against which liquidation proceedings were underway and the details of cases of defunct MSCS that have been settled during the last 10 years. In this regard, the Ministry of Cooperation intimated inter-alia as under :

"At present, 83 defunct Multi-State Cooperative Societies including 05 Cooperative Banks are under liquidation and the proceedings are under way. The Office of CRCS is continuously monitoring and reviewing the status of proceedings of liquidation of these Societies through periodic meetings with the concerned Liquidators to expedite the liquidation process. The liquidation proceedings, in view of involvement of multiple Law Enforcement Agencies, multitude of stake holders like depositors, employees, members etc. as well as time consuming legal proceedings in various courts of laws and other tribunals / forums, are ongoing.

No liquidation cases of defunct MSCS case has been settled during the last 10 years."

Liquidation Process of Defunct MSCSs

2.8. To a specific query of the Committee seeking whether the Government has any plan to expedite the process of liquidation of defunct Multi-State Cooperative Societies (MSCSs), the Ministry of Cooperation submitted :

"It is informed that the O/o CRCS is continuously monitoring and reviewing the status of proceedings of liquidation of these Societies through periodic meetings with the concerned Liquidators to expedite the liquidation process. The liquidation proceedings, in view of involvement of multiple Law Enforcement Agencies, multiple stakeholders like depositors, employees, members etc. as well as time consuming legal proceedings in various courts of laws and other tribunals / forums, are ongoing.

Further, to expedite liquidation, the O/o CRCS is providing legal assistance and financial assistance to the Liquidators where it is required. O/o CRCS also plans to hold coordination meetings with various agencies to resolve the issues faced in liquidation proceedings. O/o CRCS has also circulated relevant provisions of laws and rules to facilitate liquidation."

Functional Status of Cooperative Societies

2.9. The matters of functional and financial status of Cooperative Societies came in for detailed discussion during the Sitting of the Committee convened for taking oral evidence of the representatives of the Ministry of Cooperation on 22 February, 2023 in connection with examination of the Demands for Grants of Ministry of Cooperation. The Committee expressed the view that necessary corrective measures be taken to deal with the issues of variations in the cooperative movement among different States / UTs and control of membership of Cooperative Societies by a few members :

2.10. The Committee also sought to know about the State/UT-wise details of Non-functional Cooperative Societies including Primary Agricultural Cooperative Societies in the country and

emphasized on the need for providing manpower and financial assistance for ensuring efficient functioning of Cooperative Societies. Responding to a query of the Committee regarding fraud and malpractices committed by some MSCS like Sahara, Adarsh etc. in the past, the Secretary deposed before the Committee as under :

"सर, हुआ यह है कि आदर्श और सहारा, ये दोनों मल्टी-स्टेट कोऑपरेटिव सोसायटीज हैं। इन सोसायटीज में जनता ने अपने डिपॉजिट्स किए हैं और उसके बाद जो इनका बोर्ड था। जैसे आदर्श का बोर्ड था, तो आदर्श में चेयरमैन साहब ने अपने ड्राइवर की कंपनी में, इधर के उधर कंपनी में पैसे लगा दिए और उसके बाद फिर वह मामला लिक्विडेशन में गया, उसके बाद उसमें सारी जाँच एजेंसीज भी बैठी हुई हैं, ईडी भी है और सीआरसीएस तो है ही, एसएफआईओ भी है, सारे लोग लगे हुए हैं। सर ने बिल्कुल सही बताया कि सारे लोग तो जेल के अंदर हैं, लेकिन लोगों को उनके पैसे वापस दिलाने का कार्य लिक्विडेटर को करना है। लिक्विडेटर ने कुछ प्रॉपर्टीज चिन्हित भी कर ली हैं, क्योंकि पिछले 8-10 महीनों में इसमें कॉफी तेजी आई है। कुछ डुएल चार्ज आदि पर हैं, आशा है कि आने वाले कुछ समय में जल्दी ही इसका कुछ निदान होगा। हमारी पूरी कोशिश है।

एजेंसीज की सारी रिपोर्ट, सारे वकीलों के संग बैठकर एक स्टेट्स रिपोर्ट बनाई थी। उसको हमने सुप्रीम कोर्ट के समक्ष रखा और सुप्रीम कोर्ट के समक्ष रखने के बाद इसका रास्ता कैसे निकलेगा, इसके बारे में भी सुझाव हम सुप्रीम कोर्ट को देने जा रहे हैं, बिकॉज सेबी ने, उनके कुछ पैसे वहाँ जमा हैं और जितनी हमारे पास लोगों की रिक्वायरमेंट आयी है, डिपॉजिट वापस करने की रिक्वायरमेंट आयी है, वह उससे ज्यादा नहीं है। इसलिए अगर इसकी धनराशि का उपयोग हो पाये, लेकिन वह सुप्रीम कोर्ट की अनुमति के बाद ही हो सकता है, इसीलिए वह प्रक्रिया अभी चल रही है। चूँकि मामला कोर्ट में है, इसलिए मैं ज्यादा कुछ नहीं कहना चाहूँगा।"

2.11 Regarding the need to bring more transparency in the functioning of the State Cooperative Societies through Right to Information (RTI) Act, 2005, the Secretary submitted as under:

" Sir, you have raised a very good point. We have made RTI provision in respect of the MSCS. ... Sir, we would send your suggestion to State Governments, because as per Constitution, this is the domain of States."

Multipurpose Cooperative Societies

2.12 The Ministry of Cooperation has intimated that with the approval of Hon'ble Minister of Home and Cooperation, Model byelaws have been circulated to all the States/UTs on 05.01.2023 for their adoption by PACS after carrying out suitable modifications as per respective State Cooperative Acts. These Model byelaws are prepared to enable PACS to undertake more than 25 business activities which, inter alia, include dairy, fishery, setting up of godowns, procurement of foodgrains, fertilizers, seeds, LPG/CNG/Petrol/Diesel

distributorship, short-term & long-term credit, Custom Hiring Centers, Common Service Centers, Fair Price Shops , community irrigation, Business Correspondent activities, etc.

2.13 The Committee sought to know about the steps that are being taken to encourage / incentivize Primary Agricultural Cooperative Societies (PACS) to become Multipurpose Cooperative Societies and also about the proposed new Scheme(s) to be implemented for this purpose. In this regard, the Committee have been furnished written reply stating inter-alia as under :

" Meetings under the Chairmanship of the Secretary (Cooperation) have been held with Principal Secretaries/ Secretaries (Cooperation)/ RCS of all the States/UTs on 16.01.2023 & 16.02.2023 to plan a roadmap for adoption of Model byelaws by PACS in their respective States/UTs. As per the responses received from States/UTs some of them have initiated the process for facilitating PACS to adopt the model byelaws including getting them translated into regional languages. The State of Uttar Pradesh has informed that it has already circulated the model byelaws to all the PACS for adoption.

A Plan has also been prepared to converge various existing schemes of Government of India to encourage/ incentivize PACS to become Multipurpose cooperative societies. "

2.14 **Insurance Scheme for Multi-State Cooperative Societies** - The Committee desired to know as to whether the Government has any proposal to introduce suitable Insurance Scheme for Multi-State Cooperative Societies so that the interests of the Members and the public money deposited with such Societies are protected. In this regard, the Ministry of Cooperation has intimated that *Multi-State Cooperative Societies are autonomous bodies and can launch any welfare measures for their members including 'Insurance Scheme'. Government has no such proposal under consideration at present.*"

Credit Needs of Cooperative Societies

2.15 The Committee sought details regarding credit / loan / refinancing facilities that are available for different categories of Cooperative Societies in the Country. In this regard, the Ministry of Cooperation furnished the following written reply :

NCDC provides financial assistance in the form of loans (both Term Loans and Investment Loans) to the cooperative societies for following activities –

- a) Marketing,
- b) Processing,
- c) Storage,
- d) Cold Chain,
- e) Distribution of essential consumer articles through cooperatives,
- f) Industrial,
- g) Credit & Service Cooperatives/ Notified Services,
- h) Cooperative Banking Unit,
- i) Agricultural Services,
- j) Cooperatives for Weaker Sections,
- k) Assistance for Computerisation of Cooperatives,
- l) Promotional and Developmental programmes, etc.

Cumulatively, NCDC has disbursed ₹2,11,548.56 Crore since inception upto 31.03.2022.

2.16 The Committee took note of the fact that the Ministry of Cooperation did not seek any fund for the proposed new Scheme of Cooperative Credit Guarantee Scheme in 2023-24 and no budgetary provision has been made the purpose. According to Ministry of Cooperation, the approval of Expenditure Finance Committee (EFC) was not granted for the new Scheme on the grounds that there are multiple Schemes / Agencies including Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) available for providing Credit Guarantee for beneficiaries including Cooperatives.

2.17 Against this backdrop, the Committee sought to know details as to (a) whether all categories of cooperative societies in the country at present have credit guarantee facilities either through Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) or other financial institutions and (b) the details of banking institutions which provide credit and soft-loans to Cooperative Societies including Primary Agricultural Cooperative Societies. In this regard, the Ministry replied :

"(a) the Department of Expenditure advised this Ministry to take up the matter of inclusion of Cooperatives under the existing Credit Guarantee Schemes of its Ministries/Departments with suitable amendments in scheme guidelines. Credit Guarantee Funds Trusts, for Micro and Small Enterprises (CGTMSE) has included Scheduled Urban Cooperative Banks , non Scheduled Urban Cooperative Banks, State Cooperative Banks and District Cooperative Banks as principal lending institutions, vide circular No. 165 , dated 18.02.2019 and hence Circular No. 194, dated 03.02.2022. As per data available on the CGTMSE website, there are 114 Member Lending Institutions (MLIs) under the scheme out of which 33 are cooperative banks (13 Scheduled Urban Cooperative Banks and 20 Other Cooperative Banks). Further, CGTMSE has defined the eligibility criteria for

becoming a member lending institution under the scheme and now the scheme is open for all the eligible cooperative lending institutions.

(b) Under the cooperative credit structure, State Cooperative Banks, District Central Cooperative Banks, National Cooperative Development Corporation, NABARD, State Agricultural Rural Development Banks etc. provide short-term and long-term credit facility to the Cooperative Societies including Primary Agricultural Cooperative Societies."

CHAPTER-III

An Analysis of Demands for Grants of Ministry of Cooperation for 2022-23 & 2023-24

The Budget Estimates in respect of Demand No.16 pertaining to the Ministry of Cooperation for the year 2023-24 are as under :-

(Rs. in Crore)			
	Revenue	Capital	Total
Charged	--	--	--
Voted	1149.38	1.00	1150.38

Account	Major Head	BE- 2022-23	RE- 2022-23	BE- 2023-24
REVENUE SECTION				
Secretariat Economic Services	3451	98.10	57.10	59.59
Co-operation	2425	156.40	706.74	116.04
North Eastern Areas	2552	73.00	134.40	5.50
Grants-in-aid to State Governments	3601	561.50	561.50	968.25
Total-Revenue Section		889.00	1459.74	1149.38
CAPITAL SECTION				
Capital Outlay on Public Works	4059	11.00	165.00	...
Capital Outlay on Other General Economic Services	5475	1.00
Total-Capital Section		11.00	165.00	1.00
GRAND TOTAL		900.00	1624.74	1150.38

(Budget Documents-2023-24)

3.2 The Committee noted that the Ministry of Cooperation has been allocated BE of Rs. 1150.38 Crore for 2023-24 against the proposed a requirement of BE of Rs.1945.60 Crore by the Ministry. In this regard, when asked as to whether the lower allocation of funds would adversely impact the Schemes and Programmes of the Ministry, in reply, it was stated :

"The BE proposed for 2023-24 was Rs.1945.60 Cr, out of which Rs.1150.38 Cr has been allocated, primarily on account of the fact that the Schemes of the Ministry are under formulation. Additional funds, if required, will be provided at RE stage after appraisal / approval has been accorded by Competent Financial Authority for the proposed schemes."

3.3 When asked as to how the Ministry would bridge the gap between funds requirement and funds allocation for 2023-24, the Committee have been informed inter-alia

that Rs.968.24 Crore was proposed in BE 2023-24 for Computerization of PACS Scheme and the same has been allocated. Hence, there is no gap with regard to the same. With respect to other schemes / programmes which are at various stages of formulation / appraisal / approval, budget will be provided after such appraisal / approval.

Proposed Outlays for Schemes & Programmes in 2023-24

3.4 When asked about the break-up of BE of 1150.38 Crore as outlays for different Schemes & Programmes during 2023-24, the Ministry of Cooperation furnished the following comparative details :

Monitoring Expenditure over BE/RE- 2022-23 [Transaction Date: From 01.04.2022 to 16.02.2023]								
(Rs. in crores)								
Sl. No.	Name of Scheme/Description	BE 2022-23	RE 2022-23	Progressive Expenditure as on 16.02.2023 (Provisional)	Balance budget as on date as per RE 2022-23	% age Exp. as on date w.r.t. BE 2022-23	% age Exp. as on date w.r.t. RE 2022-23	B.E 2023-24 Approved by DEA
	1	2	3	8	9	10	11	12
1	Establishment Expenditure of the Centre							
I	Capital Outlay on Public Works	11.00	165.00	15.27	149.73	138.82%	9.25%	
II	Secretariat	98.10	57.10	16.29	40.81	16.60%	28.53%	59.59
III	Other Attached and Subordinate Offices (CRCS)	10.90	10.90	3.31	7.59	30.37%	30.37%	15.41
IV	Capital Outlay on Other General Economic Services-new Major Head (5475)							1.00
	TOTAL - Establishment Expenditure of the Centre	120.00	233.00	34.87	198.13	29.06%	14.97%	76.00
2	Central Sector Schemes							
I	Integrated Scheme on Agriculture Cooperation (ISAC)	50.00	664.96	232.10	432.86	464.20%	34.90%	0.01
II	Cooperative Credit Guarantee Fund	1.00	0.00	0.00	0.00	0.00%	0.00%	0.00
III	Co-operative Education	30.00	30.00	0.00	30.00	0.00%	0.00%	30.00
IV	Cooperative Training	25.00	25.00	0.00	25.00	0.00%	0.00%	25.00
	TOTAL - Central Sector Schemes	106.00	719.96	232.10	487.86	218.96%	32.24%	55.01
3	Other Central Sector Expenditure							
	Autonomous Bodies							
I	National Council for Cooperative Training (NCCT)	39.00	38.00	29.25	8.75	75.00%	76.97%	40.00
	Vaikunthlal Mehta National Institute of Cooperative Management (VAMNICOM)	11.00	9.78	8.25	1.53	75.00%	84.36%	11.12
II	Total - Autonomous Bodies	50.00	47.78	37.50	10.28	75.00%	78.48%	51.12
	TOTAL - Other Central Sector Expenditure	50.00	47.78	37.50	10.28	75.00%	78.48%	51.12
4	Centrally Sponsored Schemes							
I	Digitalization of Primary Agriculture Cooperative	350.00	350.00	151.92	198.08	43.41%	43.41%	968.24

	Societies							
II	Prosperity through Cooperatives	274.00	274.00	0.00	274.00	0.00%	0.00%	0.01
	TOTAL - Centrally Sponsored Schemes	624.00	624.00	151.92	472.08	24.35%	24.35%	968.25
	GRAND TOTAL (1+2+3+4)	900.00	1624.74	456.39	1168.35	50.71%	28.09%	1150.38

Remarks * An Expenditure of Rs. 184.19 crore has been booked under Major Head 8000002010000 under Central Sector Scheme i.e. Integrated Scheme on Agriculture Cooperation (ISAC) in General Category to NCDC, New Delhi vide F.No 4(15)-B(SD)/2022 dated 25.01.2023 issued by MoF, DEA (Budget division) and Sanction No. L-12012/4/2021-I&P (97022) dated 30.01.2023 issued by MoC (CD Division). This expenditure will be recouped from MH 242500108260031 after receiving the fund under 2nd supplementary.

Physical Targets for 2023-24

3.5 The Ministry of Cooperation was asked to briefly compare overall BE, RE, AE & Physical achievements of the Ministry during 2022-23 with the BE and physical targets set for 2023-24. In this regard, the written reply of the Ministry is reproduced below :

"(a) Under CSISAC funds are being released to NCDC only for liquidating Government of India's committed liabilities for already sanctioned projects. No new projects are being sanctioned under this scheme, and hence no targets have been envisaged in CFY for the Scheme.

Scheme	2022-23			2023-24
	BE	RE	AE	BE
Central Sector Scheme on Agricultural Cooperation (CSISAC)	50.00 Cr.	664.96 Cr.	232.09 Cr.*	0.01 Cr.

* Further releases to be made after approval of 2nd batch of supplementary demands.

Targets in respect of other Schemes will be available after they have been appraised/ approved by Competent Financial Authority.

(b) An amount of Rs. 350 Crores have been provided for this project for the year 2022-23, out of which sanction has been approved for Rs. 212.26 Crores and as on 13.02.2023 an amount of Rs.190.70 crore has been released to 17 States. Also, the Ministry has sought additional fund of Rs.161.07 crore in the 2nd batch of Supplementary for incurring expenditure as per the increased requirement of funds for disbursement of GoI Share to States/UTs and to the implementing agency i.e. NABARD.

Proposal for computerization of 50,241 PACS have been received from 22 States and 4 UTs. PMUs and National Level Data Repository have already been set up under the project. Steps have been initiated for development of National level software by NABARD and procurement of hardware is going to start shortly by all the States/ UTs. The process of empanelment of System Integrators will be completed by February, 2023. Thus, with the proposed

budgetary support it is envisaged that 50,241 PACS would be brought on single national software platform in FY 2023-24."

3.6 The Ministry of Cooperation was asked to furnish details of Schemes and Programmes of the Ministry for which separate budgetary sub-allocation needs to be made under SC/ST sub-plan and the sub-plan for the North Eastern States. In response, the Ministry furnished written reply as under :

"As per extant guidelines, mandatory allocation under SC/ST sub-plan as well as for North Eastern States is required to be provided for in each scheme of the Ministry, unless specifically exempted.

In case of the scheme 'Computerization of PACS', NITI Aayog, based on Cabinet approval has accorded specific exemption for this purpose and hence no allocation is made in SC/ ST sub-plan or for NE Region under this scheme."

Budgetary Allocations for Establishment Expenditure

3.7 The Committee noted that during the current financial year of 2022-23, the BE & RE for Establishment Expenditure of the Ministry of Cooperation was Rs.120 Crore and Rs.233 Crore respectively. The aforesaid allocation included Capital Outlay on Public Works under the Major Head 4859 which was Rs.11 Crore in BE 2022-23 which was revised to Rs. 165 Crore at RE stage. However, no budgetary allocation has been made for Capital Outlay on Public Works in the Budget of 2023-24. In this regard, the Ministry of Cooperation furnished clarification as under :

"The allocation under Capital Section on Capital Outlay on Public Works under the Major Head 4859 was revised to Rs.165 crores in view of requirement of purchase of new office space for the Central Registrar of Cooperative Societies at World Trade Centre, Nauroji Nagar, New Delhi, being developed by NBCC on behalf of Ministry of Housing & Urban Affairs. As the purchase of New Office space shall be completed in the current Financial Year 2022-23 along with payment of all costs, no further allocation is envisaged in the Public Works Budget of 2023-24 in respect of Office of CRCS. However, allocation of Rs.10 Cr. under the "minor works" under CRCS Establishment budget head is projected to meet the cost of interior and furnishings of the purchased space through CPWD. "

3.8 The Committee also noted that out of the RE of Rs.233 Crore towards Establishment Expenditure of the Centre, the Ministry could utilize only Rs.34.87 Crore (i.e., 14.97% of RE) till 16.02.2023. Further, a budgetary allocation of Rs.76 Crore has been made for 2023-24 on this account head. Against this backdrop, the Ministry of

Cooperation, when asked about the reasons for lower funds utilization in 2022-23, furnished reply as under :

"Additional funds of Rs. 154 crore in Capital Outlay has been provided at RE stage for procurement of office space by the Ministry for the office of Central Registrar of Cooperative Societies. The payment to NBCC is due in March 2023 as per payment schedule, and can be released after 2nd batch of Supplementary is approved by Parliament. Hence, the expenditure position will significantly improve after the payment is released."

Budgetary Allocations for Schemes during 2021-22 to 2023-24

3.9 The Ministry of Cooperation furnished the following details when asked about the budgetary allocations and utilization of funds in respect of Central Sectors Schemes and Centrally Sponsored Schemes of the Ministry during 2021-22, 2022-23 & 2023-24 :

" The information (Rs. in Crore) in the format is given as under: -

Expenditure components		2021-22					2022-23					2023-24	
Sl No.	Name of the scheme/ Establishment	Asked for	BE	RE	Actual	Surrender	Asked for	BE	RE	Actual	Surrender	Asked for	BE
1.	Central Sector Scheme CSISAC (Rs. In Crore)		373.00	373.00	341.67	31.33		50.00	664.96	232.09 (as on 10.02.23)		0.01	0.01
	Central Sector Scheme "Grant-in-aid to NCDC for Strengthening of Cooperative Sugar Mills (CSMs)"	NA	NA	NA	NA	NA	500	-	-	Under process		500	-
2.	Centrally Sponsored Project "Computerization of Primary Agriculture Credit Societies (PACS)"	New Project	-	-	-	-	350.00	350.00	350.00	190.70*	-	968.24	968.24

Proposed New Centrally Sponsored Schemes

3.10 The Ministry of Cooperation proposed to implement two new Centrally Sponsored Schemes of (i) Digitalization of Primary Agriculture Cooperative Societies and (ii) Prosperity through Cooperatives / 'Sahkar Se Samridhi Yojana' during the year 2022-23. The Committee note from budget documents that while the implementation of the Digitalization of Primary Agriculture Cooperative Societies has already been started by

the Ministry, the proposed new Scheme of Prosperity through Cooperatives / 'Sahkar Se Samriddhi Yojana' has not been approved by the Government.

Status of 'Prosperity through Cooperatives' / 'Sahkar se Samriddhi Yojana'

3.11 The Committee note that a BE of Rs.274 Crore was allocated for the implementation of the new Centrally Sponsored Umbrella Scheme of 'Prosperity through Cooperatives' / 'Sahkar Se Samriddhi Yojana' but, the funds remained unutilized. On being asked about the reasons for non-utilization of the budgetary allocation, the Committee were furnished written reply stating inter-alia as under :

"Under Scheme of 'Prosperity through Cooperatives', this Ministry circulated a Concept Note by name, 'Capital infusion for Strengthening of Cooperative Sugar Mills (CSMs)', seeking grant-in-aid of Rs. 5000 Cr on 05.11.2022. DoE vide their OM dated 30.11.2022, agreed in-principle for grant of Rs. 1000 Cr. Accordingly, draft EFC memo was circulated by the Ministry. The proposal of the Ministry for a new Sub-component (Capital infusion in NCDC for Strengthening of CSMs) under scheme 'Prosperity through Cooperatives' was not agreed to by DoE since the umbrella scheme was not appraised earlier.

(Reply to LOP No.46)

DoE vide their OM dated 20.01.2023, observed that the proposal of the Ministry is for a new Central Sector Sub-component (Capital infusion in NCDC for Strengthening of CSMs) under the scheme, 'Prosperity through Cooperatives'. Since, the scheme 'Prosperity through Cooperatives' was appraised by EFC and approved by the competent authority. DoE did not agree for appraisal of the component under the same. Therefore, MoC initiated EFC note for appraisal of the same as a separate scheme. Therefore, it may be observed that the Ministry of Cooperation initiated action to formulate a scheme under the umbrella scheme, 'Sahkar se Samriddhi', i.e. 'Prosperity through Cooperatives'. Keeping in view the observations of Department of Expenditure, the same could not be materialized during current financial year, Ministry of Cooperation will accordingly initiate further action to formulate a consolidated scheme for 'Prosperity Through Cooperatives' during FY 2023-24. A token provision for Rs. 1 lakh has however, been kept for this purpose. However, in order to realise the vision of 'Sahkar se Samriddhi' the Government has taken the following initiatives:

- i) Computerization of Primary Agricultural Credit Societies (PACS)
- ii) Model byelaws for PACS
- iii) PACS as Common Service Centres (CSC)
- iv) PACS as Farmer Producer Organizations (FPOs)
- v) National Cooperative Database

- vi) National Cooperative Policy
- vii) Amendment of Multi State Cooperative Societies Act, 2002
- viii) New National Multi-State Seed Cooperative Society
- ix) New National Multi-State Organic Cooperative Society
- x) New National Multi-State Export Cooperative Society
- xi) New initiatives by NCDC
- xii) DCCBs/SCBs included as MLIs in CGF Trust
- xiii) Cooperatives can now buy from GeM portal also
- xiv) Resolution of chronic pending issues of Sugar Cooperative Mills
- xv) Reduction in surcharge on cooperative societies
- xvi) Reduction in Minimum Alternate Tax for Cooperative Societies
- xvii) Relief under Section 269ST of income tax (IT) Act
- xviii) Lowering tax rate for new manufacturing Cooperatives
- xix) Increase in limit of deposits and loans in cash by PACS & Primary cooperative Agriculture and Rural Development Banks(PCARDBs)
- xx) Increase in limit for Tax Deducted at Source (TDS)
- xxi) Establishment of Multi-Purpose PACS, Dairy and Fisheries Cooperative Societies in every Panchayat / Village

Implementation of Digitalization of Primary Agriculture Cooperative Societies

3.12 In order to digitize the Primary Agricultural Credit Societies (PACS), Government of India has approved Computerization of PACS project on 29th June 2022 to computerize 63,000 functional PACS with total budget outlay of Rs. 2516 Cr., across the country. This project entails bringing all the functional PACS onto an ERP (Enterprise Resource Planning) based common software, linking them with NABARD through State Cooperative Banks (StCBs) and District Central Cooperative Banks (DCCBs). Following are the major components of the project:

1. National Level Common Software: A National Level software will be developed which will link PACS with NABARD through District Central Cooperative Banks (DCCBs) and State Cooperative Banks (StCBs). The software will be owned by the Ministry.
2. National Level Data Repository: A National Level Data Repository would be set up at NABARD for storage of data.
3. Procurement of Hardware: Hardware will be procured by the States/ UTs for providing support to the PACS.
4. Digitization of Legacy Data: All the legacy data would be digitized and uploaded on the national software.
5. Support System: A support system would be set up at State and District level for providing support to the PACS during the on-boarding process.
6. Training and Awareness: Training would be provided to the manpower available with PACS for smooth transition on the national level software.
7. Project Management Unit: PMUs have been set up at Central and State level for

coordination and monitoring of the project.

3.13 Computerization of PACS will provide various benefits such as increasing the efficiency of their operations, ensuring speedy disbursement of loans, lowering of transaction costs, reducing imbalances in payments, seamless accounting with DCCBs and StCBs and increasing transparency. It will also enhance trustworthiness in the working of PACS among farmers. Implementation of Common Accounting System (CAS) and Management Information System (MIS) would enable PACS to carry out their operations online and obtain refinance/ loans for their various activities from NABARD through District Central Cooperative Banks (DCCBs) and State Cooperative Banks (St.CBs).

3.14 Proposals to computerize 50,241 PACS have been received from 22 States and 4 UTs. In addition to this, additional proposals are also likely to be received from other States. The development of software has started and process of procurement of hardware would be started shortly. Also, process for empanelment of system integrators would be completed by February, 2023. Thereafter, process for digitization of records would be started. Hence, to complete the abovementioned processes and to onboard 50,241 PACS on National level software, BE of Rs. 968.24 has been proposed and allocated the funds thus provided for is sufficient for proposed plan of action.

3.15 The Committee took note that RE of Rs.350 Crore for 2022-23 and BE of Rs.968.24 Crore for 2023-24 have been catered for the Digitalization / Computerization of Primary Agricultural Cooperation Societies (PACS). The Details of funds released to States / UTs under the Scheme as furnished by the Ministry as on 06-02-2023 is at **Annexure-I**.

3.16 On being asked about the reasons for lower funds utilization during 2022-23, the Ministry of Cooperation furnished written reply as under :

"An amount of Rs. 350 Crores have been provided for this project for the year 2022-23, out of which sanction has been approved for Rs. 212.26 Crores and as on 13.02.2023 an amount of Rs.190.70 crore has been released to 17 States.

The Centrally Sponsored Project Computerization of PACS was approved by the CCEA on 29.6.2022. 1st Meeting of the National Level Monitoring and Implementation Committee (NLMIC) was held on 8.7.2022 and thereafter the guidelines of the Project were finalized and circulated to all the States and UTs on 9th August, 2022. Since, audit of functional PACS were scheduled to be completed by September, 2022, the project proposals to computerize functional PACS were called from States/UTs on 6th October, 2022. As on date, proposals have been received from 22 States and 4 UTs to computerize 50,241 PACS across

the country. Further steps were taken to open State Nodal Account (SNA) by States/ UTs, their mapping on PFMS and creation of appropriate separate budget-heads for NABARD, UTs with Legislature and without Legislature, the Government of India share could only be released since December, 2022. Balance funds release is being expedited. "

3.17 As regards the physical targets set under the Centrally Sponsored Scheme, the Ministry of Cooperation furnished the following details :

As per the Cabinet approval, Ministry of Cooperation aims to cover 63,000 functional PACS with year wise break-up as under:

Year		Total No of PACS to be computerized
Year-I	2022-23	13,000
Year-II	2023-24	20,000
Year-III	2024-25	30,000
Year-IV	2025-26	
Year-V	2026-27	
Total		63,000

However, the Ministry has so far received proposals for computerization of 54,749 PACS from 24 States & 4 UTs for which 1st installment of GoI share is being released to States/UTs for procurement of hardware, digitization of records and setting up support system. Further installments would be released in FY 2023-24 for computerization of all the PACS for which proposals have been received. The remaining functional PACS will be computerized as and when the proposal are received from the concerned States, for which regular follow up is being done.

Central Sector Scheme - Integrated Scheme on Agricultural Cooperation

3.18 The Committee taken note that a token amount of Rs.1 lakh has been allocated as BE 2023-24 in respects of the Central Sector - Integrated Scheme on Agricultural Cooperation (CS - ISAC) for continuation of the scheme head and for reformulation of Schemes if required. *(Extract of Reply to LOP No.52)*. As per the Ministry of Cooperation, the details of BE, RE, AE & percentage of utilization for the Scheme during the last five years are as under :

Allocation under CSISAC Scheme (Rs. in Crore)				
	BE	RE	AE	% AE/RE
2018-19	130.00	144.68	137.79	95.24
2019-20	85.00	140.00	143.97	102.84
2020-21	400.00	350.00	373.65	106.76
2021-22	373.00	373.00	341.67	91.60
2022-23	50.00	664.96	232.09*	34.90

2023-24	0.01			
Total	1038.01	1672.64	1229.17	

* As on 10.02.2023

3.19 The Committee asked for comments as to whether non-sanction of new CSISAC projects during 2022-23 would not affect cooperative development activities undertaken through NCDC, NCCT and NCUI. In this regard, the Ministry of Cooperation replied as under :

"The Cabinet Committee on Economic Affairs (CCEA) had approved the CSISAC scheme for a period from 2017-18 to 2019-20 with a total outlay of Rs.1902.636 Cr. Since till BE 2022-23 only Rs.1287.68 Cr. had been allocated under the scheme. Hence, as per the approval of Department of Expenditure dated 23.12.2022, the scheme is under implementation till 31.03.2023 to liquidate the committed liabilities of NCDC.

Further, NCDC has launched new schemes for cooperatives in various sectors such as 'SwayamshaktiSahkar' for SHG; 'DeerghavadhiKrishakSahkar' for long term agricultural credit; 'Dairy Sahkar' for dairy and 'Neel Sahkar' for fisheries to expand financing for cooperative development activities.

CSISAC scheme, has been continued in the current FY with the objective of liquidating earlier committed liabilities under the scheme only. However, token amount has been kept in the next FY for the Ministry to re-formulate the scheme as per requirements and keeping in view other Schemes/Programmes already under formulation."

Liquidation of Committed Liabilities of NCDC

3.20 As per the Ministry of Cooperation, no new projects are being sanctioned under the Central Sector Integrated Scheme on Agriculture Cooperation (CS-ISAC). Under the ISAC, currently funds are being released only to NCDC for liquidating its committed liabilities for already sanctioned projects.. Total financial assistance under the scheme, component-wise for 2021-22, 2022-23 & 2023-24 is as below:

(Rs. in Crore)				
S.No.	Implementing Agency	2021-22	2022-23	2023-24
1	NCDC	304.46	232.09	0.01*
2	NCCT	23.68	-	-
3	NCUI	13.37	-	-
4.	Multi State Fed.	0.16	-	-
	TOTAL	341.67	232.09	0.01

* Token grant is for continuation and / or remodeling this scheme as per needs.

3.21 On being asked about the progress achieved in settlement of outstanding dues to NCDC on account of committed liabilities in the implementation of the erstwhile CSISAC Scheme by NCDC, the Ministry of Cooperation furnished *inter-alia* the following details :

"Under CSISAC Scheme, ₹232.09 Cr. has been released to NCDC (as on 10.02.2023) in FY 2022-23 for settling interest subvention against already sanctioned eligible/completed projects. A cumulative amount of ₹664.96 Cr. has been provided for by MoF at RE state against BE of Rs.50 Cr, on specific request of Ministry, to liquidate earlier liabilities.

NCDC has intimated that during the year Rs.271.11Cr. have been disbursed to cooperative societies (as on 20.02.2023). The disbursement made by NCDC includes carried forward unspent balance. Further, another Rs.432 Cr. is available in current year RE under Scheme which will be released after approval of supplementary."

3.22 The Committee sought to know about the reasons for lower funds utilization of RE Rs. 664.00 Crore for the CSISAC in the implementation of the Scheme during 2022-23. In this regard, the reply of the Ministry of Cooperation is as under :

"A new Ministry (Ministry of Cooperation) has been created from erstwhile Ministry of Agriculture, Cooperation and Farmers' Welfare and ₹ 50 Crore was allocated under budget for year 2022-23. ₹47.91 Cr. was released to NCDC in September, 2022. Further, on Ministry of Cooperation's request, Department of Expenditure, on 13.12.2022, conveyed approval to incur additional expenditure of Rs. 614.96 crore to liquidate committed liabilities under the scheme. Additional funds have been allocated in RE. However, expenditure can be incurred only after approval of second batch of Supplementary.

The matter was taken up with DEA for drawl of advance from contingency fund of India. An amount of ₹184.19 Cr. from the contingency fund of India with approval of DEA has been withdrawn and released to NCDC on 30.01.2023. Hence, cumulative release to NCDC in 2022-23 stands at ₹232.02 Cr. The rest of amount will be released on receipt of funds under cash supplementary within the financial year 2022-23."

New Central Sector Scheme

3.23 The Committee asked for details of proposed outlays of the Ministry for National Cooperative Development Corporation (NCDC) for 2023-24 in connection with implementation of Schemes and Programmes of the Ministry. In this regard, the Ministry of Cooperation has inter-alia stated that a new Central Sector Scheme is under formulation by the name, "Grant-in-aid to NCDC for Strengthening of Cooperative Sugar Mills (CSMs)". The scheme will be implemented through NCDC. DoE has agreed in-principle for Rs. 1000 Cr only. EFC memo has been circulated to all concerned. ... A token of ₹1.00 Lakh has been sought under BE 2023-24 under CS- ISAC Scheme to continue scheme head.

3.24 The Committee having noted that the funds utilization for CS-ISAC in 2022-23 was Rs.232.10 only till 16.02.2023 against the RE of Rs.664.96 Crore, desired to know the possibility of launching of the new Scheme of 'Strengthening of Cooperative Sugar Mills' (CSMs) in 2022-23. The Ministry in response furnished reply stating inter-alia as under :

"Grant-in-aid to NCDC for strengthening of Cooperative Sugar Mills" is a separate Central Sector Scheme for which, DoE has already agreed in principle for grant of Rs. 1000 crore. EFC proposal has been circulated to all concerned and expenditure will be incurred after appraisal by the competent financial authorities. The token provision in next year will be augmented through Supplementary Demand at RE stage after approval of the schemes has been obtained. "

Central Sector Scheme/ Programme for Cooperative Training & Education

3.25 The Committee took note that the RE for Cooperative Training & Education including allocation for NCCT and VAMNICOM during 2022-23 was Rs.102.78 Crore and the BE for 2023-24 is Rs.106.12 Crore. On being asked about the proposed Schemes and training programmes to be conducted by the Ministry in 2023-24 through NCCT and the budgetary allocation made for the purpose, the Ministry of Cooperation furnished reply as given below :

"A new scheme for cooperative training is under formulation and is proposed to be implemented over a period of four FYs starting from FY 2022-23, through NCCT and LINAC (a training & research arm of NCDC). The new scheme envisages targeted capacity-building programs by imparting training to 8.6 crore members, employees and board members of cooperatives all over India through both offline and online modes. A budgetary provision of Rs. 25 Cr. has been made under cooperative training head for the FY 2023-24, the estimated outlay of the scheme for the FY 2023-24 for the same."

3.26 The Committee sought details on VAMNICOM covering the aspects of proposed budgetary support for the institution during 2023-24 and progress made in making the institution a separate autonomous body. The reply of the Ministry in this regard is as given below :

"National Council for Cooperative Training (NCCT) is a Society responsible for organizing, monitoring and evaluation arrangements for cooperative training in the country. Vaikunthlal Mehta National Institute of Cooperative Management (VAMNICOM) is a national level Cooperative Training Institute, within the administrative purview of NCCT and presently its budgetary requirements for payment of salaries for employees are met through the Grants-in-aid released by Gol. It is envisaged to convert it into a full fledged independent institution with its

own budgetary allocation in Salaries head in Grant 16 from the FY 2022-23 onwards."

3.27 When asked about the progress achieved towards establishment of a national-level University dedicated for cooperative education, the Ministry of Cooperation furnished reply as under :

"Draft Cabinet note for establishment of National Cooperative University was circulated to all the Ministries/ Departments for their comments and the same has been received. The appraisal of the project by Committee on Establishment Expenditure has been done and further action is being expedited."

Unspent Balance with Implementing Agencies

3.28 The details of Unspent Balances of funds released to Implementing Agencies and State Governments/ UTs as per Pay & Accounts Office are as under:-

Name of Schemes / Items	(Figures in Crores)	
	Unspent Balances	
Central Sector Schemes	For FY 2021-22	For FY 2022-23
1. Integrated Scheme on Agriculture Cooperation (ISAC)	402.84*	232.10
2. Cooperative Credit Guarantee Fund	Nil	Nil
3. Co-operative Education	Nil	Nil
4. Cooperative Training	Nil	Nil
Total	402.99	232.10
Central Sponsored Schemes		
1. Digitalization of Primary Agriculture Cooperative Societies	-	151.92
2. Prosperity through Cooperatives	-	Nil
Total	-	
Other Central Sector Expenditure		
1. National Council for Cooperative Training (NCCT)	35.80**	29.25
2. Vaikunthlal Mehta National Institute of Cooperative Management (VAMNICOM)	-	8.25
Total	35.80	
Grand Total	438.79	421.52

Remarks - * Unspent Balance pertaining to FY 2021-22 in respect of ISAC as on 31.03.2022 i.e. Rs.402.84 crore is taken from M/o Agriculture & FW as M/o Cooperation is operation w.e.f. 01.04.2022.

** Unspent Balance pertaining to FY 2021-22 in respect of NCCT as on 31.03.2022 i.e. Rs.35.80 crore is taken from M/o Agriculture & FW as M/o Cooperation is operation w.e.f. 01.04.2022.

Note – Outstanding UC means fund released by PAO/Pr.AO upto a particular indicated date minus UC received by PAO/Pr.AO upto a particular indicated date as per provisions contained in the GFR and as per instructions issued by Budget Division, MoF. Further, it could be possible that IAs/ Agency / ABs etc may have furnished UC to respective divisions which have not been sent to PAO / Pr.AO by concerned division, therefore, it would be appreciated if same may be reconciled by IFD / Budget section with division before sending the information to standing committee.

3.29 As regards the unspent balances of funds released under the CS-ISAC Scheme lying with National Cooperative Development Cooperation, the Ministry has informed that under CSISAC Scheme, as informed by NCDC, unspent balance, at the end of 2021-22 was Rs.68.87 Cr. and that as on 20.02.2023, the unspent balance has reduced to Rs.36.50Cr.

Supplementary Demands for Grants by the Ministry of Cooperation in 2022-23

3.30 To a query of the Committee seeking details of Supplementary Demands for Grants being sought by the Ministry of Cooperation during the year 2022-23, the Committee have been furnished the following details :

(Rs. In Crore)

	Revenue	Capital	Total
ORIGINAL GRANT			
Charged:	-	-	-
Voted:	889.00	11.00	900.00
Supplementary Estimate of the amount approved in First Supplementary			
Charged:			
Voted:	0	154.00	154.00
Now Supplementary required (As on 09 Feb, 2023)			
Charged:	-	-	-
Voted:	1002.11	0.02	1002.13
Total (Original plus Supplementary)			
Charged:	-	-	-
Voted:	1891.11	165.02	2056.13
II. This Supplementary Grant will be accounted for under the following Major Heads:			
REVENUE SECTION			
MAJOR HEAD			
2425 - Cooperation	779.60 (a)		779.60
2552- North Eastern Areas	61.40 (b)		61.40
3601 – Grants-in-aid to State Governments	161.07 (c)		161.07
3602 – Grant –in- aid to Union Territory with Legislature	0.01 (d)		0.01
CAPITAL SECTION			
4059 – Capital Outlay		0.01 (e)	0.01

2425- Capital Out lay		0.01 (f)	0.01
Total	1002.11	0.02	1002.13

Funds Utilization by Ministry of Cooperation in 2022-23

3.31 According to the Ministry of Cooperation, it has a separate budget from 2022-23. Under CSISAC scheme implemented by erstwhile DA&FW, expenditure in 2021-22 was 91.6%. Details of percentage of utilization of funds during 2021-22 & 2022-23 for all schemes and also separately of (i) Central Sector Schemes and the (ii) Centrally Sponsored Schemes are given below:-

		2021-22 *				2022-23			
		BE	RE	AE	%AE overRE	BE	RE	AE	%AE overRE
	Central Sector Schemes								
1.	Integrated Schemeon Agriculture Cooperation (ISAC)	-	-	-	-	50.00	664.96	232.10	34.90%
2.	Cooperative Credit Guarantee Fund	-	-	-	-	1.00	0.00	0.00	0.00%
3.	Co-operative Education	-	-	-	-	30.00	30.00	0.00	0.00%
4.	Cooperative Training	-	-	-	-	25.00	25.00	0.00	0.00%
	Total	-	-	-	-	106	719.96	232.1	32.24%
	Central Sponsored Schemes								
1.	Digitalization ofPrimary Agriculture Cooperative Societies	-	-	-	-	350.00	350.00	151.92	43.41%
2.	Prosperity through Cooperatives	-	-	-	-	274.00	274.00	0.00	0.00%
	Total	-	-	-	-	624	624	151.92	24.35%

* Remarks – Principal-cum-PAO, MoC is operational w.e.f. 01.04.2022.

3.32 On being asked about the likely amount of actual expenditure during 2022-23, the Ministry of Cooperation replied as under :

"The allocation at RE stage for Ministry is likely to be expended in full on account of the following reasons:-

- (i) Proposal for computerization of 50,241 PACS has been received from 22 States and 4 UTs. An amount of Rs. 350 Crores have been provided for this project for the year 2022-23, out of which sanction has been approved for Rs. 212.26 Crores and as on 13.02.2023 an amount of Rs.190.70 crore has been released to 17 States. The remaining amount would be released shortly after the mapping of the SNA accounts of the remaining States and UTs on PFMS portal. Also, approximately an amount of Rs. 100 crores would be released to NABARD for establishment of National Level Data Repository, development of software and Project Management Unit.

- (ii) Under CSISAC Scheme, Rs.664.96 Cr. is likely to be spent during the year 2022-23, since the same is for liquidating committed liabilities. A sum Rs. 232 Cr has already been spent while remaining will be incurred after approval of 2nd supplementary of CFY.
- (iii) An amount of Rs. 30 Cr. will be utilized for releasing one time financial assistance as capital grants to VAMNICOM for infrastructure upgradation.
- (iv) Further, Rs.25 Cr. under Cooperative Training head will be released to NCCT & Laxmanrao Inamdar National Academy for Cooperative Research & Development (LINAC) (through NCDC) under the new Cooperative Training scheme which is at the advanced stage of formulation.
- (v) Funds under Prosperity through Cooperation is proposed to be utilized for releasing one time grant to NCDC towards strengthening of Cooperative Sugar Mills.
- (vi) Budget provided in Capital outlay will be fully utilized for payment to NCBCC for office space procured by O/o CRCS. "

3.33 When asked about the reasons lower funds utilization during 2022-23, the Ministry of Cooperation stated inter-alia as under :

"Ministry of Cooperation is a newly created Ministry (with an independent budget from FY 2022-23) and all schemes/programmes of the Ministry were under formulation during the year. In fact, the computerization of PACS scheme was the first scheme to receive approval of Cabinet on 29.06.2022. As a result the progress of expenditure was low till January 2023. However, based on action taken by the Ministry in this regard, expenditure as on 24.02.2023 is Rs. 513.50 crore (57% of BE of Rs. 900 crore)

Further, at RE Stage, Ministry of Finance has, on the basis of specific request of Ministry, allocated an additional fund of Rs. 615 crore for liquidating earlier committed liabilities under the CSISAC Scheme and an additional Rs. 154 crore in Capital Outlay towards purchase of new office space for office of CRCS. Expenditure of additional allocation at RE stage can only be incurred upon approval of Parliament through Supplementary Demand. The Ministry is confident of making requisite expenditure once the mandatory approvals are received.

It may also be noted that a new Central Sector Scheme is under formulation by the name, 'Grant-in-aid to NCDC for Strengthening of Cooperatives Sugar Mills (CSMs)'. The Scheme will be implemented through NCDC. DoE has agreed in-principle for the scheme with total outlay of Rs.1000 Cr. EFC memo has been circulated to all concerned. Under this proposed new scheme, the financial requirement is of Rs. 500 Cr each, during financial year 2022-23 and 2023-24. Additional cashsupplementary of Rs. 226 crore has also been proposed in addition to savings available to meet the above expenditure under "Grant-in-aid to NCDC for strengthening of Cooperative Sugar Mills (CSMs)' as per in-principle approval of DoE for release of one time grant."

Utilization of Funds Allocated for NE States

3.34 The Committee noted that in the year 2021-22, an amount of Rs.31.33 Crore earmarked for implementation of CSISAC Schemes and Programmes in the North Eastern States was surrendered reportedly due to non-receipt of proposals from the NE States. Against this backdrop, the details of BE, RE & Actual Expenditure for North Eastern Region during the current year 2022-23 as furnished by the Ministry are as given below :

CSISAC Scheme				Rs. in Crore
S.No.	Category(NE Region)	BE 2022-23	RE 2022-23	AE 2022-23
1	General	3.74000	49.73901	3.74000
2	SCSP	0.83000	11.03834	0.00000
3	TSP	0.43000	5.71866	0.43000
	Sub Total	5.00000	66.49600*	4.17000

3.35 The Ministry of Cooperation has informed *inter-alia* that as per extant guidelines, mandatory allocation (of 16.6% under SCSP, 8.6% under TSP & 10% under GBS for NE States) is required to be provided for in each scheme of the Ministry, unless specifically exempted. In case of the scheme 'Computerization of PACS' NITI Aayog, based on Cabinet approval has accorded specific exemption for this purpose and hence no allocation is made in SC/ ST sub-plan or for NE Region under this scheme.

3.36 On being asked about the reasons for getting separate exemption from mandatory allocation for NER in respect of the Scheme of Computerization of the Primary Agricultural Cooperative Societies and to state whether the exemption is a temporary measure for 2022-23 or it is a permanent exemption, the Ministry stated as under :

"As per the NAFSCOB Data for the year 2019-20, out of 5400 PACS in North Eastern Region, 1857 PACS are functional/ viable. Given the cabinet approved amount of Rs. 3,91,369 per PACS for computerization, the total expenditure for computerization of 1857 functional PACS comes around Rs. 73 crore, and hence allocation of 10% of budget is not required. The cost to be incurred in this project is directly proportional to the number of PACS. Therefore, permanent exemption under category wise budgetary allocation such as General, SC and ST/as well as for North East and Other than North eastern Region (NER) in the Centrally Sponsored Project for Computerization of PACS has been taken from the Cabinet Committee on Economic Affairs (CCEA)."

Schemes & Programmes Implemented by Other Ministries / Departments

3.37 When asked about the details regarding Schemes and Programmes by other Ministries/ Departments/ Institutions/ autonomous bodies of Government of India for the promotion of Cooperative Societies in the country, it was stated :

"In order to promote cooperative societies in the country, particularly in the sectors of agriculture, dairy and fisheries, Ministry of Cooperation has identified the following 10 existing schemes of various Ministries / Departments of Government of India, for convergence by leveraging the 'whole-of-Government' approach:

1). Ministry of Agriculture & Farmers Welfare

- i. Agriculture Infrastructure Fund (AIF) – It envisages creation of post-harvest management infrastructure and community farming assets through incentives and financial support to improve agriculture infrastructure in the country. All loans under this financing facility will have interest subvention of 3% per annum up to a limit of ₹ 2 crore per project.
- ii. Agricultural Marketing Infrastructure (AMI) – It is meant for holistic development of agricultural value chain, including promotion of value addition and processing at farmer's level. Subsidy at the rate of 25% to 33.33% is available to eligible beneficiaries through channelizing agencies i.e., NABARD, NCDRC, DA&FW, etc.
- iii. Agriculture Mechanization – It envisages setting up of custom hiring centers and hubs for hi-tech and high value farm equipment. Subsidy at the rate of 40% is available for projects costing up to ₹ 60 lakhs.
- iv. Integrated Development of Horticulture – It is meant for holistic growth of the horticulture sector. Various activities, like horticultural mechanization, creation of post-harvest infrastructure including cold storage and marketing infrastructure get subsidy in the range of 25-55% under the scheme.

2) Ministry of Food Processing Industries

- i. PM Formalization of Micro Food Processing Enterprises Scheme (PMFME) – It aims to create an organized supply chain for micro food processing units. Cooperatives can avail 35% subsidy (up to ₹ 10 Lakh) for upgradation of food processing units. ₹ 3 crore credit-linked grant is available for setting up of common infrastructure like common processing facility, premise for sorting, grading, warehouse and cold storage at farm-gate, etc.
- ii. Pradhan Mantri Kisan SAMPADA Yojana (PMKSY) – It aims to create modern infrastructure with efficient supply chain management from farm gate to retail outlet. Subsidy of up to 35% of the project cost is provided under the scheme which can go up to 50% in difficult areas.

3) Department of Animal Husbandry and Dairying, Ministry of Fisheries, Animal Husbandry & Dairying

- i. National Programme for Dairy Development (NPDD) – It aims to enhance quality of milk and milk products and increase share of organized

procurement, processing, value addition and marketing. Financial assistance in the form of subsidy is provided under the scheme.

- ii. Dairy Processing and Infrastructure Development Fund (DIDF) - It aims to modernize and create milk processing infrastructure. Loans under this fund will involve an interest subvention of 2.5% per annum.

4) Department of Fisheries, Ministry of Fisheries, Animal Husbandry & Dairying

- i. Pradhan Mantri Matsya Sampada Yojana (PMMSY) – It aims to address critical gaps in fish production and productivity, quality, technology, post-harvest infrastructure and management, modernization and strengthening of value chain. For beneficiary-oriented activities under the centrally sponsored scheme component, financial assistance up to 40% of the total project/ unit cost is provided.
- ii. Fisheries and Aquaculture Infrastructure Development Fund (FIDF) – It aims to create fisheries infrastructure facilities, both in marine and inland fisheries sectors and augment fish production in the country. An interest subvention of 3% per annum for development of various infrastructure facilities is provided under the scheme."

Other New Schemes/ Programmes for Cooperatives in 2023-24

3.38 The Committee asked for details regarding other new Schemes/Programmes proposed to be introduced in the year 2023-24 along with details of budgetary provisions for the new Schemes/Programmes. The Ministry of Cooperation in this regard furnished written reply stating inter-alia as given below :

"Starting from FY 2022-23, the proposed scheme on Cooperative Training will continue in 2023-24 also. Appraisal has been done by Committee on Establishment expenditure.

Establishment of National Cooperative University is also under process. The proposed University will ensure stable and adequate supply of qualified fresh professional to meet the manpower requirement of the cooperative sector and also build capacity of existing cooperatives.

Further following new schemes/ programmes are proposed to be introduced in 2023-24:-

(1) World's Largest Food Grain Storage Plan in Cooperative sector

In Budget 2023-24, it has been announced that a massive decentralized storage capacity would be set up so that the farmers can store their produce and realize remunerative price to sell at appropriate time. In order to address the acute shortage of storage capacity for food grains, Ministry of Cooperation, in consultation with stakeholders concerned, has prepared the 'World's Largest Grain Storage Plan' in cooperative sector through convergence of the schemes of Ministry of Agriculture and Farmers Welfare; Ministry of Consumer Affairs, Food and Public Distribution and Ministry of Food Processing Industries, by leveraging the 'whole-of-Government approach'. The agri-infrastructure would be created at the level of PACS. In addition to grain storage facilities, PACS would also be able to undertake various other activities, including establishing Custom Hiring Centers, common processing units, cold chain infrastructure, etc., thus serving as multipurpose

societies. The plan would be implemented by utilizing the outlays under the existing schemes of the respective Ministries and no separate provision has been made in the Budgetary outlay of the Ministry of Cooperation.

(2) Strengthening Cooperative Movement in the Country and Deepening its Reach up to the Grassroots

In Budget 2023-24, it has been announced that the Government would facilitate setting up of large number of Multi-purpose Cooperative societies, Primary Fishery society, Dairy Cooperative Societies in uncovered Panchayats and villages in next five years. Ministry of Cooperation has prepared a plan to establish 2 lakh new multipurpose PACS / dairy / fishery cooperatives, as the case may be, in the next five years, covering all Panchayats/villages in the country. The action plans for the same shall be prepared by NABARAD, NDDB and NFDB through convergence of the existing schemes of Department of Fisheries and Department of Animal Husbandry and Dairying of Government of India by leveraging the 'whole-of-Government' approach. This will also provide farmer members with requisite forward and backward linkages to market their produce, enhance their income, obtain credit facilities and other services at village level. The plan would be implemented by utilizing the outlays under the existing schemes of the respective Ministries and no separate provision has been made in the Budgetary outlay of the Ministry of Cooperation.

(3) Computerization of Agriculture and Rural Development Banks (ARDB)

The Long-Term Cooperative Credit Structure (LTCCS) consists of Cooperative Agriculture and Rural Development Banks at State and primary levels, which are primarily engaged in providing long term finance to farmers. In order to improve their operational efficiency, bring uniformity in accounting practices and core aspects of the systems followed in lending, recovery and raising resources, and to aid in their business expansion, there is a need to computerize ARDBs. The Ministry is formulating a centrally sponsored project for 'Computerization of ARDBs' to be implemented by NABARD during FY 2023-24. The project is under conceptualization stage and budget requirements would be placed in due course of time under appropriate head.

3.39 The Committee sought details regarding the proposed role of Ministry of Cooperation in the formulation / implementation of the Schemes for (i) Creation of Food Grain Storage in Cooperative Sector (ii) Establishment of 2 lakh new Multipurpose PACS through NABARAD, NDDB and NFDB and (iii) Computerization of Agriculture and Rural Development Banks (ARDB). The Ministry of Cooperation furnished reply in this regard as under :

- I. **Creation of Food Grain Storage in Cooperative Sector:** In order to address the acute shortage of storage capacity for food grains, Ministry of Cooperation, in consultation with stakeholders concerned, has prepared the 'World's Largest Grain Storage Plan' in cooperative sector through convergence of various existing schemes of Ministry of Agriculture and Farmers Welfare; Ministry of Consumer

Affairs, Food and Public Distribution and Ministry of Food Processing Industries, by leveraging the 'whole-of-Government approach'. The role of the Ministry of Cooperation would be to coordinate with all the Ministries concerned for extending the benefits of the schemes to the PACS; to mobilise credit support to the PACS through DCCBs, StCBs, NCDC and NABARD; to develop a central portal through NCDC to link PACS with State Government and Ministries concerned of Government of India; to obtain viability report through State Governments from the District Cooperative Development Committees; etc.

- II. Establishment of 2 lakh new multipurpose PACS through NABARD, NDDB and NFDB:** Ministry of Cooperation has prepared a plan to establish 2 lakh new multipurpose PACS / dairy / fishery cooperatives, as the case may be, in the next five years, covering all Panchayats/villages in the country. The action plans for the same shall be prepared by NABARD, NDDB and NFDB through convergence of the existing schemes of Department of Fisheries and Department of Animal Husbandry and Dairying of Government of India by leveraging the 'whole-of-Government' approach. The role of the Ministry of Cooperation would be to convene the meeting of Inter-Ministerial Committee (IMC); to set up Project Management Unit (PMU), comprising management and technical experts, at NCDC; and to coordinate with all Ministries concerned, State Governments/ UT Administrations, NABARD, NDDB and NFDB for implementation of the project.
- III. Computerization of Agriculture and Rural Development Banks (ARDB):** Ministry of Cooperation is in the process of formulating a centrally sponsored project for 'Computerization of ARDBs' to be implemented by NABARD.

3.40 The Committee sought to know whether the Government has any proposal to make the Ministry of Cooperation as nodal Ministry for the implementation of all cooperative development Schemes / programmes which are now being implemented separately / individually by different Ministries / Departments. In this regard, the reply of the Ministry is as follows :

"As per the allocation of Business rules, Ministry of Cooperation is responsible for General Policy in the field of Co-operation and Co-ordination of co-operation activities in all sectors and also for creation of appropriate policy, legal and institutional framework to help cooperatives realise their potential. Hence, the Ministry is envisaging to play role of coordination when it comes to implementation of various schemes beneficial to cooperatives. Active consultation is being pursued with other line ministries for ensuring benefits of different schemes for the cooperative societies. The role of the Ministry of Cooperation is to coordinate with all the Ministries concerned for extending the benefits of the schemes to the Cooperative sector.

For example, Ministry of Cooperation has prepared a plan to establish 2 lakh new multipurpose PACS / dairy / fishery cooperatives, as the case may be, in the next five years, covering all Panchayats/villages in the country. The action plans for the same shall be prepared by NABARAD, NDDDB and NFDB through convergence of the existing schemes of Department of Fisheries and Department of Animal Husbandry and Dairying of Government of India by leveraging the 'whole-of-Government' approach."

Part-II

OBSERVATIONS AND RECOMMENDATIONS

Budgetary Allocation for 2023-24

1. The Committee are happy to note that the Ministry of Cooperation has been allocated Rs.1150.38 Crore as Budget Estimates for 2023-24 against their projected demand of Rs.1945.60 Crore. At present, the Ministry is implementing only one Centrally Sponsored Scheme of Digitalization of Primary Agricultural Cooperative Societies (PACS). The budgetary provision of Rs.968.24 Crore allocated for the implementation of the Scheme for 2023-24 constitutes about 84.16 percent of the BE of the Ministry. The Committee also note that funds utilization of the Ministry during the current financial year remained low till the end of 2022-23, mainly due to delay in formulation of new Schemes and Programmes of the Ministry. The Committee do hope that the Ministry which is yet to complete the process of its creation, would fully utilize its BE during 2023-24 and also urge the Ministry to take all necessary action for early formulation of Schemes and Programmes planned for 2023-24 including the requisite approval of the Government for effective implementation of Schemes for Cooperatives during 2023-24.

Utilization of Funds During 2022-23

2. The Committee note that during 2022-23, the Ministry of Cooperation was allocated BE of Rs.900 Crore and the budgetary support was upwardly revised to Rs.1624.74 Crore at RE Stage. Again, the total budgetary allocation to the Ministry for 2022-23 was further increased to Rs.2056.13 Crore as per the Supplementary Demands for Grants of the Ministry. However, till 31.01.2023, the expenditure incurred was only Rs.136.34 Crore, which is about 6.7 percent. According to the Ministry, the progress of expenditure was low till January 2023, as it was a newly

created Ministry with an Independent Budget from the FY 2022-23 and all Schemes & Programmes of the Ministry were under formulation during the current year 2022-23. However, the Ministry's expenditure as on 24.02.2023 was stated to be Rs.513.50 Crore that is 57% of BE of Rs. 900 Crore. The Ministry during its deposition before the Committee exuded confidence that it would be able to make requisite expenditure after receipt of mandatory approvals in respect of the funds to be received by it through supplementary grants at later stages. Against this backdrop, the Committee desire that the Ministry completes all necessary procedural formalities for incurring of expenditure for the total Schemes and Programmes of the Ministry in 2022-23.

Need for Expediting the Process of Formulation of New Schemes of the Ministry

3. The Committee note that the Ministry of Cooperation undertook an exercise to revamp and replace the Central Sector Integrated Scheme on Agricultural Cooperation (CSISAC) with the proposed new Schemes of (i) Digitalization of Primary Agricultural Cooperative Societies (PACS) ; (ii) Education & Training ; (iii) Credit Guarantee Fund for Cooperatives and (iv) 'Sahkar se Samriddhi Yojana' during 2022-23. Government of India approved the new Centrally Sponsored Scheme of Digitalization of PACS Project on 29.06.2022 and its implementation has already been started. The new Scheme of Cooperative Training is under advanced stage of formulation and appraisal of the Project of establishment of National Cooperative University is under progress. However, the Ministry could not get the approval of Expenditure Finance Committee (EFC) in respect of the proposed Credit Guarantee Fund for Cooperatives and the 'Sahkar se Samriddhi Yojana'. The Ministry has now proposed to formulate a consolidated Scheme afresh for 'Sahkar se Samriddhi' and a new Central Sector Scheme of strengthening of

Cooperative Sugar Mills (CSMs). The Committee, therefore, urge the Ministry of Cooperation to accord the highest priority for processing of the proposals relating to formulation of these two Schemes of the Ministry to obtain the necessary approval for implementation to achieve the desired results. The Committee would like to be apprised of the action taken in this regard.

New Cooperation Policy

4. The Committee note that the Ministry of Cooperation is in the process of formulating a New National Cooperation Policy to realize the vision of 'Sahakar se Samriddhi', promoting the cooperative based economic development model, strengthening the cooperative movement in the country and deepening its reach up to the grassroots. The Committee have been apprised that a National level Committee has been constituted on 02.09.2022 under the Chairmanship of Shri Suresh Prabhakar Prabhu to formulate this proposed National Cooperation Policy. They were further informed that the Report of the Committee would be expected by the end of February, 2023. The Committee in this regard, recommend that the New National Cooperation Policy, which is a cherished vision of the Ministry, be finalized and adopted at the earliest. The Committee would like to be enlightened about the progress achieved in the matter.

Development of National Level Data Repository of Cooperative Societies

5. The Committee note that different types of Cooperative Societies in the country can be grouped into two broad categories based on their functional jurisdiction i.e., (i) Cooperative Societies under the administrative control of Registrar of Cooperative Societies of States/UTs and (ii) Multi-State Cooperative

Societies under the administrative control of Central Registrar of Cooperative Societies. At present, the Ministry of Cooperation does not have the authentic data about the number and categories of Cooperative Societies in the country, State / Union territory-wise and District-wise and also about Financial Institutions that provide credit facilities for the developmental needs of Cooperative Societies. As per the vision of the Ministry of Cooperation, the process has been initiated for developing an exhaustive digital database of Cooperative Societies in the Country namely National Cooperative Database of Cooperatives working in different sectors across the country to bring more synergy with the available various database maintained by Central Line Ministries and State Governments. The Committee also note that NABARD being the implementing agency for Computerization of PACS, is developing the National Level Software, for which, it has finalized the National Level PACS Software Vendor (NLPSV) and Project Consulting Agency (PCA) for the implementation of the Project. In phase-I of the process, data collection of three cooperative sectors i.e. Primary Agricultural Credit Societies (PACS), Dairy and Fisheries has been started from 01.12.2022. Out of about 2.61 Lakhs Cooperative Societies in these sectors, a database of about 2.58 Lakh Cooperatives have been collected so far. The Committee, therefore, recommend the Ministry to pursue the matter pertaining to National Cooperative Database with all sincerity and vigor. They desire that the progress made in this regard be apprised to the Committee.

Management of Multi-State Cooperative Societies (MSCS)

6. The Committee note that as on date there are about 1481 registered Multi State Co-operative Societies (MSCS) in the country and 83 of them including five Cooperative Banks are under liquidation. The liquidation proceedings are time consuming due to legal proceedings in various courts of laws and other tribunals / forums, involvement of multiple Law Enforcement Agencies, multitude of stake holders like depositors, employees, members, etc. The Committee also notice that no liquidation case of defunct MSCSs has been settled during the last 10 years. The Committee, taking this fact in view, urge the Ministry of Cooperation to take all necessary corrective measures to protect the interests of all the Members of these MSCSs at the earliest. The Committee also recommend that the Ministry of Cooperation may consider to introduce a suitable Capital / Credit Insurance Scheme for Cooperative Societies especially for the MSCS to protect financial interests of all stakeholders of Cooperative Societies specifically for depositors Members of MSCSs at the earliest. The Committee would like to be apprised of the action taken in the matter.

Functional Status of Cooperative Societies

7. The Committee note that the Central Registrar of Cooperative Societies and Registrars of Cooperative Societies in the States and Union territories are responsible for administration and regulation of Cooperative Societies in the country. There are more than 8.54 Lakh Registered Cooperative Societies including 95,000 Primary Agricultural Cooperative Societies. The Committee observe that the element of fairness and transparency is reportedly lacking in the functioning of Cooperative Societies under the Central/State/UTs due to various factors including

vested interests of certain Members. With a view to bring transparency in the functioning of Cooperative Societies under the administrative control of the States/UTs, the Committee recommend the Ministry to examine whether the Cooperative Societies in States/UTs can be brought under the ambit of RTI Act, as in the case of Multi-state Cooperative Societies. The Committee also urge the Ministry to take adequate remedial measures to address the issues plaguing State Cooperative Societies. The Committee would like to be informed of the action taken in this regard.

Multipurpose Cooperative Societies

8. The Committee have been informed by the Ministry that the Ministry has circulated Model bye-laws to all States/UTs for their adoption by the Primary Agricultural Cooperative Societies (PACS) as per the respective State Cooperative Acts. This will enable the PACS to undertake more than 25 business activities which, inter-alia, include Dairy, Fishery, Setting up of Godowns, Procurement of Foodgrains, Fertilizers, Seeds, Distributorship of LPG/CNG/Petrol/Diesel, Short-term & Long-term Credit, Custom Hiring Centers, Common Service Centers, Fair Price Shops, Community Irrigation, Business Correspondent Activities, etc. It has been informed that the States and UTs have initiated the process for facilitating PACS to adopt the model bye-laws. The Ministry has also intimated that a Plan has also been prepared to converge various existing Schemes of Government of India to encourage/ incentivize PACS to become viable business entities. Keeping in view the foregoing, the Committee recommend that matter of adoption of bye-laws by the PACS be taken up with States/UTs on priority basis so as to facilitate early adoption of the Model bye-laws by PACS. The Committee would like to be informed of the action taken in the matter.

Progress in Digitization of Primary Agricultural Credit Societies (PACS)

9. The Committee note that a project for digitalization of about 63000 PACS was approved by the Government last year to which Budgetary allocation of Rs. 350 Crore for FY 2022-23 was made. For the financial year 2023-24, Budget Allocation of Rs. 968.24 Crore has been made. The Committee have been told that the Ministry has chalked out a plan to digitalize 63,000 PACS with a Budget Outlay of Rs. 2516 Crore. NABARD is the main Implementing Agency for implementation of the Project. This Project entails bringing all the functional PACS onto an ERP (Enterprise Resource Planning) based common software, linking them with NABARD through State Cooperative Banks (STCBs) and District Central Cooperative Banks (DCCBs). The digitalization of PACS would facilitate Common Accounting System (CAS) and Management Information System (MIS), which would enable PACS to carry out their operations online and obtain refinance/ loans for their various activities from NABARD through District Central Cooperative Banks and State Cooperative Banks.

The Committee have been apprised that proposals for computerization of 54,749 PACS from 24 States & 4 UTs have been received and the Ministry aims to cover 13,000 and 20,000 PACS during the years 2022-23 & 2023-24 respectively. The Committee also take note that the Ministry which received a budgetary support of Rs.350 Crore for the purpose during 2022-23, have utilized Rs.151.92 Crore till 16.02.2023. During the year 2023-24, BE of Rs.968.24 Crore has been allocated for the project. The Committee while expressing their satisfaction over the new initiatives of the Government for computerization of PACS, recommend the Ministry

to take all necessary steps to ensure speedy digitization of all the PCAS in a time-bound manner with optimal utilization of funds allocated for the project. The Committee would like to be apprised of the progress made in this regard.

Liquidation of Committed Liabilities of National Cooperative Development Corporation (NCDC)

10. The Committee note that implementation of the Central Sector Integrated Scheme on Agriculture Cooperation (CSISAC) has been discontinued. However, as per the approval of Department of Expenditure dated 23.12.2022, the Scheme is under implementation till 31.03.2023 to liquidate the committed liabilities of National Cooperative Development Corporation (NCDC). The Ministry has also intimated that a cumulative amount of ₹664.96 Crore has been provided at RE Stage against BE of Rs.50 Crore on specific request of Ministry to liquidate the committed liabilities. In the year, 2022-23, Rs.232.09 Crore has already been released to NCDC as on 10.02.2023 for settling interest subvention against already sanctioned eligible/completed projects. The rest of budgetary provision will be utilized after receipt of funds under cash supplementary within the financial year 2022-23. In this regard, the Committee recommend that the process of liquidation of committed liabilities of NCDC under the CSISAC Scheme including the unspent balances with the NCDC be settled at the earliest.

New Schemes / Programmes of the Ministry

11. The Committee note that a number of Schemes and Programmes aimed at development and growth of Cooperative Societies, are implemented by other Ministries of the Government, i.e. mainly by (i) Ministry of Agriculture & Farmers Welfare. (ii) Ministry of Food Processing Industries and the (iii) Ministry of Fisheries, Animal Husbandry & Dairying. The Committee have been informed that during the

year 2023-24, the Government intends to introduce the new Schemes towards creation of World's Largest Food Grain Storage Plan in Cooperative Sector; strengthening Cooperative Movement in the Country and deepening its Reach up to the Grassroots level and computerization of Agriculture and Rural Development Banks (ARDB). The Ministry of Cooperation envisages to play the role of coordinator with all concerned Ministries in the implementation of these new Schemes particularly the Scheme of Computerization of ARDBs to be implemented by NABARD. The Committee in this regard express their earnest hope that the Ministry of Cooperation would strive to establish a robust mechanism for the effective coordination among different Ministries in the implementation of various welfare Schemes for the promotion of Cooperative Societies in the country. The Committee would like to be informed of the action taken in the matter.

New Delhi
06 March, 2023
15 Phalguna, 1944 (Saka)

P.C. GADDIGOUDAR
Chairperson
Standing Committee on Agriculture,
Animal Husbandry and Food Processing

State/UT-wise Details of Allocations made for Project on Computerization of PACS

S. No.	Name of State / UT	No. of PACS recommended by NABARD for computerization (in-principle)	Total Cost (in Cr.)	Gol Share to be released to States/ UTs (in Cr.)	25% of the allocation to be released in 1st Phase (in Cr.)
States					
1	Andhra Pradesh	2037	62.96	37.77	9.44
2	Arunachal Pradesh	14	0.43	0.39	0.09
3	Assam	583	18.02	16.22	4.05
4	Chhattisgarh	2028	62.68	37.61	9.40
5	Goa	44	1.36	0.82	0.20
6	Jharkhand	1500	46.36	27.82	6.95
7	Karnataka	5491	169.71	101.83	25.45
8	Madhya Pradesh	4534	140.13	84.08	21.01
9	Maharashtra	12000	370.88	222.53	55.63
10	Manipur	232	7.17	6.45	1.61
11	Punjab	3482	107.62	64.57	16.14
12	Rajasthan	1963	60.67	36.4	9.10
13	Tripura	268	8.28	7.45	1.86
14	Uttar Pradesh	1539	47.57	28.54	7.13
15	West Bengal	4167	128.79	77.27	19.31
16	Haryana	662	20.46	12.28	3.07
17	Himachal Pradesh	870	26.89	24.20	6.05
18	Meghalaya	85	2.63	2.36	0.59
19	Mizoram	25	0.77	0.70	0.17
20	Sikkim	107	3.31	2.98	0.74
21	Bihar	2223	68.71	41.22	10.31
	Sub-total	43854	1355.39	833.48	208.30
Union Territories					
1	Andaman & Nicobar Islands	41	1.27	1.27	0.31
2	Jammu & Kashmir	537	16.6	13.28	3.31
3	Ladakh	10	0.31	0.31	0.07
4	Puducherry	45	1.39	1.11	0.27
	Sub-total	633	19.56	15.97	3.96
	TOTAL	44487	1374.95	849.45	212.26*

- An amount of **Rs.30.78 crore** has been released as on 18.1.2023 as only 25% of the allocated amount provided under the General Head of the Project i.e. Rs.235.29 crore, could be released as per the instructions of Ministry of Finance (D/o Expenditure)'s OM dated 23.3.2021.
- Proposal for merger of the financial outlays for the SC, ST and NER with the general Outlay is under submission to Ministry of Finance.

**STANDING COMMITTEE ON AGRICULTURE, ANIMAL HUSBANDRY AND FOOD
PROCESSING
(2022-23)**

MINUTES OF THE NINTH SITTING OF THE COMMITTEE

The Committee sat on Wednesday, the 22nd February, 2023 from 1100 hrs. to 1315 hrs. in Committee Room '3', Block-A, First Floor, Extension to Parliament House Annexe, New Delhi.

Present

Shri P.C. Gaddigoudar, Chairperson

Members

Lok Sabha

2. Shri Devji Mansingram Patel
3. Smt. Sharda Anilkumar Patel
4. Shri Rajiv Pratap Rudy
5. Shri Mohammad Sadique
6. Shri Ram Kripal Yadav

Rajya Sabha

7. Shri Masthan Rao Beeda
8. Dr. Anil Sukhdeorao Bonde
- 9.. Shri S. Kalyanasundaram
10. Shri Surendra Singh Nagar
11. Shri Kailash Soni

Secretariat

- | | | | |
|----|----------------------------|---|---------------------|
| 1. | Shri Shiv Kumar | - | Joint Secretary |
| 2. | Shri Naval K. Verma | - | Director |
| 3. | Shri Uttam Chand Bharadwaj | - | Additional Director |
| 4. | Shri Prem Ranjan | - | Deputy Secretary |
| 5. | Shri N. Amarathiagan | - | Under Secretary |

LIST OF WITNESSES

MINISTRY OF COOPERATION

<u>S.No.</u>	<u>Name of the Representatives</u>	<u>Designation</u>
1.	Shri Gyanesh Kumar	Secretary (Cooperation)
2.	Shri Sanjiv Kumar	AS&FA
3.	Shri Vijay Kuamr	Additional Secretary & CRCS
4.	Shri Pankaj Kumar Bansal	Joint Secretary
5.	Shri Alok Agrawal	Joint Secretary
6.	Shri Binod Kumar	CCA
7.	Shri Rakesh Kumar	DDG

2. At the outset, Hon'ble Chairperson welcomed the Members of the Committee to the sitting convened for taking oral evidence of the representatives of the Ministry of Cooperation in connection with examination of Demand No.16 of the Demands for Grants (2023-24) pertaining to the Ministry. After welcoming the representatives of Ministry, the Chairperson apprised all about the agenda of the Sitting and regarding confidentiality of the proceedings of the Committee.

3. The Secretary, Ministry of Cooperation made a Power-point Presentation before the Committee highlighting the budgetary provisions and other important aspects of the of the Ministry. The Power-point Presentation included the following issues:

- i Structure of Cooperative sector
- ii 25 Initiative Taken by the Ministry towards Sahkar Se Samriddhi
- iii Summary of Budgetary Provisions & Expenditure
- iv Outlay of various Schemes & Programmes

4. The Chairperson and the Members of the Committee raised several queries / issues briefly mentioned below which included, inter-alia:-

- i. Delay in the Liquidation process of defunct Multi-State Cooperative Societies ;
- ii. Control of Membership of Cooperative Societies by persons with vested interests ;
- iii. Manpower requirements for efficient management of Cooperative Societies ;

- iv. Need for refinancing of Cooperative Societies in distress as recommended by Vaidyanathan Committee ;
- v. Need for providing increased representation to women in the Management Board of Cooperative Societies;
- vi. The issue of Non-functional Primary Agricultural Cooperative Societies (PACs) in the Country ;
- vii. Status of liquidation of committed liabilities of National Cooperative Development Corporation (NCDC) towards implementation of old Schemes ;
- viii. Uneven growth Cooperative Societies across the country ;
- ix. Need for review of the role of different cooperative bodies like Primary Agricultural Cooperative Societies, (PACS), Farmers Producers Organizations (FPO), Self Help Groups (SHG), Common Service Centres (CSC), etc for improving their efficiency ;
- x. Reasons for low budgetary utilization in 2022-23.
- xi. Progress in the implementation of Digitalization of Primary Agricultural Cooperative Societies ;
- xii. Establishment of new National University for Cooperative Education; and
- xiii. Need for bringing the matter pertaining to Cooperative Societies under the ambit of RTI Act ; and
- xiv. Need for model Bye-laws in respect of Cooperative Societies to make them more viable in terms of economic activities.

5. The Representatives of the Ministry responded to most of the queries raised by the Members.

6. The Chairperson thanked the witnesses for sharing valuable information with the Committee and directed them to furnish the requisite information on the points/items, which were not readily available with them to the Secretariat by **24th February, 2023**, positively.

The Committee then adjourned.

(A copy of the verbatim proceedings of the Sitting has been kept separately.)

**STANDING COMMITTEE ON AGRICULTURE, ANIMAL HUSBANDRY AND FOOD
PROCESSING
(2022-23)**

MINUTES OF THE TWELFTH SITTING OF THE COMMITTEE

The Committee sat on Monday, the 06th March, 2023 from 1100 hrs. to 1135 hrs. in the Committee Room '3', Block-A, First Floor, Extension to Parliament House Annexe, New Delhi.

Present

Shri P.C. Gaddigoudar – Chairperson

Members

Lok Sabha

2. Shri A. Ganeshamurthi
3. Shri Devji Mansingram Patel
4. Shri Bheemrao Baswanthrao Patil
5. Shri Pocha Brahmananda Reddy
6. Shri Rajiv Pratap Rudy

Rajya Sabha

7. Smt. Ramilaben Becharbhai Bara
8. Dr. Anil Sukhdeorao Bonde
9. Shri Surendra Singh Nagar
10. Shri Kailash Soni
11. Shri Harnath Singh Yadav

Secretariat

- | | | | |
|----|----------------------------|---|---------------------|
| 1. | Shri Shiv Kumar | - | Joint Secretary |
| 2. | Shri Naval K. Verma | - | Director |
| 3. | Shri Uttam Chand Bharadwaj | - | Additional Director |
| 4. | Shri Prem Ranjan | - | Deputy Secretary |
| 5. | Shri N. Amarathiagan | - | Under Secretary |

2. At the outset, the Chairperson welcomed the Members to the Sitting of the Committee. Thereafter, the Committee took up for consideration the followings Reports:

*(i)	XXXX	XXXX	XXXX	XXXX	XXXX
*(ii)	XXXX	XXXX	XXXX	XXXX	XXXX
*(iii)	XXXX	XXXX	XXXX	XXXX	XXXX
*(iv)	XXXX	XXXX	XXXX	XXXX	XXXX
*(v)	XXXX	XXXX	XXXX	XXXX	XXXX
(vi)	Draft Report on 'Demands for Grants (2023-24)' of the Ministry of Cooperation.				

3. After some deliberations, the Committee adopted the Draft Reports without any modifications and the Committee authorized the Chairperson to finalize and present these Reports to Parliament.

The Committee then adjourned.

*Matter not related to this Report