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Post Budget Webinar - 2023 - Sahakar Se Samriddhi

Post Budget Webinar was held on 24-02-2023. The theme 5 of the Webinar was **Sahakar Se Samriddhi**. The webinar was addressed by Hon'ble Prime Minister Shri Narendra Modi ji and more than 550 participants were attended.

Sub-themes of Webinar were:

Sub Theme -1: Income Tax related benefits for Cooperatives including sugar sector

Sub Theme 2. Establishing new multipurpose PACS/Dairy/Fishery Cooperatives

Sub Theme 3. World's largest grain storage plan in cooperative sector



PostBudget Webinar

2023

Theme 5

sahkar se samriddhi

- Income tax benefits to cooperatives including sugar sector
- Establishing 2 lakh new PACS/Dairy/ Fishery Cooperatives to cover each Panchayat / Village
- World's largest Grain storage plan in Cooperative sector

U. Unnati Hall, Room no. 51,
Krishi Bhawan.

Chairmanship - Sh. B.L. Verma,
MoS. Cooperation



@minofcooperatr Ministry of Cooperation

FARM CREDIT SOCIETIES TO OFFER 20 SERVICES, CREATE MORE RURAL JOBS

Broadening the ambit of Primary Cooperatives and creating new jobs, the ministry of cooperation on Thursday (02-02-2023) signed a Memorandum of Understanding (MoU) with the Ministry of Electronics and Information Technology, NABARD and Common Service Centres (CSC) e-Governance Services India Limited to enable thousands of Primary Agricultural Credit Societies (PACS) to provide different services to rural population across the country.

"The Primary Agricultural Credit Societies are the soul of Cooperatives and making them multipurpose as providers of about 20 services will increase employment opportunities in rural areas,": said Minister of Home and Cooperation Amit Shah who along with Minister of electronics and information technology, Ashwini Vaishnaw, was present at the signing in ceremony.

Under the MoU, the PACs will now be able to function as CSC and be able to provide all the services listed on the Digital Seva Portal of CSC scheme to citizens, including banking, insurance, Aadhaar enrolment/update, legal services, agri-inputs like farm equipment, PAN card, and rail, bus, and air ticket related services. (Source: Times News Network)

NAFSCOB News Letter Launched

The NAFSCOB Newsletter has been launched w.e.f. February 2023 with a view to extend coverage to the most important steps initiated by Ministry of Cooperation, Government of India to strengthen Cooperative Movement in general and Rural Cooperative Credit & Banking Structure in particular.



The MoU was signed in the presence of Union Home Minister and Minister of Cooperation, Shri Amit Shah and Union Minister of Electronics and Information Technology, Shri Ashwini Vaishnaw, between Ministry of Cooperation, Ministry of Electronics and Information Technology, NABARD and CSC e-Governance Services India Limited to enable Primary Agricultural Credit Societies (PACS) to provide services offered by Common Service Centres (CSC) on 02 February 2023 in New Delhi. Minister of State for Cooperation Shri BL Verma, Secretary, Ministry of Cooperation and Ministry of Electronics and Information Technology, Chairman, NABARD, Senior officials of Ministry of Cooperation, and NCDC were present on the occasion.

Union Budget 2023-24: Boost for Inclusive Growth during Amrit Kaal

HIGHLIGHTS

The Union Budget for the year 2023-24 was presented on 01 February 2023 by Smt. Nirmala Seetharaman, Union Finance Minister who also presented the Union Budget for 2022-23 in the Parliament. The Union Budget for the year 2022-23 was the first Budget after the New and exclusive Ministry for Cooperation was formed with a mandate to realise the vision of 'Sahakar Se Samridhi'. While the Budget for 2022-23 adopted 4 priorities, the current budget appropriately adopted 7 priorities which complemented each other and act as the 'Saptarishi' guiding us through the Amrit Kaal. The 7 priorities are Inclusive Development, Reaching the Last Mile, Infrastructure and Investment, Unleashing the Potential, Green Growth, Youth Power, and Financial Sector. The highlights are as follows:

Agriculture Credit: The agricultural credit target of ₹ 16.50 lakh crore in 2021-22 has been increased to ₹ 18 lakh crore for the fiscal year of 2022-23. The agriculture credit target is proposed to be increased to ₹ 20 lakh crore for next fiscal year.

Cooperation: Recalling the measures initiated during 2022-23, the Union Finance Minister announced that "For farmers, especially small and marginal farmers, and other marginalised sections, the government is promoting cooperative-based economic development model. A new Ministry of Cooperation was formed with a mandate to realise the vision of 'Sahakar Se Samridhi'. To realise this vision, the government has already initiated computerisation of 63,000 Primary Agricultural Credit Societies (PACS) with an investment of ₹ 2,516 crore. In consultation with all stakeholders and states, model bye-laws for PACS were formulated enabling them to become multipurpose PACS. A national cooperative database is being prepared for country-wide mapping of cooperative societies."

Credit Guarantee for MSMEs and Cooperatives: The proposal to revamp the credit guarantee scheme for MSMEs has been announced in 2022-23. Such proposal to launch revamped scheme is to take effect from 1st April 2023 through infusion of ₹ 9,000 crore in the corpus which will enable additional collateral-free guaranteed credit of ₹ 2 lakh crore. Further, the cost of the credit will be reduced by about 1 per cent

National Financial Information Registry: A national financial information registry will be set up to serve as the central repository of financial and ancillary information.

This will facilitate efficient flow of credit, promote financial inclusion, and foster financial stability. A new legislative framework will govern this credit public infrastructure, and it will be designed in consultation with the RBI.

Financial Sector Regulations: To meet the needs of Amrit Kaal and to facilitate optimum regulation in the financial sector, public consultation, as necessary and feasible, will be brought to the process of regulation-making and issuing subsidiary directions. To simplify, ease and reduce cost of compliance, financial sector regulators will be requested to carry out a comprehensive review of existing regulations. For this, they will consider suggestions from public and regulated entities. Time limits to decide the applications under various regulations will also be laid down.

The Finance Minister also announced Direct tax reliefs for the cooperative sector: A significant Boost

i. Proposed to provide an opportunity to sugar co-operatives to claim payments made to sugarcane farmers for the period prior to assessment year 2016-17 as expenditure. ii. Proposed to enable co-operatives to withdraw cash up to ₹ 3 crore in a year without being subjected to TDS on such withdrawal. iii. Proposed to provide a higher limit of ₹ 2 lakh per member for cash deposits to and loans in cash by Primary Agricultural Co-operative Societies (PACS) and Primary Co-operative Agriculture and Rural Development Banks (PCARDBs).

Penalty for cash loan/transactions against primary co-operatives: It is proposed to amend section 269SS of the Act to provide that where a deposit is accepted by a PACS or PCARDB from its member or a loan is taken from a PACS/PCARDB by its member in cash, no penal consequence would arise, if the amount of such loan or deposit in cash is less than ₹ 2 lakh. Further, section 269T of the Act is proposed to be amended to provide that where a deposit is repaid by a PACS or PCARDB to its member or such loan is repaid to a PACS/PCARDB by its member in cash, no penal consequence shall arise, if the amount of such loan or deposit in cash is less than ₹ 2 lakhs. This current Union Budget, therefore, may be viewed as well conceived, well considered and well presented. The recognition to cooperatives in her consecutive 2 budgets: 2022-23 and 2023-24 may entirely be attributed to the newly formed Ministry of Cooperation headed by Shri. Amit Shah under overall resolve of "Sahakar Se Samridhi" of Prime Minister of India.

21 Measures Initiated By Ministry of Cooperation, GOI

The Government of India, after the formation of the Ministry of Cooperation, has taken the following measures to strengthen Indian cooperative movement more particularly Rural Cooperative Credit & Banking Structure.

1. Computerization of PACS: Process to onboard 63,000 functional PACS on an ERP based common national software with an outlay of ₹ 2,516 Crore started.

2. Model byelaws for PACS: Model byelaws prepared and circulated for their adoption as per the respective State Cooperatives Act to enable PACS to undertake more than 25 business activities like dairy, fishery, setting up of godowns, LPG/ Petrol/ Green energy distribution agency, banking correspondents, CSC, etc.

3. PACS as Common Service Centres (CSC): MoU signed between Ministry of Cooperation, Ministry of Electronics and Information Technology, NABARD and CSC -SPV to facilitate functioning of PACS as CSCs to improve their viability, provide e-services at village level and generate employment.

4. National Cooperative Database: Preparation of an authentic and updated data repository of cooperatives in the country started to facilitate stakeholders in policy making and implementation.

5. National Cooperative Policy: A National level committee comprising of experts and stakeholders drawn from all over the Country constituted to formulate the New Cooperation Policy to create an enabling ecosystem to realize the vision of 'Sahakar-se-Samridhi'.

6. Amendment of MSCS Act, 2002: Bill introduced in the Parliament to amend the centrally administered MSCS Act, 2002 to incorporate provisions of 97th Constitutional Amendment, strengthen governance, enhance transparency, increase accountability and reform electoral process in the Multi State Cooperative Societies.

7. National Cooperative Development Corporation: New schemes for cooperatives launched by NCDC 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. Total financial assistance of ₹ 34,221 Crores disbursed in FY 2021-22.

8. Member Lending Institutions in Credit Guarantee Fund Trust: Non-scheduled UCBs, StCBs and DCCBs notified as MLIs in CGTMSE Scheme to increase share of cooperatives in lending.

9. Cooperatives as 'buyers' on GeM portal: Cooperatives permitted to register as 'buyer' on GeM, enabling them to procure goods and services from nearly 40 lakh vendors to facilitate economical purchases and greater transparency.

10. Reduction in surcharge on cooperative societies: Surcharge reduced from 12 % to 7% for cooperative societies having income between Rs. 1 to 10 Cr.

11. Reduction in Minimum Alternate Tax: MAT reduced for Co-operatives from 18.5% to 15%.

12. Relief under Section 269ST of IT Act: A clarification has been issued to remove difficulties in each transaction by cooperatives under Section 269ST of IT Act.

13. Lowering tax rate for new cooperatives: Announcement made in the Union Budget 2023-24 to charge flat lower tax rate of 15%, compared with current rate of upto 30% plus surcharge, for new cooperatives commencing manufacturing activities till March 31, 2024.

14. Increase in limit of deposits and loans in cash by PACS and PCARDBs: Announcement made in the Union Budget 2023-24 to increase limit from ₹ 20,000 to ₹ 2 lakh per member for deposits and loans in cash by PACS and PCARDBs.

15. Increase in limit for TDS: Announcement made in the Union Budget 2023-24 to increase cash withdrawal limit for cooperatives from ₹ 1 Crore to ₹ 3 Crore, per annum, without being subjected to TDS.

16. Relief to Sugar Cooperative Mills: Sugar co-operative mills not to be subjected to additional income tax for paying higher sugarcane prices to farmers upto Fair and Remunerative or State Advised Price.

17. Resolution of chronic pending issues of Sugar Cooperative Mills: Announcement made in the Union Budget 2023-24 to allow sugar cooperatives to claim as expenditure their payments to sugarcane farmers for the period prior to assessment year 2016-17, giving a relief of nearly ₹ 10,000 crores.

18. New National Multi-State Cooperative Seed Society: New apex national multi-state cooperative seed society being established under the MSCS Act, 2002 as umbrella organization for quality seed cultivation, production and distribution under a single brand.

19. New National Multi-State Cooperative Organic Society: New apex national multi-state cooperative organic society being established under the MSCS Act, 2002 as umbrella organization to produce, distribute and market certified and authentic organic products.

20. New National Multi-State Cooperative Export Society: New apex national multi-state cooperative export society being established under the MSCS Act, 2002 as umbrella organization to give thrust to exports from cooperative sector.

21. 2 lakh new cooperatives: Strengthening the Cooperative Movement

STANDING ADVISORY COMMITTEE OF NAFSCOB

The Standing Advisory Committee (SAC) was held in person at 02.30 pm on 22 February 2023 in the meeting room, The Telangana State Cooperative Apex Bank Ltd, Hyderabad-500001 to discuss the following Agenda among many other important issues:

- To consider to develop a VISION paper & Action Plan for NAFSCOB during Amrit Kal (2022- 2047) and also Keeping into view the compliance of section 24 of MSCS (A)Act 2002

NAFSCOB EVENTS

- Board meeting /Special General Body Meeting/EXCOM Meeting on 13-15 March 2023
Venue: Mahabaleswar, Maharashtra
- Proposed: National Conference on VISION FOR AMRITKAL - 27-28 March 2023

Completed 4 Studies :Assigned by Ministry of Cooperation, GOI to NAFSCOB

1. Need of Credit in Cooperative Sector, Constraints and Ways Ahead-General Category.
2. Need of Credit in Cooperative Sector, Constraints and Ways Ahead & Defunct PACS and Measures for their Revival in North Eastern Region.
3. Defunct PACS and Measures for their Revival in General Category.
4. Defunct PACS -Measures for their Revival: Special Reference to Assam, Meghalaya and Nagaland in North Eastern Region.

Joint Parliamentary Committee (JPC) on Multi-State Cooperative Societies (Amendment) Bill, 2022:
JPC summoned NAFSCOB to attend the meeting convened on 20th January 2023 in Parliament Annexe, New Delhi. Shri Konduru Ravinder Rao, Chairman, NAFSCOB and Bhima Subrahmanyam, Managing Director, NAFSCOB represented NAFSCOB

ABOUT NAFSCOB

National Federation of State Cooperative Banks Ltd. (NAFSCOB), Mumbai was established on May 19, 1964 with a view to facilitate the operations of State Cooperative Banks (SCBs) and District Central Cooperative Banks (DCCBs), in particular and Development of Cooperative Credit & Banking, in general.

The specific objectives of NAFSCOB are to:

- Provide a common forum to the member banks to examine the problems of cooperative credit, banking and allied matters and evolve suitable strategies to deal with them.
- Promote and protect the interests of the member banks in all spheres of their activities and to give expression to the view of the member banks.
- Co-ordinate and liaison with Government of India, Reserve Bank of India, respective State Governments NABARD and other higher financing institutions for the development of cooperative credit on behalf of the member banks.
- Provide research and consultancy inputs to the member banks in order to facilitate them to strengthen their own organisations.
- Organise conferences / seminars / workshops / programmes/meetings to share the views of common interest with view to contribute for better policy decisions.

NAFSCOB functions with two of its wings:

1. Planning, Research and Development (PRD)
2. Computer Services Division (CSD).

Editorial Board:

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