



**International Year
of Cooperatives**

Cooperatives Build a Better World

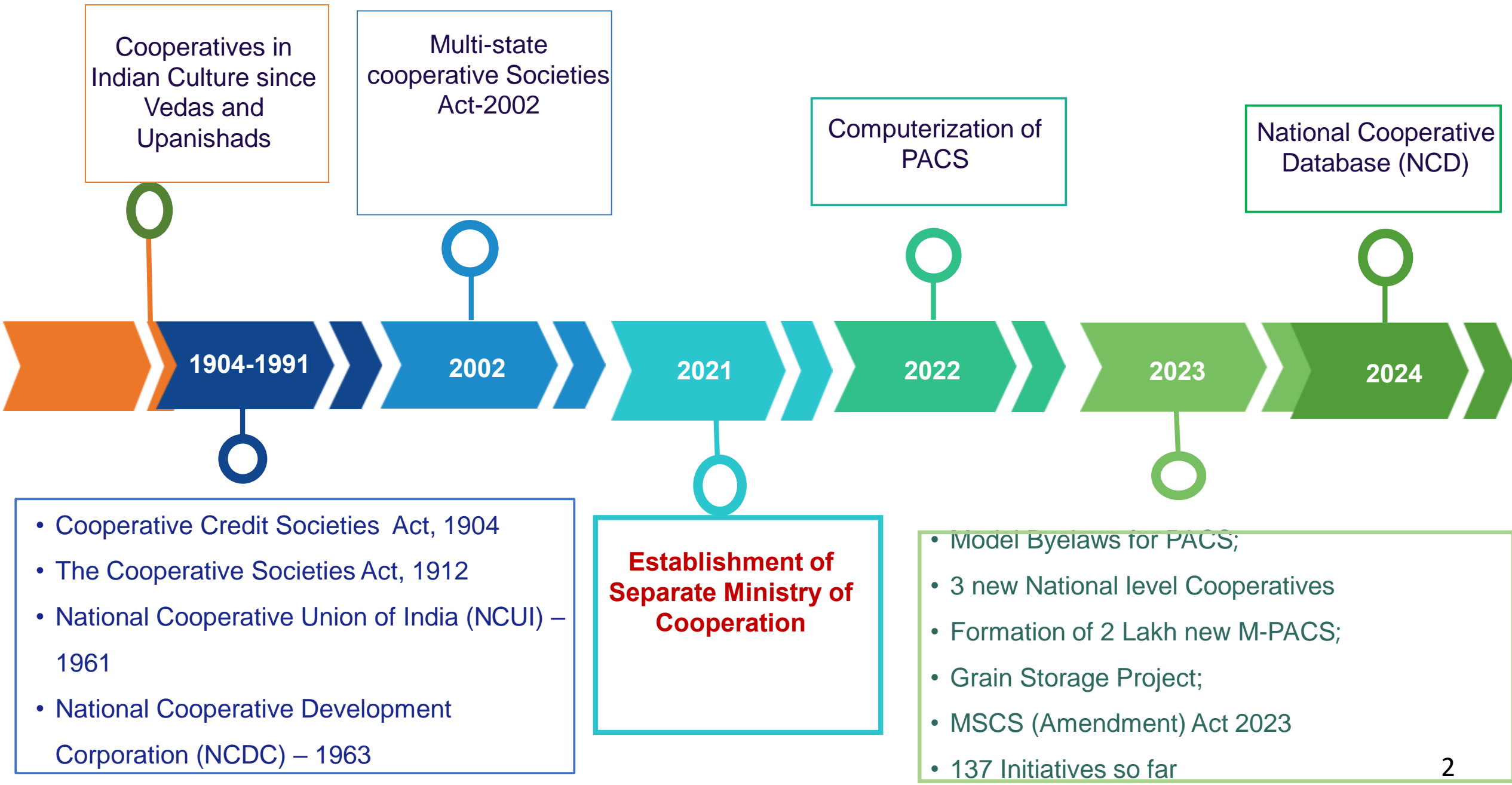
Cooperation for Economic Development

An International Conference on Development and Democracy

Government of Kerala

Shri. Devendra Kumar Singh, Chairperson,
Cooperative Election Authority
Ministry of Cooperation, New Delhi
16.02.2026

History of Cooperative Sector in India



Sectoral Contribution of Cooperative Societies to Indian Economy

**Short term Crop Loan :
15 % - 2.24 Lakh Crore**

**Total Kisan Credit Card
(KCC) :
42.7 %-3.31 Crore**

**Storage Capacity :
14.79%**

**Public Distribution
System (PDS) : 20.3%**

**Procurement of wheat
: 13.3%**

**Paddy Procurement :
20.4%**

**Sugar production :
30.60%**

**Fertilizer production :
30%**

**Total marketable surplus
of milk procurement –
17.3%**

Cooperatives at a Glance

8.4 Lakh +
Cooperatives
& in
KERALA:
19,652

Across 30
Sectors

30 + Crore
Members
& in
KERALA :
6.29 Crore ?

भारत की 1/5 जनसंख्या सहकारिता क्षेत्र से जुड़ी हुई है
1/5th of India's population is associated with cooperative sector

National Cooperative Database (NCD)



NCD developed in a phased manner by Ministry of Cooperation with support of States / UTs



NCD portal launched on 8th March, 2024 (<https://cooperatives.gov.in>)



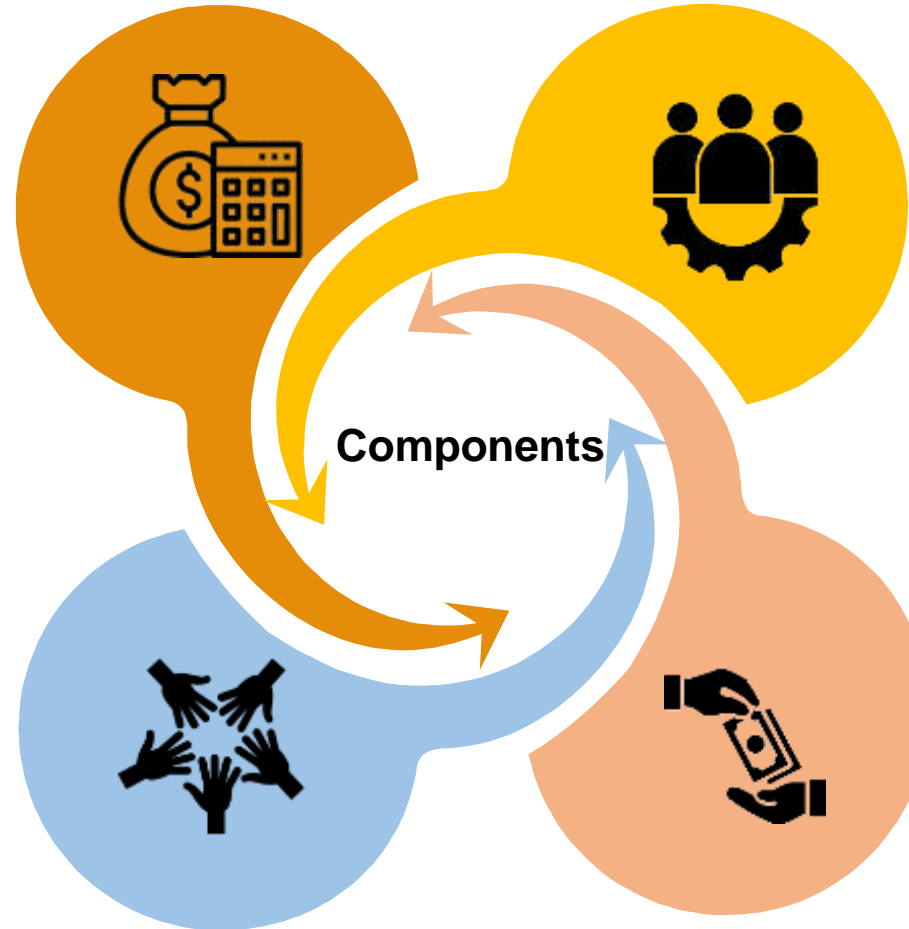
Cooperative Ranking Framework : Launched in **January, 2025** for ranking primary cooperative societies.



Suggestion: Integrate **KERALA State RCS portal** with **NCD portal**

PACS Computerisation

Initial Budget : 2,516 Cr
Revised Budget : 2,925.39 Cr



22 modules in all **Constitutional** languages

31 States/ UTs: 79,630 PACS
Kerala yet to join

Common Accounting System

Tax Relief and Regulatory Easing

10 major initiatives – to reduce tax burden and ease compliance requirements for cooperatives

01

Lower Surcharge for Co-operatives

12% → 7% for co-ops with income between 1 cr. to 10 cr.

02

Cash Transaction Relief under IT Act

Co-ops permitted ₹2 lakh/day cash per distributor/dealer

03

15% Tax for New Manufacturing Co-operatives

04

Increased Cash loan/deposit Limits for PACS/PCARDB

20,000 → 2 lakh /per member
Cash deposit and loan limits (269 SS)

05

Increased Cash repayment of loan deposit Limits for PACS/PCARDB

20,000 → 2 lakh /per member
Cash repayment loan deposit limits (269 T)

06

Higher TDS Threshold

1 cr. → 3 cr. annually
TDS-free cash withdrawal limit

07

Reduced MAT for Co-operatives

18.5% → 15%

08

Allowing extra sugarcane price payments as deduction under Section 36(1)(xvii)

9

Allowing extra sugarcane price payments made prior to Assessment Year 2016–17 as expenditure, providing an estimated tax relief of about ₹10,000 crore to CSMs.

10

Enablement for obtaining low or nil deduction certificates for payments made on purchase U/s 194Q

11

No TCS on sale of goods under S.206C(1H) w.e.f. 01.04.2025

NCEL, NCOL and BBSSL



NCEL

Export of cooperative goods and services

15,790 members

Exported 40 commodities to 29 countries

₹5,577.62 Cr. turnover

14 MoUs signed & 10 under progress.

KERALA Yet to nominate SNA.



NCOL

Promotion of Organic products

11,853 members

28 products launched under 'Bharat Organics' Brand in Delhi-NCR, Bengaluru, Online

₹21.47 Cr turnover

22 MoUs signed & 9 under progress.

KERALA Yet to nominate SNA



BBSSL

Ensure availability of quality certified seeds

34,078 members

Seeds of 9 crops launched

₹210.62 Cr turnover

14 MoU signed & 12 under progress

KERALA Yet to nominate SNA.

State-Level Cooperative Policy

- The Hon'ble Union Minister of Home Affairs and Cooperation unveiled the National Cooperative Policy on **24 July 2025**. The policy comprises 6 strategic pillars, 16 objectives, and 83 recommendations.
- On **25 August 2025**, the Hon'ble Minister addressed a D.O. letter to all States for formulation of State-level Cooperative Policies to enable coordinated and synergistic efforts for strengthening cooperative institutions.
- **KERALA may constitute committee to formulate State Cooperative Policy . Probably outcome of the seminar may help in developing state policy.**

Cooperative Election Authority

- Cooperative Election Authority (CEA) has been constituted as a measure of good governance and for conduct of free & fair elections in the Multi-State Cooperative Societies (Sec. 45). It was notified on 11th March, 2024.
- The Authority successfully conducted 225 elections of Board of Director & Office Bearer including casual vacancy.
- **There are 100 Multi-State Cooperative Societies in Kerala. 38 elections have been conducted by the Authority for MSCS in Kerala.**

Cooperative Movement in Kerala

What could be Kerala's vision

To make Kerala a global model of a dynamic, member centric, tech-enabled, sustainable cooperative ecosystem that delivers prosperity and dignity for all members.

Strategic goals to achieve the vision of the State

- Improved Governance & Transparency
- Active Member Development
- Economic activity to be Sustainable for the Society
- Market Linkages: Integration with Global Value Chains
- Technology Adoption

Key strengths of cooperatives of Kerala

- Exposure to **27 economic sectors. Diversified Portfolio**
- **Sectoral spread** includes – Credit societies, consumer societies, agricultural/producer groups, housing, fisheries, industrial & artisans cooperatives..
- Out of total 19,753 cooperatives in Kerala, **99.5%** i.e. 19,652 are **primary** cooperatives indicating solid grass-roots concentration. Kudumbshree linkages
- About **75% of Kerala's population** are **cooperative members** – one of the highest in India - State's cooperative model remains a benchmark for membership inclusion
- Cooperatives like **Uralungal Labour Contract Cooperative Society** have international recognition for their contribution to employment and community development
- Brand value - **Milma**

What are the key issues/ challenges?

Issue	Core Challenges
Governance & Leadership	<ul style="list-style-type: none">▪ Weak/ political patronage, lack of capacity, slow decision-making
Technology & Operations	<ul style="list-style-type: none">▪ Low digital adoption, inefficient record-keeping, manual processes
Finance & Capital	<ul style="list-style-type: none">▪ Limited risk capital, high NPAs, poor credit discipline
Market Access & Competitiveness	<ul style="list-style-type: none">▪ Dependency on local markets, weak branding, pricing crisis
Youth Engagement & Human Capital	<ul style="list-style-type: none">▪ Aging membership, low youth participation
Value Addition	<ul style="list-style-type: none">▪ Commodities exported raw, weak product differentiation
Infrastructure	<ul style="list-style-type: none">▪ Outdated warehouses, cold chain gaps
Regulatory & Policy	<ul style="list-style-type: none">▪ Complex compliance, slow approvals
Sustainability	<ul style="list-style-type: none">▪ Climate vulnerability, lack of green practices

Kerala's core strategic challenge is how to develop optimum mix from a welfare-driven, politically influenced cooperative model to a professional, technology-enabled, market-linked, youth-driven cooperative enterprise ecosystem

Innovative Solutions – Kerala Cooperative

- ❖ **Governance & Institutional Strengthening**
- ❖ **Professionalize Boards:** Elect directors with suitable skill profiles (finance, digital, marketing) and introduce total *term limits*.
- ❖ **Data-Driven Decision Making:** Dashboard for financial health, member growth, credit quality and periodic 3rd party performance audits.
- ❖ Registration on **Udyam platform** to get benefit of MSME ecosystem

Digital & Tech Enablement

- ❖ **Cooperative ERP Platform:** Unified software for accounting, inventory, member records, e-payments. NAFED has adopted
- ❖ **Mobile App for Members:** Digital voting(?), benefit tracking, loan applications. Adhaar seeded payment system to members for MSP procuremnt
- ❖ **Blockchain for Transparency:** Smart contracts for transactions & governance. Dashboard for inventory management in warehouses
- ❖ **E-Marketplace:** A Kerala Cooperative Marketplace for direct sales B2B & B2C. Integration with GEM.

Possible Finance Mechanisms

- ❖ **Credit Scoring & Risk Analytics:** Tie-up with fin techs for better lending decisions & better management of NPAs. Digitization of PACS and integration with NDB to be productive
- ❖ **Cooperative Venture Fund:** Kerala Government + Banks + CSR + Diaspora investment.
- ❖ **Green Finance & ESG Bonds:** Sustainability linked financing for climate actions.
- ❖ **CGTMSE – Focus on Co-operative Banks**

CGTMSE – Focus on Co-operative Banks

- ❖ Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) was set up jointly by the Ministry of MSME and SIDBI to catalyse institutional credit flow to Micro and Small Enterprises (MSEs).
- ❖ The Credit Guarantee Scheme (CGS) was designed to strengthen the credit delivery system by enabling **collateral-free and third-party guarantee-free lending** to MSEs.
- ❖ Scale & Impact : Since inception in 2000, CGTMSE has approved **1.34 crore guarantees amounting to ₹12.38 lakh crore (till December 2026)**.
- ❖ CGTMSE provides guarantee cover to all eligible Member Lending Institutions (MLIs), including Public Sector Banks, Private Banks, Foreign Banks, NBFCs, and Co-operative Banks.
- ❖ Currently, **157 Co-operative Banks** are registered with CGTMSE. Cooperative banks have availed **8496 guarantees amounting to Rs 2338 crore**.

Strengthening the MSE Ecosystem with network of Co-operative Banks

- ❖ While the overall scheme ceiling is ₹10 crore, the **guarantee coverage ceiling for Co-operative Banks is ₹2 crore**, CGTMSE charges annual guarantee fee in the range of 0.37 to 0.85% depending on loan amount
- ❖ CGTMSE enables Co-operative Banks to:
 - Lend without insisting on collateral.
 - Expand outreach to first-generation and informal entrepreneurs.
 - Reduce credit risk and strengthen portfolio quality.
 - Support local economic development with risk mitigation support.
- ❖ 10% concession in fee to certain category-women enterprises, transgender entrepreneurs, PwD. Agniveers, Units located in aspirational district etc

Market Linkages & Branding

- ❖ **Kerala Coop Brand + Geographical Indications:** Specialty coffee, spices, coconut products, handloom clusters.
- ❖ **Packaging :** For fresh fruits – Banana, Pineapple.- Collaboration with **Indian Institute of Packaging**
- ❖ **Export Clusters: Post harvest treatment** Certification & quality labs for export compliance.
- ❖ **Tourism + Coop Integration:** Agro-tourism, handicraft trails, community stays. Archaeology Society.
- ❖ **Mentoring:** Linking institution like ICAR/KAU, Food processing institutes to specific Primary societies.

Human Capital & Youth Engagement

- ❖ **Coop University / Skill Incubators:** Seek State's institutional affiliation with National Cooperative University (TSU) and digital skills, cooperative management, entrepreneurship programs with MSME DIs.
- ❖ **Youth Coop Clubs in Colleges:** Idea challenges, seed grants, internships.
- ❖ **Mentorship Ecosystem:** Alumni + industry mentors for startups inside cooperatives.

Journey to 2031

- Cooperative Act amendments and State Cooperative Policy
- Data segregation, integration with national platforms
Digital platforms + ERP deployment
- CGTMSE
- Youth & women engagement programs
- Global market entry (exports)
- Sustainability focused cooperatives (ESG certified)
- Specialized clusters (Agri, Handloom, Coir, Fisheries, Tourism)
- Kerala becomes *benchmark cooperative state*
- Global outreach partnerships

THANK YOU.