

## ABOUT THE DEPARTMENT

### **Note, important issues/schemes and achievements**

Cooperatives hold a significant place in view of the potential to address the problem of unemployment through undertaking gainful commercial activities. Cooperative Movement in the State has received due attention of the successive Govts. In view of its potential as an effective agency for socio economic transformation of the Society, the Cooperative Institutions have been termed as the institutions of **Economic emancipation**, while Panchayats as the institutions for political **independence**. In the State, Cooperative have seen a glorious period when these institutions were handling PDS items and had monopoly over the fertilizer business.

Despite the peculiar topography of the State, difficult terrain and hostile climatic conditions, the Cooperative Movement has played a Yeoman's role in the service of their members in particular, and the people in general. J&K is one of the front-runner States to enact the liberalized piece of Legislation on Cooperatives based on the recommendations of Choudhary Bhram Prakash Committee. The legislation known as J&K Self Reliant Cooperatives Act of 1999, conceives of **Self Reliant , Democratic and Vibrant Cooperative Movement** in the State. The State Govt. has initiated pragmatic steps to revive the Cooperative Movement, besides diversifying the business portfolio of the Cooperative Institutions.

### **2. Role of Govt. in nurturing Cooperative Movement**

Cooperative Movement in India is being termed as an appendage of Govt. It is rightly being said that the Movement has started at the initiative of the Govt. in India. Law on Cooperatives has preceded the actual formation of the Cooperatives. In the post independence era, the successive Govts. have helped the Cooperative Institutions legally, morally and financially. Under the legal help, each State Govt. has its own Cooperative Societies Act. The registration renders the Cooperative Society concerned the status of a legal entity. Under the moral help, the Govt. has been entrusting the distribution of various commodities and Agricultural Inputs to the Cooperatives Institutions, while under the financial help the Govt. has directly contributed to the Share Capital of the Cooperative Institutions, besides, providing financial support in the form of loans, subsidies and different types of assistances. The financial help from the Govt. has helped the Cooperative Institutions to carve a niche and create fixed assets in the form of land and buildings, etc. It may be in place to mention that the State Govt. has contributed to the Share Capital of different Cooperative Institutions all over the State.

### **3. Registration of Cooperatives/Societies**

An association of individuals who intend or undertake gainful commercial activities, is registered as a Cooperative Society/Cooperative and the job of RCS begins with the registration of Cooperative Societies



(under 1989 Act) and Cooperatives (under Self Reliant Act 1999), followed by supervision and audit of the already registered Cooperative Societies. Keeping in view the underlying concept and principles, Cooperative system of economy is considered as one of the leading systems of economy. Cooperatives have the potential to tackle the problem of unemployment; and to exploit this factor, awareness camps are held with the objective of organizing educated unemployed youth to form Cooperatives and upon registration, these youth undertake business activities to earn their livelihood in a graceful manner and under an organized sector. In addition to the registration of fresh Cooperatives/Societies, role of the Department is to supervise and monitor the working of Cooperative institutions and facilitate their working as a friend, philosopher and guide. In order to achieve its objectives, the Department has initiated pragmatic steps to woo the educated youth under the Cooperative Sector and has exhorted them to form Cooperatives.

In tandem with the National pattern, there is a three tier structure of Cooperative Societies in the State. At the village/block level, there are Primary level Societies having membership of individuals. At the District level, there are Marketing Societies having the Primary Societies as members. At the apex level, there are Apex Societies conducting business through the Marketing Societies and Primary Societies.

#### **4. Legal Framework**

In J&K, there are two Cooperative Acts viz. Cooperative Societies Act 1989 and the J&K Self Reliant Cooperatives Act 1999, concurrently governing the registration and working of Cooperative institutions registered under the respective Act. To make an explicit explanation, Cooperatives are registered under the provisions of the Act of 1999 and as the name implies, the Cooperatives are self reliant business entities which are so far without a commitment from the Govt. for any financial support and assistance, except upon signing of MoU. The Act of 1999 bars fresh registration under any other Act except those under Poultry, Dairy and Hatchery disciplines, which has been allowed vide an amendment in Section 3 of the J&K Self Reliant Cooperatives Act of 1999. Unlike the Self Reliant Cooperatives, Cooperative Societies registered under the Act of 1998 have been provided Share Capital contribution by the Govt. besides providing other forms of assistance in case of availability of funds.

#### **5. Major schemes of National Coop. Development Corporation (NCDC) n. Delhi**

The State had gone into default with the NCDC for about 14 years from 5/3/1989 to 31/3/2002. The State owed an amount of Rs. 1924.975 lac to the NCDC on account of loan raised on Govt. guarantee by various Cooperative Societies and the same had went into default.



On the request of the State Govt. in 2003, NCDC agreed for One Time Settlement, involving waiver of overdue interest of Rs. 1194.32 lacs. The Payment of balance of Rs. 730.655 lac was mutually agreed to be made in 7 equal instalments of approx. Rs. 104.00 Lac, which has been already remitted to the NCDC, thereby making the State eligible for further financing of schemes/ projects.

Major Projects/Schemes of NCDC under implementation in the State are as under:-

- a. Development of Commercial Poultry under Cooperative Sector
- b. Integrated Cooperative Development Projects (ICDP)

#### **6. Development of Commercial Poultry under Cooperative Sector**

In the year 2003 the State Govt. decided to develop commercial poultry in the State under Cooperative Sector with the active financial support from National Cooperative Development Corporation (NCDC) N, Delhi. As a sequel to this, vide Cabinet Decision No. 85/7 dated 30/5/2005 followed by Govt. Order No. 14-Coop of 2005 dated 13/06/2005, implementation of the NCDC scheme for funding of Poultry Cooperative Societies was approved. Registrar Cooperative Societies was accordingly nominated as Nodal Officer for the purpose with the mandate to tie up with NCDC for arranging financial support.

As a sequel to the decision of the State Government to develop commercial poultry under Cooperative sector, mass awareness was held for registration of Poultry Cooperatives/Societies all over the State. To facilitate the working of Poultry Societies, the State Govt. has tied up with the NCDC for arranging funding for the Poultry Cooperative Societies.

#### **Funding pattern in Poultry Scheme**

1. Beneficiary Cooperative's contribution :5% of Capital Cost
2. Loan from NCDC to State Govt. :70%
3. Subsidy from NCDC to Cooperative :25%
4. Loan from State Govt. to Cooperative :50%
5. Share Capital Contribution by State Govt.:20%
6. Rate of Interest :as applicable from time to time
7. Period of repayment :8 years

In pursuit, Poultry Projects duly vetted for techno economic feasibility by the Animal Husbandry Deptt., are recommended by the State Government to the NCDC. In the first phase, 28 Poultry Cooperative Societies have been completely funded while 4 are partly funded.

During 2012, 48 more Poultry Projects at a block cost of Rs.1929.16 lac and having rearing capacity of 2.40 lac poultry birds per cycle, have been sanctioned by the NCDC, out of which Rs. 916.26 Lac have been received. Field functionaries have been sensitized for completion of legal documents like Mortgage Deed etc. so that these Projects are launched. So far, legal documentation has been completed

