

GOVERNMENT OF INDIA  
MINISTRY OF FISHERIES, ANIMAL HUSBANDRY AND DAIRYING  
DEPARTMENT OF ANIMAL HUSBANDRY AND DAIRYING  
LOK SABHA  
UNSTARRED QUESTION NO. 602  
TO BE ANSWERED ON 6<sup>TH</sup> FEBRUARY, 2024

**EXEMPTION OF INCOME TAX FOR DAIRY COOPERATIVE SOCIETY**

602. SHRI THOMAS CHAZHIKADAN:

Will The Minister of FISHERIES, ANIMAL HUSBANDRY AND DAIRYING  
मत्स्यपालन, पशुपालन और डेयरी मंत्री  
be pleased to state:

- (a) whether the Government has taken any step to exempt the dairy cooperative societies from paying the income tax;
- (b) if so, the details thereof;
- (c) whether the Government is aware that dairy farmers have to pay 12 percent or more as interest for bank loans for dairying as compared to 4 percent paid by agricultural farmers;
- (d) if so, the step taken by the Government to provide dairy loans at par with agricultural loans;
- (e) whether the Government proposes to provide debt relief fund for dairy farmers; and
- (f) if so, the details thereof?

**ANSWER**

**THE MINISTER FOR FISHERIES, ANIMAL HUSBANDRY AND DAIRYING  
(SHRI PARSHOTTAM RUPALA)**

(a) and (b) The Government has taken the following steps to provide relief to the Cooperative Societies under Income Tax Act:

- i. A primary cooperative society engaged in supplying of milk to the Federal Cooperative Society is eligible to claim deduction in respect of its entire profit relating to supply of milk to Unions society u/s 80P of the Income Tax Act, 1961.
- ii. The surcharge on co-operative societies has been reduced from 12% to 7% on income of more than ₹1 crore and up to ₹10 crores.
- iii. The rate of Alternate Minimum Tax for the cooperative societies have also been reduced from 18.5% to 15% for cooperative societies at par with companies.

- iv. Section 269T of the Income Tax Act has been amended to provide that where a deposit is repaid by a Primary Agricultural Credit Society (PACS) or an Agricultural and Rural Development Bank (PCARDB) to its member or such loan is repaid to a PACS or a PCARDB by its member in cash, no penal consequence shall arise, if the amount of such loan or deposit including their outstanding balance is less than ₹2 lakh. Earlier this limit was ₹20,000 per member.
- v. A higher limit of ₹ 3 crore for TDS on cash withdrawal has been provided for co-operative societies as against Rs 1 crore threshold for applicability of TDS u/s 194N for other recipients.

(c) and (d) The Government provide interest subvention to make short-term crop loans up to ₹3 lakh available to farmers at the interest rate of 7% per annum and in case of prompt repayment, additional 3% interest subvention is given and effective rate of interest gets reduced to 4%. From the year 2018-19, Government of India has introduced Kisan Credit Card (KCC) scheme for Animal Husbandry and Fisheries in order to provide short term working capital loans (upto ₹2 lakh/beneficiary) at par with short-term crop loan.

(e) and (f) There is no such proposal under consideration.

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