

regulation to meet the contemporaneous requirements of the growing Indian economy which is increasingly getting integrated with the global economy.

(b) Does not arise in view of the reply to part (a) above.

**Loss caused to co-operative societies due to
withdrawal of section 80(P) of Income Tax**

†1453. SHRI RAM NARAIN DUDI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that co-operative societies were exempted from income tax up to 2005-06 under the section 80(P) of Income Tax Act;

(b) the details of the loss caused to the co-operative societies of Rajasthan due to the withdrawal of the section 80(P) of Income Tax Act at present;

(c) whether the Central Government intends to provide exemption in the income being earned by the co-operative societies from the agricultural profession; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): (a) (i) Yes, Sir.

(ii) Section 80P of the Income-tax Act, 1961 (the 'Act') continues to provide for deduction in respect of income of cooperative societies, subject to fulfillment of prescribed conditions, as specified in the said section. However, with effect from 1.4.2007, the provisions of section 80P of the Act were made inapplicable in relation to cooperative banks other than primary agricultural credit societies or primary cooperative agricultural and rural development banks.

(b) No such data is maintained.

(c) and (d) Section 80P of the Act presently provides hundred per cent deduction to co-operative societies of income attributable to marketing of agricultural produce grown by its members, purchase of agricultural implements, seeds, livestock or other articles intended for agriculture for the purpose of supplying them to its members, processing, without the aid of power, of the agricultural produce of its members, supplying oilseeds, fruits or vegetables raised or grown by its members.

There is no proposal to provide any further exemption.

†Original notice of the question was received in Hindi.