

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**RAJYA SABHA
UNSTARRED QUESTION NO.166
ANSWERED ON 27/11/2024**

Digitization of PACS in the country

166. SHRI M. MOHAMED ABDULLA:

Will the Minister of COOPERATION be pleased to state:

- (a) Whether the Union Government has any plan to improve modern banking practices like net banking, mobile banking and e-banking, etc., in Cooperative banks and if so, the details thereof;
- (b) Whether the Union Government has taken any initiative for the Comprehensive Digitization of Cooperative Banks and if so, the details thereof; and
- (c) The details about the amount of funds allocated, disbursed, and utilized for the computerization of functional Primary Agriculture Credit Societies (PACS) in the country for the last three years, state-wise?

ANSWER

THE MINISTER OF COOPERATION
(SHRI AMIT SHAH)

(a): Yes Sir. The Union Government is already taking action to improve modern banking practices like net banking, mobile banking, and e-banking etc. in cooperative banks.

State Cooperative Banks (StCBs) and District Central Cooperative Banks (DCCBs) were not allowed to provide internet banking facilities to their customers till 2015. To promote digital banking services by StCBs/DCCBs, RBI vide notification dated 05 November 2015, permitted StCBs and DCCBs meeting certain regulatory eligibility criteria to acquire licence from RBI to offer internet banking facility. Also, StCBs and DCCBs meeting certain eligibility criteria have been permitted to offer Mobile Banking facility from 08 October 2008.

The information on number of StCBs and DCCBs offering internet banking facility is summarized in the table below:

S.No.	Bank Category	Total No. of Banks	No. of Banks which are offering the facility as on 31 st March 2024	
			Internet Banking with Transaction Facility	Mobile Banking
1	StCBs	34	4	21
2	DCCBs	351	8	113
Total		385	12	134
Source: Ensure Portal, NABARD				

Considering the need to further promote the spread of digital banking in rural areas through the extensive network of StCBs/DCCBs and the low number of StCBs/DCCBs which are offering internet banking with transaction facility to their customers at present, RBI has been requested to relax the eligibility criteria for StCBs/DCCBs on the lines of revised criteria applicable for RRBs.

(b): NABARD encouraged and facilitated the process of bringing all the RCBs onto Core Banking Solution (CBS) platform. A special initiative in this regard facilitated 201 RCBs (14 StCBs and 187 DCCBs) from 16 States & 03 UTs with 6,953 branches to join the “NABARD initiated Project for CBS in Co-operatives”. This initiative was completed using the cloud-based Application Service Provider (ASP) model for RCBs.

NABARD is also working with MoC, GoI towards establishing a Shared Services Entity (SSE) for Rural Cooperative Banks to harness economies of scale and facilitate technology upgradation in RCBs at a faster pace.

The Umbrella Organization named National Urban Co-operative Finance and Development Corporation (NUCFDC) for urban co-operative banks has been established for Urban Cooperative Banks to provide financial and technical support, assist with modernization, and act as a central point for implementing advanced digital banking solutions across UCBs. This organization aims to migrate UCBs from isolated Core Banking System (CBS) to a unified platform developed by NUCFDC. This will enable UCBs to offer digital banking, mobile services, and online transactions, improving efficiency, scalability, and customer experience. It will also streamline operations, reduce costs, enhance transparency, and allow for easier integration of new technologies.

(c): Under computerization of functional Primary Agriculture Credit Societies (PACS) total ₹865.8 crore rupees have been released and ₹617.92 crore has been utilized by States and NABARD. States wise details of funds allocated, disbursed, and utilized in last three years is as per Annexure I.

Year wise Allocation Release and utilization with respect to GoI Shares**(Amount in Crore)**

S. No	States/UTs	Year 1 (2022-23)			Year 2 (2023-24)			Year 3 (2024-25)		
		Amount allocated for FY 2022-23	Amount released in FY 2022-23	Amount utilized in FY 2022-23	Amount allocated for FY 2023-24	Amount released in FY 2023-24	Amount utilized in FY 2023-24	Amount allocated for FY 2024-25	Amount released in FY 2024-25	Amount utilized in FY 2024-25
1.	Maharashtra	87.95	87.95	0.00	134.58	33.65	71.88	27.81	0.00	2.58
2.	Rajasthan	23.78	23.78	0.00	78.06	43.30	44.05	52.42	0.00	10.15
3.	Gujarat	0.00	0.00	0.00	106.70	58.30	7.39	44.37	22.19	46.96
4.	Uttar Pradesh	11.28	11.28	0.00	43.87	42.30	24.10	50.88	0.00	10.92
5.	Karnataka	40.25	40.25	0.00	61.58	15.39	36.67	21.17	0.00	1.21
6.	Madhya Pradesh	33.23	33.23	0.00	50.85	25.42	43.47	0.00	0.00	5.78
7.	Tamil Nadu	33.20	33.20	0.00	49.84	12.48	25.78	24.95	0.00	3.45
8.	Bihar	32.95	32.95	0.00	50.41	0.00	4.48	29.32	0.00	28.47
9.	West Bengal	30.54	30.54	0.00	46.73	0.00	6.45	40.49	0.00	6.35
10.	Punjab	25.52	25.52	0.00	39.05	0.00	10.20	13.32	0.00	7.06
11.	Andhra Pradesh	14.93	14.93	0.00	22.84	3.74	0.00	18.12	0.00	13.04
12.	Chhattisgarh	14.86	14.86	0.00	22.75	0.00	4.51	20.41	10.21	10.45
13.	Himachal Pradesh	9.56	9.56	0.00	14.64	7.32	13.13	6.18	0.00	3.05
14.	Jharkhand	10.99	10.99	0.00	16.83	0.00	5.45	15.10	7.55	5.55
15.	Haryana	4.85	4.85	0.00	8.33	2.44	0.00	3.00	0.00	6.90
16.	Uttarakhand	0.00	0.00	0.00	0.00	3.69	0.00	7.03	0.00	0.12
17.	Assam	6.41	6.41	0.00	9.81	2.45	6.41	6.60	3.30	2.27
18.	J&K	5.25	5.25	0.00	8.03	1.52	5.25	3.71	1.85	1.52
19.	Tripura	2.95	2.95	0.00	4.50	1.13	3.55	3.03	1.52	2.04
20.	Manipur	2.55	2.55	0.00	3.90	0.00	0.00	3.86	0.00	0.11
21.	Nagaland	0.36	0.36	0.00	0.56	2.46	0.64	3.20	0.00	1.64
22.	Meghalaya	1.23	1.23	0.00	1.13	0.00	1.03	1.97	0.00	0.23
23.	Sikkim	1.18	1.18	0.00	1.80	0.90	1.59	0.79	0.00	0.31
24.	Goa	0.32	0.32	0.00	0.50	0.13	0.30	0.44	0.00	0.12
25.	ANI	0.00	0.00	0.00	1.33	0.69	0.00	0.84	0.00	0.62
26.	Puducherry	0.44	0.44	0.00	0.67	0.17	0.41	0.29	0.00	0.00
27.	Mizoram	0.27	0.27	0.00	0.43	0.00	0.21	0.44	0.44	0.06
28.	Arunachal Pradesh	0.15	0.15	0.00	0.24	0.12	0.21	0.09	0.00	0.05
29.	Ladakh	0.00	0.00	0.00	0.31	0.12	0.12	0.04	0.00	0.00
30.	DNH&DD	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.12	0.00
31.	NABARD	100.00	100.00	0.00	187.97	40.91	96.16	100.00	25.00	33.48
	Total	495.00	495.00	0.00	968.24	298.62	413.42	500.00	72.18	204.50

