

GOVERNMENT OF INDIA  
MINISTRY OF COOPERATION

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 323**  
TO BE ANSWERED ON 23<sup>rd</sup> JULY, 2025

**Non-functional Cooperative Societies in Andhra Pradesh**

323: Shri Yerram Venkata Subba Reddy:

Will the Minister of COOPERATION be pleased to state:

- (a) whether the Ministry is aware that 9 cooperative societies in Andhra Pradesh have become non-functional;
- (b) if so, details thereof and the reasons therefor;
- (c) how many, out of 9, are PACSs;
- (d) efforts being made by the Ministry to make the above non-functional cooperatives functional;
- (e) whether it is a fact that National Federation of State Co-operative Banks (NAFSCOB) has undertaken a study on defunct PACS and measures for their revival; and
- (f) if so, the details thereof and measures for their revival as recommended by NAFSCOB being implemented to revive these societies in Andhra Pradesh?

**ANSWER**

THE MINISTER OF COOPERATION  
(SHRI AMIT SHAH)

(a) to (c): As per National Cooperative Database (NCD), there are total **4,936** non-functional cooperative societies in Andhra Pradesh, as of 30.06.2025. Out of these, **14** are non-functional Primary Agricultural Credit Societies (PACS). The district-wise details of total non-functional cooperative societies and non-functional PACS in Andhra Pradesh are attached at **Annexure**.

(d) Ministry of Cooperation has set up Co-operative Rehabilitation, Reconstruction and Development Fund under section 63A of the Multi-State Cooperative Societies (MSCS) (Amendment) Act, 2023 for revival of sick multi-State cooperative societies and providing assistance for meeting infrastructural requirement. Additionally, the Ministry of Cooperation has taken proactive measures to convert Primary Agricultural Credit Societies (PACS), Dairy,

and Fisheries Cooperatives into multi-purpose cooperative societies. This initiative aims to enhance business diversification, strengthen financial sustainability, and prevent closures by enabling cooperatives to engage in a wider range of economic activities.

(e) Yes Sir. A study on defunct PACS and measures for their revival was undertaken by National Federation of State Cooperative Banks (NAFSCOB) in 2022 both in General Category of States and identified 3 States of Northeastern States.

(f) The study conducted by NAFSCOB made an attempt to define and assess the status of dormant and defunct PACS in different states and analyze the important reasons. The study report also suggested a way forward for implementation of the recommendations and its periodical review. As resolved by the Board of Directors of NAFSCOB in their meeting held on 29-12-2022, the member State cooperative Banks assured to peruse the recommendations within the framework of respective State Cooperative Societies Act.

The Study report reveals that dormancy is the first stage of ailment and if not addressed in time, the societies will eventually become defunct. As prevention is better than cure, efforts should be made to identify the reasons for dormancy and initiate corrective measures soon thereafter to avoid society becoming defunct. The measures recommended for revival of defunct PACS in the study report are as follows:

- Revival of membership and enrolment of new members.
- Member education about their roles & responsibilities, create awareness about their entitlements and opportunities.
- Conduct of elections and constitution of Board of Management.
- Capacity building of members of Board of Management, create awareness about their roles and responsibilities.
- Appointment of requisite number of staff as per the business norms, implementation of HR Policy for staff.
- Preparing proper inventory of assets and taking control of the same.
- Financial support for equity, necessary infrastructure, administrative expenses etc., till the society becomes viable.
- Evolving and ensuring implementation of SOPs in respect of deposits, advances and other services.
- Computerization of all the activities of the societies as an ERP solution and not merely for accounting purposes.
- Insulating the PACS and the STCCS from the external interference.
- Introduce a proper MIS to monitor the performance of PACS and institutionalize regular reviews by the higher financing agencies.

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## Annexure

## District wise Non-functional cooperative societies in Andhra Pradesh

S.No	District Name	Total Number of Non-functional Societies	Number of Non-functional PACS
1	Alluri Sitharama Raju	17	1
2	Anakapalli	396	0
3	Anantapur	1558	6
4	Annamayya	167	0
5	Bapatla	125	0
6	Chittoor	25	0
7	East Godavari	39	0
8	Eluru	16	4
9	Guntur	175	0
10	Kakinada	40	0
11	Konaseema	6	0
12	Krishna	17	0
13	Kurnool	35	0
14	Nandyal	447	0
15	NTR	102	0
16	Palnadu	21	0
17	Parvathipuram Manyam	3	1
18	Prakasam	109	0
19	SPSR nellore	1112	2
20	Sri Sathya sai	70	0
21	Srikakulam	20	0
22	Tirupati	321	0
23	Visakhapatanam	46	0
24	Vizianagaram	17	0
25	West godavari	16	0
26	Y.S.R	36	0
	<b>Total</b>	<b>4,936</b>	<b>14</b>

Source NCD portal as of 30.06.2025