

GOVERNMENT OF INDIA
MINISTRY OF COOPERATION

RAJYA SABHA
UNSTARRED QUESTION No. 1929
TO BE ANSWERED ON 17th DECEMBER 2025

Restructuring of Cooperative Societies in Bihar

1929. Shri Akhilesh Prasad Singh:

Will the Minister of COOPERATION be pleased to state:

- (a) what steps have been introduced to restructure cooperative societies in the State of Bihar, aiming to enhance rural economic outputs;
- (b) how effective the training and Government subsidies have been in improving operational transparency and member engagement; and
- (c) what challenges remain and what new policies are underway to ensure the financial stability of cooperatives?

ANSWER

THE MINISTER OF COOPERATION
(SHRI AMIT SHAH)

(a) Government has taken several measures to strengthen cooperative societies and enhance rural economic outputs across the country including the State of Bihar. Approval of the plan to establish 2 lakh new Multipurpose PACS (M-PACS), Dairy and Fishery Cooperatives with the aim to expand the cooperative structure and make access to credit, storage and marketing facilities far more convenient for farmers across the country including the State of Bihar. Bihar has registered significant progress, with 4,518 such cooperative societies formed up to 15th November 2025. Bihar is also an active participant in the Centrally Sponsored PACS Computerisation Project, with 4,460 out of 4,495 PACS already onboarded onto the ERP-based common national software which improves efficiency, accountability, and linkages with DCCBs and StCBs. Bihar is also part of larger cooperative reforms such as the adoption of Model Bye-laws for PACS, which empower them to undertake over 25 diversified business activities including agri-input supply, storage, procurement, dairy, fishery, and essential rural services. PACS are developed as hubs for delivering benefits from schemes such as Pradhan Mantri Fasal Bima Yojana(PMFBY), Pradhan Mantri Kisan Samriddhi Kendra (PMKSK), interest subvention, fertiliser and seed distribution, PDS outlets, LPG/Petrol/Diesel dealerships, custom hiring, PM Jan Aushadhi Kendras, Common Service Centres, etc.. and Integration with the state specific portal like, Bhulekh portal (In U.P and M.P), e-KYC and e-Uparjan (M.P), e-Crop, CCRC (Andra Pradesh) and other schemes of other States and also with the Cooperative Banking systems. Various steps taken to convert PACS into multi-service centres for farmers in Bihar, are as under:

- Under State Plan in Bihar, 7,221 Godowns have been constructed in PACS throughout the state creating storage capacity of 17.14 Lakh MT, thereby fortifying the physical infrastructure. 278 Godowns carrying storage capacity of 2.49 lakh MT have been sanctioned during present FY 2025-26. Further, 36 PACS with capacity of 1,33,500 MT

have been identified by Cooperative Department, Govt. of Bihar under the World's Largest Grain Storage Plan (WLGSP).

- 5256 PACS are functioning as Common Service Centres providing services on banking education, Digi Pay, IRCTC, Electricity bill, KVK crop health care etc.
- 12 PACS have applied for petrol/diesel retail outlets in CC2/open category, and 05 PACS have been selected by Oil Marketing Companies.
- Out of 412 applications received from PACS as PM Jan Aushadhi Kendras, drug license has been issued to 30 PACS and currently 21 Jan Aushadhi Kendra are operational in PACS.
- 2271 PACS have fertilizer license, out of which 1681 PACS have been upgraded as PM Kisan Samriddhi Kendras. These Kendras provides additional services such as soil testing, training etc.
- Under Financial Inclusion Fund, NABARD and Bihar State Cooperative Bank have sanctioned an amount of Rs. 1.76 cr for 785 micro-ATMs during FY 2024-25 and Rs.53.77 lakh for 239 micro-ATMs in FY 2025-26. Further, Rs. 22.11 lakh has been sanctioned for conducting 390 Financial Literacy Awareness Programmes (FLAPs) to DCCBs for organizing FLAPs for dissemination of financial literacy to rural population including farmers. During FY 2025-26, 130 FLAPs with grant assistance of Rs. 7.53 lakh have been sanctioned to DCCBs for conducting financial literacy under FIF (Financial Inclusion Fund).
- As per National Cooperative Database (NCD), out of 7,398 PACS working as Custom Hiring Centres in country, 2,661 centres are working in Bihar.

(b) Training and capacity-building programmes implemented through the National Council for Cooperative Training (NCCT) and its network of RICMs and ICMs aimed at strengthening governance, transparency, and member engagement in cooperative institutions. These programmes have resulted in demonstrable improvements in operational efficiency and professional competence across several States. Since the inception of the Ministry of Cooperation, NCCT institutes have trained 9,82,787 participants through 15,919 training programmes. With respect to the State of Bihar, RICM Patna, under NCCT, has trained 43,290 participants across various training programmes, covering a wide range of cooperative sectors. NCCT provided training programme for the secretaries of on boarded PACS in CSC Portal for providing 300 online services to the PACS members. Under this, 57 programmes were conducted in Bihar and 2096 PACS secretaries were trained in 2024-25. Through this training several PACS reported measurable benefits, enhanced service delivery, increased footfall, and improved inclusion of youth and women.

Government subsidies provided through schemes such as Agriculture Infrastructure Fund (AIF), Agriculture Marketing Infrastructure (AMI), Sub-Mission on Agricultural Mechanization (SMAM) for creating warehouses, custom hiring centers, primary processing units and other agri-infrastructure for grain storage at PACS level will reduce wastage of food grains and transportation costs, enable farmers to realize better prices for their produce and meet various agricultural needs at the PACS level itself.

Further, NCDC has been providing financial assistance to the cooperative sector under its Corporation - sponsored schemes, covering a wide range of notified commodities and services,

as amended from time to time. In recent years, NCDC has introduced sector-specific schemes and focused products to align with the evolving needs of the cooperative sector, with special emphasis on women empowerment, digitization of cooperatives, and rural healthcare.

The combined impact of training and subsidies has resulted in improved transparency, better service delivery, and higher participation of members in cooperative activities

(c) The Ministry of Cooperation, since its inception has undertaken several important initiatives to improve the financial condition of cooperative societies, enhance their efficiency, and ensure transparency in their functioning, with the vision of “Sahakar se Samriddhi”. Despite substantial progress, cooperatives continue to face challenges such as limited professional management capacity, inadequate access to affordable credit, financial constraints in undertaking infrastructure projects, and the need to improve market linkages. To address these issues, the National Cooperation Policy (NCP) 2025 outlines a ten-year roadmap focused on accessible finance, multi-sector expansion, and technology-driven transparency. Financial stability is being further reinforced through measures such as reducing the surcharge for cooperatives with income between ₹1 crore and ₹10 crore from 12% to 7%, lowering the Minimum Alternate Tax (MAT) from 18.5% to 15%, and introducing a concessional 15% tax rate for new manufacturing cooperatives established before March 31, 2024. For Primary Agriculture Credit Societies (PACS) and Primary Cooperative Agriculture and Rural Development Banks (PCARDBs), the permissible limits for cash deposits, payments, loans and loan repayments have been enhanced from ₹20,000 to ₹2 lakh per member, easing their operational flexibility.

Significant financial support has been extended for infrastructure development, including a total outlay of ₹2,925.39 crore for the computerisation of functional PACS. Under the Agricultural Marketing Infrastructure (AMI) Scheme, margin money requirements for PACS godowns have been reduced from 20% to 10%, subsidy rates have been increased from 25% to 33.33%, and an additional subsidy equal to one-third of the total admissible subsidy is provided for ancillary facilities such as internal roads and weighbridges. The Ministry has also facilitated the disbursal of ₹190 crore to Farmer Producer Organisations (FPOs) and ₹98 crore to Fish Farmer Producer Organisations (FFPOs) through National Cooperative Development Corporation (NCDC). Financial stability is being further reinforced through a ₹2,000 crore Government grant to NCDC, enabling mobilisation of ₹20,000 crore for cooperative lending, along with a new ₹24,000 crore NCDC scheme for 29,050 cooperative societies.

Banking reforms, including allowing cooperative banks to adopt one-time settlements, CGTMSE-based collateral-free lending, and the creation of Sahakar Sarathi for providing shared technological services, are improving financial resilience. Efforts to diversify cooperative revenue streams through national multi-state cooperative federations such as BBSSL, NCOL and NCEL, and the establishment of the Tribhuvan Sahkari University (TSU) for professionalising cooperative leadership, are further strengthening the long-term financial stability and governance of cooperatives across the country.

These measures aim to improve financial stability, enhance transparency, diversify revenue streams, and ensure long-term sustainability of cooperatives, including those in Bihar.
