

GOVERNMENT OF INDIA
MINISTRY OF COOPERATION

RAJYA SABHA
UNSTARRED QUESTION No. 328
TO BE ANSWERED ON 03.12.2025

Operational constraints of PACS

328. Smt. Rajani Ashokrao Patil:

Will the Minister of COOPERATION be please to state:

- (a) whether several PACS are facing operational constraints;
- (b) the number currently non-operational;
- (c) steps taken to improve financial transparency;
- (d) status of digitisation of PACS records; and
- (e) measures proposed to strengthen local-level credit access?

ANSWER

THE MINISTER OF COOPERATION
(SHRI AMIT SHAH)

(a) Several Primary Agricultural Credit Societies used to experience operational constraints arising from their historic role as limited-function credit institutions, the narrow scope of activities they traditionally undertook and the resource limitations that affected their ability to meet the growing financial and service needs of rural economies. These underlying structural issues were one of the key reasons behind the extensive set of reforms introduced by the Ministry of Cooperation to modernise PACS, expand their operational capacity and enable them to function as financially viable, diversified rural service centres.

(b) A comprehensive National Cooperative Database (NCD) has been developed by Ministry of Cooperation, Government of India, with the support of State/UT Governments. The data of all the Cooperative Societies from various sectors has been entered in the database by nodal officers appointed by the States/ UTs for this purpose. As per NCD portal, as on 15.11.2025, State-wise no. of non-functional PACS/ FSS/ LAMPS is attached at **Annexure-I**.

(c) Various steps taken by GoI to improve financial transparency include countrywide PACS Computerization Project which equip societies with a Common Accounting System and Management Information System through a unified ERP platform, substantially improving governance and accountability. The introduction of Model Bye-laws, the development of the National Cooperative Database and the launch of the Cooperative Ranking Framework further reinforce transparent financial practices. In addition, the digital transformation of regulatory offices and amendments to the MSCS Act—bringing in mechanisms such as the Cooperative Ombudsman, the Cooperative Election Authority and concurrent auditing—collectively enhance transparency across the cooperative ecosystem.

(d) In order to strengthen PACS, project for Computerization of functional PACS with a total financial outlay of ₹2925.39 Crore has been approved by the Government of India, which entails bringing all functional PACS in the Country onto a common ERP based national software, linking them with NABARD through StCBs and DCCBs. A total of 79,630 PACS from 31 States/ UTs have been sanctioned under the project. A total of 60, 424 PACS have been onboarded on ERP Software and hardware has been procured by 30 States/UTs.

(e) A series of targeted measures have been introduced to strengthen credit access at the local level by expanding the rural cooperative network, diversifying PACS operations and enhancing the capacity of financing institutions. The plan to establish 2 lakh new multipurpose PACS, Dairy and Fishery Cooperatives aims to ensure that cooperative credit and services reach every uncovered Panchayat, while Model Bye-laws enable PACS to undertake more than 25 business activities, thereby strengthening financial stability and expanding their ability to meet member credit needs. Digital credit tools—including RuPay Kisan Credit Cards and Micro-ATMs operated by Bank Mitra Cooperatives—promote doorstep financial services, complemented by wide-ranging reforms in the cooperative banking ecosystem. These include enabling Urban Cooperative Banks (UCBs) to open new branches without prior RBI approval, provision of doorstep banking services, eligibility for ‘Scheduled’ status under strengthened scheduling norms and the designation of a nodal officer in RBI for regular coordination. Additional regulatory facilitation such as establishment of an Umbrella Organisation for UCBs have substantially improved operational flexibility. Measures such as reduced AePS licensing fees, a simplified UIDAI framework for AUA/KUA onboarding, and the inclusion of cooperative banks as MLIs under CGTMSE with relaxed NPA criteria have further strengthened the sector. Institutional reforms—including amendments to the Banking Regulation Act on board tenure, increased PSL limits for dairy cooperatives, the establishment of Sahakar Sarathi as a shared technology entity, task force recommendations for UCB transformation, studies on ARDB restructuring, a strategic roadmap for NAFSCOB, and the inclusion of rural cooperative banks under RBI’s Integrated Ombudsman Scheme—collectively reinforce credit access, governance, and financial inclusion. Together, these initiatives are designed to transform PACS and cooperative banks into robust, technology-enabled institutions that serve as dependable gateways for rural credit and comprehensive financial services.

Annexure-I**State-wise no. of non-functional PACS**

Sr. No	State/UT Name	Total No. of PACS/ FSS/ LAMPS
1	ANDAMAN AND NICOBAR ISLANDS	0
2	ANDHRA PRADESH	14
3	ARUNACHAL PRADESH	3
4	ASSAM	339
5	BIHAR	0
6	CHANDIGARH	10
7	CHHATTISGARH	20
8	DELHI	0
9	GOA	9
10	GUJARAT	288
11	HARYANA	0
12	HIMACHAL PRADESH	52
13	JAMMU AND KASHMIR	55
14	JHARKHAND	1
15	KARNATAKA	44
16	KERALA	29
17	LADAKH	34
18	LAKSHADWEEP	0
19	MADHYA PRADESH	5
20	MAHARASHTRA	3
21	MANIPUR	25
22	MEGHALAYA	69
23	MIZORAM	5
24	NAGALAND	747
25	ODISHA	114
26	PUDUCHERRY	6
27	PUNJAB	23
28	RAJASTHAN	5
29	SIKKIM	2
30	TAMIL NADU	1
31	TELANGANA	0
32	THE DADRA AND NAGAR HAVELI AND DAMAN AND DIU	1
33	TRIPURA	0
34	UTTAR PRADESH	635
35	UTTARAKHAND	0
36	WEST BENGAL	809
	Total	3348

Source: NCD portal as on 15.11.2025

