

GOVERNMENT OF INDIA
MINISTRY OF COOPERATION

RAJYA SABHA
UNSTARRED QUESTION NO. 495
TO BE ANSWERED ON 04.02.2026

495 Shri Anthiyur P. Selvarasu:

Will the Minister of Cooperation be pleased to state:

- (a) whether Government has reviewed audit compliance, transparency standards and governance performance of Primary Agricultural Cooperative Societies (PACS) in Erode district of Tamil Nadu, including Modakurichi and Kodumudi blocks where farmers depend on cooperative credit and input services;
- (b) if so, the details of Government audit findings, irregularities detected, recovery action initiated, capacity building programmes and digitisation progress undertaken in Erode district; and
- (c) the measures proposed to be taken by Government to strengthen member service delivery, ensure accountable management, improve grievance redressal and prevent financial mismanagement in the said district?

ANSWER

THE MINISTER OF COOPERATION
(SHRI AMIT SHAH)

- (a) PACS Computerisation Project was launched primarily with the view to enhance transparency and administrative efficiency of PACS and make the, multi-service hubs. In this project, in case of Tamil Nadu, all PACS have been computerized. A structured monitoring framework has been established for effective review of progress of this project in States/UTs, which comprises of the National Level Monitoring and Implementation Committee (NLMIC), State and District Level Implementation and Monitoring Committees (SLIMC and DLIMC), State Cooperative Development Committee (SCDC) (under the Chief Secretary), and District Cooperative Development Committee (DCDC) (under the District Collector). These bodies ensure

effective implementation, oversight, and coordination of all cooperative sector initiatives, including PACS computerization.

The status of Computerisation of PACS in Erode district is given in table below:

Total sanctioned PACS in Erode in the project	ERP Onboarding	Day End
161	161	161

All the PACS functioning in Erode District have completed the statutory annual audit within the stipulated time and the societies are being continuously monitored. As per the information received from the State of Tamil Nadu, all the societies are subjected to periodical inspections by senior officers, Block Level Cooperative Sub-Registrars/ Field Officers and officials of the District Central Cooperative Bank to ensure that no irregularities take place.

As per information received, 52 Primary Agricultural Cooperative Credit Societies (PACS) are functioning under the administrative control of the Deputy Registrar of Cooperative Societies, Erode Circle. Out of these, 17 Primary Agricultural Cooperative Credit Societies are functioning in Modakurichi Block, and 12 Primary Agricultural Cooperative Credit Societies are functioning in Kodumudi Block.

(b) As per information received from Tamil Nadu, details of irregularities detected through inspection and recovery actions taken are given below:

1) Modakurichi Block – T. Ganapathipalayam PACCS

- In respect of jewel loans, medium-term loans, and Joint Liability Group (JLG) loans, irregularities amounting to a total of ₹61,97,000/- were detected.
- Inspection was conducted under Section 81 of the Tamil Nadu Cooperative Societies Act 1983 and the entire misappropriated amount has been fully recovered.
- Disciplinary proceedings and criminal action have been initiated against the persons involved in these irregularities and are currently in progress

2) Kodumudi Block – Unjalur PACCS

- In respect of KCC crop loans, medium-term loans, other loans, and fraud in savings accounts, irregularities amounting to a total of ₹47.62 lakhs were detected.
- Inspection was conducted under Section 81 of the Tamil Nadu Cooperative

Societies Act. Out of the misappropriated amount, ₹17.94 lakhs was recovered, and action is being taken to recover the remaining ₹27.68 lakhs.

- Disciplinary proceedings, criminal proceedings, and surcharge proceedings have been initiated against the persons involved and are under process.

The review of audit compliances comes under purview of state and outcomes/findings of the audit is looked after by the State Govt.

(c) Apart from the structured monitoring framework discussed in reply marked as (a), the project is also reviewed through visits of Senior Officers from Ministry of Cooperation to the States/UTs. Along with it, regular reviews with States/UTs including Tamil Nadu are held regularly by the Ministry. With completion of the project, PACS will be able to capture all business processes on ePACS software, generate financial statements and track/ monitor their performance under all parameters including recovery, on a real-time basis and take steps for all-round improvement in performance, on any given date. On-system audit is also one of the features of the project to enhance transparency in the operations of PACS.
