

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**LOK SABHA
UNSTARRED QUESTION NO. 2814
TO BE ANSWERED ON 18th MARCH, 2025**

Digitalization of PACSs

2814. Shri Balram Naik Porika:

Will the Minister of Cooperation (सहकारिता मंत्री) be pleased to state:

- (a) the progress made in the digitalization of Primary Agricultural Credit Societies (PACSs);
- (b) the measures taken to strengthen Multi-State Cooperative Societies; and
- (c) the steps taken to promote the formation of new cooperative societies?

ANSWER

**MINISTER OF COOPERATION
सहकारिता मंत्री (SHRI AMIT SHAH)**

(a): Government of India has approved a project for Computerization of functional PACS with a total financial outlay of ₹2,516 Crore, which entails bringing all the functional PACS onto an ERP (Enterprise Resource Planning) based common national software, linking them with NABARD through State Cooperative Banks (StCBs) and District Central Cooperative Banks (DCCBs). The National Level Common Software for the project has been developed by NABARD and 50,455 PACS have been onboarded on ERP software as on 27.01.2025. So far, proposals for computerization of 67,930 PACS from 30 States/ UTs have been sanctioned, for which Rs. 741.34 Cr. has been released as GoI share to the States/UTs concerned as on 27.01.2025 and hardware has been delivered to 60,382 PACS. State-wise details of progress made under the Computerization of PACS Project are enclosed **at Annexure**.

(b): In order to strengthen governance, enhance transparency, increase accountability, address issues of mismanagement and financial frauds and reform electoral process, etc. in Multi-State Cooperative Societies, the MSCS Act & Rules were comprehensively amended and notified on 03.08.2023 and 04.08.2023 respectively by supplementing existing legislation and incorporating the provisions of Ninety-seventh Constitutional Amendment.

Many provisions have been introduced via the above amendment to bring transparency in the functioning of multi state cooperative societies and prevent financial irregularities therein, inter-alia: -

- i. To ensure timely, regular and transparent conduct of elections in the multi-State cooperative societies, provision of Cooperative Election Authority has been included.
- ii. Appointment of Co-operative Ombudsman by Central Government to provide a mechanism to address grievances of members.
- iii. To improve transparency, appointment of Information Officer by multi-State cooperative societies to provide information to members.
- iv. Concurrent Audit has been introduced for Multi-State Cooperative Societies with turnover/deposits of more than 500 crore rupees from a panel of auditors approved by Central Registrar. Concurrent audit will ensure early detection of fraud or irregularities, if any, and accordingly prompt course corrections can be made. Following two panels of auditors for Multi-State Cooperative Societies have been notified for financial year 2023-24:
 - a. Panel of auditors for multi-State cooperative societies having an annual turnover/ deposit (as the case may be) of up to five hundred crore rupees for carrying out Statutory Audit.
 - b. Panel of auditors for multi-State cooperative societies having an annual turnover/ deposit (as the case may be) of more than five hundred crore rupees for carrying out Statutory and Concurrent Audit.
- v. Audit reports of National co-operative societies to be laid in Parliament to improve transparency.
- vi. Accounting and auditing standards for multi-State cooperative societies to be determined by Central Government to ensure uniformity in accounting and auditing.
- vii. To improve governance and transparency, annual report of multi-State cooperative societies to include Board decisions which are not unanimous.
- viii. Central Government to determine prudential norms (liquidity, exposure, etc.) for multi-State co-operative societies in the business of thrift and credit.
- ix. To curb nepotism and favouritism in multi-State co-operative societies, the Director of a multi-State cooperative society shall not be present in the discussion and vote on matters where he or his relatives are an interested party.
- x. Additional grounds for disqualification for directors have been made to improve governance, for better recovery of dues and to ensure that such acts of omission or commission or fraud are not repeated elsewhere.
- xi. Provisions for Investment of funds by the multi-State cooperative societies have been redefined to ensure safer investments and remove references to colonial era securities.

- xii. To have more financial discipline and transparency, the board of multi-State co-operative societies to constitute Committee for Audit and Ethics amongst other committees.
- xiii. For strengthening governance, criteria for appointment of Chief Executive Officer (CEO) stipulated.
- xiv. To enhance democratic decision making in the multi-State cooperative societies, quorum has been prescribed for board meetings.
- xv. Central Registrar to conduct inquiry if he gets information that business is being conducted in a fraudulent manner or for unlawful purposes.
- xvi. If registration obtained by misrepresentation, fraud, etc., provision for winding up of a multi-State cooperative society after giving opportunity of being heard.
- xvii. To discourage members from acting against collective interests of the multi-State co-operative societies, the minimum period of expulsion of an expelled member of a multi-State co-operative society has been increased from 1 year to 3 years.

(c): The Government on 15.2.2023, has approved the Plan for strengthening cooperative movement in the country and deepening its reach up to the grassroots. The Plan entails establishment of 2 lakh new multipurpose PACS (M-PACS), Dairy, Fishery Cooperative Societies covering all the Panchayats/ villages in the country in five years, through convergence of various existing GOI schemes, including Dairy Infrastructure Development Fund (DIDF), National Programme for Dairy Development (NPDD), PM Matsya Sampada Yojana (PMMSY), etc, with the support of National Bank for Agricultural and Rural Development (NABARD), National Dairy Development Board (NDDB), National Fisheries Development Board (NFDB) and State Governments.

As per National Cooperative Database, a total of 12,957 new PACS, Dairy and Fishery Cooperative Societies have been registered as on 27.1.2025 across the country since the approval of the plan on 15.2.2023.

Annexure

State-wise details of progress made under the Computerization of PACS Project

S. No	State/ UT	PACS selected for Computerization	ERP Onboarded	Number of PACS where Hardware delivered	Day- End
1.	Maharashtra	12,000	10,979	11,018	8,200
2.	Rajasthan	6,781	4,206	6,781	2,085
3.	Gujarat	5,754	5,249	5,754	2,165
4.	Uttar Pradesh	5,686	2,978	3,062	1,999
5.	Karnataka	5,491	2,077	5,491	81
6.	Madhya Pradesh	4,536	4,516	4,534	3,244
7.	Tamil Nadu	4,532	4,529	4,532	4,523
8.	Bihar	4,495	4,440	4,477	4,171
9.	West Bengal	4,167	1,103	1,647	430
10.	Punjab	3,482	1,720	3,456	160
11.	Andhra Pradesh	2,037	1,734	2,021	-
12.	Chhattisgarh	2,028	2,010	2,028	1,934
13.	Himachal Pradesh	1,789	836	870	317
14.	Jharkhand	1,500	1,467	1,500	1,380
15.	Haryana	710	617	710	54
16.	Uttarakhand	670	185	670	185
17.	Assam	583	580	583	252
18.	J & K	537	531	537	523
19.	Tripura	268	245	268	74
20.	Manipur	232	45	-	42
21.	Nagaland	231	33	33	2
22.	Meghalaya	112	103	109	100
23.	Sikkim	107	107	107	34
24.	Goa	58	35	50	16
25.	ANI	46	46	46	46
26.	Puducherry	45	37	45	37
27.	Mizoram	25	25	25	20
28.	Arunachal Pradesh	14	11	14	1
29.	Ladakh	10	9	10	9
30.	DNH & DD	4	2	4	-
	Total	67,930	50,455	60,382	32,084