

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**LOK SABHA
UNSTARRED QUESTION NO. 4094
TO BE ANSWERED ON 25th MARCH, 2025**

Modernization of Cooperative Banks and PACS

4094. Shri Sukanta Kumar Panigrahi:

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

- (a) the total funds allocated for the modernization of cooperative banks and PACS (Primary Agricultural Credit Societies) in Odisha;
- (b) the efforts made to introduce digital payment systems and online banking in rural cooperatives;
- (c) whether the Government plans to increase financial support for FPOs, dairy cooperatives and SHGs in these districts;
- (d) the steps taken to encourage blockchain-based cooperative models for financial transparency; and
- (e) whether the Government is considering special financial packages for cooperative-led agro-processing industries in Kandhamal, Boudh, Nayagarh, and Ganjam?

ANSWER

THE MINISTER OF COOPERATION

सहकारिता मंत्री (SHRI AMIT SHAH)

(a) The total project cost of PACS computerization under Centrally Sponsored Project for Computerization of PACS (CSPCP) is ₹2516 crore. Under the said project, a proposal has been received from the State Government of Odisha, recently.

Except 67 Multi State Cooperative Banks which are registered under Multi State Cooperative Societies Act, 2002, cooperatives banks are inherently cooperative societies which are registered under the Cooperative Society Act of the State concerned.

(b) The Government has made various efforts to introduce digital payment systems and online banking in rural cooperatives, aiming to modernize and streamline the financial services in rural areas. These initiatives focus on enhancing financial inclusion, improving transparency, and providing easier access to banking services for farmers and rural communities.

Ministry of Cooperation, Government of India is implementing a Nationwide Campaign called 'Cooperation among Cooperatives' to promote cooperation among Primary Dairy Cooperatives (PDCS) and Rural Cooperative Banks. Under this Campaign, PDCS are enrolled as Bank Mitra (Business Correspondent) of Rural Cooperative Banks (RCBs) and distribute Micro-ATMs to them to enable them to provide door-step banking services to the

members of cooperatives. Members of Cooperatives are also provided Kisan Credit Card (KCC) to enable them to avail themselves of credit at zero or low interest rate (interest subvention).

Through NABARD, focused efforts have been made to drive financial inclusion in rural areas by introducing various digital banking solutions. These include providing financial and technical support to Rural Cooperative Banks (RCBs) for Core Banking Solutions (CBS); providing one-time financial assistance to establish Banking Correspondent (BC) kiosk outlets in unbanked regions of NER; deploying handheld devices like micro-ATMs and PoS machines for digital transactions; aiding RCBs in complying with regulatory requirements; providing financial support for setting up V-SAT connectivity and deploying mobile signal boosters for better network access; supporting for Green PIN facility for activating RuPay Kisan Cards; promoting online bill payments through the Bharat Bill Payment System (BBPS) and deploying mobile demonstration vans for promoting digital literacy along with financial literacy.

(c) NCDC is one of the implementing agencies under the Central Sector Scheme-Formation and Promotion of 10,000 FPOs and is actively promoting 27 FPOs across the state of Odisha and has cumulatively disbursed ₹562.15 lakh towards their formation and promotion.

Under the Central Sector Scheme viz. National Programme for Dairy Development (NPDD) 2.0, financial assistance will be provided for the following three components:

- (i) Setting up of village level milk procurement system
- (ii) Milk Chilling facilities for quality milk procurement
- (iii) Training and capacity building

(d) Computerization of PACS, of CRCS office, of RCS offices, of ARDBs, Core Banking Solutions for Cooperative Banks, setting up of Umbrella Organization for Urban Cooperative Banks, setting up of Shared Services Entity for Rural Cooperative Banks etc. are among other steps taken for bringing about financial transparency in the cooperative sector.

(e) No such proposal is presently under consideration.
