DIGITAL TECHNOLOGY IN THE COOPERATIVE SECTOR

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The Ministry of Cooperation has undertaken several reformative measures during the last three years to promote digital technology, transparency and good governance in the cooperative sector under the vision of *"Sahkar Se Samriddhi"*. The major initiatives and their outcomes are as under:-

1. **Computerisation of Primary Agricultural Credit Societies (PACS) Project:** The Ministry is implementing the Centrally Sponsored Project for Computerisation of functional PACS with a total financial outlay of ₹2,516 Crore which has now been increased up to 2925.39 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). This has been done with a view to improving their operational efficiency, transparency and accountability through ERP-based National Software. The project facilitates standardized accounting, audit, MIS, online service delivery and integration with various national digital platforms, thereby enabling efficient governance and better service delivery to members. Under the Computerisation of Primary Agricultural Credit Societies (PACS) Project, 63,686 PACS have been onboarded on the ERP-based National Software, 54,707 PACS have been declared as e-PACS and more than **51.58 crore** digital transactions have been carried out through the software as on **15.07.2026**, leading to enhanced transparency, improved service delivery and better financial management at the grassroots level.

   To promote digital technology and transparency, the ePACS software includes the following features:

   i. **Comprehensive functional coverage:** The software comprises 22 ERP modules covering the entire spectrum of PACS operations, including credit (loan origination, sanction, disbursement and recovery), deposits, accounting, audit, member management, procurement and other business functions of PACS.
   ii. **Standardised, CAS-MIS compliant accounting:** The software generates books of accounts and financial statements in conformity with the Common Accounting System and Management Information System (CAS-MIS) norms, thereby bringing uniformity in accounting practices across PACS in the country.
   iii. **Interoperability and integration:** The software supports integration with Aadhaar-enabled services, Core Banking Systems (CBS) of StCBs/DCCBs, Point of Sale (PoS) devices, Common Service Centres (CSC), the National Cooperative Database (NCD) and State-specific portals, enabling PACS to function as part of a larger digital ecosystem.
   iv. **Digital credit delivery:** The software provides facilities such as end-to-end loan origination, KCC processing and mobile application support, facilitating faster and more transparent credit delivery to members.

v. **Secure cloud architecture:** Data of all onboarded PACS is maintained on secure, centralised cloud-based storage with appropriate cyber security safeguards, dispensing with dependence on standalone local systems and physical records.

vi. **Internal controls and on-system audit:** The software incorporates maker-checker functionality and an on-system audit module, enabling continuous monitoring of transactions and conduct of statutory audit directly on the system.

vii. **Dashboards, analytics and MIS:** Dashboards, analytics and MIS reports are available to higher-tier stakeholders for monitoring and decision support.

viii. **Multi-lingual capability:** A key feature of the software is its multi-lingual capability, which enables PACS personnel to operate the software in regional languages. At present, the software is available in 20 languages.

ix. **State-specific customisation:** While the core software is common across the country, it is customisable to accommodate State-specific bye-laws, products, processes and reporting requirements.

x. Till date, loan details of **4.02 crore borrowers** of PACS, amounting to ₹**2.3 lakh crore**, have been digitised and are available to authorised stakeholders on ePACS.

xi. Deposit details of **5.49 crore depositors**, amounting to about ₹**37,000 crore**, have also been digitised.

xii. Membership records of **10.30 crore members** are now available on ePACS. These PACS-wise, member-wise records, which were hitherto available only through physical access, are now on ePACS.

xiii. The CSC portal has been integrated with ePACS, enabling PACS to function as Common Service Centres and offer citizen-centric services. Integration with PMKSK, AgriStack and PMBJK are at advanced stages.

xiv. NABARD is in the process of implementing end-to-end digitisation of the loan process through ePACS, followed by integration with the Krishi Rin Portal (KRP), to ensure efficient loan sanction and disbursement as well as targeted delivery of interest subvention benefits to members.

xv. Through integration with the AgriStack portal, the farmer profile, land and crop details of farmers, as well as Scale of Finance (SoF) details, can be utilised for processing and sanctioning loans in the ePACS system. Further, the details of loans sanctioned through ePACS will be shared with KRP using Aadhaar as the common identifier, ensuring that interest subvention benefits are directed to loanees on an Aadhaar-authenticated basis.

xvi. A phased implementation strategy is also followed for integrating ePACS with the Core Banking Solutions (CBS) of DCCBs to enable both seven-day loan disbursal and the "paperless to cashless" goal. As this integration entails work at both the ePACS and the CBS levels, the CBS vendors of DCCBs are also required to participate in the process. The initial focus is on the TCS vendor, which covers 168 banks (StCBs/DCCBs) across 16 States, and the integration will subsequently be extended to other CBS vendors.

xvii. **Maker-checker controls:** The software provides maker-checker functionality, whereby transactions are subjected to multiple levels of verification before authorisation, thereby strengthening internal controls and reducing operational risks.

2. **Computerisation of the Office of Registrar of Cooperative Societies (RCS):** Centrally sponsored project for computerization of RCS offices in States/Union Territories has been launched by the Ministry on 30.01.2024 with a budgetary outlay of Rs.94.59 crore for three years w.e.f. 2023-24. This is a part of the umbrella project of "Strengthening Cooperatives Through IT Interventions" of the Ministry. The project aims to enhance the ease of doing business for Cooperative Societies and create a digital ecosystem for transparent, paperless interaction of cooperative societies with the

RCS offices in all States/Union Territories. Under the project, grants are being provided to the States/ UTs for procurement of hardware, development of software, maintenance & upgradation of software, etc. The software developed under this scheme will be as per the Cooperative Acts of the respective States/UTs. During the financial years 2023-24, 2024-25, 2025-26 and 2026-27 (up to 15th July, 2026), 35 States/UTs have submitted their proposals, and Rs 43.21 crore has been released as the Government of India's share to States/UTs. The integrated digital RCS portals of 7 States/UTs have been gone live and integrated with National Cooperative Database also.

3. **Computerization of Agriculture and Rural Development Banks (ARDBs):** To strengthen the long-term cooperative credit structure, the project of computerization of 1,851 units of Agriculture and Rural Development Banks (ARDBs) spread across 13 States/ Union Territories has been approved by the Government. NABARD is the implementing agency for the project. So far, proposals from 10 States/UTs have been received and sanctioned with 1,422 units. Further, GOI share amounting to Rs 16.74 crore has been released to 10 States/UTs in FY 2023-24, FY 24-25, FY 2025-26 and FY 2026-27 for procurement of hardware, digitization, and setting up of support systems. Till date, 9 States/UTs have procured the Hardware under the project.
4. **National Cooperative Database (NCD):** A comprehensive database of cooperatives in the country has been developed with the support of State Governments to facilitate stakeholders in policy making and implementation of programmes/ schemes related to cooperatives across the country. The NCD portal was launched by Hon'ble Home & Cooperation Minister on 08.03.2024. So far, the database includes data on around 8.6 lakh cooperatives from 30 different sectors, involving approximately 32 crore members.
5. **Launch of National Cooperative Database (NCD) portal 3.0:** The upgraded / enhanced version **NCD portal 3.0** was officially launched by Hon'ble Home & Cooperation Minister on 06.07.2026. The NCD portal 3.0 provides several new features, including OTP-based secure login, cooperative society-level user access and dashboards, AI Chatbot, village-level GIS mapping, multilingual support through Bhashini integration, API integration with State RCS portals for real time updation of data, feedback mechanism, and call management and technical helpdesk support, improved frontend framework and database for enhanced security and faster access etc.
6. **Launch of NCD GeoTag Mobile Application**: The NCD GeoTag Mobile Application has been developed for capturing the GPS location (latitude and longitude) of all functional cooperatives. It was launched on 06.07.2026 by Hon'ble Home & Cooperation Minister. The mobile application will also enable accurate geo-tagging and GIS-based mapping of cooperatives on the NCD Portal.
7. **Computerisation of the Office of Central Registrar of Cooperative Societies (CRCS):** The Office of Central Registrar of Cooperative Societies has been computerized to create a digital ecosystem for Multi-State Cooperative Societies by enabling online registration, amendment of bye-laws and time-bound delivery of services.
8. **Cooperative Ranking Framework:** The Government launched the Cooperative Ranking Framework on 24th January 2025 to assess and rank cooperatives, State-wise and sector-wise. This ranking framework enables State RCS to assess Cooperative Societies' performance based on key parameters, including audit compliance, operational activities, financial performance, infrastructure, and basic identity information. The States/ UTs can generate rankings of Cooperative Societies of 12 major sectors, namely PACS, Dairy, Fishery, Urban Cooperative Banks, Housing, Credit and Thrift, and Khadi and Gram Udyog, Agro processing / Industrial, Handicraft, Handloom, Textile & Weavers, Multipurpose and Sugar at State, district, and block levels, through the NCD portal. This ranking system aims to enhance transparency, reliability and competitiveness among cooperative societies, ultimately fostering their growth.
9. **Facility for States / UTs to integrate State RCS portal with NCD portal through API:** The Ministry of Cooperation (MoC) developed a standard API for States to fetch the entire data of cooperative societies of the State from the NCD portal to their respective RCS portals, and shared

the Standard API Specification Document and database schema with States on 27.05.2025. Subsequently, the Ministry shared a document on Push APIs (End Point APIs) for live, event-driven data pushing from RCS portals to the NCD Portal, enabling real-time updates and new registration data, on 22.09.2025. To further clarify the process, an advisory along with a comprehensive checklist was issued to all States / UTs on 14.11.2025. As per the integration plan, States/UTs need to ensure the development of reverse/pull API at their end and complete RCS computerization in accordance with the checklist for successful integration with the NCD portal. As of 15.07.2026, the States of Rajasthan, Chhattisgarh, Bihar, Mizoram and Sikkim, and UTs of Dadra and Nagar Haveli & Daman and Diu and Andaman and Nicobar Islands have completed integration with the NCD portal. This two-way integration will ensure synchronization of cooperative data across platforms.

10. **Digital Services and Technology Integration:** The ERP-based software developed for PACS supports integration with various digital platforms such as Core Banking System (CBS), National Cooperative Database (NCD), Common Service Centres (CSC) and other digital service platforms, enabling PACS to function as vibrant multipurpose economic institutions and provide diversified services to their members.
11. **Strengthening Governance Framework:** The Ministry has undertaken several policy and institutional reforms, including establishment of the National Cooperative Database, formulation of the National Cooperation Policy, 2025, promotion of transparent and professionally managed cooperatives, and technology-driven monitoring systems to improve governance, accountability and ease of doing business in the cooperative sector.
12. **Urban Cooperative Banks (UCBs) have been allowed to open new branches to expand their business:** UCBs can now open new branches up to 15% (maximum 10 branches) of the existing number of branches in the previous financial year without prior approval of the RBI.
13. **UCBs have been allowed by the RBI to offer doorstep services to their customers:** Doorstep banking facility can now be provided by UCBs. Account holders of these banks can now avail various banking facilities at home, such as cash withdrawal, cash deposit, KYC, demand draft, and life certificate for pensioners, etc.
14. **Umbrella Organization for Urban Cooperative Banks:** National Urban Cooperative Finance and Development Corporation (NUCFDC) has been established with the approval of the RBI as an Umbrella Organization (UO) for the UCB sector, which is providing necessary IT infrastructure and operational support to around 1,500 UCBs. It has launched various services like Digi Loan and Digi Pay.
15. **Cooperative banks have been allowed to make one-time settlement of outstanding loans, like Commercial Banks:** Co-operative banks, through board-approved policies, can now provide the process for settlement with borrowers, along with technical write-off.
16. **License fee reduced for Cooperative Banks for AePS:** License fee for onboarding Cooperative Banks to ‘Aadhaar Enabled Payment System’ (AePS) has been reduced by linking it to the number of transactions. Cooperative financial institutions are now to get the facility free of cost for the first three months of the pre-production phase. With this, members of onboarded Banks are now able to get the facility of banking at their home through biometrics.
17. UIDAI on 01.08.2025 has introduced a **new framework for onboarding of Cooperative Banks on the Aadhaar Enabled Payment System (AePS)**. Now, only StCBs are required to onboard as Authentication User Agencies (AUA)/eKYC User Agencies (KUA); DCCBs will be allowed to use it through State Cooperative Bank as sub AUA/KUA, free of cost.
18. **Sahakar Sarathi (Shared Service Entity):** Sahakar Sarathi (Shared Service Entity) Private Limited has been established after approval of the RBI to provide technological services to Rural Cooperative Banks (RCBs) and their strengthening. This has launched 13 services for the Rural Cooperative Banking Sector.

19. RBI vide its Notification dated 07.10.2025, has included rural cooperative banks in its **Integrated Ombudsman Scheme**. This will bring more transparency and accountability to the functions of rural cooperative banks.
20. RBI vide Master Direction dated 04.12 2025, has allowed **State Cooperative Banks (StCBs) and District Central Cooperative Banks (DCCBs) to open new branches (maximum 10) through** an **automatic route**. StCBs & DCCBs, subject to eligibility, will now be able to open new branches without delay and can expand their business.
21. RBI vide Master Direction dated 28.11.2025, has granted relaxation to the **Rural and Urban cooperative banks in financial norms for providing modern banking services**. The previous requirements of Gross NPA being less than 7% and Net NPA not exceeding 3%, and the net profit criterion have been removed. Now the cooperative banks can easily provide modern banking services to their customers.
22. RBI vide Master Direction dated 04.12.2025, has issued **Eligibility Criteria norms for Business Authorisation (ECBA), which will supersede the previous FSWM provisions**. The clause regarding no penalties in the last two years has been removed from these norms. Now the Cooperative Banks will be able to easily open new branches and expand their business.
23. Promotion of Good Governance

a. Cooperative Governance Index (CGI) for RCBs

A first-of-its-kind framework developed by NABARD to assess, quantify and benchmark governance standards in StCBs and DCCBs, supported by a digital portal with dashboards and role-based access.

Outcome: The CGI portal for RCBs went live on 01 April 2026, converting governance from a qualitative to a measurable, comparable and monitorable parameter and enabling targeted remedial action.

b. Enhanced CAMELSC Framework, SuperSoft and risk-based supervision

NABARD introduced the Enhanced CAMELSC Framework in a graded manner in RCBs — an intermediate step towards Risk-Based Supervision — capturing governance, internal controls, IT risk and cyber-security parameters, supported by the digital supervisory platform SuperSoft for inspection, compliance tracking and supervisory analytics.

Outcome: A more data-driven, forward-looking and risk-sensitive supervisory ecosystem for the cooperative sector.

c. Model policies aligned with RBI Master Directions

NABARD has initiated development of 26 model policies covering governance, IT, cyber security, audit, compliance and risk management, aligned with RBI's consolidated Master Directions, for uniform adoption by RCBs.

d. Governance, capacity building and supervisory oversight

Institution-specific Turn Around Plans (TAPs) for weak banks, professionalisation of management, strengthening of internal audit and Board-level Audit/Risk Committees, and structured training of Directors, CEOs, credit, recovery and audit staff at NABARD's training establishments.

The reformative measures undertaken by the Ministry have significantly strengthened digital technology adoption, transparency and good governance in the cooperative sector. These initiatives have enabled digitization of cooperative institutions through ERP-based software, standardized accounting systems, digital record management, online monitoring, audit trails and real-time Management Information Systems (MIS), resulting in improved operational efficiency, transparency and accountability.

Overall, these digital interventions have promoted transparency, accountability, evidence-based decision-making and efficient governance, while facilitating better delivery of services to cooperative societies and their members across the country.

This information was given by Union Home Minister and Minister of Cooperation, Shri Amit Shah in a written reply in Rajya Sabha.

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