

GOVERNMENT OF INDIA  
MINISTRY OF COOPERATION  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 804**  
TO BE ANSWERED ON 14/12/2022

**Utility of PACS**

**804. # Smt Geeta alias Chandraprabha:**

Will the Minister of **Cooperation** be pleased to state:

- (a) the utility of village-level Primary Agricultural Credit Societies (PACS)
- (b) whether Co-operative credit line is restructured through these societies in rural areas; and
- (c) the plans formulated by Government to strengthen these Co-operative, the details thereof?

**ANSWER**

MINISTER OF COOPERATION (SHRI AMIT SHAH)

(a) to (c) : PACS constitute the lowest tier of the short-term cooperative credit structure in the country at panchayat/ village level. They serve as a crucial link in sustaining the rural economy of the country by providing short-term and medium-term credit and other input facilities such as fertilizers, pesticides, seeds, etc. to farmers. There are nearly 95,000 PACS in the country, with a member base of around 13 crores. These are refinanced by NABARD through 351 District Central Cooperative Banks (DCCBs) and 34 State Cooperative Banks (StCBs). The StCBs and DCCBs together provide nearly ₹ 5 lakh crore rural credit annually, out of which ₹ 1.3 lakh crore is refinanced by NABARD.

In order to improve transparency, increase efficiency, ensure speedy disbursal of loans, have seamless accounting with DCCBs and StCBs and reduce imbalances in payments, a project for Computerization of 63,000 functional PACS in three years with a total financial outlay of ₹ 2,516 Crore has been approved by the Cabinet Committee on Economic Affairs vide its decision dated 29<sup>th</sup> June, 2022. This project entails bringing all the functional PACS onto an ERP (Enterprise Resource Planning) based common software, linking them with NABARD through StCBs and DCCBs. Implementation of Common Accounting System (CAS) and Management Information System (MIS) would enable PACS to carry out their operations online and obtain refinance/ loans from NABARD through DCCBs and StCBs.

Presently, the economic activities undertaken by PACS are restricted by their respective byelaws, which in most cases, have become outdated and need to be revised. In order to strengthen the PACS and diversify their business activities to make them vibrant economic entities at Panchayat level, model byelaws of PACS have been prepared by the Ministry after consultation with all the States/ Union Territories, Ministries/ Departments concerned in Government of India, NABARD, NAFSCOB, State Cooperative Banks, District Cooperative Banks, etc. These Model byelaws of PACS will enable them to undertake more than 25 business activities which, inter alia, include dairy, fishery, floriculture, setting up of godowns, procurement of foodgrains, fertilizers, seeds, LPG/CNG/Petrol/Diesel distributorship, short-term & long-term credit, custom hiring centers, common service centers, Fair Price Shops (FPS), community irrigation, Business Correspondent activities, Common Service Centre, etc.

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