

Computerisation of Primary Agricultural Credit Societies (PACS)

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In news- The Cabinet Committee on Economic Affairs chaired by the Prime Minister has recently approved Computerization of Primary Agricultural Credit Societies (PACS).

Computerization project-

- This **project proposes computerization of about 63,000 functional PACS over a period of 5 years** with a total budget outlay of Rs. 2516 crore with Government of India share of Rs. 1528 crore.
- Majority of PACS have so far been not computerised and still functioning manually resulting in inefficiency and trust deficit.
- There is no uniformity in the software being used by them and they are not interconnected with the District Central Cooperative Banks (DCCBs).
- **Hence, it has been proposed to computerize all the PACS throughout the Country** and bring them on a common platform at National level and have a Common Accounting System (CAS) for their day to day business.
- PACS will be digitised at a cost of ₹2,516 crore, which will benefit about 13 crore small and marginal farmers.
- Each PACS will get around ₹4 lakh to upgrade its capacity and even old accounting records will be digitised and linked to a cloud based software.
- Its **objective is increasing the efficiency of PACS**, bringing transparency and accountability in their operations; facilitating PACS to diversify their business and undertake multiple activities/ services.
- The project will help in improving the outreach of the

PACS as outlets for banking activities as well as non-Banking activities apart from improving digitalisation in rural areas.

- The software will be made available in local languages for the convenience of the people.
- PACS will also become a nodal centre for providing various services such as Direct Benefit Transfer (DBT), Interest Subvention Scheme (ISS), Crop Insurance Scheme (PMFBY), and inputs like fertilizers and seeds.

Primary Agricultural Credit Societies (PACS)-

- A PACS is a basic unit and **smallest co-operative credit institution in India.**
- The PACSs constitute the **lowest tier of the three-tier Short-term cooperative credit (STCC)** in the country comprising approx.13 Cr. farmers as its members, which is crucial for the development of the rural economy.
- PACS **account for 41 % (3.01 Cr. farmers) of the Kisan Credit Card (KCC) loans** given by all entities in the Country and 95 % of these KCC loans (2.95 Cr. farmers) through PACS are to the Small and Marginal farmers



- **The other two tiers viz. State Cooperative Banks (StCBs) and District Central Cooperative Banks (DCCBs) have already been automated by the NABARD and brought on Common Banking Software (CBS).**