

# 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).**