

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**LOK SABHA
STARRED QUESTION NO. 39
TO BE ANSWERED ON 22nd JULY, 2025**

Transforming of PACS into Multi-Functional Service Hubs

39 # Shri Praveen Khandelwal:

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

- (a) whether the Government has taken steps to transform Primary Agricultural Credit Societies (PACS) into multi-functional service hubs by integrating them with major Government schemes under the PACS computerisation programme, if so, the details thereof;
- (b) whether the Government proposes to expand the role of PACS beyond agricultural credit to include procurement, agri-input supply, storage, insurance facilitation and other economic activities at the village level, if so, the details thereof;
- (c) whether emerging technologies such as Artificial Intelligence, Internet of Things and precision agriculture tools are being incorporated into PACS operations through national-level pilot projects, if so, the details thereof;
- (d) whether any progress has been made in creating the National Database of Cooperatives for identifying underserved regions and targeting scheme delivery through cooperatives, if so, the details thereof; and
- (e) whether the Government proposes to formulate a long-term strategy to develop PACS as 'One Stop Shops' for last-mile service delivery and rural economic inclusion and if so, the details thereof?

ANSWER

**THE MINISTER OF COOPERATION
सहकारिता मंत्री (SHRI AMIT SHAH)**

- (a) to (e): A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) IN RESPECT OF
LOK SABHA STARRED QUESTION NO. 39 FOR REPLY ON 22ND JULY, 2025
ASKED BY SHRI PRAVEEN KHANDELWAL REGARDING TRANSFORMING OF
PACS INTO MULTI-FUNCTIONAL SERVICE HUBS.**

(a) The Government is actively computerizing PACS with Enterprise Resource Planning (ERP) tools and transforming them into multi-functional service hubs by integrating them with over 25 Government schemes expanding PACS into dairy, fisheries, warehousing, retail, financial and non-financial services, these reforms are geared to make PACS the backbone of rural service delivery under “Sahakar se Samridhi.”

1. PACS Computerisation Scheme

- On **29 June 2022**, the Cabinet approved a Centrally Sponsored Scheme to computerize approximately **63,000 functional PACS** over five years (2022–23 to 2026–27) with a total budget of **₹2,516 crore**, including ₹1,528 crore from GoI, ₹736 crore from States, and ₹252 crore from NABARD
- NABARD is the implementing agency of this project, providing requisite computer hardware and peripherals together with Enterprise Resource Planning (ERP) based common software to enable all the PACS to capture records of all credit and non-credit operations digitally and seamlessly in an efficient and transparent manner. The project comprises the development of cloud-based common software with cyber security, uploading and building a National Level Data Repository (NLDR), training, and other support services. This software is in vernacular language having the flexibility of customisation as per the needs and requirements of the States.
- **On-Ground Progress :** 73,492 PACS across 31 States/UTs have been approved for inclusion in the project. Now, the original cost of this project has increased to ₹2,925.39 crore.
- **Integration with Government Schemes:** Under this initiative, PACS are developed as hubs for delivering benefits from schemes such as PM-Kisan, PMFBY, interest subvention, fertiliser and seed distribution, PDS outlets, LPG/Petrol/Diesel dealerships, custom hiring, Jan Aushadhi Kendras, Common Service Centres, etc..
- **Multi-Purpose PACS Establishment**
 - The Cabinet on 15.02.2023, approved the formation of **multi-purpose PACS/dairy/fisheries cooperatives** in every uncovered Panchayat, converging schemes like Dairy Infrastructure Development Scheme (DIDF), Pradhan Mantri Matsya Sampada Yojana (PMMSY), National Programme for Dairy

Development (NPDD), National Dairy Development Board (NDDB) & National Fisheries Development Board (NFDB).

- A **Standard Operating Procedure** (“Margdarshika”) was issued on **19 Sep 2024** to define targets and timelines.

2. Empowering PACS under Model Bye-Laws

- **Diversification of Activities:** New model bye-laws (circulated Jan 2023) enable PACS to undertake **over 25 business activities**, including dairy, fisheries, floriculture, warehousing, PDS, LPG/CNG distribution, custom hiring, insurance, banking services, community irrigation, etc.
- **ERP Modules for Multi-Service Delivery:** The computerization ERP covers modules for credit (short/med/long-term), procurement, PDS operations, warehousing, merchandising, asset management, HR, and more

(b) The Government of India has taken several initiatives to strengthen the Cooperative Sector across the country alongwith Primary Agricultural Credit Societies (PACS) beyond agricultural credit. These initiatives is aimed at strengthening rural infrastructure and enhancing income-generating opportunities at the village level. Under these initiatives, PACS can undertake a wide range of activities, including:

1. **Procurement of agricultural produce** on behalf of government agencies.
2. **Supply of agri-inputs** like seeds, fertilizers, and pesticides.
3. **Warehousing and storage** facilities include cold storage and godowns.
4. **Insurance facilitation** for crops, livestock, and health under schemes like PMFBY.
5. **Distribution of LPG, petrol, and diesel**, along with running **Fair Price Shops (FPS)**.
6. Acting as **Common Service Centres (CSCs)** to provide digital and financial services.
7. Setting up **Jan Aushadhi Kendras** to supply affordable medicines.
8. Facilitating **minor irrigation**, fishery, and dairy activities.
9. Providing services related to banking, marketing, and rural development schemes.

This multi-functional transformation is supported by a unified **ERP-based software platform** and is part of the Government’s larger “**Sahakar se Samridhi**” (Prosperity through Cooperation) vision.

(c) No, but there is scope for its possible incorporation in PACS Computerization Project, depending on need and viability.

(d) A comprehensive National Cooperative Database (NCD) has been developed by Ministry of Cooperation, Government of India, with the support of States / UTs. The NCD portal was launched on 08th March 2024. This database provides a single-point access to information on over 8.25 lakh cooperatives across the country.

The NCD is accessible at URL: <https://cooperatives.gov.in>.

This database can be used by policy makers, administrators, academia/researchers, banks/financing agencies, market players etc. The NCD captures data on parameters such as sector, location and geographical spread/jurisdiction, membership, economic activities, linkages etc of individual cooperatives.

The NCD Database is used for identifying the gaps so that new cooperatives gets promotion. The database also helps in delivery and targeting of schemes meant for various cooperatives.

(e) Yes, the Government has committed to formulate a **long-term strategy** to integrate Primary Agricultural Credit Societies (PACS) as ‘**multi-service hubs**’.

- i. **Sahakar Se Samriddhi Vision:** The Ministry of Cooperation aims to expand PACS into 2 lakh units, ensuring at least one PACS in every panchayat to act as a single-window service center for farmers and rural households.
- ii. **Model Bye-Laws & Legal Reforms:** The introduction of model bye-laws allows PACS to undertake over 25 business activities, enabling them to evolve into comprehensive rural economic units.
- iii. **Digital & Infrastructure Support:** The PACS computerisation programme ensures deployment of ERP software, real-time data systems, and support for tech integration (like AI, drones, IoT) to strengthen their multifunctionality.

This strategic push positions PACS as key instruments for **financial inclusion, Agri-services, welfare delivery, and digital governance** in rural India.
