

GOVERNMENT OF INDIA
MINISTRY OF COOPERATION

RAJYA SABHA
UNSTARRED QUESTION NO. 321
ANSWERED ON 06/12/2023

Model Bye-laws for PACS

321 # Shri Biplab Kumar Deb:

Will the Minister of COOPERATION be pleased to state:

- (a) whether the model bye-laws made by the Ministry have been circulated to the States;
- (b) if so, the manner in which these bye-laws will benefit the PACS and the farmers associated with them; and
- (c) the names of the stakeholders with whom Ministry had discussions before making model bye-laws for PACS?

ANSWER

THE MINISTER OF COOPERATION

(SHRI AMIT SHAH)

(a) to (c): In order to improve the viability of Primary Agricultural Credit Societies (PACS) and diversify their business activities to transform them into vibrant economic entities at Panchayat/village level, Model Byelaws have been framed by Ministry of Cooperation.

In order to prepare the Model Byelaws, a National Level Committee was constituted with representatives from NABARD, State Cooperative Banks, Vaikunth Mehta National Institute of Co-operative Management (VAMNICOM), National Council for Cooperative Training (NCCT), etc. The Draft Model Byelaws prepared by the committee were circulated on July 1, 2022 to all the stakeholders such as States/Union Territories, Central Government Ministries, NABARD, National Level Federations, State Cooperative Banks, District Central Cooperative Banks and general public for their comments and were also posted on the website of the Ministry of Co-operation for feedback/suggestions.

More than 1,500 suggestions were received from various stakeholders including all the State Governments and Union Territories, which were suitably incorporated in the draft Model Byelaws.

After incorporating the suggestions received, Model Byelaws were circulated to all the States/ UTs on 5th January, 2023 for their adoption by PACS after making suitable changes as per respective State Cooperative Acts. Model Byelaws have been adopted by 31 States/UTs.

The Model Byelaws will enable PACS to diversify their business activities by undertaking more than 25 business activities, including dairy, fishery, floriculture, setting up godowns, procurement of foodgrains, fertilizers, seeds, LPG/CNG/Petrol/Diesel distributorship, short-term & long-term credit, custom hiring centers, Fair Price Shops (FPS), community irrigation, Business Correspondent activities, Common Service Centre, etc. Provisions have also been made to make the membership of PACS more inclusive and broad-based, giving adequate representation to women and Scheduled Castes/Schedules Tribes.

By adopting Model Byelaws, PACS would be able to serve as multi-service centers, improve their operational efficiency, transparency and accountability and provide agricultural credit and various non-credit services, etc. in rural areas.

The Model Byelaws will help farmers in getting short-term, medium-term and long-term credit and other services such as fertilizers, seeds, pesticides, storage facilities, banking services, etc. at one stop for meeting their varied needs. Farmers will also be able to obtain benefits of social security schemes, micro insurance, more than 300 e-services of CSC, etc. Through diversification of business activities, Model Byelaws will also enable farmers to get additional and stable sources of income.
