

Guidelines

CENTRALLY SPONSORED PROJECT FOR

“STRENGTHENING OF COOPERATIVES THROUGH IT INTERVENTIONS”

1. INTRODUCTION

1.1 In order to realize the vision of “Sahakar-se-Samriddhi”, Ministry of Cooperation has taken several initiatives to strengthen the cooperative movement in the country, including strengthening of Primary Agricultural Credit Societies (PACS) through computerization. Ministry has also taken steps for computerization of the office of Central Registrar of Cooperative Societies for providing a comprehensive enabling digital ecosystem for the multi-State cooperative societies.

1.2 In this direction, a centrally sponsored project, namely, “Strengthening of Cooperatives through IT Interventions” has been approved for end-to-end computerization of Agricultural & Rural Development Banks (ARDBs) in 13 States/ UTs and Computerization of Office of Registrar of Cooperative Societies (RCS) of States/UTs. A central PMU will be established for monitoring, supervising and hand-holding of the States/ UTs in the implementation of the project.

1.3 The cost of the project has been estimated at Rs. 225.09 cr. with Government of India share of Rs. 157.90 cr. and State share of Rs. 41.22 cr. and ARDBs share of Rs. 25.97 cr.

2. BACKGROUND

2.1 There are three components under this project:

- (A) Computerization of ARDBs
- (B) Computerization of Office of Registrar of Cooperative Societies (RCS) of States/UTs
- (C) Central Project Management Unit (PMU)

Computerization of ARDBs

2.2 The Long-Term Cooperative Credit Structure (LTCCS) consists of Cooperative Agriculture and Rural Development Banks at State and primary levels, which are primarily engaged in providing long term finance to farmers. As on today, fully functional State Cooperative Agriculture and Rural Development Banks (SCARDBs) exist in 13 States/ UTs.

2.3 However, the structural pattern differs across the States/ UTs, with 7 States following a two-tier federal structure (Haryana, Karnataka, Kerala, Punjab, Rajasthan, Tamil Nadu and West Bengal) and 6 States/ UTs following a unitary structure with branches at grassroot level (Gujarat, Himachal, Jammu & Kashmir, Pondicherry, Tripura and Uttar Pradesh).

2.4 The State/UT-wise details of total number of operational units of ARDBs are as follows:

S. No.	State/UT	No. of operational units					
		Head Office	SCARDB Branches	Supervisory Units	PCARDBs	PCARDB Branches	Total Network
1	Gujarat	1	177	17	-	-	195
2	Haryana	1	-	-	19	70	90
3	Himachal Pradesh	1	52	3	1	31	88
4	Jammu & Kashmir	1	50	-	-	-	51
5	Karnataka	1	-	25	181	-	207
6	Kerala	1	-	16	76	162	255
7	Pondicherry	1	1	-	-	-	2
8	Punjab	1	-	23	89	-	113
9	Rajasthan	1	-	2	36	124	163
10	Tamil Nadu	1	-	19	180	-	200
11	Tripura	1	5	-	-	-	6
12	Uttar Pradesh	1	323	18	-	-	342
13	West Bengal	1	11	3	24	100	139
Total		13	619	126	606	487	1851

2.5 The ARDBs are refinanced by NABARD. Other than providing long-term credit to farm (minor irrigation, micro irrigation, farm mechanization, etc.) and non-farm sector (rural micro and small enterprises, rural housing, etc.), the ARDBs also extend non-credit services and undertake non-fund-based activities, like sale of insurance products, safe deposit services, etc.; mobilize resources for lending; undertake training and capacity building of staff and members.

2.6 In order to improve their operational efficiency, bring uniformity in accounting practices and core aspects of the systems followed in lending, recovery and raising resources, and to aid in their business expansion, there is a need to computerize ARDBs in line with the centrally sponsored project for computerization of Primary Agricultural Credit Societies (PACS) currently under implementation.

Computerization of Office of Registrar of Cooperative Societies (RCS) of States/UTs

2.7 India has more than 8.54 lakh cooperatives registered under various State Cooperative Societies Acts and the Central Multi-State Cooperative Societies Act, 2002. There are about 29 crore members of these cooperative societies with an estimated 40 lakh employees and 80 lakh board members. These cooperative societies contribute substantially to the national economy in various sectors such as 28.8% in fertilizer production, 35% in fertilizer distribution, 30.6% in sugar production, 17.5% in procurement of marketable surplus of milk, etc.

2.8 As part of various steps taken by Ministry for promoting 'Ease of doing business', in Cooperative Sector, the Office of Central Registrar of Cooperative Societies (CRCS), which is responsible for administration of Multi State Cooperative Societies (MSCS) Act, 2002, has been computerized by developing an integrated portal to create a digital ecosystem for Multi State Cooperative Societies to facilitate their activities including Registration of new societies.

2.9 The success of every Government initiative depends on its reach to the grassroot levels. For smooth and efficient functioning of cooperatives in the country, the development of integrated digital portal and computerization of office of Registrar of Cooperative societies of States / UTs is also the need of the hour, as majority of the cooperatives are governed by the State / UT's Cooperative Act.

3. Project Details

3.1 Title of the Project

Centrally Sponsored Project for "Strengthening of Cooperatives Through It Interventions"

3.2 Sponsoring Agency

Ministry of Cooperation, Government of India.

3.3 Duration of the Project

For a period of three years from 2023-24 to 2025-26

3.4 Sunset Date of the Project

Sunset Date of the Project will be 31st March, 2026

3.5 Type of Project

Centrally Sponsored Project with one-time assistance from the Gol. Extant Centrally Sponsored Scheme (CSS) guidelines are applicable

3.6 Project Beneficiaries

2.1.1 Computerization of ARDBs will benefit 1.2 cr. farmer members of 1851 units of SCARDBs and PCARDBs in 13 States/ UTs. These institutions are the main source of long-term lending in rural economy.

2.1.2 Computerization of Office of Registrar of Cooperative Societies (RCS) of 36 States / UTs Project would improve the operational efficiency and service delivery of the RCS offices thereby benefitting more than 8.4 lakhs cooperative societies registered under RCS of States / UTs, leading to more transparency and ease of doing business.

4. Project Cost, Source of Funding and Funding Pattern

4.1 Project Cost

Sl. No.	Name of the Components	Budget Outlay (Rs. In crore)
1	Computerization of Agriculture & Rural Development Banks (ARDBs)	119.40
2	Computerization of Office of Registrar of Cooperative Societies (RCS) of States/UTs	94.59
3	Central Project Monitoring Unit (CPMU)	11.10
	Total Outlay	Rs.225.09

4.2 Component wise Cost:

(A) Computerization of ARDBs

S. No.	Component	Total estimated cost including GST (Rs. in Cr.)	Source of funds
1	Hardware	63.06	Gol + State + ARDBs
2	Digitization	24.03	Gol + State + ARDBs
3	Support System	16.80	Gol + State + ARDBs
4	Customization of Software with Cyber security and Data Centre	15.51	Gol
	Total	119.40	

(B) Computerization of Office of Registrar of Cooperative Societies (RCS) of States/UTs

S. No.	Component	Total estimated cost including GST (Rs. in Cr.)	Source of funds
1.	Software Development (Rs. 1.5 crores to each State / UT)	54.00	Gol
2.	Maintenance	10.80	Gol+State
3.	Cloud Infrastructure (break-up in table below)	11.64	Gol + State
4.	PC, UPS, Multi-functional Printer	18.15	Gol + State
	Total	94.59	

(C) Rs. 11.10 Cr. for Central PMU to be shared by Gol

Total Estimated Cost: Rs. 225.09 Cr.

4.3 Source of Funding

Agency	Total Estimated Cost including GST (Rs. In Cr.)			
	Computerization of ARDBs	Computerization of Office of the RCS of States/UTs.	Central PMU	Total
Gol	63.95	82.85	11.10	157.90
States/UTs	29.48	11.74	-	41.22

ARDBs	25.97	-	-	25.97
Total	119.40	94.59	11.10	225.09

4.4 Funding Pattern

(A) Computerization of ARDBs

4.4.1 Hardware, Digitization and Support System: There is a need to procure hardware and undertake digitization for this project, the requirement and cost of which, shall differ from State to State depending upon various factors, including total number of operational units of ARDBs (total network) in the State, their branches, supervisory units, etc. The cost of hardware and digitization would be shared between the Government of India, State Government and the ARDBs. Total estimated cost is Rs. 103.89 cr. including 18% GST. 25% of this cost (Rs.25.97 Crore) will be borne by ARDBs and remaining 75% (Rs.77.91 Crore) will be borne by Government of India (Gol) and General States in 60:40 ratio, for NER and Hilly States 90:10, for UTs with Legislature (J&K and Puducherry) 80:20 and for UTs without legislature, 100% cost will be borne by Gol.

4.4.2 Comprehensive software: The national software being developed by NABARD for computerization of PACS project may be utilized for computerization of ARDBs as well, along with cyber security and data storage. There will be minor additional cost for customization of software according to the requirement of the SCARDBs/ PCARDBs. Total estimated cost for customization of Software is Rs. 15.51 cr. including 18% GST. Cost of this component will be borne by Gol.

(B) Computerization of Office of Registrar of Cooperative Societies (RCS) of States/UTs

4.4.3 Hardware procurement: Total estimated cost is Rs.29.79 Crore (including GST). The cost will be borne by Government of India (Gol) and General States in 60:40 ratio, for NER and Hilly States 90:10, for UTs with Legislature (J&K and Puducherry) 80:20 and for UTs without legislature, 100% cost will be borne by Gol.

4.4.4 Software Development: Total estimated cost is Rs. 54 Crore (including GST). Cost of this component will be borne by Government of India.

4.4.5 Maintenance and Upgradation of Software: The total estimated cost is 10.80 Cr (including GST). The cost for maintenance and upgradation of the software during the second and third year of the project shall be borne by Government of India (Gol) and General States in 60:40 ratio, for NER and Hilly States 90:10, for UTs with Legislature (J&K and Puducherry) 80:20 and for UTs without legislature, 100% cost will be borne by Gol.

(C) Central Project Management Unit (PMU):

4.4.6 Estimated cost is Rs.11.10 crore for Central PMU, training, contingencies and other administrative expenses. The cost will be borne by Gol.

5. Implementation Methodology

5.1 Computerization of ARDBs

5.1.1 NABARD shall be the implementing agency for the computerization of ARDBs, over a period of three years, including handholding and support for the two years from the "Go-Live". Customized version of National **Software** for PACS may be utilized for the Computerization of ARDBs. NABARD may utilize the services of National Level PACS Software Vendor (NLSPV) for the customization of the software.

5.1.2 Existing data centre, Project Monitoring Units (PMUs) and **System Integrators** empaneled for computerization of PACS may be utilized for implementation of the current proposal as well.

5.1.3 Hardware: On the basis of various factors, including the total business handled by PCARDBs and their branches, branches of SCARDBs, the Supervisory units and the Head Offices, and their respective employee strength, the requirement of hardware would vary. Accordingly, the Project has the provision of 2 computer systems (hardware) for PCARDBs, their branches and SCARDBs branches (total 1,712 operational units); 3 computer systems for supervisory units (total 126 operational units) and more than 3 computer systems for Head Offices of ARDBs (total 13 operational units). Requirements of hardware for Head Offices of SCARDBs would vary from State to State. Total comes to **4127** Computer Systems as per details given below: -

Particulars	No. of operating units	Requirement of Hardware per unit	Total
Retail outlets (branches of SARDBs, PCARDBs and branches of PCARDBs)	1712	2	3424
Supervisory units	126	3	378
HO	13	25	325
Total	1851		4127

5.1.4 Accordingly, the State-wise break up of hardware requirement is as given below:

S. No.	State/UT	Total Network	No. of Hardware Units required
1	Gujarat	195	440
2	Haryana	90	203
3	Himachal Pradesh	88	202
4	Jammu & Kashmir	51	115
5	Karnataka	207	467
6	Kerala	255	559
7	Pondicherry	2	17
8	Punjab	113	272
9	Rajasthan	163	351
10	Tamil Nadu	200	432
11	Tripura	6	15
12	Uttar Pradesh	342	740
13	West Bengal	139	314
		1851	4127

5.1.5 States/ UTs to procure hardware for the project through Government e-Marketplace (GeM) Portal.

5.1.6 NABARD shall implement the project at the Central level under the guidance and directions of the already constituted NLMIC for the Computerization of PACS project and Ministry of Cooperation. It will also establish a core team of its officers for this purpose,

which will be assisted by the existing Project Monitoring Unit (PMU) established for the Computerization of PACS project, manned by professionals and experts. It will also act as a custodian on behalf of GoI of the common software, database, data-repository and all the financial and personal data generated/captured on the software. After completion of the project, NABARD will manage the system in coordination with the State Governments and will be responsible for its sustainability.

5.1.7 Further, if any PCARDB, SCARDB, their branches, Supervisory units and Head Offices have undertaken computerization on their own before the 'Computerization of ARDBs Project' is announced by GOI, they shall be eligible for reimbursement @ Rs. 50,000/- per operational unit for the component of Hardware, subject to the condition that they adopt the common national software being developed for the project

5.2 Computerization of Office of Registrar of Cooperative Societies (RCS) of States/UTs

5.2.1 The project of Computerization of Office of Registrar of Cooperative Societies (RCS) of States/UTs shall have 3 major components namely Software Development, Maintenance and Upgradation of Software and Hardware Procurement. After completion of the project, respective State / UT Governments will be responsible for its sustainability.

5.2.2 The project proposes **development of software** for digitalization of processes and operations of office of RCS of States / UTs through an integrated digital portal covering the following indicative software modules, namely

- i. Registration of Cooperatives
- ii. Amendment of Bye Laws
- iii. Annual Return Filing
- iv. Appeal
- v. Settlement of Disputes
- vi. Audit
- vii. Inspection of Records
- viii. Liquidation
- ix. Complaints
- x. Election

The States/ UTs can add more modules depending upon their requirement. The GoI shall bear the entire cost of software development up to Rs. 1.5 crore¹ to each State / UT.

¹ The Software for Computerisation of CRCS office has been developed by NICSI (company under National Informatics Centre, Ministry of Electronics & Information Technology, Govt. of India) at an approximate cost of Rs. 1.40 crores.

5.2.3 The cost for **maintenance and upgradation** of the software during the second and third year of the project shall be shared between the GoI and State/UTs per the prescribed fund sharing ratios.

5.2.4 For **hardware and cloud infrastructure**, funds would be released on the basis of category of States/ UTs (**Annexure-I**). States/ UTs in category 'A' (having less than 20,000 registered societies) will be provided upto 7 VMs (Virtual Machine), 4 PCs with UPS & 1 Multi-functional printer (MFP) at RCS Headquarter and 2 PCs with UPS and 1 MFP at each district. For States/ UTs in category 'B' (having more than 20,000 registered societies), up to 9 VMs, 10 PCs with UPS & 2 MFPs at RCS headquarter and 3 PCs with UPS and 1 MFP at each district will be provided. Additional hardware requirements for Divisional / Circle offices and Functional registrars in some of the States / UTs would be evaluated by the Proposal Evaluation Committee on the basis of actual proposals received. The hardware procurement would be done through GeM Portal.

5.2.5 Concerned RCS of the State/ UT Administration shall be the nodal officer for the timely execution and efficient monitoring of the computerization of RCS offices in their respective states. They will be responsible for developing an effective workflow-based software covering all functions of the registrar office, as mentioned in the project. RCS will set up their own mechanism for implementation of project activities in terms of procurement of hardware through GeM portal, hiring of cloud infrastructure, hiring of software application development agency, etc. in a transparent manner, in technical coordination with SIO / NICSI / State agency, as per rules of respective State / UTs.

5.2.6 RCS will be required to send a proposal to the Ministry of Cooperation in the prescribed format along with all the documents. The proposal will be examined and scrutinized by the Central PMU in consultation with Senior Director (IT), NIC. Thereafter, the proposal will be sanctioned by the Ministry of Cooperation and funds for Software Development and procurement of Hardware will be released to the States/ UTs.

5.2.7 Open-Source Software (OSS) based technologies may be adopted for development and deployment of software application system. The Software would be hosted on cloud infrastructure. The hardware infrastructure at RCS headquarters and their district offices will be strengthened by providing PCs, UPS and printers. The

Software so developed should be able to link with National Cooperative 'Database through appropriate API.

5.3 Constitution of Monitoring bodies or cells

5.3.1 Ministry of Cooperation will implement and monitor the project through National Level Monitoring and Implementation Committee (NLMIC) already constituted for the Computerization of PACS Project to ensure real-time monitoring and effective feed-back about implementation of the proposed project. Central Registrar of Cooperative Societies will be included as the member of NLMIC.

5.3.2 A Central Project Monitoring Unit (PMU) will be set up in Ministry of Cooperation to assist the Ministry in the implementation of the Project. The Central PMU would also provide technical support and hand holding wherever needed by States/ UTs concerned. For Computerization of ARDBs, PMU already established with NABARD, under the Computerization of PACS project may be utilized for this project as well. Any additional cost for increasing the scope of the PMU established for Computerization of PACS will be provided from the component of Central PMU. There is also a need for providing training to ARDB staff for smooth functioning of the project, which shall be provided by NABARD, as in case of PACS computerization and will be supported under this component.

5.3.3 State/ UT Governments will be responsible for implementation and monitoring of the project in their respective States/ UTs through the existing SLIMC (State Level Implementation and Monitoring Committee).

5.3.4 MIS software will be developed by the PMU set up by NABARD under the Computerization of PACS Project for monitoring and supervision of the 'Computerization of ARDBs project'.

6. Roles and responsibilities

6.1 Ministry of Cooperation

- a. To convene the meetings of NLMIC.
- b. To modify the guidelines for implementation of the project.

- c. To steer the overall implementation of the project, including its monitoring and review.
- d. To release GoI share to the States/ UTs as per the extant guidelines.
- e. To consider and authorize the appropriation of the funds from one component of the project to another within the overall budget outlay of the project, if required.
- f. To establish Central PMU

6.2 State Government/ Union Territories

- a. To convene the meetings of the SLIMC.
- b. To guide and steer the implementation of the project in the state.
- c. To prepare and recommend a proposal in prescribed format to be taken up in the project.
- d. To open and operate SNA accounts and release State share from time to time.
- e. To procure hardware and onboard system integrators (SI) for Computerization of ARDBs. Suitable Service Level Agreement (SLA) to be signed between the State/ UT and SIs for implementation of the project.
- f. To utilize the funds for making payments to the vendors.
- g. To guide and handhold the office of RCS for their computerization.
- h. To take any other suitable step for implementation of the project.

6.3 Central PMU

- a. To provide technical support to the States/ UTs for preparation of DPR and bid document for the development of integrated portal and computerization of office of RCS.
- b. To examine the proposals received from the State Government for computerization of RCS office, in consultation with NIC, and recommend it to the Ministry for approval.
- c. To monitor the development of software by the RCS of States/ UTs and ensure timely procurement of hardware.
- d. To prepare model DPRs/ Bid Documents to be circulated to the States/ UTs for their support.
- e. To prepare necessary reports and dashboards (MIS etc.) for facilitating review at National/ State Level.
- f. To undertake planning and execution of the training and capacity building at all levels.
- g. To ensure the preservation of the data and provide measures for data analysis &

analytics.

- h. To take any other step for timely implementation of the project.

6.4 Registrar of Cooperative Societies of States/ UTs

- a. To act as the Nodal Officer for the timely implementation and efficient monitoring of the development of integrated portal and computerization of RCS office in their respective State/ UT.
- b. To set up their own mechanism for implementation of project activities for development of integrated portal and computerization of RCS office, in terms of procurement of hardware through GeM portal, hiring of cloud infrastructure, hiring of software application development agency, etc. in a transparent manner, in technical coordination with SIO/ NICS/ State agency, as per rules of respective State / UTs.
- c. To develop an effective workflow-based software covering all functions of the registrar office Approval the guidelines for implementation of the project.

Roles and responsibilities for Computerization of ARDBs

6.5 NABARD

- a. To implement the project and act as project manager for the ARDBs Computerization Project at Central level under the guidance and directions of National Level Monitoring and Implementation Committee and Ministry of Cooperation.
- b. To utilize the existing core team of its officers set up for the Computerization of PACS project, for the purpose of implementation of this project, which will be assisted by the existing Project Monitoring Unit (PMU) manned by professionals and experts at national and state level.
- c. To customize the software already developed. For this purpose, NABARD can enter into an agreement with the NLSPV.
- d. To train SCARDBs, PCARDBs and SIs personnel as Master Trainers as well as on software usage and hardware maintenance.
- e. To utilize the funds for making payment to the NLSPV, PMU, etc.

6.6 State Cooperative Agriculture and Rural Development Banks (SCARDBs)

- a. To form a dedicated ARDBs Computerization Cell, equipped with IT trained

manpower, within the Bank for this Project.

- b. To play the role of coordinator between the PCARDBs and SLIMC.
- c. To obtain authorization from respective units of ARDBs for entering into agreements with SI or any other stakeholders on their behalf.
- d. To take any other action necessary for successful implementation of the project within the overall time frame of the project.

6.7 Primary Cooperative Agriculture and Rural Development Banks (PCARDBs)

- a. To issue letter of authorization to the SCARDBs, authorizing SCARDBs to enter into agreements on its behalf for this project.
- b. To ensure onsite data and infrastructure readiness.
- c. To ensure regular use of the software after migration.
- d. To take full advantage of the handholding support provided under the project.
- e. To ensure regular transfer of data to the National Data Repository, if the ARDBs are working on offline mode.
- f. To ensure that sanctity of the IT environment is maintained by following steps as advised by the SI.
- g. To report any issue during implementation of the project, to be resolved by SCARDBs.
- h. To liaise closely with SI for ensuring that all activities of the ARDBs and accounts are captured appropriately.

Categorization of States / UTs (based on number of societies registered)

S. No.	Name of State	Category	Total
		(A < 20,000 registered societies)	
		(B > 20,000 registered societies)	
1	Arunachal Pradesh, Chandigarh, D&N Haveli and Daman & Diu, Lakshadweep, Puducherry, Ladakh, A&N Islands, Assam, Delhi, Goa, Himachal Pradesh, J&K, Jharkhand, Kerala, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Sikkim, Tripura, Uttarakhand, Chhatisgarh, Odisha	A	24
2	Andhra Pradesh, Bihar, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh, West Bengal	B	12

* Source: NCUI Statistical Profile, 2018