

CENTRAL ASSISTANCE TO COOPERATIVES IN KARNATAKA

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The Government approved the Centrally Sponsored Project for Computerisation of functional Primary Agricultural Credit Societies (PACS) on 29.06.2022 with the objective of bringing all functional PACS on a common ERP (Enterprise Resource Planning)-based National Software and strengthening their operational efficiency, transparency and service delivery. The Project, initially approved for 63,000 PACS, has subsequently been expanded to 79,630 PACS with a revised total financial outlay of ₹2,925.39 crore. Karnataka has total 5,894 sanctioned PACS, covered under this project. In last 3 years (2023-24 to 2025-26), Central assistance provided to Karnataka state has been 27.58 Crore.

The Central Schemes of the Ministry under which Karnataka's cooperative institutions have received assistance during the last three years are as under: -

- i. **Computerisation of PACS Project:-** Under this project, Ministry has provided Central Assistance towards Hardware and System Integrator for legacy data digitization to Karnataka. Since, inception of the project, Ministry has released Rs. 27.58 Crore to State of Karnataka under the project.
- ii. **Computerisation of Office of Registrar of Cooperative Societies: -** Under this project, Ministry has provided Central Assistance towards Hardware, Cloud and for Software Development to Karnataka. During last three years from Financial Year 2023-24 to till date, Rs. 1.30 Crore have been released to State of Karnataka.
- iii. **Computerisation of Agricultural and Rural Development Bank (ARDB): -** Under this project, Ministry has provided Central Assistance towards Hardware and System Integrator for legacy data digitization to Karnataka. During last three years from Financial Year 2023-24 to till date, Rs. 1.28 Crore has been released to State of Karnataka.
- iv. **Decentralized Grain Storage Programme in Cooperative Sector: -** The Decentralized Grain Storage Programme has been launched as a pilot initiative to create agricultural infrastructure at the PACS level through convergence with various Government of India schemes, including the Agriculture Infrastructure Fund (AIF), Agricultural Marketing Infrastructure (AMI), Sub-Mission on Agricultural Mechanization (SMAM), and PMFME. NABARD extends refinance assistance to eligible PACS at an interest rate of 3%.

In Karnataka, PACS, Ekamba (Bidar District) has been selected as the pilot PACS under the programme. The project was sanctioned by Bidar District Central Cooperative Bank(BDCCB) with financial assistance of ₹150.15 lakh for the following components:

- Godown (1,000 MT)
- Primary Processing Unit
- Auction Hall

- Oil Extraction Unit

Under the project, refinance assistance of ₹112.57 lakh has been released to the Karnataka State Cooperative Bank Ltd. to date. The project is also eligible for 3% interest subvention under AIF and ₹25.00 lakh subsidy under AMI, of which ₹12.50 lakh has already been released as advance subsidy.

(v) Measures undertaken to strengthen District Central Cooperative Banks (DCCBs)

1. **Adoption of Core Banking Solution (CBS):** NABARD initiated the onboarding of all DCCBs onto the Core Banking Solution (CBS) platform in 2013 and negotiated the pricing for implementation of the TCS (CEdge) CBS solution. As on date, 13 DCCBs are operating on the TCS (C-Edge) platform, while the remaining 8 DCCBs have adopted other CBS solutions.

(2) Assistance under the Cooperative Development Fund (CDF) - CDF – Scheme of Financial Assistance for Training of Cooperative Banks Personnel (SOFTCOB): Under the SOFTCOB component, NABARD provides grant assistance to three Cooperative Training Institutes (CTIs) in Karnataka viz., National Institute of Rural Banking (NIRB), Agriculture Co-operative Staff Training Institute (ACSTI), and Sahakara Rural Development Academy (SAHARDA) for capacity building of officials, staff, and Board members of cooperative institutions. The assistance includes reimbursement of training expenses as well as infrastructure support such as audio systems, interactive panels, podiums, photocopiers, air conditioners, laptops, and other training related equipment. During FY 2025-26, an amount of ₹244.19 lakh was reimbursed by NABARD Regional Officer to the three CTIs for conducting 112 training programmes.

(vi) Measures undertaken to strengthen Primary Agricultural Credit Societies (PACS) in Karnataka:

- Under implementation of MPACS programme, 267 new MPACS have been formed since 15 February 2023 till 28.07.2026.
- Implementation of the PACS Computerization Project.
- Provision of refinance and grant assistance under the PACS as Multi-Service Centres (MSC) initiative for surveys, Detailed Project Report (DPR) preparation, capacity building, technology adoption, documentation, and workshops.
- Capacity building of PACS functionaries and Board members through Cooperative Training Institutes (CTIs).

(vii) National Cooperative Development Corporation (NCDC) :- NCDC, a statutory corporation under the Ministry of Cooperation, Government of India, promotes the economic development of the country through cooperative institutions by strengthening farmer collectives, enhancing productivity and supporting the creation of pre- and post-harvest infrastructure.

- i. The Corporation extends financial assistance to eligible cooperative societies across the country, including Karnataka, under its Corporation-sponsored schemes for activities relating to agriculture, horticulture, processing, storage, cold chain, marketing, dairy, fisheries and other allied sectors, based on eligible project proposals received from cooperative societies. In addition to financial assistance, NCDC facilitates capacity building, business development support and market linkages for cooperative societies.
- ii. Details of the activities supported and schemes implemented are provided at **Annexure-‘A’**.
- iii. As on 30.06.2026, NCDC has cumulatively disbursed ₹5,74,090.48 crore for the development of cooperative institutions across the country. Out of which ₹ 3,96,763 crore has been disbursed for

cooperative development during the last five years.

The Activity-wise details of disbursement during last five years by NCDC in Karnataka State is provided at **Annexure-‘B’**.

- a. No proposal is pending in Ministry of Cooperation as per information given by Karnataka and NABARD.

Annexure – ‘A’

SCHEMES / ACTIVITIES ASSISTED BY NCDC

1) CORPORATION SPONSORED SCHEMES:

A) ACTIVITIES ASSISTED:

NCDC provides financial assistance in the form of loans (both Term Loans and Investment Loans) and subsidy to the cooperative societies for their development. The loan component is provided from out of NCDC's own funds while the eligible subsidy is provided after dovetailing from other Central Sector Schemes. The list of activities assisted by NCDC is as under:-

- i. **Marketing:**
- ii. **Processing:**
- iii. **Storage:**
- iv. **Cold Chain:**
- v. **Industrial:**
- vi. **Distribution of essential consumer articles through cooperatives:**
- vii. **Credit & Service Cooperatives/ Notified Services:**
- viii. **Cooperative Banking Unit:**
- ix. **Agricultural Services:**
- x. **District Plan Schemes:**
- xi. **Weaker Section Cooperatives:**
- xii. **Assistance for Computerization of Cooperatives:**
- xiii. **Promotional and Developmental programmes.**

B. FOCUSED PRODUCTS OF NCDC:

- i. **YUVA SAHAKAR - Cooperative Enterprise Support and Innovation Scheme:** The scheme aims at encouraging newly formed cooperative societies with new and/ or innovative ideas.
- ii. **NAndini Sahakar:** The scheme aims to improve the socio-economic status of women and supports the entrepreneurial dynamism of women through women's cooperatives. It converges critical inputs of women's enterprise, business plan formulation, capacity development, credit and subsidy, and/ or interest subvention of other schemes.

- iii. **SWAYAM SHAKTI SAHAKAR YOJNA:** - Scheme for providing NCDC's financial assistance to Agricultural Credit Cooperatives for providing loan/advances to Women Self Help Groups (SHGs).
- iv. **DEERGHAVADHI KRISHAK PUNJI SAHAKAR YOJNA:** Scheme for extending NCDC's long-term financial assistance to Agricultural Credit Cooperatives towards their onward lending of long-term loans/advances for activities/commodities/services under the purview of NCDC.
- v. **NCDC CASH CREDIT LOAN:** Working capital scheme for cooperatives, offering loans up to ₹20 crore on the lines of commercial bank cash credit limits — with easy withdrawals, no processing fees, and annual renewal options.
- vi. **SAHAKAR INNOVATION SCHEME:** The scheme was launched in the financial year **2025-26** to provide **grant assistance of up to ₹25 lakh** to eligible cooperative societies for promoting innovation, adoption of new technologies, development of innovative products, services and business models, market linkages, and sustainability-oriented initiatives, thereby strengthening the cooperative sector and supporting emerging cooperatives with innovative and scalable ideas.

II Other Central Schemes:

- a. **Grant in aid to National Cooperative Development Corporation (NCDC) Scheme** – Ministry of Cooperation
- b. **Agricultural Marketing Infrastructure (AMI)** sub-scheme of Central Sector Integrated Scheme on Agriculture Marketing (CSISAM) for Storage and other than Storage Infrastructure - Ministry of Agriculture & Farmer's Welfare.
- c. **Mission for Integrated Development of Horticulture (MIDH) – Integrated Post Harvest Management** - Ministry of Agriculture & Farmer's Welfare.
- d. **Interest Subvention & Credit Guarantee through Financing Facility under Agriculture Infrastructure Fund** scheme - Ministry of Agriculture & Farmers' Welfare.
- e. Assistance for Boosting the Seed Production component under the Sub-Mission for Seed and Planting Material (SMSP) of the **National Mission on Agricultural Extension and Technology (NMAET)**.
- f. **PM Matsya Sampada Yojana (PMMSY)** – Department of Fisheries, Ministry of Fisheries, Animal Husbandry and Dairying.
 - (i) **Formation and Promotion of Fish Farmer Producer Organizations (FFPOs).**
 - (ii) **PM Matsya Kisan Samridhi Sah-Yojana (PM-MKSSY)** – sub scheme under PMMSY by Department of Fisheries, Ministry of Fisheries, Animal Husbandry and Dairying.
- g. **PM Formalisation of Micro Food Processing Enterprises (PMFME)** - Ministry of Food Processing Industries.
- h. **Scheme for Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs)** – Ministry of Agriculture & Farmer's Welfare.
 - a.
 - (i) **Pradhan Mantri Kisan Sampada Yojna (PMKSY)** – Scheme for Food Processing and Value Addition - Ministry of Food Processing Industries.
 - (ii) **Pradhan Mantri Kisan Sampada Yojna (PMKSY) - Integrated Cold Chain and Value Addition Infrastructure Scheme** - Ministry of Food Processing Industries.

(iii) Pradhan Mantri Kisan Sampada Yojna (PMKSY) - Creation of Infrastructure for Agro Processing Clusters (APC) - Ministry of Food Processing Industries.

- j. **National Scheduled Tribes Finance and Development Corporation (NSTFDC)** - Ministry of Tribal Affairs.
- k. **National Livestock Mission (NLM)** - Department of Animal Husbandry and Dairying, Ministry of Fisheries, Animal Husbandry & Dairying.
- ax. **Rashtriya Gokul Mission (RGM)** - Department of Animal Husbandry and Dairying, Ministry of Fisheries, Animal Husbandry & Dairying.
- all. **Animal Husbandry Infrastructure Development Fund (AHIDF)**, Ministry of Fisheries, Animal Husbandry & Dairying
- n. **Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)** - Ministry of Micro, Small & Medium Enterprises (MSME)
- o. **National Beekeeping and Honey Mission (NBHM)** – Ministry of Agriculture & Farmers Welfare (MoA&FW)
- p. **Sub-Mission on Agricultural Mechanization (SMAM)** - Ministry of Agriculture & Farmers Welfare (MoA&FW).

Annexure-‘B’

The Activity-wise details of disbursement during last five years by NCDC in Karnataka State

(Rs. in crore)

S.No	Activity	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27 (30.06.2026)
1	SERVICE COOP.	15.15	17.48	253.07	431.99	205.99	41.75
2	SUGAR	141.42					0.47
3	DAIRY & LIVE STOCK		87.50				
4	MARKETING	2.98	3.11	2.32	1.83	2.78	1.00
5	STORAGE	1.30	1.62	1.26	2.22	2.91	
6	FPO	0.36	0.91	1.23	2.51	2.59	1.26
7	INPUTS		1.59	2.00	2.00		2.00

8	FISHERIES (FFPO)		0.06	0.16	3.75	2.43	0.49
9	PLANTATION CROPS	2.14		1.31			50.00
10	TEXTILE	0.99					
11	M.I.S.				0.48	0.29	
12	FISHERIES	0.15	0.07	0.01			
13	FOODGRAIN		0.20				
	Total	164.49	112.54	261.36	444.78	216.99	96.97

This information was given by Union Home Minister and Minister of Cooperation, Shri Amit Shah in a written reply in Rajya Sabha.

AK/AP

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