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# Smart Panchayats and PACS in Transition: Digitising Rural Institutions

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# Smart Panchayats and PACS in Transition: Digitising Rural Institutions

 **Kurukshetra** Chapter 2 · 2 min read ·

**Published:** Kurukshetra, April 2026 (covers the “Smart Panchayats” and “Digitising Cooperatives: PACS in Transition” articles)

Two institutions anchor rural India’s everyday state: the **Gram Panchayat** (governance) and the **Primary Agricultural Credit Society** (credit). The April issue tracks both through parallel digital overhauls.

## SMART PANCHAYATS

**2.68 lakh+** **Gram Panchayats** are being moved onto a common digital stack:

| TOOL                      | FUNCTION                                                               |
|---------------------------|------------------------------------------------------------------------|
| <b>eGramSwaraj + PFMS</b> | Planning and real-time fund transfers                                  |
| <b>AuditOnline</b>        | Digital financial audit of panchayat accounts                          |
| <b>SabhaSaar</b>          | AI speech-to-text that digitises and summarises Gram Sabha proceedings |
| <b>SVAMITVA</b>           | Drone-based mapping issuing legal property cards                       |
| <b>Gram Manchitra</b>     | GIS-based village planning                                             |
| <b>Meri Panchayat app</b> | Citizen window into budgets and projects                               |

The governance bet: transparency tools (AuditOnline, Meri Panchayat) change panchayat incentives more durably than training programmes alone.

## PACS IN TRANSITION

PACS supply about **14 percent of institutional agricultural credit**, but decades of opaque books eroded trust. The 2023 computerisation project puts **63,000 PACS on a common ERP-based national platform over five years**, under the Ministry of Cooperation (created 2021).

What digitisation changes:

- Real-time transaction visibility curbs duplicate and fraudulent loans
- Integration of membership, loan management, PDS operations and KCC linkage with NABARD and cooperative banks

- Diversification: digitised PACS can double as **CSCs, Fair Price Shops and Kisan Samriddhi Kendras**, turning single-purpose credit societies into multi-service rural hubs

## MAINS ANGLE

**Critical analysis:** digitisation exposes governance problems it cannot itself fix: PACS board capture and panchayat capacity deficits survive an ERP migration. The deeper reform is professional management (trained secretaries, independent audit) riding on the new rails. **Way forward:** link PACS recapitalisation to digital compliance, publish panchayat-wise AuditOnline findings, and use SVAMITVA cards as collateral rails for rural credit.

### ★ FACTS CORNER — KNOWLEDGEPEDIA

#### PANCHAYAT STACK:

2.68 lakh+ Gram Panchayats on digital tools; eGramSwaraj-PFMS, AuditOnline, SabhaSaar (AI), Gram Manchitra (GIS), Meri Panchayat app

SVAMITVA: drone surveys issuing rural property ownership cards

#### COOPERATIVES:

PACS: ~14 percent of institutional agri credit; 63,000 PACS being digitised over 5 years (project launched 2023)

Ministry of Cooperation created 2021; digitised PACS can act as CSCs, Fair Price Shops, Kisan Samriddhi Kendras

Sources: [Kurukshetra / Publications Division](#) , [Ministry of Cooperation](#)



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