

Seeds of Change -The journey of Naubad PACS Blossomed into a Model Cooperative

Village: Naubad ,

District: Bidar

State: Karnataka

Affiliated With Bidar DCC Bank Bidar

Name of the Secretary: Rajkumar S/o Gurappa

Name of the President : Channabasappa S/o Apparao Hegge

Profile of the Society:-

The PACS was registered vide registration No. DRI/S/5545/1976-77 on dated 22.09.1976 and presently situated at the Naubad Focal point with the distance of 6 to 7 Kilometers from the District Head Quarters.

This is one of the oldest society in the district. The Naubad DCCB Branch of the Bidar District Central Cooperative Bank Limited is also situated at the focal point of the Area which is just few steps away from the society.

Management of the Society:

Society is working with nine elected committee members and the management committee was constituted after the completion of the tenure of 5 years by the old board on 22-01-2025. The detail of the committee members of the society is as hereunder:

	Name of the Committee Member	Designation
1	Channabasappa A Hegge	President
2	Jagadevi S Patil	Vice-President
3	Channappa H Katte	Director
4	Subhash Manikappa	Director
5	Mallayya Basayya	Director
6	Somnath Kallappa	Director
7	Bheemanna Tukaram	Director
8	Preetamma Malappa	Director
9	Praveenkumar Baburao	Director
10	Maheshkumar B Boranchi	Director
11	Saraswati Vishwanath	Director
12	Suryakant Chandrappa	Director
13	FA, DCC Bank, Bidar	Director Deputed from Finance Agency

In Karnataka, the cooperative societies function under the provisions of the Karnataka State Cooperative Societies Act, 1959. As per the Act, the Board of Directors is reconstituted every five years to manage the affairs of the society. The Board holds the entire responsibility for the administration, functioning, and performance of the society.

Manpower in the Naubad PACS :-

	<i>Name of the Staff</i>	<i>Designation</i>
1	Rajkumar S/o Gurappa	CEO
2	Ankush S/o Ningappa	SHG Sup. & Accountant
3	Nagnath S/o Sharanappa	Clerk
4	Baburao S/o Maharudrappa	Sales man
5	Rahul S/o Siddappa	Comp.Operator
6	Sanjukumar S/o Channabasappa	Pigmy Agent
7	Nagamma W/o Shreemanth	Cleaner

Area of Operation:

Cropping Pattern within Area operation: Paddy, Wheat, Sugarcane Maize and vegetables are the main crops sown in the contiguous villages of society. The market of the Bidar and native cities has potential enough to absorb the supply of vegetables.

Land holding area:

The total land holding area of four villages falling under the operation area of the society is approximately 2000 hectares. The society prepared the Maximum Credit limit of Rs 2.75 lakh for the 545 farmers as Maximum of Rs 25000/-per hectare per farmer in the year 2024-25.

Membership: -

The total members of the society were 545 as on 2024-25 out of which only 430 members are active members who are availing credit facilities under four categories of loan and advances. The detail of members is as hereunder:

<i>Type of Membership</i>	<i>2022-23</i>	<i>2023-24</i>	<i>2024-25</i>
Total Share holding Members	525	535	545
Out of which Loanee Members	410	420	430
Nominal Members as SHG's	245	254	286

Services of PACS

The PACS is dedicated to serving its members by offering a wide range of essential services. Its main function is to extend short-term agricultural loans to farmers under the KCC scheme, along with medium-term loans under investment credit, both reimbursed by NABARD through the DCCB.

1. Short-Term Agricultural (KCC) Loans to Members

The PACS provides short-term agricultural loans to its members under the Kisan Credit Card (KCC) scheme. These loans help farmers meet their seasonal cultivation expenses such as seeds, fertilizers, and labour costs. Timely credit support enables better crop management and productivity. The **KCC loans** are the main focus of PACS operations, for which PACS are formed years ago.

Detailed Credit Portfolios of PACS

<i>Scheme</i>	<i>2022-23</i>	<i>2023-24</i>	<i>2024-25</i>
KCC Loans –Crop Loans	192.71	189.73	183.08
Medium Term Loan	40.40	40.76	35.31
BDP/Pigmy/Other Loan	34.20	35.32	31.70

2. Medium-Term Investment Credit to Farmers.

The society extends medium-term loans for agricultural investments like irrigation, farm equipment, and dairy or allied activities. These loans promote long-term development and improve farmers' income levels. Repayment schedules are structured to suit the income cycle of the borrowers. The MT Loan waiver scheme introduced during the year 2024-25 is very much benefitted to Farmers and PACS. All the overdue loans were repaid to avail the benefit of Govt scheme which is benefitted to PACS. Therefore total **Rs 31.70 lakh** of MT Loan is outstanding in the PACS. The PACS availed only Rs 21.84 Lakhs from DCCB to fulfill this portfolio shows the fund availability of PACS.

3. Pigmy and small Loans under Business Development Program

The introduction of BDP, Pigmy, and other small loan schemes has proved mutually beneficial for both PACS and its customers. For members and rural customers, these loans provide easy access to short-term finance for meeting daily needs, small business requirements, or emergency expenses without depending on moneylenders. Regular repayment of such small loans helps customers build a good credit history and strengthens their financial discipline. For PACS, these loan products ensure regular income through interest, wider customer engagement, and increased circulation of funds within the society. Thus, these schemes promote financial inclusion and sustainability, supporting both the cooperative and the rural community it serves. The Naubad PACS is distributed Rs 31.70 Lakh from its own funds to needy customers and earn good returns from this portfolio.

4. Warehouse Facility.

The PACS maintains a well-equipped warehouse for safe storage of agricultural produce, seeds, fertilizers, and cattle feed. This helps members avoid distress sales and fetch better market prices. The facility also supports the society's input distribution and trading activities.

5. Distribution of Ration under Public Distribution System (PDS)

The PACS participates in the Public Distribution System by supplying essential commodities like rice, wheat, and sugar to eligible households. This ensures food security and strengthens the cooperative's community service role. The system operates efficiently under government guidelines.

6. Fertilizer Sales Business

The society undertakes retail sale of fertilizers to its members at fair and competitive prices. This service ensures timely availability of quality inputs to farmers, enhancing agricultural productivity. Proper record keeping and inventory management are maintained.

7. Commercial Complex on Rental Basis

The PACS has developed a commercial complex and rents out shops and spaces to local traders and service providers. This generates steady non-farm income for the society. The rental activity also supports local business growth in the area.

8. Self Help Group (SHG) Loans

The PACS extends financial assistance to Self Help Groups for micro-enterprise and women empowerment initiatives. Regular monitoring and guidance are provided to ensure effective utilization and repayment. This strengthens the social and economic base of the rural community. NowadaYS shg Portfolio has been transferred to DCCB Branch where loans to be distributed to SHG's. SHG saving accounts are maintained with PACS which supports the PACS in mobilizing low cost deposits.

9. Enrolment to Yashaswini Health Scheme for Members

The PACS facilitates the enrolment of its members under the Yashaswini Health Insurance Scheme. This provides affordable healthcare coverage and financial protection against medical expenses. Awareness programmes are also conducted to promote participation. The involvement generate commission income to PACS.

10. Enrolment to Pradhan Mantri Fasal Bima Yojana (PMFBY)

The society assists farmers in enrolling under the PM Fasal Bima Yojana to safeguard against crop losses due to natural calamities. This ensures risk coverage and income stability for the farming community. The process is managed online for transparency and ease. PACS is collecting commission for this activity from Insurance companies.

11. Accidental Benefit Insurance Facility for KCC Holders

KCC loan holders are provided with accidental insurance benefits as part of their loan coverage. This gives financial security to the farmer's family in case of unforeseen incidents. Premiums are managed through the PACS to simplify the process.

12. Online Service for Mortgage of Land for Loans up to ₹ 3 Lakh

The PACS offers an online facility for land mortgage services to process loans up to Rs 3 lakh. This digital service ensures faster approval and documentation. It reduces paperwork and enhances transparency in lending.

13. Pigmy Collection and Loans Against Deposits

The PACS facilitates daily Pigmy deposit collection to encourage regular savings among members. It also provides loans against these deposits, offering easy liquidity when needed. This service promotes financial discipline and supports members' short-term needs.

14. Other Services -Public Distribution System (PDS)

In addition to credit services, PACS distributes food grains under the Public

Distribution System (PDS) and supplies fertilizers to farmers. The PDS Service distribution of food grains through 900 Ration Cards benefitting the members.

15. Other Services –Sale of Fertilizer

The Fertiliser Distribution portfolio is one of the key service activities undertaken by PACS to support the farming community. Through this portfolio, PACS ensures the timely availability of quality fertilisers to its member farmers at reasonable prices. By acting as an authorized distributor, PACS helps farmers reduce their dependence on private traders and prevents exploitation through overpricing or shortages during peak agricultural seasons. This activity also generates service income for the Society, while strengthening its relationship with members by meeting their essential input requirements. Thus, the fertiliser distribution system benefits both farmers and PACS, promoting agricultural productivity and cooperative sustainability.

16. Other Services –weekly bazars

PACS has effectively utilized its open space by organizing weekly vegetable markets, providing a platform for local farmers and vendors to sell their produce and goods. This initiative not only supports the local economy and community interaction but also helps PACS generate a steady income through rental earnings from stallholders. The dual benefit of promoting rural trade and earning additional revenue contributes to the overall financial sustainability of the Society.

The Naubad PACS in Bidar has emerged as a multifunctional cooperative institution offering 16 diverse services that cater to the financial, agricultural, and social needs of rural communities. Through activities such as credit distribution, ration supply, fertilizer sales, and space rental, PACS has effectively combined economic growth with community welfare. These integrated services have strengthened the rural economy, empowered farmers, and ensured sustainable development rooted in cooperative principles.

Income Generation of the PACS :

The society has good avenues to generate Income from interest on loans and non fund business by expending these activities at large scale. Other utility services can also be provided by the society. The chart shows the income generation of its different services

Type of Loans (Amt in Lakhs)	2022-23	2023-24	2024-25
Interest Income	10.68	10.80	11.98
Rent from the Commercial Complex	0	0	3.94
Sale of Fertiliser	0.37	0.43	0.50
Commission on PDS	4.50	4.65	4.95
Commission from Insurance Enrolment	0.03	0.045	0.052
Other Income	5.18	2.18	2.43
Total	20.76	18.105	23.852

Financial Strength and Obligations: The Liability Side of PACS

1. Share Capital

Share Capital forms the foundation of every cooperative society, representing the collective investment and commitment of its members. It serves as the primary source of owned funds, enabling the cooperative to initiate operations, provide credit, and undertake developmental activities. The contribution of members as shareholders fosters a sense of ownership, responsibility, and participation in the management of the society. A strong share capital base enhances the cooperative's financial stability and borrowing capacity from higher financial institutions. Thus, share capital not only reflects member unity but also acts as a pillar of strength for the cooperative's growth and sustainability.

The detailed share capital and reserve fund positions of last 3 years given below

<i>Particulars</i>	<i>(Amt in Lakhs)</i>	<i>2022-23</i>	<i>2023-24</i>	<i>2024-25</i>
Share Capital		30.61	31.14	29.27
Govt Share & Grants		1.28	1.29	1.30
Reserve Fund		2.50	2.68	2.88

2. Reserve Fund

The Reserve Fund in cooperatives serves as a vital financial safeguard, built from a portion of annual profits to strengthen the society's stability. It helps in managing funds efficiently by providing a cushion to meet unforeseen expenses or financial shortfalls. This fund ensures the long-term sustainability and liquidity of the cooperative, supporting smooth operations even during challenging periods.

3. Deposits –Time Deposits and Demand Deposits

As on 2024-25, the Society had mobilized deposits amounting to Rs. 214 lakhs from members, reflecting the trust and confidence reposed in it by the community. There exists a significant scope for the Society to further expand and strengthen its deposit portfolio by attracting more deposits through member awareness, offering need-based deposit products, and ensuring efficient service delivery.

<i>Particulars</i>	<i>(Amt in Lakhs)</i>	<i>2022-23</i>	<i>2023-24</i>	<i>2024-25</i>
Time Deposits		167.12	170.84	187.16
Demand Deposits		02.35	26.83	27.17
Total		169.47	197.67	214.33

4. Borrowings

In addition to mobilizing deposits, the Society has also been availing borrowing facilities from DCC Bank Bidar to meet the growing credit demand of its members. The outstanding borrowings as on 31.3.2025 stood at Rs. 1.96 lakhs, which are being effectively utilized for advancing loans to members and supporting various developmental activities of the Society.

<i>Type of Borrowing (Amt in Lakhs)</i>	<i>2022-23</i>	<i>2023-24</i>	<i>2024-25</i>
KCC	195.98	206.13	204.31
MT Loan	27.55	27.70	21.84
Borrowing for Purchase of Fertilizer	0.64	0.64	0
NABARD Loan for Com. Complex	20.00	04.00	04.00
Total	244.17	238.47	230.15

5. Investment

PACS invests a portion of its funds to hold shares in other cooperatives as its principles. Also it deposits its some portion of amount in DCC Bank to meet emergency liquidity requirements. These investments help strengthen inter-cooperative linkages and promote mutual financial support within the cooperative network. By earning regular dividends and interest, PACS ensures safe returns and better utilization of surplus funds, contributing to its overall financial stability.

<i>Investments (Amt in Lakhs)</i>	<i>2022-23</i>	<i>2023-24</i>	<i>2024-25</i>
Shares in IFFCO	1.00	1.00	1.00
Shares in DCCB	1.00	1.00	1.00
Deposits in DCCB	98.5	126.78	87.55
Other Institutions	0	0	1.00
Total	100.5	128.78	90.55

SWOT Analysis of Naubad PACS

A SWOT analysis of a cooperative society helps identify its Strengths, Weaknesses, Opportunities, and Threats to improve performance and strategic planning. It enables the management to build on internal strengths and opportunities while addressing weaknesses and minimizing external risks for sustainable growth.

1.	Strength:	<ul style="list-style-type: none"> • The PACS has adequate storage facilities for seeds, feed, and fertilizers. • The society has a strong membership base to ensure good sales of its products. • Deposits can be effectively mobilized by engaging and motivating depositors. • The PACS has sufficient and capable staff to manage its operations efficiently. • The society maintains an excellent loan recovery rate of over 95% across all loan categories. • Computerisation of the PACS has been completed, and the CSC portal is established and functioning successfully as an e-PACS. • The PACS operates as a multipurpose society by offering a variety of business and service activities.
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2.	Weakness:	<ul style="list-style-type: none"> • At present NPAs against Short term Loan is negligible and moderate in Non Agri. Loan. • In order to abate the amount of NPAs a well- planned strategy is in line with the collaboration of concerned branch manager of the bank. • Due to the urbanization the cultivating land area is diminishing in the PACS area of Operation, results Reducing Farming Community members.
3.	Opportunity:	<ul style="list-style-type: none"> • The society has significant opportunities to expand its business operations within its area of operation. • It should focus on mobilizing low-cost deposits to strengthen its financial base. • The demand for medium-term loans and advances can be effectively generated and met through appropriate arrangements for borrowings from banks and by utilizing the society's deposits. • The Primary Agricultural Credit Society (PACS) also has better potential for promoting Business Development and Production (BDP) loans compared to Kisan Credit Card (KCC) loans.
4.	Threats :	<ul style="list-style-type: none"> • It is very necessary that to society to create trust among the customers of the area of operation. • So while selling products the aspects of competition as well as quantity and quality should be kept in mind. • The attitude of the functionaries should be constructive and positive to conduct all the affairs of the society.

Future Plans of Naubad PACS

1. Build and rent One more Godown for the capacity of 200 metric tons.
2. Expansion of Shopping complex having more number of rooms.
3. Run PG /Hostel facility for students on reasonable rate.
4. Start a computer training institute

Conclusion

NAUBAD PACS stands as a shining example of how a grassroots-level cooperative can empower rural communities by ensuring access to timely credit, quality agricultural inputs, and essential financial services. Through its member-centric approach, the Society has been instrumental in strengthening the economic base of farmers and enhancing their livelihood opportunities. Backed by a committed leadership and a sound operational framework, it has steadily built trust among members while diversifying into non-credit business avenues to secure sustainable growth. With a clear vision for innovation and expansion, NAUBAD PACS is well-positioned to scale greater heights and continue contributing significantly to the cooperative movement in Karnataka, serving as a role model for other societies in the region.

