Appendix - I
Introduction

In accordance with the decision of the Governing Council of NCUI the statement on the Cooperative Identity and Re- formulated Principles of Cooperation were sent to all Member Organisations with the request to incorporate the same in their bye- laws so that the cooperative values and revised cooperative principles are reflected in the business policy/ day to day functioning of cooperatives. National Cooperative Union of India also urged upon the National Governments to incorporate the cooperative values and revised principles within the legal framework so that cooperatives could function "as independent, member controlled organisations and on equal terms with other forms of cooperative enterprises." The Governing Council of NCUI also decided to place a draft Action Plan for actualisation of cooperative identity statement in the 13th Indian Cooperative Congress in order to facilitate wider deliberations. Accordingly, an attempt is made in this paper to present a draft Plan which is aimed at establishing the cooperative identity in the emerging environment. Part- I of this paper is the ICA Statement on Cooperative Identity alongwith the background paper on various interpretations. Part- II of the paper presents the draft Action Plan for actualisation of cooperative identity statement.
PART - I

THE INTERNATIONAL COOPERATIVE ALLIANCE STATEMENT ON THE COOPERATIVE IDENTITY

Definition

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

Values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility, and earning for others.

Principles

The cooperative principles are guidelines by which cooperatives put their values into practice.

1st Principle: Voluntary and Open Membership

Cooperatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

2nd Principle: Democratic Member Control

Cooperatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving selected representatives are accountable to the membership. In primary cooperatives members have equal voting rights (one member, one vote) and cooperatives at other levels are also organised in a democratic manner.

3rd Principle: Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following
purposes: developing their cooperative possibly by setting up reserves, part of which at least would be indivisible: benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

4th Principle: Autonomy and Independence

Cooperatives are autonomous, self- help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

5th Principle: Education, Training and Information

Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of cooperation.

6th Principle: Co-operation among Co-operatives

Co-operatives serve their members most effectively and strengthen the Cooperative movement by working together through local, national, regional and international structures.

7th Principle: Concern for Community

Co-operatives, work for the sustainable development of their communities through policies approved by their member.
PART - II

ACTION PLAN

I. At Government Level

1. Amendment of Cooperative Laws in the following directions:

   (a) Incorporation of Statement of Cooperative Identity adopted by International Cooperative Alliance in the Cooperative Law.

   (b) Removal of restrictive provisions from Cooperative Laws for ensuring autonomous and independent functioning of cooperatives.

   (c) Implementation of steps for development of cooperatives from the stage of instrumentality of the state to the stage of member owned, member used and member controlled economic enterprises.

   (d) Transfer of powers and responsibility regarding administration and management of cooperatives from the State Department of Cooperation to cooperatives and their federations.

2. State Support to Cooperatives:

   (a) State support to cooperatives be so designed that it facilitates development of cooperatives as autonomous and independent member owned and controlled enterprises.

   (b) The cooperatives having equity participation by Govt. should be allowed to redeem/ refund the share capital to the Govt. As a policy, the Govt. should help cooperatives to prepare and implement a time bound programme for redemption of equity of the Govt.

   (c) The National Policy on Cooperatives, which is in the offing, should specifically mention that state support to cooperatives shall be without any strings. It has to be based on a memorandum of understanding between the Govt. and the concerned cooperatives as mutually agreed by them.

   (d) The para statal bodies namely NCDC, NABARD etc. created to support cooperatives should not insist on Govt. guarantee for providing financial assistance to cooperatives.
(e) The Govt. Should not involve itself in any way in the recruitment, appointments and formulation of service conditions of managerial personnel of cooperatives.

(f) Support of cooperatives to implement some of the economic programmes of the Govt. should be elicited on the basis of mutually agreed terms and conditions, but not through a directive. If cooperatives suffer loss on account of implementation of such programmes, Govt. should be obliged to meet these losses.

(g) Cooperatives to be eligible for Govt. support and concessions should fulfill the following criteria:

(i) They should be registered under Cooperative Law based on common economic needs of the members.

(ii) Their bye-laws and business policies should incorporate the cooperative values and principles of cooperation in the statement of cooperative identity adopted by the ICA.

(iii) They must have business dealings with at least 75% of their members.

II At Cooperatives' Level:

(a) As recommended by Choudhary Brahm Perkash Committee the cooperatives should not accept equity contribution from the Govt. The cooperatives having Govt. equity should prepare and implement a time bound programme for its redemption/ refund.

(b) With a view to making membership open, voluntary and broad based cooperatives at grass- root level (village level) may motivate the poor, e.g. artisans, labourers, women to become the members of cooperatives. In the initial stages cooperatives may organise self help groups of such sections of the people and eventually integrate them into their membership.

(c) In order to enhance the involvement of women in cooperatives, concept of joint membership (wife & husband) should be implemented.

(d) Each cooperative society should lay down responsibility norms for members. New members should sign a pledge to fulfill these responsibility/ obligation norms
at the time of their admission. Fulfillment of responsibility/obligation norms should from main/substantive agenda for deliberations at the General Body Meetings. Those members who have been failing to fulfill the norms continuously for three years may be delisted from membership of cooperative.

(e) All the cooperative organisations should initiate a thorough analysis of their membership. Inactive/sleeping members may be delisted.

(f) With a view to ensuring effective implementation of principle of "democratic member control" the following steps may be taken:

(i) Criteria for quorum for General Body needs rethinking. For a General Body Meeting, presence of at least 50% membership should be quorum.

(ii) The Board of Directors/Managing Committee must be accountable to the members. The General Body, therefore, should be empowered to review the performance of the Board and if dissatisfied with its performance, it should have right to replace it even in middle of its (Board's) tenure through elections.

(iii) Every cooperative society should formulate some system for eliciting members' feedback/suggestions about the working of the society.

(g) The cooperative societies should develop an effective information system for the members, board members and opinion makers. Within the organisation, management information systems should be evolved and the executive management should continue to constantly pass on the information to the board members. For members of the cooperative societies, member information bulletin should be issued on a continuous basis. The federal cooperatives should bring out regular publication providing information relating to the business trends and policies and the steps taken by the federation for the benefit of the members.

(h) In order to ensure effectiveness of the education and training programmes for cooperatives, there is a need for strengthening resource base of cooperative unions. The present system of contribution to Cooperative Education Fund is required to be further revamped. Apart from contribution to Cooperative Education Fund, every cooperative society should set up apart a specified amount in its...
budget for conducting in-house education and training activities for the benefit of its members and elected representatives. It would be necessary that the cooperative society should have a long-term perspective for HRD at its level.

(i) There is no contradiction between professionalisation of management and preservance and protection of cooperative identity. If the managerial personnel of cooperative is efficient and professional, achievement of organisational mission of cooperatives can be facilitated effectively. What is important is clarity about the role perception and freedom of operations at the level of professional managers in cooperatives. Every cooperative organisation should, therefore, formulate its personnel management policies keeping in view this perspective in mind.

(j) As one of the principles of cooperation is cooperative among cooperatives, it is necessary to ensure the maintenance of organisational discipline within the structure of cooperative movement. The federal cooperatives should essentially function through their constituent units and in no case compete with them.

(k) As recommended by the Ch. Brahm Perkash Committee, the federal cooperatives should undertake the following functions:

(i) Safeguard the observance of the cooperative principles.
(ii) Undertake research and evaluation and assist in preparation of perspective development plans of member cooperatives.
(iii) Promote harmonious relations between member cooperatives.
(iv) Help member cooperatives in the settlement of disputes among themselves and between a cooperative and its members.
(v) Represent the interests if member cooperatives and lobby for policies and legislation favourable to cooperatives.
(vi) Undertake business services on behalf of its members.
(vii) Evolve viability norms for member cooperatives.
(viii) Provide legal aid and advice.
(ix) Provide any other services, at the behest of member cooperatives.
Since cooperatives are community based organisations, they have to evolve such policies as will ensure the development of communities economically, socially and culturally. The common community related issues need to be taken up by cooperatives such as environment free business practices and activities, health caring, schools, drinking water facilities, gender integration, child and women welfare, welfare of the aged, development of youth etc. With the entrustment of various development programmes to village panchayats, there is a need for effective coordination between the cooperatives and village panchayats at the grass-root level.

Appendix - II
APPENDIX- II

Extract from Draft Model

CO- OPERATIVE ACT, 19........

Chapter- I

INTRODUCTION

1. Preamble

In order to facilitate the voluntary formation and democratic functioning of cooperatives as people's institutions based on self help and mutual aid and to enable people to promote their economic and social betterment, the legislature of the state of....... in the........ year of the Republic of India to hereby enact as follows:-

2. State Policy of Cooperatives

It shall be the policy of the state to promote cooperatives which are instruments of equity, social justice and economic development in fulfilment of the Directive Principles of the State Policy as enshrined in the Indian Constitution.

The state shall not interfere in the management and operation of cooperatives. Towards this end, the state shall recognise co-operatives as democratic institutions, owned, managed and controlled by members for their economic and social betterment, operating their business based on mutual aid and co-operative principles.

3. Co-operative Principles

The following shall constitute the co-operative principles:

(i) Membership of co-operative shall be voluntary and available without artificial restriction or any social political, racial or religious discrimination, to all persons who can make use of its services and are willing to accept the responsibilities of membership.

(ii) Co-operatives are democratic organisation. Their affairs shall be administered by persons elected or appointed in a manner agreed by the members and accountable to them. Members of primary co-operatives shall enjoy equal rights of voting (one member, one vote) and participation in decisions effecting their co-operatives. In other than primary co-operatives, the administration shall be conducted on a democratic basis in a suitable form.
(iii) Share capital shall only receive strictly limited rate of interest, if any.

(iv) The economic results, arising out of the operations of a co-operative belong to the members of that co-operative and shall be distributed in such manner as would avoid one member gaining at the expense of others.

This may be done by decision of the members as follows:

(a) by provision for development of the business of the co-operative;

(b) by provision of common services; or

(c) by distribution among the members in proportion to their transactions with the co-operative

(v) All Co-operatives shall make provision for the education of their members, officers and employees and of the general public, in the principles and techniques of co-operative, both economic and democratic.

(vi) All co-operatives, in order to best serve the interest of their members, and their communities, shall actively co-operative in every practical way with other co-operatives at local, national and international levels having as their aim the achievement of unity of action by co-operators throughout the world.

4. Short titles, extent and commencement

(1) This Act may be called the .............Co-operatives 'Act 19..........

(2) It extends to the whole of the State of .............

(3) It shall come into force on such date as the government may notify in the .............gazette.

5. Definitions

In this Act, unless the context otherwise requires--

(a) "area of operation" means the area from which the membership is drawn.

(b) "board of directors" means the governing body of a society by whatever named called;

(c) "byelaws" means the registered bylaws for the time being in force;

(d) "chief executive" means an individual who, subject to the superintendence, control and direction of the board of directors, has been entrusted by the board, with the management of the affairs of the co-operative;
(e) "cooperative" means an organisation registered or deemed to be registered under this Act;

(g) "federal cooperative" means a cooperative whose membership is available only to cooperatives;

(h) "general body" in relation to primary cooperative means all the members of that cooperative and in relation to a federation, means all the delegates of the member cooperatives;

(i) "general meeting" means a meeting of the general body of a cooperative;

(j) "member" means a person admitted as such to a cooperative;

(k) "officer" means a person elected or appointed by a cooperative to any office of such cooperative;

(l) "patronage refund" means annual refund to members in proportion to their transactions with the cooperative during the year;

(m) "registrar" means the registrar of cooperatives appointed under section 16 and includes any other persons on whom all or any of the powers of the registrar under this Act are conferred;

(n) "state" means the state of.............

(o) "primary cooperative" means a cooperative whose membership is available only to individuals;
Chapter II
Incorporation

6. Organisations which may be registered

1) Only such an organisation may be registered as a cooperative under this Act which provide in its byelaws for the social and economic betterment of its members through self help and mutual aid in accordance with the cooperative principles.

2) A cooperative shall be registered with limited liability.

7. Application for registration

(1) An application for registration shall be submitted to the registrar by hand or by registered post.

(2) Every such application shall be accompanied by

a. two copies of the proposed byelaws of the cooperative as adopted by the promoting members

b. a list of names of members with their addresses, occupation and equity participation.

c. the list of members of the first board elected by the promoting members.

d. a true copy of the minutes of the meeting at which the byelaws were adopted, duly signed by the chairperson.

(3) Every such application shall be signed by at least 10 individuals from different families, in the case of a proposed primary cooperative and by authorised representatives of at least 2 primary cooperatives, in the case of a proposed federal cooperative.

(4) The registrar shall register the cooperative and also its byelaws and communicate by registered post the certificate of registration and a copy of the registered byelaws, within sixty days from the date of submission of application, to the chairperson.

(5) The registrar, if the conditions laid down in sub-section (3) are not fulfilled, shall communicate by registered post the order of refusal together with the reasons therefore, within sixty days from the date of submission of application, to such of the applicants as specified in the application.

(6) In case no refusal is communicated within 60 days, the cooperative shall be deemed to be registered.
(7) Where a cooperative is registered, the registrar shall issue a certificate of registration signed and sealed by him which shall be conclusive evidence that the cooperative mentioned there in, is a cooperative duly registered under this Act.

(8) Where an order of refusal is received by the applicants under sub-clause (5), they may appeal against this order to the cooperative tribunal. The decision of the tribunal shall be final in this regard.

8. Cooperative to be a body corporate

(1) The registration of a cooperative shall render it a body corporate by the name under which it is registered having perpetual succession and a common seal. The cooperative shall be entitled to acquire, hold and dispose of property, to enter into contracts on its behalf, to institute and defend suits and other legal proceedings and to do all other things necessary to achieve its objectives.

(2) All transactions entered into in good faith prior to registration, in furtherance of the purposes of the cooperative, shall be deemed to be transactions of the cooperative after registration.

9. Display of name

(1) Every cooperative shall display its name and the address of its registered office and the words 'Registered under ................ Cooperatives' Act 19 .............. ' in legible character in a conspicuous position.

a. at every office or place at which it carries on business;

b. in all notices and other official publications;

c. on all its contracts, business letters, orders for goods, invoices, statements of account, receipts and letters of credit; and

d. on all bills of exchange, promissory notes, endorsements, cheques and orders for money it signs or that are signed on its behalf.

(2) The name of every cooperative shall contain the words 'cooperative' and 'limited' or their equivalent in the official language of the state.

10. Appointment of Registrar

(1) The state government may appoint a registrar and such other officers as it thinks necessary for the registration of cooperatives under this Act and for such other functions as specified under this Act.
(2) Only such persons may be appointed as registrar to have:

a. served as a senior officer of the government for at least 3 years in the cooperative department; or

b. served as chief executive for at least 3 years in any cooperative; or

c. held a senior officer or faculty position for at least 3 years in any cooperative promotional body or academic institution dealing with cooperation.

(3) The term of office of a registrar shall be at least three years.
11. **Byelaws**

1) Except on such specific matters which the Act has provided for and which the byelaws may further regulate on but not contravene, the functioning of every cooperative shall be regulated by its byelaws.

2) The byelaws of a cooperative may provide for the following matters:

a. the name, address and area of operation of the cooperative

b. the objective of the cooperative explicitly stated as a common central need of the members

c. the cooperative principles stated in this Act, according to which the cooperative shall conduct its affairs

d. the services to be provided to its members

e. eligibility for obtaining membership

f. procedure for obtaining membership

g. conditions for continuing as member

h. the time limit before which a potential member must seek and obtain membership in order to continue to use the services of the cooperatives

i. procedure for withdrawal/transfer of membership

j. procedure for termination and cessation of membership

k. rights of members

l. fixation of minimum performance required annually of each member vis-a-vis use of services, financial commitment and participation in meetings, in order to be eligible to exercise the rights of membership including the right of vote.

m. the consequences of default in payment of any sum due by a member

n. the nature and amount of capital, if any, of the cooperative

o. the maximum capital to which a single member can subscribe
p. the nature and extent of the liability of the members for the debts contracted by the cooperative.

q. the sources and types of funds to be raised by the cooperative

r. the purposes for which the funds may be applied

s. the extent and conditions under which deposits, loans, debentures and other funds may be mobilised.

t. the conditions and purposes for which state aid and aid from other financial institutions may be sought and obtained

u. the manner of disposal of surplus.

v. the constitution of various funds, reserves and their purpose

w. the manner of convening general and other special meetings and quorum thereof

x. the frequency of general meetings.

y. the role of the general body and subjects which shall be dealt with by the general body

z. the manner of making or amending byelaws

aa. the procedure for conducting elections

bb. the procedure for conducting election in case the cooperative fails to do so.

c. the size and constitution of the board of directors

dd. eligibility for becoming director

ee. conditions for retaining directorship

ff. the terms of office of the directors, chairperson and office bearers

gg. the procedure for removal of directors and for filling of vacancies

hh. the manner of convening board meetings and quorum

ii. the frequency of board meetings

jj. powers and functions of the board
kk. powers and functions of office bearers including chairperson

ll. powers and functions of the chief executive

mm. penalties for acting against the interests of members and for non-fulfilment of duties by members, directors and staff

nn. the appointment and role of auditors and procedure for conduct of audit where the cooperative fail to make necessary arrangements and time limit for audit compliance.

oo. the authorisation of an officer or officers to sign documents and to institute and defend suits and other legal proceedings on behalf of the cooperative

pp. the terms on which a cooperative may deal with non members

qq. the terms on which a cooperative may associate with other cooperatives

rr. the terms on which a cooperative may deal with organisations other than cooperatives

ss. the rights, if any, which the cooperative may confer on any cooperative or other federations and the circumstances under which these rights may be exercised by the federation/s

tt. the manner of disposal of funds if under liquidation

uu. the accounting year for the cooperative

vv. transfer of shares and interest in the name of a nominee in case of death of a member

ww. the manner of dissolution of the cooperative

xx. restriction, if any, on service to non-members

yy. organise self-help groups of people living in its area and to conduct education and training programmes.

12. Amendment of byelaws

1) A cooperative may amend any of its byelaws by a resolution passed at a general meeting by a majority of the total membership with right of vote or of two thirds of members present and voting whichever is less;
Provided no such resolution shall be passed by the general body unless at least twenty clear days of written notice of the resolution and of the general meeting has been given along with a copy of the proposed amendment to each member of the cooperative.

2) An application for the registration of the amendment shall be forwarded by registered post to the registrar within a period of thirty days from the date of the resolution.

3) Every application forwarded to the registrar shall be signed by the chairperson and two members of the committees and shall be accompanied by the following particulars.
   a. a copy of the resolution adopting the amendment
   b. the date of the general meeting at which the amendment as approved.
   c. the date of the notice issued for the general meeting
   d. the total numbers of members on the roll of the co-operative having the right of vote on the date of such general meetings.
   e. the number of member having the right of vote present at such general meeting;
      and
   f. the number of members who voted for the resolution.

4) The registrar, if the proposed amendment is in consonance with the provisions of the Act, shall register the amendment within a period of sixty days from the date of receipt of the application.

5) The registrar shall forward to the cooperative within a period of 15 days after registration, a copy of the registered amendment together with a certificate signed and sealed by him, and such certificate shall be conclusive proof that the amendment has been duly registered.

6) The registrar, if the proposed amendment is not in consonance with the provisions of the Act, shall communicate by registered post the order or refusal together with the reasons therefor to the cooperative within the period specified in sub-section(4); Provided that no order refusing to register the amendment shall be passed except after giving the cooperative an opportunity of making its representation.

7) Where no order of refusal is communicated under sub-section (6) within the period specified in that sub-section, it shall be deemed that the registrar has registered the amendment on the last date of the period specified in that sub-section.
13. Change of liability transfer of assets and liabilities, division, amalgamation of a cooperative

1) A cooperative may, by a resolution of its general body, decide to change the extent of its limited liability.

2) A cooperative may by a resolution of its general body, decide to transfer its assets and liabilities, in whole or in part, to any other cooperative which agrees to such transfer by a resolution of its general body.

3) A cooperative may, by a resolution of its general body, divide itself into two or more cooperatives.

4) Any two or more cooperatives may, by a resolution of their respective general bodies, decide to amalgamate themselves and form a new cooperative.

5) Every resolution of a cooperative under this section shall be passed at its general meeting by a majority of total members with right of vote or two thirds of members present and voting whichever is less and such resolution shall contain all particulars of the liability, transfer, division, amalgamation as the case may be.

6) Where a cooperative has passed a resolution under this section, it shall give notice there of together with a copy of the resolution to all its members, federal cooperatives to which it is affiliated and creditors who may give their consent, otherwise, notwithstanding any byelaws or contract to the contrary, any member, federal cooperative or creditor shall, during a period of one month from the date of service of the notice have the option of withdrawing their shares, deposits, loans, or services as the case may be.

7) Any member, federal cooperative or creditor who or which does not exercise within the specified period the right under sub-section (6) shall be deemed to have assented to the resolution.

8) A resolution passed by a cooperative under this section shall not take effect until:

a (i) all the members, federal cooperatives and creditors have assented or are deemed to have assented to the resolution under sub-section (6) or sub-section (7) or

(ii) all claims of the members, federal cooperatives and creditors who have exercised the option referred to under sub-section (7) within the period specified there in have been met in full or otherwise satisfied; and

b (i) in the case of change of liability, amendment of the byelaws of the cooperative concerned is registered or deemed to have been registered; or
(ii) in the case of division or amalgamation, the certificate or registration of the cooperative, or the cooperatives, as the case may be, is issued or deemed to have been issued.

9) When a resolution passed by a cooperative under sub-section (2) takes effect the resolution shall be a sufficient conveyance to vest the assets and liabilities in the transferee without any further assurance,

10) The registration of a cooperative shall stand cancelled and the cooperative shall be deemed to have been dissolved and shall cease to exist as corporate body:
   a. when the whole of the assets and liabilities of such cooperative are transferred to another cooperative; or
   b. when such cooperative divides itself into two or more cooperatives.

11) Where two or more cooperatives are amalgamated into a new cooperative, the registration of the cooperatives so amalgamated shall stand cancelled and they shall be deemed to have been dissolved and shall cease to exist as corporate bodies.

14. Promotion of subsidiary organisation

1) Any cooperative may, by a resolution passed at general meeting by a majority of members present and voting, promote one or more subsidiary organisations for the furtherance of its stated objectives, and such organisation or organisations may be registered under any law for the time being in force, as agreed to by the general body.

2) The annual reports and accounts of any such subsidiary organisation shall be placed before the general meeting of the promoting cooperative each year.

3) Any subsidiary organisation created under sub-section (1) shall exist only as long as general body of the cooperative deems its existence necessary.

15. Partnership of cooperatives

Any two or more cooperatives may, by resolutions passed at general meetings by a majority of members present and voting in each such co-operative, enter into a contract of partnership for carrying out any specific business permissible under the byelaws on such terms and conditions as may be mutually agreed upon.

Where such partnership requires the creation of a new organization, the participating cooperatives shall be its members.
Chapter- IV

FEDERATIONS

16. Cooperative Federations/ Unions

1. Federl Cooperative organisations/ cooperative unions consisting of primary and/or secondary cooperatives as members my be established and shall be eligible for registration under this Act.

a. safegurad the observance of the cooperative principles

b. promote and organise cooperatives and for this purpose, frame model byelaws and guidelines for framing various regulations and policies for consideration by cooperatives

c. provide cooperative training, education and information, and propagate cooperative principles

d. undertake research and evaluation and assist in preparation of perspective development plans of member cooperatives

e. promote harmonious relatins between member cooperatives

f. help member cooperatives in the settlement of disputes among themselves and between a cooperative and its members

g. represent the interests of member cooperatives and lobby for ploicies and legislation favourable to cooperatives

h. undertake business services on behalf of its members

i. provide cooperative and management development services to member cooperatives including participation in board meetings where invited

j. to prepare a panel of auditors and ensure timely conduct of annual audit in member cooperatives

k. ensure timely conduct of elections in member cooperatives

l. assist member cooperatives in regular conduct of general meetings

m. evolve viability norms for member cooperatives

o. provide legal aid and advice
p. assist member cooperatives in organising self-help groups of people living in its area.

q. provide any other services, at the behest of member cooperatives.

3. a. A federal cooperative may request the board of directors of a member cooperative to

   convene a general body meeting of its members and shall request the board to do so where at least 10% of the members of the member cooperative have requested the federation to do so.

b. The board of directors of the member cooperative shall convene such meeting within 30 days of receipt of the requisition. The requisition shall contain the items to be included in the agenda and these shall be dealt with at the general meeting.

c. Where a member cooperative fails to convene a general meeting within 30 days of receipt of a requisition to do so by a federal cooperative, the board of directors of the federal cooperative may themselves call such meeting for dealing with such items as included in the requisition.

4. a. General body of a federal cooperative shall consist of the delegates from the member cooperatives.

b. The chairperson of a cooperative shall ordinarily be the delegate to the next tier of cooperative provided, however, that if the chairperson is unable to so represent for any reason, he may nominate the chief executive or any other member of the board to be the delegate.

c. The delegate shall continue to represent his/her cooperative in the federal cooperative as long as he/she remains in office in the member cooperative.

5. A cooperative union may

   i) create and maintain the cooperative education fund

   ii) represent the interests and welfare of all types of cooperatives at district and state level

   iii) promote new forms of cooperative enterprise

   iv) undertake experimental projects towards the application of cooperative ideology

   v) liaise on behalf of and amongst cooperatives

   vi) serve as a data bank on cooperation.
17. Mobilisation of Funds

A cooperative may mobilise equity capital, deposits, debantures, loans and other contributions from its members to such extent and under such conditions as may be specified in the byelaws.

18. Restriction on borrowings

1. A cooperative may mobilise debentures, deposits, raise loans and receive grants from external sources to such extent and under such conditions as may be specified in the byelaws. Deposits and loans raised from external sources, however, shall at no time exceed ten times the sum of member funds and organisational reserves less accumulated deficit if any.

2. A cooperative may accept funds from the government or other financing institution for the fulfilment of its objectives on such terms and conditions as are mutually contracted upon and such conditions may include the right of the government or other financier to nominate one expert on the board of directors.

19. Restriction on holding of equity.

1. No member in a primary cooperative shall, at any time, hold more than one tenth of the paid up equity capital.

2. No cooperative shall accept funds from the government by way of equity.

20. Deposal of surplus

1. In any year a cooperative shall, out of the surplus arising from transactions with members in that year, make deferred payment to members as patronage rebate, an amount more than 20% but less than 50% of such surplus and make interest payment on share capital at a rate not exceeding the prevailing rate of interest available to depositors in cooperative bank.

2. The balance surplus accruing from members and the entire surplus accruing from transactions with others, shall be utilised in the following manner:

a. Not less than 25% shall be transferred to a statutory reserve fund.

b. Not less than 20% shall be transferred to a reserve for meeting unforeseen losses.
c. Where the cooperative is a member of the cooperative union, up to 3% may be transferred to a cooperative education fund with the cooperative union.

d. Bonus shall be paid to employees in accordance with the decision of the general body.

e. Not less than 20% shall be transferred to an equity redemption fund by such cooperatives as already have government equity participation.

f. Not less than 5% may be transferred towards a common good fund whose purpose is approved by the general body.

g. Not more than 5% may be paid as contribution for any purpose connected with the development of the cooperative movement.

h. The balance shall be transferred to such other funds and reserves as created by the general body.

i. Surplus accruing as a result of servicing persons other than members shall not be divisible amongst members and may be utilized towards equity participation of potential members.

21. Liability for deficit

Where a cooperative has an operational deficit in any given year the board of directors shall place before the general body the amount of and reasons for the deficit.

22. Reserve and other funds

1. A cooperative may create statutory and non-statutory reserves and other funds for the promotion of the objects of the cooperative

2. Reserves and other funds shall be used for the purpose for which they were created when necessary but otherwise may be used in the business of the cooperative.

23. Investment of funds outside the business

Such of its funds as are not needed for use by a cooperative may be invested or deposited outside its business.

a. in any federal cooperative of which it is a member

b. in a local cooperative or nationalised bank

c. in the equities of any other cooperative

d. any of the securities specified in section 20 of the Indian Trust Act, 1882
e. in the local postal savings bank.

24. Restriction on contribution

No cooperative shall make a contribution either in money or in kind, either directly or indirectly to an organisation that has an object for furtherance of the interests of a political party, or of any religious faith.

Chapter-VI

MANAGEMENT

25. Membership

1. Any person, who needs the services of the cooperative, accepts the responsibilities of membership and fulfils such other conditions as may be specified in the byelaws of the cooperative, and is competent to contract may be admitted as a member.

2. Membership shall be available as provided for in the cooperative principles without any discrimination on grounds of sex.

3. Every cooperative shall organise, cooperative educational course for all persons seeking membership and for existing members and shall provide funds each year for cooperative education and training of its members, staff and directors and to organise into self-help groups people living in its area to promote collective action for their economic development.

4. Admission of members may be made only by an elected board of directors or by the general body where such a board does not exist.

5. In addition to such disqualifications as may be contained in the byelaws of a cooperative, the following restrictions shall apply for obtaining and retaining membership in a cooperative:

a. Ineligibility of the person to obtain retain membership where the person's business is in conflict or competition with such business of the cooperative as specified in the byelaws.

b. Ineligibility of the person to retain membership where the person has not used for 2 consecutive years, the services of the co-operative to the minimum level specified in the byelaws and such non-performance has not been condoned by the general body.
c. ineligibility of the person to retain membership where the person has not attended 3 consecutive general meetings of the cooperative and such absence has not received the consent of the general body.

d. ineligibility of a person to retain membership where the person is in default regarding any payment to be made the cooperative, exceeding an amount and for a period specified in the byelaws.

No cooperative shall, without sufficient cause, refuse admission to any person duly qualified for membership under the byelaws. Where admission is so refused, the decision with the reasons shall be communicated by registered post to such person within fifteen days of the date of the decision, or within thirty days from the date of application for membership, whichever is earlier;

Provided that if no decision is communicated within thirty days of applying for membership, then the person shall be deemed to have been admitted as a member of the cooperative on the thirtyfirst day.

Where a person has been refused membership by the board of directors, an appeal shall lie to the general body against the decision of the board. Any applicant aggrieved by the decision of the general body may apply to the cooperative tribunal for review of the decision.

26. Termination of membership

1. The board of directors may, by a resolution passed by a majority of the total number of members of the board having the right to vote and not less than two third of the members present and voting, terminate the membership of a person in the cooperative for acts/missions which are detrimetal to the proper working of the cooperative, provided that the membership shall not be so terminated without giving the person a reasonable opportunity of making representation in this regard.

2. Where membership of a person has been terminated by the board of directors an appeal shall lie to the general body and the decision of the general body shall be final.

3. No person whose membership has been terminated shall be eligible for re-admission as a member of the cooperative for a period of one year from the date of such termination.
27. Restriction on services to non-members

A cooperative's services shall ordinarily be available only to members unless otherwise provided in the byelaws.

28. General body

1. Subject to the provisions of this Act and the byelaws, the ultimate authority of a cooperative shall vest in its general body.

2. Where a cooperative so desires, its byelaws may provide for a representative general body drawn from the members, to be constituted in such a manner and with such functions as specified in the byelaws, any reference in this Act to the general body shall apply to the representative general body where this exists.

   Provided, however, that the representative general body shall not have the right to amend the byelaws of the cooperative except those in relation to which the byelaws have delegated the power of amendment to the representative general body.

3. Subject to the other provisions of this Act, and of the byelaws the following matters shall be dealt with by the general body:

   a. election of directors of the board
   b. removal of directors of the board and filling up of vacancies
   c. consideration of the annual report presented by the board
   d. appointment and removal of statutory auditors and internal auditors
   e. consideration of the auditor's report and audited statement of accounts
   f. consideration of audit compliance report
   g. report on action taken on inquiry report under section 39, if any
   h. disposal of net surplus
   i. review of operational deficit, if any
   j. approval of the long term perspective plan and the mutual operational plan
   k. approval of the annual budget
   l. creation of specific reserves and other funds
   m. review if actual utilisation of reserve and other funds
n. report on membership of the cooperative in other cooperatives
o. partnership with other cooperatives
p. review of annual report and accounts of any subsidiary organisation
q. appeal of a person whose application for membership has been rejected or whose membership has been terminated by the board of directors
r. list of employees recruited who are relatives of directors or of the chief executive
s. amendment of byelaws
t. formulation of code of conduct for the directors and officers.
u. note of admission and termination of members
v. dissolution of the cooperative
w. such other functions specified in the byelaws.

29. Board of directors
1. The general body of a cooperative shall constitute a board of directors in accordance with the byelaws.
2. The size of the board shall be in accordance with the byelaws. Chief executive shall be an ex-officio member of the board.
3. In addition to such criteria as may be specified in the byelaws, a person shall be ineligible for being chosen as a director, if he/she
   a. has at any time lost the right to vote as a member as specified in the byelaws
   b. loses the right to continue as member as specified in section 25 (5) and the byelaws
   c. incurs any other disqualification specified in the byelaws.
4. In addition to such criteria as may be specified in the byelaws, a person shall cease to be a director if he/she incurs any of the disqualifications specified in subsection (3) and/or
   a. absents himself/herself from three consecutive board meetings.
   b. absents himself/herself from any general body meeting and such absence does not receive consent from the general body.
   c. is penalised under this Act.
5. In addition to such criteria as may be specified in the byelaws, all the directors of the board shall incur disqualification for a period of three years for being chosen as directors and shall be ineligible to continue as directors of any cooperative, if during their term as directors of a co-operative.

a. they did not conduct elections within the time specified in byelaws and before the expiry of their term

b. they did not conduct their annual general body meeting within 4 months of closure of the cooperative's accounting year or a requisitioned meeting of the general body.

c. they did not place the audited accounts along with the reports of the auditors before the general body.

6. With the exception of the first 3 years after the registration of a cooperative, in order to be eligible for being chosen as a director of the board, a member.

a. shall have been a voting member of the cooperative for at least 2 years immediately preceding the year of election

b. shall have attended the two general body meetings of the cooperative immediately preceding the elections.

30. Powers and functions of the board of directors

The board shall, in accordance with the byelaws, be the authority to

a. admit and terminate membership

b. elect the chairperson and other office bearers

c. remove from office the chairperson and other office bearers

d. appoint and remove the chief executive

e. fix staff strength

f. frame policies concerning

i) organisation and provision of services to members

ii) qualifications, recruitment, service conditions and other staff related matters

iii) mode of custody and investment of funds
iv) manner of keeping accounts

v) mobilisation, utilisation and investment of various funds

vi) monitoring and management information systems including statutory returns to be filed

vii) such other subjects and matters necessary for the effective performance of the cooperative

g. place the annual report, annual financial statements, plan and budget for the approval of the general body

h. consider audit and compliance reports and place these before the general body

i. review membership in other cooperatives

j. undertake such other functions as delegated by the general body.

2. The chairperson shall be elected by the board of directors from among the elected members and shall, in accordance with the byelaws.

a. preside at meetings of the board and the general body

b. have a second vote in the event of equality of votes on any matter being decided upon by the board except in matter of elections

c. exercise such other powers as delegated by the board specified in the policies framed or resolutions adopted by the board.

31. Term of office

The term of office of the directors of the board or, where the byelaws provide for retirement of directors by rotation, the term of office of the individual directors shall be for such period as specified in the byelaws but not exceed three years from the date of assumption of office.

Provided, however, that the term of office can be terminated by the general body at its meeting by a majority of members with right of vote or two thirds of members present and voting.

Provided further that the first board shall not exceed 12 months from the date of registration of the cooperative.
32. Elections

1. The conduct of elections to the board of directors of a cooperative shall be the responsibility of the incumbent board.

2. Elections shall be conducted in the manner specified in the byelaws before the term of office of the outgoing directors comes to an end.

3. Where a board does not take necessary steps to conduct elections before the expiry of the term of the directors, or, where there are no directors remaining on the board, a minimum of 5% of total members of the cooperative may jointly convene a general meeting of the members, for the purpose of appointing an ad-hoc board of directors for the specific purpose of conducting elections.

4. The term of the ad-hoc board so appointed shall not exceed three months.

5. The election of the directors shall take place at the general body meeting.

6. The directors shall hold office for the period for which they were elected and the newly elected directors shall assume office at the end of this period.

7. The directors shall, if the byelaws permit, be eligible for reelection.

8. It shall be the duty of the federal cooperative to inform the registrar if any member cooperative fails to conduct elections in accordance with the bye-laws.

9. Where the number of nominees exceeds the number of directors to be elected, the election of directors shall be by secret ballot.

10. Where there is a vacancy on the board of directors and where there is a quorum of directors, the remaining directors may exercise all the powers of the board or may fill the vacancy for the remainder of its term from eligible persons, through co-option, if the period remaining is over 6 months.

11. Where there is a vacancy on the board and where there is not quorum of directors, the remaining directors shall call a general meeting for the purpose of electing members to fill any vacancies for the remaining period.

12. Where a cooperative fails to conduct elections to the board of directors when due, and the federal cooperative/union has not initiated the election process, the registrar shall cause the election to be conducted on the expiry of 90 days from the date of the election falling due. The cost of conducting such elections shall be borne by the cooperative.
33. Meetings.
1. The byelaws of a cooperative shall specify the frequency of and manner in which board and general body meetings shall be held, such however, that not less than 4 board meetings and 1 general body meeting shall be required to be held in a year.

2. The board shall convene a special meeting within 30 days of receipt of a requisition to this effect from at least one-tenth of members of the co-operative or as provided in the bye-laws and any such requisition shall contain the proposed agenda and the reasons why the meeting is felt necessary.

3. Where a cooperative fails to convene the annual general meeting within due time and the concerned federation has also failed to convene the meeting, the registrar shall on the expiry of 90 days convene the annual general meeting.

34. Staff
1. All staff of the cooperative including the chief executive shall be recruited, appointed, removed and guided in accordance with such personnel policies and service conditions as framed by the board and approved by the general body.

2. The chief executive shall perform such functions as specified in the byelaws and policies and shall:
   a. have general control over the day to day operations of the cooperative
   b. be the person to sue or be sued on behalf of the cooperative
   c. on behalf of the cooperative, have powers to endorse, sign, negotiate cheques and other negotiable instruments and operate the bank accounts of the cooperative with such other person as the board may desire.
   d. be responsible for staff recruitment, discipline, performance and development.
   e. on behalf of the cooperative, be the person to enter into agreements or contracts
   f. arrange to maintain proper records and accounts of the cooperative
   g. present the draft annual report and financial statements for the approval of the board, within 30 days of closure of the financial year
   h. convene in consultation with the chairperson, the board and general body meetings in accordance with the byelaws and record the proceedings thereof.
   i. assist the board in the formulation of policies and plans.
j. be accountable to the board

k. furnish to the board information necessary for monitoring the performance of the cooperative

l. perform any other function as specified in the byelaw or as decided by a resolution of the board and general body.

3. An officer of the government shall not either during the course of his/ her service with the government or for a period of three years thereafter, serve in any capacity with any cooperative.

Appendix - III
GENERAL INFORMATION
(GLIMPSES OF INDIAN ECONOMY)

Population
- Population of India : 843.93 Million
- Male : 437.60 Million
- Female : 406.33 Million
- % of SC Population : 15.8%
- % of ST Population : 7.8%
- % of Rural Population : 89.2%
- % of Urban Population : 10.8%
- Total Area : 328.73 Million hec.
- Cultivated Area : 185.0 Million hec.
- Irrigated Area : 78.9 Million hec.
  (a) Major & Medium irrigated area : 33.0 Million hec.
  (b) Minor irrigated area : 45.9 Million hec.

Population by Age Group
- 0-4 : 12.85%
- 5-14 : 23.15%
- 15-59 : 57.50%
- 60+ : 6.5%

Villages
- Total Villages : 5,57,149

Distribution of Villages According to Population
- Less than 1000 : 4,06,724
- 1000 to 1999 : 4,464
- 2000 to 4,999 : 46,893
- 5,000 to 9999 : 7,202
- 10,000 above : 1834

Literacy Rate
- Persons : 52.11%
- Male : 63.86%
- Female : 39.42%

*Census 1991

LITERACY RATE
(Census of India)
INDIAN COOPERATIVE MOVEMENT AT A GLANCE
(1990-91)

All Cooperatives *(Value Rs. in Million)*

(i) Number of Societies (Million) : 0.342
(ii) Membership (Million) : 164
(iii) Share Capital : Rs. 53251.3
(iv) Working Capital : Rs. 716724.1
(v) Households covered : 65%
(vi) Villages covered by Coops : 100%
(vii) No. of National Coop. Organisations/federations : 20
(viii) No. of State level Coop. Organisations/federations : 260
(ix) No. of District Cooperative Organisations/Federations : 2267
(x) Production Credit Advanced :
(a) Short-term (ST) : Rs. 39318.2
(b) Medium-term (MT) : Rs. 7470.3
(c) Total (ST+MT) : Rs. 467885
(xi) Investment Credit Advanced :
Long-term (LT) : Rs. 8148.23
(xii) Total (ST+MT+LT) : Rs. 54936.83

* 1 Million = 10 lakh

GROWTH OF COOPERATIVE MOVEMENT
(Number and Membership)

OVER ALL GROWTH IN WORKING CAPITAL OF COOPERATIVES

Rs. in billion

- Working capital

 Membership

Number

<table>
<thead>
<tr>
<th>Membership</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>351.9</td>
<td>332.5</td>
</tr>
<tr>
<td>515.0</td>
<td>346.2</td>
</tr>
<tr>
<td>770.7</td>
<td>333.6</td>
</tr>
<tr>
<td>931.1</td>
<td>360.4</td>
</tr>
<tr>
<td>1420.6</td>
<td>315.7</td>
</tr>
<tr>
<td>1566.5</td>
<td>338.8</td>
</tr>
<tr>
<td>1583.8</td>
<td>352.5</td>
</tr>
<tr>
<td>1644.2</td>
<td>342.7</td>
</tr>
</tbody>
</table>

60-61 65-66 73-74 77-78 84-85 88-89 89-90 90-91
Central Cooperative Banks (Production Credit) (Value Rs. in Million)

- No. of Banks: 353
- Total Membership (Million): 1.30
- Membership of Coops. (Million): 0.26
- Total Share Capital: Rs. 9690.5
- Govt. participation in share capital: 21.1%
- Total Deposits: Rs. 111805.6
- Deposits of Coops: 38.5%
- Total borrowings: Rs. 54603.1
- Borrowings from Govt.: 2.1% (Rs. 1164.6)
- Borrowings from Commercial Banks: 1.1% (Rs. 613.2)
- Borrowings from SCB (%): 81.3%
- Total Working Capital: Rs. 190792.5
- Total Loans Advanced: Rs. 187710.1
- Short-term loans (ST): Rs. 130766.6 (69.7%)
- Medium-term loans (MT): Rs. 11161.0 (5.9%)
- Others: Rs. 45790.0 (24.4%)
- Percentage of Overdues to demand: 36%
- No. of Banks in Profit: (119) 33.7%
- No. of Banks in Loss: (48) 13.6%
- Total number of employees: 96267

### DEPOSITS OF CENTRAL COOPERATIVE BANKS

<table>
<thead>
<tr>
<th>Rs. in million</th>
<th>60-61</th>
<th>77-78</th>
<th>84-85</th>
<th>85-86</th>
<th>86-87</th>
<th>87-88</th>
<th>88-89</th>
<th>89-90</th>
<th>90-91</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Deposits</td>
<td>1120</td>
<td>13786</td>
<td>5109</td>
<td>20481</td>
<td>19873</td>
<td>23673</td>
<td>28536</td>
<td>32269</td>
<td>38399</td>
</tr>
<tr>
<td>Coops Deposits</td>
<td>453</td>
<td>5109</td>
<td>20481</td>
<td>19873</td>
<td>23673</td>
<td>28536</td>
<td>32269</td>
<td>38399</td>
<td>43066</td>
</tr>
<tr>
<td>% Coops Deposits</td>
<td>40</td>
<td>37</td>
<td>47</td>
<td>39</td>
<td>39</td>
<td>39</td>
<td>39</td>
<td>39</td>
<td>39</td>
</tr>
</tbody>
</table>

### Percentage of overdues to Demand of Central Coop. Banks

- Demand: 39626
- Overdues: 1633
- Overdues % over demand: 3.7
- Overdues % over demand: 5.3
- Overdues % over demand: 36
State Cooperative Banks (Production Credit)

- No. of Banks : 28
- Membership (Total) : 82,480
- Membership of Coops : 24.3%
- Total Share Capital : Rs. 2,237.6
- Percentage of Govt. participation : 15.82%
- Borrowings (Total) : Rs. 357,117.8
- Borrowings of NABARD (%) : 82.10%
- Deposits : Rs. 67,966.7
- Deposits from Coops. (%) : 77.4%
- Working Capital : Rs. 1,23,933.8
- Loans advanced (Total) : Rs. 1,15,726.1
  (a) Short-term Loans advanced (ST) : Rs. 69,470.5
  (b) Medium-term Loans advanced (MT) : Rs. 70,387.5
  (c) Others including Long-term (LT) : Rs. 20,246.6

Percentage of overdues to demand
(a) Gross (Total) : 22.7%
(b) Short-term (ST) : 20.8%
(c) Medium-term (MT) : 46.3%

Purpose-wise distribution of ST & MT Loans
(a) % of ST loans for Agri. purpose : 43.5%
(b) % of MT loans for Agri. purpose : 42.9%
- % of overdues to demand (Total) : 22.7%
- % of overdues of demand (ST) : 20.8%
- % of overdues of demand (MT) : 46.3%
- No. of Banks in Profit : 16
- Number of Employees : 13,659

Role of NABARD in Total Borrowings of State Cooperative Banks

<table>
<thead>
<tr>
<th>Loans Rs. in million</th>
<th>Borrowings of NABARD</th>
<th>% share of NABARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964-65</td>
<td>8120</td>
<td>78</td>
</tr>
<tr>
<td>1965-66</td>
<td>1,0010</td>
<td>82</td>
</tr>
<tr>
<td>1966-67</td>
<td>10,681</td>
<td>76</td>
</tr>
<tr>
<td>1967-68</td>
<td>16,756</td>
<td>80</td>
</tr>
<tr>
<td>1968-69</td>
<td>24,906</td>
<td>82</td>
</tr>
<tr>
<td>1969-70</td>
<td>31,273</td>
<td>86</td>
</tr>
<tr>
<td>1970-71</td>
<td>28,004</td>
<td>82</td>
</tr>
</tbody>
</table>

Overdues position of State Cooperative Banks over the years

<table>
<thead>
<tr>
<th>Rs. in million</th>
<th>Total Demand of SCBs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964-65</td>
<td>31,747</td>
</tr>
<tr>
<td>1965-66</td>
<td>39,914</td>
</tr>
<tr>
<td>1966-67</td>
<td>41,170</td>
</tr>
<tr>
<td>1967-68</td>
<td>46,598</td>
</tr>
<tr>
<td>1968-69</td>
<td>52,663</td>
</tr>
<tr>
<td>1969-70</td>
<td>63,731</td>
</tr>
<tr>
<td>1970-71</td>
<td>62,371</td>
</tr>
</tbody>
</table>

Overdues(SCBs) : 2,488 2,918 4,059 4,059 6,831 13,538 14,188
Overdues/Demand(%) : 11 9 12 10 14 26 23
Structure of Investment Credit
State Cooperative Land/Agricultural & Rural Development Banks

<table>
<thead>
<tr>
<th>Description</th>
<th>Value Rs. in Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Banks</td>
<td>20</td>
</tr>
<tr>
<td>No. of Branches of CLDBs</td>
<td>1487</td>
</tr>
<tr>
<td>Total operational units</td>
<td>2841</td>
</tr>
<tr>
<td>Membership (Million)</td>
<td>13.92</td>
</tr>
<tr>
<td>Share Capital</td>
<td>Rs. 2892.3</td>
</tr>
<tr>
<td>Percentage of Govt. participation in share capital</td>
<td>26.3%</td>
</tr>
<tr>
<td>Deposits</td>
<td>Rs. 393.3</td>
</tr>
<tr>
<td>Reserves</td>
<td>Rs. 3148.0</td>
</tr>
<tr>
<td>Borrowings</td>
<td>Rs. 39188.1</td>
</tr>
<tr>
<td>Working Capital</td>
<td>Rs. 54031.8</td>
</tr>
<tr>
<td>Loans Advanced (Total) Long-term</td>
<td>Rs. 8148.3</td>
</tr>
<tr>
<td>% of loans advanced for farm sector</td>
<td>88.9%</td>
</tr>
</tbody>
</table>

Purpose-wise loans advanced (Value Rs. in Million)

- Minor irrigation: 35.5% (Rs. 2895.9)
- Farm mechanisation: 24.9% (Rs. 2032.7)
- Plantation and Horticulture: 5.1% (Rs. 412.7)
- Diversified purpose (Animal Husbandry, Fishery, Sericulture and Rural Godown): 17.7% (Rs. 1443.8)
- Land Development: 3% (Rs. 248.6)
- Non-farm sector: 3.2% (Rs. 265.2)
- Rural Housing: 5% (Rs. 397.7)
- Waste land & Dry land development: Rs. 18.5
- Percentage of overdues to demand: 52%
- No. of Banks in profit: 6
- No. of employees: 19677
- % of trained employees: 71%
Primary Land/Agricultural Cooperative Development Banks

**(Investment Credit)** *(Value Rs. in Million)*

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Banks</td>
<td>709</td>
</tr>
<tr>
<td>No. of viable banks</td>
<td>77.2%</td>
</tr>
<tr>
<td>No. of branches/area offices</td>
<td>675</td>
</tr>
<tr>
<td>Membership</td>
<td>5.62 Million</td>
</tr>
<tr>
<td>% of borrowing members</td>
<td>56.8%</td>
</tr>
<tr>
<td>% of Non-borrowing members</td>
<td>30.5%</td>
</tr>
<tr>
<td>No. of borrowers</td>
<td>516000</td>
</tr>
<tr>
<td>(a) % of SC borrowers</td>
<td>24.4%</td>
</tr>
<tr>
<td>(b) % of ST borrowers</td>
<td>3.5%</td>
</tr>
<tr>
<td>Share Capital</td>
<td>Rs. 1766.0</td>
</tr>
<tr>
<td>% of Govt. participation</td>
<td>16.2%</td>
</tr>
<tr>
<td>Deposits</td>
<td>Rs. 158.0</td>
</tr>
<tr>
<td>Reserves</td>
<td>Rs. 536.5</td>
</tr>
<tr>
<td>Working Capital</td>
<td>Rs. 22776.6</td>
</tr>
<tr>
<td>Loans Advanced (Total) LT</td>
<td>Rs. 3754.6</td>
</tr>
</tbody>
</table>

**Purpose-wise distribution of loans by PLDBs** *(Value Rs. in Million)*

<table>
<thead>
<tr>
<th>Sector</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Farm sector (%)</td>
<td>73.8%</td>
</tr>
<tr>
<td>(b) Non-farm sector (%)</td>
<td>2.0%</td>
</tr>
<tr>
<td>(c) Rural Housing (%)</td>
<td>2.4%</td>
</tr>
<tr>
<td>% of Overdues to demand</td>
<td>47.6%</td>
</tr>
<tr>
<td>No. of PLDBs in profit (%)</td>
<td>25%</td>
</tr>
<tr>
<td>No. of employees</td>
<td>12598</td>
</tr>
<tr>
<td>% of trained employees</td>
<td>49%</td>
</tr>
</tbody>
</table>
Primary Coop. Banks including Urban Banks

- Number: 1414
- Membership ('000): 19653
- Paid up Capital: Rs. 3908.8
- Govt. Participation: Rs. 21.9
- Deposits: Rs. 84144.5
- Working Capital: Rs. 111975.6
- Number of Borrowers (%): 31%
- Loans Advanced
  - (a) Total: Rs. 67226.5
  - (b) Short-term (ST): Rs. 43529.1
  - (c) Medium-term (MT): Rs. 23697.4
- % of Overdues to Demand: 11.8%
- Number of Societies in Profit (%): 80%

Non-Agricultural Credit Coops

Primary Non-Agricultural Credit Societies
(including Employees Credit and Urban Banks)

- No. of Societies/Banks: 32099
- Membership (Million): 15.3
- Share Capital: Rs. 6548.7
- Govt. participation in share capital: 0.8%
- Reserves: Rs. 1970.9
- Deposits: Rs. 11850.9
- Working Capital: Rs. 31977.7
- Number of Borrowers (%): 45%
- Loans Advanced
  - (a) Total: Rs. 20018.5
- Loans advanced for non-agrrl. purpose (%): 56.3%
- Short-term (ST): Rs. 9669.8
- Medium-term (MT): Rs. 10348.7
- % of overdues to demand: 14%
- No. of societies in profit (%): 53.5%
**NATIONAL COOPERATIVE UNION OF INDIA**
(Apex organisation of the Indian Cooperative Movement)

- **Education**
  - State Cooperative Unions (27)
  - District Cooperative Unions (324)
  - Primary Cooperatives:
    - (Credit+Non-Credit 0.333 Million)
- **Training**
  - National Council for Cooperative Training
  - V.M. National Institute of Cooperative Management
  - Cooperative Training Colleges (19)
  - Junior Cooperative Training Centres (95)

**Main Functions**
- National Cooperative Union of India
  - Promoting and strengthening the cooperatives
  - Cooperative education and training.
  - Inter-national cooperative relations.
  - Publicity, publications & public relations.
- National Council for Cooperative Training
  - Formulate policies and plans relating to cooperative training.
  - Facilitate planning and designing of training programmes for CTs.
  - Academic Guidance to Junior Training Centres.
- Vaikunth Mehta National Institute of Cooperative Management
  - Caters to management development training needs of senior key personnel in cooperative sector.
  - Research and consultancy.
  - Publications.
- Cooperative Training Colleges
  - Caters to the management/development training needs of middle level cooperative personnel.
- State Cooperative Unions
  - Cooperative education and training.
  - Promote inter-cooperative relationship.
  - Publicity and Publications.
- Junior Training Centres
  - Arrange training of junior level cooperative personnel.
- District Cooperative Unions
  - Guide and assist in the organisation of cooperatives.
  - Undertake education and training activities.

**AGRICULTURAL CREDIT COOPERATIVES**
Production Credit

- National Federation of State Cooperative Banks
  - State Cooperative Banks (28)
  - Distt. Cooperative Banks (351)
- Farmers Service Cooperative Societies
- Primary Agricultural Cooperative Societies
- Large Sized Multi Purpose Coop. Societies
- Members: 84.77 Million

**Main Functions**
1. **Primary Agricultural Cooperative Society/LAMPS/FSS**
   - Production Credit to members
   - Agricultural Inputs Implement
   - Storage and Marketing of Agricultural Produce
   - Consumer goods and essential commodities to members
   - Non-Farm Credit
2. **District Cooperative Bank**
   - Credit to Primary Societies
   - Working Capital to Agro-processing units
   - Banking Facilities to Public
3. **State Cooperative Bank**
   - Coordinate Credit Policies
   - Credit to District Cooperative Banks
   - Working Capital to Apex Societies
   - Training, Supervision and Guidance in Agricultural Credit
4. **National Federation of State Cooperative Banks**
   - Research, Publications and Consultancy on Cooperative Credit.
   - Liaison with Government RBI, NABARD and other National Organisations on matters relating to Agricultural Credit.
   - Promote and Project the interests of the members banks in spheres of their activities.
   - Provide a common forum to the member banks to deal their problems.
ARICULTURAL CREDIT COOPERATIVES
Investment Credit

National Cooperative Agriculture and Rural Development Banks' Federation

State Land Development Banks (20)

Regional/Divisional/District Offices (321)

Primary Land Development Banks (709), Branches of State Land Development Banks (1487) & Branches of PLDBs (646)

Membership (13.92 Million)

Main Functions

State Land Development Bank
- Coordinate Long Term Credit Policies
- Float Debentures
- Credit to PLDBs
- Supervise Guide Primary Land Development Banks
- Liaison with Government, NABARD, SBI, LIC and other institutions.

District/Regional/divisional Offices
- Assist and guide the Field Units for implementing loaning policies and procedures.
- Inspection of units, verification of credit utilisation.
- Coordinate with other developmental agencies.

Primary Land Development Bank
- Investment Credit to members
- Credit for non-farm activities

National Cooperative Agriculture and Rural Development Banks' Federation
- Publications, Guidance, Consultancy on investment credit.
- Liaison with Govt., Planning Commission, RBI, NABARD, Commercial Banks, Cooperative Bank, State Bank of India, LIC and other concerned on matters related to long-term credit.

NON-AGRICULTURAL CREDIT COOPERATIVES
Urban Credit Cooperatives

National Federation of Urban Cooperative Banks and Credit Societies

State Federation of Urban Cooperative Banks and Credit Societies (11)

Primary Cooperative Banks (1414)

Primary Non-agricultural Credit Societies (32099)

Members (34.9 Million)

Main Functions

(1) National Federation of Urban Cooperative Banks and Credit Societies
- Promote interest of member banks
- Promote urban credit movement and undertake research studies
- Publications relating to urban credit movement
- Liaison with Govt. of India, State Govt., RBI, NABARD, SBI and other concerned institutions at national and international levels

(2) Primary Urban Cooperative Bank
- Raise deposits from members and non-members
- Advances to members.
- Collections of bills, hundies etc.
- Arrange safe custody of valuable document
- Provide other banking facilities

(3) Salary Earners' Cooperative Societies
- Encourage thrift, self help and cooperation among members
- Attract deposits from members and non-members
- Lend money to members

Source:
2. Reports of Registrars of Cooperative Societies, 6. Annual Report of Ministry of Labour
Appendix - IV
APPENDIX-IV

Statistical Profile of Co-operatives in the Indian Economy

A. Agricultural Credit Disbursed : 58.97%
Fertilizer Distributed : 30.50%
Production of Fertilizer : 21.9%
Other Agricultural Inputs : Rs, 196 crores
Sugar Produced : 59.7%
Spindlehead Coverage : 12%
Yarn Production (Million kg) : 16.4%
Cotton Ginning and Processing units : 12%
Cotton Yarn Exported : 8%
Hand looms In Co-operatives : 55%
Wheat Procurement : 36%
Jute Procurement : 21%
Fishermen In Co-operatives : 21%
Powerlooms In Co-operatives : 5%
Rural Fair Pice Shops : 26%
Oil Marketed (Branded pkts) : 50%

B. Number of Co-operatives : 0.411 Million
Membership : 198 Million
Share Capital : Rs. 93502 Million
Working Capital : Rs. 1313844 Million
Household covered : 67%
Village covered : 99.5%
No of National Co-op Federations : 21
No of State level Co-op Federations : 284
No of District Co-op Federations : 2331

Source: Ninth plan In Parspective: Role of Co-operatives in various segments of Co-operative Movement.
Co-operative planning council N.N.D.C. New Delhi.