



NATIONAL  
COOPERATIVE  
UNION OF  
INDIA

NATIONAL  
CENTRE FOR  
COOPERATIVE  
EDUCATION

# LEADERSHIP DEVELOPMENT PROGRAMME FOR RURAL COOPERATIVE BANKS

3 Days



**Programme Objectives:** The history of Indian cooperative banking started with the passing of Cooperative Societies Act in 1904. The objective of this Act was to establish cooperative credit societies. The primary objective was to encourage thrift, self-help and cooperation among agriculturists, artisans and persons with limited resources. Rural cooperative banks provide rural credit and financial assistance for agricultural and rural activities.

The three-day “Leadership Development Programme for Rural Cooperative Banks” is a programme conducted by the National

Centre for Cooperative Education (NCCE) for management-level leadership such as Board of Directors, Chairpersons, Secretaries, etc. at rural cooperative banks. The programme will attempt to provide the participants with a holistic overview of concepts that can strengthen their leadership skills. It would comprise sessions on components such as cooperative values and principles in the context of a rural cooperative bank, roles and responsibilities of cooperative leaders, financial management, legal provisions, Banking Regulations Act, role of RBI and NABARD, challenges faced by rural cooperative banks and strategies to manage them, etc.

## Programme Details

Pedagogy	The three-day programme is conducted in-person and involves: <ul style="list-style-type: none"> <li>• Lecture/Presentations</li> <li>• Group Discussions</li> <li>• Exercises/Games/Role plays</li> <li>• Study Visits</li> </ul>
Duration	3 Days
Eligibility	Members of Board of Directors, Chairpersons, Secretaries and other individuals in leadership roles in primary state and district level cooperatives; with proficiency in English and Hindi languages
Language of instruction	English and Hindi
How to apply	Send nomination to: The Executive Director National Centre for Cooperative Education 3, Siri Institutional Area, August Kranti Marg Hauz Khas, New Delhi – 110016 Telefax – 41811158 Email: nccencui@gmail.com
When to apply	The announcement letter inviting participants for the course will be circulated.
Mode of teaching	Classes will be conducted physically at NCCE, New Delhi. In times of COVID-19 restrictions, the classes will be conducted online.
Fee	There is no fee to be paid for this programme.

## Programme Curriculum

The programme will help strengthen the capacity of leaders on the following aspects through various sessions:

**Concept:** Cooperatives are based on the values and principles of self-help, self-responsibility, democracy, equality, equity and solidarity. The structure and working of cooperatives are centred on transparency and participation, and their work often centres on involving members to inform them of business operations to facilitate their active participation. The overarching objective of enabling betterment of communities, lend a unique primacy to these values and principles. This module will help leaders gain a deeper understanding of cooperative values and principles and their application in a rural cooperative bank cooperative to facilitate their implementation in their bank in a manner that supports the core objective of benefitting the people.

**Management of rural cooperative bank:** This module will emphasise on the various concepts of cooperative management with a focus on rural cooperative banks including the bye-laws, basics

of membership, membership fee, share capital, formation and registration of a rural cooperative bank, elections and procedures for meetings, etc.

**Types of members, procedure for admission, termination and suspension of members in a rural cooperative bank:** Once a rural cooperative bank is registered, it becomes open to members. There are different types of membership and eligibility criterion for members to apply. There is also a pre-set procedure for admission and termination/suspension of members in special cases. This module will reinforce basic fundamentals about a rural cooperative bank for the leaders.

**Roles and responsibilities of the chairperson and board of directors:** The leader of an organisation has an important role to play in building and driving the organisation to success. Some roles and responsibilities of a rural cooperative bank leader including the chairperson and board of

directors include defining the goals and objectives of the organisation, hiring the workforce, preparing budgets, setting the criteria and protocols of including members in the cooperative, directing and delegating responsibilities of the employees, etc. Hence, this module will revisit the roles and responsibilities of a rural cooperative bank leader and share some effective ways and means to implement them.

#### **Legal provisions for a rural cooperative bank:**

The legal framework of a rural cooperative bank includes various policies, bye-laws and acts. Generally, these include the Cooperative Societies Act, Banking Regulation Act passed by the legislature, rules framed under the Cooperatives Act towards their implementation and the bye-laws set by the cooperatives for day-to-day functioning. In this module, the leaders will be re-oriented on the legal provisions for a rural cooperative bank and the impact of these provisions on the organisation's functioning.

#### **Functions of NCARDB, state and district cooperative federations and their role:**

Organisations such as National Cooperative Agriculture & Rural Development Banks (NCARDB) Federation are apex bodies that play a significant role in various aspects of a rural cooperative bank. NCARBD is the apex level organisation of Agriculture & Rural Development Banks at the national level. The Federation was set up in 1960 and is administered under the Multi-State Cooperative Societies Act, 2002. The members of these bodies include different cooperative banks at varying levels including the national, state and district level. The role of these bodies is to ensure seamless implementation of the end-to-end process such as providing financial assistance, opening bank accounts and other such processes. This module will reinforce the role of the national, state and district federations, for the leaders who run rural cooperative banks in India.

#### **Financial management and accounting in a rural cooperative bank:**

The financial management of an organisation includes aspects such as taxation, maintaining books and carrying out day-to-day financial activities. In this module, the learner will be oriented on the financial management aspect of a rural cooperative bank and focus on components such as profit, reserve, dividend, loans, etc.

#### **The Banking Regulations Act, 1949 and the Banking Laws (Co-operative Societies) Act, 1955:**

In India, there are two primary laws that govern rural cooperative banks, The Banking Regulation Act, 1948 and The Banking Laws (Co-operative Societies) Act, 1955. Both these Acts have provisions that apply specifically to cooperative banks as well as those that are applied across banks. It is mandatory for all rural cooperative banks to abide by these Acts in entirety. This module will re-orient the leaders on these Acts, the recent changes and milestones that may impact the functioning of a rural cooperative bank.

#### **Use of Information Technology (IT) in different areas of rural cooperative banking:**

IT can revolutionize the way rural cooperatives banks work and bring huge benefits, particularly in its management paradigm. Many institutions have already adopted IT platforms and tools and successfully managed the transition to the use of IT in a variety of ways. The increased use of IT has the potential to not only transform the day-to-day operations of cooperatives but to change the paradigm regarding stakeholder engagement. For instance, in a rural cooperative bank, IT can be used by introducing digital banking, online loan management, etc. This module will shed light on the IT opportunity available for the management and how to reap its benefits for the organisation.

#### **Recent developments in the rural cooperative banking sector:**

Rural cooperative banks are evolving. These changes may relate to various aspects such as loans, interests, investments and savings. These changes have a direct impact on the potential customer. Hence, this module will update the leaders on recent developments that have an impact on the customer's ability to access and benefit from the services of a rural cooperative bank.

#### **Roles and responsibilities of NABARD and RBI:**

The National Bank for Agriculture and Rural Development (NABARD) was established with the vision to become a development bank of the nation to foster rural prosperity. They play an important role in the functioning of rural cooperative banks and other aspects of rural finance. Some of their key responsibilities include supervising Cooperative Banks and Regional Rural Banks (RRBs) to helping them develop sound banking practices and onboarding

them to the CBS platform, among others. In India, RBI is the institution that oversees all the financial institutions in the country. The rules, norms and protocols dictated by the RBI are mandatory for banks to follow. This also applies to rural cooperative banks. The RBI plays an important role in the functioning of the rural cooperative banks. This includes ensuring credit availability to the productive sectors of the economy, establishing institutions designed to build the country's financial infrastructure, expanding access to affordable financial services and promoting financial education and literacy. However, it is important to note that cooperative banks and institutions that fall under the purview of the State Cooperative Societies Act and not The Banking Regulation Act do not fall under the ambit of RBI. In this module, the participant will revisit the details about the role and responsibilities of the RBI and NABARD in the functioning of a rural cooperative bank.

**Business development plan and diversification of business:** Business development refers to implementing various processes such as promotion,

pricing, distribution, financing, etc. that focus on growing the business of an organisation. Diversification is one of the many business development strategies available to a rural bank cooperative such as providing loans for different types of assets. In the context of creating positive social impact as a core objective of a cooperative, diversification also helps in expanding employment opportunities and augmenting the support extended to the rural population. This module will focus on these components of business development and diversification for the leaders in the context of rural cooperative banks.

**Challenges before rural cooperative banks & strategies to mitigate them:** Some challenges faced by rural cooperative banks include reducing deposits, decline in demand for loans and advances, etc. Specific to rural cooperative banks, agricultural lending has also diminished. The module, through participatory learning, will highlight these challenges as well as shed light on the possible strategies to mitigate them.

#### About National Cooperative Union of India

The National Cooperative Union of India (NCUI) was established in 1929 as All India Cooperative Institutes Association and transitioned to its current form in 1961. Since inception, the organisation has grown manifold in terms of its activities and programmes and now represents 280 member institutions across the nation. The goal of the NCUI is to promote and develop the cooperative movement in India, to educate, guide and assist the people in their efforts, to build up and expand the cooperative sector and to serve as an exponent of cooperative opinion in accordance with cooperative principles. One of the key objectives of the NCUI is to organise cooperative education and training programmes and popularise the principles and practices of cooperation. This objective of the NCUI is met through the National Centre for Cooperative Education.

#### About National Centre for Cooperative Education

The National Centre for Cooperative Education (NCCE) was set up in 1958 to address the need for systemic cooperative education for practitioners in the cooperative movement. The NCCE came into being as the "All India Cooperative Instructors Training Centre" in 1958. It has since expanded its mandate from building capacity of trainers to conduct member education programmes to an institution that is designing and implementing training interventions to support the gamut of needs of cooperative institutions. NCCE has successfully managed training interventions for cooperatives across levels for district, state, and national co-operatives in diversified geographies and for widely varying activities.



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