CHAPTER-III

ORGANISATION:

District Central Bank is nodal to the Co-operative Societies system under the Act, at its level. It is pivot of Co-operative Banking System. In the light of this fact District Co-operative Banking Organisation is studied with the social background of Rohtak and its total context of Haryana State Co-operative Banking System.

At the time of formation of Haryana State on 1st November, 1966 there were seven districts viz Ambala, Karnal, Rohtak, Gurgaon, Mahendergarh, Hissar and Jind. Thereafter new districts were formed from time to time by changing the boundaries of the districts. The details of new districts created so far is as under:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>District</th>
<th>Date of creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bhiwani</td>
<td>22 December, 1972</td>
</tr>
<tr>
<td>2</td>
<td>Sonepat</td>
<td>22 December, 1972</td>
</tr>
<tr>
<td>3</td>
<td>Kurukshetra</td>
<td>23 January, 1973</td>
</tr>
<tr>
<td>4</td>
<td>Sirsa</td>
<td>26 August, 1975</td>
</tr>
<tr>
<td>5</td>
<td>Faridabad</td>
<td>2 August, 1979</td>
</tr>
<tr>
<td>6</td>
<td>Yamunanagar</td>
<td>1 November, 1989</td>
</tr>
<tr>
<td>7</td>
<td>Kaithal</td>
<td>1 November, 1989</td>
</tr>
<tr>
<td>8</td>
<td>Pampat</td>
<td>1 November, 1989</td>
</tr>
<tr>
<td>9</td>
<td>Rewari</td>
<td>1 November, 1989</td>
</tr>
<tr>
<td>10</td>
<td>Panchkula</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Fatehabad</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Jhajjar</td>
<td></td>
</tr>
</tbody>
</table>
### Working Population Classified into Nine Industrial Categories 1991

<table>
<thead>
<tr>
<th>District</th>
<th>As Cultivator</th>
<th>As Agricultural Labourer</th>
<th>In mining quarrying Line tech, forestry Hunting, Plantation orchards &amp; Allied activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rohtak</td>
<td>22,2518</td>
<td>182654 42864</td>
<td>84650 68062 16488 4531 4217 314</td>
</tr>
</tbody>
</table>

Source: Statistical Abstrect of Haryana 1992-93

In order or remove the restrictive provisions in the cooperative registration providing a single consolidated Act applicable to all types of cooperative societies in the state, the Haryana cooperative societies Bill, 1984.

This Act has received the assent of the President of Republic of India on 20.9.84 and published in Haryana Govt. Gazette the extraordinary on dated 15.10.84. This Act may be called the Haryana cooperative societies Act 1984. In exercise of the powers conferred by section 131 of the Haryana Cooperative Societies Act, 1984 the governor of Haryana, made the rules. These rules may be called the Haryana Cooperatives Societies Rules 1989. A cooperative societies contains its, the Act, the rules and their own bylaws for its internal administration as applicable to district Rohtak of Haryana State.

1. Ibid - 46 Abstract
2. See the HARCO Annual Report - Chandigarh-1995-96, Introduction. See also the assembly debates the Budget session 1995 Introduction, Section VI.
The structure at all the three levels of the agricultural cooperative credit structure-primary, secondary and apex levels is general. Ultimate authority, under the laws and the bylaws is held with the general body of the members which is held once in a year or oftener. The managing committee is composed of members and is responsible to the General body of members.  

The Early Stage:

The emphasis for the setting up of Central cooperative banks was given for the first time with the amendment in cooperative societies Act of 1912. Besides, Mcalagun Committee of 1914 also emphasised the need for setting up of such banks. As such the Rothak Central Cooperative Bank Ltd, Rohtak was registered in 1914 under cooperative societies Act of 1912. It means that cooperation is an economic miracle of the last century. It is a voluntary and democratic association of human being based on equality, equity and mutuality for the promotion of their common interest. It directly serves its members, but does not earn profit for itself nor for its owners by dealing with others, in accordance with the cooperative principles :-

(i) Voluntary and open membership
(ii) Democratic Control
(iii) Limited interest on Capital.

3. Ibid, Preface; Introduction, See also Constitution of Central Bank, Rohtak.
While the first four principles are essential to strengthen the cooperative character of the cooperative organisation, the last two principles are essential to successful and effective cooperative practice. 4.

All the above principles priginate from the basic aim of a cooperative viz, to protect and promote the interest of its members, without affecting their participation and dignity. So its affairs should be administered by members through their active participation. Hence the principle of democratic control (administrative-control) is the basic and other’s are centre round it. But there may be a gap between theory and practice. Therefore how administration works in the Rohtak Central cooperative Bank Ltd. Rohtak in practice is more important.5.

The Structure of Cooperative Government:

In India, cooperatives are registered under the cooperative societies Act 1904 & 1912 of the state. As such the Rohtak Central cooperative Bank Ltd, Rohtak was registred under the Act of 1912. The Government has also framed Rules under the Act to carry out the purpose of the Act. Haryana State came into being on 1st November, 1966 as a result of

4. Ibid, P
bifurcation of Panjab State.


AIMS:

The central cooperative banks in India are the federation of all types of cooperative societies functionaing in their area of operation. The banks occupy a position of crucial importance in the cooperative credit structure. They also supervise the working of the rural credit societies and ensure a satisfactory implementation of the recognised credit policies. The bank act as balancing centre for the affiliated primary societies. They also provide administration for the development of the movement in their districts.

COMPOSITION:

The society is called the Rohtak central cooperative bank ltd. Rohtak. It was registered by the Registrar Cooperative Societies in 1914. The registered office is at Rohtak. The area of operation of the bank is over Rohtak District Only after the enhancement of the cooperative societies
Act of 1912 which gave legal recognition. The bank begin to have mixed membership: Individual and primary societies. Of late, the bank have stopped admitting fresh individual members and declining the old. The membership at present of the bank is open to cooperative societies, the government, such associations as notified by the Govt. and nominal or Associate members. The Hr. cooperative societies Act 1984 clearly made a restriction on individual membership under section 17. The liability of a member for deficit in the assets of the bank, in the event of its being wound up, shall be limited to the face value of the share or shares held by him. The authorised share capital of the bank shall be Rs. 400 lakh made up of ordinary shares of the face value of Rs. 100 each. The fund are raised through share subscription from the members; Deposit from the members, loan & subsidies from the Govt. loans from RBI, Harco Bank and RCS.

The maximum credit limit is 12 times of its owned capital unless specifically reduced by the RCS.

This central cooperative bank have opened 26 branches at important centres in their areas in order to ensure closer contact with member societies, to facilitate collection and disbursement of loans to them and to tap local deposits.

The managerial or administrative set up in the district cooperative bank according to the local needs and conditions. Table-1 shows the management structure/Administrative set-up of the Rohtak Central Coop. Bank Ltd, Rohtak in Haryana State.

Constitution P. see also Annual Report Organisation Station.

Please see in construction of the bank P-5

Annual Report Introduction P-II
Organisational Limits of Bodies:

a. B.O.D.
b. Administrative Committee

c. Business Committee

The following table will show explains the participation of the executive in the bank.

**BOARD OF DIRECTORS**

The Rohtak Central Cooperative Bank Ltd, Rohtak

<table>
<thead>
<tr>
<th>Board of Directors</th>
<th>No. of Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>1</td>
</tr>
<tr>
<td>Vice-President registrar</td>
<td>1</td>
</tr>
<tr>
<td>Assistant Registrar (Rohtak &amp; Jhajjar)</td>
<td>2</td>
</tr>
<tr>
<td>Deputy Registrar (Rohtak)</td>
<td>1</td>
</tr>
<tr>
<td>R.C.S.</td>
<td>1</td>
</tr>
<tr>
<td>M. D. Apex Bank</td>
<td>1</td>
</tr>
<tr>
<td>M. D. Central cooperative Bank</td>
<td>1</td>
</tr>
<tr>
<td>Others</td>
<td>11</td>
</tr>
</tbody>
</table>

Total 19

---

8. Please see the Constitution P-IV

9. Ibid P-3 see also the Annual Report 1996-97 P-7
Composition: The society is known as the Haryana State Cooperative Apex Bank Limited. The registered office of the Bank is at Ambala (a district in the Haryana State) with head quarters at Chandigarh. The Board of Directors of the Bank can change their Head Quarters of the bank but after the approval of Registrar. The area of operation of this banks is extended over the State of Haryana.

This Bank was established on 1st Nov; 1966 with the inception of Haryana state. The regular membership of the bank is opened to Central Coop. banks, State Govt, and Urban Coop. Bank or any other Coop institution Specified by Govt; from time to time. The present membership of this Bank is eighteen which includes 16 Central Coop. banks in the state of Haryana.

The Apex Bank has two governing institutions:

(i) The General Body, and
(ii) The Board of Directors.

---

10. Haryana State cooperative societies Act 1984 Section-I P-11
11. Annual Report
1. The General body is composed of delegates of affiliated Central banks and nominees of the state Government.  

The regular membership of the banks is open to Central Coop. banks, state government; and urban Coop. Banks. The associate members are only to get loan under a scheme and not entitled to any share in any form or right to vote.

**The Authority:** The general meeting is the ultimate authority in all matters relating to the management and administration of the bank. Its meetings are held once a year. It performs the following formation:

(a) To pass the annual report;
(b) To approve the balance sheet;
(c) To consider the audit report;
(d) To approve the budget;
(e) To appropriate profit;
(f) To amend by-laws;
(g) To repeat existing by-laws;
(h) To approval adoption of new by-laws;
(i) Approval of discription may action against members.

---

13. Haryana State cooperative societies Act 1984 P-27
14. Ibid-28
15. Ibid-29
Extra ordinary general meeting may be called whenever the board wants to do and also when requested by share holders representing one fifth of the total number of members.

Frequency of General meeting and the attendance could not studied as the matter was with P.A. to M.D. and it was reported to me the such matters are secret ones.

The Chairman is appointed by the government. The government may appoint a chairman any person form outside or from away the BOD as suitable.16

All the regular members are entitled to attend the general meetings and each member shall have one vote only. In case of voting the chairman has a casting vote.

**Business Meetings**

The business transacted in business meetings consists of consideration of audit report and statement accounts, declaration of dividend on paid up capital, bonus to staff, approval of the budget, sanctioned.

All these subjects are of routine nature and do not call for much discussion. Most of such resolutions are passed unanimously.17

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16 Ibid, P. 37
17 See the bye laws The Haryana State Co-op. Apexd Bank Ltd. Chandigarh P-5
These three G.M.s were assisted by DGM’s and Managers and their staff’s. The G.M.s, DGM’s, Manager and other staff was observed and found that they have:

(i) Adequate officials knowledge of administrative norms, practices and structure.

(ii) Genuine support for the goals, policies and programmes of the cooperatives.

(iii) Belief in the integrity and honesty of the administrative cadre, rather than a tendency to view it as corrupt or corruptible.

(iv) A high prestige status.

(v) Motivational orientations emphasizing cooperative action with administrative officials in the implementation of developmental goals.¹⁹

But they have more responsibilities and less authorities.

Apex-uplink :-

The Cooperative credit structure for short and medium-term credit is a three tiered one, viz, the primary agricultural credit & service societies from the base, federating into the district central cooperative banks at the intermediate level, which in turn, federate into the State-cooperative Banks at the Apex level. The cooperative banks were trying to have their own

¹⁸ Office Manual - Harco, PP 46-48
¹⁹ Ibid, P-53
nation-level cooperative bank to complete the federal structure up to the highest level. The issue was examined by the Reserve Bank of India more than a decade ago, which recommended the formation of a National Bank for Agriculture and Rural Development (NABARD) in its present form, which started functioning from 1st July, 1982.27

With the establishment of NABARD, the function of providing refinance-short and medium term-to the state and central cooperative banks, which was hitherto being taken care of by the Agricultural credit department of the Reserve Bank of India, is transferred to it. Similarly the Agricultural Refinance and Developement Corporation which provided refinance for agricultural-development investment credit to the land development banks, was merged with NABARD. Thus was created a single institution at the national level to provide refinance to both the structures of cooperative credit, viz, one for short and medium term and the other for long term.

The Haryana State Cooperative Apex Bank Limited Ambala HQ at Chandigarh was came into existance on 1st Nov. 1966, with inception of Haryana State. It has regular members of DCCB's state Govt; and Urban Coop Bank which is 18 in total.

Administrative participation :- The delegates of central cooperative banks participates in the activities of administration in general body meeting and in BOD is average and not remained high participator. The reason behind it, that of cooperative law as an instrument of Government's control over cooperatives.41

27. See Ibid, No. 14, P. 372
There is correlation between participation in the administration of the Bank and Cooperative education and knowledge.

Chairman in the Apex bank: The Chairman/President of the board of Directors of the Apex bank is appointed by the Government, who has political bank-grounds. There is no qualification fixed for the chairman of the board. He may be or may not be even member of any society. He has the knowledge of cooperative or has not. It is clear by the bank’s bylaws. In practice, the Chairman must be a living humanbeing, having political grounds and nothing more than this. Now think the matter calmly that such a person can safe guard the rights of the members. No, but rather affect the internal and external autonomy of Cooperatives.\textsuperscript{31}

The scope of cooperative institutions network today embraces all aspects of agricultural development including the allied sectors attached with it. Cooperative like agriculture is a "state" subject and has a strong administrative net work.

All the activities pertaining to cooperatives are controlled, supervised and directed by the Registrar. He also Co-ordinates the activities of various segments of cooperatives.\textsuperscript{33}

\begin{footnotesize}
\textsuperscript{31} Haryana State Coop. Society Act 1984 Section 26 Page 29
\textsuperscript{33} HARCO - Annual Report 1996-97 introduction.
\end{footnotesize}
NATION-WIDE EXPANSION:

The central banks have come to organised since the passing of the Cooperative societies Act 1912, to finance the primary societies and to act as balancing centres for them. These banks were originally organised with societies and individuals as members. The mixed pattern was chosen for them for the then circumstances prevailing in India. It was thought that the association of individuals with the banks enhances the banks prestige for inspiring confidence in the minds of investing public helping resource mobilisation, and provides opportunity for selection of some eminent persons with expert knowledge of Cooperation or banking as directors. It was, however, suggested as back as in 1915 that these banks should be come pure federal organisations gradually reducing the number of their individual share holders. The admission of individual members in central banks has been stopped since the thirties. However, the old members are continued. Thus, we find today a mixed pattern of membership in majority of the central banks.

The central banks have passed through several phases of expansion, setback, stagnation and revival from their inception to the dawn of

\[94\] Ibid PP 70-72
planning era. The world war I and II, the economic depression of thirties and the post war boom have greatly influenced their growth and working. The India Rural Credit Survey Committee which had for the first time probed thoroughly into the working of cooperative credit mechanism found the central banks as extremely unsatisfactory institutions. They were small in size, financially weak, and their business operations were exhibiting several unsatisfactory features. However, since the fifties, the banks have made rapid strides in growth development, with the active support of the Government and the RBI. They have come to be regarded as leaders of cooperative movement at the district level.

The cooperative primary societies in a specified area are federated into a central society which is called a (Central Bank) or a (Banking Union) is used when the central society admits as its members not only primary societies but also individuals. The phrase (Banking Union) is used when membership is confined to societies only, and individuals members are excluded. The present trend, however, is to refer both these institutions as central banks.

The Central Cooperative Banks occupy a position of cardinal importance in the cooperative credit structure. They form an important

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link between the apex cooperative banks and the primary agricultural credit societies. The success of the cooperative credit movement largely depends on their financial strength.

When the Cooperative societies Act was passed in 1904 there was no provision for the formation of central societies or central Banks. The Cooperative societies Act was, therefore, amended in 1912 with a view to permitting registration of central societies. It may be of interest to note that even before the amendment, some central banks had been established to cater to the financial needs of the primary societies. The first central Bank was registered in Utter-Pradesh in 1906 as a primary society. In Rajasthan, the first central Cooperative bank was started in 1910 at Ajmer. But the revised stimulated the growth of the central financing agencies and within a few years a large number of such banks were established. The period from 1906 to 1918 may be called the period of origin of the Central Banks in various parts of the country.

Cooperation is one the economic miracles of the last century. It is a form of economic Organisation based on certain higher values. It is a voluntary and democratic association of human beings based on equality and equity. Cooperation is a movement not only towards better social

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RBI Report of the All India Rural Credit Survey Committee
Organisation, but also towards improved business. The first Cooperative Act of 1904 provided for the formation of credit societies only and postponed all forms of non-credit cooperative.

The cooperative credit societies in the state (Haryana) have a three-tier structure. The three structure is like a pyramid—the base occupied the large area. The large number of village level credit Cooperatives form the base of this structure.37

We have to study the credit Cooperatives in the rural areas, the role of credit for the promotion of the member of the society, the administrative set up of the primary credit society and central cooperative society, its effectivability and the roles.38

37. Panjab State Co-op. Societies Act 1961 Introduction P-10
38. Ibid P-12
Structure of Cooperative Banking in India: Short Term and Medium Term

Short Term

 Reserve Bank of India
  
  Apex Cooperative Bank
  
  Central Cooperative Bank
  
  Primary Agricultural Credit Societies
  Members
  
Long Term

 RBI

 State Land Development Bank

 Primary Land Development Bank
 Members

Source: The Cooperator-Annual Numbers 1995-96 Section, Rules & Laws P-16
Farmers started the Organisation of Cooperative credit societies at the beginning of the century under the Cooperative societies Act of 1904, Primary and 1912 (Secondary). Various committees and commissions have been set up by the government from time to time to strengthen the Cooperative movement in India, the important amongst them being Maclagan Committee (1915) Royal commission on agriculture (1928) the Bhansali Mehta committee (1938). The agriculture finance sub committee popularly known as Gadgil committee (1944) the rural credit survey committee (1954), the Cooperative credit, popularly known as Vaikunth Mehta Committee (1960) and very recently the National Commission on Agriculture (1976).

Maclagan Committee laid the foundation of the agricultural credit Organisation. The three tier Organisation set up of cooperative credit recommended by maclagan Committee, formed a blueprint for the organisational structure of the Cooperative credit institutions in India.

**Credit Structure**

The cooperative credit structure is generally based on a three tier organisational set up, state cooperative banks operating at the apex, District Cooperative banks or Central Cooperative at the district level and

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49. R.C. Dwivedi, Democracy in Cooperative Movement An Indian Profile NUCI, (N.D.-I 1997) PP 22-24
the primary societies at the village level Patwar circle in State Haryana).

(i) To determine the strength of staff to be appointed on the various categories in the bank.

(ii) To approve scales of pay of various categories of staff appointed/to be appointed in the bank.

(iii) To appoint staff in the bank.

(iv) To sanction increments to all members of staff of the status of Branch Manager and above.

(v) To sanction earned leave to staff beyond 15 days.

(vi) To exercise any other powers specifically delegated by the Board of Directors.

The administration of social and economic security measures is a difficult process, partly because of the large number of members involved in contributing and claiming of a variety of benefits under the prescribed conditions. Also because the financing and administration of benefits require the cooperation among the central and primary level, the employers and the employees as well society and the members, need less to emphasize that complexity is an inevitable feature of a social and economic programme. Equally necessary is the need for simplification of the procedure of the BOD. So the BOD has elected the administrative committee giving some powers subject to them.\footnote{30. All India Rural Credit Survey Committee Report 1954 PP 111-113}
ILLUSTRATIVE CHART

CO-OPERATIVE BANKING STRUCTURE

NATIONAL BANK

RBI

SCB

LAND DEVL. BANKS

PRIMARY LDB

URBAN CO-OP BANKS

DCCBS

BRANCHES

RO

BRANCHES

BRANCHES

Source: NUCI - Cooperation Organisation Index, 1994-95, P-23
Frame of Haryana Cooperative Organisation

Credit Cooperatives
Medium & Short Term

HARCO Bank

Distt. Central
Co-op. Bank

Primary Co-op.
Loan & Service
(Mini Bank)

Marketing
Cooperative

Long Term

Co-op. Land
Devep. Bank

Co-op. Agri.
& Rural Devep.
Bank

HAFED

Primary Co-op.
Mktg. Societies

Sugar
Cooperative

Sugar Co-op.
Federation

Co-op. Sugar
Mills

Sugar Producers
Primary Co-ops.

Milk
Cooperative

Dairy Dev.
Co-op. Fed.

Distt. Milk
Co-operatives

Primary Milk
Co-operatives

Source: HQRCO Annual Report Introduction P-2
At present there are about 14000 Cooperative societies in Haryana. Total Cooperative membership is about 38 laks. Total working capital of these societies is about Rs. 5506.29 crores. Advance and loan limit in Rs. 40000 at a Mini Bank. Whereas for rural industry the loans are available from Rs. 40000 to 10 lakh rupees. There are 80 Mini Banks for law to tipically rural domestic industry like animal husbandry, or agricultural appliances etc. There are provisional for crop loans to small farmers. Besides marketing HAFED has also established 26 agro brand units. There are 10 sugar cooperative mills. There are more then 21 processing units working under Vita Brand. Loan advances are also available for housing. Hayana is having two handloom federation for artisam work.

**INDIA**

<table>
<thead>
<tr>
<th>Level</th>
<th>Type</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Apex Level</td>
<td>State Cooperative Banks</td>
<td>(26)</td>
</tr>
<tr>
<td>b. District Level</td>
<td>District Cooperative Banks</td>
<td>(338)</td>
</tr>
<tr>
<td>c. Primary Level</td>
<td>Primary Societies</td>
<td>(116125)</td>
</tr>
</tbody>
</table>
Financial condition of Primary societies in central cooperative Bank Rohtak

<table>
<thead>
<tr>
<th>Development Circle (Sub divisional level)</th>
<th>Total No. of PACS</th>
<th>No. of Profit earning societies</th>
<th>No. of Loss incurring societies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahadurgarh</td>
<td>34</td>
<td>13</td>
<td>21</td>
</tr>
<tr>
<td>Meham</td>
<td>26</td>
<td>01</td>
<td>25</td>
</tr>
<tr>
<td>Jhajjar</td>
<td>64</td>
<td>43</td>
<td>21</td>
</tr>
<tr>
<td>Rohtak</td>
<td>38</td>
<td>10</td>
<td>28</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>162</strong></td>
<td><strong>67</strong></td>
<td><strong>95</strong></td>
</tr>
</tbody>
</table>

Thus, the primary credit & service societies did not promote the economic interests of its members in accordance with the cooperative principles and the aim was not achieved due to lack of proper administration and guidance of the societies.

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\[1\] Annual Report District Central Coop. Bank Rohtak 1996-97 P-3
\[2\] Ibid P-4
Staffing Pattern of Cooperative Societies (PACS) Central Cooperative Bank Rohtak.

<table>
<thead>
<tr>
<th>D. O. Level</th>
<th>No. of PACS</th>
<th>No. of Societies with full time Secretary</th>
<th>No. of Societies with part time Secretary</th>
<th>Fertilizer Depot</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahadurgarh</td>
<td>34</td>
<td>33</td>
<td>---</td>
<td>32</td>
</tr>
<tr>
<td>Meham</td>
<td>26</td>
<td>26</td>
<td>---</td>
<td>25</td>
</tr>
<tr>
<td>Jhajjar</td>
<td>64</td>
<td>63</td>
<td>---</td>
<td>62</td>
</tr>
<tr>
<td>Rohtak</td>
<td>38</td>
<td>37</td>
<td>---</td>
<td>35</td>
</tr>
<tr>
<td>Total</td>
<td>162</td>
<td>159</td>
<td>NIL</td>
<td>154</td>
</tr>
</tbody>
</table>

As above table shows that in District Rohtak 162 societies (PACS) out of 159 secretary with full time were working. Actually the primary cooperative credit structure, in which an efficient and full time secretary with required technical and education staff is must. This bank has a very good result in having according to the loan Manual is required at the society level, so that the secretary may do the function as district from his. The secretary in district Rohtak is a real servant of the members.33

Primary Agricultural cooperative societies functioning the grass root level constitute the major retail outlet of short term and medium term credit to rural sector.

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33. Ibid., p. 9.
The Primary Agricultural credit & service societies (PACS) have a pivotal role to play in the development of (three tier short term and medium term) cooperative credit structure. In fact, they form the very foundation stone on which super structure of the cooperative movement is built.

In India, cooperative is a state subject. Every state has its own cooperative societies Act to facilities the formation of cooperative according to local requirement.

Cooperatives are registered under the cooperative societies Act. The Govt. has also framed rules under the Act to carry out the purpose of the Act. Rules are subordinate and supplementary to the Act. A society registered under the Act has its own bylaws which contain.

Registration of a society under the Act confers on it a legal status. No person other than a registered society can use the word "Cooperative" as a part of its name. Registration of a society means registration of its name and its bylaws as well.

What the bylaws should deal which has been prescribed in the Rules made under the Act. They include, among other things, the areas of operation of the society; its objects admission to and drawal of membership powers of the General Body; the constitution of the committee and the officers; election of committee members and officers; and the appointment of the paid staff and their service conditions.

34. Bye-laws The Rohtak Central Co-op. Bank Rohtak P-14
35. Ibid P-15
The bylaws provides some guarantee that the office bearers will not subvert the member's rights or grossly abuse their powers. It may be that most of the members may not be aware of the provisions of the bylaws and may not be capable of invoking them.

Membership = (i) Qualifications and disqualifications:

The Act (Haryana Cooperative Societies Act, 1984) has prescribed the qualifications and disqualifications for membership of a society and the rights and liabilities of members. Any individual over 18 years of age and competent to contract is eligible for admission as a member of a society.\(^{36}\)

(ii) Expulsion: A member who acts adversely to the interests of the society may be expelled by the general body by passing a resolution by not less than a two-third majority of votes.

(iii) Open Membership: The principle of "Open Membership" has been statutory recognition by the Act. It is obligatory on the part of its committee to admit every person qualified for membership on application for membership. Admission of member before fourteen days prior to the day of its annual general meeting shall not admitted.\(^{37}\)

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36. Haryana Cooperative Societies Act 1984 P-19
37. Ibid P-20 and Ibid P-21
(111)

(iv) Right to Service: In the context of universal membership, it is necessary to ensure that a member is not denied the services available from the society. If the committee refuses to do so, the member can apply to the Registrar for redress.38

(v) Contribution to share Capital: Members are required to contribute the share capital of the society. Bylaws require each member to hold at least one share. The value of a share is ten rupees in the case of an agricultural credit society. A member is not entitled to exercise the rights of a member unless and until he has paid the amount of minimum share holding prescribed in the bylaws of the society. The benefit of such requirement of share capital in the fact that members are not entitled to vote unless the minimum amount of share capital is paid up.

(vi) Voting: 'One member, one Vote' Voting in the government of cooperative is based on the rule of "One member, one Vote". This principle as a basic principle of cooperative democracy is a statutory requirement. Section 20 of the cooperative societies Act 1984 runs. "Every member of a cooperative society shall have one vote in affairs of the society. The principle of "one member, one vote" is the cooperative version of the general democratic principles of "one man, one vote".

Non Eligibility to Vote: An associate/normal member or a member who is a minor or of unsound mind is not entitled to vote. A defaulter is also not eligible to vote. A society under winding up or in liquidation shall not be eligible to exercise its right to vote.
(vii) Proxy: In cooperative, no proxy is allowed. That is, a member is not permitted to delegate his vote to another person. This is a corollary to the principle of "one man, one vote." Section 21 runs; "Every member of a Cooperative Society shall exercise his vote in person and no member shall be permitted to vote by proxy."
The main features of the SCBS, District Central Cooperative Banks (DCCBs), Primary Agricultural Credit Societies (PACS) are as follows:

1. **State Cooperative Banks**
   - Serve as balancing centre in the States
   - Organise provision of credit for credit worthy farmers.
   - Carry out Banking Business.
   - Leader of the Cooperatives in the States.

2. **District Central Cooperative Banks**
   - Serve as Balancing Centre in the District Central Financing Agencies
   - Organise credit to primaries.
   - Carry out Banking Business.
   - Sanction, Monitor & Control implementation of policies.

3. **Primary Agricultural Credit Societies**
   - Assessment of Credit Needs
   - Disbursement of Credit to Members
   - Recovery of Credit.
   - Promote the Economic interests of the members.

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40. HarLo Annual Report 96-97 P-16

41. Ibid P-16  \& Ibid P-19
THE SERVICE MANAGEMENT
DISTT. LEVEL
TWO LEVELS OF STAFFING ON PROVIDED FOR COOPERATIVE BANK OFFICE SERVICES.

STAFFING PATTERN OF DISTT. COOPERATIVE BANK ROHTAK
D. O. CIRCLE

<table>
<thead>
<tr>
<th>D.O. Level</th>
<th>No. of Assistant/Do</th>
<th>Senior Accountant</th>
<th>Junior Accountant</th>
<th>Clerk/Cashier</th>
<th>Guard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahadurgarh</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td>6</td>
<td>12</td>
</tr>
<tr>
<td>Meham</td>
<td>5</td>
<td>1</td>
<td>4</td>
<td>5</td>
<td>16</td>
</tr>
<tr>
<td>Jhajjar</td>
<td>9</td>
<td>1</td>
<td>1</td>
<td>14</td>
<td>22</td>
</tr>
<tr>
<td>Rohtak</td>
<td>7</td>
<td>3</td>
<td>7</td>
<td>15</td>
<td>32</td>
</tr>
<tr>
<td>Total Branches</td>
<td>26</td>
<td>6</td>
<td>14</td>
<td>40</td>
<td>82</td>
</tr>
</tbody>
</table>

Financial Norms and Credit Service:

As above table reveals that 26 Branches has only 6 Assistant Manager/ D.O. and 26 branches have only 14 Senior Accountant which means lack of proper technical guidance for the successful functioning is required.

Source: Scheme Broucher The Rohtak Central Co-op. Bank Ltd. Rohtak 1996-97