

SYLLABUS
ON
COOPERATIVE CREDIT & BANKING

- 1 a) What is Credit? Classification of Credit – Need for Institutional Agricultural Credit?-Agricultural Credit and Cooperatives –Essential of Cooperative Credit – Evolution and Growth – Revival – Rural Cooperatives – Case Study – PACCS – objectives –membership – liability – management-staff-functions-sources of funds –Share Capital – Reserve – Deposit – Case Study – Borrowings – MT conversion and Deposit – Needs for Production and Development Credit. Importance of Agricultural Credit and its Characteristics. Types of Credit Short – Term, Medium and Long Term Credit. Need for the Institutional Credit for Agricultural and Rural Development - Credit Classification – Production Credit – Conception Credit.
- b) Structure of Credit Cooperatives Federal/Unitary and Mixed Type. Need for the integration of Short Term, Medium Term and Long Term Credit Structure (Single Window) National Federation of State Cooperative Banks, National Federation of Agriculture and Rural Development Banks and their Role in development of Cooperative Banking - Role and Functions of PACCS in Agri-Finance for Rural development – Service Area Approach (SAA) – Business Development Plan (BDP) – Development Action Plan (DAP) – Computation of Break Even Leven of Business – KCC an innovation in Rural Credit.
- c) Central Cooperative Banks (DCCB Banks) Organization- Membership Management, Objectives- Functions and the Working, Mobilization of Resources- Lending different Types of Loans- Agricultural Lending and

Non-Farm Sector Finance - Procedure of obtaining loan - State Cooperative Banks - NABARD and other agencies. Seasonalities in lending- Scale of Finance- Minimum involvement and Non Overdue cover - Disbursement of Loan- Supervision and Recovery of Loan- Latest Progress- Problems and Remedies to overcome them.

- d) State Cooperative Banks (Apex Banks) – Organization – Management - Objectives, Functions and Working. ST finance by NABARD to SCBs, - Weavers Coops - Sugar Factories – MoU for different functions - Role of Apex Banks in the development of Cooperative movement in the State - Latest Progress - Problems and Remedies to overcome them.
- e) Priority Sector Lending – lending to SHGs – JLG – Rural artisans - Loans to Weaker Section
- f) Role of NABARD – Genesis – Objectives – Management – Functions – Refinance Assistance to Agricultural Credit Cooperatives – Procedure and Norms of NABARD for the issue of Refinance to Cooperatives – Financial Inclusion – Microfinance – Promotion of Self Help Groups, Joint Liability Groups – farmers club – contract farming – Agri Clinic – Agro business Center – ACABC .

COOPERATIVE BANKING

2. a. Meaning and Definition of Bank - Banking System – Cooperative Banking Definition – Types – Features – Management commercial Banks – cooperative banks Vs. Commercial banks – RRBs - Local Area banks – progress of institutional Credit -Banker and Banking, Functions of Banks, Banker Customer Relationship. Productivity in Banks – Social Aspect of Banking – Concept of Development Banking.
- b. Banking Operations – Mobilization of resources – Acceptance of Various Types of Deposits - Procedure for opening and operation of Various Types of Accounts and Various Types of Customers - Documentation for Various Loans - Activities of Banks – Agri- Activities to Allied Activities – Social Banking.
- c. Management of Funds in Banks (Cost and yield on Assets, Cost of Management, Risk Cost, Miscellaneous Income, Average Working Fund, Gross Margin, Net Margin, Average Cost of Deposit), Break Even Point-Prime Lending Rate-Principles of Good Lending and Investment, Profit Planning - Consortium Advances, Merchant Banking — Cash Management.
- d. Management of Overdues - Causes for Overdues and Remedies – Recovery ethics / Important Recommendations of Committee on Overdues. Non-performing Assets – assets Classification, Income Recognition and Provisioning Norms, Capital Adequacy Norms. Meaning of Overdue – Creation of Changes on Securities at the time of extending loans – Securitization and Reconstructions of Financial Assets and

enforcement of Security Interest (SARFAESI) Act – 2002 and Debt Recovery Tribunal (DRT).

e. Important provisions of Negotiable Instrument Act 1881.

f. Important provisions of B.R. Act 1949 (As applicable to Cooperative Societies, 1966) – Regulatory issue, Importance of KYC, prevention of Anti Money Laundering Act (PAMLAC) Base : Committee 1,2,3- Inspection / Supervision of Cooperative Banks – Issue of Policy guidelines as per the directives of RBI issued now and then. – banking regulation and Minimum Capital to be maintained as per section 11 – Maintenance of Cash Reserve Ratio (CRR) Section 18 – Maintenance of Statutory Liquidity Ratio (SLR) Section 24 – Restriction on loans and advances – RBIs power to control advances – licensing – opening of new places of business – return of unclaimed deposits – monthly returns – accounts and balance sheet – submission of returns and publication – inspection – penalties – coop banks nomination rules 1985 – registration and acknowledgement – the banking regulation and miscellaneous provisions bill 2003 – plight of coop banks- circulars.

g. Banking Services – ATM, Credit Cards, Debit Cards, Collection, Remittance, Agency Services, Administrative Services, Trusteeship Clearing House – (RTGS) Real Time Gross Settlement (NEFT) National Electronic Fund Transfer – ECS – Debit and Credit – Cheque Truncation IFSC Code.

h. Inspection / Supervision of Cooperative Banks – Issue of Policy guidelines as per the directives of RBI issued now to them