

Panaji, 20th May, 2021 (Vaisakha 30, 1943)

SERIES II No. 8

# OFFICIAL GOVERNMENT OF GOA GAZETTE



PUBLISHED BY AUTHORITY

## GOVERNMENT OF GOA

Department of Co-operation

Office of the Registrar of Co-operative Societies

### Order

No. 2021/Circulars/TS II/RCS/52

In recent times Urban Co-operative Credit Societies; Multi-Purpose Societies, V.K.S.S. Societies having Credit Counters and other major societies, for the sake of brevity "these Co-operative Societies", have emerged as unique institutions to serve weaker section with their financial and consumer needs at reasonable terms and conditions.

The 97th Constitution Amendment, which has been relevantly incorporated in the Goa Co-operative Societies Act, 2001 & Rules, 2003, have provided the Co-operative Societies a liberty to function in a democratic, professional and autonomous manner and to be accountable to their members and other share holders. Nevertheless, co-operative societies by virtue of being registered under Goa Co-operative Societies Act, 2001 and Rules, 2003 attains a distant legal entity and as a consequence of the same, faith and trust is build up amongst the general public towards these co-operative societies thereby encouraging them to be associated with these societies either by willingly investing their deposits or by availing loan or by selling their produce or by purchasing their consumer requirements and as such the interest of these members needs to be secured by issuing necessary directives.

Therefore, to secure proper management of the business of these societies and to prevent the affairs of these societies being conducted in a manner detrimental to the interest of the members, depositors and the creditors thereof, the Government by exercising the powers under

Section 68 of the Goa Co-operative Societies Act, 2001, is pleased to issue following directives, namely:

### 1. Computerization

All Urban Co-operative Credit Societies, V.K.S.S & Multipurpose Societies having Credit Counters:

- Shall adopt within six months from the date of issue of this order a suitable reparatory software, linking all the branches, excel Computers with core banking solution.
- May avail the guidance and services provided by Apex Institutions to core banking.
- Shall adopt Adequate measures to safely store data in case of disaster recovery/ /backup.
- Shall compulsorily have their respective websites disclosing all the financial information updated on daily basis.

### 2. Interest for loans and deposits

All Urban Co-operative Credit Societies, V.K.S.S & Multipurpose Societies with 'C' and 'D' audit classification shall invariably fix their rate of interest on the deposits in par with the rate of deposits fixed by the Nationalized Banks. However, considering aspect of fluctuating rate of interest of the nationalized banks, the above mentioned societies may revise their rate of interest to be in conformity with the revised rate of interest of the nationalized bank but under no circumstances the variation of interest rate shall exceed the lower or upper limit of 2%.

### 3. Disclosure of financial results and statutory compliances

All Urban Co-operative Credit Societies, V.K.S.S and Multipurpose Societies having credit counters.

- Shall within 60 days of the end of the quarter, publish in at least 2 local daily newspapers their quarterly financial

results duly certified by the internal auditor to be true.

- b) Shall provide to all the members of the society with the above information through electronic means viz mobile, whatsapp, e-mail etc.
- c) Shall disclose on its own website the details of managing committee/Board of Directors/ /date of last election held/the date of last statutory audit and audit finding thereof/ /maximum loan sanctioning limit as prescribed in the bye-law and approved by the Registering Authority/details of loan advanced during the month/liquidity percentage maintained by the society/ /details of the staff/the criteria required to qualify to be on the Board of Directors/the strength of the Board and other such information beneficial to its members.

#### 4. Verification of antecedents of employees

All Urban Co-operative Credit Societies, V.K.S.S. and Multipurpose Societies having credit counters.

- a) Shall compulsorily verify the antecedents of the employees they desire to employ, before they join or within 6 months of their joining the job.
- b) Any employee, intending to take up employment with another co-operative society within six month of his leaving the job with the earlier co-operative society, the society he intend to join shall insist on an NOC from his earlier co-operative society.
- c) Shall not employ any such employees without the requisite NOC.

#### 5. Management Board

All Urban Co-operative Credit Societies, V.K.S.S and Multipurpose Societies having credit counters and having deposits/business turnover from 10.00 crores to 100.00 crores.

- a) Shall set in place a Management Board of atleast 3 members comprising of senior Auditors/officials of/officials of the society and one part time senior retired Government Officer not below the rank of Assistant Registrar of Co-operative Societies or Senior Grade officer of any Nationalized Bank, to advise the society in its day today functioning. However maximum strength of such board shall not exceed 5 members and the board shall deal with the following subjects:

- i. Appraise and recommend all loan proposals to be placed before the Board of Directors.
- ii. Recommend action for recovery of NPA, one time settlement or compromise settlement and assist the board in monitoring the same.
- iii. Oversee the management of funds, borrowings and also have oversight on internal controls, systems and risk management mechanism periodically in the society.
- iv. Assess the need for purchase of land, premises etc. and accordingly submit a detailed report to the board.
- v. Assess the financial position of the society in accordance with the parameters laid down under the Act, Rules, Bye-laws and guidelines issued by the Registrar.
- vi. Exercise oversight on implementation of computerization, technology adoption and other incidental issues of the society.
- vii. Oversee internal audit and inspection, statutory compliance.
- viii. Oversight on complaint redressal system.
- ix. Assist the Board in formulating policies related to society's function, viz: loan policy, investment policy, recovery policy, asset liability management & risk management policy etc. and to ensure that the policies are in conformity with the provisions of the Act, Rules, Bye-laws & guidelines issued by the Registering Authority.
- x. Assess the workload and accordingly recommend to the Board the requirement of additional staff and/or retrenchment of staff as the case may be.
- xi. Assess the need for opening of branches, extending area of operation, enhancement of loan limit etc. and submit its recommendation to the Board.
- xii. Ensure that proper procedure is followed while purchasing item involving financial implication in excess of Rs. 1.00 lakh.

- xiii. Conduct surprise verification of cash, pledged gold packets, cash book, cheque book etc. held by the branches.
- xiv. Review loan policy, take steps to upgrade credit appraisal skills, strengthen follow up of advances including loan review mechanism.
- xv. Be proactive in identifying the shortcomings/deficiencies in the functioning of the society and taking timely action to address them so that the need to take stern regulatory action by the registering authority is minimized.
- xvi. Deal with any other issues referred/ recommended by the Board of Directors.
- xvii. Meet at least once in every 15 days to transact the business and place all the recommendation/suggestions/ deliberations held in the said meeting before the BOD within 15 days from the date of holding of such meeting.
- xviii. *NB: In the event where the BoD differs with the recommendations of BoM, it shall do so by recording, in writing, the reasons thereof.*
- b) Shall accordingly amend their bye-laws to incorporate this structure of management.
- c) BoM shall hold meetings at such periodicity as deem necessary. The BoM shall maintain proper records of the minute of the meeting and same shall be put up to Board of Directors. The quorum for the meeting of shall be two third of the total members of BoM.
- d) Members of BoM may be paid allowance/ sitting fees for their services as may be provided for in the bye-laws of such societies or with the approval of BoD.
- e) The tenure of BoM shall be co-terminus with the tenure of BoD.
- f) Registrar of Co-operative Societies shall have powers to remove any member of BoM and/or the CEO if the person is found to be not meeting the criteria prescribed in these guidelines or acting in a manner detrimental to the interests of such societies or its depositors or both. The BoD shall seek concurrence from Registrar of Co-operative Societies before removing any member of the BoM/accepting the resignation tendered by any member of the BoM. Registrar of Co-operative Societies shall also have powers to supersede the BoM if the functioning of BoM is found unsatisfactory. After removal of the member of BoM or CEO or supersession of BoM, BoD shall appoint a new member or CEO or constitute a new BoM as the case may be within a period of three months. As an interim arrangement, BoD may carry out the functions of BoM.
- g) Such societies shall make suitable amendments to their bye-laws, with the approval of the General Body and Registrar of Co-operative Societies to provide for constitution of BoM, in addition to the BoD.
- h) The CEO shall be under the general superintendence, direction and control of the BoD and exercise such powers and discharge such functions as may be delegated by the BoD. He/she shall be an ex-officio member of the BoD and also the BoM.

#### 7. Board of Directors resume and term

All Co-operative Credit Societies:

- (a) shall conduct election to the board in accordance with the provisions of Section 66 of the Goa Co-operative Societies Act, 2001.
- (b) shall within six months prior to the expiry of the term of the existing board, intimate the concern authority for holding the elections to the new board of the society.
- (c) shall submit to the concerned authority, 120 days before the date of expiry of the term of the existing board of directors, four copies of the authenticated provisional list of voters.
- (d) the member shall fulfill all the qualifications/criteria laid down under the Co-operative Act and the respective bye-laws of the society for being eligible to contest the election.
- (e) for being eligible to be elected as office bearer, the member shall be below 70 years of age.

#### 7. Registration of e-mail/mobile/whatsapps No.

All Co-operative Societies registered in the State of Goa shall ensure to maintain the database of the mobile numbers/whatsapps numbers/email addresses of all its share holders and provided them

with monthly, quarterly, half yearly and annual reports on their respective mobile numbers/whatsapp numbers/email addresses.

- a) Shall discontinue printing and providing hard copies of annual report.
- b) Shall provide their e-mail address to the registering authority within 3 months for facilitating easy communication.

#### 8. "Fit and proper" criteria for CEO/Managing Director

All Urban Co-operative Credit Societies, V.K.S.S. and Multipurpose Societies having credit counters and having deposits/business turnover below 100.00 crores:

- (a) Shall adopt a fair and transparent recruitment and performance appraisal system.
- (b) Shall appoint CEO/Managing Director with the prior approval of the Registrar of Co-operative Societies.
- (c) The person to be appointed as Chief Executive Officer/Managing Director shall submit at the time of his/her joining a declaration-cum-undertaking in Appendix-I (Copy enclosed) and shall also fulfill the following educational and other criteria:
  - i. Graduate with diploma in co-operative business management or;
  - ii. Chartered/Cost Accountant; or
  - iii. Post graduate in any discipline;
  - iv. Should be between 35 years of age and not beyond the age of 60 years;
  - v. Should have a minimum 5 years of experience in co-operative sector.
- (d) The societies which have already appointed CEO/Managing Director prior to issue of this order, shall submit a proposal to the Registrar of Co-operative Societies within a period of six months mentioning therein the details of CEO/Managing Director such as the name, educational/professional qualifications, experience of service, salary drawn along with the declaration-cum-undertaking from the CEO/Managing Director in Appendix-I, for Ex-post facto approval of such appointment.

It is enjoined upon all the concern societies to scrupulously follow the above directives while managing their financial/Administrative affairs.

This is issued with the approval of the Government.

By order and in the name of the Governor of Goa.

*Arvind B. Khutkar*, Registrar & ex officio Joint Secretary (Co-op. Societies).

Panaji, 06th April, 2021.

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#### Order

No. 50/3/294/Elec/KRCH/SZ/RCS/20/173

Read: Letter No. 18-509-2010/ARSZ/HSG/2524 dated 02-03-2021, received from the Asstt. Registrar of Co-op. Societies, South Zone, Margao-Goa to grant relaxation to Section 60(3) in terms of Section 126A of the Goa Co-operative Societies Act, 2001 to The Kurtarkar Royale Co-operative Housing Society Ltd., Fatorda, Margao-Goa.

In pursuance of the powers vested under Section 126A of the Goa Co-operative Societies Act, 2001, the Government of Goa hereby exempts The Kurtarkar Royale Co-operative Housing Society Ltd., Fatorda, Margao-Goa from the provisions of Section 60(3) of the Goa Co-operative Societies Act, 2001 so as to enable the Kurtarkar Royale Co-operative Housing Societies Ltd., Fatorda, Margao-Goa to constitute its full fledged Board of Directors for the term 2020 to 2025.

The exemption so granted shall be valid for a period of one month or until the five vacant posts of the Board of Directors are duly filled in whichever is earlier.

By order and in the name of the Governor of Goa.

*Arvind B. Khutkar*, Registrar & ex officio Joint Secretary (Co-op. Societies).

Panaji, April, 2021.

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#### Order

No. 3/18/Urban Credit/TS II/NZ/RCS/87

- Read: 1. Circular No. 6-13-81/EST/RCS/Part V dated 06-03-2020.
2. Order No. 48-8-2001-TS-RCS/III/311 dated 21-04-2017.
  3. PUCSS/H.O/O/2020-21/392 dated 04-02-2021.
  4. ARCS/NZ/PLN/Registrar's Nominee/2102 dated 02-03-2021.